

THE DEVELOPMENT OF THE GROUP AND INDIVIDUAL MANAGERIAL POTENTIAL IN PUBLIC FINANCES

Scientific Supervisor,
Prof.univ.dr.Dumitru CONSTANTINESCU

Drd. Ec. Ion Ilinca

SUMMARY

The modern society based on knowledge and information technology is grounded on the development of the human resource, which is done through a permanent activity for the members of an organization and brought to real facts by permanent learning . Drucker's point of view (2005, p.113), with reference to the necessity of knowledge development is eloquent." But in the organization society, it is a good choice to start from the premises that anyone, no matter his knowledge, must either learn new things every four or five years, or he is going to be outdated by reality." So, it is more than obvious that the organizations need to attract, develop and retain qualified human resources fit to their needs, as a way to insure economic progress.

As it concerns the Romanian public finances, introducing the development of the group and individual managerial potential has become an essential condition to increase the national revenue with the help of the General Department of Public Finances. In the actual context, the executive managers, the deputy executive managers, the Public Finances Administrations chiefs, the leaders of all departments and offices must answer to some imperatives. In our opinion, a special role is played by the need to establish a formal and informal harmony between the Romanian and the European requirements in the field of the public finances, another important thing would be to know and combine the values of management and leadership so that their synergic effects to be maximum. Also the development of relational management for the subjects (managers, chiefs and subordinates) to do their job and accomplish their tasks successfully, not to mention the importance of using the adequate managerial tools in solving the public finances problems.

Based on the specific literature in the change management and also sustained by the personal research, the present work stands for a proactive approach of change in the General Department of Finances 'strategies through the development of the group and individual managerial potential.

This process started by approaching four axis :

- Romanian public finances in the European context,
- Leadership versus management
- The equilibrium between forces,
- The concept and the usage of the board panels.

The development of the group and individual managerial potential depends on a multitude of factors . The research was motivated by two aspects:

- The first one is represented by the fact that the managers and all the public officers can only develop their potential through a continuous process of learning based on

knowledge, the field being represented by financial politics in Romania and in the U.E.;

- The second aspect, and this involves the managers, is represented by the profound understanding of the difficult process of harmonization between financial politics ; a special place in this research was held by the flexibility of the practices in the human resources management .

The second direction of the research : ” leadership versus management” brought forward the fact that this research is a very challenging one .The chronological approach of this direction of research reveals four theories:

- The superposition theory, meaning the leadership equals the management.

Of course, ” erasing” any difference between leadership and management is a simple analysis, unacceptable and even superficial. The fact that the two terms have been put together for so much time is an eloquent proof of the fact that if so many differences hadn’t been registered, theory but also practice would have considered them as a single term.

- The theory of the opposing terms, leadership and management being seen as different. From this perspective “artificial differences” have been created, which were rejected by theory and also by practice. The failure of this theory led to a third one, that of the relation “from part to whole”, which, although acceptable to a certain point, is inconclusive in its essence.
- The “part vs. whole” theory sustained by professors Ovidiu Nicolescu and Ion Verboncu, management has a larger sphere while leadership has a much narrow one;
- The partial coincidence theory sustained by late professor Mielu Zlate, who is very precise in identifying the differences between the two terms . This theory accepts the individuality of the two terms but also a series of common elements.

We consider we can start with this theory to identify the complementary elements not the different ones. In fact, where there is also leadership and management success is surely reached.

The leader-manager relationship is, in some cases, examined because there is a need to create a border line between the two terms. Zalesnick (1977) seems to be the first researcher who identified such a line using four criteria: the purpose, the work concept, attitude towards others and the perception of the self . Watson (1983) reaches the conclusion that the leaders guide themselves according to the four “S”: style, staff, skill and purpose. While the managers are only concerned with three of them: strategy, structure, system. Harris(1995) considers that the leaders are interested in finding a good vision, the good way in their actions and in the main human approach, while the managers are looking for the best way to operate efficiently the leaders’ actions.

Harmonization, the proximity management and the conflicts from the General Department of the Public Finances represent the subject of the third researching axis.

In the classical structures, horizontal and vertical specialization of labour stimulates the difference which, in its turn, generates a bigger interdependence of the human resources. This situation imposes an increased necessity for coordination and formalism. As the difference increases, the problem of “controlling the excessive difference” arises.

The equilibrium between forces is gained by opposing the harmonization to the difference . Harmonization through people and groups represents the instrument.

Harmonization represents the force that insures the harmonious and efficient functioning of the organization being very important in intensifying the collaboration and coordination between the labour departments and the human resources .Harmonization requires the development of the group and individual managerial potential. From this point of view the development of the managerial potential also needs the development of the

harmonization through people (the coordinator and the harmonizer are the best choices) and through (permanent and temporary) groups.

The human resources increased interdependence calls for an increased need of coordination. The coordination function uses the values of the informal organization. These values can be identified in the proximity management. Every proximity manager's mission is to coordinate the activity of a small social system. To achieve this mission the proximity manager is interested in establishing a close relationship to his collaborators that allows him to know their individual interests. Then, analyzing their interests he is going to try to establish a common target. For this, he needs to be convincing. Knowing how dedicated the collaborators are, the proximity manager will determine the critical incidents and develop the human resources performance potential.

Any organization is made out of larger or smaller human groups. The "conflict" appears in any group no matter if it is a multidisciplinary or a monodisciplinary one .

There are three ways to solve the conflicts : negotiation, mediation and arbitration. Negotiation must be seen as a dialogue about the issues that need to be settled down and its aim is a mutually accepted agreement.

Peter Drucker insisted in his works that a critical situation (error, guilt, difficulty or danger) can easily turn into a way to reinforce the relationship between the manager and his subordinate. Management becomes in this way the "key" that generates critical incidents without causing any other more severe human problems. This capacity is the "heart" of the proximity management practice. This, because the proximity management is based on the relation of "monitoring"(the experimental consultancy), on an instrument that consolidates the mutual trust and respect.

The survey of the General Department of the Public Finances from the county of Arges and of the Public Finances Administration showed the "threshold effect" as Bourion and Persson(2006)called it, for a number of 447 people out of which 82 are managers and 365 public officers.

The survey intended to evaluate the level of theoretical knowledge of the proximity management; the appropriate degree of politeness and also the social responsibility of those who manage the departments and the offices.

Tere are some of the conclusions of the survey done by the General Department of the Public Finances at the municipal Public Finances Administrations from Campulung and Curtea de Arges, at the town Public Finances Administration from Costesti and the rural Public Finances Administration from Domnesti.

The structure of the respondents who represent the management according to their duty and job experience is represented as it fallows:

- the respondents who have managerial experience under 5 years present 17%,
- the respondents who have managerial experience between 5 and 10 years, 57,5%
- 25,5% of the respondents have managerial experience of at least 10 years or more.

The structure according to managerial experience reveals the existence of 11 people that are at the beginning of their career as managers, almost equal to the number of those who have over 10 years of experience (17 people). We remind this structure, because the survey has kept the fact that the level of the theoretical knowledge of the proximity management to the people with less experience in management is better.

THE SURVEY AREA				
The entity taking part in the survey	Participants		Respondents	
	Pfm.	Func.	Pfm.	Func.
DGFP Argeş	46	250	36	236
AFP Municipiu Campulung	13	50	11	48
AFP Municipiu Curtea de Argeş	12	35	9	29
AFP Oraş Costeşti	9	20	8	18
AFP Comuna Domneşti	2	10	2	10
TOTAL	82	365	66	341

Pfm.- the managerial staff
Func.- public officers

Out of the total number of 82 managers, department chiefs and office chiefs, 66 have answered. In the public officers' case out of 365 people, 341 have answered.

Following the structure of the respondent public officers according to their studies and experience, those who have graduated only high school represent only 10,9%, long term college 29,9% and short term college 59,2%. Questions like "what courses have you graduated" or "what courses does your position require" allowed us to see that those who are employed to do certain jobs have respected the requirements. There is no exception whatsoever. From the experience point of view, young public officers (under 5 years of experience) represent only 14,4% very close to the number of those who have over 25 years of experience, representing 18,2%.

Employer	Studies			Work experience			
	S.l.d.	S.s.d.	S.l.	Over 25 years	Over 15 years	Under 10 years	Under 5 years
DGFP – Argeş	73	137	26	40	101	54	41
AFP Municipală – Câmpulung Muscel	7	40	1	6	27	12	3
AFP Municipală – Curtea de Argeş	20	5	4	11	13	3	2
AFP Oraşenească – Costeşti	1	15	2	1	15	1	1
AFP Commală – Domneşti	1	5	4	4	3	1	2
TOTAL	102	202	37	62	159	71	49

In the case of the managers it was followed the level of understanding of things like "proximity management" and "manager of proximity" and the presence of the interpersonal relations.

To questions like "Do you know the term proximity management or the term manager of proximity?" 21,2% of the respondent managers answered with "Yes" and 78,8% with "No". The DGFP managers (67%) gave the best answers.

Our analysis shows that the terms are partially understood, 50% answered that the proximity management is practiced where there is a lack of power and 17% identifies correctly the process of managerial potential development. Unfortunately no manager understood that the proximity management is a necessary ability no matter their hierarchical position. So little knowledge of the two terms must be due to the national low level of interest in managerial education.

Our survey has also considered the interpersonal relationships between the managers and the public officers. There is a certain level of closeness when the managers use the pronoun “you” and there is not such a relation when they use the polite “Sir or Mister”.

The professional dimension of the polite “Sir or Mister” marks the professional status of the managers in their relation to their subordinates. The presence of politeness can be seen as “distance between managers and subordinates.

Regarding the matter of using the pronoun “you” we can talk about the existence of a close relation of friendship or intimacy.

The answers of the three managers were:

-use the polite “Sir or Mister”: 2 “very often” and 1 “always”;
 -from the 13 department chiefs, use “Sir or Mister”: 7 “very often”, 2 “scarcely”, 4 “always”

- from the 23 office chiefs, use “You”:13 “very often”,10 “always”.

The usage of “You” represents a signal of the existence of good conditions to practice the proximity management.

In our efforts to identify the utility of the proximity management, we have tried to identify the public officers’ perception over the critical events.

At all the entities part of the survey, the public office respondents’ answers were :

Critical incidents	Long term college				Short term college				High School			
	no	îmm	îMm	ît	no	îmm	îMm	ît	no	îmm	îMm	ît
Distrust and disdain	0,03	0,51	0,39	0,07	0,09	0,30	0,44	0,17	0,24	0,05	0,49	0,22
Lack of respect	0,03	0,53	0,37	0,07	0,10	0,34	0,46	0,10	0,24	0,05	0,57	0,14
Verbal violence	0,03	0,13	0,72	0,12	0,04	0,22	0,49	0,25	0,24	0,16	0,14	0,44
Insults	0,23	0,44	0,21	0,12	0,26	0,38	0,26	0,10	0,24	0,05	0,43	0,28
Reproof	0,15	0,58	0,15	0,12	0,22	0,58	0,12	0,08	0,38	0,41	0,16	0,05
Intimidation and discrimination	0,12	0,66	0,19	0,03	0,27	0,54	0,14	0,05	0,24	0,05	0,30	0,41

The public officers with high qualification of long term (S.I.d.)complain of a few critical incidents that vary between 44% and 66%, the most serious turned to be the “verbal violence” represented by 72%.

The public officers with high qualification of short term (S.s.d.) see with more critical eyes their chiefs’ lack of social responsibility, three critical incidents are accused “to a low level” and other three “to a high level”.

The lowest satisfaction was registered at the High School graduates (S.I), this category accuses two incidents “always” and the percentages are 41-44% and other three incidents “very often” .

The development of the group and individual managerial potential is closely dependent on the process of permanent renewing of the managerial instruments. In an institution like The General Department of Public Finances, the performance in determining and collecting the taxis is influenced by the usage of the adequate managerial instruments.

From this point of view the board has an important role. The usage of this type of instrument to all hierarchical levels is dependent on the responsible people to coordinate the following activities; analysis and the diagnosis of the informational system necessary to all managers: projecting the informational system and the completion of the board panels ; the harmonization of the boards in the DGFP management system with the help of the boards. Success, in the above mentioned situations, is influenced by the conception methodology and the usage of the boards. The central axis of this methodology refers to the principles of the methodology issuing. As principles are concerned, the biggest requirement is to use and combine two of them, the "top to bottom" analysis objectives coordination principle and the complementary activities of transmitting the informational frames from "bottom to top".

Establishing a system of objectives at the level of the organization and the mentioning of the specific objectives of a board implies two categories of responsible people, those who establishes the system of objectives at the level of the organization (fundamental, derived, specific and individual objectives) and the one responsible to create the boards.

The latter one will decide the period / time to fill in the boards ; the time to transmit the informational situations ; the manner in which to present the specific information and the quality of the information that makes the subject of the board.

The system of objectives at the level of the DGFP is shown by quantity and quality indicators that represent a series of purposes. We consider that for a DGFP the following indicators represent a great interest:

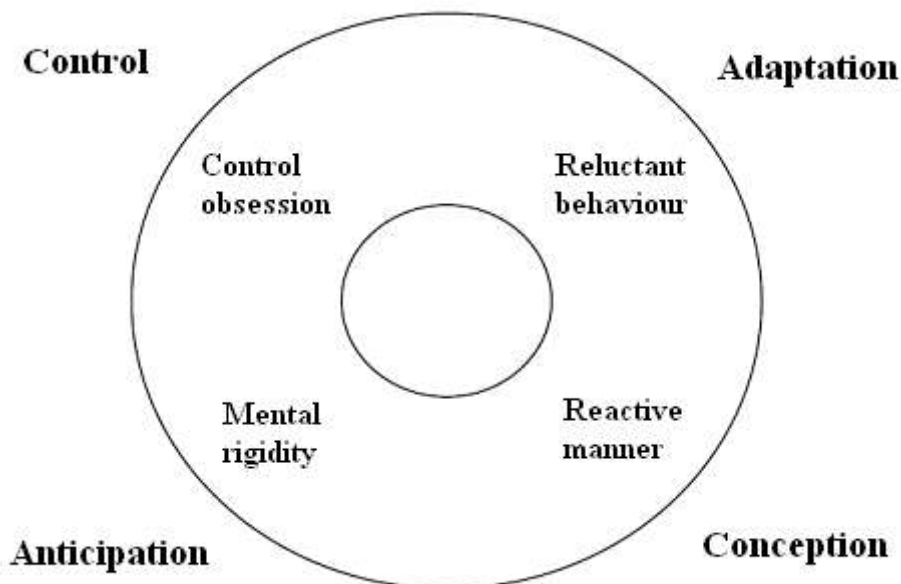
Ctr. no	Indicator
1.	<i>The degree to which the target regarding the revenues collection is reached</i>
2.	<i>The degree to which the arrears are collected from the companies</i>
3.	<i>The degree to which the arrears are collected from small and intermediate contributors</i>
4.	<i>The rate of the revenues collected through enforcement</i>
5.	<i>The degree of voluntary payment conformation (numerical)</i>
6.	<i>The degree of voluntary payment conformation (value)</i>
7.	<i>The number of inspections done by an inspector</i>
8.	<i>The supplementary sums collected by an inspector</i>
9.	<i>The level of appeals made by the contributors in the number of issued taxation decisions</i>
10.	<i>The number of intimates regarding the malfunction in the contributor assistance work</i>
11.	<i>The number of complaints legally solved at the right time</i>
12.	<i>The level of processing in due time the fiscal declaration</i>
13.	<i>The level of voluntary fiscal declaration on types of taxes</i>
14.	<i>The degree of solving in time the negative sums of V.A.T. deduction with the reimbursement option</i>
15.	<i>The sums rate that has been admitted by the court, for which the given solutions have been infirmed in the previous procedure.</i>
16.	<i>The level of admittance and cancellation, in the total of the court solutions, given by the specialized organs from the county ANAF and DGFP</i>

Selmer (2003,p.72)believes that “the majority of the organizations find themselves, frequently, in the situation of excessive information and very little in the situation of a lack of information. Excessive information is even worse than the lack of it”. To minimize the excess or the lack of information it is necessary to study the existent informational system. The analysis must be done at the level of the entity coordinated by a manager, department chief, office chief or a compartment chief. This kind of analysis is concerned with:

- -the level to which the informational elements are not limited well enough in comparison to the others;
- -the approach of the informational elements not as an isolated action but in relation to the tasks, skills and responsibilities given to each organizational subdivision ;
- -quality, quantity and the frequency of information.

Reducing, also the extinction, of the excess or the lack of information requires a system of indicators having the “alert” function .This system of indicators can be recognized through a close evaluation of the given data but also of the users’ informational needs .

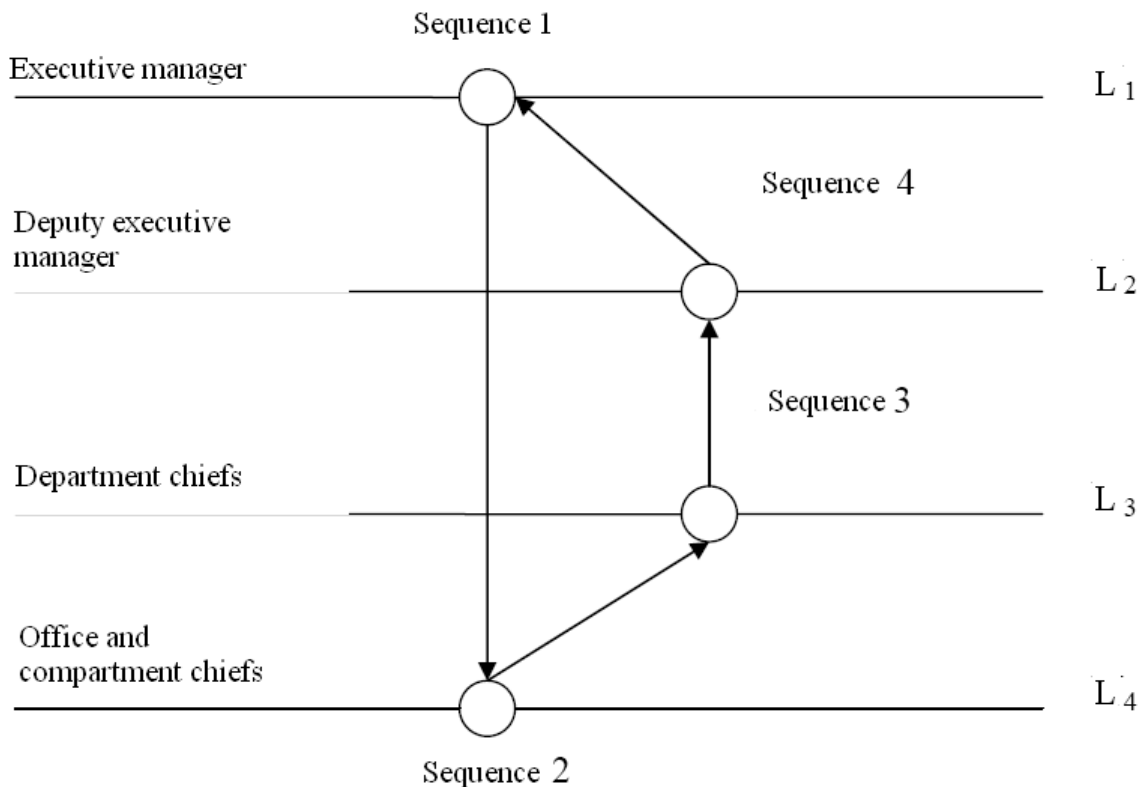
Based on the analysis we form the diagnosis. This one states the deficit of the existing informational system and which are the elements that register a deficit. The possible malfunctions of the existing system are synthesized in the following graphic:



In these conditions, the managers and the chiefs of administrations (departments, offices and compartments) must be very careful with the analysis and the improvement of the informational system. Identifying the drawbacks, the team (or the responsible) that creates the boards has a good knowledge of the negative aspects of the existing informational board and it creates a plan of action which allows every part of management to install and use the board.

For the completion of the board it is recommended a sequential approach based on the principle “bottom-up”, especially from the point of the organizational structure, as it concerns the completion of the informational frames and their transmission to the users.

DGFP Arges presents four hierarchical levels:



The first sequence is part of the objective system (fundamental, first and second degree derived and specific objectives) and of the general budget of the DGFP.

The second sequence consists of the specific objectives divided into individual objectives at the offices and compartments' level.

The third sequence concerns the completion and the transmission of the informational frames destined to the departments.

The fourth sequence consists of the completion and transmission of the informational frames to the superior department (executive manager and to the deputy executive managers).

Synthetically, the dissolution of the objective system and that of the transmission to the higher level and also that of completion and transmission of the informational frames to the first hierarchic level is given in the picture above.

For DGFP Arges the completion of the boards is based on the usage of a few informational frames.

In conclusion, by putting together the four axis of the research a strategy can be issued for the development of the group and individual managerial potential that can help to form distinct competence of a DGFP. The launched opinions, some verified in practice, have been subordinated to the desire to bring some extra knowledge in the vast field of the change management. The theoretical and practical grounds, approached from an interdisciplinary perspective- economic, sociologic and psychological -, constitute important managerial tools, useful in overcoming the actual state of the way in which the human resources from the Romanian organizations are handled.