

# Benchmarkingul - a Path to Excellence in Romanian Organizations

Maria Toma

"Valahia" University of Targoviste, Romania  
[tomamioara@yahoo.fr](mailto:tomamioara@yahoo.fr)

## Abstract

*Benchmarking is a tool of analysis that involves making direct comparisons between the functional or operational processes of organizations belonging to different sectors of activity, in order to identify sources of competitive advantage. In economic practice, benchmarking is a real state of mind that stimulates the activity of managers and staff in constant search of progress. It often becomes an integral part of a company's culture. The application of this method is conditioned by the existence of a specific structure, the so-called "benchmarking clubs", usually animated by a consulting firm. This paper aims to highlight the results of research on the importance of the benchmarking method, as a tool for stimulating and constantly seeking progress in Romanian organizations.*

**Key words:** Benchmarking, performance, excellence,

**J.E.L. classification:** M10

## 1. Introduction

Benchmarking is an approach that consists in confronting the own practices of the organization with those of other organizations. Practicing benchmarking is equivalent to going in search of the best methods used in an activity, these methods allowing the company to improve its performance. Benchmarking goes beyond the traditional competitive analysis because it not only reveals what the best practices are, but also gets a clear understanding of how these practices are used. Benchmarking gives managers realistic goals and allows them to develop strategies to eliminate gaps. Although benchmarking is a widespread tool worldwide, in Romania it is very little used, so it is not possible to talk about the existence of an experience regarding this practice.

## 2. Theoretical background regarding the benchmarking

The concept of benchmarking, which comes from the English word "benchmark" (terminal, reference) is widely practiced in the USA. This concept is based on the fact that the outside world is constantly evolving and consists in comparing one's organization with one or more organizations identified as a reference in a particular field. Benchmarking has been practiced since the 1950s by some international companies. The term covers a fairly simple idea, namely to find in the world, that company or those companies that perform in the best way a process or a task, to later adapt that process within their own company. In other words, it is about comparing with the champions in a certain field, to be inspired by their experience in order to approach excellence. Sometimes the results of a benchmarking action are spectacular. Benchmarking aims at quality, performance, the path to excellence and follows a transfer of management and action methods designed to improve the management of the organization.

**The stages of benchmarking** (Niculescu, 2003, p.52):

I. The planning stage, which involves:

- identifying the key processes on which the study will focus, depending on their economic impact, their strategic importance for the future and the receptivity of employees to change;
- identifying best performance, managerial practices;

- identifying the possibilities and concrete means of applying these practices in the patrimonial entity analyzed.

II. The analysis step, which involves:

- determining the major differences from the reference leader;
- setting performance targets for the next period.

III. The integration of new management methods and techniques implies:

- establishing the action plan in order to achieve the set objectives;
- specifying the necessary means, in coherence with the objectives and the action plan.

IV. The actual action, through:

- implementation of the established actions;
- control / information on the different results.

V. Evaluating benchmarking and validating the effectiveness of results.

We can distinguish four **types of benchmarking** (<https://ro.wikipedia.org/wiki/Benchmarking>.)

a) *Internal benchmarking* consists in making internal comparisons, ie between different departments, services or subsidiaries of the same company. Internal benchmarking is described by Bengt Karlof and Svante Ostblom as "a fabulous way to implement change and learn how benchmarking works." According to the authors, except in a few special situations, it is always possible for a company to identify its own development possibilities starting from the study of its own operations. Internal benchmarking will lead to an improvement of about 10% in performance. Internal benchmarking should not be seen as a substitute for external benchmarking or functional benchmarking, but as a first step in seeking excellence and consensus on the actual method of applying benchmarking.

b) *Competitive benchmarking* involves the comparison between the organization and other similar organizations, even identical. When we talk about this benchmarking, we often think of direct competitors. In fact, they are often the first target of the benchmarking study. Benchmarking partners can also be equivalent organizations operating in other countries and serving other markets. For many authors, benchmarking against direct competitors is competitive supervision, and this practice must be done routinely by companies. The approach will be completely different when benchmarking is applied to competitors operating in the same market, compared to competitors operating in different markets. It often happens that competing entities collaborate on benchmarking studies in areas where information is not considered strategic. This type of benchmarking generally leads to a 20% improvement in performance.

c) *Functional benchmarking*. If the company is limited to competitors in its industry, it risks not achieving the expected results. In fact, they need to be compared to the leaders in each position, even those outside the industry. This benchmarking of leaders can prove to be very productive, especially since gathering information proves to be, in most cases, easy. In fact, a company that is a leader in a particular sector only gains if it shares information with companies in other sectors. Thus, fruitful collaborations can be developed.

d) *Generic benchmarking*. This type of benchmarking is obviously the most difficult to design and implement. Not only the curiosity but also the ingenuity of all the actors in the process must be appealed to. This type of benchmarking is probably the most productive and innovative, with performance improvements being able to exceed 35%. For example, a high-tech company may compare its logistics department to that of a supermarket. This benchmarking is close to functional benchmarking, but it has an essential difference. In fact, it consists in adapting a technology (which has already proved its efficiency) apparently very far from the company's sector of activity. A telling example is that of the barcode. The food industry was the first to use this process to collect data automatically. Currently, this method is used from identifying blood samples in hospitals to locating items stored in warehouses.

Benchmarking can provide multiple **benefits** to organizations, as follows:

- improving to the level of excellence by observing best practices;
- identifying ideas and resources for improvement that are beyond the boundaries of their own environment, whether they are individuals, departments, companies, countries ;
- initiating an active and proactive learning process within the company,
- the need for a better understanding of the processes within one's own patrimonial entity;

- developing effective strategic objectives, by knowing the objectives and strategies of other successful companies;
- establishing a reference standard for measuring performance;
- understanding and meeting the ever-changing needs of consumers.

### 3. Research methodology

The present research is based on the following methodology: selection, description and comparison of the phenomenon (state kindergarten, respectively private kindergarten), implementation of the whole theoretical approach to the benchmarking stages, and aims to discover the main motivation of families with children with the age between 2 and 6 years to choose to enroll their children in state kindergarten or private kindergarten.

Kindergarten is the place where the child will spend most of the day. Proper care of a young child can be as difficult as choosing a college for a teenager. As a parent, it is your duty to make sure that your little one is happy and safe, raised in an educational, fun and cultured environment.

About 70% of parents send their child to kindergarten or other such care centers. Even if you choose a kindergarten, there are some specific things that must be followed in order for the little one to receive quality care adapted to his developmental needs.

The most important thing in determining the type of care your child needs is to know your own child, his temperament, his interests, what he likes and dislikes, his health and behavior.

For a child of about 2 years, must be taken into account, the developing game and learning style, interaction with other children, intellectual curiosity and the need for individual attention. Your family's values and emotional needs must also be considered in determining the type of care you want for your child. Some parents are very worried about leaving their young child with only one person, while others prefer individualized care. The first step to look for in a kindergarten is: a list of the requirements that the parent wants, such as experience, religious beliefs, discipline and / or flexibility but also its cost, location and reputation. Whether a private kindergarten or a state kindergarten is chosen, their way of raising the child, the discipline and the behavior in relation to the personal vision of raising and caring for the child are taken into account.

The first questions that parents ask are about the accreditation of kindergarten, the curriculum and how it adapts to the needs of their child. They look at the facilities, they want to know more about the size of the groups of children and about the qualifications of the teachers. School buses, meals and uniforms are also often discussed when parents decide to enroll their children in kindergarten.

*The planning stage:* some parents find out in advance, build a plan of educational activities and choose for their children what best suits their abilities. Those who are ready to take risks and choose a kindergarten on the last hundred meters, must know that enrolling in kindergartens requires time, money and a lot of stress. The number of accredited private kindergartens has increased in recent years, and parents do not turn to the private system from the very beginning, although they admit that one of the weaknesses of the public system is the quality of services. Families with material possibilities take into account from the beginning the attendance of a private kindergarten, the only impediment being the confidence in the experience of the teaching staff. The registration process is difficult, sometimes it is necessary for the parents to be interested a year in advance about the child's enrollment in a state kindergarten. The vast majority of state kindergartens are accredited by the Ministry of Education and Research (MER), unlike private ones which, in proportion of 95%, have only an operating license from the MER. The next step in gathering information and establishing a working database is analysis.

*The analysis stage* involves following the criteria: professional training of teachers, hygiene and food preparation, number of seats in the group, communication of representatives with parents, extracurricular activities, facilities, the appearance of the building and classrooms, work schedule. The synthesis of these criteria is presented in table no. 1:

Table no.1 Synthesis of the analysis of the criteria from Private Kindergarten versus State Kindergarten

Criteria	Private kindergarten	State kindergarten
Professional training of teachers	Young, qualified teaching staff, eager to improve, promote Current teaching methods	Experienced teaching staff Outdated teaching methods
Hygiene and food preparation	Good hygiene of the food block; the food will usually be brought in catering	Hygiene leaves much to be desired; Own kitchen, cutlery and crockery are old
Number of seats per group	Groups with a small number of children (12-15)	Groups with a large number of children (20-25)
Communication of representatives with parents	Very good, open	Good
Facilities	New furniture and educational materials Large number of optional activities	Old furniture and equipment Low number of optional activities
The appearance of buildings and classrooms	Limited outdoor space, small classrooms	Large indoor and outdoor spaces; rooms of spacious classrooms
Work program	Extended until 8 p.m; a holiday week of Christmas / Easter and maximum 1 month summer vacation	Short working hours, until 5 p.m; the holiday is at least 3 months a year

Source: 10 exploratory meetings with 5 parents' families.

#### 4. Findings

Each of its variants has its advantages and disadvantages. The criteria underlying the choice of a kindergarten, state or private, depend on the material resources of the parents and the trust in the educational program offered by each institution. The didactic program is the same - the one elaborated by MER, both types of kindergartens having the possibility to organize classes in foreign language, music, sports, etc. for the children of the parents concerned, they are subject to a separate fee, as they are optional activities.

One final conclusion: we can say that the future of kindergartens in the public system is not endangered by the private system, but even it can be improved by it. The two types of kindergartens will coexist, as before. In other words, private kindergartens are already operating in a competitive environment and are increasingly taking into account the demands of the beneficiaries. This could also have a favorable influence on state kindergartens.

#### 5. Conclusions

The benchmarking method is an important tool available to managers, who can thus increase the competitiveness of organizations, provided that:

- information is an essential resource for ensuring the performance of companies;
- organizations can achieve qualitative leaps, without high costs, by adopting new operating principles and by forming a new organizational culture.
- the adaptability and flexibility of companies are ensured, first of all, by the quality of human resources and less by the material or financial component..

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