EFFECTIVE COMPANY MANAGEMENT - CASE STUDY[1]

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DOI: https://doi.org/10.59505/IRHNS.22352007.2023.3.05

Abstract:

Aim of the work: The main purpose of the research is to develop a concept of a new management efficiency model for the Frost Wealth Management company, which on the one hand will ensure business continuity in a competitive environment, and on the other hand will enable its development.

Main research hypothesis: In the portfolio of competencies of Frost Wealth Management managers: professionalism, social, business, business competencies are key to the effectiveness of company management. The hypothesis was formulated on the basis of the following research assumption: in effective performance management in a company, a special role is attributed to the competencies of the managerial staff.

Methodology: The basis of the research material are the economic categories of efficiency, management, management efficiency, literature on the subject and other sources. The studies used, among others, models: R. Walkowiak and Z. Mietlewski's competency model and E. Greiner's organization life cycle model

Research results: Diligence, flexibility and the ability to make decisions

1 The role of research promoter Zygmunt Mietlewski and scientific supervisor Beata Browarczyk in the research of the author Katarzyna Patyk: Indicating the topic, developing the concept, scope and schedule for research, including: formulating the problem in the form of a research question, assumption, hypothesis and goal. Indication of methods, research techniques, sources of information and participation in their analysis. Participation in the review of the definition of efficiency and management of Polish and foreign authors from selected literature on the subject. Choose the one that was used to solve the problem under study. Participation in the analysis of empirical material, research results and formulation of conclusions and conclusions, as well as in the development of a new concept of a management efficiency model for the examined company. Editing the text of the article.

are the key competencies that, according to the surveyed Frost Wealth Management managers, contribute to effective company management. The Frost Wealth Management company with its model of management efficiency is closer in L. Greiner's model to the "Growth by guidelines" phase. Confronting the first five competencies of R. Walkowiak and Z. Mietlewski's model with the first five competencies of the competency model reconstructed by us, we notice that the sequence of competencies in these authors is not identical to the competencies in our reconstructed model. In the model of R. Walkowiak and Z. Mietlewski, the key competence is the ability to make decisions, which in the model reconstructed by us is in third place.

Keywords: Efficiency, management, competencies, model of R. Walkowiak and Z. Mietlewski, model of E. Greiner.

Introduction

Efficiency is the subject of much discussion and analysis, including in the science of organization and management, which is the focus of our work in this work. The study of the phenomenon of management effectiveness in a company boils down to identifying its causes, describing it and presenting its effects, and, if possible, measuring this phenomenon.

Efficiency is one of the properties that determine the essence of the enterprise as a business entity, it determines the functioning of the organization and determines its development. In the sphere of management, effectiveness is defined as the result of activities carried out by the management team in relation to the capital that has been invested and the costs that have been incurred. Effective management is the certainty of the continuity of the company's operations in a competitive and extremely turbulent market today. The Frost Wealth Management company, which we examined, operates on such a market, in which managers understand the relationship between the effects achieved and the outlays incurred by efficiency, and management means making decisions taking into account the goals that are to be achieved by the company. Management effectiveness understood in this way is the key word that we used in our research at Frost Wealth Management to identify competencies preferred by company managers. Making the assumption that it is the competencies preferred by the company's employees that they use at work. We were also interested in the life cycle in which the company we studied uses the competencies of its managers to achieve its set of business goals. Hence our research question: What model of management efficiency did Frost Wealth

Management use in difficult for companies around the world in 2020-2022 for two reasons, due to the COVID-19 pandemic and due to raging high inflation, partly due to aggression Russia to Ukraine.

We started our research by reconstructing the performance management model at Frost Wealth Management. When starting the research, we assumed that in effective performance management in a company, a special role is assigned to the competencies of the managerial staff, which was used to formulate a hypothesis, which we gave the status of a preliminary theorem: the key competencies for the effectiveness of Frost Wealth Management management include professionalism, social competencies and business competencies, and in that order. The aim of the conducted research was to develop a concept of a new management efficiency model for Frost Wealth Management, a model that would ensure business continuity in crisis situations on the one hand, and enable its development on the other hand. The implementation of such formulated goal required us, on the one hand, to put in order the basic terminological issues, reconstruct the current model of management efficiency at Frost Wealth Management and identify the competency gap in it, which would not be possible without prior identification of the preferred competencies by the managers of the company we surveyed. On the other hand, it also required identifying the stage of organizational development of Frost Wealth Management, so that together with the knowledge we obtained during the research, we could indicate the directions of activities improving the current model of management efficiency at Frost Wealth Management and the risks associated with these activities.

Efficiency and management

One of the basic categories used to describe the state and functioning of development opportunities for various types of organizations is efficiency, which is one of the basic concepts in economics and management. The literature on the subject indicates a wide range of possibilities for defining and interpreting efficiency, thus emphasizing the multidimensionality of the discussed concept. "The problem with defining efficiency lies in the existence of many synonyms for this concept, especially in the English-language literature. Looking through the articles, you can find many terms synonymous with effectiveness, e.g. effectiveness, efficiency, effectiveness, performance, which makes it difficult to clearly define effectiveness and understand its nature."[2] According to the *Dictionary of Foreign Words and Phrases* and *the Etymological Dictionary of the*

2 A. Pyszka, *Istota efektowności. Definicje i wymiary, str.15.*

Polish Language, the word *effectiveness* comes from the adjective *effective*, which is derived from the Latin *effectivus*, translated into Polish as 'effective, efficient, relevant, real'. In turn, the *Dictionary of the Polish Language* explains the term *effective* as "giving good results, efficient, relevant, real".[3]

Efficiency is the subject of much discussion and analysis, including in the science of organization and management, which is the focus of our work in this work. Applies to e.g. economy, enterprise, process, finance, management, investment or motivation. Efficiency determines the functioning of the organization and determines its development. It is an important tool for measuring management effectiveness. It covers phenomena inside and outside the organization. It shows the speed of reaction to the challenges that come from the market, as well as the expectations of its participants. It is a proven tool for building a competitive advantage".[4]

"In praxeological terms, effectiveness is a certain positive feature of activities that result in positively assessed results. If the results were intended, then effectiveness is a special case of effectiveness; is a measure of the degree of achievement of the assumed goal of the activity. The study of the effectiveness of an organized action (undertaking) includes determining its result by comparing the achieved effects with the incurred expenditures. Expressing effectiveness with an indicator defining the relation "effect-output" requires valuing inputs and effects."[5]

According to Peter Drucker, the efficiency of a manager's work consists of a certain sum of habits and procedures that are not something "inborn". He states that efficiency managers had to learn by practicing until it became second nature to them. He points out that "... efficiency can be learned, and what is more - it must be learned". On the other hand, "... intelligence, imagination, and knowledge are the basic wealth, but only efficiency turns them into results. By themselves, they can only set limits to what can be achieved. Gaining experience and skills is a long-term process that requires many years of diligent work. It is possible to shorten this process by using it in the training of managerial staff"[6]. Efficiency is one of the properties that determine the essence of the enterprise as a business entity, it determines the functioning of the organization and determines its

3 Żurakowska-Sawa, J. *Efektywność ekonomiczna przedsiębiorstw przemysłowych w zależności od fazy cyklu życia,* Biała Podlaska 2021, str.44.

4 Adamczyk, J. *Efektywność przedsiębiorstw sprywatyzowanych*, AE Kraków 1995, s. 33-36 (https://mfiles.pl/pl/index.php/Efektywność ; 11.12.2022 22:03)

5 Szczurowski, L. *Czynniki efektywności podziału stacjonarnej dotacji dydaktycznej w jednostce szkoły wyższe,* Prace naukowe uniwersytetu ekonomicznego we Wrocławiu, 2010 str. 1

6 Mioduszewski, J. *Uniwersytet Warmińsko Mazurski w Olsztynie,* Zygmunt MIETLEWSKI Akademia *Morska w Gdyni*, Podejmowanie decyzji, a hipoteza efektywność rynków,

development. In the sphere of management, effectiveness is defined as the result of activities carried out by the management team in relation to the capital that has been invested and the costs that have been incurred. Due to the goal pursued in the work, we adopt the following definition of effectiveness: "Efficiency is the result of the actions taken, described by the relation of the effects obtained to the expenditure incurred. It means the best effects of production, distribution, sales or promotion, obtained at the lowest cost. This term takes on a special meaning when we refer it to a specific phenomenon under study, in our case to management. What is management?

Management what it is, what it means to manage effectively and how these terms, management and effectiveness are defined in dictionaries and management literature. We will try to answer these questions in this chapter and, importantly, we will choose the definition that will allow us to achieve it most economically, taking into account the goal pursued in this work. According to one definition found in the literature, management is a process of "setting goals and achieving them, thanks to the effective use of available resources and in a manner consistent with the social rationality of economic activities."[7].

According to the definition of the encyclopaedia, management is a set of activities aimed at achieving a specific goal related to the interest (need) of a given subject of management, carried out in the following sequence: planning (selection of goals and ways of achieving them and specifying relevant tasks and deadlines for their implementation); organizing (allocating and providing resources necessary to carry out the planned activities in a way that guarantees the effectiveness and efficiency of management); leading (directing, motivating to cooperate during the implementation of tasks); controlling (constant observation of progress and making corrective decisions)[8].

Management is also understood as the administration of an organization, whether it is a company, non-profit organization or government body. It is the art and science of managing company resources. Management involves the activities of setting an organization's strategy and coordinating the efforts of its employees (or volunteers) to achieve its goals by applying available resources such as financial, natural, technological and human resources. The term "management" can also refer to the people who run the organization - managers. "It's a resource management activity; because the most important resources are people, the resources are money, and people are influenced through it. Management is related to management and very often the terms "organization and

7 Penc, J. *Strategia przedsiębiorczego działania*, Manager Nr 2/23 z 1998 r. [w:] Z. Mietlewski, St. Smoleński, *Metody Zarzadzania przedsiębiorstwem*, OPO, Bydgoszcz 1088, s. 13.

8 https://encyklopedia.pwn.pl/haslo/zarzadzanie;4000464.html 29.12.2022 10.30

management", "direction and management" are used together"[9]. Management consists in ensuring (consciously creating) the conditions for the organization to act in accordance with its assumptions, i.e. fulfilling its mission, achieving goals consistent with it and maintaining the necessary level of coherence that enables survival, i.e. separation from the environment, and development, i.e. the implementation of the mission and goals in the future.[10]

Management involves defining the mission, purpose, procedures, policies and manipulation of the enterprise's human capital to contribute to the enterprise's success. Researchers focused on managing individual, organizational and inter-organizational relationships. This means effective communication: the enterprise environment (as opposed to a physical or mechanical mechanism) implies human motivation and implies some kind of successful progress or system outcome. From an individual's perspective, governance need not be seen solely from an enterprise perspective as it is an essential quantitative function of improving lives and relationships. Management is therefore everywhere and has a wider range of applications. Communication and positive endeavor are two of its main aspects, whether through entrepreneurship or through independent pursuit. Plans, measurements, motivational psychological tools, goals and economic measures (profit, etc.). Management is initially seen as functional, such as measuring quantities, adjusting plans, and achieving goals, but this applies even to situations where planning does not take place. Management is a set of activities (including planning and decision-making, organizing, leading, i.e. directing people, and controlling) aimed at the organization's resources (human, financial, material and information) and performed with the intention of achieving the organization's goals in an effective and efficient manner"[11]. Effective management means what should have been done, when it should have been done and how it should have been done; efficiently - for as much as it should have been done, and the essence of the action is not to maximize profit, but to avoid losses"[12].

Every organization needs to "manage" its work, people, processes, technology, etc. to maximize efficiency. How should management effectiveness be understood? Management is about planning, prioritizing and organizing efforts to achieve goals in a business organization. An effective management style

9 Pszczołowski, T. Mała encyklopedia prakseologii i teorii organizacji, Ossolineum, Wrocław - Warszawa - Kraków - Gdańsk 1978, s. 288.

10 Koźmiński, A. K., Jemielniak D. Zarządzanie od postaw, Wolters Kluwer, Warszawa 2011, s. 18.

11 Griffin, R.W. Podstawy zarządzania organizacjami, Wydawnictwo Naukowe PWN, Warszawa 2005, s. 6.

12 Smoleński, St. Menedżer skuteczny i sprawny, OPO, Bydgoszcz 1997 r. [w:] Z. Mietlewski, St. Smoleński, *Metody Zarzadzania przedsiębiorstwem*, OPO, Bydgoszcz 1088, s. 13.

is the specific way in which managers strive to achieve these goals. It includes the way they make decisions, how they plan and organize their work, and how they exercise power. In the sphere of management, effectiveness is defined as the result of activities carried out by the management team created in relation to the capital that has been invested and the costs that have been incurred. It is a continuous process of communicating and clarifying job responsibilities, priorities, performance expectations and development planning that optimizes individual performance and aligns with the organization's strategic goals.[13] The performance management process will be individual for a given company, however, when planning the strategy, you can rely on general points that can be modified and used to measure employee performance, as well as production systems and marketing activities.

For many centuries, matters of governance were not given much attention. One of the reasons for this was that the first discipline devoted to trade was economics. Economists widely assumed that management practice met the condition of efficiency and therefore focused attention on national economic policy and other aspects of economic activity beyond management.[14] Effective management is the process of ensuring that a set of activities and outcomes meet the organization's objectives in an effective and efficient manner. It can focus on the performance of the entire organization, department, employee or individual task management processes. Standards are generally organized and disseminated by the organization's senior management and task owners and may include defining tasks and performance, providing timely feedback and coaching, comparing actual employee performance and behavior with desired performance and behavior, establishing a reward, etc. Necessary is to outline the role of each person in the organization in terms of functions and responsibilities to ensure successful performance management. "Drucker (1994) believes that decision-making is only one of the tasks a manager has to perform. It usually consumes a small fraction of his working time, but it is nevertheless a special task. He believes that only managers make decisions, and what's more, they are expected - due to their position and knowledge - to make those that have a significant impact on the entire organization, its achievements and results. Effective decisions made according to a certain systematized procedure with clearly defined elements and a clear sequence of steps. He distinguished many elements of an effective decision-making process. Among these elements is the realization that the problem is of a general nature and can only be solved by a decision that establishes some rule or principle, defines specific conditions that the solution of the problem must meet,

13 https://witalni.pl/pojecie/zarzadzanie-efektywnoscia/ 30.12.2022.

14 Griffin, R. W. Podstawy zarządzania organizacjami, Wydawnictwo Naukowe PWN, Warszawa 2005, s. 27 -28.

i.e. boundary conditions. One should always think about what is "right", i.e. what solution satisfies all particular conditions, before considering the compromises, adjustments and concessions necessary to make a decision acceptable. Hence, it is important to build into the decision the actions to implement it. And what is very important, and what is often forgotten, is the "feedback", which allows you to check the accuracy and effectiveness of decisions in the light of current events.

Effective managers make few decisions and focus on the important ones. In addition, they try to think through what is strategic and general in nature, rather than "solving problems". These few important decisions are trying to be made at the highest level of understanding things. They are not particularly impressed with speed in decision-making, favoring effect rather than method, and want to be solid rather than clever (Drucker 1994)"[15].

Studying the phenomenon of management efficiency in the company

The study of the phenomenon of management effectiveness in a company boils down to identifying its causes, describing it and presenting its effects, and, if possible, measuring this phenomenon. The definitions of effectiveness and management discussed above assume that many factors affect the effective management of an organization, regardless of its size. First of all, we realize that the most important thing is the selection of employees for work, in other words, the employees employed are the factor on which the result of the organization largely depends. Let us therefore note that an effective employee best demonstrates his skills for the position when his individual mental and physical predispositions are matched to him. Therefore, employee performance should be measured regularly to get reliable feedback on performance and performance. We can then determine whether the person performs the entrusted work with the effectiveness expected by the organization.[16]

The importance of the human potential of the organization and its effective use became the subject of interest of management practitioners in the times of the industrial revolution.[17] The effectiveness of each organization is determined by many factors that are related to the organization's resources and its environment.

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15 Mioduszewski, J. *Uniwersytet Warmińsko Mazurski w Olsztynie*, Zygmunt MIETLEWSKI Akademia *Morska w Gdyni*, Podejmowanie decyzji, a hipoteza efektywność rynków,

16 www.wskaźnikihr.pl „Jak mierzyć efektywność pracowników i ją zwiększać" Joanna Dziołak 19.03.2023

17 Moczydłowska, J.M.Zarządzanie kompetencjami zawodowymi a motywowanie pracowników, Warszawa 2008 str. 14.

The interior of the organization and its surroundings are subject to ever-faster changes, which is associated with a different management than before." (…) "The concept of competence provides an answer to one of the fundamental questions posed by researchers in the field of entrepreneurship: what determines that only some people notice and realize the opportunities that appear in the environment, the result of which is the high efficiency of the actions taken.

Building a competitive position is related to competency management. The term is a multidimensional concept, which causes difficulties in classifying and defining it. In the literature on the subject, there are usually no terminological disputes, and the multiplicity of terms used results rather from the interests of theoreticians of various scientific disciplines. Despite many attempts to reconcile positions among researchers, there is no unequivocal agreement on the meaning of the term "competence."[18]

"Terminological considerations should begin with distinguishing the meanings of two terms appearing in the literature on the subject: competence and competence (the scope of the manager's rights, duties, powers of attorney and responsibilities). The first refers to specific people and their behavior in the workplace. Of course, it is about desirable behaviors, i.e. those that lead to competent actions (behavioral analysis). The second meaning results from functional analysis and is directed at work, tasks or functions as a result of which the person is competent. In the behavioral approach, specific behaviors within a given competence are described, while in the functional analysis, it is determined what and according to what standards an employee or job candidate should perform in a specific position."[19] We understand competencies as a stream of value brought by employees to the company, which is used to achieve its goals, provided that the disposal of competencies is activated by properly selected and applied motivational incentives. The incentive system plays the role of a factor transforming potential opportunities into action, and is also a stream of value flowing from the organization to the employee as a form of broadly understood remuneration for his competences and their results.

Many organizations undergoing restructuring processes make changes based on various motivations. For most organizations, the main driving force is the desire to best adapt the business to market conditions. Regardless of whether the change itself concerns the product, the method of production, the supply chain

18 Bartkowiak, P. Prace Budżetowanie pełni w przedsiębiorstwie wiele funkcji Naukowe Uniwersytetu Ekonomicznego we Wrocławiu, Wrocław 2012 str. 11 – 13.

19 Walkowiak, R., Mietlewski, Z. *Oblicza restrukturyzacji małych i średnich przedsiębiorstw w świetle badań*, Olsztyńska Wyższa Szkoła Informatyki i zarzadzania im. Prof. Tadeusza Kotarbińskiego, Olsztyn 2007. S.

or the handling of other processes, also with the fact that it will entail the need to restructure the organization's human resources. This is due to the fact that there are specific people behind each company, its product, brand, image or strategy. It also follows that any change in the company must in fact result in changes in the manner, content or quality of work performed by employees. Therefore, the question arises whether employees have the necessary competences to work according to the new requirements? A negative answer to this question generally means that we have the so-called there is a competence gap in the organization, and we undoubtedly face the need to diagnose its areas. The competence gap in the organization is a set of all knowledge, skills and attitudes that we do not yet have in the company, and which are a prerequisite for the good functioning of the organization after the implementation of the change.[20] By comparing the level of competencies, a competency gap can be determined, however, after identifying the manager's predispositions, which include, among others: personality traits, internal control, stress resistance, emotional intelligence, leadership style, competency preferences, transformational management skills and motives for managerial activities.[21]

Organizations that want to have an effective development program as much as possible should first conduct a skills gap analysis. This should provide greater insight into which skills are most in demand and identify competencies that may be lacking now and in the future. Then, companies should create a strategic skills development plan and individualized plans for individual employees, which will allow them to make appropriate decisions regarding the areas of knowledge and skills that they should complete and which they will be able to effectively use in their daily work. [22]

The concept of "competence" is closely related to human resource management. Moreover, competencies can be understood as a set of features and behaviors that are important in the functioning of a particular organization. These include: I can see, skills, talents, styles of action, personality, belief in principle, interests. [23] Previously, competence was equated with the formal right to make decisions. It is understood quite differently now. Competencies are a set of managerial, technical and expert knowledge.[24]

The competency model is a catalog of competencies that are particularly

20 www.ribes.pl Ribes Doradztwo „Co to jest luka kompetencyjna" 19.03.2023.

21 Mietlewski, Z., Walkowiak, R. Oblicza restrukturyzacji mikro i małych przedsiębiorstw w świetle badań. Olsztyn 2007.

22 www.nowemotywacje.pl *Luka kompetencyjna w organizacjach widoczne jak nigdy dotąd. 19.03.2023*

23 www.hrpress.pl 5 cech modelu kompetencji, które musisz znać. 19.03.2023.

24 Glinkowska, B. „Kompetencje pracownika, a efektywność organizacji", Wrocław 2012.

important for the functioning of a given company or organization that has developed and applies it. Moreover, it is a model of behavior expected from employees as a reference point for personal development.

Table 1: Competency model in the opinion of entrepreneurs

Professional competence	Social competence	Business competencies
1	**2**	**3**
Decision making skills Industry knowledge Experience in managing a company Management skills Analytical skills Ability to learn from mistakes made Ability to assign tasks Focus on self-improvement Logical thinking Management by objectives	Ability to lead a team Resistance to stress The ability to motivate personal culture Focus on improving employees Communication The ability to judge Openness Composure The ability to control	Risk setting The ability to anticipate Creativity Consequence in action Faith in success Diligence Have an opinion Timing flexibility

Source: Olsztyn University of Information Technology and Management. Prof. Tadeusz Kotarbiński. “Faces of restructuring of micro and small enterprises in the light of research” Ryszard Walkowiak and Zygmunt Mietlewski.

Competency models of different companies may differ in the selection of key competencies, but the principle of their operation remains the same. It should support the implementation of the strategy and ensure the coherence of the organizational culture. Competences are knowledge, skills and attitudes that allow you to perform professional tasks at an appropriate level. The result is a comprehensive preparation and implementation of a competency model tailored to the specific needs of the organization - table 1.[25]

As can be seen from Table 1, the list of competences was divided into three subsets, i.e. professional, social and business competences. Such a division was introduced in order to examine the internal structure of competences of micro and small enterprises.[26] Building a competency model can be simplified in a few steps. In the first place, the most important competencies are selected (from a few to a dozen or so) in the perspective of the entire organization and individual positions. Then, behaviors are described (behavioral description) that are an

25 www.high5.pl *Modele kompetencyjne 19.03.2023*

26 Mietlewski, Z., Walkowiak, R. Oblicza restrukturyzacji mikro i małych przedsiębiorstw w świetle badań. Olsztyn 2007.

example of the use of a given skill and matched to a quantitative or qualitative model (determining the levels or quality of competencies). At a later stage, the required level of competence for individual positions is determined. Finally, the model is validated and implemented in the human resource management strategy.[27] A well-made competency model gives employees and their superiors clarity in terms of how specific activities should be performed by them. This enables improvement by indicating what and how should be done to meet the standards prevailing in the organization.

The effectiveness of management in the company in the light of research

Being a manager can be very rewarding for the right person. He can help his team grow and educate. It can also be amazing, and it's very rewarding to witness the evolution and development of your team members. The feeling you get from knowing you were there to help them can be worth the extra responsibility that comes with being a manager. I had an amazing opportunity to work in one of the largest companies in the world, where I received great training and experience and had contact with an international working group. I also had the opportunity to work with senior leaders early in my career and had amazing mentors. On the other hand, I was working many hours a week and had a lot of projects and daily business activities that I had to prioritize. I have also seen my more experienced co-workers work very long hours and I quickly realized the sacrifices made by senior management and executives to get where they are. Also, accepting and rejecting a leadership position has a lot to do with personal timing. I have accepted and declined offers for management positions based, for example, on compliance with my goals in my personal life outside of work.

When someone is technically good at their job, it does not automatically mean they will be a good leader or have managerial skills. Having strong technical skills is very different from having strong leadership skills, given that they are completely different skill sets. In fact, a strong leader can successfully manage a team even if he does not fully understand or possess the technical aspects required of a team. However, being a leader is different from being a manager. A leader inspires others and a manager manages others. A successful manager hones his skills to do the former rather than the latter. Giving clear guidance, taking an interest in an employee's life and work, and providing ongoing feedback on performance are important steps managers must take to create and support a successful work environment. In addition, management positions often involve

27 www.high5.pl *Modele kompetencyjne 19.03.2023*

streamlining and delegating processes to improve efficiency and effectiveness. Years of experience, courses and observation of managerial positions, their impact on the functioning of the organization and motivation of employees influenced the choice of the subject of work research. I would like to show how effective management affects the functioning of the organization in which I work and determines its development. And also, define the current management model at Frost Wealth Management.

The effectiveness of company management, regardless of its size, is one of the measures of the company's market success. Hence, it is also the subject of the research presented in this paper. The problem of the research was formulated in the form of a question: What actions should be taken at FROST WEALTH MANAGEMENT to improve the effectiveness of management in the company? In order to solve the research problem formulated in this way, answers to the following specific questions were sought:

- What actions does Frost Wealth Management take in terms of performance management?
- What is the current performance management model at Frost Wealth Management?
- Is the model effective?
- What adjustments should be made to the performance management model at Frost Wealth Management to improve it?
- What risks accompany the suggested actions?- Jakie kompetencje według menedżerów firmy Frost Wealth Management biorących udział w badaniach determinują efektywność zarządzania w firmie?
- At what stage of organizational development is Frost Wealth Management?

The following research assumption was adopted: in effective performance management in a company, a special role is attributed to the competencies of the managerial staff, which was used to formulate the hypothesis: In the portfolio of competencies of company managers Frost Wealth Management: professionalism, social, business, business competencies are crucial for the effectiveness of company management. The main objective of the research is to develop a new management efficiency model for Frost Wealth Management, which on the one hand will ensure business continuity in a competitive environment, and on the other hand will enable its development. The implementation of the main goal defined in this way required the formulation and achievement of the following sub-goals of a cognitive and utilitarian nature:

- Sort out basic terminological issues;

- Reconstruction of the management efficiency model at Frost Wealth Management;
- Indication of the competency gap in the reconstructed management efficiency model;
- Identification of preferred competencies by Frost Wealth Management managers;
- Identification of the organizational development phase of Frost Wealth Management;
- Indication of directions of actions to improve the management efficiency model at Frost Wealth Management.

The following methods were used in the research: literature studies, analysis, survey, interview, observation; research techniques: individual survey, participant observation, modified by M. Moszkiewicz and J. Skonieczny[28] L. Grainer's "Organization Growth Phases" model. In addition, quantitative and critical analysis and research tools such as a survey questionnaire, analysis sheet, computer programs. The addressees of our research are the owners of Frost Wealth Management and the managers employed there, the scientific community and practitioners dealing professionally with the effectiveness of management in organizations, students studying management and related fields. The sources of information were the literature on the subject, documents of the surveyed company and empirical material collected in the research.

Frost Wealth Management Limited has extensive and valuable experience advising private clients in the financial services sector. FWM was founded by Malcolm Frost in 2001 with the aim of providing sound financial advisory services that clients could rely on. Many first customers continue to benefit from the friendly, helpful and professional service of Malcolm and Andrew, who largely focus on serving them and attracting new customers. Staff members refer to FWM as a big family, and customers are seen as an extended family. This fosters a strong relationship between the team and its clients – they are proud of these deep and long-lasting relationships and care about the services they provide. FWM owners and managers have discovered over the years that while clients have similar problems with managing their wealth, they need individual solutions - FWM is able to offer the benefits of a single relationship to meet their financial needs, whether the priority is: cash and loan management; obtaining financial protection against risk or reducing the impact of taxes. One of the main goals of the company is to provide customers with access to the latest

28 Moszkiewicz, M., Skonieczny, J. *Kryzys tożsamości i wzrost przez integrację – kolejny człon modelu Greinera*. [W]: *Konkurencyjność przedsiębiorstw wobec wyzwań XXI wieku*. Akademia Ekonomiczna, Wrocław 1999, s. 181. [z:]

information on the markets so that they can make informed decisions. All advice provided by Partners of the company has a wide range of services they offer, from retirement planning to donating money, all focused on one goal. They help to achieve the future and live the way their clients want. Whether they are assisting in the complex area of corporate planning, retirement counseling or wealth planning, they want the client to feel confident and in control of their finances. Frost Wealth Management provides advice in the planning sector: investment, retirement, insurance, mortgages and provides corporate services and intergenerational wealth management. From mortgages to insurance, wealth management to tax planning, an energetic team is dedicated to meeting every client's financial needs. [29]

Looking for an answer to the question which competencies the managers of company X, and in what phase of the company's growth, consider to be crucial for the company, we used the models (methods), L, Greiner's organization growth model and the V. Pareto model (ABC method), i.e. "systematic and structural approach to distinguishing between "important" but few and "unimportant" but many"[30], to identify them and then confront them by analyzing them with the competencies preferred by entrepreneurs identified by R. Walkowiak, Z. Mietlewski, included in the ABC model in group A. Diligence, flexibility and decision-making skills are, according to the surveyed managers of company X, key competencies that have an impact on effective management in the company, including, of course, such competencies as drawing conclusions from mistakes, communication and knowledge of the industry. Such competences as: the ability to plan, analytical skills, resistance to stress, consistency in action, timing, composure, the ability to assign tasks, openness, the ability to anticipate and focus on self-improvement were included in group B. Competences, risk-taking, having your own opinion, experience in managing a company, creativity and faith in success were at the end in group C at the very end of it. What may be surprising is that the competence of believing in success closes group C.

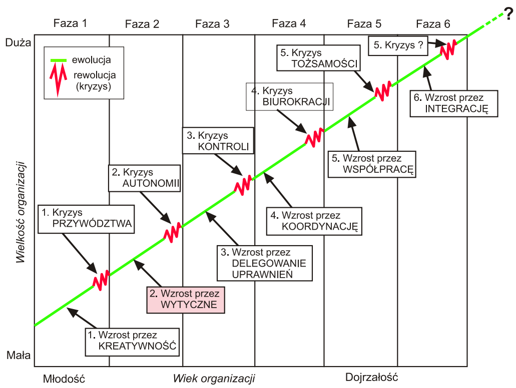
In order to ensure business continuity, the company must keep track of its business environment and adapt to it. According to L. Greiner, this adaptation is either evolutionary or revolutionary, eg part of the company may be sold. According to L. Greiner, a company, like any other phenomenon, has its own life cycle, in which many stages can be distinguished. However, this does not mean that companies that are at the same stage of the life cycle are at the same stage of

29 www.frostwealthmanagement.com

30 Źródło: Olsztyńska Wyższa Szkoła Informatyka i zarządzania im. Prof. Tadeusza Kotarbińskiego. „Oblicza restrukturyzacji mikro i małych przedsiębiorstw w świetle badań" Ryszard Walkowiak i Zygmunt Mietlewski.

development and face similar problems that often lead them to crisis. It means, however, that knowing what stage of the company's life cycle is, you can ensure its continuity of operation, ensure less traumatic effects when it enters a crisis that, for example, could not be avoided. First, however, it requires finding an answer to the question at what stage of organizational development the company is at, because the effectiveness of its therapy depends on proper diagnosis. A systematic diagnosis of the company's health, similarly to human health, should be an imperative for the continuity of the company's operations. Looking for an answer to the question in which phase of the life cycle the Frost Wealth Management company is, and thus the key competencies of the company's managers are used, J. Lepard's questionnaire was used, which helped us determine where in the L.E. Greiner, the company is located - Figure 1. J. Lepard's questionnaire consists of sixty descriptive statements and a scoring sheet.

Figure 1: Modified model of L. E. Greiner



Source: M. Moszkiewicz, J. Skonieczny: Identity crisis and growth through integration – another part of the Greiner model. [In]: Competitiveness of enterprises against the challenges of the 21st century. Akademia Ekonomiczna, Wrocław 1999, p. 181. [from:] R. Walkowiak, Z. Mietlewski, "Faces of micro and small enterprises restructuring in the light of research", Olsztyn University of Information Technology and Management. Prof. Tadeusz Kotarbiński, p.22.

In the self-assessment of the part of the management staff that took part in the research, Frost Wealth Management is currently either in the "growth through guidelines" stage and is affected by the "crisis of autonomy", or in the "growth through cooperation" stage and is affected by the crisis that M. Moszkowicz calls growth through integration.

Conclusions - discussion – summary

Conclusions. The following conclusions were reached:

Conclusion 1. Frost Wealth Management Limited has extensive and valuable experience advising private clients in the financial services sector.

Conclusion 2. Frost Wealth Management clients have similar problems with managing their wealth, but they need individual solutions.

Conclusion 3. Diligence, flexibility and the ability to make decisions are the key competencies which, according to the surveyed Frost Wealth Management managers, contribute to the effective management of the company.

Conclusion 4. The Frost Wealth Management company with its model of management efficiency is closer in L. Greiner's model to the "Growth through guidelines" phase.

Discussion. In the R. Walkowiak and Z. Mietlewski model, diligence and flexibility are business competences; the ability to make decisions, draw conclusions from mistakes and knowledge of the industry are professional competences, and communication is a social competence. Our analysis shows that business competences, diligence and flexibility, and vice versa, are the competences that managers of company X prefer, since they list them in this order. No less important for the continuity of the company's operations, according to its managers, are professional competences such as the ability to make decisions, learn from mistakes and knowledge of the industry. Confronting the first five competencies of R. Walkowiak and Z. Mietlewski's model with the first five competencies of the competency model reconstructed by us, we notice that the order of competencies in these authors is not identical to the competencies in our reconstructed model. In the model of R. Walkowiak and Z. Mietlewski, the key competence is the ability to make decisions, which in their model is included in the group of professional competences. In second place is the ability to lead a team, which in the model of these authors is in the group of social competences, and in our model it is in the third group - business competences. In the third place are the competencies of industry knowledge - professional competence, in the fourth place - the ability to anticipate - business competence and in the fifth place - experience in managing an enterprise - professional competence. Meanwhile, in our reconstructed model, the third place is the decision-making competence - professional competence, then the competence of the ability to draw conclusions from mistakes made - professional competence, and the fifth place - communication competence - social competence.

In L. Greiner's model, phase 3 - development "Growth by guidelines" -

activities and relations in the company "are determined by specific rules. The company introduces a system of planning and budgeting as well as recording costs and results. A hierarchical (administrative) coordination mechanism is created, consisting in issuing orders and carrying out checks. Decisions are made at the "top", where the synthesis and effects of action are also made. The potential of lower-level managers is unused, and the directive style of management leads the organization to a crisis of autonomy"[31]. On the other hand, phase 5 - "Growth through cooperation" - in L. Greiner's model, consists in teamwork, undertaking joint ventures with other economic entities, concluding strategic alliances and outsourcing"[32]. Referring the above characteristics to the Frost Wealth Management company we studied, it should be stated that the company is closer to the "Growth through guidelines" phase than to the "Growth through cooperation" phase. Skipping development phase 4 could mean that Frost Wealth Management is currently at a crossroads and is still building its performance management model for the company through trial and error.

What's the conclusion? Well, the fact that in business practice there is no one right model for effective company management. Each company has its own model of management effectiveness, but few of them have a defined portfolio of competencies for their employees, which identified in one specific phase of L. Greiner's model may well be found in another phase of this model. And what could that mean? One of the reasons is that the company ineffectively manages the competence portfolio of its managers. The intuition of top management is in the lead. In such companies, employees are most often perceived not as capital, but as a cost.

Summary. Efficiency is the relation of the achieved effects to the expenditure incurred, and management is making decisions taking into account the goals that are to be achieved by the company. Efficiency and management understood in this way are the key words we used in our research at Frost Wealth Management. Their effect is the preferred competencies of managers identified by us and the reconstruction of the management efficiency model in which these competencies are used by the company.

We considered the effectiveness of company management, regardless of its size, to be one of the measures of a company's market success. Hence our motivation

31 Walkowiak, R., Mietlewski, Z. „Oblicza restrukturyzacji mikro i małych przedsiębiorstw w świetle badań", Olsztyńska Wyższa Szkoła Informatyka i zarządzania im. Prof. Tadeusza Kotarbińskiego, s.21.

32 Walkowiak, R., Mietlewski, Z. „Oblicza restrukturyzacji mikro i małych przedsiębiorstw w świetle badań", Olsztyńska Wyższa Szkoła Informatyka i zarządzania im. Prof. Tadeusza Kotarbińskiego, s.21.

to find out the answer to the research question: What actions should be taken at Frost Wealth Management to improve management efficiency? We started our research by reconstructing the current performance management model at Frost Wealth Management. When starting the research, we assumed that in effective performance management in a company, a special role is assigned to the competences of the managerial staff, which we used to formulating a hypothesis, which we gave the status of a preliminary theorem: the key competencies for the effectiveness of Frost Wealth Management should be professionalism, social competencies and business competencies, and in that order. The aim of the conducted research was to develop a new management efficiency model for Frost Wealth Management, a model that would ensure business continuity in a competitive environment on the one hand, and enable its development on the other hand. The implementation of such formulated goal required us, on the one hand, to put in order the basic terminological issues, reconstruct the current model of management efficiency at Frost Wealth Management and identify the competency gap in it, which would not be possible without prior identification of the preferred competencies by the managers of the company we surveyed. On the other hand, it also required identifying the stage of organizational development of Frost Wealth Management, so that together with the knowledge we obtained during the research, we could indicate the directions of activities improving the current model of management efficiency at Frost Wealth Management and the risks associated with these activities.

When asked what actions should be taken at Frost Wealth Management to improve the effectiveness of management in the company, our answer is as follows: "delegate powers and transfer power to lower levels of management. However, the effectiveness of these activities "will depend on the skills and attitudes of both managers and subordinates. Practice shows that after the transfer of powers and responsibilities, i.e. formal authority, the top management loses control over the problems occurring at lower levels of management, which may lead to a "control crisis". This situation can be prevented by re-consolidating management, which in practice means returning to phase two or introducing coordination mechanisms - phase four"[33].

They conclude that in effective performance management in the company we surveyed, a special role is attributed to the competencies of the managerial staff, among which business competencies are considered key.

33 Walkowiak, R., Mietlewski, Z. „Oblicza restrukturyzacji mikro i małych przedsiębiorstw w świetle badań", Olsztyńska.

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