

Giucă, Andreea Daniela; Bota, Ileana Lucica; Dragomir, Vili

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MANAGEMENT OF PUBLIC INSTITUTIONS

GIUCĂ ANDREEA DANIELA¹, BOTA ILEANA LUCICA², DRAGOMIR VILI³

RESEARCH INSTITUTE FOR AGRICULTURAL ECONOMICS AND RURAL
DEVELOPMENT^{1,3}

"VALAHIA" UNIVERSITY FROM TARGOVISTE, MANAGEMENT, TARGOVISTE,
ROMANIA²

Corresponding author e-mail: giuca.daniela@iceadr.ro

Abstract: *The study addresses the issue of the management of public institutions in Romania by reviewing the main approaches presented in the specialized literature. The research identifies and describes the characteristics and functions of the management of public institutions as well as the main management systems used in the public management process.*

Keywords: *management, public institutions, public sector, Romania*

JEL classification: H11, H61.

INTRODUCTION

According to the Romanian explanatory dictionary, the public institution is defined as "a form of organization of social relations, according to the legal norms established by fields of activity", this definition centers around collective property which, in its essence, is in a relationship less intense with the personality of the individual, which composes/makes up the society (Siserman & Siserman, 2016).

Public institutions represent "the ensemble of organized structures, which are created in society for the management of public affairs." In the bureaucratic sense, public institutions represent the only way of social-economic organization of the state that can face new challenges such as: the large number of the population, the diversity and complexity of the human needs that need to be met (Marinescu, 2003).

Currently, the trend in the evolution of public administration is to reduce and, as far as possible, to eliminate bureaucracy, a concept that has long been the basis of the organization of public administration and services, making it difficult to carry out activities within it. The way to achieve the liberalization of the public administration consists, first of all, in changing the practiced management style (Dediu et al., 2017).

The emergence of management in the public sector represents a response to the crisis of legitimacy of the public administration, in its traditional mode of operation (Profiroiu et al., 2008).

The management system of public institutions providing services differs from general management techniques by its scope and complexity. Its general objective is to support the public interest. Considering these considerations, we can affirm that the management of public institutions represents the component of the public administration that studies the way in which the methods of achieving the public administration program are applied through the following activities: organization, allocation of resources depending on the own budget, evaluation and control of the activity public administration (Bărăian et al., 2014).

Public management studies the management processes and relationships between different departments of the administrative system, forms principles and regulations regarding the proper

functioning of public administration, perfects the organization and proper functioning of public institutions, as the main bodies that provide public services to citizens, influences economic values, political and socio-cultural both at local and central level and aims to satisfy the general and specific interest of the community (Bărăian et al., 2014).

MATERIALS AND METHODS

The research method used in the realization of the work is the complex approach to the theme by studying previous researches developed by various authors in the field, using online resources such as: Google Academic and Enformation.

RESULTS AND DISCUSSIONS

The main normative acts that regulate the organization and operation of public institutions in Romania are the following:

- The Constitution of Romania published in Official Gazette no. 233 of November 21, 1991;
- Law no. 53/2003 – Labor Code (republished and updated);
- Law no. 215 of April 23, 2001 regarding local public administration;
- Law no. 188 of December 8, 1999 regarding the Statute of civil servants;
- Law no. 7/2004 regarding the Code of Conduct of Public Officials;
- Law 500/2002 on public finances, updated;
- Law no. 544 of October 12, 2001 regarding free access to information of public interest, amended and supplemented;
- Law no. 52 of January 21, 2003 on decision-making transparency in public administration;
- Law no. 98/2016 regarding public procurement as well as Decision no. 395 of June 2, 2016 for the approval of the Methodological Norms for the application of the provisions relating to the awarding of the public procurement contract/framework agreement, updated with subsequent amendments;
- Framework Law no. 153 of June 28, 2017 regarding the salary of staff paid from public funds;
- Order 600 of April 20, 2018 regarding the approval of the Code of Internal Managerial Control of Public Entities and the Code of April 20, 2018 of Internal Managerial Control of Public Entities.

The complexity of the concept of scientific management has led to the use of a much greater variety of management systems, methods and techniques. The main systems and general methods specific to the management of public institutions are presented in figure 1:

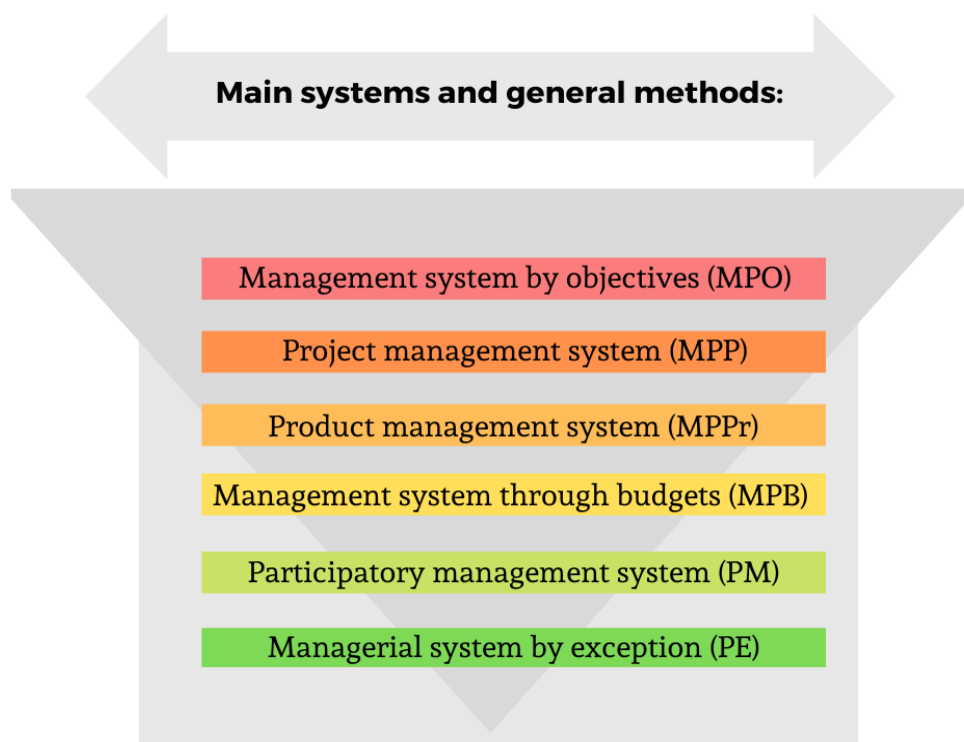


Figure 1 – The general systems and methods of the management of public institutions

Source: GRECU, 2021

The management system by objectives (MPO), this management system vertically harmonizes the management system, based on the transposition of the efforts and results of each component. This is done with the help of instructions, which materialize in action programs made for each subdivision of the public institution. The synchronization of the action is done with the help of the GANT chart or the term calendars, which are drawn up starting from the final deadlines for the fulfillment of the fundamental and specific objectives.

The framework/logistic support of this type of management is provided with the help of the methods assigned to each individual objective, through which the management functions are carried out. The most used methods used on management functions are: forecasting, organization function, coordination and training, control.

Benefits	Disadvantages/Limitations
Realistic substantiation of objectives.	The possibility of not obtaining the consensus of the operations in fulfilling the institution's objectives.
Increasing staff motivation, responsibility in terms of meeting objectives.	-
Developing and maintaining a climate that enhances creativity.	-
Realistic correlation of results with salary level.	-

The project management system (MPP) was created to be a specific variant of management adaptation to the current scale and pace of the manifestation of technical-scientific progress, to solve those problems of an innovative character, in the short term, and for specific organizations that it requires the contribution/involvement of several specialists, from different

organizational subdivisions, integrated for a limited period of time, in an autonomous organizational network.

The main organizational methods adopted are grouped into three versions/forms:

- Project-based management with individual responsibility, which assigns responsibility for the development of the project exclusively to a single person, who is responsible for ensuring the coordination necessary to achieve the objectives.
- Project-based management with staff, through which the management of the actions foreseen in the implementation of the project is ensured by the project manager in collaboration with a team that deals exclusively with this problem.
- Mixed project-based management, this represents a mix of the two previously mentioned variants, in which the project as a whole is coordinated by a project manager who collaborates with the managers of the subdivisions within the public institution, who have specific responsibility for the established attributions.

Benefits	Disadvantages/Limitations
Favoring the exchange of experience between the subdivisions of the organization.	Difficulties in harmonizing the organizational network of the public institution with the organizational network related to the project.
It represents the most optimal training framework for managers, who later gain experience in implementing national and international projects.	Difficulty in finding and choosing good project managers and convincing them to take the risks involved.

Product management system (MPPr) This system involves increasing the company's ability to design, assimilate, manufacture and market new products. It is implemented by private equity firms, which must implement activities to maintain products on the market or services provided.

The managerial system by budget (MPB) This system consists in ensuring the management functions of the institution, through budgets. In order for the system to be applied, the fulfillment of several premises must be ensured, such as: the fundamental objectives of the institution must be predominantly of a financial nature; the organizational structures of the institution must allow a delimitation of detailed functional attributions, responsibilities and competences for each subdivision of the public institution; the institution's information system should be centered on the registration, transmission and operational analysis of deviations from the forecasted level of expenses; the design of mechanisms to adapt general and analytical accounting to the requirements imposed by the determination of costs that reflect as faithfully as possible the contribution of each employee to the achievement of objectives.

Benefits	Disadvantages/Limitations
The advantages of using budget management derive from the possibility of correctly and clearly highlighting the contribution of each structural component, of amplifying the motivational role of budgets.	Difficulties in adopting the information system, in launching and tracking the execution of budgets.

Managerial System by Exception (MPE) This system was created as a reaction to the tendency of indirect expenses to increase in a much higher proportion than that of direct expenses.

Management by exception is a simplified management system based on the upward provision of information that reflects deviations from established tolerance limits and on the concentration of the best managers in decision-making and operational areas key to the company's competitiveness. Management by exception is advisable to apply in commercial or mass production or small series companies, with well-established technological processes, where the level production activity does not register major variations in the short term.

Participatory managerial system (MP) This management system consists in the exercise of management processes, through the involvement of a large number of managers and executors, and of all institutionalized participatory subdivisions.

Benefits	Disadvantages/Limitations
Increasing the general level of employee information.	Excessive time spent consulting subordinates, participating in organized meetings.
Increasing the degree of substantiation of decisions as a result of the participation of a large number of employees in decision-making processes.	Increasing expenses regarding the preparation of meetings, the creation and multiplication of materials.
-	Poor effectiveness of emerging novel problems.

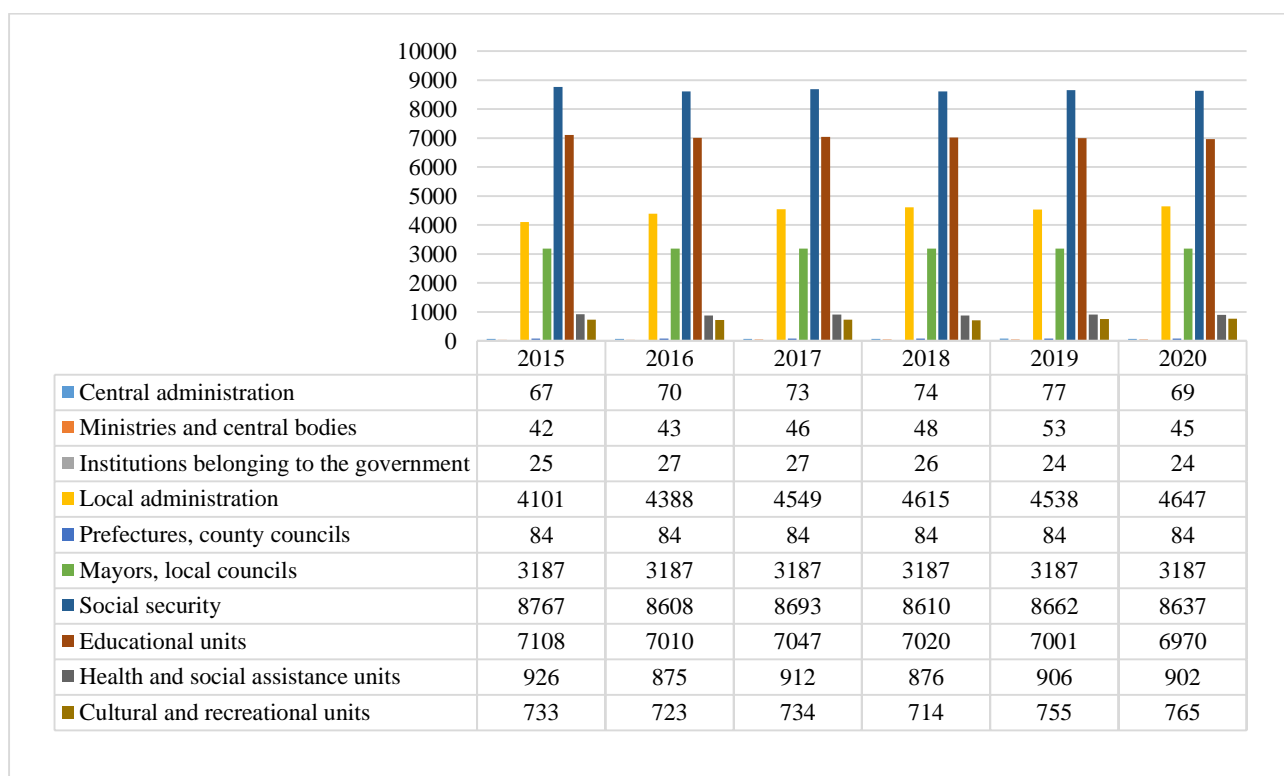


Figure 2 - Evolution of public administration institutions, by type of institution in the period 2015-2020 (number)

Source: National Institute of Statistics (INS), tempo online, accessed on 05.09.2022

According to the data provided by the National Institute of Statistics, in 2020, 25,330 public administration institutions were registered.

Analyzing the number of public administration institutions, by type of institution, it was noted that most public institutions are active in the field of social security (8,637 institutions in 2020, down by approx. 1% compared to those registered in 2015), these being followed by educational units (6,970 institutions reported in 2020) and local government institutions (4,647 institutions in 2020). In the period 2015-2020, a decrease in the number of educational units of 2% was noted, and in terms of local administration, an increase in the number of institutions of approx. 13%.

At the opposite pole, with the lowest number of institutions are the institutions that belong to the government, their number reaching 24 institutions in 2020. (Figure 2)

CONCLUSIONS

The management of public institutions, a term also found in the form of public management, is characterized by the following features: it is based on principles and legislation, it studies management processes and relationships, it is determined and determines: economic, political and socio-cultural values, it increases the level of performance in the organization and operation of public institutions, with the general objective of satisfying the public interest.

Considering the new trends and orientations towards digitalization, the management of public institutions in Romania must be permanently enriched conceptually and optimized from an operational point of view.

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