

THE MAIN STRENGTHS AND WEAKNESSES OF THE DYNAMIC ROMANIAN MANAGEMENT

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ABSTRACT

The study aims at highlighting the main strengths, respectively weaknesses of management in Romania as a whole and their dynamics in the period 2009 – 2012. Identification and assessment of strengths and weaknesses was based on empirical research using questionnaires administered to representative samples of managers, management specialists, management trainers, researchers and consultants in the years 2009-2012. The paper analyzes the dynamics of the most common managerial strengths and weaknesses during 2009 - 2012, outlined the essence. At the end of the communication there are conclusions and a set of recommendations on priority directions and ways of management development in Romania.

KEYWORDS: *strengths, weaknesses, dynamic management, management performance*

JEL CLASSIFICATION: *L25*

1. INTRODUCTION

Analysis according to the time factor, i.e. dynamic analysis, has always been required in any field of science or practice, including components of socio-economic activities. Well designed and performed dynamic approaches add information and knowledge, and contribute directly and indirectly to achieving superior performances. This statement is also valid for management science and practice.

Although dynamic approaches have been widely used of late in almost all fields, a theory and/or a general methodology of dynamic approaches does not exist. In well-known international publications such as *The Oxford English Dictionary, Global Strategic Management, Managing Services, The Oxford Handbook of Entrepreneurship, Economics, Foundations of Economics, ABCs of RBCs: An Introduction to Dynamic Macroeconomic Models. The Dictionary of American Regional English* a.s.o. the explanations for dynamic, dynamism, dynamic approach, dynamic theory or methodology are very concise, often only briefly mentioning the significance of these elements in some fields or subfields of the engineering.

Thus, in this paper we aim to outline the core elements associated with the dynamic approach of management. In this way, it will be possible to create higher methodological and operational premises so as to conceive of and develop performant dynamic approaches towards management, in its multiple forms. Recently, dynamic approaches towards management have become more necessary than ever before. The main arguments that support this statement are:

- a) **The rhythm of development – including technical, scientific, economic, social, etc. – has greatly increased**, causing rapid changes that are often profound (Schreyoogg and Kliesch-Eberl, 2007; Cummings and Worley, 2008; Roberts, 2010; DeRue and Workman, 2011; Zigurds et al., 2011). It is therefore necessary to conduct an investigation of such phenomena and processes not in a static sense, but in terms of their dynamics, in order to capture and exploit elements of both continuity and discontinuity. Analysis should be multidimensional, so as not to

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miss any component or any significant area of reality, management having a central position within them. Since the major objective of management is to obtain high levels of performance, managerial processes, relationships, mechanisms and performances must be approached in such a way as to give priority to their dynamics, and in correlation with the technical, economic, human, etc., elements within each system –at the mondo, macro, meso, and micro levels (European Commission, 2012).

- b) **There is an understanding, which emerged roughly three to four decades ago, that management quality and performances depend on managers' and management teams' capacities to analyse and use the dynamics of management evolutions and of the systems within which the management is exercised.** As a result, analyses of management processes, relationships and mechanisms are more frequently and more deeply focused on their dynamics. Therefore, it is much easier and faster to track key mutations, to put into practice necessary corrections/improvements and to anticipate/prepare new systems and mechanisms capable of providing support to obtain high performance. An eloquent expression of these needs and evolutions is the strong development in recent decades of innovation, change and strategic management (Bosma et al., 2011).
- c) **There has been a marked accumulation of a large amount of information and knowledge regarding the characteristics and functioning of all economic and social systems, including management systems.** The main contribution in this aspect has been made by the fast development of informatics. Bases and banks of information and knowledge within enterprises, municipalities, sectors, specialty areas, countries, groups of countries, the world, etc. represent real "treasures" from a managerial point of view – and a more general perspective. These achievements make it both necessary and possible to create a comprehensive and detailed dynamic managerial analysis.
- d) **There was a transition to knowledge-based economy, whose main ingredients are building knowledge-based organizations and management structures.** This fact demands the amplification of analyses focusing on the dynamics of all phenomena and processes. Dynamic analysis performed from the perspective of a knowledge-based economy must reflect:
- New elements in management and other areas, and the characteristics of the new economy, since its early stages, in order to assure their development more effective and rapidly
 - Elements of the current socio-economic system that block the development of the knowledge economy, in order to understand how to eliminate them and to accelerate progress toward the new economy.

Management at all levels plays an essential role in the transition towards a knowledge-based organization/economy, and involves dynamic approaches that are oriented towards the future, in order to better use (valorize) new business and social opportunities, especially those connected with strategic knowledge.

The use of the dynamic approach in the management field must consider several **specific features**:

- The nature of management, mainly in a qualitative sense that is determined by its main content, managerial processes and relationships, as performed through people and on people. Management is largely dependent on the human factor, and often in ways that are not quantifiable; this is reflected in the necessity of specific approaches, out of which the most important are the qualitative elements.
- There are strong interdependencies within all systems (country, branch, locality, company, etc.) between managerial elements and technical, financial, commercial, social, scientific and cultural components. As a result, management is very complex, and its actions and effects interfere with those of other fields.
- Management performances are most frequently measured indirectly, by reference to performances within the system managed. Under these circumstances, many other factors are involved that are not controllable or are only partially controlled by management.

Dynamic management approaches must consider all these aspects, taking into consideration that the main purpose of management in any system is to increase its functionality and performances (Nicolescu, Isaic-Maniu, Isaic-Maniu, Nicolescu. & Anghel, 2009).

Based on these factors, we propose in this science communication a dynamic analysis of the main strengths and weaknesses of management in Romania during 2009 - 2012, building on empirical research based on questionnaires, conducted in each of the years under aegis of the Management Academic Society in Romania (SAMRO).

2. RESEARCH METHODOLOGY

Our research is based on the following premises:

- a) managers, management specialists, teachers, management trainers, researchers and consultants are the ones who know best - the "inside" - the content and characteristics of management practices in organizations;
- b) assessments and opinions of management theorists and practitioners are an essential source of information and knowledge for the evaluation of the management practiced in any country.

Based on these premises we have developed the methodology for the investigation of management in 2010, when, under the aegis of the Management Academic Society in Romania (SAMRO) we went to the evaluation of the management's "health" in Romania. The essential component of this methodology was to establish the main elements characterizing the management of Romania and comparing it with the management of the European Union and Central and Eastern Europe.

After consulting the literature (Anghelache, 2010; Svasta, 2010) and based on our analysis (Nicolescu, Verboncu & Profiroiu, 2011; Nicolescu, Verboncu & Profiroiu, 2010; Nicolescu, Borcos & Bără, 2010; Nicolescu, Isaic-Maniu, Isaic-Maniu, Nicolescu. & Anghel, 2009; Nicolescu, Haiduc & Nancu, 2011) we have identified a set of parameters to be examined first. Between them, an important role is held by the instrumental parameters related to strengths, respectively weaknesses of management practices.

In table 1 we present the list of main strengths and in table 2 the list the main weaknesses.

Table 1. List of the main managerial strengths

Rank	Strengths
1	Focus on performance
2	Development of high performant IT programs
3	Decisional and operational use (valorification) of the information
4	Efficiently organisation of the activities
5	Transfer of management know-how to a great extent, from other countries
6	Rigorously controls and evaluations of activities and performance
7	Design and implementation of functional and efficient management systems
8	Development of well-founded strategies and policies
9	Achievement of high incomes and profits
10	Mobilisation of the organization's employees to achieve high performance
11	Management high creativity and innovation
12	Large scale and efficient use of modern management methods and techniques
13	Well balanced coordination of decisions, actions and behaviors of the personnel
14	Strong entrepreneurial initiative and entrepreneurship
15	Managers' working style focused on commitment and effectiveness
16	Intense relationship with the organisation internal and external stakeholders
17	Fast and efficient feed-back to change the business environment
18	Implementation of the efficient marketing actions
19	Intense training activities for employees
20	Focus on the sustainability of the organisation

Table 2. List of the main managerial weaknesses

Rank	Weakness
1	Low capacity to motivate the employees within organisation
2	Not focusing on system priorities
3	Slow and inefficient feed-back to the environment opportunities and threats
4	Inadequate or "de facto" inexistent strategies and policies
5	Insufficient preoccupation with the conversion of knowledge and human resources to business advantage performance
6	Inadequate organization of activities
7	Insufficient management know-how transferred from other countries
8	Implementation of the empirical, non-professionally designed management systems
9	Management decision without strong financial support
10	Low economic performance
11	Inefficient coordination of personnel
12	Deficient communication with superiors and subordinates
13	Low creativity and management innovation
14	Insufficient taking into consideration of the evolutions on the internal and/or international market
15	Low social performance
16	Low focus on employees training
17	Inefficient control – evaluation
18	Insufficient knowledge and use by management of basic economic means such as productivity, price, cash-flow, profit, etc.
19	Low ecological performance
20	Insufficient management use of the modern IT values
21	Neglecting the organisation's internal and external stakeholders
22	Management systems low functionality
23	Low initiative and entrepreneurship
24	Insufficient consideration of the organisational culture

Strengths and weaknesses listed were evaluated by the specialists using questionnaires. Their assessment was conducted for the management of the whole economy, the management of the economic agents, central public administration and local public administration, management training and management consulting.

In this study, we refer only to the strengths and weaknesses of management of the economy as a whole.

In table 3 we present the size and structure of the samples investigated, in the years 2009 to 2012.

Table 3. Samples investigated

Rank	Characteristics	U.M.	2009	2010	2011	2012
1	Total respondents	nr.	711	503	412	239
2	Managers and specialists from enterprises and administration	%	71.5	81.1	76.4	56.9
3	Management teachers, researchers and consultants	%	28.5	18.9	23.6	43.1
4	Male	%	67.45	62.45	63.11	63.10
5	Female	%	33.55	37.55	36.89	36.89

Rank	Characteristics	U.M.	2009	2010	2011	2012
6	Economists	%	12.83	10.92	39.32	48.10
7	Engineers	%	43.13	39.98	12.62	15.19
8	Professors	%	10.00	12.00	32.52	27.85
9	Others	%	34.04	37.10	15.53	8.86
10	Less than 30 years	%	14.01	4.88	23.34	23.34
11	30 – 40 years	%	23.20	23.41	29.28	29.28
12	40 – 50 years	%	30.57	32.54	22.77	22.77
13	50 – 60 years	%	28.94	35.40	18.25	18.25
14	More than 60 years	%	3.28	3.76	6.36	6.36

Questionnaires completed by components of such samples - which for Romania, are representative - have served as a basis for analyzes in this communication.

3. THE EVOLUTION OF THE MAIN MANAGEMENT STRENGTHS

Examination of the dynamics of the strengths and weaknesses of management in Romania takes into consideration not all, but only the most intense five in each of the years 2009 to 2012.

Figures no. 1, 2, 3 and 4 shows that the main strengths in each of the years considered, indicating their intensity.

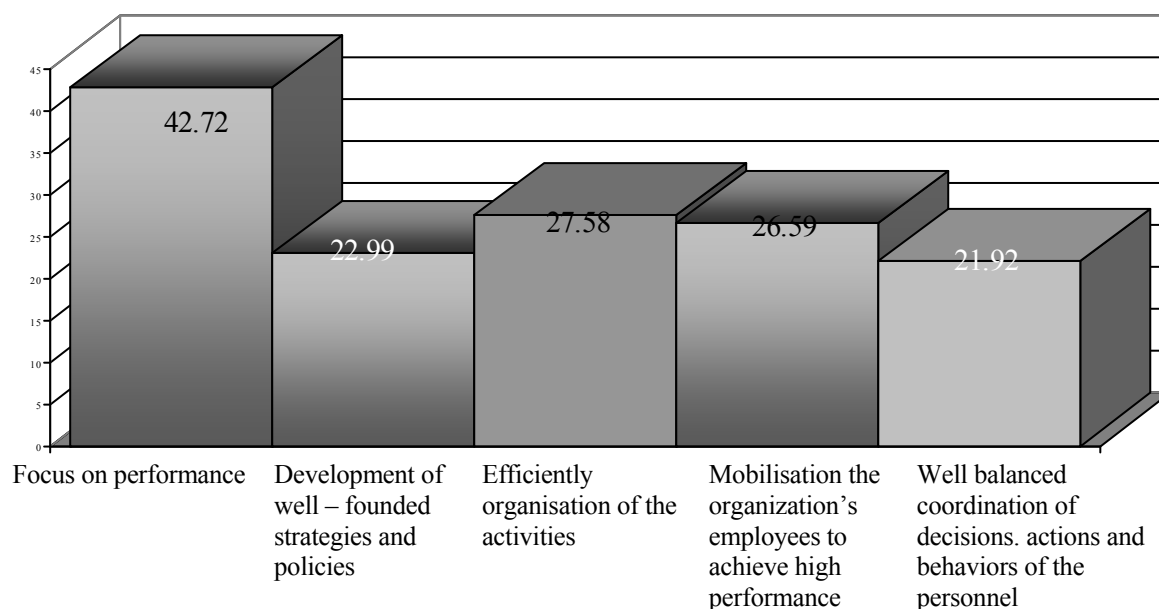


Figure no. 1. The situation of the top five management strengths in Romania in 2009

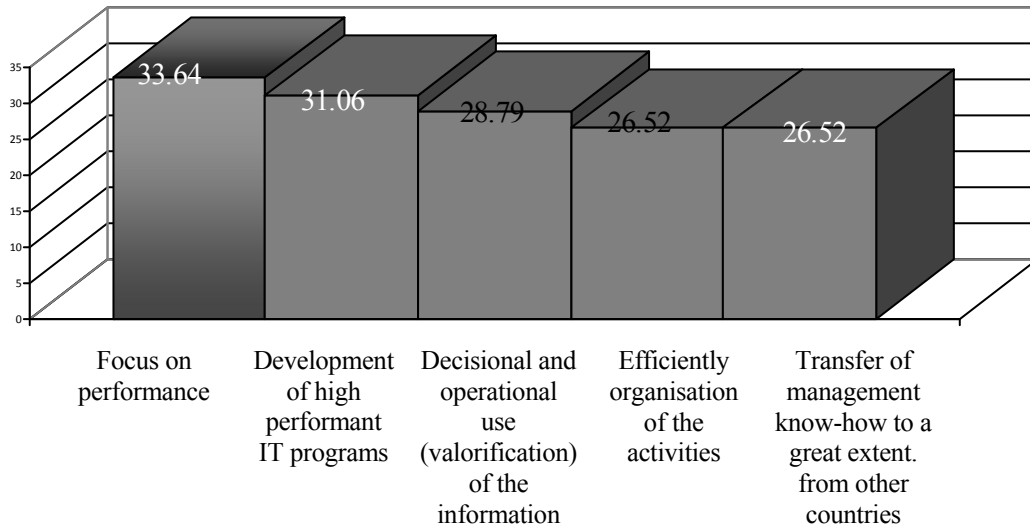


Figure no. 2. The situation of the five main management strengths in Romania in 2010

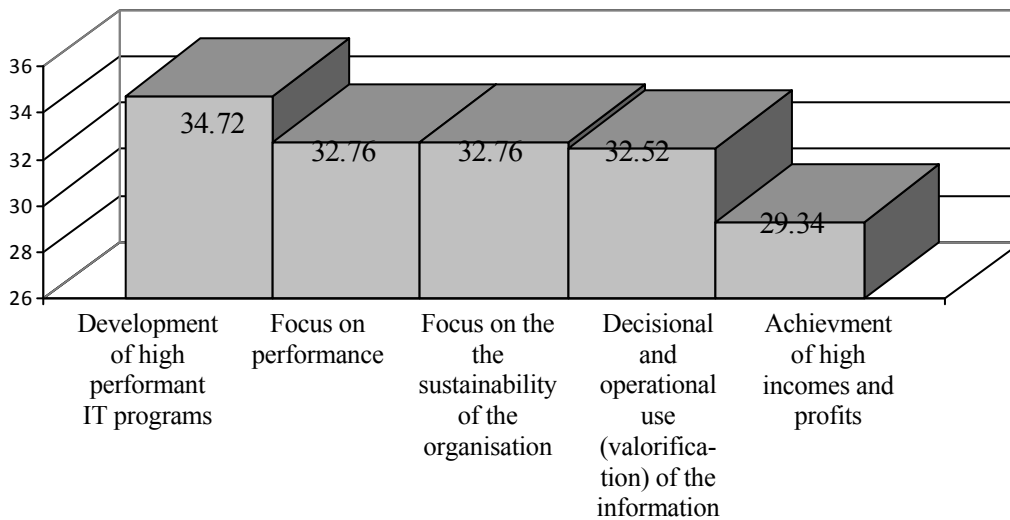


Figure no. 3. The five main strengths of management in Romania in 2011

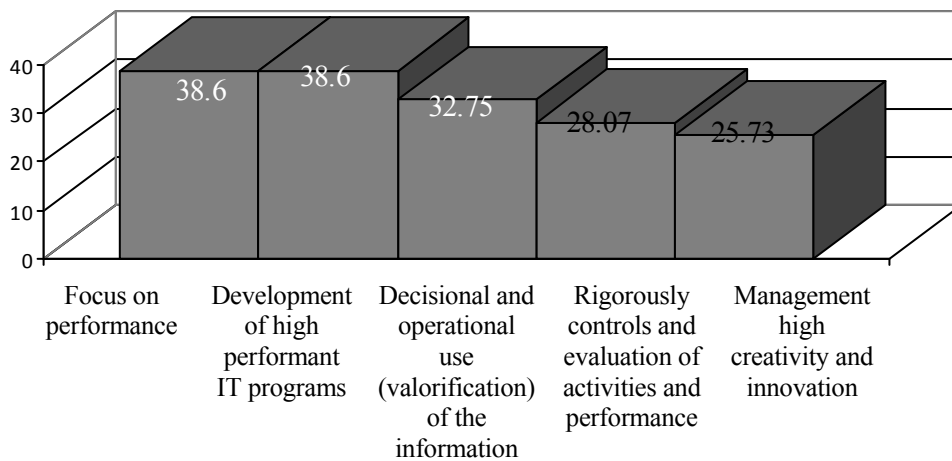


Figure no. 4. The five main strengths of management in Romania in 2012

The examination of the main five strengths dynamics of management in Romania from the years 2009-2012 shows the following key findings:

- the manifestation of a relatively enhanced dynamics at the level of the main strengths over four years. is reflected in the fact that 12 strengths are changing within them - one in each year. two to three years, one for two years and eight in one year
- the focus of management on delivering performance is the only strength that is found in the top five in each of the four years considered;
- development of a performant computer systems and the valuation of the informational and decision-making potential of the information among the top five strengths in three years;
- effectively organisation of activities is found in the top five strengths over two years
- focus on the organisation sustainability, achieving of higher incomes and profits, mobilisation of the organisation's employees to achieve high performances, well balanced coordination of decisions, actions and behaviors of personnel, transfer of management know-how to a great extend from other countries, rigorous controls and evaluations of activities and performance and respectively, management creativity and innovation occur in only one year in the first five strengths of national management;
- intensity of five main strengths in each year varies between fairly wide limits - 7 percents in 2009. 11 percents in 2010. 5 percents in 2011 and 12 percents in 2012;
- focus on performance is the strength that records the most intense manifestation. 42.72% in 2010. decreasing to 32.70% in 2011. but returning to 38.60% in 2012.

Interesting is the average intensity and dynamics of the strengths during the four years shown in figure no. 5.

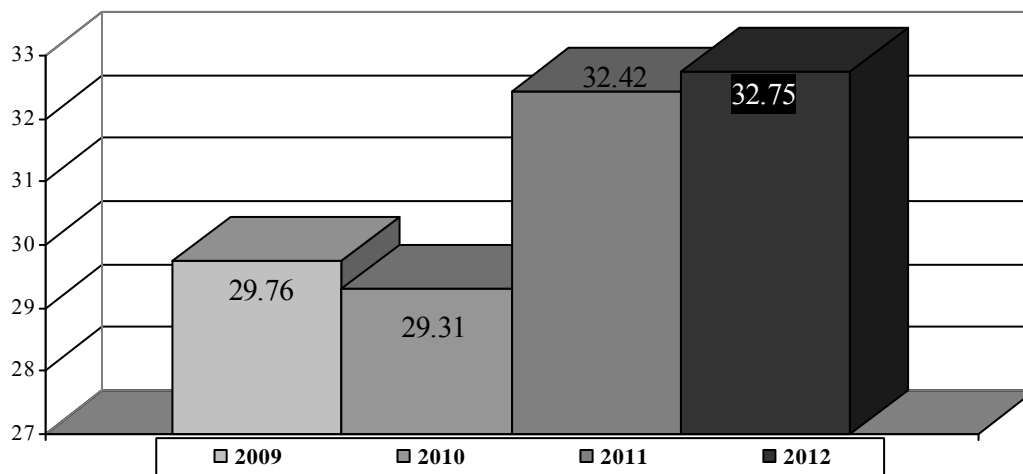


Figure no. 5. The average intensity of the main five strengths in 2009-2012

The conclusion that emerges is obvious. this intensity has a growth trend during interval 2009 to 2012. The one year "syncope" was 2010. the year of maximum economic crisis in Romania. The trend for increased intensity of the first five strengths is positive. as indicated stronger manifestation of elements that generate more functionality and performance in Romanian's national management. Finally, we can say that although there is a considerable fluidity of the main strengths, focus on performance - the primary objective of management - remains a constant in the top five strengths of national management, with percentages in each of over 32%.

4. DYNAMICS OF THE MAIN MANAGEMENT WEAKNESSES

For analysis of management weaknesses at the country level in Romania we use the same approach as for management strengths. The information about the main management weaknesses in the period 2009 - 2012 is in figures no. 6. no. 7. no. 8 and no. 9.

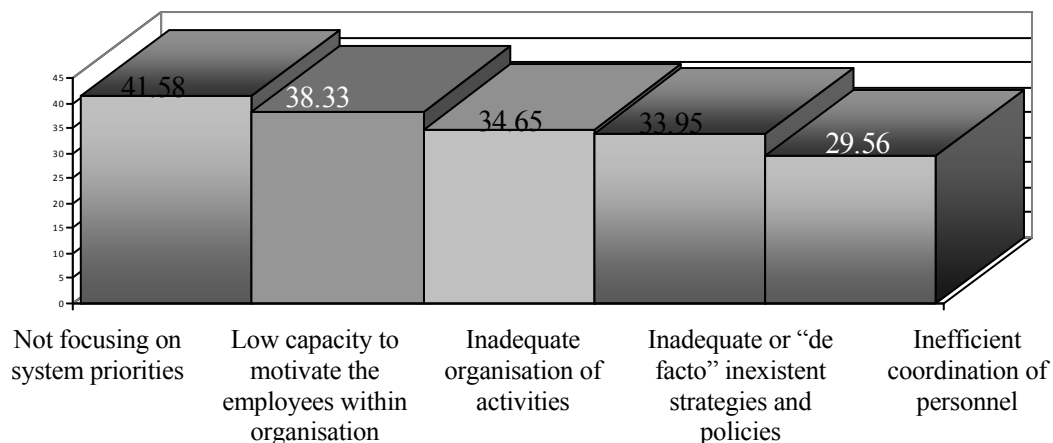


Figure no. 6. The situation of the first five management weaknesses in Romania in 2009

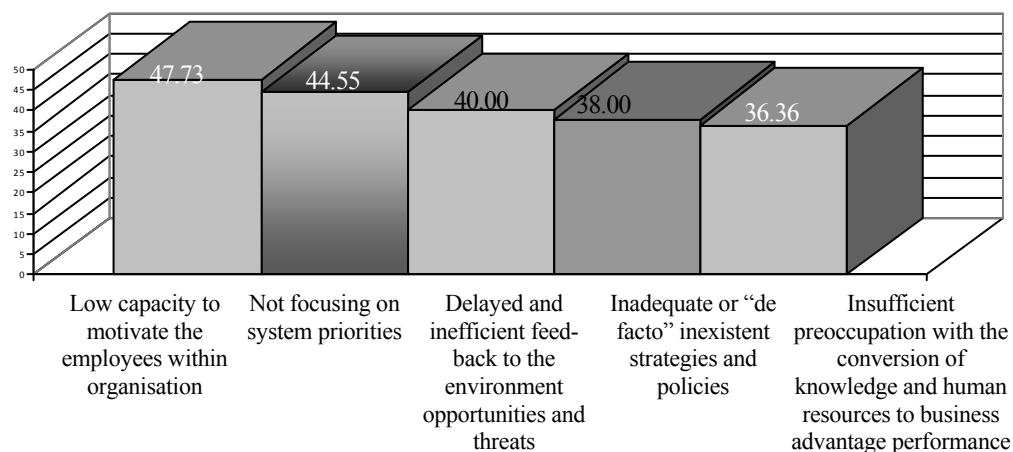


Figure no. 7. The situation of the first five management weaknesses in Romania in 2010

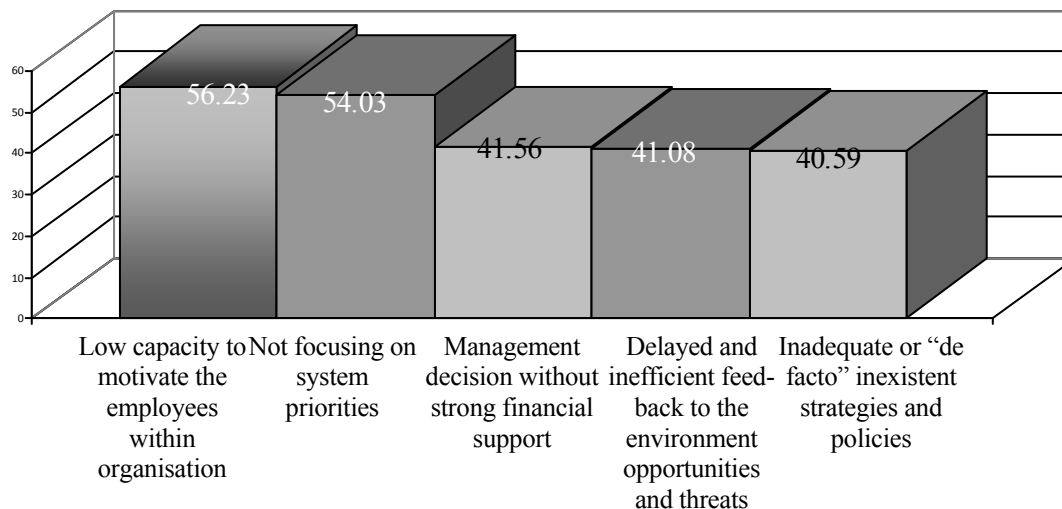


Figure no. 8. The situation of the first five management weaknesses of in Romania in 2011

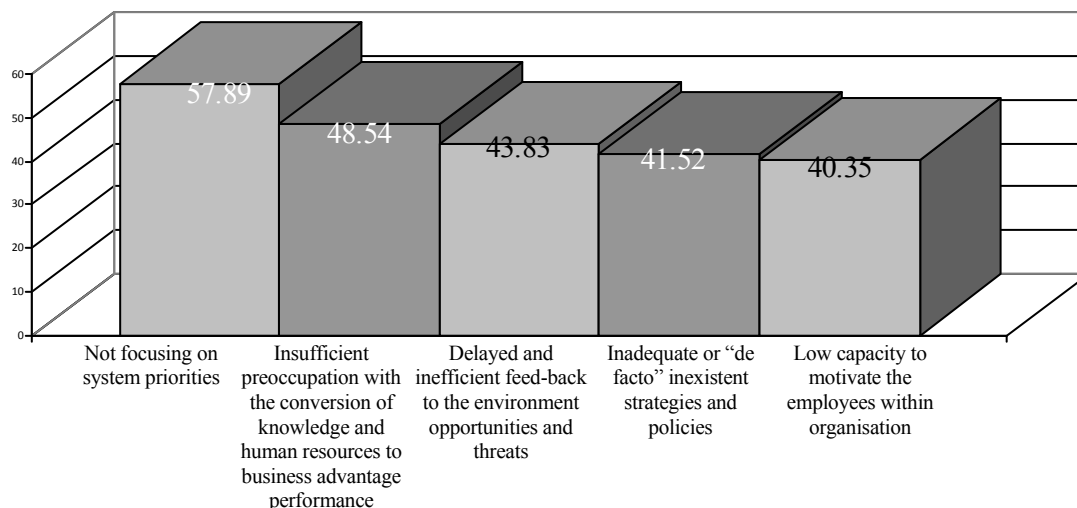


Figure no. 9. The situation first five management weaknesses of in Romania in 2012

Examining the dynamics of five major management weaknesses in the period 2009 - 2012 allows us to formulate the following key findings:

- moderate dynamic manifestation at the level of the five main management weaknesses during the four years, reflected in the fact that although eight weaknesses are changing in the three years running, three weaknesses remain constant throughout the period. and another weak point is found between top five in three years;
- not focusing on priorities, low capacity to motivate the employees and inadequate or "de facto" inexistent strategies and policies are the three weaknesses that are found in each of the four years considered, the first two occupying the position one and two in this hierarchy in three years;
- delayed and inefficient managerial feed-back to the environment opportunities and threats are found among the top five weaknesses in the last three years – 2010, 2011 and 2012. Placing them in this area during these years can only be determined by managers awareness of environmental complexity and usefulness of rapid and effective due to the economic crisis of 2010 - 2012;
- insufficient preoccupation with the conversion of knowledge and human resources to business advantage performance is reflected in two years in the top five weaknesses;
- decisions without strong financial support, inadequate organisation of activities and inefficient coordination of personnel are weaknesses that appear in the top five only once;
- intensity of five main weaknesses event each year ranges from appreciable extent, even with a certain tendency to increase from year to year. Thus, in 2009, the gap was 12 percent in 2010 - nearly 12 percents, and in 2011 - nearly 15 percents in 2012 to over 16 percents;
- manifestation of a trend for increased weaknesses intensity as shown by the figures below:
 - In 2009. the first position - 41.56%. and the fifth position - 29.56%;
 - in 2010. the first position – 47.73%. and the fifth position – 36.36%;
 - in 2011 the first position – 56.23%. and the fifth position – 40.59%;
 - in 2012. the first position – 57.89%. and the fifth position– 40.35%.

The indicator "**the intensity of the five main weaknesses manifestation**" shows that it has a tendency to increase in the four years analyzed, with flattening in the last two years (see figure no. 10).

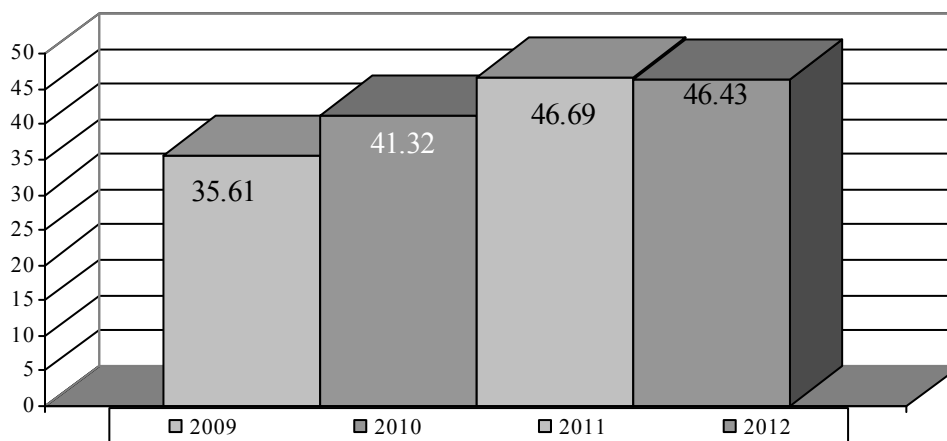


Figure no. 10. The average intensity of five major weaknesses in 2009-2011

As compared to strengths, we can say that the first five weaknesses are more evident both in frequency and intensity, which may indicate the stronger persistence of certain typical deficiencies. The constructive conclusion that can be drawn on the basis of this background is that national management must establish as its priority the counteracting causes which generate management weaknesses that are constant or quasi-constant in the top five - low ability to motivate employees, lack of focus on priorities, poor or non-existent strategy and inefficient feed-back to the environment opportunities and threats.

5. CONCLUSIONS AND RECOMMENDATIONS

The ensemble of strengths and weaknesses dynamics provides a comprehensive characterization of the overall content and characteristics of management in Romania over the past four years. Comparative examination of the frequency and intensity of the main strengths and weaknesses allow us to formulate the following conclusions:

- both the main strengths and main weaknesses relate to the essential elements of management – prevision, organization, motivation and control-evaluation - reflecting the heterogeneous, uneven and often contradictory content of management in Romania as a whole;
- the most valuable elements of Romanian management during the period 2009 - 2012 refers to focusing on achieving performance, the development of modern computer systems, the informational and decision-making potential of information and more effective organization of activities. They indicate, as expected, the finality of the management to achieve performance that is mainly supported by the informatics and informational support and - to a lesser extent – by the effective organization;
- the most deficient elements of management in Romania during 2009 - 2012 – which refers to focusing on system priorities, low ability to motivate employees, inadequate strategies and inefficient management feed-back to the environment opportunities and threats - are decisional and deal mainly with prevision and motivation functions;
- the management weaknesses in Romania are much stronger than the management strengths. This situation results from the narrower range set five main weaknesses in 2009 - 2012 (eight) comparative with the main strengths (twelve) and from their higher intensity comparative with the management strengths. The average intensity of the main weaknesses in 2009 - 2012 compared to the average intensity of the main strengths is higher by 35%;
- the stronger intensity of the management weaknesses compared to the management strengths is reflected in the low of capacity management in Romania to face the economic crisis and its economic and social consequences.

Romania's overall economic performance of this period are in consensus with management evolution, as shown in figure no. 11.

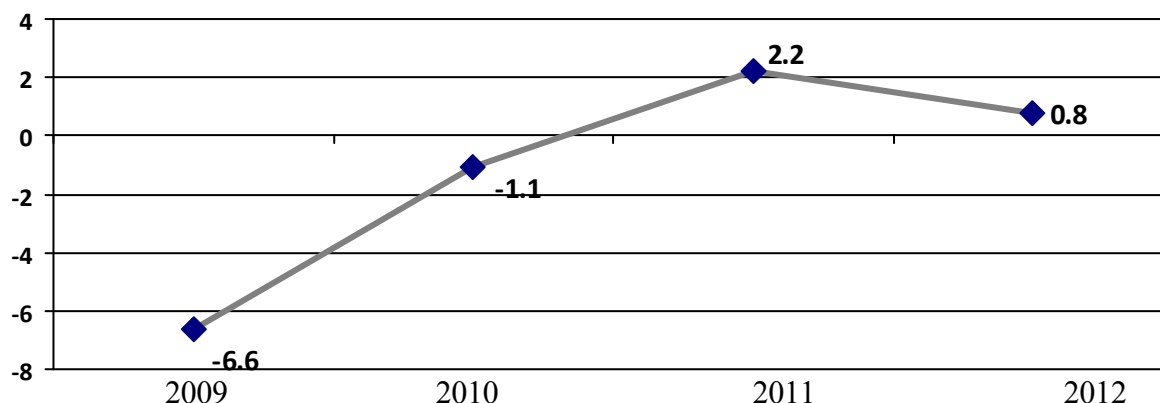


Figure no. 11. Evolution of the annual GDP of Romania during 2009 - 2012

Based on these, in the end we make several recommendations on directions and ways of action to enhance the management functionality and performance in Romania in a long-term vision:

- Placing in the management center of valuable vision and approach predominantly by strategic helping in setting the realistic and mobilizing priorities at national level;
- Designing and implementing rigorous operational management systems at all levels of the economy – national, sectoral, regional, county, municipalities and businesses;
- Creating a predictable, functional and friendly environment business for enterprises, especially SMEs;
- Connecting the strategic social and economic planning to state budget planning;
- Stimulation of entrepreneurial culture and initiative;
- Enhancing transfer of economic and managerial international know-how and of the best practice from European Union in Romania;
- Intensive and continuous use at national level, at all levels and in all organizations of the systems, methods, techniques provided by management science;
- Identification, transfer and adaptation of specific models, methods and techniques provided by knowledge management in the national economy;
- Stimulating performant regional development;
- Increasing national and international visibility of Romanian management as a vector of economic, social and political development

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