

## Chapter 24

# The Role of Benchmarking in Managerial Performance

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### **ABSTRACT**

*Benchmarking is one of the methods of widespread use in practice and in management theory, benefiting from continuous development. This article intends to identify and analyze the perspective of benchmarking in romanian smes from the perspective of quality, cost, effectiveness, and customer satisfaction. The results show that for many romanian organizations, benchmarking is still a little overlooked, on the one hand because of the lack of necessary financial resources, on the other hand, of a poor awareness of the importance of these investments in the medium and long term.*

### **INTRODUCTION**

Benchmarking in today's volatile, uncertain, complex, and ambiguous economic environment is the key to controlling entities that have understood and accepted that in order to remain on the market, it is necessary, regardless of the field of activity, to consider Vision Pillar - Innovation as essential. Against the backdrop of rising generations, scarcity of resources, the rate of change is known to continue to accelerate. New social, technological, environmental, political trends converge to create disruptive and disturbing forces, remodeling consumers' behaviors and preferences, going in-depth and responding to how / when / where?

On the other hand, the managers are an element that profoundly marks organizational culture (Amagoh, 2008). The special qualities of the managers, their professional and managerial training, and the specific capacities directly influence the organizational culture. Of course, the highest influence is given by top level managers, then middle managers (Ashkanasy, 2011). They can adopt a simple strategy that moves in the middle of employees to communicate with them and to sensitize them to the values they would like them to adhere to.

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## ***The Role of Benchmarking in Managerial Performance***

Many managers develop and report on their subordinates to communicate their organization's values and objectives. Other times, video cassettes are distributed to employees to highlight the role of each in achieving the company's goals. Each manager is concerned with communicating the values of the organization and integrating these values into their own actions (Rowland & Hall, 2014).

Foreign managers present in Romania appreciate the good professional training of Romanians, innovation, creativity, sociability, ability to engage in solving situations, the ability to learn quickly and to adopt everything that is Western, but disapprove of the inappropriate use of time, the tendency to solve the tasks at the last moment, the work in jumps, the impression that they can do anything and they are good at everything. It has been found that Romanians are particularly motivated by rewards, and especially by the material ones. Also, Romania's economic situation, the level of inflation, the devaluation of the national currency, the standard of living directly and indirectly affects the components of organizational culture: the aspirations of employees, their expectations, beliefs, behaviors.

In Romanian companies it is necessary to create a model of values compatible with the basic rules of the market economy, to form and consolidate a strong managerial organizational culture. In an organization characterized by such an organizational culture, the values must not only be declared but supported by concrete actions.

The experience of competitive Western firms shows that sometimes the values of organizational culture conflict with the system of objectives. Surviving through a strong organizational culture requires attachment to values, even with the sacrifice of short-term financial interests.

Most initiatives of benchmarking across an entity have pursued competitive advantage through time, quality, cost, effectiveness, and customer satisfaction. The motivation to apply benchmarking by the leader of an entity suggests that it wants one of the processes within the entity to be consolidated.

The current paper intends to identify and analyze the perspective of benchmarking in Romanian SMEs from the perspective of quality, cost, effectiveness, and customer satisfaction.

## **BACKGROUND**

Today, organizational culture is one of the concepts of widespread use in practice and in management theory, benefiting from continuous development (Cameron & Quinn, 2011). Specialists are currently trying to explain and demonstrate the role of organizational culture in increasing the efficiency, performance and competitiveness of the firm (Barney, 1986; Lim, 1995; Denison, 1990; Hartnell, Ou & Kinicki, 2011; Schneider & Somers, 2006; Tong & Arvey, 2015).

In Romania we identify mainly two types of organizational cultures: bureaucratic culture and entrepreneurial culture.

Bureaucratic culture is the one that characterizes state-owned enterprises, educational and health institutions belonging to the state, military institutions. This culture is arrogant, focused on the inside of the system and highly politicized. An adaptation of this culture to the environment is difficult because there is no strategic thinking and knowledge of performance management issues. Within these organizations, hostile relationships between employees, between employees and managers are distinguished, and work results are not considered important.

Entrepreneurial culture can be distinguished mostly within private organizations, characterized by greater power of adaptation to the environment and by greater openness to new values and strategies that lead to positive results. Employees are given a set of values, rules that lead to the creation of a relaxed

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