



PERFORMANCE CULTURE – THE E.Q., SUPPORT OF THE REPOSITION OF COMPANIES ON THE MARKET – ANSWER TO THE IMPACT OF ECONOMIC CRISIS

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ABSTRACT

In an economy where the co-operation is part of the success of any strategy, the putting at the staff's disposition of the information needed in order to take the most appropriate decisions and its involvement in formulating and meeting the objectives of the company create competitive advantages, conjugated with a great individual responsibility. The topicality of methods, processes, strategies accentuates the interfering moment of the rational intelligence (I.Q.) with the emotional intelligence (E.Q.), synergy which can propel and capitalize strategies deeply touched by the importance of the quality of the staff, in the company's success. The promotion of a performance culture, designed to support the strategies formulated, can be realized only inside a company which promotes the credibility and the confidence. A customer-centric and pro-active staff, aligned to the basic purpose of the company, would adapt with confidence and will contribute to the creation of a structure aimed to support the continuity of the company.

Keywords: Performance culture, Performance, Financial instability, Responsibility center, Strategy, Management.

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1. INTRODUCTION

For many years, the dominant tendency showed at organizational level is given by the orientation towards the customer and, implicitly, towards the changing. In this context, the organization of the activity on responsibility centers becomes a premise in order to meet the exigencies of the customers, and also of the registry of entities on the trajectory of economic performance starting from its most important resource, the human factor.

Each company is unique in its way and implicitly different in regard of other companies from the point of view of the “expression” way within the activity, of mission elements, purpose, strategy, managerial and executive culture, etc. For a manager to find the ideal structure of the responsibility centers, he shall project them in order to ensure the unitary functional, operational and managerial framework which allows him their superior capitalization during the implementation processes of the strategy. In order to integrate in a decisional process and to adequately adjust the organizational structure on responsibility centers, the management shall start from the way of showing the performance culture within the responsibility centers, thus the individual purpose coincides and leads to getting the global purpose of the company.

1.1. The Delineation of the Performance Culture Through the Involvement of the E.Q in the Management of the Responsibility Centers – Support of the Reposition on the Market of a Company Which Provides Services of Architecture, Urbanism and Design

The performance culture can be defined as a cumulus of strategic options which maintain connected the formulation – development – implementation – supporting of the performance process, at individual and global level, within a company, in a continuous day, day after day. It transforms the strategy in a continuous process.

The performance culture capitalizes the analytical and synthesis capabilities of the managerial team, but also of the operational team, supporting a well conceived business plan and thus offering the support needed in order to meet the desired results.

The association of the analytical vision with the synthetic vision illustrates the role of the emotional intelligence (E.Q.) together with the rational intelligence (I.Q.), during the steps for meeting the sustainable performance.

With this in view, although in the industrialization and the contemporary age of IT technologies the focus was placed on the importance of the participants' I.Q when meeting the company's performance, we affirm that their E.Q. has an immaterial and intangible aspect, but extremely important in showing the performance culture.

The emotional involvement, more than the intellectual involvement of the members of the team, increases the impact of the performance culture in the desired results of the company. In other words, the performance culture can be supported by the participants conviction (Aziza and Fitts, 2008), according to which “all for each and each for all”¹.

We don't detail “the desired results” because they come to prominence in a different way, from company to company, from person to person. From here, another quality of the performance culture and namely, it has no rigid “condition”; it is flexible, adaptable, unlimited and conditional.

In order to show how the performance culture becomes the reflection of the E.Q involvement in the management of the responsibility centers, we propose a case analysis for a company which

¹ According to the authors B. Aziza and J. Fitts, the employees involved in the creation of the performance become “agents of the change”.

provides services in the field of civil constructions designing, DESIGN S.A.², company with more than 20 years of experience, on the private, liberalized market from the post-communist Romania.

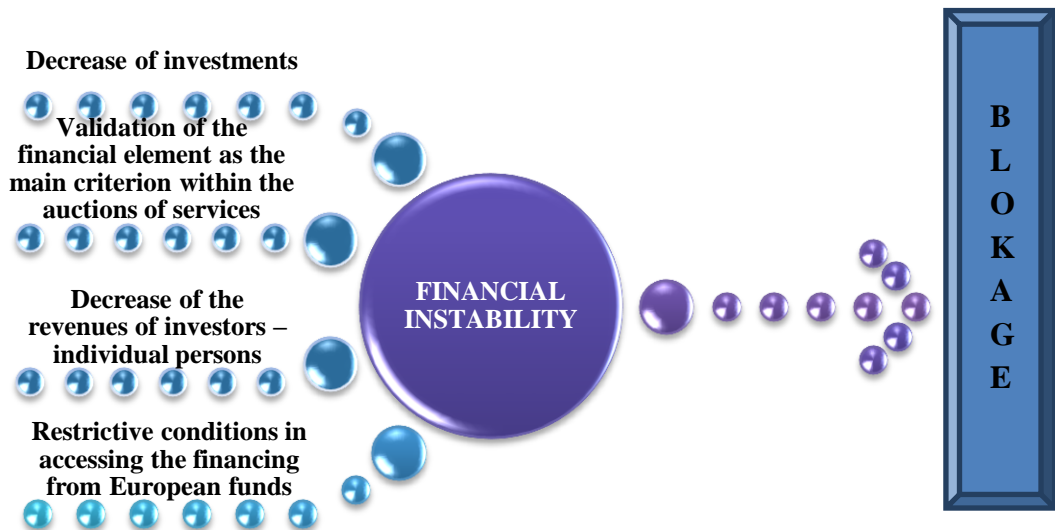
The analyzed company represents the expression of a permanent ascendant trend, from establishment and until the beginning of the economic crisis from 2008.

In order to emphasize the specificity of the process for the maintenance of the performance of the analyzed company, we present the implications of the business environment deeply marked by the economic crisis (Gheorghe, 2014).

The manifestation of the economic crisis emphasized the importance of the decisional declick in the business world. During the blockage periods of the economic environment, each manager shall underlie his perspective decisions starting from the analysis of the information from inside as a reaction to the phenomena showed outside.

With this in view, the management of the company DESIGN S.A. identified the effects of the impact of economic crisis on it, as it can be noticed in figure no. 1.

Figure-1. The impact of economic crisis on the company DESIGN S.A.



Source: Belongs to the author

In relation to these causes, the main characteristics of the managerial approach of the company analyzed are:

- ✓ the adaptation to the environment changes which influence it – self-stabilizing;
- ✓ the creation of some stable and flexible structures which ply on the new changes appeared in the environment – self-organization.

We notice that, these considerations predefine reactions in the operational sphere. Within it, the main instrument which incubates in its decisional structure the assembly of the technical,

² The denomination DESIGN S.A. is a substitution of the real name of the company of architecture, urbanism and designing.

organizational and functional measures in meeting the objectives of the company is the responsibility center, idea which is approached by the authors [Rusu and Voicu \(2001\)](#).

The designing of an organizational structure involves a complex reasoning, based on a logics subordinated to some functional and relational conditions. The quality of the organizational structure depends on the nature of specific connections conceived between the organizational elements or centers. Its evaluation is made depending on the “exploitation efficiency”, respectively on the capacity of the organizational structure designed, to integrate the organizational elements or centers in the internal processes and to mobilize them in terms of performance, in order to meet the objectives proposed by the entity.

The correlation of the objectives of a company with the priority objectives to which the management of the responsibility centers ([Rusu and Voicu, 2001](#)) answers and their validation in an economic environment, specific instable, as that transited by the analyzed company, allows us to identify the specificity of the feedback of the analysed company's actions:

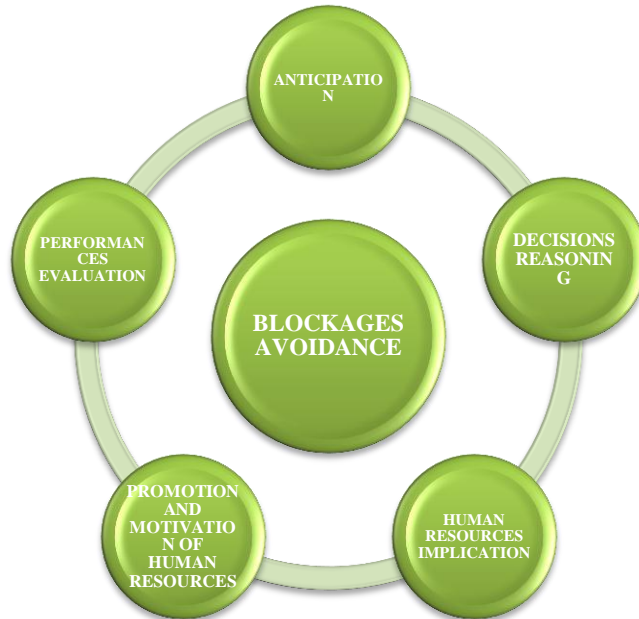
- the collaboration with various categories of customers in the development of the specific activities of the company:
 - ◆ the satisfaction of the customers requirements, of the type of public institutions, imposes a re-analyze of the estimation manner of the designing fee per hour. The orientation of public institutions on the diminution of investment costs was materialized through a financial pressure in the private sector, by diluting the professional criterion in the detriment of the financial criterion. The absence of investments from the public interest sphere determined the increase of the competition and, with this, the decrease of the designing fee to, sometimes, under the productivity threshold;
 - ◆ the satisfaction of the customers requirements, of the type of individual persons, imposes, despite the major diminutions of the fees related to the services provided, the promotion of some attractive packages of services (despite the basic designing services, consultancy for interior design, consultancy for furniture, choosing the accessories, etc.).
- the optimization of the resources use:
 - ◆ the objective management of financial resources imposes a realistic estimation of the cash flow, correlated with the specificity of collection terms, imposed by the customers, especially by the public institution (between 60-150 days);
 - ◆ the participative culture of human resources imposes their assumed involvement for the good progress of the company;
 - ◆ the better use of technical resources in the contracted services, as diversified as possible (despite the designing services and other types of congruent services: multiplications, edition, promotional products, etc.)
- the introduction of an alert system which allows the evaluation, the control and the

estimation of the risk associated to the processes involved in meeting the performance of the company, on the following segments:

- ♦ the financial segment – the level of incomes in report to expenses, the level of collections in report with the cash outputs, the cost of credit financing and their renegotiation or additional possibilities;
- ♦ the operational segment – the level of the work productivity;
- ♦ the personal segment – the degree of satisfaction of the human factor;
- ♦ the management segment – rapid reactions in decision making;
- ♦ the marketing segment – techniques for the promotion of the services provided by the company on the market.

After we have identified the informational-strategic engine, we'll use the qualities of the responsibility center in order to structure the program which can give the solution for the market blockages whit which the company confronts, through the following scheme of conditionings:

Figure-2. Strategic program proposed for the company DESIGN S.A.



Source:Belongs to the author

We connect the strategy of the management of the analyzed company at the proposed program (figure no. 2). The first phase of the proposed program is the anticipation phase. This is based on the idea according to which the organization of the activity on responsibility centers gives the informational basis in decision making. We consider that the biggest risk which shall be managed by the company's manager is the development, on the market, of a competition exclusively orientated on survival. The appreciation of the report performance/ price doesn't

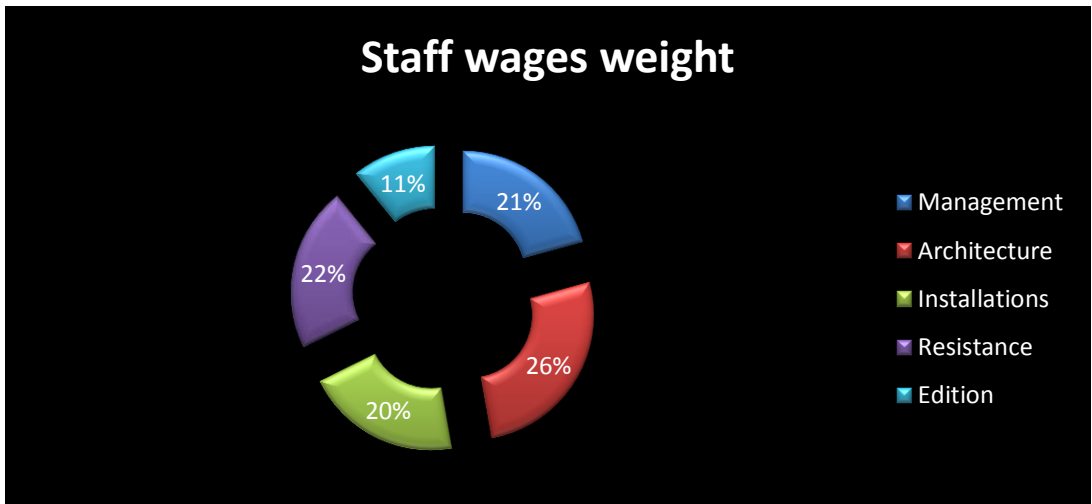
represent anymore a competitiveness guideline. The impossibility of the market to absorb the greatest part of the offer of designing services determined a strategy, globally assumed, not only by the analyzed company, but by all the companies from the field, exclusively oriented on the diminution of fees having as consequence the diminution of revenues. In order to maintain the profitability, the analyzed company was obliged to rationalize the costs leading to the following phase of the proposed program.

The decisions reasoning phase starts from the identification of main expenses at the company's level.

From the total of expenses, the expenses with the staff represent the greatest weight, respectively 75,35%.

In order to capitalize, as efficient as possible, the information regarding these expenses in the decisions reasoning phase, we consider that their breakdown on compartments (figure no. 3) is needed. By their nature, the compartments related to architecture, urbanism, designing company behave themselves as a responsibility center, from the functional point of view.

Figure-3. Weight of wages of the staff belonging to the company DESIGN S.A. in year 2013



Source: Belongs to the author

The spaces allocated to each department represent a weight of about 20% from the net area of the head office of the company and these receive a similar weight from the expenses with utilities and rent.

Starting from these objective findings, the management of the company illustrated the possibility to restructure the activity of the company, related to departments (resistance and installations), where specialized companies carry out their activity, in an autonomous way, which have the possibility to employ new specialty works with other partners, distinctions from the company Design S.A.

As a consequence of this decision, the company DESIN S.A. will increase with 40% the expenses with utilities and rent and with 42% the wage expenses.

Since this decision has an impact on the entire staff, appreciated by the management of the company as the main engine of the activity, it was considered opportune its involvement in the checking of the decision correctness.

The phase of human resources entrainment, stimulation and motivation ensures an easy and non-aggressive transition from the responsibility centers within the company DESIGN S.A. to companies charged.

The support algorithm of the strategy proposed for this phase was based on a cumulus of information carefully selected by the help of an enquiry put at the staff's disposal, whose role was to analyze if the culture existent in the company can ensure the implementation basis of the strategy oriented towards changing.

With this in view, the starting of the implementation process supposed the realization of a study based on the enquiry of the company's staff, the main resource involved in the changing process, enquiry which included three sections.

- The first section included 14 statements regarding the company (Table no.1). The staff was asked to express his point of view, opting for a grade from 1 to 5, where 5 corresponds to the qualification "very good", and 1 corresponds to the qualification "very weak".

Table-1. Section number 1 from the study

1.	Access on external markets or conquest of new market segments.
2.	Disposal of poly-qualified staff, who executes varied tasks.
3.	Decrease of material dependency.
4.	Decrease of financial dependency.
5.	Capacity to rapidly adapt to technological changes.
6.	Realization of a good cooperation between compartments.
7.	Capacity to adapt to new.
8.	Incertitude of the place of work of the employees.
9.	Excessive centralizing of the decisional process.
10.	The communication system and type at the level of the company is adverse or dysfunctional.
11.	The existence of a correct compensation system.
12.	The activity volume is correlated with the staff demand.
13.	Adaptability to the customer's requirements.
14.	The employees are motivated.

The answers of the staff at this section are exposed in table no. 2.

The purpose of this first section was, on one hand, the identification of the adaptability capacity and the flexibility degree of the company, as reflection of the performance culture, individual, of the members of the team, which contribute to the formation of the global performance of the company.

On the other hand, the first section contributed to the increase of the value of the

management system adopted by the company, by ensuring the transparency (Hope and Player, 2012), aspect considered adverse by the employees.

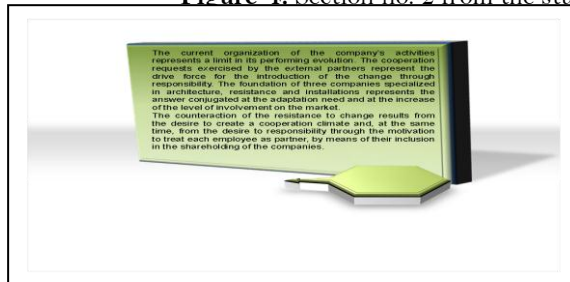
- The second section aimed the answer of the employees to the following block of statements, whose purpose was to formulate a strategy

Table-2. The results of the section number 1 from the study

Statements	Average	Management	Arh.	Res.	Inst.	Edition
1. Access on external markets or conquest of new market segments	3,4	3	4	3	3	4
2. Disposal of poly-qualified staff, who executes varied tasks.	5	5	5	5	5	5
3. Decrease of material dependency	4	4	4	4	4	5
4. Decrease of financial dependency	4	4	4	4	4	4
5. Capacity to rapidly adapt to technological changes	5	5	5	5	5	5
6. Realization of a good cooperation between compartments	4	4	4	4	4	4
7. Capacity to adapt to new	5	5	5	5	5	5
8. Incertitude of the place of work of the employees	5	5	5	5	5	5
9. Excessive centralizing of the decisional process	1,6	2	3	1	1	1
10. The communication system and type at the level of the company is adverse or dysfunctional	3	3	3	3	3	3
11. The existence of a correct compensation system	4,2	5	4	4	4	4
12. The activity volume is correlated with the staff demand	4	4	4	4	4	4
13. Adaptability to the customer's requirements	5	5	5	5	5	5
14. The employees are motivated	5	5	5	5	5	5

Source: Belongs to the author

Figure-4. Section no. 2 from the study



Source: Belongs to the author

For this section, the employees can use the following options:

1. Categorically yes
2. Yes
3. No
4. Categorically no
5. No opinion

The role of this section was that to explain to the human factor that the current situation from the market is different from the situations whit which the company confronted until present, which is why a new strategy is needed.

The result of this section, on compartments, is presented in table no. 2.

Table-3. The results of the section no. 2 from the study

Compartment	Number	Rate (%)	Compartment	Number	Rate (%)
Management			Architecture		
Categorically yes	5	100%	Categorically yes		
Yes			Yes	5	100%
No			No		
Categorically no			Categorically no		
No opinion			No opinion		
Total	5	100%	Total	5	100%
Installations			Resistance		
Categorically yes	1	17%	Categorically yes		
Yes	5	83%	Yes	5	100%
No			No		
Categorically no			Categorically no		
No opinion			No opinion		
Total	6	100%	Total	5	100%
Edition					
Categorically yes					
Yes	5	100%			
No					
Categorically no					
No opinion					
Total	5	100%			

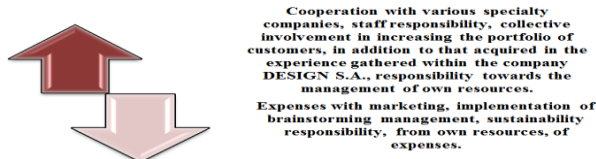
Source: Belongs to the author

- The section no. 3 aimed to identify the strong and the weak points of the strategic option proposed through the section no. 2 and as a consequence of the section no. 1, within the enquiry.

According to the staff, the main effects are the following:

As a conclusion, we can say that the proposed strategy has the purpose to implement, within the analyzed company, the continuous need to get “engine” information and to connect them to adequate strategies.

Figure-5. The results of the section no. 3 from the study



Source: Belongs to the author

2. CONCLUSIONS

The organization of entities on responsibility centers has as purpose a better management of the resources involved at each hierarchical level and a better responsibility in respect to the results and to the elements generating results at their level, and the performance culture resulting from the manifestation of this type of organization will allow the creation of new flexible structures, capable to ply on strategies, sometimes on radical strategies. Generalizing, the enlargement of the micro sphere to macro sphere, the globalization, made that the company be always interconnected, and the business world become a competitive place. The competitiveness creation comes from inside. Translating the signification of the responsibility center from the management accountancy in respect to the financial accountancy, results that the human factor is the most important asset of the company. The flexibility of this asset transforms it in the engine of the changing through variety. The embracement of the variety confers competitiveness only if the company builds a solid assuming system of the employees, a culture of the solid performance. The division of the responsibility regarding the development of the company is the support for meeting the objectives proposed.

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