

## ORGANIZATIONAL MANAGEMENT DEVELOPMENT

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**Abstract:** Management as a process seeks the accomplishment of certain objectives (goals) making use of resources: people, materials, land, and time. Resources are considered to be inputs (entries) to the process and the objectives are considered to be outputs (final products), the success of a good leadership (management) being seen as the ratio of outputs and inputs which reveals the organizations productivity. Managers are people which – using a series of laws, principles, methods etc... in accordance with individual ability – administer the process towards the accomplishment of the targeted goals. Throughout the different hierarchical levels of an organization the personnel is involved, more or less, with the process of management.

In conclusion, management can be seen as “the personnel” which wanting a “career” in the field must study “the discipline of management” to be able to practice it in the “process of management”. It is the process which implies that one or more people should coordinate the activity of other people, to obtain results, which cannot be attained by any other person operating alone.

Management cannot be unilateral, it cannot know technical as well as economical problems, it must concentrate only on the theoretic or only on the practical. Its basic characteristic must be its capacity to correlate and integrate all this information.

If the firm is successful, the manager tends to expand his activities and obtain as many new markets as possible. His job becomes so complex that he cannot do it alone. He can choose to distribute his duties of subordinate supervision to other managers (production, marketing...). The structure can become more complex where vertical and horizontal hierarchical relationships can be encountered.

Management as a process seeks the accomplishment of some objectives (goals) using resource: human, materials, spaces and time. Resources are considered inputs (entries) in the process and the objectives outputs (exits), the success of a good leadership (management) is proven by the comparison of inputs and outputs which indicate the productivity of the organization. Managers are people which – using a series of laws, principles, methods etc, according to their personal abilities – lead the process to the accomplishment of the preset goals. On different hierarchical levels of an organization the personnel is involved, more or less in the management of the process.

In conclusion, management can be seen as „the personnel” which wanting to make a „career” for themselves in the field must study the „discipline of management” in order to implement it „in the process of management”. It is the process that implies that one or more people coordinate the activity of other people, to obtain results, which cannot be obtained by no other person working alone.

The manager is considered to be the man of the new needs of society’s development, by choosing a profession with a high degree of knowledge and experience, whose gathering implies a long and complex process of forming and perfecting.

The manager cannot be unilateral, he cannot know only some problems technical or economical, to be limited only to theoretical or practical approaches. His basic trait must be his capacity to correlate and integrate all this knowledge.

The „manager's philosophy" cannot consist only of searching for the absolute and eternal truth; the manager's decision, although fundamental and elaborate is applicable in a determined place and time. The manager is pressed for time and the elaboration of an excessively rigorous model and excessively exact modelling requires time. As a consequence, the manager works with simplified models and optimal solutions.

For many years managers have considered that taking a decision is purely a matter of art, a talent that is developed based on experience. This interpretation has appeared because different styles in understanding managerial processes were used which called for creativity, developing intuition, judgement and experience without any regard for an analytical and systematic approach.

Absolutely, without any exaggeration, management can be set aside any „art" – seen in a broader way (medical diagnosis, surgery), being situated in a permanent struggle to use and apply solid scientific knowledge in the context of decoding reality by a matrix of needs and wants which he models continuously by the make and resemblance of man.

Analysing the evolution of different firms which were organized by using different structures: a manager with some subordinates, a team of managers with some subordinates. Developing different types of managers was done as a result of this evolution. In this case, the manager assumes all the functions of management.

If the firm is successful, the manager tends to extend his array of activities and to obtain more markets. His work becomes so complex that he cannot do it all alone. He can choose the option of giving a part of his tasks of subordinate supervision to other production managers, marketing managers etc. The structure can become more complex when there exist vertical and horizontal relationships between managers. From the point of view of position occupied in the leadership hierarchy, there exist 3 categories of managers: front-line managers who coordinate the work of some employees but is not an actual manager; level two managers are known as department managers, operational managers etc who plan, organize, command and control the activity of other managers, but are also the subordinates of other managers; at level 3 we can encounter few examples, it includes the president of the firm, the vice-presidents, which are responsible for the performance of the whole organization and answer to the owners.

In the case of horizontal specialization, the functional manager is responsible for a certain activity such as: production, research and development, marketing, finance, personnel. The function shows what kind of activity a manager is undertaking as a result of horizontal specialization of the managerial process, and the level indicated the right of a manager to serve and utilize resources which he has, within some limitations, as a result of vertical specialization of the managerial process. A manager can be situated on the first level of production while another can be on a middle finance level. Managers on different hierarchical levels are implicated in different managerial functions.

As such they have different roles. A study done by Henry Mintzberg tells of 10 managerial roles, which he divides in 3 categories tightly linked one to another:

- interpersonal roles – representation roles; leadership role; and liaison role
- informational roles – monitor role; disseminator role; and "public relation" speaker.
- decisional roles – entrepreneur role; stabilizer role; distributor role; negotiator role

Managerial functions are identified with those of the managerial process as: planning, organization, command, coordination and control.

Running the firm as a technical-productive system requires a framework of relationships which are set between different subsystems. This framework is created with the help of an organizational structure. Any organizational structure is a hierarchy, set apart from others by different criteria: the product criterion; the functional criterion; the geographical criterion; the numerical criterion.

Modern society is a sum of organizations. Almost all aspects of human existence are regulated, assisted, or facilitated by an organization or another. Almost all people are part of the structure or processes of a type of organization, be it family, school, government, church, business, firm or club.

According to a simple definition, an organization is the combination and utilization of resources – human, financial and material – with the purpose of achieving certain goals. All organizations include in one shape or another some own objectives, power and authority distribution, expectations regarding functions and duties, channels of communication and certain methods of assuring they meet their goals. The universal nature of organizations has made it so they are the subject of conversation as well as the subject of jokes and mean stories. On the other side, of some organizations is said to be in „tip top shape”, while in some employees are complaining they are treated like cattle, and that individuals are lost in the great bureaucracy. The ambivalence regarding organizations is a key aspect for those in leadership roles, which must determine if the organization which they belong to is their „slave” or their „master”.

To better understand the functions of organization, it is important that the organization to be perceived as an „open system”, what implies that the organization to be in a permanent dynamic interaction with the environment (W. Dyer).

Most research and theory regarding organizations are based on a model of the closed system. For didactic reasons, the organization is looked at as being composed of its physical operative structures and its existing organization. For example, an automobile plant is seen as a number of workers who make cars in a certain location. If the results are diminished or restricted, diagnosing the problem and correcting the situation take place within the boundaries of the plant.

When an organization is seen and a system, it is considered as a functional unity formed by the sum of its integrated parts which allow the unit to function/operate in order to meet their objectives (F. Baker; F.E. Kast and J.E. Rosenweig). An analogy often used is that of comparing the organizational system with the human body. The body is made of a series of parts or integrated subsystems, which all must be interdependent in order to allow the individual to function. As such, the nervous system, the endocrine system, the respiratory system and the cardiovascular system are combined in a harmonious way to give birth to the total human system. Each subsystem can be examined individually or complementary with the other subsystems. When a person is ill, a process of diagnosing is used to identify the subsystem which doesn't work in order to apply any treatment. In an organization these subsystems include the social system, the technical system, the operational system and the administrative system. In almost all organizations these basic subsystems exist and interact in one way or another.

Each organization has its own social universe which is continuously dynamic, and is made up of people set in different roles but who interact – by speaking, arguing, helping each other, taking decisions together, solving problems and working in a way or another, trying to accomplish some of the organizations goals and to satisfy some of their personal needs. Each social subsystem has some essential components: *climate, communicational network, its status-role structure, managerial typeset, decision appraisal method, individuals.*

Each organization is implementing its own method to achieve its work tasks. The technical/operational system represents the unique positioning of the equipment, materials, people and processes used to carry on tasks. An operational industrial system often encountered is the assembly line, in which workers are arranged along a conveyor belt of some sort, and the good which must be assembled passes in front of them, each doing a certain alteration to it. The operational system can be modified with: equipment change; utilization of different raw materials; different arrangement of personnel; switching the work tasks.

It is evident that the social system is integrally tied to the technical one, because human positioning determines how people communicate with one another. The tasks and work flow influence the managerial typesets used and very likely the way in which decisions are taken. The tie between the social system and the technical one has led to the appearance of the *socio-technical system*.

However, some elements of the technical system are separate of the social system and can be influenced distinctly although a series of influences on the social system can be observed. The technical system can be changed/alterred in any organization. A universal technical system implies the existence of a professor on podium in a lecture theatre speaking to students. If the students are arranged circularly while the professor is set in the middle it is to be expected that the teaching process to be changed. The professor can continue to dominate the situation, controlling the social system. In order for the changes to set in the social system as well as the technical system must be changed. The professor will find changing the teaching method impossible in the situation where there are no technical changes.

Tightly connected to the socio-technical system is a network of policies, procedures, verifications, briefings and formal structures which represent the administrative system. Each organization is creating certain formalized procedures to establish standards, rules and regulations which influence how processes in the social and technical system are carried on.

In order to determine why people had problems – why they were punished or rejected – it was necessary to analyse the belief system and of the norms which influenced their behaviour; in this manor there have been identified the 4 elements of organizational culture – artefacts, perspectives, values and assumptions (W.F.Dyer Jr.).

After establishing the framework for understanding the elements which make up an organization, there must be taken into account the factors that make a organization efficient or not.

A powerful culture – a set of shared values, norms and convictions that unify a company and directs everybody towards the same goal – is often met in companies that are very efficient. Creating a strong culture implies the solving of a dilemma: while having a uniform workforce allows the organization to work efficiently, individual manipulation and the loss of individuality is in opposition to social values. In this situation, in what way can companies transmit their values to new employees without alienating them?

Research from the strong companies that have achieved this has led to the conclusion that new employees go through 7 steps of socialization:

- step one – the candidate has to undergo a sufficiently rigorous process as such that he is given the impression he does not want to have the job. The goal of this exercise is that, in the situation in which his system of values does not coincide with that of his companies, the candidate will exclude himself;
- step two – his company has all recruits try experiences that will induce humility and make them question their behaviour, convictions, and previous values. This step is trying

to make the recruits more open to the rules and values of the organization, making them to uncomfortable;

- step three – recruits are sent to work in the fields that will assure the strengthening of their orientation towards solving problems and fundament the concepts learned in their training program. It is expected that they master one of the essential aspects of the companies business, and their promotion is tied to the success in this.
- step four – the results are evaluated at each step and are given rewards according to their performance. The system of measuring of the performance are well fundamental and are easy to understand, being orientated to the aspects of the business which allow the perpetuation of essential values of the company and its computational success.
- step five – the company continuously promotes the idea of adherence to its essential values, which is more important than the daily pressure of „making money“. Adherence to such values allows the recruits to more easily make sacrifices that their career requires.
- step six – the company makes reference to important events from its past which reaffirm the importance and validity of the companies culture;
- step seven – the company supplies the recruit's examples to follow which reaffirm the essential values.

While the majority of companies follow one or more of the steps which lead to the creation of a solid and lasting culture, being perseverant in all the seven steps separates the firms with powerful cultures from other companies. When a company enforces a powerful set of values shared by all its members, these values receive the status of law and help to clarify any ambiguity in the formal set of rules, politics and procedures, which allow the leadership to carry on its activity.

The lack of a powerful culture can have on opposite side effect. Some fear that a powerful culture can lead to a decrease in individuality and a loss of freedom. The Majority of firms with powerful cultures try to protect themselves from the risk of becoming to preoccupied with what is happening in their interior, losing focus from the need to adapt to external changes, through orienting at least one of its aspects of its culture to the external context. Usually this takes the shape of an obsession to one aspect of market performance, for example, in the case of IBM the quality of its customer service, and in the case of McDonalds's quality control.

In order to divide the organization in groups or work units, we must take into account the fact that grouping people must be done such as to assure communication, coordination and cooperation between people and sharing some objectives and common resources.

**The organizational** structure is integrated in a unitary set of human elements, compartments, relationships and schemes. **A business has more than one structure**, respectively: the structure of the compartments; the structure of the goods and types of goods; the structure of the production process; the structure of the current or non-current assets; personnel structure; management distribution structure; the structure of the informational system etc.

The compartments which conceptually identify the organizational structure are gathered in the organizations organigramm.

The organigramm is a formal schematical representation of the structure of the firm and gives an exact image of the division of labour and indicates what jobs exist, how they are grouped in compartments and sectors and how information flows through them.

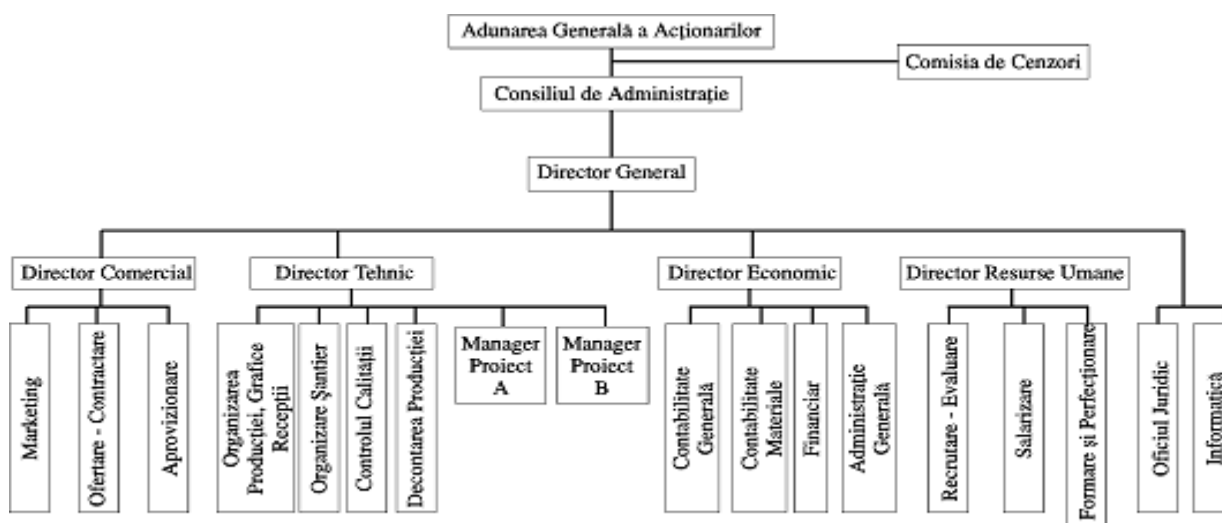
The formalization of the company's organization requires the elaboration of two tasks necessary to the normal activity of the personnel:

1. The **Rules of organization and functioning**, which is comprised of: fates; objectives; employee duties; duties of the management; functional compartment duties etc.
2. **Job Description**. The job is the basic element of any organizational structure. The job determines the objectives, duties, abilities and responsibilities of each employee. The duties have a **formal** nature (established by using a hierarchy) and a **functional** nature (professional). In defining a job an important role is played by the setting up correctly of responsibilities of the employee.

The specialist literature indicated the following methods of group formation (H. Minyberg):

1. *Grouping by knowledge and ability*. Most universities are organizations by disciplinary fields. University functions are differentiated by the level of knowledge (from research fellows to university professors). Another type of organization grouped in such a fashion is hospitals.
2. *Grouping by work process and functions (Functional Organization)*. Most organizations which have a production process are organized in such a manner. A number of people are implicated in production, others in research and development, others in sales and marketing, others in finance and accounting, and others in human resource management.
3. Grouping according to time. In some cases people are organized according to the time period in which they work (shifts). This method of grouping can be used in correlation with work processes and function.
4. Grouping by product and result. Units are made according to the type of good or service which is going to be made.
5. Grouping according to location. This usually means that units are made according to the geographical area in which they located.

In some cases in an organization can appear more types of grouping. Grouping must determine a tight interdependence between the fluxes of work and processes; people work easier and faster if they are grouped. Sometimes grouping can lead to social interactions and better communication, especially when people must work together.



– *The Hierarchical-functional Organigramm* –

Whatever the type of grouping of an organization, it is important to establish the viability of each individual job by job description. Job description must indicate the duties, objectives and responsibilities that the job implies, the abilities implied for filling the job and the relationships of the job with the other jobs. Once the jobs are established, it is important to determine if the job is simple (with as few tasks as possible) or if it should be more complex. The current tendency in job development is to enlarge and enrich the job.

The essential factors of job development in an organization are:

**Individual tasks.** The basic unit in every organization is the individual task. Tasks are determined after an analysis of the functions necessary to efficiently carry on the activities of the business. A task is usually completed by an individual but in some organization they are seen as the responsibility of a team.

In traditional organizations the individual tasks are done by individuals who form a team, a section or a department.

**Departments.** As an organization develops, individual tasks are grouped in subunits or departments. Establishing the number of departments is an important organizational duty.

There exist organizations in which structures with a temporary character can become a rule in the structure of the business. It is the case when the organization is based on projects. Project teams are constituted and work only during the project development. Still, in some cases, experience gained as such leads to using a team in future such projects. It is the case of construction activities, research and development, consultancy etc. in which project based work is very common.

Projects are "businesses" with a limited duration which aim to accomplish a good or service with a unique character, they completing doing some unstandardized activities with predetermined time completion, budget and quality restrictions.

**Job enrichment.** One of the methods of organization redevelopment is the restructuring of individual tasks as to assure people complete their tasks and not only partially finish them. This remodelling of the job is called *job enrichment* and its importance was shown by Frederik Herzberg. He held that people are demotivated when they feel their work doesn't offer them opportunities for self development, gives them little recognition and they feel that their are not having an important enough role. The method through which motivation can be increased is by restructuring their core tasks.

Increasing motivation can be done when the tasks are combined in such a way as to make workers feel they are doing something important and when they bring a real contribution to the success of the organization. Workers feel more satisfied when a task is completed, which also brings the feeling of learning something new. All these signify job enrichment – more autonomy, variety and the chance to develop interpersonal contacts.

**Job enlargement.** An approach to job enrichment is job enlargement, which can represent the growth of the quantity of the tasks given. A job can be enlarged without being enriched. For example, a person who deals with maintenance can suffer a job enrichment which consists of having to look after six offices instead of four. This will make him to plan his time better and to do more for the company for the same pay. This does not lead to personal or professional development but can be effective in the situation in which a person is bored due to the lack of work.

Another method of remodelling an organization is the decentralization through moving the authority and responsibility to the base of the organization in order to bring closer the activities undertaken by the decisions makers to be closer to the operational levels.

As a company grows, certain functions or duties can still be attributed to the top management but a decision must be taken regarding the number of activities which should be decentralized and the number of activities which should not.

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