

STUDY REGARDING THE SUCCESSFUL MANAGEMENT PRACTICE AND THE CHANGES IN MANAGEMENT APPROACH DUE TO FINANCIAL CRISIS

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***Abstract:** Modern management involves a wide range of skills and knowledge, many of which assuming skills in social sciences, logics, philosophy, psychology, mathematics, statistics, information technology, international relations, languages and culture. There is no universal management style to be effective, but all factors need to be analyzed in a given situation and then to be chosen a person with a style to suit the situation and capable to train people to meet the requirements.*

The present study intends to analyze the management practices that determine the success in business, as well as the changes that occur in the management approach due to the financial crisis. In this respect, the research takes into consideration two reference periods, the year 2007, a year of great economic growth, which precedes the financial crisis, and the year 2012, year in which the consequences of the financial crisis exist in a great extent in all social economic fields.

The criteria considered are ranked based on a sample of data obtained by interviewing the managers of 290 companies that have successfully overcome problems caused by the crisis. Are highlighted in the paper the most important methods of management that, according to the surveyed managers, can help the company to overcome the difficulties generated by influence of national and international environment.

Keywords: management methods, human resources, corporate culture, ANOVA analysis

JEL Codes: M12, M14, M51, M52

1. Introduction

In recent years, Romania has imported many international principles about managerial and organizational practices of human resources. Large organizations, particularly multinationals, pay significant amounts of money for practices as training or consulting. Unfortunately, the small Romanian companies do not pay for any form of organizational development. Over the years, many countries have undertaken numerous studies which have been able to extract the essential information for developing strategies for human resource policies, according to specific cultural values (Samson and Terziovski, 1999; Lancaster, 2005).

Management focuses on rational problem solving and logical thinking (Mackay, 2007). Because management necessarily involves people, the possession of interpersonal skills and the ability to work with individuals and with teams are of crucial importance in present times (Sengupta, 2012). To be well prepared, the future manager needs a rich stock of knowledge and skills in various fields to enable it to fulfil diverse functions. All this will help to improve in terms of quality their decisions and abilities (Meredith and Mantel Jr., 2012).

Managers can be classified according to their perception they have on people and behaviour that generates this perception (Heil et al, 2000). There are thus two types of managers: those with a negative outlook on people and those with an optimistic outlook. The latter theory is considered in the present to be the best way to lead (Patterson et al, 1998). Management type used depends on the nature of the tasks, the type of people involved, the environment and strategic goals (Danes et al, 2007).

Generally, different management practices are associated with small firm success from different areas of activity and significant effects of enterprise objectives on management practices are usual only for some types of activity (Gadenne, 1998). While the informal level of implementation of an environmental management system is associated with customers and employees' concerns, the education and legislation can be significantly associated with the formal level of implementation of this system. (McKeiver and Gadenne, 2005).

The paper analyzes the management practices that determine the success in business, in the opinion of managers who succeeded in the last years. Then, are studied the changes in the management approach due to the influence of financial crisis on companies, considering two reference periods, the year 2007, which precedes the financial crisis, and the year 2012, after the crisis.

The research was carried out on the basis of 290 questionnaires distributed to managers of companies that had successfully survived the crisis. It is also worth mentioning that the questioned managers are in majority the owners of the businesses they run. The companies analyzed are of various dimensions and activity fields and they cover the entire territory of Romania.

The completion of the statistical research is based on two important directions: first, a preliminary statistical analysis of the used sample is carried out, and then, in the second part, a specific analysis is performed, of ANOVA type, through which the management practice that brings about success to the business is highlighted, as well as whether there exist or not influences on the change of management style due to the financial crisis.

The main criteria taken into consideration in the ANOVA technique research are: the manager's personal role to the running of the business, the role of responsibility delegation within the company, the use of feedback in the business management, the importance of control in the company, the degree of importance the manager gives to the pleasure of coming to work, the employees' loyalty, the opinion regarding the necessity that the family members occupy key positions and the externalization of management.

2. The research methodology

Starting from the idea that the managers questioned have successfully run their businesses, the study analyses their answers to the questions in a survey referring to the management approach. In order to establish which the successful management practice is and if there had ever existed important changes in the management approach, between 2007, a year of substantial economic growth, which preceded the financial crisis, and 2012, a year when the effects of the financial crisis year were profound, the statistic technique of comparing the variances is used, called the analysis of variances (ANOVA).

The technique used assumes that the variability of the social-economic phenomena is influenced, generally, both by the action of the essential determinant factors, and the actions of some random or accidental factors. The research procedure consists of decomposing the total variance in components of the variance, defined according to its sources, as well as the comparison of the correspondent components in order to establish whether the causal factors have significant influence (Șipoș, 2004). According to the causes which determine the variance, its components can be grouped in two categories:

- The *explicative* component, which quantifies the variance determined by the significant influence factors taken into consideration;
- The *residual* component, which represents the cumulated effect of all the random factors that operate on the researched phenomenon.

The factorial parameters of the variance are:

- The group variance σ_j^2 ;
- The average of the group variances $\bar{\sigma}^2$;
- The variance of the group averages as compared to the general average δ^2 ;
- The total variance σ_0^2 .

The group or partial variance quantifies the influence of the unessential random factors which determine the variance of the values studied within a group. It is calculated as balanced average of the squares of deviations of the (x_i) values characteristic from the average group (\bar{x}_j), according to the relation:

$$\sigma_j^2 = \frac{\sum_{i=1}^m (x_i - \bar{x}_j)^2 n_{ij}}{\sum_{i=1}^m n_{ij}} = \frac{\sum_{i=1}^m (x_i - \bar{x}_j)^2 n_{ij}}{n_j} \quad (1)$$

The average of the group variance is determined as a weighted arithmetic average of the group variances as follows:

$$\bar{\sigma}^2 = \frac{\sum_{j=1}^k \sigma_j^2 n_j}{\sum_{j=1}^k n_j} \quad (2)$$

This factorial parameter of the variance quantifies the influence of the random factors on the entire statistical population, so that it integrates the residual variance, accidental to the characteristic studied.

The variance of the group averages in relation to the total average (intergroup variance), is determined as a weighted arithmetic average of the square deviation of the group averages (\bar{x}_j), in relation to the average of the statistical population (\bar{x}), according to the ratio:

$$\delta^2 = \frac{\sum_{j=1}^k (\bar{x}_j - \bar{x})^2 n_j}{\sum_{j=1}^k n_j} \quad (3)$$

The intergroup variance reflects the fluctuation of the characteristic due to the essential causes on the entire statistical population studied.

The total (general) variance is calculated as weighted arithmetic average of the square deviation of the values in relation to the statistical population average, according to the ratio:

$$\sigma_0^2 = \frac{\sum_{i=1}^m (x_i - \bar{x})^2 n_i}{\sum_{i=1}^m n_i} \quad (4)$$

The total variance quantifies the variance due to the total action of all causes, essential or random, which action at the level of entire statistical population. When the value of the total variance is low the statistical population is homogeneous and when the total variance is high the population is heterogeneous (Șipoș, 2009).

3. Preliminary statistical analysis of data

The preliminary statistical analysis consists of segmentation of the sample studied by means of several descriptors of a number of 290 analyzed companies, such as: the main field of activity, the number of firms contained, the legal form of organization, the annual turnover and the gross profit obtained.

This segmentation is necessary in order to analyze any existing major opinion differences among the managers who run different business types, of different domains, of bigger or smaller dimensions, of more or less positive results.

Thus, from the point of view of *the main object of activity* of the businesses administered by the analyzed companies (in the case of a company which administers a group of firms, the object of activity pertained to the firm with the highest turnover is taken into consideration), the analyzed sample comprises five big domains of activity, such as agriculture, trade, civil engineering, production and services.

The distribution of the companies in regard to the object of activity over the 2007 and 2012 analysis periods is presented in the following table:

Table 1. The distribution of companies according to the object of activity

| Field of activity | 2007 | 2012 |
|-------------------|----------------|----------------|
| Agriculture | 7,14% | 6,90% |
| Commerce | 46,43% | 51,72% |
| Civil Engineering | 14,29% | 13,79% |
| Production | 17,86% | 10,34% |
| Services | 14,29% | 17,24% |
| TOTAL | 100,00% | 100,00% |

Although the companies analyzed are the same in both analysis periods, it can be observed that there are certain differences between the situation in 2007 and the one in 2012. This is due to the fact that between 2007 and 2012, some of the companies included in the sample, had changed their main object of activity, most of them reorienting towards other domains of activity because of the effects of the financial crisis.

From the data presented above, it can be noticed that in 2012, as compared to 2007, the number of activity domains such as agriculture, civil engineering, and especially, production decreased, and the number of commerce and services activities increased. Thus, there can be detected an effect of reorientation of the companies from the direct productive activities to the commerce and services, as a result of the financial crisis impact.

As regards the number of firms contained in the company, the highest weight is held by the companies with only one firm (60,71% in 2007, respectively, 55,17% in 2012), followed by the companies with 2 to 5 firms (35,71% in 2007, respectively 41,37% in 2012) and over 5 firms (with a maximum of 12 firms), only 3,57% in 2007 and 3,44% in 2012.

From the perspective of the judicial form of organization preferred, a predominant percentage of 92,85 % in 2007, respectively 93,10% in 2012 of the companies analyzed, are limited liability companies, and the rest are stock companies.

From the point of view of the annual turnover achieved (in million EUR), the companies analyzed had the following distribution:

Table 2. The distribution of companies according to their turnover

| Turnover | 2007 | 2012 |
|----------------------|----------------|----------------|
| Less than 1 mil. € | 35,71% | 34,48% |
| Between 1 - 3 mil. € | 39,29% | 41,38% |
| Over 3 mil. € | 25,00% | 24,14% |
| TOTAL | 100,00% | 100,00% |

It can be observed that, regarding the annual turnover, there haven't been recorded major changes in the analyzed sample.

However, at a closer analysis, the companies that in 2007 had a turnover of less than 1 million EU, approximately 20% of them increased their turnover in 2012 between 1 and 3 million EU, and only 10% exceeded 3 million EU. Among the companies which in 2007 had an annual turnover between 1 and 3 million EU, in 2012 about 18% decreased below 1 million EU, and other 18% increased to over 3 million EU. Among the companies that in 2007 had an annual turnover of over 3 million EU, about 42% decreased in 2012 between 1 and 3 million EU, but none of them decreased less than 1 million EU. As can be noticed in the data presented in table 2, these fluctuations balanced out and no important changes had occurred on the entire sample level.

As concerns the gross profit achieved (for the entire group of firms, cumulated, if necessary, in EU equivalent), the distribution of companies within the sample is presented in the following table and figure:

Table 3. The distribution of companies according to the gross profit

| Gross profit | 2007 | 2012 |
|--------------------------|----------------|----------------|
| Less than 5.000 € | 14,29% | 24,14% |
| Between 5.000 - 50.000 € | 46,43% | 27,59% |
| Over 50.000 € | 39,29% | 48,28% |
| TOTAL | 100,00% | 100,00% |

Unlike the situation of the turnover, there can be observed that the gross profit of companies has been highly influenced by the financial crisis. In table 3 it can be noticed the fact that many of the companies, with profit between 5000 and 50000 EU in 2007, have obtained either higher or smaller profit in 2012.

Analytically, the distribution of companies in relation to the achieved gross profit was the following: 25% of the companies that in 2007 obtained a profit less than 5000 EU, succeeded in obtaining over 5,000 EU profit in

2012; 15% of the companies that in 2007 presented a gross profit between 5,000 and 50,000 EU, decreased under 5000 EU, and a significant number of 38 % grew to over 50,000 EU; 9% of the companies that in 2007 had a gross profit of over 50,000 EU, decreased between 5,000 and 50,000 EU, and other 9% decreased to less than 5,000 EU.

It can clearly be noticed, from the distribution of the turnover achieved and the gross profit obtained, that a very high number of the analyzed companies have had a positive evolution, in spite of the effects of the financial crisis. This means that the sample researched is in a great extent composed of companies whose management has successfully overcome the challenges of the crisis.

4. Analysis of variances regarding the successful management practice and the changes in management approach due to financial crisis

By applying analysis of variances technique, will be studied the successful management practice and the way how the constraints caused by the financial crisis have determined major changes in the management approach of the Romanian companies. The research is based on the answers given to the questions in a questionnaire applied to 290 successful company managers.

Thus, regarding **the personal role of the manager**, as direct or indirect owner of the group of firms, the following scale has been introduced, of the Likert type: 1= symbolic, I don't get involved at all; 2 = low, I inquire, but I don't get involved; 3 = moderate, I get involved, but not in all aspects; 4 = high, I get involved in the most important aspects; 5 = decisive, nothing important happens without my approval.

After applying the ANOVA analysis to the answers of the managers to this question, the following data resulted in the table below:

Table 4. Results of ANOVA regarding the personal role of the manager

| <i>SUMMARY</i> | <i>Count</i> | <i>Average</i> | <i>Variance</i> |
|----------------------------|--------------|----------------|-----------------|
| 2007 | 290 | 4,793103 | 0,384236 |
| 2012 | 290 | 4,758621 | 0,189655 |
| | | | |
| ANOVA | | | |
| <i>Source of Variation</i> | <i>F</i> | <i>P-value</i> | <i>F crit</i> |
| Rows | 3,613861 | 0,00055 | 1,882079 |
| Columns | 0,138614 | 0,712466 | 4,195972 |

From the first part of the analysis, called *Summary*, it can be noticed that the average score given by the managers to the personal role (*Average* values) is very high, both in 2007 and in 2012. This demonstrates that a key factor of the business success, especially in crisis conditions, is represented by the *manager's total involvement in the problems of the company*. The variance coefficient (*Variance* values), shows, that in 2007, there had been more dispersed answers from the managers, and in 2012, the answers were focused more around the average score. The concentration of values in 2012, shows that managers better understood, in time of crisis, how important their personal role in managing the company is.

From the ANOVA analysis the following conclusions can be drawn: firstly, the *F* value on the *Rows* line is much higher than the *Fcrit* value, which shows a very high variability between the lines. This high variability highlights the fact that there exist significant differences of opinion between the respondents. As we have discussed above, these differences are more obvious in 2007 and they fade consistently in 2012. Second, the *F* value from the *Columns* line is lower than the *Fcrit* value, which shows that there are no significant differences of the respondents' opinion between 2007 and 2012. This means that *the personal role of managers was considered highly important before the crisis and after the crisis*.

The following aspect researched was **the role of delegating responsibilities** within the company/group of firms managed, meaning the proper delegation to various people in the company/group of firms of the right to run the departments, services, roles, of taking decisions without consulting the general manager, of hiring/firing personnel, of disposing the budgets and of making expenses. The answer scale indicated was: 1 = I don't believe in delegation, nothing is done without my approval; 2 = reduced, the symbolical aspects, without involving the budget, are delegated; 3 = moderate, certain aspects are delegated, but I take the most important decisions; 4 = high, most aspects

are delegated, including some expenses, are carried out without me being consulted; 5 = decisive, the most important aspects and responsibilities are delegated to reliable people, who have power of decision in their domain.

After using the ANOVA technique on the managers' answers to this question, the following data result:

Table 5. Results of ANOVA regarding the role of responsibility delegation

| <i>SUMMARY</i> | <i>Count</i> | <i>Average</i> | <i>Variance</i> |
|----------------------------|--------------|----------------|-----------------|
| 2007 | 290 | 3,000000 | 1,642857 |
| 2012 | 290 | 3,241379 | 1,403941 |
| ANOVA | | | |
| <i>Source of Variation</i> | <i>F</i> | <i>P-value</i> | <i>F crit</i> |
| Rows | 22,33962 | 8,3E-13 | 1,882079 |
| Columns | 6,471698 | 0,016764 | 4,195972 |

From *Summary*, it is noticeable that the average score given by the managers to the role of delegation (*Average* values) is much smaller than in the case of the personal role, both in 2007 and in 2012. This shows that, according to the managers, the role of delegation is reduced, the personal involvement being more important. As in the case of the previous question, the variance coefficient (*Variance* values) shows that in 2007, there were dispersed answers from the managers, and in 2012, the answers were more concentrated around the average score. From the ANOVA analysis, the following conclusions can be drawn: firstly, the *F* value on the *Rows* line is much higher than the *Fcrit* value, which shows a very high variability between the lines. This high variability between the lines means that there are significant opinion differences among the respondents, some of them considering delegation very important, while others considering it absolutely unimportant. These differences are more pronounced in 2007 and they fade in 2012.

Second, the *F* value on the *Columns* line is on its turn, higher than the *Fcrit* value, which shows that, this time, there are significant differences in the opinion of the respondents between 2007 and 2012. Thus, *if prior to the crisis, the role of responsibility delegation was considered as being less important, after the financial crisis, the managers understand the increased importance of delegating some of the responsibilities to people trained in this respect.*

Next, **the importance of feedback** in the management activity was analyzed, that is the request of information from the people in the company/group of firms, from employees working in different departments, from the company's consultants, from clients or suppliers: 1 = I'm not interested in other people's opinion, I have invested and come to these results on my own; 2 = low, I sometimes ask other people what is going on in the firm, just to be polite, but I don't really take into account their opinion; 3 = moderate, some people have good opinions, but you can't really trust them; 4 = high, I try to find out, as often as I can, what is going on from the people close to me, I often take into consideration their proposals, 5 = decisive, I use feedback as an instrument, I meet key-persons on a daily basis, I ask for feedback and I take into account their opinions in developing the company/group of firms.

After applying ANOVA on the managers' answers to this question, the data in the following table result:

Table 6. The results of the ANOVA regarding the role of feedback

| <i>SUMMARY</i> | <i>Count</i> | <i>Average</i> | <i>Variance</i> |
|----------------------------|--------------|----------------|-----------------|
| 2007 | 290 | 3,586207 | 1,965517 |
| 2012 | 290 | 3,896552 | 1,738916 |
| ANOVA | | | |
| <i>Source of Variation</i> | <i>F</i> | <i>P-value</i> | <i>F crit</i> |
| Rows | 13,60194 | 4,25E-10 | 1,882079 |
| Columns | 5,504854 | 0,026272 | 4,195972 |

From *Summary*, it can be observed that the average importance given by the managers to the role of feedback (*Average* values) is bigger than the one of responsibility delegation, both in 2007 and in 2012. This shows that, according to the managers, the role of feedback is quite important. As in the case of the previous questions, the variance coefficient (*Variance* values) shows that in 2007, there were dispersed answers from the managers, and in 2012, the answers were more concentrated around the average score. After the experience of the crisis, the managers have become more aware of what main steps to take in order to have a successful business.

From the ANOVA analysis, the following conclusions can be drawn: firstly, the *F* value on the *Rows* line is significantly higher than the *Fcrit* value, which shows a very high variability between the lines. This high variability between the lines means that there are significant opinion differences between the respondents, some of them considering feedback very important, while others consider it less important. These differences are more pronounced in 2007 and they fade in 2012.

Second, the *F* value on the *Columns* line is on its turn, higher than the *Fcrit* value, which shows that in the case of the role of feedback in the management activity, there are significant differences in the opinion of the respondents between 2007 and 2012. Thus, *if prior to the crisis, the role of feedback was considered as being less important, after the financial crisis, the managers understand the increased importance of listening to the opinions of their employees, consultants, clients or suppliers.*

Another analyzed aspect is **the importance of control** in the management activity, according to the following scale: 1 = low, I don't think it has an important role; 2 = reduced, it is good to control people, but not to put too much pressure on them; 3 = moderate, I control from time to time, so that the employees know they are supervised; 4 = high, things must be held under control, the most important aspects must be regularly verified, even if I get feedback, I use control as well in order to make sure things are going on the right track; 5 = highest, nothing is accomplished without control, what is certain is certain, my principle is: "I don't believe it until I see it!"

After applying ANOVA on the managers' answers to this question, the following data resulted:

Table 7. Results of ANOVA regarding the importance of control

| <i>SUMMARY</i> | <i>Count</i> | <i>Average</i> | <i>Variance</i> |
|----------------------------|--------------|----------------|-----------------|
| 2007 | 290 | 4,034483 | 0,605911 |
| 2012 | 290 | 4,344828 | 0,376847 |
| ANOVA | | | |
| <i>Source of Variation</i> | <i>F</i> | <i>P-value</i> | <i>F crit</i> |
| Rows | 4,391892 | 9,82E-05 | 1,882079 |
| Columns | 7,662162 | 0,009886 | 4,195972 |

From *Summary*, it can be observed that the average score given by the managers to the importance of control in the management activity (*Average* values) is higher than the one of delegation and feedback, both in 2007 and in 2012. This shows that, according to the managers, the role of control is quite important. It can be observed a significant increase of the average score given to control in 2012 as compared to 2007, which means that, after the crisis, the managers have become much more careful with what happens in their company. As in the case of the previous questions, the variance coefficient (*Variance* values) shows that in 2007, there were dispersed answers from the managers, and in 2012, the answers were more concentrated around the average score, which reveals a homogenization of the opinions after the crisis.

From the ANOVA analysis, the following conclusions can be drawn: the *F* value on the *Rows* line is significantly higher than the *Fcrit* value, which shows a certain degree of variability between the lines. This variability between the lines denotes that there are differences of opinion between the respondents, but not as obvious as in the case of other questions. As in the previous cases, these differences are more pronounced in 2007 and they fade in 2012.

The *F* value on the *Columns* line is on its turn, higher than the *Fcrit* value, which shows that, similar to the role of feedback in the management activity, in the case of control as well, there are significant differences in the opinion of the respondents between 2007 and 2012. Thus, *if prior to the crisis, the role of control was considered important, but not essential, after the financial crisis, managers have come to understand the major importance of direct control over the company's activities.*

The next question refers to the **employees' motivation**, consisting of the importance given by the managers to ensuring decent working conditions, a relaxed atmosphere at work, the existence of an organizational culture, promotion on transparent and fair criteria: 1 = of no importance, employees come to work only to get paid, the rest doesn't matter; 2 = reduced, some aspects count, but I don't think I have to spend too much on these aspects; 3 = moderate, people deserve decent working conditions; 4 = high, I make significant efforts to ensure to my employees better working conditions; 5 = decisive, the working conditions and the organizational culture influence decisively the employees' productivity.

After applying ANOVA on the managers' answers to this question, the following data resulted:

Table 8. Results of ANOVA regarding the employees' motivation

| <i>SUMMARY</i> | <i>Count</i> | <i>Average</i> | <i>Variance</i> |
|----------------------------|--------------|----------------|-----------------|
| 2007 | 290 | 4,137931 | 1,480296 |
| 2012 | 290 | 4,413793 | 0,751232 |
| ANOVA | | | |
| <i>Source of Variation</i> | <i>F</i> | <i>P-value</i> | <i>F crit</i> |
| Rows | 15,0354 | 1,24E-10 | 1,882079 |
| Columns | 7,929204 | 0,008811 | 4,195972 |

From *Summary*, it can be observed that the average score given by the managers to the employees' pleasure of coming to work (*Average* values) is higher than the one of delegation or feedback, and even control, both in 2007 and in 2012. This shows that, according to the managers, the role of employees' motivation is essential. It can be also observed a significant increase of the average score given to pleasure of coming to work in 2012 as compared to 2007, which means that, after the crisis, the managers have become much more careful with their employees' needs, in order to obtain maximum productivity. As in the case of the previous questions, the variance (*Variance* values) shows that in 2007, there were dispersed answers from the managers, and in 2012, the answers were more concentrated around the average score.

From the ANOVA analysis, it can be noticed that the *F* value on the *Rows* line is significantly higher than the *Fcrit* value, which shows the existence of an important variability between the lines. This variability between the lines denotes that there are significant differences of opinion between the respondents, observed mainly in 2007.

The *F* value on the *Columns* line is higher than the *Fcrit* value, which shows that, similar to other cases, there are significant differences in the opinion of the respondents between 2007 and 2012. Thus, *if prior to the crisis, the motivation of the employees was considered somewhat important, after the financial crisis, managers understand the major importance of ensuring best working conditions in order to obtain maximum productivity from their employees.*

The following aspect analyzed, related somewhat to the previous one, refers to the **importance given by the managers to the loyalty of their employees** towards the company/group of firms, according to the scale: 1 = not at all, I can always find other people; 2 = low, other can always come, but they need a certain amount of time to adapt; 3 = moderate, I would not certain people to leave; 4 = high, my employees are valuable; 5 = maximum, my employees are one of the most important assets of the firm.

After applying ANOVA on the managers' answers to this question, the following data resulted:

Table 9. Results of the ANOVA regarding the employees' loyalty

| <i>SUMMARY</i> | <i>Count</i> | <i>Average</i> | <i>Variance</i> |
|----------------------------|--------------|----------------|-----------------|
| 2007 | 290 | 4,206897 | 0,884236 |
| 2012 | 290 | 4,586207 | 0,394089 |
| ANOVA | | | |
| <i>Source of Variation</i> | <i>F</i> | <i>P-value</i> | <i>F crit</i> |
| Rows | 4,580645 | 6,64E-05 | 1,882079 |

| | | | |
|----------------|----------|----------|----------|
| Columns | 9,107527 | 0,005374 | 4,195972 |
|----------------|----------|----------|----------|

From *Summary*, it can be observed that the average score given by the managers to the employees' loyalty (*Average* values) is higher than the one of their motivation, both in 2007 and in 2012. This shows that, according to the managers, the loyalty of employees is extremely important. It can be also observed a significant increase of the average score given to control in 2012 as compared to 2007, which shows that, after the crisis, managers are much more attentive to their employees and they wish to keep those who have helped them overcome the crisis. As in the case of the previous questions, the variance (*Variance* values) shows that in 2007, there were dispersed answers from the managers, and in 2012, the answers were more concentrated around the average score, which show a homogenization of opinions after the crisis.

From the ANOVA analysis, it can be noticed that the *F* value on the *Rows* line is higher than the *Fcrit* value, which shows the existence of certain variability between the lines. This variability between the lines denotes that there are differences of opinion between the respondents, observed mainly in 2007.

The *F* value on the *Columns* line is, also, higher than the *Fcrit* value, which shows that there are significant differences in the opinion of the respondents between 2007 and 2012. Thus, *prior to the crisis, the loyalty of employees was considered quite important, but after the financial crisis, managers acknowledged the importance of working with loyal employees who know the necessities of the company, and are willing to make efforts in order to obtain the desired results.*

Another question addressed to the managers refers to the **necessity for family members to occupy key positions** within the company/group of firms, on the following scale: 1 = not at all important, the company/group of firms must be run by specialists; 2 = slightly important, the family has its role, business is business, I don't mix them; 3 = quite important, if I have the control, I manage other people too; 4 = important, at least the most important positions should be occupied by members of the family; 5 = very important, nobody but the family can more involved.

After applying ANOVA on the managers' answers to this question, the following data resulted:

Table 10. Results of the ANOVA regarding the necessity for family members to occupy key positions

| <i>SUMMARY</i> | <i>Count</i> | <i>Average</i> | <i>Variance</i> |
|----------------------------|--------------|----------------|-----------------|
| 2007 | 290 | 2,862069 | 2,337438 |
| 2012 | 290 | 2,689655 | 2,007389 |
| ANOVA | | | |
| <i>Source of Variation</i> | <i>F</i> | <i>P-value</i> | <i>F crit</i> |
| Rows | 28,89831 | 2,91E-14 | 1,882079 |
| Columns | 2,966102 | 0,096057 | 4,195972 |

From *Summary*, it can be observed that the average score given by the managers to the necessity of family members to occupy key positions in the company (*Average* values) is quite low, both in 2007 and in 2012. This shows that, according to the managers, is less desirable to appoint family members within the company. It can be also observed a significant decrease of the average score given to the positioning of family members in key places of the company in 2012 as compared to 2007, which shows that, after the crisis, managers prefer to use professionals instead of members of the family. As in the case of the previous questions, the variance (*Variance* values) shows that in 2007, there were dispersed answers from the managers, and in 2012, the answers were more concentrated around the average score, which shows a homogenization of opinions after the crisis.

From the ANOVA analysis, it can be noticed that the *F* value on the *Rows* line is very high as compared to the *Fcrit* value, which shows the existence of major opinion differences between the respondents, more obvious in 2007. Thus, although the majority of managers surveyed give little importance to the positioning of family members in key places of the company, the high variability of the answers reveals that there are isolated cases which consider that the involvement of family members in the business is very important.

The *F* value on the *Columns* line is lower than the *Fcrit* value, which shows that in the case of the importance of placing members of the family in key positions in the company, there are no significant differences in

the opinion of the respondents between 2007 and 2012. Thus, *prior to the financial crisis and after it, managers give minor importance to the placing of family members in key positions of the company.*

The last aspect researched refers to **the possibility of externalizing the management** of the company's/group of firm. By management externalization we mean assigning the main responsibilities to a management firm, specialized in organizing and conducting the activity on the principles of efficiency, in the following scale: 1 = I don't believe, nobody could do things better than me; 2 = very unlikely, if I don't succeed, what happens to my firm? 3 = I believe, I have been thinking about this aspect, but the economic reality hasn't enabled me to risk to hand over control; 4 = good, business has already evolved and I won't be able to run my company without modern management methods; 5 = very good, I strongly believe that we cannot progress without modern management methods and without professionals in this field.

After applying the ANOVA technique on the managers' answers to this question, the following data result:

Table 11. The ANOVA results regarding the management externalization

| <i>SUMMARY</i> | <i>Count</i> | <i>Average</i> | <i>Variance</i> |
|----------------|--------------|----------------|-----------------|
| 2007 | 290 | 2,00000 | 1,857143 |
| 2012 | 290 | 2,37931 | 2,458128 |

| ANOVA | | | |
|----------------------------|----------|----------------|---------------|
| <i>Source of Variation</i> | <i>F</i> | <i>P-value</i> | <i>F crit</i> |
| Rows | 8,733333 | 7,93E-08 | 1,882079 |
| Columns | 4,705556 | 0,038709 | 4,195972 |

From *Summary*, the average score given by the managers to the possibility of externalizing the management (*Average values*) is the lowest of all the criteria analyzed, both in 2007 and in 2012. This shows that, according to the managers, the management externalization is not a good option in most cases. However, an increase of the average score given to externalization can be noticed in 2012, as compared to 2007, which shows that, after the crisis, managers have given more serious thought to the alternative of externalization, even if the score remains low. At the same time, different from the previous questions, the variance (*Variance values*), indicates us that in 2012 there were more dispersed answers from the managers, as compared to 2007, which denotes that, after the crisis, some managers have considered the option of externalizing the management of their companies.

From the ANOVA analysis, it is obvious that the *F* value on the *Rows* line is high, as compared to the *Fcrit* value, which shows the existence of a high variability between the lines. This variability between the lines reveals that there are opinion differences between the respondents, more highlighted especially in 2012. Thus, although the majority of the questioned managers give little importance to the management externalization of the company, the high variability of answers in 2012 denotes that there are managers who take this option into consideration.

The *F* value on the *Columns* line is higher than the *Fcrit* value, which shows that in the case of management externalization, there are significant differences in the opinion of the respondents, between 2007 and 2012, fact which shows that, after the crisis, managers have begun taking into consideration the alternative of externalization, even if its importance remains at a low level.

After the detailed analysis of every criterion discussed, a hierarchy can be carried out of the importance of these criteria in the managers' opinion, as well as of the way in which the impact of crisis has changed the managers' perception of the management style. Synthetically, this hierarchy is presented in the following table:

Table 12. The criteria hierarchy in the management approach

| No. | Criterion | 2007 | 2012 |
|------------|----------------------------------|------------------------|-----------------------|
| 1. | The personal role of the manager | Very important | Very important |
| 2. | The loyalty of employees | Important | Very important |
| 3. | The employees' motivation | Important | Very important |
| 4. | The importance of control | Important | Very important |
| 5. | The role of feed-back | Quite important | Important |

| | | | |
|----|--|------------------|-----------------|
| 6. | The role of responsibility delegation | Quite important | Important |
| 7. | Family members to occupy key positions | Quite important | Quite important |
| 8. | Management externalization | Little important | Quite important |

The criteria hierarchy by average scores is also presented in the Figure 1:

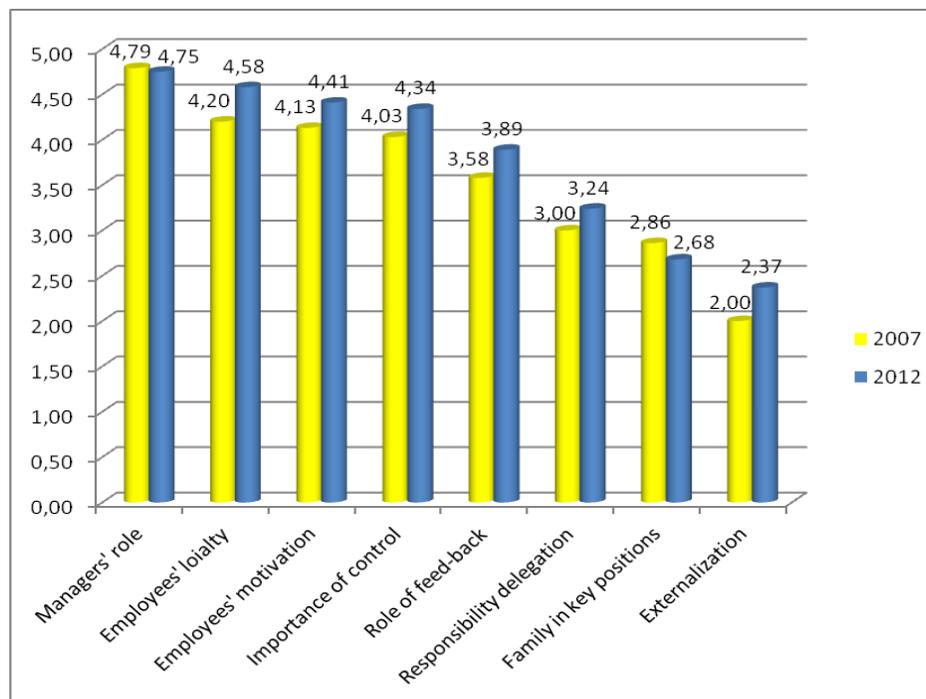


Figure 1. The hierarchy of criteria in the management approach by average score

From the performed research are resulting some important findings. Firstly, the personal role of the managers is considered the most important of all the criteria introduced in analysis. There is important to highlight that this opinion was not significantly influenced by the crisis. The average score decreased very little in 2012 as compared to 2007, but insignificantly from a statistical point of view, according to the ANOVA analysis carried out.

The loyalty of employees, the employees' pleasure of coming to work and the control are the next important criteria in managers' opinion. The average score of these management methods significantly increased in 2012, becoming very important after the crisis.

The use of feedback and responsibility delegation within the company was considered quite important before the crisis and became important after the crisis. As in the case of previous criteria, the differences of opinions between 2007 and 2012 were statistically significant, according to the ANOVA analysis.

As opposed to this, the necessity that the family members occupy key positions, is considered both before and after the crisis as being quite important, but the average score dropped in 2012 in comparison to 2007, and according to the ANOVA analysis, insignificantly from a statistical point of view.

Finally, the management externalization evolved from little important to quite important, remaining however at a low level. This is due mainly to the fact that the questioned managers are in a great number also the owners of the businesses.

3. Conclusions

Generally, the employees accept local or foreign practices indicated by the organization but will act according to their cultural values. It is important for manager to avoid frequent changes in structure and in the job description and have to clear establish the limits of authority and hierarchy. It is not indicated to use complicated

structures that will give the employees the feeling that there are too many command lines. They will ignore horizontal structures and will require direct contact with the head manager to confirm a task.

In present Romanian society, especially after the crisis, most employees do not easily leave a job and not always seek for promotions and adventure at any cost. Usually, the attachment to the organization is perceived as a moral value that will ensure greater compensations in time. Most of managers are looking for loyal employees, not necessarily the most performing ones.

An objective discussion about individual goals at work is difficult in an organizational culture of indirect communication that leads to take personally the feedback results and assimilate it with fear. Many times, the manager is not winning in such discussions because no matter how good the intentions to improve performance are, the employee will interpret the discussion as a threat.

The emphasis has to be on harmony and good relationships at work. If performance management system threatens the harmony of organization or emphasizes too much the objectives, this will induce a state of anxiety among employees. To compensate the complex of authority, the manager must give the impression that the employee still has much to say about the goals, especially when the situation becomes difficult. Do not expect to have a high-performance organization without a series of talks with employees at diverse levels. Manager needs more diplomacy and personal credibility to implement a performance management system.

In this respect, the essential qualities of a manager in the opinion of surveyed managers are perseverance, seriousness, professionalism, initiative, consistency, commitment, strategies and clear action plans, keeping and finding clients, being in the center of the business, organizational skills, discipline and steadiness, coordination and leadership capability, optimism, openness to novelty, good relational skills, enthusiasm, involvement, consolidating relations with partners, correctness, team orientation, punctuality, good knowledge of the market, imagination, determination, honesty, team spirit, diplomacy in relations with the partners and employees, capability of taking and assuming decisions, excellent administrator of financial, human and material resources, vision, good listener, predicting capacity, organizational and planning abilities.

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