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STUDY REGARDING THE MODERN MANAGEMENT SYSTEMS, METHODS AND TECHNIQUES

FURDUESCU BOGDAN - ALEXANDRU *

Summary: *In this article, I point out that the management systems, methods and techniques are the actual ways used to solve the problems arising from the management functions and which trigger the component activities of the organization functions. The classification of the management systems, methods and techniques includes all the activities by which the structural framework appropriate to the profile and tasks from farms is performed and the activities that ensure the normal work processes. The adoption of modern management systems, methods and techniques, allowing the involvement of execution personnel in managerial act without breaking the authority principles and the innovation promoting, can influence the management style, imparting a democratic character, beneficial to the performance of a farm.*

Keywords: *systems, methods, techniques, modern management, farm.*

INTRODUCTION

The farm management revolves around the activities to be accomplished in a given period and includes the actions that transmit to the execution personnel their tasks and responsibilities. Henry Fayol has established five management functions which, by their content, are also valid in present, namely: forecasting, organization, command, coordination and control. He made the distinction between the official authority, obtained as a result of the position occupied by the manager and the personal authority, whose components are: intellect, experience, moral qualities, ability to be a leader, previous merits etc. [10]. On the other hand, Peter Ferdinand Drucker points out that *the management is achieved largely through examples, claiming that the effectiveness can be learned and must be learned* [3].

The criterion on which the classification of the management systems is based is to group them on management leadership positions, so they can be differentiated as follows:

- *General management systems*, which cover the entire process management or more management positions. A management system is an ordered set of elements characterized by interconnection and interaction, able to achieve, under the action of various stimuli, an objective with certain performance [2].
- *Specific management methods and techniques* aimed, mainly, only a function of leadership. In managerial practice, the managerial method is hardly delimited from the managerial technique, the difference being made only by the fact that the latter *has a simpler construction, through which a specific management task is performed, its impact being limited to the level of a manager* [9].

MATERIAL AND METHODS

The material included in this article was developed through a study on the theoretical aspects that underpin the company management.

The methodology of developing this article envisages a comprehensive analysis of studies and theoretical aspects that underpin the modern management.

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RESULTS AND DISSCUTIONS

The organization of the farms is not easy, because the execution personnel must carry out a complete set of tasks specific to the concerned productive-economic activity. The organigram is more or less clear, but due to schematization of objectives and lines of action order, delegation of responsibility, competence, authority and current task workload, the results are variable. Regardless of his / hers field of practice, a good manager has the capacity necessary to sense that he / she can not solve alone all the problems, but he / she can efficiently handle priorities destined to provide flexibility to the challenges and the changes with which any organization is facing.

1. GENERAL MANAGEMENT SYSTEMS

In theory, the most widespread modern management systems used in exercising the management processes at farm level are: *System for Management by Objectives (SMO)*, *System for Management by Exceptions (SME)*, *System for Management by Product (SMP)*, *System for Management by Budget (SMB)*, *System for Participative Management (SPM)* and *Information System for Management (ISM)*.

The System for Management by Objectives (SMO) is defined through a management system based on setting goals up to the execution personnel, who directly participate in their preparation and - through the close correlation of rewards and penalties - at their preset realization level [4] and consists of performing the following main steps: *determining the basic objectives of the farms, setting the derivate, specific and individual goals, development of action plans, deadline timetables, budgets and management method list, adequate adaptation of subsystems (decision-making, organizational and informational) to requirements for achieving objectives, coordinating and tracking of achievements, evaluation of achievements and rewarding the execution personnel* [9].

In Peter Ferdinand Drucker's vision, the modern management father, as shown in Fig. 1, SMO is viewed as a system which allows to increase the performance by focusing on results and not on the work itself, ensuring reducing and aligning the company goals with the individual objectives of the managers from different levels within the organization.

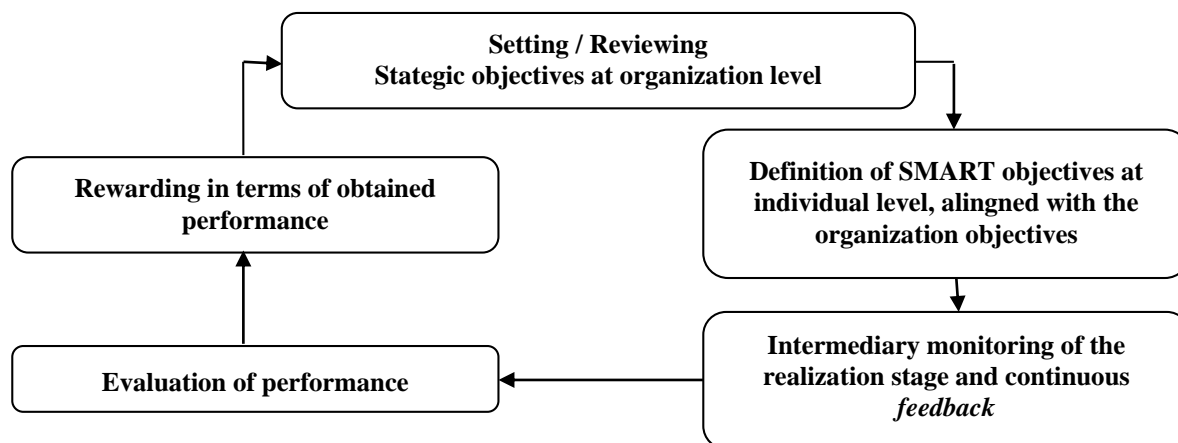


Fig. no. 1 – SMO process steps adapted after P. Drucker, The Practice of Management, Harper & Row, New York, 1954 [5]

Among the positive effects of **SMO**, we can mention:

- increase of the realism of farm objectives and of its components;
- high level of motivation of the execution personnel to achieve objectives;
- development of a creativity climate, extremely important in the transition to a market economy;
- improvement of use of manager working time, due to the decrease of supervisory and control tasks, thanks to self-control promoting;
- consolidation of responsibilities for achieving objectives both for managers and execution

personnel;

- strong correlation between wage level and obtained results;
- promoting of cooperation and collaboration, initiative and innovation;
- contribution to strengthening the discipline and increasing the responsibility in farms;
- development of the dynamics in actions and the skill to be flexible.

Among the disadvantages of **SMO**, we can mention:

- slow change in mentality and behavior of the execution personnel on accountability;
- difficulty in setting individual targets for all kinds of positions.

The System for Management by Exceptions (SME) is the method by which the manager deals only with problems that require his / hers intervention, being absolved of details incumbent on the subordinates. The steps for SME implementation are: *setting the level of results to be achieved, fulfilling activities, analysis of deviations from the established levels and achievement of the levels initially set.*

The benefits of implementing **SME** reside in savings in costs and managers' time, with beneficial effects in increasing the organization profit. The disadvantages consist in failure to transmit significant information on the violations and / or obsolescence of the set tolerances [7].

The System for Management by Product (SMP) is characterized by assigning the main leadership tasks and responsibilities on the implementation and marketing of products or group of concerned products to other manager with responsibilities in decision adoption and operationalization of the actions to maintain and increase competitiveness.

The steps for implementing **SMP** are: *establishment of products or group of concerned products forming the system objective, designation of head for products or groups of products who will ensure the system management, development by the head for products or groups of products of the strategic alternatives in obtaining and marketing of managed products or groups, and regular evaluation of production and marketing of the product - subject to the system.*

The positive effects of **SMP** are:

- ensuring the unitary coordination of technical and economic processes for manufacturing the considered products or group of products;
- pronounced orientation on the concerned product or group of products for renewal and / or adaptation to market requirements;
- improvement of quality of concerned products or group of products, improvement of technologies and diminution of production costs, leading to increased prestige of the farms.

The limitations of **SMP** are not only the difficulty of ensuring sufficient system autonomy, but also the emergence of synchronization mismatches in the system management and conflict situations between the leaders of the products or groups of products.

The System for Management by Budget (SMB) is a management system which consists essentially in substantiating the costs needed for achieving each objective of the organization and systematic tracking of fitness of effective expenditures into the planned cost level [15].

The implementation of **SMB** is based on the following principles: the active participation of execution personnel and managers in budgeting and implementation of the budget system, setting of realistic objectives and economic and financial regulations, implementation of the structure and the budget administration in the management process.

The advantages of **SMB** may be:

- permission to exercise a permanent control of financial resources and thus of all resources;
- facilitation of corrective actions making on constant deviations, on the basis of rigorous evaluation and location thereof;
- allowance of objective evaluation of execution personnel in terms of the degree of the objective fulfillment, the fitness in the set budget and the fitness in the planned costs.

The disadvantages of **SMB** are:

- the lack of conjugation of the budget system with a complex motivational system for the execution personnel to achieve budgetary savings;

- big workload for completing the forms used in the method application;
- low efficiency due to long informational circuits.

The System for Participatory Management (SPM) is dedicated to exercise the management processes by involving a larger number of performers and is based on attracting the personnel in the management process in order to increase the economic efficiency.

SPM can be *advisory* (based on consultation with the execution personnel to solve some decision problems) and *deliberative* (based on the group decision adoption).

The specific objectives of **SMP** are: *enhancement of the collective creative thinking, of the capacity of all employees and their motivation to contribute to all activities (from high level to primary level personnel), improvement of the process of goal setting and decision making, broadening the knowledge of all employees not only in their specialization, but also for areas related to the real work of leadership, raising the quality of work reflected in individual and collective performance, creating a climate for promoting joint action, cooperation, increasing the integration of individuals in work collective.*

The advantages of **SMP** are focused on:

- raising the levels of general informing and decision substantiation as a result of the involvement of execution personnel in the decision-making processes;
- amplification of execution personnel involvement in setting and achieving of the goals;
- asage of the execution personnel at a higher level of professional and managerial potential.

The disadvantages **SMP** consist of:

- high percentage of time for subordinate consultation and participation in the meetings of participative management;
- diminution of the efficiency for solving some problems;
- amplification of costs related to the preparation of meetings, reproduction of materials, and transportation of the members of participatory bodies [8].

The Information System for Management (ISM) is a combination of human and computer resources aimed at collecting, storing, organizing, calling, communication, distribution and use of data and information, used by the managers in the management performance in order to achieve an efficient management. For the data and information can efficiently serve the decision-making process and be processed using the ISM, the following quality criteria must be met: *timeliness, clarity, completeness, conciseness, reliability and relevance of information* [18].

The specific objectives of **ISM** are: informing the managers on processes and economic activities from farms, timely access to information, monitoring the performance and highlighting the aspects that hide potential problems or crises.

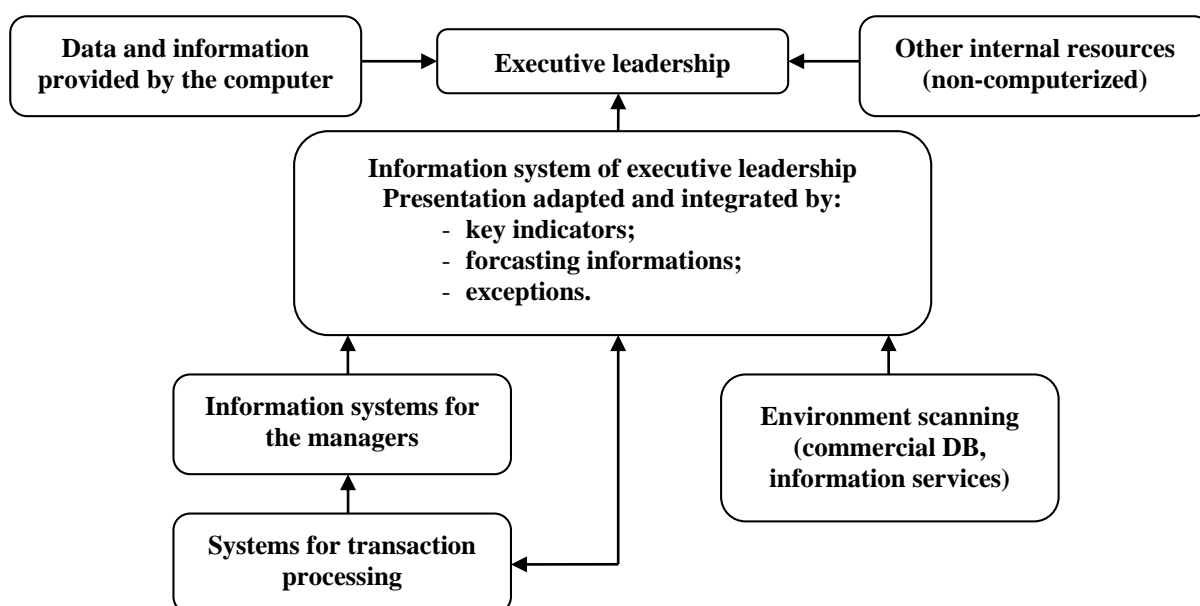


Fig. no. 2 – MIS adapted after Turban, E. McLean, Wetherbe J., Information Technology for Management: Improving Quality and Productivity, John Wiley & Sons Inc., New York, 1996 [18]

The advantages of **ISM** consist of:

- easy-to-use at all levels of management;
- current competence in computer using;
- provision of summaries of information presented timely or in real time allowing both a clearer understanding of the activities and the capitalization of data resources;
- effectively time management ensured by data filtering;
- ensuring an effective control of deployment of activities of the execution personnel.

The main disadvantages of **ISM** are:

- considerable cost;
- difficult and long lasting implementation;
- considerable slowdown in the beginning of the organization's activities due to the fact that the system introduces both new programs and changes in the work of ordinary employees used to use the old programs.

2. SPECIFIC MANAGEMENT METHODS AND TECHNIQUES

The professional managers do not ignore the specific management methods and techniques and they do not use them only for efficientization of the management process, being an inexhaustible source of ideas which constitute a robust support for decision-making both in normal conditions and in difficult periods for farms. Those who use these management methods and techniques contribute both to insurance and maintenance of a creativity climate among execution personnel and to obtaining of outstanding results in management and innovation plan.

The most common *forecasting management methods and techniques* at farm level are:

- *Extrapolation technique* - based on the idea that the law for growth in past may cause growth in future for a short or medium term;
- *Average rate technique* - assuming that it will be achieved an average trend similar to the one which characterizes the phenomenon evolution from the previous period, it allows stable future evolution of market phenomena;
- *Morphological method* - consists in the systematic search for solutions to a problem: the object, the system and the work are divided into basic parameters, fixing the results that may arise from the difficult combination of thereof; its application must follow these rules: the problem must be specifically defined, the basic parameters must be completely listed and each solution must be evaluated in terms of explicitly formulated criteria;
- *Delphi method* – also called *interactive investigation*, involves the use of intuitive thinking of the experts, who are required to make a numerical estimate for a given economic variable or to assess the likelihood of an event; it is used to predict events with a significant impact on the long term strategy for farms, especially where historical data on that situation do not exist.

Among the most commonly used **methods and techniques for stimulating the execution personnel** at farm level there are:

- *Brainstorming method (or assault / unleashing of ideas)* - is the method by which on the basis of discussions in smaller groups of 10 participants, the aim being to obtain many ideas on how to solve certain problems. Designed by Alex Faickney Osborn, it involves the following steps: preparation of discussing the issue for which that solutions are expected, analyzing within the group's work environment in order to reduce the participants's anxiety and to stimulate the thinking oriented on tasks, selection of the main ideas and encouraging the transfer of knowledge gained in practice.
- *Philips 66 method* - is applied in stimulating the creativity of large work groups from farms and

consists in dividing them into groups of six people who discuss 6 minutes about the addressed problem; the method offers advantages, such as: enables all the group members to express their opinion, allows to obtain a large number of solutions, familiarises the group members with the technique of argumentation, opinion supporting and giving up them for better solutions.

- *Diagnosis* - is the method by which the managers, with the direct participation of execution personnel, identify deficiencies and causes it generates; it highlights the strengths of farms and carries out recommendations for harnessing the strengths and eliminating the dysfunctions. The success of this method is largely conditioned by the participation of execution personnel with information, ideas and explanations to the the critical analysis of farms.
- *Meeting* - is the most common management method and brings together many persons for a short period of time by a manager, to jointly address some information and decision-making tasks. This is the main way of simultaneously transmitting information and gathering feed-back from a large number of performers, being directly involved in performing all the attributes of a manager: planning, organization, coordination, analysis and control.
- *Scoreboard* - is a collection of current information, presented in a form of a predetermined block diagram on the main results of the concerned execution personnel work and the main factors which determine its effectively management; it has four important functions, namely: managers' information on the state of the farms, warning on unfavorable situations or deviations from normality, evaluation of obtained results in achievement of objectives and decision making, meaning that pertinent information transmitted to the managers allows substantiation and adoption of appropriate decisions.

The positive effects of these methods and techniques are:

- increasing the awareness both for the high level personnel and for the execution personnel;
- amplification of degree of substantiation of the taken decisions;
- increasing the managers' accountability for performed work;
- facilitating the use of appropriate criteria for the evaluation of the working collective contribution to achieving the economic and financial results of farms.

The main disadvantages of these methods and techniques are:

- time consuming;
- repeated registration of some information;
- big workload for completing the situations required by the high level personnel;
- reduction of full operation.

CONCLUSIONS

Considering the above mentioned, the following can essentially be concluded:

- The results of studies about systems, modern management methods and techniques point out that the individual does not give up the job, but the manager who leads him / her. Boorish and condescension at the workplace hurt and cause anger and resentments. The main instrument for improving the relations between managers and execution personnel is their own behavior.
- The managers' role is to create an environment where motivation appears natural, to manage performers just as they would like their contribution to be managed in the role reversal situation. When the execution personnel feels oppressed, sees that the manager does not listen, sees that he / she is not involved in decision making or notices that he / she is treated as a truly subordinate, he / she will be really unhappy about the working environment and the manager who leads him / her.
- Comformation by the managers to the main values of the golden rule (treating the people with respect, fairness in the steps taken starting from the evaluation of the situation in which the roles were reversed, honesty in words and deeds, and accepting the cultural, social, sexual, family ethnic diversity by practicing empathy), highlighted by Stephen E. Kohn and Vincent D. O'Connell [6], is important for the following reasons:
 - provides a consistent reference framework in situations where they are not sure how to relate /

behave with the execution personnel;

- enhances the ability of self-control by proactively evaluation the impact of spoken words and taken actions;
- increases the consistency in decisions and determines making as few decisions that the managers may later regret;
- improves the capacity of empathic communication;
- stimulates the managers to be better and more efficient in the management;
- causes concern for building a climate of trust, conducive to performance.

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