

THE MANAGERIAL PERFORMANCE

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Abstract: Performance represents a state of competitiveness, attained through a level of effectiveness and productivity that ensures its durable presence on the market, considering the multiform and complex interaction between numerous factors. In management and especially in the performance which has to permanently accompany it, attaining the objectives set forth appears as a necessity and a definitional component. The following views express the multidimensional relations of performance, as well as their place and role in the management of companies. The research was conducted using a variety of bibliographic sources such as statistics, surveys, reports, professional articles.

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1. The general framework for approaching performance in management

As in the case of other terms pertaining to existence in relation to results or rigour, performance is often invoked in an economical context that incites effectiveness.

The performance is a complex notion that comprises the meanings brought about by general and specific opportunities. Issues taken into account comprise the performance process, together with a vast array of possible effects present under the form of competitiveness, permanent adaptation to the environment, internal socio-political balance or financial profitability. Amongst these issues we encounter the energy specific to performance, capable of determining modifications and creative changes to

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obsolete rules and behaviours. Thus new conceptions appear, brought into force by the structural flexibility of the organisational agents of change. And, naturally, it is the components of performance that set the managerial chains in motion.

Performance can be defined as a state of competitiveness of the company, attained through a level of effectiveness and productivity which ensures its durable presence on the market. Performance requires the simultaneous presence of the two ingredients, which represent, taken separately, conditions necessary but not sufficient for performance. This is important, as a global perspective on performance is possible only by correlating the dynamics of the two indicators (Petrescu, I., 2002, pp. 58-59).

Let us now proceed to defining two notions: *social performance* and *human performance*.

By *social performance* we understand the intensity with which each individual takes part and collaborates through propositions and methods, in the thorough organisation and achievement of a superior level of satisfaction as a result of their participation to the life of the enterprise whose employee they are. In essence, this takes into account the integration, to the highest degree of completeness possible, of the employee into the enterprise, which represents a crucial factor in ensuring satisfaction. In turn, human performance is analysed in relation to the result obtained by the employees in their work positions, in their workgroup, in the entire enterprise. This result is expressed in the created wealth, in the supplementary value obtained per activity unit. The evaluation made thereof has to take into account the efforts deployed by human resources.

Human performance, on a typological level, in relation to the territorial level criterion, can be individual, local, national, continental and global.

Individual performance takes into account the fact that the reference system human performance relates to is attached to a certain individual and that progression or regression of that individual is quantified, in relation to the same intrinsic system.

Local performance is considered and defined in relation to the performance of a group and represents the optimum achievement, attained individually or collectively, with regard to all previous achievements, be they individual or collective, within the given group.

National performance appears as an optimum achievement attained individually or collectively, with respect to all previous individual or collective achievements, at a national level. National performance can be absolute (all-time best) or relative to a certain time interval.

Continental performance represents the best result of human action, obtained individually or collectively, in relation to all previous achievements (absolute continental performance) or to achievements within a certain time interval.

Global performance emphasises the best result of human action, obtained individually or collectively, relative to all previous achievements (absolute global performance) or to achievements within a certain time interval.

Thus, an effective company is both efficient and productive, efficiency and productivity representing effects (results). At the same time, effectiveness and productivity are causes that determine performance. If effectiveness can be understood by looking at the level of fulfilment of external demands – clients, state, suppliers, employees, shareholders, productivity is measurable by the fulfilment of the expectations of the environment inside the enterprise.

In order to create performance, one must understand the entire process of evolution (fig. no. 1).

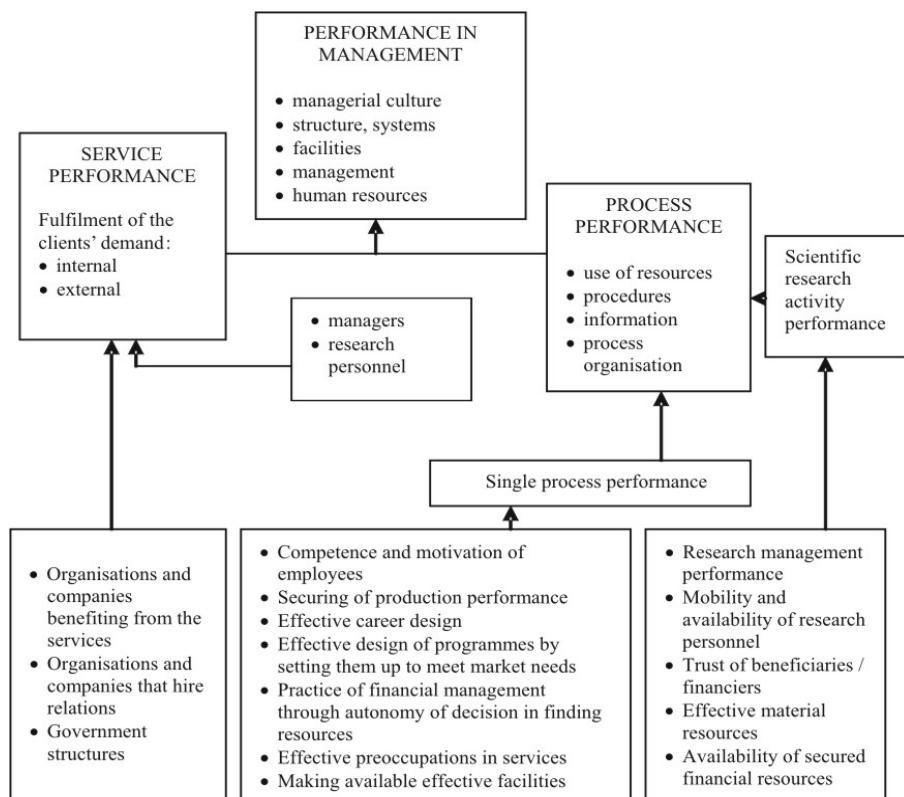


Figure no. 1. Performance as an evolving process

This involves measuring instruments and methods of action. The latter appear on the basis of managerial needs. However, they can appear in the opposite situation when performance is achieved by resorting to means the disposition and effect of which are to be calculated. In other words, the consequences of problems are accepted, so long as solutions already exist for approaching them. The truth regarding this opinion emphasises the need to know whether the solution is justified and whether it can contribute to the progress of the company.

For performance, in its natural meaning, the frames of reference it operates with are in the forefront: economic, in the form of profitability and competitiveness, judiciary, in relation to the rule of law and solvency, organisational, comprising competence, coherence, efficiency, or social, consisting of synergy, implication, employee satisfaction, development of potential, quality of life or work. At the same time, performance depends on some institutional judgments it embodies in industrial relations, the relationships of human resources at the workplace. All these taken together give value to the obtained results, provided that the latter are positive.

Every performance is the result of a particular situation, in which some participants confront their intentions or expectations with what they have achieved. To demonstrate their judgment, they look to the past or to what others managed to achieve in similar situations, for comparison.

There are also situations in which, for scientific reasons, one tries to ensure rigour in defining this notion, as there are currently many different opinions thereof. According to some (Burguignon, A., 1996, pp. 18-33), the idea of performance remains imprecise as to the response to political functions, a multidimensional notion that involves three types of significations: that of success, that of measurable results and that of an organisational process that allows attaining the desired effects.

To speak of performance is to bring organisational reality to the limelight, taking into account certain forms of action. Here, one resorts to incentives in the view point conceptualises performance through the opposition of terms with related meanings, e.g. profitability, effectiveness or competitiveness (Messonnet, O., 2002). From this point of view, performance is neither a relation between two quantities used as indicators in the control of management, nor a synthetic measure of results. It is not even a form of adaptive dynamism (competitiveness), or a capacity of attaining objectives

(effectiveness). For businesses, this represents the appreciation of the products and services it delivers by the beneficiaries.

A third orientation considers that the organisational stakeholders interpret performances as a heterogeneous stake. Its aim is understanding diversity (Lorino, P., 1996, p. 35). Referring to the particular relations between individuals and management situations it emphasises the following points: (1) Le Moigne (1996, p. 148) holds that an enterprise is effective not only in relation to its environment, but also through the movements and the complexity generated by the strategy and sometimes even by the action of ill-timed principles; on the other hand, I.G. Marche (1991, p. 47) considers that human resources have objectives of an organisational nature, whether they are individual or aim at bonding people and organisations. Consequently, the corresponding practices are differentiated. They involve a multi-criteria approach, imposed by internal socio-political attributions, and technical and economical calculations. In this framework, the enterprise can be considered a conflictive socio-political system, subject to certain economical constraints. Some opinions contest the utility of human resources altogether, referring to the practices or means they bring into play to achieve performances (Dery, R., 1990, p. 124). Moreover, viewpoints diverge in relation to missions, as the expected performance model is invoked (fig. 2.).

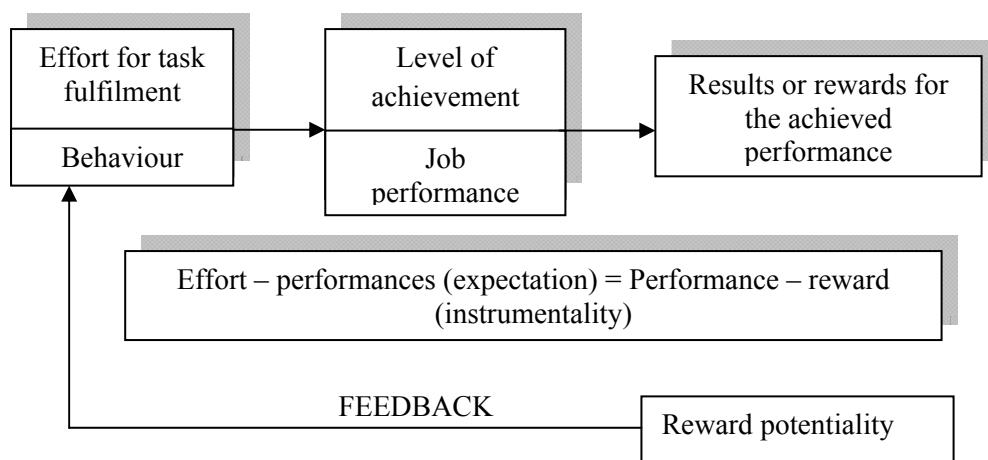


Figure no. 2. The model of the performances expected in management

If economic performance is under a control relating to commitments and production capacities, it forces the observation of the employee's behavioural subtleties and their potential to react. In this way, the apparition of complex interpretational models, such as the subtle link between remuneration and performance can be explained (Petrescu, I., 2008).

As a performance factor, making use of the employees is also subject to organizational incentives. They belong to a strategic context due to the complexity of their components. It only bears meaning in the presence of competent stakeholders that can be capable of rendering their implication operational.

They belong to a strategic context due to the complexity of their components. It only bears meaning in the presence of competent stakeholders that can be capable of rendering their implication operational. The competence we are referring to needs to be attached to a certain potential that should allow for it the possibility of directing the approach necessary for evolution. Potential is a provisional, global and conceptual judgment, regarding the level and style of responsibility that a person can attain in a decisive temporal horizon. As it is hard to make appreciations on the future of a state of affairs, assessors often resort to the well-versed advice of their colleagues or of experts, to collective judgments, to the transfer of the assessment task to the concerned part.

In any company, social life cannot be reduced to a series of particular lines of conduct. There are organisational and institutional frameworks that serve as a support for collective action. Systemic regulations are important in operational (synergic) processes they symbolise or normative (contractual rules, models of action, organisational cultures). Management situations as emphasised by Favereanu (1993, p. 12) show on the one hand, opacity of the company towards its own self, and, on the other hand, recognition of the collective adaptation attitude. These capacities are particular to the leadership on multiple markets, the companies representing workplaces for those who manufacture products or are an integral part of a financial community. They involve organisational approaches that resort to value identification or sharing in relation to individual competencies or to contractual provisions. The effects of these performance factors are still partial. But they are also a means of recognition of present limits whose effects are highly apparent.

Let us start by a few elements of organisational logic in a performance view. It is absurd to mobilise competent people with equipment that lacks effectiveness. Similarly, they cannot be involved in a hostile, deficient

organisation or in one that lacks dynamism. As asserted by J.F. Amandien and G. Groux (1998, p. 8) the elaboration of rules can also contribute to the notion of performance, to the same extent as financial elements or production practices. These rules are public (state-created) and private (constituted into companies). They have application in collective negotiation and in human resource management.

When tackling the phenomenon of performance *per se*, one has to start from the universal reality regarding the essential characteristic of resources, that of being limited, whence the logical consequence demands that the approach to performance should refer mainly to the analysis and the comparison of the result with the effort deployed for its acquisition. Resorting to this approach when analysing the people in an enterprise entails examining them as human resources, and as a fundamental component of the production creation process, respectively, but by no means as a source for costs. Even more so as every company, every manager aims mainly at maximising the performance of human resources in relation with the efforts s/he has deployed.

In prestigious companies, performance philosophy represents an implicit organisation theory which allows setting forth objectives and the means of attaining them. It usually includes general principles and the behaviour of all agents that should conform to these principles in order to level out the action.

Elements of performance philosophy can be found at different strategic levels of the organisation. As ensuring performance is a trans-functional activity, a performance philosophy can also be defined at its level. One must bear in mind that defining a performance strategy can be done correctly only by understanding its role in performance philosophy. Regarding the meaning it receives, the strategy should be in written form and should be known inside and outside the company. Fulfilling this demand implies defining a philosophy from which the vision, the mission and the strategy can be inferred.

Elaborating the performance philosophy requires, as has been previously shown, outlining a vision regarding the future state of the system. By definition, *the vision* is an image, a picture of the future towards which one is heading. The creation of a vision for performance falls under the responsibility of the general manager. S/he should have good knowledge of the general assembly of shareholders and of employees and should create the vision of the company on this basis. In order to draw this vision up, information from various fields is necessary: regarding products, technologies, projects, and people. The whole process is based upon the

analysis of the past, present and future and refers to people, machinery, knowledge, and business.

The company's vision regarding performance is strengthened by the trust from the rest of the managers and from the majority of employees. This way the relation between employee and companies can be modified and assuming risks can be facilitated.

To convert the vision into a plan the following *stages* should be followed:

- assessment of the current state of affairs, a process by which a reference framework for further planning is created; the current potential of the company and the potential of the competition's productive system can be assessed and available methods and means of resolution can be identified; involvement of all managers and departments into the established actions;
- implementation and accomplishment of projects and of all the activities provided in the strategic plan.

The performance mission, the second constituent of the philosophy defines the goal of the company, the main result that will be attained. It represents the *raison d'être* of the company, the way in which the organisation conceives accomplishing the vision. The mission offers a framework for formulating the strategy and allows for the breakdown of the goal into objectives. The mission is a signal for all interested agents: managers, manufacturers, suppliers, buyers.

The mission converts the abstract concepts of performance philosophy in basic objectives at hand, which ensures the further progress of the company, optimally. Thus the mission outlines the goal, which, in relation with the chosen strategy, develops into different types of objectives, forming a hierarchy.

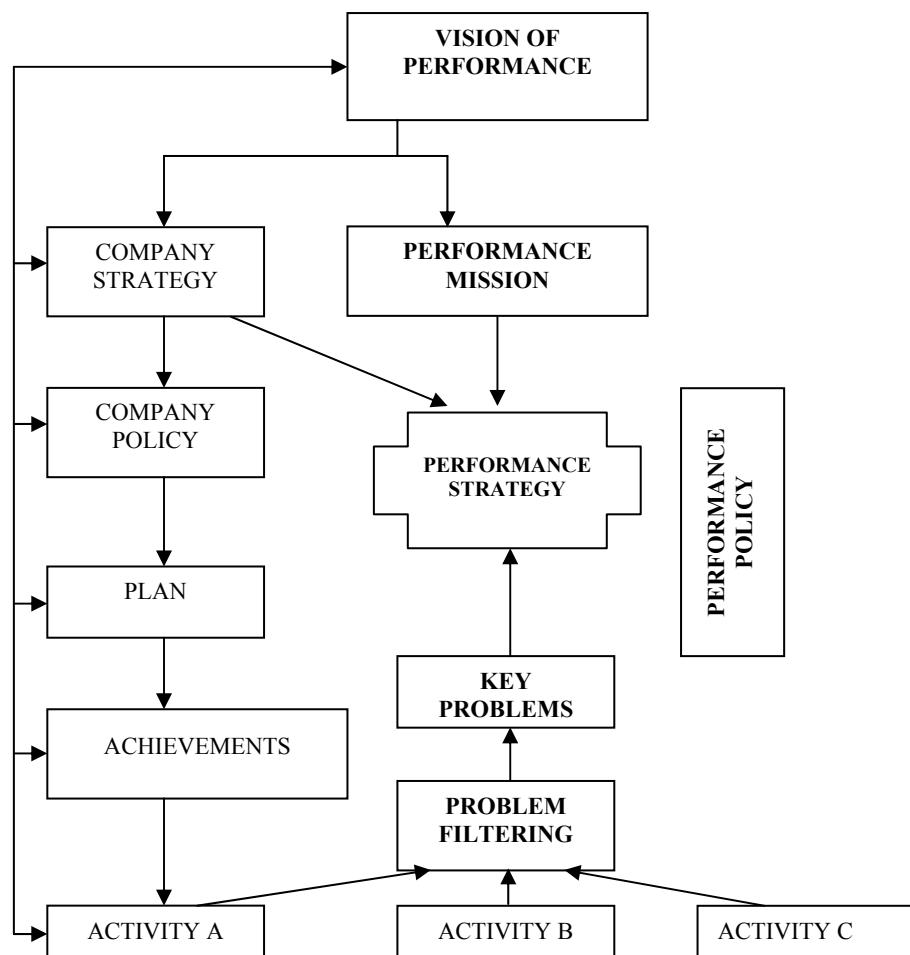
Companies usually complement the expressed mission with its interpretation, which helps develop objectives. The experience of the successful companies has demonstrated that success in business depends on the way the objectives are established and the expected level of performance.

Its goal is ensuring competitiveness. Competitiveness is the capacity of a product to gain the upper hand on the market. It represents a condition for survival and an objective that ensures the mobilisation of the company's forces.

Finally, the strategy is the third constituent of performance philosophy. Regarding the place and role of strategy within its philosophy, we shall emphasise the fact that the mission outlines the goal, which, in

accordance with the chosen strategy, develops into different types of objectives.

The role of the strategy is to bring about a change in the mentality of the company's employees, to maintain their focus on performance problems and to raise the values promoted during the concerned period. It is an attempt to get people involved and has the role of a limiting, but also of indicating the company's course of action.



*Figure no. 3. Setting forth and controlling
the performance strategy*

Formulating the strategy is an internal problem for the company and represents the responsibility of the general manager. The control of the strategy is an annual update process which also falls under the preoccupation of the general manager. In figure 3 the process of performance strategy elaboration and control is displayed.

Implementing the performance philosophy requires the adoption of a specific managerial attitude, the creation of new competencies in managers and their use of specific adequate managerial instruments, of which the following would seem of greater importance: acting rapidly, taking the clients' opinion into consideration, favouring the innovative spirit, motivating to achieve performance, perseverance and the combination of flexibility with rigor.

The performance philosophy requires that there exist a relationship of mutual appreciation between managers and performers, who should start by trusting one another and develop the relationship by communicating and participating in the managerial process. A performing management must not only identify the solutions and strategies most adequate but also to use the most efficient communications instruments that facilitate the achievement of organizational objectives (Ştefănescu, C., 2011, pp. 71-77).

The performance strategy also relies on the competencies that the manager should have, namely: paying attention to the client; constantly renewing the products, the methods used and the organizational structures; nurturing a feeling of pride for participating in the performance of the organization, amongst employees.

Conclusions

The managerial performance is a fundamental goal of any self-respecting organisation. The rapid pace of the occurrence of new information leads to the need of the professional adaptation to new knowledge and competencies that support obtaining and increasing the managerial performance.

Regardless of the general conception, the way of thinking or the methods used, the manager needs to permanently adapt to the demands of the very dynamic business environment. Its can directly influence the productivity of individuals and groups they supervise and can help integrate these contributions with the view of increasing performance.

Analysing the above mentioned aspects, one can note that demands in respect to the managerial performance refer to:

- improving the professional level and competence, thus creating a framework favourable for the formation and nurturing of elites, from among which future performing managers will be recruited and promoted;
- insuring workforce stability and giving the personnel a joint interest of a moral and material nature, as a means of arousing the employees' interest in participating in the process of performance improvement;
- maintaining and developing a climate of collaboration between the general manager, the managerial team and the employees;
- the developing the competitive environment and the thorough knowledge of the market demands.
- establishment of managerial success, considering scientific, technical and economic, dynamic progress, capable of encouraging creativity, innovation, change, and, therefore, managerial performance.

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