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КЛЮЧЕВЫЕ ПРИНЦИПЫ ЭФФЕКТИВНОГО УПРАВЛЕНИЯ: ЛУЧШИЙ МИРОВОЙ ОПЫТ

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Аннотация

Управление, известное как управление по результатам (MBR), представляет собой процесс определения целей в организации, чтобы руководство и сотрудники соглашались с целями и понимали, что им нужно делать в организации для их достижения. Термин «управление по целям» (MBO) был впервые популяризирован Питером Друкером в его книге 1954 года «Практика управления». Суть MBO заключается в совместной постановке целей, выборе курса действий и принятии решений. Важной частью MBO является измерение и сравнение фактической работы сотрудника с установленными стандартами. В идеале, когда сотрудники сами вовлечены в постановку целей и выбор курса действий, которому они должны следовать, они с большей вероятностью будут выполнять свои обязанности. По мнению Джорджа С. Одиорна, систему управления по целям можно описать как процесс, посредством которого вышестоящий и подчиненный совместно определяют свои общие цели, определяют основные сферы ответственности каждого с точки зрения ожидаемых результатов, и использовать эти показатели в качестве руководства для работы подразделения и оценки вклада каждого из его членов. Управление эффективностью (PM) включает действия, которые гарантируют, что цели последовательно достигаются эффективным и действенным образом. Управление эффективностью может быть сосредоточено на производительности организации, отдела, сотрудника или даже на процессах создания продукта или услуги, а также на многих других областях. Управление проектами также известно как процесс, посредством которого организации приводят свои ресурсы, системы и сотрудников в соответствие со стратегическими целями и приоритетами.

КЛЮЧЕВЫЕ СЛОВА: измерение эффективности, управление организационным поведением, анализ поведенческих систем, управление человеческими ресурсами, мониторинг, мотивация, обзоры, ясность целей, подчиненные склонны, производство, маркетинг, услуги, продажи, финансы, информационные системы, поощрения (бонусы), ключевые принципы.

KEY PRINCIPLES OF EFFECTIVE MANAGEMENT: THE BEST WORLD EXPERIENCE

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Abstract

Management known as management by results (MBR) is a process of defining objectives within an organization so that management and employees agree to the objectives and understand what they need to do in the organization in order to achieve them. The term "management by objectives" (MBO) was first popularized by Peter Drucker in his 1954 book The Practice of Management. The essence of MBO is participative goal setting, choosing course of actions and decision-making. An important part of the MBO is the measurement and the comparison of the employee's actual performance with the standards set. Ideally, when employees themselves have been involved with the goal setting and choosing the course of action to be followed by them, they are more likely to fulfill their responsibilities (Drucker, Peter F.,2022). According to George S. Odiorne, the system of management by objectives can be described as a process whereby the superior and subordinate jointly identify its common goals, define each individual's major areas of responsibility in terms of the results expected of him, and *use these measures as guides for operating the unit and assessing the contribution of each of its members. Performance management (PM) includes activities that ensure that goals are consistently being met in an effective and efficient manner. Performance management can focus on the performance of an organization, a department, employee, or even the processes to build a product or service, as well as many other areas (Odiorne, George S., 1920). PM is also known as a process by which organizations align their resources, systems and employees to strategic objectives and priorities.*

KEYWORDS: performance measurement, organizational behavior management, behavioral systems analysis, human resource management, monitoring, motivation, reviews, clarity of goals, subordinates tend, production, marketing, services, sales, finance, information systems, incentives (bonuses), key principles.

1. Introduction

The most progressive idea in business today is Performance Management – a set of practices (planning, work organization, monitoring and analyses, etc.) which help a business determine strategic goals and then evaluate and manage the activity level based on the achievement of the aforementioned goals given the optimal utilization of available resourced. This management system is based on the principle of managing the cost of the business. The main idea of PM is the ability to manage a company asa single whole (Alex Sherrer, March 3, 2020).

Key elements include building the “goal tree”, assignment of responsibility, and the evaluation of results rather than of the actions taken. Management by objectives (MBO) is a process of Coordinating the goals within an organization so that company management and employees share those goals and understand what they actually mean to the organization.

The essence of MBO has to do with a cooperative approach to goal -setting, selecting the next direction for the company to take, and decision -making. An important component of MBO is the measurement and comparison of the current productivity levels of various employees between themselves and against a predetermined standards. Ideally, when the employees are involved in goal-setting and in determining the course of actions that should be taken to accomplish those goals, they will be more motivated to follow through on their responsibilities (Drucker, Peter, 1921).

2. Models and methods

The popular management system in Russia, the balanced scorecard, is nothing else than one of the variations of PM. You can say that the balanced scorecard is just the more successfully promoted brand.

New goals which must be addressed by budget models today, are only outside of the reach of financial management. As with almost any other management sy stem, the PM system is a combination of these four essential elements: management process players, interactive business processes of management, management methods, and information systems and technologies.

Performance management is a system which comprises a complex of processes and tools, including:

- goal setting (from strategic company goals to individual employee goals);
- criteria for assessing productivity;
- competency;
- result management;
- assessment;
- organization of motivational activities in accordance with the results of employee work;
- career planning for employees.

Management by objectives is a systematic and organized approach which allows the management to focus on reaching goals and obtaining the best result using the available resources (Nielsen, Poul A. 2021).

3. Examples of modeling

The use of performance management helps an enterprise to: bridge corporate, group and individual goals; raise productivity; quickly and efficiently introduce changes; raise the employee's motivation levels; improve training and development processes; develop the human resource potential; boost employee loyalty; support company values and develop the corporate culture.

The performance management system is grounded on the idea of a continuous, ongoing management cycle that includes the following steps (Swiss, James E. 2020):

1. Strategy development. At this stage the strategic development plan is written, the KPI system is set up, and the indicators' numerical values are populated.

2. Planning. Plans are brainstormed and solidified, resources are distributed for the realization of strategy. The predicted KPI values are used as guidelines when preparing the plans, but the main tool used here is the budget. During budget planning strategy and budgets and aligned, support is given to the constantly changing plans, data is consolidated in real time, and timely, regular reports are written.

3. Monitoring and control. The adherence to the ac tual budget is continuously monitored, line - items in the projected and actual budgets are compared, projected and actual KPI's are also analyzed. In other words, the realization of the strategy is continuously monitored (Routledge Taylor & Francis Group. 2009).

4. Analysis and regulation. The modif ication and correction of strategic goals and operational plans closes the loop of corporate management by providing for the continuity of its stages. Modifications are introduced based on real - time analysis of the current situation, the processing of hist orical data, projection based on scenario modeling, trend - setting and other statistical analysis methods. The estimated budget and KPI are modified in a “slippery” mode,

which helps adopt them in real time to changes within the company and changes in the macroeconomic situation overall.

The goal tree method used in PM is aimed at obtaining a relatively stable structure of goals, problems and directions. In order to achieve this when designing the preliminary version of the structure, it's important to takeinto account the logic of goal - formation, and to use the principles for forming hierarchical structures.

The goal tree is a structuring of goals of an economic system, a program, a plna based on hierarchical principles (distribution by levels), in which the main goal are placed at the top of the tree while the subordinate goals are placed below on the second, third and fourth level (or tree branch). The reason this type of structure is called a goal tree is that the diagram which (M. Porter.2022) represents this structure looks like an upside down tree.

This method is used widely for forecasting the possible directions of development for science and technology as well as for organizing personal or professionalgoals of any company. The goal tree closely interlinks the prospective goals and specific associated tasks at each level of the hierarchy. The goals of the farthest - reaching agency (or the whole company) are placed at the top, with the more local goals (tasks) which help with the achievement of the goals are organized in several tiers below.

The methodology of performance:

- based management spans the entire complex of company;
- sales volume management;
- new product development;
- market research expenses;
- overproduction;
- improved market knowledge;
- determining product manufacturing strategy;
- boosting competitiveness;
- decreasing volume of product produced;
- conquering foreign markets;
- increasing profit;
- increasing profitable demand;
- improving the quality of existing products;
- decreasing profit (Personnel Management, 2021).

The real return is obtained not through the fragmented use of progressive management methods, but through the integration of these approaches into a single mechanism of corporate control.

The central principal of MBO helps the staff have a clear understanding of their role and level of responsibility, and of what is expected of them. They can also understand how their work is tied with achieving company goals. MBO also attributes more meaning to the realization of the personal goals of each worker.

Below are a few noteworthy advantages and unique aspects of MBO:

- motivation,

- involving the employees in goal (D.V. Proskura, E.M. Rogova, E.A. Tkachenko, 2019),

- setting and increasing their responsibilities, which raises their satisfaction and dedication to their work improvement sense of connection and coordination,

- regular meetings and interactions between the managers and subordinates promote well,

- balanced, peaceful relationships within the organization, and help resolve many problems,

- goal clarity,

- the employees' heightened dedication to the goals they themselves set as compared to situations where others determine the goals for you,

- managers who guarantee what the personal goals of each worker are tied with the goals of the organization.

The use of the MBO system must be tightly dovetailed with the corporate culture of the organization. The reason for this is that instead of selecting tasks from a cascading process, goals are discussed and concurred upon. Employees are often involvedin this process, which may be beneficial.

Within this method, at the beginning of each period (month, quarter) the organizations, subdivisions, departments, and every individual worker sets concrete goals upon which his or her bonus depends. Goals and tasks are set based on the SMART principle:

·Specific – specific for the organization/subdivision/employee;

·Measurable – determine the units for evaluating productivity;

·Achievable – achievable, realistic;

·Result-oriented – aimed at results, not effort;

·Time-based (Vissema H., 2020).

There should not be too many goals at each level. The optimal number is three to five central goals. At the end of the period an assessment is made to see how many goals have been reached. This will directly affect an employee's bonus.

Once the results of each period are obtained, it is important to analyze them. One of the parameters is to sift out those who do not follow through on their own goals. For example, why does a company need an employee who cannot even accomplish 50% of their personal tasks? Granted, employees should not be laid off at the end of the very first period. Instead, goals may change (for instance, employees will quickly (Pedler M., Burgoyne J., Boydell T.2021) “accomplish” the goal of learning to report their results daily). Or problem areas arising o ut of a lack of communication will be detected, and new local goals will be formulated.

The use of contemporary organizational and functional approaches to management is a daily necessity and requirement of today's economy.

Personnel management and staffing services are falling to the backdrop while human resource management and the financial mechanism for controlling it are coming to the forefront.

In many major corporations today, changes made to the organizational structure are by and large cha otic.

Often, the traditional linear - functional structure is kept while new subdivisions are added, given new names, but in terms of function they double the work already performed by existing departments (Thomas F. Gilbert. Pfeiffer. 2020). Take for instance the marketing department, which is organized instead of the sales services and the technical support groups.

Certain departments get additional training and education, but the selection of which department gets this training is non - economic. Instead, it is done to attract or retain a cer tain manager, to raise his formal position. Previously branched - out structures related to managing the social sphere, are downsized.

Business unit management helps obtain a detailed picture of the position of the company at all levels of risk because it calls for the break - down of the organization into specific areas of responsibility, in which the financial result is to be formed. This technique helps diversify the risk among different spheres of activity, to create a motivation system for controlling risk, and, as a result, to make the organization more stable. Business unit management relies, in limited scope, on budgeting, which calls for introducing into a company a system of market relations and the development of a competitive business environment in which each subdivision (department, unit) becomes a center of financial accounting.

It is impossible to remain competitive in the market today without implementing the principles of a learning organization, in which the main aspects of human resource department include:

1. the support of a productive work force,
2. development of a productive work force,
3. formation of a corporate culture which promotes breakthroughs.

In the end the company will transform itself and will be able to adjust easily to a changing market (Terry E. McSween. John Wiley & Sons. 1921).

And so we see the formation of the modern company, built on customer focused organization and focused on building strategy. The implementation of the business unit management approach allows an organization to: cut company - wide expenses by 10-40% create a foundation of standards for forming a self - developing business environment introduce a mechanism of financial diagnostics and real - time monitoring of the profitability of products, departments and clients develop an effective system of labor motivation set-up an ongoing mechanism of improving existing products and developing new ones create a forum for utilizing the creative and rational/analytical potential of the personnel attract specialists from other organizations or business owners with their own client bases for collaboration (John Austin & James E. Carr. Context Press. 2019).

A business plan is created for effective management and business planning, and is one of the main tools of company management which affects the productivity of its work. Given the market conditions and the high competition, a company must be able to react quickly and adequately to changes that happen around it and within it. A business plan is like a step-by-step journal used to orchestrate a new type of work, process, or action. Its composition, structure and scope are determined by the specific products of the company and by the goal for creating the plan in the first place. At the heart of each business plan lies financial forecasting. This is the tool which should be used when planning the financial support for future activities undertaken by the company in order to use the existing or potential financial resources in the best way possible.

Business planning gives specialists the opportunity to connect financial, investment, marketing and production plans developed by the company into a balanced, systematized indicator. Today practically every company regularly introduces organization-wide changes and programs which are aimed at raising the effectiveness of the company overall or the productivity of specific processes. But as a rule managers run into problems when trying to correlate the initiatives for reorganization taken during periods of reform with the company development strategies. For this end the balanced scorecard is a very useful tool to help determine goal priorities and analyze the initiatives already being undertaken by using the productivity indicators as criteria for determining how to distribute resources. As a result, managers receive the answer to this question of which initiatives are the most important in terms of adhering to the accepted strategy, and are subsequently able to oversee the support and development of those initiatives. There are several conditions that must be met to achieve success with business planning:

1. the managers must correctly evaluate the actual financial position that the company is in, and its place in the market;

2. concrete goals must be identified that the company will aim to achieve;

3. each step to achieve these goals is planned and executed;

4. company management understands the essence of processes which take place in the market, and within the company.

Solid feedback and in-depth knowledge in the field of strategic management gives the company the chance to continuously monitor the work being done to implement the agreed-upon strategies. The company is then also able to track its progress towards the goals it has set by analyzing the deviation of actual results from the predicated outcomes. Based on this analysis the managers determine the effectiveness of the strategy, and make corrections in the strategic initiatives accordingly. Using elements of budgeting, the balanced scorecard methodology gives an additional opportunity to establish plans, analyze deviations, and perform ongoing monitoring. In this way, strategy management is performed on all hierarchical levels of the company.

A business plan is made for internal and external purposes. In our country, the vast majority of business plans get made only when the time comes to attract investments. The external purposes for creating a business plan include the following: to give an explanation of why the need has arisen to obtain additional investments or credits, to demonstrate the company's capabilities and to attract the attention of investors and banks, to convince them of a sufficient level of productivity of the investment project and of the high-quality management of the company. That being said, the internal goals for drafting a business plan are much more important. These include: to test the knowledge of the managing personnel, to see whether they understand the market environment and the real position of their company within the market, to test how well the management understands the strategic goals of the company, its characteristics, the competitive sphere, the strong and weak aspects of the specific investment project and its potential productivity given the current overall situation. As a result, a well-written business plan makes the company more efficient and manageable, and allows specialists to make forecasts for the future with more accuracy. The business plan is a document which describes aspects of company development, analyzes problem areas that the company might encounter, and determined methods which will help the company resolve those problems. When completed, a business plan must provide the answers to such important market issues as potential project cost, expected income, etc.

Here the use of the balanced scorecard is tied to the concept of a learning company because the process of acquiring new knowledge in the sphere of strategic planning and putting it into practice goes continuously through the entire cycle of working with the system. The learning process begins with the first stage, during which a team of top managers develops long-term goals and strategies, and then hands its vision for company growth to the lower levels of management for implementation. This is quite a lengthy project, and, as a rule, should undergo several iterations so that all key members of the company fully understand the company's goals and strategies. Ultimately, a single, unified vision is distilled, and it is accurately understood by all key players. In this particular case it is the totality of all strategies which lead the company towards its long-term goals. Based on this vision guidelines are written to direct the actions of each company department, and short-term and long-term business planning is realized. The content, composition and level of detail within a business plan is determined by the interaction of such factors, as the type and value of purchased product, the scope of the market supply and demand, the level to which production equipment is developed, sources of business financing and the company's financial solvency, etc. In order to have a preliminary technical and economic rationale for a business project, practice in Russia has shown that the following market indicators are needed:

1. overall initial data and conditions for performing the project,
2. market for product sales and the necessary production machinery,
3. material funds for production and the needed resources,
4. good location of the company and transportation availability,
5. design documentation,
6. company organization and overheads,
7. need for labor resources and sources that can cover these needs,
8. planned terms/dates for realizing project,
9. financial assessment of project cost.

The above aspects of a business plan determine not only its content, but also the sequence in which calculations for indispensable planning will be performed. Therefore, in order to have a high-quality business plan, the company management needs reliable information on the initial status of marketing, production, and financial information.

The balanced scorecard tool provides the top management with a new tool which translates vision and strategy into a set of interconnected, balanced indicators which in turn help the management assess the deciding factors responsible for the company's present and future development. The balanced scorecard method also helps managers oversee such processes as: transfer of vision into strategy, acquaintance of all management levels with this strategy, business planning and distribution of resources, feedback, training and ongoing monitoring of the execution of strategy.

4. Conclusions

Performance management provides the employees with an opportunity to understand the company's expectations of their work and their role in the realization of company strategy (Alasdair A. K. White. Piatkus Books, 2021). PM also helps workers make their contributions to formulating company-wide goals and plans, understand the criteria used for assessing productivity, the goals of the work that they do and corporate standards of behavior, receive regular feedback from their managers, understand how their personal work can affect their income, and set professional development goals (John Austin & James E. Carr. Context Press. 2020).

The business unit management technology gives managers an opportunity to receive objective information about the profitability of each department, product or client in real time, and, as a result, helps make managerial decisions.

The implementation of this technology is especially relevant as Russia prepares itself to join the World Trade Organization, which will open the Russian market to foreign companies and banks, and as a result will intensity the competition struggle (Thomas C. Mawhinney et al 2021). The mastery of modern management technologies, including the business unit management approach, will help companies optimize their activities and compete.

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