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## Characteristics of process management in the public institutions in Romania. Comparative analysis

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### Abstract

Since the availability of financial resources is reduced, concern for increasing organizational efficiency and effectiveness becomes more conspicuous in any field, including in the public administration. Naturally this raises the question: how can this be accomplished?, calling for a solution that is easy to apply and requiring reduced costs, solution the implementation of which should lead to increased productivity in terms of rationality of resources and whose final outcome is fulfilling goals. But this use of different means to achieve the goal, in conditions of optimum efficiency, defines what is called organizational management. Related to this, the work - research itself is how the management system applied in public institutions in Romania, relates to features like the management hierarchy; strategic management application; the chosen management style; the decision-making system; ethics and integrity or communication management and beyond, in order to identify the weaknesses in the management process practiced at this level of customization at two such institutions. Also, following the analysis of the field, the paper addresses the issues relating to the identification of features of process management as they are applied at the company level and which might prove useful to public institutions in Romania, thus generating a greater degree of efficiency. The research methodology used to perform the work consisted of: study and literature review and analysis of information provided by the specialized sites. They were also used: synthesis and comparative analysis, all of which completed the interpretation of results.

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## 1. Introduction

Today, in the conditions of the development of management as a science, it is known that the performance of an organization is directly influenced by the quality of leadership, alongside a multitude of other factors. Management can therefore constitute the foundation of high and sustainable organizational performance, provided that a plurality of requirements are met, such as for example: creating the framework for enabling access to senior levels of management elites in the field, aspect coupled with continuous improvement of executive staff; encouraging a participatory climate to the fulfillment of goals; choice of motivational solutions that contribute positively to the organization's progress and at the same time to stimulate creativity; aspects that will ensure such operation of the organization in terms of efficiency and effectiveness. Therefore, the ability of the leader to combine human resources and informational materials in a rational manner, towards achieving the objectives, is what defines managerial efficiency, while managerial effectiveness is limited to tasks and objectives. Correlative approach to management effectiveness and efficiency characterizes what is called professional management and its practice involves the use of management subsystems that make up the system, also including organizational structure; decision subsystem; Information and communication subsystem and more. Compared to the previous statements, it is further emphasized how management of public institutions relates to such features, compared to management practiced at firm level.

## 2. Management process. An overview

Although the existence of human civilization has always meant the presence of business management, however management as a science has taken shape in the early twentieth century. Hence the emergence of approaches to: establishing objectives for the work done by an organization; the need for organizational structures that allow good behavior to achieve the objectives; A decision system through which the multitude of information in an organization can be channeled towards the levels to which they relate; or choosing the best ways in which human, material and financial resources are put together to contribute to the objectives; do nothing but to complement this management concept.

Therefore, if we refer to the organizational structure, with all that this means, namely the components of an organization and the relationships established between them, according to Puiu (2003), the practical representation knows several forms of such structures, including and: the hierarchical - linear; functional structure; or the hierarchical - functional, which is actually a combination of the two listed above, assuming the use of specialized human resources and giving management responsibility for the results. Furthermore it is known that the organizational structure is a key element in business success of a company, a fact noted by Tiller (2012). According to him, the organization's effectiveness may be diminished if the optimal solution is not identified, whereby the organizational structure to be interconnected with other components of the management system.

A defining element of an organization is represented by the setting of objectives, which will be the basis for its future establishing and operating. Thereafter the next step is the estimation of resources and the choice of working methods, basic elements for implementing the strategy. The end of the process is to assess the results, comparing them with objectives, issues that characterize *strategic management* as noted by Nicolescu and Verboncu (2006).

But so that the work of an organization can be characterized by performance, it is necessary to make use of complex instruments which make up the management system. The management practice resulted in outlining several types of such systems according Nicolescu and Verboncu (2006), including in the category of general systems: management by objectives, characterized by objective fulfillment; The budget management aimed at achieving objectives, while falling within expected costs; or participatory management, in which case there are consulted various organizational components.

Ranked as the representative function of the management process, the decision by its manifestation eventually leads to achieving all set goals, and the assembly of all decisions implemented, forms the system of decision - making. Decision - making for solving various problems, however, can take different forms, according to Scott (2005), respectively: ignoring problems and therefore the absence of decisions; deciding to counter problems that are arising; or implement decisions that prevent problems. But the reaching of goals involves overcoming several successive stages, which makes decisions to be characterized by sequentiality, appropriate to the steps taken.

Therefore it can be concluded that the decision has as its starting point the time is deemed appropriate for intervention, it continues to establish several versions that match the objectives set and subsequently the choice of the optimal solution, as remarked Matei (2006), and finally recourse to control how the decision was applied, which is reflected in the degree of achievement of objectives.

Ubiquitous in everyday activity, communication has undergone a process of development and specialization in different areas, thus leading to the emergence of *communication management*. In management, communication concerns the way in which information received and transmitted within the organization and outside it, influences the performance of an entity as is reiterated by Popa and Filip (1999). It is however important that the information be communicated to the appropriate level of the organization through a proper channel. The selection of a channel for the transmission of information plays a vital role, since it could generate different perceptions from those concerned, as highlighted by Kupritz and Cowell (2011). They highlight the favorable assessment of employees, raising productivity when they are communicating information about the activity of the company by e - mail, but are reluctant regarding personal information or related to human resources, which they want to receive face to face. But the information in an organization is required to conduct both process management and consecutive execution activities, aspects included in the concept of *information system*. This system is based on the use of different resources, and management's role is to maximize the performance of the organization by minimizing the cost of resources.

Regarding the concept of integrity approached through public systems of integrity, according to Matei and Matei (2009), it must be said that along with other principles of public sector governance, such as transparency, efficiency and accountability, integrity can be the foundation to obtain greater performance at this level. The authors noted the influence of public integrity represented by the indicators: GDP and Economic Freedom, integrity and scoring the correlation between these indicators, this being mostly directly proportional. The issue of ethics in public sector management still arouses interest worldwide, remaining a concern even for Hong Kong, a country with a very high quality of public service, according to Luk (2012). In this case, high standards have been achieved as a result of provisions in the text of laws, and continuous training of officials, aspects that have contributed to maintaining integrity in the public service in Hong Kong. Finally, according to Puiu (2001), *managerial ethics* reflects the effects generated by the Manager's decisions in the organization he leads and which inevitably reverberate on the field of activity. During the evolution of this concept in practice managers there have been adopted a series of methods, aiming towards improved performance in this direction, among them being the Ethical Code, document through which employees are communicated, in a language accessible to them, the standards that characterize an organization.

### **3. Characteristics of process management in public institutions from Romania**

Meeting the general public interests in Romania is provided by the operation of a set of institutions which make up the whole public administration and general management of the system is ensured by the Government. This set of institutions, as specified by Popescu and Popescu (2011) is set on two levels, namely: the institutional system of the central administration, composed of ministries and other specialized bodies of central public administration; and the institutional system of the territorial administrative units. Ministries and other specialized bodies subordinate to the Government covering various fields. An example for the category of ministries is the Ministry of Finance (2015), which is subordinated to the Government and exercising overall management of public finances. Regarding the bodies of the central public administration, an example is the National Sanitary Veterinary and Food Safety Authority (2015), regulator and control in the field of veterinary and food safety. Moreover, the work reflects how the management practices between these two institutions, relates to features such as: organizational structure; or the decision management system; strategic management, communication and information; ethics and integrity management.

Thus, for a public institution to be able to operate, it needs to have an *organizational structure* adapted to its specific activity. This structure means, according to Neagu and Udrescu (2008), all components with their specific tasks, elements that, through their relationship, contribute to the achievement of organizational goals. Specifically, the two public institutions which were the focus of the research, the organizational structure is established by legal acts, consecutive to studies aimed at achieving the objectives in terms of efficiency, effectiveness and economy, and tasks are included in the regulations of organization and operation issued by their leaders. Characteristic is the

presence within the structure of two components both institutions: namely one central and one at the local level, each with multiple hierarchical levels, features which enable its inclusion in the category of functional hierarchy. The peculiarity of such a structure consists in dividing the tasks set by the document called job description for each specialist at each level and in taking decisions from higher levels to lower ones, feedback being received in reverse.

Concerning *strategic management*, it is noted that each institution has defined its mission to its area of competence. So, for the National Sanitary Veterinary and Food Safety Authority, its aim is, in its most narrow sense, to ensure and guarantee animal health and public health, while the Ministry of Finance's mission is focused on public finance management. Consistent with their mission, each institution has set general targets for the structural components of the central and local level, which are translated into specific objectives towards which the resources are planned. Actions taken to achieve the objectives benefit from managerial coordination, and the result is quantified by means of relevant indicators.

Analyzing the two institutions to identify the *management system* that characterizes them, it can be said that it is the management by objectives. That's because, based on the mission, they set their goals to be achieved, which are then divided by organizational levels. In the process of achieving institutional goals, an important place is held by staff, whose level of education directly affects the performance of the institution. Moreover, the importance of the quality of human resources in the public system makes human resource management, to be considered a specialized service in this regard. For accessing these institutions, abilities are established by the legal framework, and the maintenance of the skills necessary to perform duties is verified by annual assessments, which allows identification of subsequent training needs. These annual assessment constitutes a measure of individual performance of staff, and the measure of reward for notable performance is represented by promotion.

Addressing the *decision - making system* in terms of typologies of decisions encountered, it is found that these institutions show a prevalence of scheduled decisions as a consequence of their activities in accordance with standard procedures. But there are also present: current decisions that underpin everyday activities; tactical decisions taken by example for the purchase of equipment; or strategic decisions, concerning for example changing the behavior in relation to certain institutional objectives. There are not missing the individual decisions adopted for regular activities and the group decisions, developed in a team when institutional strategy changes.

In these public institutions there is conveyed a great deal of information, which determines the development of an efficient communication system that allows the use of information properly. As forms of communication of information encountered in the analyzed situations, there is highlighted the formal communication, in which the central structures, through notes, instruct territorial structures while awaiting feedback communication. But there are also noted: lateral communication, characterized by cooperation of the organizational components of the same hierarchical level for achieving goals; and audio-visual communication, consisting in the use of videoconferencing, to solve pressing problems in a fast manner, due to direct contact between the parties, finding the solutions based on discussions.

But for institutional objectives to be achieved, it is necessary that the material resources and human resources subsystems be put in relation to constitute a functional whole, this role being assigned to information resources. These institutions get their information both from inside and external environment. If the method chosen for handling inside information is at the discretion of management, in the case of public information, their communication is done in accordance with the legal framework governing the field. Therefore for verbal, written or electronic information of public interest and relationship with the media, the Ministry of Finance has specialized organizational structures, and taking complaints from citizens is achieved by department of public relations and TelVerde. The National Sanitary Veterinary and Food Safety Authority uses separate departments for handling inside information and for the external environment, including in relation to media and business operators proficiency, even having a point of contact like „ Call Center ". The information system of these institutions include information that, due to their level of significance, should be protected, and which are defined in the legal framework as classified information. Ministry of Finance has a specialized service for their management, while the other institution has opted for an organized compartment in the Legal Service.

In the end of this journey through process management features, it is noted that the work done by employees of the two institutions is subject to legal regulations in the field of ethics and integrity that addresses the entire system of public administration in Romania. Therefore, the rules about appropriate behavior of staff or to the prevention and reporting of irregularities in order to increase the quality of public services thus provided and consequently to

contribute to eliminating corruption from the system, are issues contained in the legislation governing the (2015). Moreover, to prevent corruption and ensure institutional integrity in public office, the Romanian state has seen fit to create the National Integrity Agency, with a role in assessing the situation of assets, conflicts of interest and incompatibilities of persons in public office. To encourage compliance with legal provisions on ethics and institutional integrity, there is the possibility of alert slippages while ensuring the protection of persons who report violations of the law at the institutional level. Therefore, based on this legal framework, the two institutions have adopted a code of ethics each comprising a set of rules that, through the compliance of which by their employees, creates legal prerequisites for fulfilling aspirations.

#### 4. The management process at company level

Approached from a systemic point of view, the company can be defined as the result of the collaboration of resources: human, material and financial resources in order to achieve predetermined goals. But the chosen method for combining these resources is the decision of the company management, and the way in which these resources are organized and coordinated, followed finally by an evaluation, characterizes the management process. Therefore, in order to operate, the company needs an *organizational structure* adapted to the specific activity, structure in which the manager is to exercise management functions using various methods and techniques, in order for the system called the company to become operational. In the same manner, for firms, organizational structure, according to Pirvu and Olaru (2008), is built on laws but also on provisions belonging to management, being consistent with the objectives. But to resist market pressures, a firm must be organized based on the principle of efficiency, which entails a structure with a small number of levels, for which there are established specific tasks. And as a business activity is conducted in a dynamic, constantly changing, it is understandable why the organizational structure suffers permanent reorganization, to be able to adapt to changes imposed by the external environment. In setting its structure, the company is using documents such as rules of organization and functioning and organizational regulations, including the job description. It is noted that company size determines the type of organizational structure, knowing that large companies tend to apply the hierarchic - functional structure, while small businesses predominantly use the linear structure.

The dynamism of business activity requires management to make decisions appropriate for the life - cycle phases thereof, from the very beginning, continuing with the development phase, and with the growth and, where appropriate, with decisions appropriate for the stagnation stage, or even decline of the company. Unlike the institutional system, companies use in their activity a document defining the business or business plan, as remarked by Gavrilă and Lefter (2002).

But if we refer to the *management system*, according to Neagu (2004), he knows a variety of forms, most commonly used as management by objectives, suitable for companies that have a long service life. For companies that run certain projects, the system applied is the project management system that requires a suitable training for the specific area from the project manager. Instead, for enterprises with manufacture and sell various products, the best solution is the management system focused on product. It can also be exemplified here the management using comparison of the results with amounts allocated for financing, in which we talk about budget management. There are situations where the exercise of business process management, may be open to part of owners or executives at different levels, aspects that characterize participatory management. But regardless of the chosen management system, the purpose of the process steps is the evaluation and implementation, where appropriate, of sanctions or rewards, to motivate staff. Therefore, for the purpose of motivating staff there can be used: promoting, as well as direct rewarding through an increase in earnings or bonuses. To these there can be added, as a means of indirect rewarding, provision of products and services to employees, provided free of charge.

To ensure the competitiveness of the company, management intervenes through decisions with the purpose of counteracting negative influences, as noted Gaf - Deac (2004). Therefore for companies there can be easily identify the typology of strategic decisions concerning the activity of the whole company, but not excluding any current decisions, absolutely indispensable for specific goals. There are also analyzed the participatory decisions, but also individual decisions drawn up by managers of different levels. As the company is permanently functioning in a competitive environment, generating disturbance of its business, in such situations the characteristic is the decision under uncertainty, in which the outcome cannot be predicted.

But the accomplishment of the objectives of a company depends on finding appropriate manner for information disclosure by managers to subordinates and vice versa. Therefore, to communicate effectively, companies resort to various means, such as: means of written reports ( instructions ); oral means ( discussions, meetings ); or audiovisual media ( video transmission or electronic mail ). But firms give special importance to communication of information to the external environment, creating specialized structures involved in realization of presentation materials, which may have a decisive influence in achieving top positions in the respective field.

As regards standards of *ethics* in the company's management, there is a permanent conflict between economic performance and respect for the commitments to those with which this performance is achieved, employees or suppliers. Conducting business in a competitive environment enables companies to focus on supporting the ethical behavior of employees and managers can adopt a behavior based on integrity and accountability, some may also adopt an immoral attitude in order to obtain business benefits. In the same area of managerial ethics, it has said that private sector businesses are still governed by legal regulations and for ensuring ethical behavior it may be necessary to declare the values of the company as a code of ethics.

## 5. Conclusions

From the above, it appears indubitable the existence of progress of the two public institutions towards increasing efficiency in the management by adopting practices that were specific to the private sector. Efficiency is due to the fact that the management is characterized by discipline, a consequence of creating an organizational hierarchy; but also the changes in organizational structure, as well as adaptation to the external environment and internal influences. It is thus noted an uniformity, both for the public and private sectors, of how organizational structure is designed, based on legislation and provision of personnel positions. For public institutions, the attribute characterizing organizational structure is stability in that the government defines the period of time that it will make use of a certain structure, following that in the assessments, at predetermined intervals or imposed by certain factors, it will proceed to change it. For companies, the process of structural adjustment is more dynamic, aspect mainly due to the competitive environment in which they operate.

Concluding on the strategic management, is it observed the lending by public institutions of the strategy in the private sector, meaning the operation to achieve the objectives for which they were created. Characteristic is that in the public sector, objectives are set on long-term, reflecting the rationale of their existence, aspect facilitated by the anticipated insurance regarding financial resources needed. Firms instead, although they define their targets, can not relate to a longer period of time as their operation does not have a linear evolution, it is characterized by a differentiated lifecycle phases. In addition they are constantly looking for funding.

Reported to the choice of management system, it is observed that public institutions covered by this research, chose a solution considered very efficient and effective in solving the problems of an organization, namely management by objectives. By comparison, in the case of the companies, management system can take various forms, depending on the specifics of their activities. A relevant fact is that the reward system in these institutions allows only advancement in office, while firms have a variety of ways to motivate staff.

Regarding the decision - making system, there must be remarked the large variety of decisions used in the management process by both public institutions chosen for illustration and the private system.

For the purpose of improving their activity, both in public institutions and private sector firms appeal to a wide range of forms and means of communication of information. Characteristic of public institutions are the public information that is available to citizens as governed by laws. This is unlike the private sector, which has the opportunity to decide on the information that wishes to provide to the customers and the freedom to choose the means by which to do so.

In the field of ethics and integrity, it is notable that the common denominator shared by the two public institutions with private sector firms, is represented by the ethical code, but also the concern of the public administration to prevent corruption and ensure a high level of integrity institutions components.

In view of the above, it can be concluded that the management practiced in the two systems is characterized by a number of attributes, which are set out in Table 1.



Table 1. Defining attributes of the management process.

Characteristics of the management process	Attributes for public institutions	Attributes for private companies
1. Organizational structure	Stability	Dynamism
2. Strategic management	Long – term objectives	Medium and short term objectives
3. Management system	Dominance of management by objectives	The possibility of employing various systems, depending on the specific of the firm
4. Decision – making system	Variety of decision typologies	Variety of decision typologies
5. Management of communication and information	Rigor and regulation	Freedom of choice
6. Ethics and integrity	Code of Ethics and establishing legal limits in ethics and integrity	Code of Ethics and greater freedom of action

Finally it can be concluded that each of the two systems can learn from each other. An example of this is the structure with a reduced number of levels adopted by companies to which it may be beneficial to orient public institutions. The public institutions can adopt the successful practices used to motivate staff in the private sector or to establish the legal framework to create the conditions for accession of elites in each field at managerial level, and also the private sector can learn from long - term planning practiced at institutional level.

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