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business studies, Blace***Abstract**

The project gives a proposal for methods of evaluating the management efficiency depending on planning evaluation and the results having been achieved by similar organizations in the region.

Keywords: efficiency, planning, plans, evaluation.

1. INTRODUCTION

Each system of organization and in that sense every businessman and every company tries to achieve efficiency within the scope of their activities and to fulfill the goals being set as good as possible. Between the wishes and the results there are in most cases disagreements, i.e. minor or bigger discrepancies. In order to bring these discrepancies into wished scopes we are forced to control all the activities without taking into consideration to which level of management they belong. As all the activities connected to the company management activities have also to be controlled. The control is necessary in order to notice the unwished effects related to the expected results so that we can undertake actions to bring them into required scopes in time. If we would not control the activities of all management levels we could face the situation that our business activities are moving beyond our wishes with the possibility to lead to destruction of the company.

For the above mentioned reasons it is obvious that the control must be permanent and shall include all systems of business activities. The best way of controlling the efficiency of the management is to do it on the basis of the level of the achieved goals being set. This kind of control can be applied to any level of management as well as to every

manager no matter to which level he belongs. Nevertheless as the control is effected at some particular moment t_0 it will be necessary before the control of the materialization of the set goals to prove whether the plans were realistic at the moment $t_0 - T$, i.e. T of the time units before the time t_0 .

I The control of the value of the plans can be effected using the statistics and comparing them with the results being achieved by the most successful ones in that field and at that particular moment and evaluate what the plans should have been to bring the particular company to the level of the most successful ones.

II The control of validity of the plans can be effected using the statistics and comparing the achieved results in that field in T period of time and evaluate what plans should have been set to bring the particular company to the level of average.

If the planned values are bigger than I control values it can be said that the plans were too ambitious.

If the planned values are smaller than II control values then the plans were not ambitious enough.

If the planned value is between I and II control value we can say that the plans were realistic.

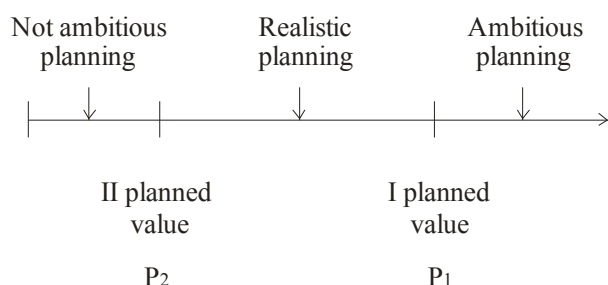


Fig. 1. Caption

Nevertheless our planned values must be taken as relevant and the fact that they have been the basis for the materialization and the conclusions that they were good or bad will serve for future planning and that is the first and major grade of comparison.

Besides this comparison can be made with the best in order to see where we are and how much we can improve.

We can also compare ourselves with the average in order to see where we are in the region.

2. METHOD FOR DEFINING PLANNING EFFICIENCY

If we assume that the company undertakes planning in places $M_1, M_2, \dots, M_n$ it will be necessary to find for all these places M_i the statistical realized values in region in similar organizations, in previous observed period, in order to see where our planned value is and then evaluate it with the number $0 \leq \mu_i \leq 1$ whereby μ_i represents the grade of success in planning. (Where 1 is the best planning and 0 is bad planning)

For evaluating of numbers μ_i it is very important to see results in previous periods on displays and in similar places in organizations in region.

Evaluation of these numbers in some moment for previous period is job of top management of organization.

Furthermore all places are defined by focusing coefficients $\mu_i \rightarrow r_i$

$$\text{So that } \sum_{i=1}^n r_i = 1$$

These focusing coefficients can be used also for other evaluations

The final evaluation is achieved:

$$O_p = \sum_{i=1}^n r_i \mu_i$$

And that value is: $0 \leq O_p \leq 1$

The values 0 and 1 are rarely taken.

This number is evaluating number for planners in organization.

3. METHOD OF EVALUATING MANAGEMENT EFFICIENCY

3.1. Evaluation referring to plans

The evaluation is being effected in n places again with the values p_i , i.e. we evaluate M_i places with the values $p_i, 0 \leq p_i \leq 1$ whereby p_i takes the value 0 if the realized is much under the planned value being among the lowest values in the region, and from that we derive:

$$0 < p_i \leq 0,25$$

is the realized value is lower than planned value but average in the first quarter of values in the region.

Also, we derive:

$$0,25 < p_i \leq 0,5$$

is the realized value is lower than planned value but average in the second quarter of values in the region.

Also, we derive:

$$0,5 < p_i \leq 0,75$$

is the realized value is lower than planned value but average in the third quarter of values in the region.

Also, we derive:

$$0,75 < p_i \leq 1$$

is the realized value is lower than planned value but average in the fourth quarter of values in the region.

Also, we derive:

$$p_i = 1$$

If the realized value is higher than planned value.

I referring to the planned and when all places are evaluated the evaluation is achieved by:

$$V_p = \sum_{i=1}^n p_i r_i$$

3.2. If we exclude planned values in previous estimation and observe only realized values in relation to realized values in region than instead of value p_i we get new value q_i .

These values are lower or equal of previous values.

Also with these values we can form new grade in shape of:

$$U_p = \sum_{i=1}^n q_i r_i$$

In similar way including grades of planning we can have new grade:

$$S_p = \sum_{i=1}^n \mu_i q_i r_i$$

These grades have next connection:

$$0 < S_p \leq U_p \leq V_p \leq 1.$$

In cases when $0.75 \leq S_p$, we can say that we have very successful management.

In cases when $0.5 \leq S_p < 0.75$, the management is successful.

In cases when $0.3 \leq S_p < 0.5$, we can say that the management is satisfactory.

In case when $S_p < 0.3$, the management is unsuccessful.

CONCLUSION

In the above presented study we have shown methods of evaluating the planning and efficiency of management which can be used for better working results in the future.

In principle this process of evaluating of planning and efficiency should be closely related to the changes in planning and strategies in further activities.

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