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## **Weaknesses of contemporary management methods in the opinion of managers- practitioners**

### **1. Introduction**

The success of today's enterprises is closely related to the quality of management. Contemporary management is understood as "control of processes, resources and innovations in organizations, to achieve the intended goals within the existing possibilities, conditions and limitations in accordance with the economic and social rationality of economic activities" (Penc 2012, p. 368).

In practice, management means a set of activities including planning and decision making, organizing, conducting, monitoring and controlling. These activities are focused on the resources of the organization (human, financial, material, informative) in order to achieve the intended tasks in an efficient and effective manner.

Professional and entrepreneurial management, involving the exploration of new ideas, concepts and solutions for products and services, production methods and sources of supply, forms of marketing and sales; is - you can say - our hope on the economic productivity of operators and their social ability to function in modern conditions.

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The key to running an organization is, of course, the effectiveness, or selecting the right thing to do, and then give them the characteristics of efficiency, to all forces which is present in the organization's resources; eliminating the possible weaknesses in order to achieve the effect of synergistically combined operation in which these forces reinforce each other and produce an effect greater than the sum of the effects caused by each of them separately.

According to Peter Drucker, today's successful managers should have the following characteristics (2004, p. 37):

- they know what to do,
- they can concentrate on the external and internal world of the organization,
- they can concentrate of forces on the main areas of the company's operations,
- they can build the company's success on its merits,
- they can make effective decisions.

The aim of the study is to briefly present the essence of the fifteen methods of management - according to the author - most commonly described in the literature by the science of management and recommended to managers; and presentation - based on pilot studies - of (topical) opinions of eighteen top managers (directors of prime enterprises) of the industrial sector from the Lodz region regarding their knowledge and practical application of the above-mentioned methods in business management.

## 2. A brief overview of modern management methods

Different specialists in the field of management "shoving" managers many various management methods. Among the currently recommended management methods, the following have gained great popularity (Penc 2012, Nizard 2018, Doktor 2007, Palass 2010, Nosal 2003, Kuc 2010):

1. Benchmarking - comparing with the best; confronting own solutions with what others suggest; learning from others and using their experiences to create conditions for better action and development in one's own organization.
2. Outsourcing - transfer of certain business areas to external partners, so the secretion function of the structure of the parent company and transfer them out, in order to focus on key activities crucial for the company's development prospects.
3. Insourcing - outsourcing projects taking opposite, i.e. to turn the organizational structure of the parent company functions previously implemented by other operators in order to be free from threats on their part and take a comprehensive product manufacturing.

4. Reengineering - radical transformation of business processes, radical organizational change based on the assumption that success is not determined by departments, but overall processes. It is therefore necessary to achieve integrated processes, ensure "peaceful co-existence" of horizontal and vertical management structures and create a partnership between them.
5. Balanced scorecard (balanced set of indicators, balanced reporting, strategic balance sheet) - observation of not only financial indicators, but also other ones, i.e. referring to clients, internal processes and qualifications. Personnel. This allows the company to focus on the essentials, clear formulation of strategies and the creation of an integrated system of its implementation (prospects are closely linked and sustainable - means „balanced“).
6. Corporate warfare (leading corporation "hostilities", corporation conducting "warfare") - to carry out revolutionary changes in the company, creating a whole new organization (from scratch), a new system of competition, without which we can no longer refer alleged success in turbulent environment.
7. Lean management - secretion of the company certain features and areas and transfer them to specialized agencies and companies, as well as eliminate any unnecessary processes - divestments, which allows improvement of logistical infrastructure (simplifies organization of the production) and accelerating product flow and the organization of manufacturing systems "just in time".
8. Kaizen (Japanese); Kontinuierlicher Verbesserungsprozess (German) - to search in the enterprise capabilities of any, even the smallest improvements in the most diverse fields (endless quest for excellence, continuous improvement), which allows better use of time and manpower, reduce costs and improve quality in the broad sense, by the fact that workers themselves are seeking to detect shortcomings, waste sources, submit proposals for improvements at their personal involvement.
9. Simultaneous engineering - conducting research and development with the inclusion of the beginning of all departments of the company, which involves putting up execution times by specialists in the field of product design and manufacturing and specialists involved in the implementation and the market process (application serial-to-parallel and parallel execution development tasks instead of only serial) to thus already in the early stages of development and production run to detect and eliminate emerging.
10. Value based management - the focus on raising the company's value in the interest of shareholders and managers (raising the share price), while taking into account certain essential goals that impede the maximization of profits (e.g. environmental protection and social commitment).

11. Customer relationship management (“good relations with the client”) - to analyze the activities of all departments of the company from the point of view of the creation of the benefits provided to the customer; design and improvement of processes, organizational structures, instruments and qualifications in order to improve and maintain favorable (optimal) relations with clients whose needs, habits and tastes exactly the company is trying to identify and maintain a high level of loyalty.
12. Supply chain management - striving to optimize all factors and activities in the chain to reduce costs of processes, or take into account the specific tastes of customers (e.g. in certain regions or countries), as well as tax aspects, constantly looking for opportunities to improve.
13. Total quality management – continuous improvement of processes in the organization leading to high quality products and services, focusing the organization culture on customer satisfaction through the use of an integrated system of tools, methods and training leading to constant improvement at every workstation (kaizen).

Managers want to be successful, effective and want to manage well. They also create various - also their own - concepts of management methods. They are also trying to improve and modify those proposed by science. They expect support from the management science in the form of specific knowledge, which of these management methods are the most practical, useful and allow to achieve better market and financial results of the organizations they manage.

### **3. Opinions of surveyed managers on the knowledge and practical use by them of those management methods**

The pilot study was attended by 18 top managers of medium and large industrial enterprises from the Lodz region, nominated by local governments to the Economic Award of the Lodzkie Voivodship - of the best ones. The founder of this award was the Voivode of Lodz.

In the first part of the research, managers were asked to indicate which of the modern management methods they know and use in practice and which they do not know at all. Table 1 contains quantitative data on the level of knowledge and the use of modern methods of management in practice by them. Then - in the panel discussion - top managers presented their views and comments on the difficulties, troubles and barriers associated with the practical use of modern management methods.

**Tab. 1. Indications of the top managers surveyed on the knowledge and use of management methods (N=18)**

The name of the method	Injunctions		
	I don`t know	I know but do not use in practice	I know and use in practice
benchmarking	---	6	12
outsourcing	---	1	17
insourcing	18	---	---
reengineering	6	10	2
balanced scorecard	8	10	---
corporate warfare	18	---	---
lean management	---	0	9
kaizen	---	9	11
simultaneous engineering	14	4	---
value based management	4	3	11
customer relations management	---	---	18
supply chain management	3	3	12
knowledge management	---	2	16
total quality management	---	1	17
strategic management	---	---	18

**Source:** own study based on pilot studies

The data presented in table 1 shows that in the opinion of the surveyed top-managers:

- the following methods are best known, used and practiced: strategic management, customer relations management, outsourcing and knowledge management,
- the following methods are known, but not used: reengineering and balanced scorecard,

- the top managers do not know at all following methods: corporate warfare and insourcing.

According to an American study from 2009, most of the methods of management does not meet the expectations that are connected with them (82% of managers). The greatest popularity was gained by such methods as: strategic planning, benchmarking and measuring customer satisfaction, which are focused on key skills and formulating the mission and vision of the company. Many of the methods considered to be the ingenious but difficult to use in practice (e.g. corporate warfare), others are too radical and very difficult to use (simultaneous engineering, reengineering), and also to introduce them to the enterprise can mean a huge shock, disruption and cost (Rigby 2010, p. 27).

During the panel discussion about the „practical value“ of recommended by the science of management modern methods of management, the top managers could clearly distinguish several groups of raised issues. Some of them were raised in the form of reservations and difficulties or rather the lack of confidence on the part of managers that the applied methods will bring a visible positive effect, or improve the efficiency of management, operation and development of enterprises managed by them. Here they are:

1. Managers agreed that modern management methods require from them „sober judgment“ and „thorough analysis“. It may turn out that their application will be a source of both successes and disappointments. Managers cannot ignore them and „reject“ the assumption, although they are often the result of „a certain fashion in the management“, which consists in calling the old processes with new terms. Sometimes, however, they appear in them important points in common, such as the orientation of the customer, reducing the hierarchy, the absolute innovation, process orientation, a comprehensive understanding of quality, high demands on the skills of managers and employees, and focus on key skills, etc. Therefore, they contain postulates which, compared to earlier management methods, are much more suited to the needs of the today's modern enterprise and the new quality of work of contemporary business leaders or modern entrepreneurial leaders.
2. Top managers also indicated that „feel overloaded“ an excess of different methods (concept) recommended by management consultants and management theorists, as their number and rate of change continues to grow. They would like and would prefer methods that they „understand without difficulty“, in other words they are easy to implement and do not cause disturbances in the system of the enterprise. The main thing - to which all surveyed top managers pointed out - is first of all that by introducing a new

method to analyze and try to find an answer to the question whether this new method will significantly affect the processes of business management; which will cause „repercussions” in the business management system; and is it worth introducing „just because it is new”? But about this aspect, the method makers and management theorists say nothing or hardly anything. It is also known that any change associated with the introduction of new management methods something could causes resistance of workers or increases the so-called “innovative stress”. Executive managers must convince employees to change, and on the results (outcomes) of these changes you might need to wait a little; it also requires a lot of effort and absolute conviction as to the correctness and application of the management method. There are no rules that the manager can effectively use.

3. Managers stated that there are currently no “breakthrough” management methods and concepts that are effective and applicable (possible to use) in all conditions. At the same time, managers are aware of the fact that it is not possible to impose a uniform management model on an enterprise, e.g. all bring/introduce reengineering. The manager performs in action, in difficult challenges, in situations requiring responsibility and risk. On the other hand, the manager cannot “gamble”. They cannot rely on luck, but on their efficiency and employee engagement in activities. The manager must therefore choose not only what is currently “fashionable”, promoted by the literature or the media; but what is rational, economically and socially correct; what is “healthy” for the organization, and does not weaken its condition and operating efficiency.
4. The surveyed managers are well aware of the fact that most often the introduction of new management methods (e.g. new work organization, computerization of work processes, etc.) are combined with the significant expenditure on reorganization (company costs, training, consulting, new computer equipment, etc. ). First, the company has to bear these costs, then to wait for the results (positive results). If they appear, that’s great. If they are not exist - or they are weak visible, it means that “the risk was too big”. This does not necessarily mean, however, that you cannot even take any risk in the future, but is it a good “risk measure”?
5. The so-called “management complexity” has grown very much recently - according to managers. Gary Hamel argues that managers need to understand that “they are no longer working in the condition of progress, but in an era of revolution” (Hamel 2011, p. 27). Managers confirmed this fact, but at the same time added that “the risk is in motion and nothing is

- certain". You cannot be sure of your existing customers or results. At any time you may in fact appear on the market the new company, which no one yet knew not even have imagined that she created; and this new company transforms the entire market thanks to a completely new action. For a top managers, this means that in a modern company they need to constantly look for revolutionary breakthroughs and use them in a creative way. But the science of management has not yet found "panacea" to help managers in this matter. Good management - according to managers - it is precisely this "revolution in the management", but understood as continuous improvement, dynamic adaptation to market requirements and new technologies, but also to new strategic goals of the company. The contemporary enterprise cannot give in to "shock of the revolution", but tries to give each new challenge (coming from the environment) a different form of response, and this means, for example, modification of the company's business strategy, internalization of its activities, intercultural management, cross-functional management, etc.
6. The general final conclusion of panel discussion of 18 top managers of medium and large industrial enterprises from the Lodz region, nominated for the Economic Award in 2017 was as follows. The proposals of various management methods are of course of different value, enjoy various popularity, but have one thing in common - broadly understood goal - to help managers in a more efficient implementation of the process of managing business of their companies.

#### 4. Conclusion

The activities, operation and work of the modern manager associated with the implementation of management functions, is subjected today to many orientations and interdependence, including both an economic and a financial, social, and sometimes a "political" nature<sup>1</sup>. The surveyed highest-level management does not negate (deny) modern management methods; only reports its reservations to its practical effectiveness; while respecting the theoretical achievements included in the methods of management. Exploring these new solutions, ideas and concepts contained in modern methods of management, forces the top managers to continuously study the literature of management sciences and

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1 The surveyed top managers did not want to talk on the political pathology of management (especially in Poland) and the efforts to „power considerations”

related sciences, and in particular of economic sciences. Top managers of the Lodz region agreed that this is an essential condition for progress in this field and the greatest challenges for the future.

### Summary

#### **Weaknesses of contemporary management methods in the opinion of managers-practitioners**

The article analyzes two issues: a short description of the most important (according to the author) 15 contemporary management methods and the presentation of the opinion of the group of 18 top managers of medium and large enterprises from the Lodz region, nominated by local governments for the Lodz Voivodship Economic Award in the year 2017 on "knowledge and practical use of modern management methods".

**Key words:** *management methods, manager, management, efficiency, opinions.*

### Streszczenie

#### **Słabości współczesnych metod zarządzania w opinii menedżerów-praktyków**

W artykule analizowane są dwa zagadnienia: krótka charakterystyka najważniejszych (zdaniem autora) 15-stu współczesnych metod zarządzania oraz przedstawienie opinii badanej grupy 18-stu top menedżerów średnich i dużych przedsiębiorstw z terenu województwa łódzkiego, nominowanych przez samorządy lokalne do Nagrody Gospodarczej Wojewody Łódzkiego w roku 2017 nt. Znajomości i wykorzystania w praktyce współczesnych metod zarządzania.

### Słowa

**kluczowe:** *metody zarządzania, menedżer, zarządzanie, efektywność*

### JEL

**Classification:** M10, L 21

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