

MANAGERIAL METHODOLOGY IN PUBLIC INSTITUTIONS

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Abstract

One of the most important ways of making public institutions more efficient is by applying managerial methodology, embodied in the promotion of management tools, modern and sophisticated methodologies, as well as operation of designing/redesigning and maintenance of the management process and its components. Their implementation abides the imprint of constructive and functional particularities of public institutions, decentralized and devolved, and, of course, the managers' expertise of these organizations. Managerial methodology is addressed through three important instruments diagnosis, management by objectives and scoreboard. Its presence in the performance management process should be mandatory, given the favorable influence on the management and economic performance and the degree of scholastic approach of the managers' performance.

1. Brief presentation of the managerial methodology

Managerial methodology is a way of amplifying the scientific dimension, the dynamism of management and, thus, facilitating efficient and effective execution of management processes execution through:

- promoting and using systems, methods and appropriate management techniques; and
- promoting and using methodologies to designing/redesigning and maintenance the process of management.

The management instruments for public organizations include primarily: management by objectives, project management, scoreboard, delegation and organizational diagnosis. Managers who frequently use appropriate management instruments for appropriate methodological conditions are managers who are knowledgeable in management, who know to lead and manage efficiently and effectively a socio-economic entity or a socio-economic subdivision. The methodologies of designing/redesigning and maintaining management operation could be classified in two categories: (a) general – the methodology of designing/redesigning the overall management and the strategic management methodology, and (b) partial – the methodology of organizational redesign, decision, information and human resource management.

The objective pursued in this material is to highlight the methodological elements of management tools that have an important impact on efficiency and effectiveness (management by objectives, organizational diagnosis and the scoreboard) and to present the particularities of their use in public institutions, either deconcentrated or decentralized.

2. Premises for using managerial methodology in public institutions

- the stage accomplished by the public institution management;
- visible discrepancies between the theory and practice in public management;
- the often empiric character of the management;
- low degree of promoting and utilizing the managerial instruments;
- retrieval of numerous methodological elements, related to some collateral management areas – quality management, performance standards, rules, norms, procedures etc.
- scientific nature of the managers' input is justified by the degree of involvement on methodological component of management.

3. Managerial Tools

3.1. *Diagnosis*

One of the most important management methods that should be frequently used by those that administer and manage public organizations is the organizational diagnosis. Its role is to identify the main strengths and weaknesses (failures), the managerial viability and socio-economic potential, and to make recommendations, from a strategic perspective, for how to enhance the identified potential.

It is recommended to use the organizational diagnosis by the end of the forecast period (month, quarter, year, etc.), and to use this method as the basis for a comprehensive approach, which highlights the present situation and the potential directions for the future development of an organization, such as development strategy for promoting large-scale changes.

Performing diagnostic studies at the public organization level (public institutions such as national agencies/authorities, decentralized and deconcentrated public bodies) involves some peculiarities, as follows:

- It is important to perform a ‘cascade’ diagnosis, in order to penetrate the privacy of the investigated phenomena and of the processes. ‘Cascade’ diagnosis involves two approaches: (a) national authority/agency – public deconcentrated institution – component of its structure or process; (b) public organization – component of structure or process – problem. The two approaches explain, practically, the need for undertaking successive diagnoses: global – partial – specialized, following the cause-effect mechanism. In addition, in the first approach, ‘cascade’ diagnosis is necessary for highlighting the systemic character of the national agency/authority, the approach being a holistic and synergetic.
- The large part of the analyzed results, reported to the assumed objectives, are predominantly qualitative, situation that makes difficult the formulation of strong or a weak points, traits that are usually quantifiable.
- Diagnosis of the internal environment is materialized in causal explanations.
- Diagnosis of internal environment, which highlights causal strengths and weaknesses, is not sufficient to substantiate the potential of viability. Therefore, it is necessary to perform an external diagnosis that identifies the opportunities and threats of the environment (regional, national and international) in which the organization operates. As such, we can talk about SWOT analysis, embodied in SWOT matrix (strengths – weaknesses – opportunities – threats), which triggers different interpretations and types of strategies to be developed by the organization.
- In terms of methodology, performing organizational diagnostic study involves/ requires completion of several steps, each of them bearing the imprint of the size and functional characteristics of the public organizations, as shown in Figure 1.

3.2. Management by objectives

Management by objectives is a complex and sophisticated management tool, designed and used for over 50 years, especially by companies. The management by objectives aims setting up objectives for each member of the staff and motivating the staff in order to achieve them. Therefore, the essence of management by objectives is trinomial: targets – results – rewards/penalties, for which retrieval a promotion and methodological scenario use is required containing:

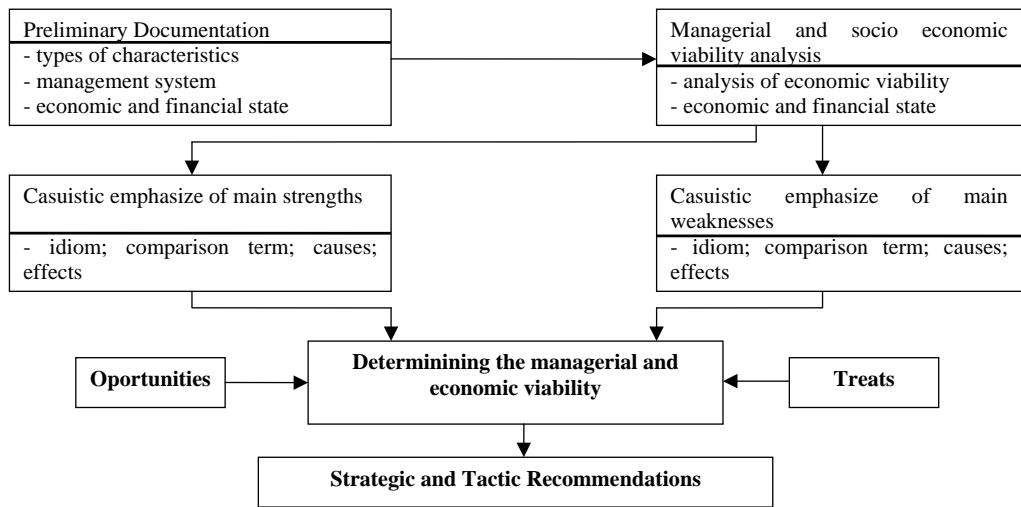


Figure 1: Diagnosis mechanism

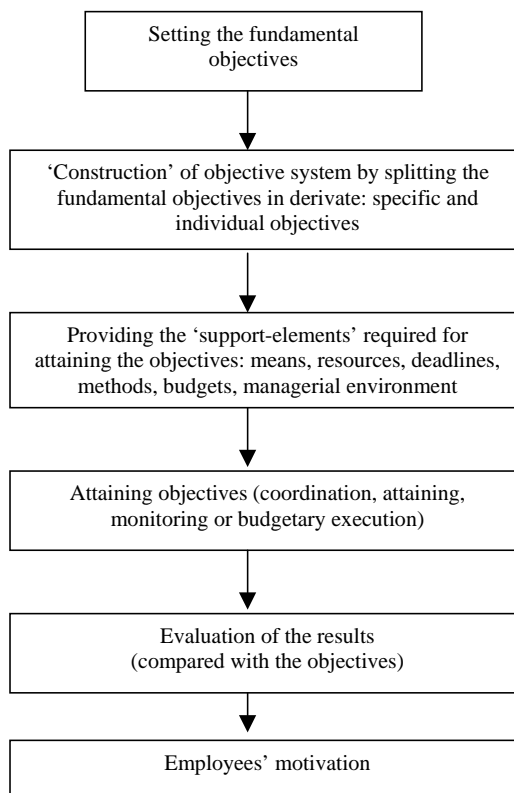


Figure 2: Methodology of management by objectives

The use of this management system in a public institution implies some particularities:

- difficulties in setting targets if we consider that the mission/purpose of such organization is to meet national or community interests in the working domain; therefore, setting targets, with quantitative expression, is very difficult, if not impossible;
- lack or insufficient specific organizational culture and values, such as work based on objectives, which hampers the implementation of the management by objectives and especially its finality;
- evaluations of the personnel and positions primarily based on tasks and not on achieving the objectives – The expression fulfills the tasks exceptionally tends to become a permanent presence, a situation which shows the subjectivity and lack of consistency of the motivational criteria in public institutions.
- Individual performances, very frequently invoked in public organizations, are based in fact, on some qualitative and less quantitative assessment of the managers', contractors' and subcontractors' performance. The performance should be evaluated separately, as the objectives need to be addressed systemically (basic, derived, specific and individual objectives, with strong interdependence links), so the performance to be related to individual, group or organization. However, in public organizations, such situations are very rare; accomplishing duties and responsibilities are the main concern. Consequently, motivation is not differentiated according to three criteria – individual, group and organizational performance. This situation leads to a low interest in assuming some objectives, superior to the past performance.
- It is also almost impossible, due to the lack of experience, the development, implementation and monitoring of budgets based on expenditure centers (departments, divisions etc.); from this perspective, the economic dimension of management by objective is practically inexistent.
- Participatory dimension of this system is also hampered by insufficient involvement of the staff in setting performance goals; such individual targets do not exist at the job level, and implicitly, in the job description, and managers make exclusively the job evaluation.
- At the level of the decentralized public institutions where the use of budgets is more lenient and recommended, there are more favorable conditions to achieve successfully operational management targets. For example, a county council or a local council has a budget that can be the starting point in building a budget system, related to the area of management policies promoted by them: education, health care, culture, sports, entertainment, infrastructure, sanitation, sewage-water etc.

If budgets can be substantiated and launched on such budget spending centers, it means that specific objectives and their derivatives can be set. That is why the budget should contain a separate chapter for the objectives, or if the classical formula is kept, the budget needs to be accompanied by a list of objectives, as follows:

- Fundamental objectives and derived targets I – at the organizational level;
- Derived objectives and targets II – at the level of competence (education, health, infrastructure, etc.);
- Individual targets – at the job level.

Locating these targets will be ensured by:

- The budget of public organization (fundamental and derived objectives I);
- Budgets on areas of competence (specific and derived objectives II);
- Job descriptions (individual goals).

Only under such conditions, job descriptions are transformed into true management tools, used like budgets, in performing the management processes.

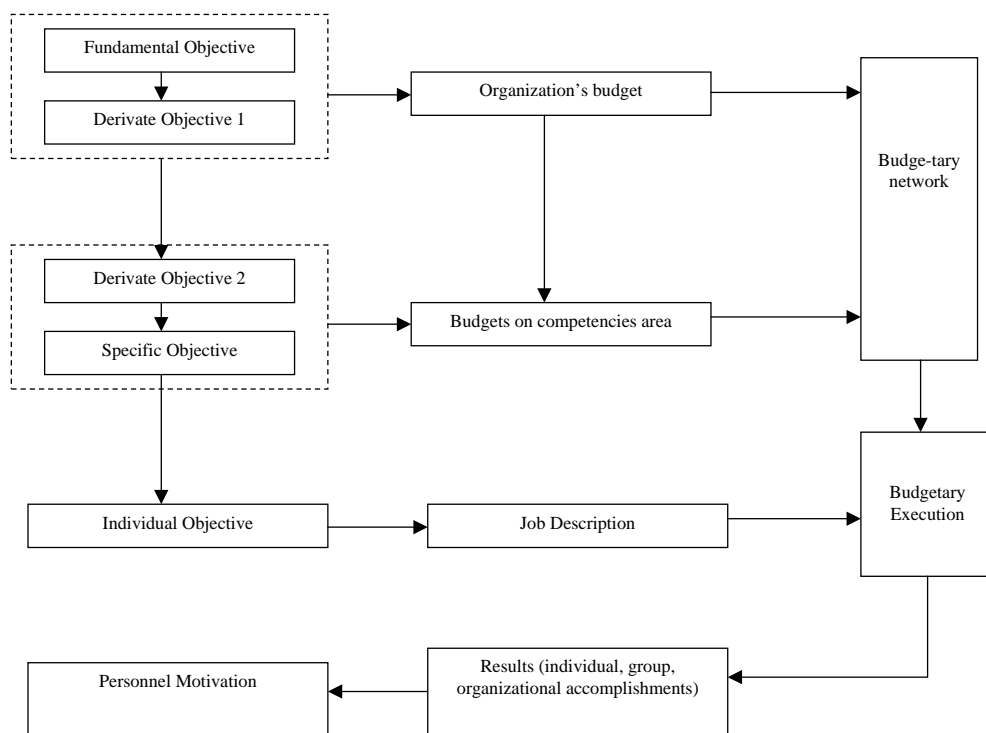


Figure 3: Objectives – Budgets – Accomplishments Correlation

To some extent management by objectives is reflected in the public organization in a methodological form identical or similar to the design presented, and certainly contributes to imprinting some characteristics of order, discipline and rigor that would allow accomplish its mission.

3.3. The scoreboard

The scoreboard is a modern managerial tool, which is based on vertical information transmission regarding the obtained results, in a synoptic which has a dual purpose in the organizational management:

- to facilitate the rationalization of informational systems, both in terms of information, routes of information, procedures used in their conduct, as well as regarding the state of affairs of the information (documents) which is recorded;
- to ensure better use of managers' time-budget, users of information;
- two important premises are assumed in designing and using the scoreboard: managers do not have enough time to solve the problems encountered through the positions they occupy, and to adopt the basic decisions, hence they need quality information – relevant synthetic, clear, timely.

If we include into the 'managers' category the presidents of national agencies/ authorities, the directors of deconcentrated institutions, the presidents of county councils and local directors of public-private companies, the heads of departments (services, offices), we find that there are different response manifestation to the issue of time use and the manner of response to the challenges of the field managed and of the regional, national and international environment. We will try to highlight below some common issues:

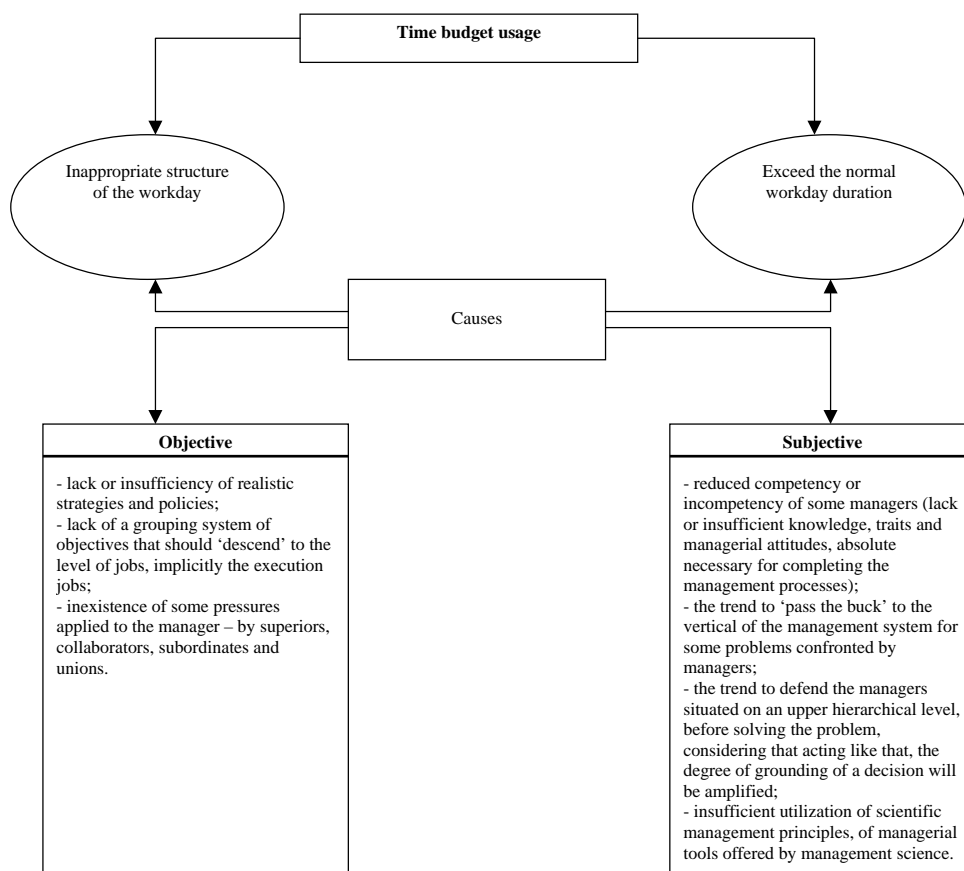


Figure 4: Utilization of managers' time

How does the scoreboard respond to these challenges?

First, in compliance with rigorous methodological steps as the figure below shows:

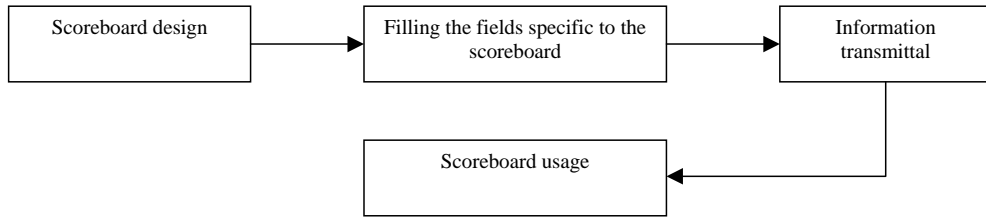


Figure 5: Methodology of the scoreboard

The scoreboard tries to mitigate and/or eliminate the causes that induce such major disruptions by a new management approach, focused on determining and satisfying the information needs of the managers. Since the exclusive concern for managers is to lead and manage public organizations or their structural components, therefore to base and adopt decisions on forecasting, organization, coordination, motivation and monitoring-evaluation, it is clear that they need, firstly, sufficient information – quantity and structure – quality. As such, in advance, is required to establish information needs with/through the decision-information sheets, which should accompany the record files related to the management posts. The model of such a document is given below:

Table 1: Decision-information sheets

Position		Decisional – Informational File		
No.	Competences (the official authority of the job)	Decisions that could be adopted by the job holder	Informational need (information necessary for grounding and adopting the decisions)	Obs.
0	1	2	3	4

Moreover, the methodology of design, completion, transfer and use of the scoreboard instrument, highlights this important issue. In designing the scoreboard instrument there is a need for some mandatory steps, such as:

- establish the coverage of the scoreboard instrument (could be a complex instrument which concerns the whole organization or a limited instrument, specific to certain processual or structural areas, information sought by a manager);
- establish the compartment or professionals involved;
- specify tasks (duties), powers and responsibilities necessary to achieve the objectives;
- specify duties, powers and responsibilities of departments involved in scoreboard;
- determine the information needs of information ‘beneficiaries’;
- specify indicators and other ways of expressing the objectives and results;
- specify how information is viewed;
- design of information models;

- determine flows and information flows associated with these models;
- determine procedures for information;
- establish the periodicity of completion and transmission of the scoreboard.

Meeting the managers' information needs is provided by a set of dashboard layouts, structured so as to include: the name, the issuer, the beneficiary, the issue date, the transmission date, the frequency, the form of presentation, the information needs which they provide, the meaning of the main information, the flow/information flow map, the provision of information used and the method of action.

Completion and submission of information through scoreboard models is done either manually or electronically. We specify that the second option is recommended, ensuring thus a real time information to managers and take appropriate decision, also, conducted in a short period of time. Attention should be paid to satisfy their information needs in terms of ensuring fluency cycle information – decision – action at any organizational echelons of public organizations.

Using the scoreboard depends, quantitatively and qualitatively, on the managers' knowledge and skills and their managerial and professional traits. Flair, insight, experience, talent, desire to lead, ability to drive, intelligence, character, etc. are necessary but not sufficient. Exercising the manager profession requires knowledge of management, whose weight tends to increase as structural pyramid 'climbed'. Matching the managers with the posts they occupy is always accomplished through competency. Therefore, the personal manager's authority is a condition for the success of the scoreboard, meaning that information circulating vertically are operatively valorized in relevant decisions.

4. Conclusions

The managerial methodology of public organizations is an important solution to their efficiency as far as its operational main pillars – the managers – of know management and, thus, they can fully exploit the capacities.

We must recognize that not always and not everywhere managers of public organizations have the power, managerial expertise claimed by such a complex and rigorous approach. Their nomination by political criteria – sometimes exclusively – makes almost impossible the NEW in management and, particularly, the management instruments and methodologies that accelerate and relates to scientific performance. And if, in central and local public institutions, it is aimed at costs reduction, management methodology itself does not involve cost, but its implications on expenditure incurred in their operation are obvious.

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