

PLANNING AND ORGANIZING – A WAY OF INCREASING THE EFFICIENCY OF MANAGERS

Tímea Vargová – Peter Čekan

Management is a domain of leadership. That is why it is necessary to realize that managers are the key factor to improve the leadership in companies and to get a required level of control. The capacity of managers to inspire employees and engage them in the leadership process is essential in any company. The planning and the organization are one of these managerial tasks that depend on the knowledge of leadership rules and processes of in the market economy.

The strategic thinking is one of the important aspects of an efficient leadership in the company. This quality is essential for managers responsible for the property of a company and its efficient use. The managerial thinking and the general knowledge of markets are very important for the creation of strategies.

K e y w o r d s: management, leadership, strategical planning

1 INTRODUCTION

In the past, the management was not considered an important factor for the society development. In the times of industrial revolution in the seventeenth and eighteenth century several economists expressed their concepts and stipulated the new functions of management. Only in the nineteenth century the management became an independent branch as several new organizational problems arose, e.g. the efficiency of work or the remuneration. Management is the process of achieving goals of organization in market economies. It is characterized by the following features:

1. Process or serie of consecutive and related actions,
2. Focus on accomplishment of the organizational goals,
3. Achieving objectives using the work of people and the elements of the company organization.

It represents a group of activities where people are coordinated in order to achieve results that are not achievable individually.

The word management originally comes from English word manage, which is used in many forms and meanings. So we can understand this term from several points of view. First, it is a process of several activities composed by specified phases, steps and actions. On the other hand it is a profession of managers who perform management activities. Moreover management is a science.

Managers are the people capable of applying their ideas in the resolution of daily issues, influencing the lifestyle and opinions of the employees. They plan and control the individual and collective processes, supervising and evaluating the employees and taking necessary steps in case corrections are needed. People become managers based on their own experience obtained from daily work. Managers should inspire the employees so that these ones could motivate themselves to achieve better results.

2 MANAGEMENT LEVELS

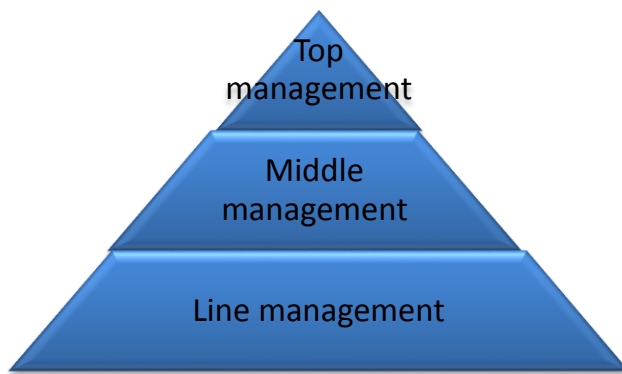
Organizations usually contain three management levels: first line managers, middle management and top management.

Managers on different levels of leadership have different, but also common responsibilities to use organizational sources in order to improve the savings and efficiency.

Line management - deals with operational control of activities in the company. It is responsible for the daily supervision of workers and checks the quality of the work they perform and the additional activities related to the production or services. These managers are responsible for the direct control of tactical decisions which is leading to the implementation of top managers' decisions. There are many coordinative and executive elements which affect the line management.

Middle management – the supervision of first line managers is ensured by middle line managers. They should find the best way how to use and organize human and other resources of the company efficiently in order to accomplish the objective. The key function is the operative one, which is based on the tactical short-term planning and tasks. The leadership and control functions are adapted to the current situation. The information from this level of management is transferred to the top management. Middle managers should be able to answer the following questions: „Which supervisor should be chosen for the project?“, „Where to find the best resources?“, „How to organize the employees efficiently?“.

Top management – unlike middle managers the top managers are responsible for the overall performance of the whole company. They have large competences and responsibilities in creation of organizational goals e.g. which materials or services will be offered by the company. On the other hand top managers decide which departments should cooperate. They supervise middle managers and determine their objectives. These managers are leading the company from the economical perspective and create the strategy of the company. Their decisions influence the whole company.



Picture 1 Level of leadership

Planning

Planning is an integral part of management. Due to the division of labour it became one of the basic managerial functions. The planning provides a necessary information for all the other functions and it is needed on every level of leadership. The only feature that changes is a contain of planning according to the tasks required at the leadership levels.

Organizing

The organizational structure should be firmly determined and all the members aware of their specific tasks. That is how the team work becomes more efficient. The creation and maintenance of organizational structure is a requisite of managerial organizational function.

3 PEOPLE LEADERSHIP

The leadership is one of basic managerial functions. Managers are responsible for leading the employees in the correct direction in order to achieve the required goals. Several studies try to find out which way of people leadership is the most correct, however it is not possible to identify any unique suitable way, just because a man is a complicated person and everyone reacts different way to different situations.

Japanese management

Has the following feature:

- lifetime employment,
- seniority system with the promotion and salaries,
- labour unions within companies.

The relations between employers and employees are similar to the ones between family members. The basic element of the Japanese organization is a person. Personal relations within the organization are direct and according to the organization the employees should responsibly fulfill their job description. In Japan the understanding of company culture is a key to the company leadership. Several current circumstances determined the modifications in the traditional system.

The economic recession decreased the growth of companies. There was a change in the company

demography as the companies were over-employed and the salary costs too high. The increase of foreign competition pushed on the price decrease and threatened the traditional Japanese company structure. The better information access and the general progress in information technologies made companies less dependent on the employees.

US management

US management can be described as individualistic because the main responsibility for the decisions taken in the team is attributed to managers, even if some important decisions may be negotiated in open discussions. According to the idea of Human Relations the general quality of working conditions is influenced by the relations at the working place, the professional satisfaction and the positive feed-back for the good job performance. The managers focus more on their own attitude, than on the opinions of employees. There is a communication hierarchy from the top level to the lowest level of leadership. The information flow within the company is formalized and quick.

German management

A typical German post-war leader could be described as a person with formal interpersonal character features, direct behaviour, technically skilled, more specialist than generalist, neither bureaucratic nor autocratic. This leader believes that products of good quality will be easily sold.

From mid-seventies terms like interpersonal skills, delegation and inspiration become popular in German management. That is how the German attitude reflects the change from materialistic values to the non-materialistic ones. In spite of these changes of values the German leadership keeps on being focused on personal skills of managers.

German managers are mainly individualists, which means that sources and remunerations should be divided based on the professional success. Organizational members are more proud on the individualistic success than on the collective one. The emphasis is on the individual self-esteem instead of the group loyalty and cohesion. People used to closer relations with the employees and agreeable atmosphere may find German managers rather cold. The top level employees care about the dignity of the position. The socializing tendencies class employees in the groups within the company hierarchy.

Difference between types of management		
Japan	Germany	US
Priority given to human assets in management	Short-time employment possible	Primary importance will be accorded to numbers and laws rather than to people
Seniority promotion	Promotion on merit	Individual process
Ultimate goal: broad experience	Specialists, increased mobility	Communication hierarchy from the top level to the lowest
Long-term strategy with no constraints on short-term actions and based on rather low capital cost	Strategy based on strong regulation of the market, social responsibility and employees' commitment which guarantees both long and short-term perspective success	Strategy involving long and short-term actions and based on comprehensive analysis of the environment and the company's capabilities

Tab 1 Management types

4 CRISIS IN THE COMPANY JAPAN AIRLINES

The company Japan Airlines was founded in 1951 with the state participation. In 1987 the government sold its share in the company and Japan Airlines (JAL) became fully privatized. In the nineties JAL faced several challenges. One of them was the deregulation which led to the increase of competition, the decrease of prices and of the company revenues. Before the implementation of necessary steps the company lost significant incomes due to the economic crisis and the virus H1N1, which were the main reasons of the bankruptcy.

The resolution of difficulties required a high amount of manpower in the short-term. It was necessary to rehabilitate the company to get the financial resources. JAL decided to create reorganizational plan which combined the new conditions and measures to ensure the transparency and the fair process.

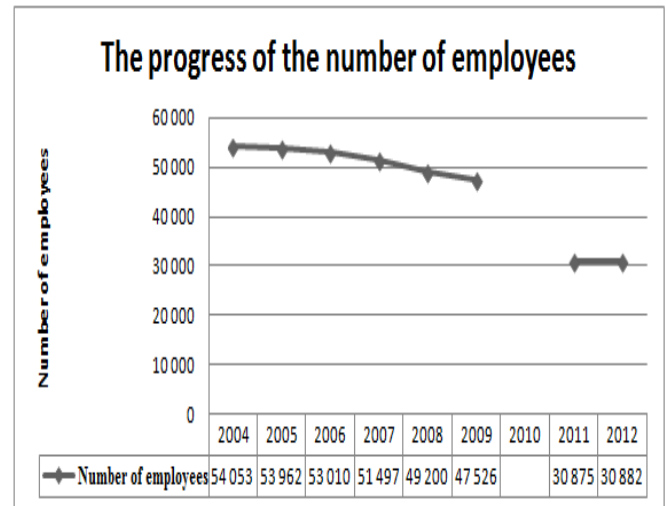


Fig. 1 The number of employees

The decisions that were taken, touched not only the top management, but every member of JAL. Leaders had to explain clearly the background and the ideas which led to the decisions, as well as their main visions with the objective of sharing ideas with the employees and leaders.

The managers had to take the initiative and explain their thoughts to all who depended on the decisions. It was necessary to maintain a constant endeavour focusing on the rules which confirmed their authority and the general course of the organization. The employees were supposed to accept the company culture and to get loyal to the company. The management was forced to execute reforms.

During the company transformation JAL changed the strategy of traditional Japanese leadership and included the elements of US management based on the individualistic approach. The personal remuneration was added to collective one. This management features seemed to be indispensable for the company, because the employees found a new motivation to increase the efficiency of their performance. However, some elements of Japanese management remain included as the employees are still highly respected. Moreover the mentality of the nation fulfils an important role and it is necessary to accept it and to adjust the current strategy accordingly.

The goals of leadership include three steps of managerial plan. The first one is to accept the necessity of ensuring the air traffic security which is a part of the social responsibility. As a leader in the air traffic security, JAL should in future maintain the highest security standards. The restructuring helps to minimize the risk of human mistakes, implementing new information technologies, systems and processes. The next step is to offer the best transport services to the travellers and to obtain the rewards for the client satisfaction in three years. The last point of the plan is the aspiration of sufficient profit and financial stability mitigating the economic changes and risky circumstances. The main

objective is to achieve the ten percent profit in three years and the fifty percent equity capital.

5 CONCLUSION

The choice of a suitable managerial leadership is a complicated issue. Any production or air company determines a correct strategy on its own. So it is not exactly possible to confirm which type of management should be used. Each country is different with the specific pros and cons and the employees tend to get used to their own customs and standards. In the Japanese management collectivism and the cooperation in order to achieve common objectives may be considered the plus. On the other hand the individual motivation is partially limited by the seniority system. Unlike the US management is based on the individualistic values and the emphasis is on the goal achievement. The respect for the leaders and the responsibility predominate in the German management. The professional attitude toward the employees is rather cold. The combination of Japanese approach to the employees, individualism of US management and the high quality German management may help companies to accomplish their goals. Although to ensure the employees' satisfaction it is necessary to avoid the inappropriate steps in the implementation of new managerial approaches. Every company should correctly determine the actions to achieve its goals and become a stable part of the market, maintain the customers and get the new clients to remain profitable.

BIBLIOGRAPHY

- [1] SEDLÁK, Mikuláš: Managment, 3. Vydanie, Laura Edition, Bratislava 2007, ISBN 978-80-8078-133-0
- [2] KOTLER – KELLER, Marketing management, 12. Vydanie, Grada Publishing 2007, ISBN 978-80-247-1359-5
- [3] KOONTZ – WEIHRICH, Management, 10. Vydanie, Victoria Publishing, Praha 1993, ISBN 80-85605-45-7
- [4] PAPULA – PAPULOVÁ, Strategické myslenie manažérov, 1. Vydanie, Kartprint, Bratislava 2010, ISBN 978-80-8887-86-9
- [5] Tímea Vargová – Plánovanie a organizovanie ako spôsob zvyšovania efektivity manažérov. Diplomová práca. Košice: Technická univerzita v Košiciach, Letecká fakulta 2014

AUTHOR(S)' ADDRESS(ES)

Čekan Peter, Mgr., PhD.; Letecká fakulta, Technická univerzita, Košice

Tímea Vargová Bc., Košice