MANAGEMENT. BASIC PRINCIPLES AND TECHNIQUES

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Abstract

This paper examines the relevance of the basic principles and techniques of management to improve effectiveness and efficiency in the management process. The principles should guide managers in decision making and action. The article examines whether the guidelines are useful or not. In our opinion anything which makes management research more efficient will help others to improve management practice.

These strategies and tools might be useful for those who are interested in obtaining results without spending so much time, resources and energy for activities that do not lead to the aimed purposes within a company or enterprise, having the role of directing people to get more rapidly to their goals.

In this article, managers could find out some effective tools and techniques, which can be used in different fields of the organization, that facilitate creating an efficient strategy, as well as on organizational, communicational and teamwork purposes, to successfully deliver a top-notch project.

Management is the science that directs and unifies efforts and common goals of a group, supporting skillfully the leaders in obtaining exceptional results within organizations, reaching their well-established goals and not at least, a successful key for developing their business.

Key words*: management; principles; techniques; efficiency.*

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1. Introduction

Management - is the science that determines other human beings to act in such a manner as to achieve the goals set by an organization and may be described as the process of fulfilling the objectives by directing the human, material, and financial resources of the organization.

The first theories referring to management have appeared in the 19th century, beginning with the studies of the American author, Chester Barnard, who has elaborated some basic principles, sustaining the following statements:

• “*Not all managers* can achieve control without a plan “

• “*Not all managers* can develop a plan without knowing the objectives of the organization”

• “*Not all managers* can obtain results if they have no control over the staff” (*The Functions of the Executive*) (Barnard, Chester, 1968).

Barnard pointed out that managers can avoid making mistakes only by understanding management principles and techniques. “Without the knowledge of principles, the activity of the manager is related to events and errors” (*The Functions of the Executive*) (Barnard, Chester, 1968).

The human resources management appeared with the first forms of social organization and was accentuated with the development of human society. Although some elements of the management have appeared since antiquity, their scientific crystallization took place in the 19th century.

Currently, there are the following schools of management theories:

1. *the Classical or Traditional Management School*
2. *the Human Relations Management School*
3. *the Quantitative Management School*
4. *the Social System Management School*
5. *the Situational Leadership Management School*.

1. *The Classical Management School* - is the oldest management school, older than the scientific management and administrative management. *Scientific management* – sustains to

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increase the output, by increasing workers productivity. Frederick Taylor, often called “the father of scientific management”, formulated the first principles: “the use of science, promotion of harmony, cooperation instead of individualism, training for workers, standardization of work”, etc. (*The Principles of Scientific Management*), (Taylor, Frederick,1909).

Henri Fayol, a French mining engineer, developed 14 principles of management, based on his management experiences. Fayol discovered new principles: “division of work, authority, responsibility, discipline, unity of command, unity of direction, subordination of individual interest of common good, centralization, scalar chain, equity, order, initiative, stability of tenure and unity of the staff” (*General and Industrial Management*) (Fayol, Henri,1916).

2. *The Human Relations School* (*Sociological School*) – based on the most popular management writer’s theory, Douglas McGregor - attaches central importance to the individual and human relations and claims that “interpersonal relationships at work make up an organizational climate characterized by attitude towards work and management, motivation at work, professional satisfaction, attitude toward colleagues, integration in the group” (*The Human Side of Enterprise*) (McGregor,1960). As a conclusion, managers must identify and meet the diverse needs of staff to become good managers.

3. *The Quantitative Management School* (*Mathematics School)* - argues that good managers should use statistical analysis, work scheduling, mathematical allocation of resources, use of state-of-the-art technology to schedule production, etc. Staff motivation and behavior is a secondary factor.

4. *The Social System Management School* - sustains that the manager must consider all or, as many of the variables that make up the organization.

5. *The Situational Leadership Management School* - considers that activities performed by a manager depend on a given context, on a certain situation. It is therefore necessary to evaluate all the elements of the system, but also the variables that may appear. Each problem must be analyzed, the inventory of the circumstances, the evaluation of the possible course and the consequences of each action.

2. Management processes

2.1. Communication and management

Communication is also essential in everyday life and is defined as a transfer of information from *a sender* (*sender*) to a *receiver* (*recipient*), under the conditions of common understanding of the transmitted message. During the early months of the pandemic, leaders recognized the significant value that the focused communication brought to the organization and we’re witnessing an increased demand for *operational communication*.

Communication is the main tool for coordinating the group, in the case of a manager. Management success depends in a large extent on the manager's communication skills.

The studies conducted by the American scientists have shown that:

- 75 % of the workday we talk and listen
- 75 % of what we hear is not safe (accurate)
- 75 % of what we heard is forgotten in the next 3 weeks if it is not fixed in writing.

On average, 70% of a manager's working time is consumed for communication, having the following structure:

- 9% of time is spent reading
- 16% of time is spent writing
- 30% of time is spent speaking
- 45% of time is spent listening.

It is clear, therefore, that the position of a manager is largely conditioned by the ability to send and receive convincing messages. Hierarchical advancement depends on the ability to communicate both vertically and horizontally.

Communication - can be *operational*, *formal*, *written*, *oral* and *non-verbal*.

Operational communication- represents targeted initiatives designed to help employees accomplish their work, complete a task or solve an operational issue.

Formal communication is ascending (from subordinates to managers), descending (from managers to subordinates) or horizontal (between people located on the same hierarchical level).

Oral communication – represents ¾ of the communication at the level of an organization. It can be formal (meetings, oral reports, analyzes, conferences, speeches, etc.).

Written communication - is mainly used for transmitting official and general messages (for instance: reports, letters, memoirs, newsletters, circulars, management information, etc.).

Non-verbal communication – aims transmitting information using the human body (facial expressions, voice, gestures, body position), the environment (work environment, the way the boss's office looks, symbols and photos, etc.) and actions (a handshake, an increase in salary, rarer checks, delay at work, etc.).

Feedback – refers to the process of verifying messages, the correct understanding of their meaning. An effective means of verification is to question the recipient of the message. At the end of the course when students are asked "Are there any questions?", most often the answer is negative: the audience feels ignorant (does not understand correctly the message sent) or the audience does not know enough about the subject - has reservations about the speaker (being the manager, professor etc.).

1.2. Communication barriers in management

In every type of *communication* (from those presented above) could interfere elements that limit or block the transfer of information between the sender and the receiver. Communication barriers are: perceptions, emotions, trust and credibility, listening difficulties, filtering, information overload, place and time, noise and chosen media.

Perceptions – may be defined as our sensory imperfections that lead to misunderstanding or misunderstanding of a message. *Human perceptions* can cause the same message to be received differently. For instance, the introduction of an intermediate exercise may be perceived differently by students (*recipients*), than how it is perceived by the teacher (*sender*). To overcome this barrier, it is important to explain the message on the meaning of the recipient.

Emotions – could also act as filters in all kinds of communication. Unfortunately, communication cannot be separated from people's personality. Ideally, when communicating, we should be calm and attentive. Angry, impatient, irascible managers/leaders are never appreciated by subordinates.

Trust and credibility – the understanding and the value of a message are closely related to its sender and its credibility in the eyes of recipients. Recipients accept or reject a message depending on the level of trust enjoyed by the issuer.

Credibility - represents honesty, professionalism, public image.

Listening - is a serious barrier in oral communication. The ability to listen is also related to the premature evaluation of the issuer's message. We do not refer only to a person's hearing ability but to the will and interest to listen to a message.

Filtering – is the process of altering information to achieve a more favorable image (failure to present negative aspects).

Informational overload – refers to the difficulty of understanding the message, when too much information is disseminated. Many people have a limited capacity to receive, understand or store information.

The key for a positive result in communication requires quality communication skills, not quantitative ones.

1.3. Planning and management

Planning helps us to avoid errors, losses, delays and to make the organization (company) efficient. Planning introduces basic elements - tasks, norms, indicators, deadlines and not at least, allows managers to adjust the organization structurally and functionally.

Economic planning activity means overall to prepare today for what you will do tomorrow.

In the elaboration of any business plan, managers should use a well-established order, as follows:

1. *The goal, the vision or the mission of the organization*- every organization was created with a purpose, with a well-established mission. Every company produces a good sought-after market. The final goal of the company must be considered from the very beginning, starting with the elaboration of any plan.

2. *The objectives of the organization*- the objectives set at the company's level should guide all employees' actions, limit activities to certain types of activities, provide a source of motivation for all employees and finally to impose performance standards.

3. *The organization strategy* - refers on how a company needs to evolve so that it can meet its goal and vision. It is imperative to create an organizational strategy as it will help and direct managers at every crucial time.

4. *The organization policies*- serve as important forms of internal control. A workplace without rules and policies for workers to abide to is certainly a recipe for disaster. Policies serve as a vital purpose in strengthening, supporting, and protecting an organization and its employees.

5. *The organization's policies and procedures* - serve to make employees understand the organization's views and values on specific issues, and what will occur if they are not followed.

6. *The program planning of the organization* - depends on the nature of the organization. Strategic planning typically includes a review of the organization's vision, mission, values, overall strategic issues and strategic goals (each of which, in some organizations, becomes *a program*) and strategies to reach the goals (strategies to reach the goals often are the roadmap for how the program meets its own goals). Because *the program planning* must be tied to the nature of the organization's mission, the program planning should be also closely tied with the *organization strategic planning* as well.

7. *The organizational budgeting*- is an organizational tool used for planning and controlling within an organization. Also, it is a formal written guideline for the future of action, expressed in financial terms within a set period.

1.4 Types of management planning

Depending on the field of application the types of planning adopted by managers are: marketing plans, production plans, human resources management plans, banking financial plans, refurbishment plans, etc.

Depending on the period, planning could be categorized as: *short- term planning* (tactical - of at most one year on a strictly delimited field), *medium term-planning* and *long-term planning* (strategical, of several years).

The planning process developed by any manager consists of six stages (steps):

(1) *Awareness of opportunities* – represents the preliminary assessment of future opportunities.

(2) *Setting goals* - managers "nail" the goals that the organization must achieve.

(3) *Development of planning premises* - forecasting events or conditions that may influence the company.

(4) Decision making - choosing the best ways for the company to achieve the set objectives.

(5) *Implementation of the decision* - practical, concrete activities that employees must undertake.

(6) *Evaluation of results* - evaluation of all activities and employees at the end of the plan.

What does it mean to decide? – it means the rational choice of a manager to adopt an *alternative action* (of the organization he leads) in order to achieve a certain result = d e c i s i o n. Every day, managers at any level, make dozens and dozens of decisions. *Decisions* should not be made at random. Any decision involves a sequence of five distinct stages, as presented above.

1.5. Steps of the decision-making process

To understand the decision-making process, the manager/the leader must:

1. *define the problem* – the first step in the process of decision making is the stage of identifying the dysfunctional element that affects the company (sale)

2. *analyze the alternatives* – is an important stage in the decision-making process. All alternatives are evaluated so that the process to lead to the achievement of company's goal (considering benefits and costs, strengths and weaknesses, advantages and disadvantages, etc.)

3. *choose the best alternative* - the manager will use one of these approaches: experience (past mistakes), experiment (for instance: testing a car model, etc.), research and analysis (developing a virtual model that simulates the problem)

4. *implement the solution* - the concrete actions that will lead to the achievement of the expected objectives

5. *evaluate the decision* - analysis to determine if the results are positive or negative.

1.6. The management process

The system concept for organizations is based on three elements: *inputs*, *conversion/ transformation*, and *outputs*. The management process is based on all these three elements and especially on the *conversion* (*transformation*) *processes* of organizations.

As Peter Drucker first wrote almost fifty years ago, management is based on the "systematic organization of economic resources" and the task of management "is to make these resources productive" (*Management Practice*) (Drucker, Peter, 1955).

The following paragraphs introduce the idea of management as *a process of transformation*, which describes its main elements and emphasizes that management is *results-oriented* as well as *action-oriented*. Management is not an activity that exists on its own. It is rather a description of various activities performed by those members of organizations whose role is to manage, for instance someone who normally has the official responsibility to work with at least one other person in the organization. The activities performed by managers were generally grouped in terms of *planning*, *organization*, *motivation* and *controlling* of activities.

These groups describe activities that largely indicate what managers are doing. The grouping of management activities can be summarized as follows:

1. *Planning* - setting the goals or targets of the organization and preparing how to meet them.

2. *Organization* - determination of activities and allocation of responsibilities for the implementation of plans, coordinating activities and responsibilities in an appropriate structure.

3. *Motivation* - meeting the social and psychological needs of employees in achieving the objectives of the organization.

4.*Control* - monitoring and evaluation of activities as well as providing correction mechanisms.

These traditional groups do not present the full account of the components of management but are a convenient way to describe most of the key aspects of the work of managers in practice.

3. How to use motivation and teamwork

3.1. Motivation and management

Motivation refers to the question of why people do or stop doing various things. One reason could be *the need* or *a guiding force*. *The process of motivation* involves the process of choosing an alternative form of action to achieve a certain desired purpose. Understanding the human motivation is a complex issue. A person's motives may be clear to him, but very confusing to others. On the other hand, a person who is permanently under mental pressure could not understand his own reasons, even if they are very clear to a trained observer in this problem. Expectedly, our understanding of the motivation of others is greatly influenced by our own attitudes toward people.

Another aspect may be that staff are concerned with sharing their own reasons, such as customer satisfaction, working in a lively work environment, etc., but employees may also be motivated by fear of dismissal or greed.

Considering all these aspects, a good essential question may arise – "What is the reason that determine individuals to achieve leadership positions and become managers?"

Motivation may be one of the answers (a set of motives, interests, needs or ideals that support the achievement of certain actions and concrete facts). *Motivation*, etymologically speaking, comes from the Latin word "movere" which it is translated as "movement".

Motivation is most often described as the result of needs. Abraham Maslow stated that "people are motivated to achieve certain needs" (*Motivation and Personality*) (Maslow, A.,1954) and classified them into 5 groups:

1. *Physiological needs* (food, shelter, clothing, sleep, etc.)
2. *Safety/security needs* (peace, lack of fear, avoidance of troubles, etc.)
3. *Love and belongingness needs* (friendship, affection, acceptance by a group of people)
4. *Esteem needs* (recognition and respect)
5. *Self-actualization needs* (curiosity to know what you can be able to become).

Each need could be met in a series of factors (elements) related to the individual and society.

For *physiological needs* for instance, the stimulative element could be:

• Adequate salary, working conditions, consistent food, adequate clothing / housing, etc.

For *security needs* the stimulative element could be:

• Minimum income, medical and social insurance, service safety, assured work safety etc.

For *love and belongingness needs* the stimulative element could be:

• Integration in social and professional groups, development of friendship and service relations, etc.

For *esteem needs* the stimulative element could be:

• Audience's appreciation, job promotions, obtaining professional titles and degrees.

For *self-actualization needs* the stimulative element could be:

• Opportunities to achieve in the profession and personal life, achieving ideals from childhood, etc.

3.2. Management and teamwork

Teamwork - is a key element in the business environment whether we are talking about a company or a multinational company.

The productivity of a team depends not only on the level of training of the employees, but also on the way in which it is managed. Thus, the tasks will be performed in a timely manner and the results will be commensurate as positive appreciations in the end, being at the level of the whole team. Others, consider teamwork a benefit because they can learn from other people's experience. Unity describes the competence of the financial manager regarding the identification of the individual role within the team, the tasks and responsibilities incumbent on him and his personal involvement in achieving the objectives of the work team.

As Andrew Carnegie stated, "teamwork is the ability to work together toward a common vision. The ability to direct individual accomplishments toward organizational objectives. It is the fuel that allows common people to attain uncommon results" (*The richest man in the world*), (Carnegie, A.,1901).

The availability of teamwork is a current requirement of recruitment announcements and the presence of the necessary qualities or on the contrary, their lack, can be decisive factors in hiring a person or in maintaining him in an organization. *The need for teamwork* became increasingly evident as human resource policies evolved and companies began to consider the need for communication and human contact of their employees, realizing the superior motivational value of dialogue and mutual support in a team.

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