

# TRANSFORMATION PROCESSES ARE IN THEORY OF MANAGEMENT: FROM TAYLORISM TO GLOBALIZATION

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**Abstract:** *Progress of management theory trends are considered by the socio-economic systems. Intercommunication of changes is analyzed in practice of management and management theory. The necessity of improvement of the rational use of present (and necessary) is indicated labor (intellectual), material, financial, informative, temporal resources for the increase of management efficiency Investigated change in the public and concrete (special) functions of management in the process of transformation of economic relations.*

**Keywords:** *principles, enterprise, management theory, management functions, management efficiency*

## ABOUT ESSENCE OF MANAGEMENT BY ORGANIZATION

Preparation of this article was stimulated by two major circumstances. The first circumstance is related to the momentous event: by the 100year of appearance monograph "Principles of scientific management" (1911г.). In a monograph the results of scientific researches of Frederic are expounded F.W. Taylor - founder of school of scientific organization of labor and management. The second circumstance is related to the acquaintance of publication Z. Radosavljevic "New calls and conception of the state in the modern world" [1]. Which is connection between these two events? F. Taylor studied the problems of increase of the productivity and motivation of labor of workers, increases of profits of owners of enterprises. Z. Radosavljevic investigates the problems of management efficiency at the level of the state. Unites two authors is aspiration to perfect management principles organization.

By a main requirement to organization of management at the level of enterprise and at the level of the state there is efficiency, effectiveness, management success. Very often, especially in political life, the proclaimed aims do not result in the expected results. By reason is it insufficient knowledge for the leaders of different level of bases of management theory, and also practical experience in the decision of engineering, economic and administrative tasks. Management (in relation to the socio-economic system) we examine as a purposeful (for translation of the system from one in other state) affecting collective of specialists taking into account rational the uses of present resources (labor, material,

financial, informative, temporal). Purposefulness supposes that an administrative decision must at certain terms result in the desired result, to success. Both in the conditions of enterprise and in the conditions of the state a primary objective is an increase of welfare of people. The rich do not must to grow rich, and poor becomes poorer. Herein there is main reason of conflicts, cataclysms.

We do an accent in a management by an enterprise on "specialists". E.M. Korotkov theme 23 books "Management Conception" were named by "Man in the system of management" [2, p. 217]. We will mark that we (V.G.) were taught on a production (V.F. Zlobin): a "good man is a not profession". An enterprise unites in itself not simply performers, and business specialists: researchers, designers, technologists, mechanics, power engineering specialists, ration, financiers, accountants, suppliers, marketing specialists, representatives of many other professions.

Now about "translation of the system from one state in other". Desirably, that the system passed to the new, more progressive state. Then we will deal with a "effective" management. Efficiency of work of enterprise depends on efficiency of control system, from successful realization of such functions: prognostication, planning, operative adjusting, account, analysis, control, stimulation. To the different legal forms of management it is necessary to pull out also a requirement about the observance of social justice.

## **ADMINISTRATION OR MANAGEMENT?**

Both in Ukraine and in Serbia in the curricula of universities disciplines are fixed: "Management Bases", "Marketing management" et al, but not government "Bases by organization", "Management marketing". P. Drucker asserts, that "term a "management" is exceptionally difficult for understanding". But it is a problem of P. Drucker. Z.P. Rumianceva writes: "In the years of transition of our economy on market bases of ménage along with usual combination a "management became organization or enterprise" to not uncommon and other is a "management of organization or enterprise". Presently they are mostly used as concepts identical, interchangeable. Founding for this purpose is identical essence of categories, expressed by the Russian word "management" and English "management". We use terms "administration" and "management" as identical" [3, c.12-13]. We will add: "And we too".

## **ABOUT PRACTICE AND MANAGEMENT THEORY**

Two – already collective. If this collective swims in one boat and rows in one side, then there is a chance to reach to the bank. A boat must be guided. About practice of management it is possible to talk from the day of appearance of man on our planet. A management theory, in our view, begins from the first, existing on our planet, chronicles. It is necessary to remember: Machiavelli, Aristotle, Plato, Confucius, treatise of "Artkhashastra", "Edifications of Ptakhkhotepi" etc. In heaved up a question it is possible to take advantage of the "Administrative continuum" of Claude Item of George-junior. One of the conferences organized by us we named: "Management by organization: look through millenniums".

To us, Ukrainians, I am too, that to tell about practice and management theory. We will name the name of the Kyiv prince - Yaroslav Wise. He at first successfully led in Rostov Great, after - in Great Novgorod on a prince throne. From 1019 to 1054 Yaroslav Wise

successful character managed Kyiv Rus. Due to Yaroslav Wise Kyiv Rus was known, respected in of that time Europe. 1000 ago considered for honors to support trade, not only diplomatic relations not only. Domestic connections were established at the level of rulers of the European states (Poland, Hungary, Austria, Byzantium, Germany, Norway, France and England) with the Kyiv princes.

## **FROM BUSINESS AND PRACTICAL MANAGEMENT WORKERS TO THE THEORY OF MANAGEMENT**

That is in foundation of management theory? Practical business, practical management. Foremost, experience of successful management. We will name the row of the last names of practical workers, "generals" of production, which during the administrative activity brought the systems entrusted to them to perfection: V.A. Zhursky, P.A. Shilo, V.F. Zlobin, P.A. Kostina, V.N. Orlov. It is director generals of the largest Kyiv enterprises. Names at level A. Fayola. A difference consists in that, that A. Fayola generalized the 46-years-old administrative experience and wrote a book "The Common and industrial management" (1916). All operations, what only meet in organizations, A. Fayola broke up on six groups: technical (production, making, treatment); commercial (purchase, sale, exchange); financial (bringing in of facilities and order by them); insurance (insurance, guard of property and persons); registration (book-keeping, calculation, account, statistics et cetera); administration (planning, organization, guidance, co-ordination, control).

G. Kunz, S. O 'Donnelley to administration or public functions of management attributed: planning, organization set of personnel, guidance and leadership, control [4]. L. Guilik and L. Urvik to the public functions of management attributed: planning, organization, work with a personnel, operative guidance, co-ordination and control and accounting, budgeting.

## **ABOUT UNITY OF PUBLIC AND CONCRETE FUNCTIONS OF MANAGEMENT**

Management we examine organization from positions of unity of public and concrete functions of management. In the center of kernel it is possible to place an administrative function. Round an administrative function it is necessary to dispose technical, commercial, financial, insurance and registration operations (functions). Macro- and a microenvironment, undoubtedly, have influence on the change of maintenance and specific gravity of each of functions. The new factors of influence appear: influence of ecology, processes of globalization.

In the 17-module program for managers, made the scientists of the State university of management and National fund of training of financial and administrative personnel's (Moscow, Russia), the next types of the special management are distinguished: strategic management; management by the productivity and quality; management by innovations; management by the programs and projects; organization and management by foreign economic activity; management marketing; management by finances; management by a production and operations; management by human capitals; management by informative resources.

We will bring a few self-controls over GOST 24525.0-80 "Management by a production amalgamation and industrial enterprise. Substantive provisions" [5]. Firstly, in the

complement of groups of standards of control system by included: general questions of management; subsystem of linear guidance; having a special purpose complex subsystems; functional subsystems; subsystems of providing of management. Secondly, to the methodological government bases attributed: management principles; management aims; management functions; management methods; administrative decisions; requirement to forming of style of guidance and organization of labor of leader. Thirdly, realization of each of concrete functions of management, in opinion of authors, must plug in itself next model administrative loop constructs: prognostication and planning; organization of work; coordination and adjusting; activation and stimulation; control, account and analysis.

Fourthly, at determination of list of concrete functions of management of every POE (III) and forming of control system it is necessary to follow the next model composition of management functions, grouped on the certain signs of management object:

- on the sign of affecting all spheres of activity of POE (III) on the whole: perspective and current economic and social planning, organization of works for standardizations, account and accounting, economic analysis;
- on the sign of affecting the separate stages of productive process : management technical preproduction, organization of production (basic, providing and attendant), management by technological processes, operative management by a production, organization of the metrology providing, technical control and tests, production distribution;
- on the sign of affecting separate factors of production : organization of work with shots, management by organization of labor and salary, organization of creative activity of labor collective, material and technical supply, capital building, organization of financial activity.

During 30 after a publication GOST 24525.-80 life brought in serious changes in the system of activity of enterprise. It is privatizing, marketing, logistic of and other. But methodological going near a management specialists for the achievement of aims of enterprise were not suffer large changes. Speaking about bases of management science, it would be necessary to remind yet about such economic category, as "reproduction": production, distribution, exchange, consumption. A production is qualificatory in relation to other phases of reproduction. Selling is possible only that it is produced. We do not decide here on financial problems resulting in next financial crises. Undoubtedly, that producing is necessary that is in demand. This marketing engages in. Marketing we examine as the special (concrete) function which connects the internal and external environment of enterprise through the sphere of distribution and exchange, through market research, behaviors of consumer, realization of advertising campaigns etc.

## **V.V. GLUKHOV ABOUT THE STRUCTURE OF DISCIPLINE "MANAGEMENT"**

V.V. Glukhov [6] examines a management theory from next positions. Part of 1: "Basis of management" (is management principles; policy of enterprise; management structure; strategy of activity; tactical planning; operative planning). Part of 2: "Mathematician for a manager" (simplest model mathematical models; methods of decision of administrative tasks). Part of 3: the "Administrative functional decisions" (choice of management form; management by quality; management by innovations; management by an equipment). Part 4: "Methods of making of administrative decisions" (risk in administrative decisions; group

methods of making of administrative decisions; graphic character of problem; expert methods of choice of variants of decisions; informative support of leader). Part 5: "Management by personnel" (management principles by personnel; organization of management by personnel; model procedures and decisions on a management by shots; payment of labor). Part is 6: "Organization of advising (consulting)" (principles of consultative activity; areas of consultative activity; crisis management). Part of 7: is the "Administrative situations" (organizational behavior; informative exchange). Part 8: "management of personality" (management of personality; time is a capital of administrative worker; image; testing of manager; code of honors). What can be done conclusions? Firstly, original is the authorial going near the theory of management. Secondly, for some reason the public functions of management are taken on the second plan. Thirdly, the concrete functions of management are not systematized.

## **ABOUT THE THEORISTS OF MANAGEMENT**

Modern authors of textbooks on a management it is possible to divide into a few categories. To the first group we attribute those, who unite the public and concrete functions of management. We name them "realists". Respectfully we will name the last names of "realists": E.M. Korotkov, A.G. Porshnev, Z.P. Rumianceva, N.A. Salomatin, V.V. Glukhov, F.E. Udalov, A.J. Schwab, F.I. Khmil. E.M. Korotkov [2] examines management conception on such chart: Division 1, activity of man: requirement in a management; management: management type, conception, professionalism; features of the Russian management. Division 2, management: integration of activity; management dynamics: management processes; management mechanism: facilities and management methods; methodology and organization of management; strategy and management tactics; formal and informal management. Division 3, diversification of management: typology and choice of alternatives; management by projects; антикризисный management; motivational management, corporate management; distribution of plenary powers: centralization and decentralization of management; marketing; strategic management; administrative management. Division 4, economy and management sociology, management personnel: human capital; resources and management efficiency. A division 5, man, is in the system of management; personality of manager; leadership and management style; power and partnership; a group dynamics and conflicts are in a management. Division 6, management tendencies: readiness to the future; management by quality and management quality; innovative potential of management. It is possible to notice that in Division 3. Author gives it a shot to take a few special functions of management in the system of public functions of management.

In 60th of XX of century in the USSR one of the translated books of the American management went out "Course for a higher managerial staff" [7]. We will bring only the name over of divisions of book: preparation of managers and improvement of administrative services; manager and production; organization of sale; guidance by finances; legal questions of business; advices to the manager. Thus, the practical going is looked over cleanly near a management.

At implementation of one of consultative projects in Germany we succeeded to become acquainted with work A. J. Schwab "Management for an engineer" [8]. There is a table of contents of book A. J. Schwab in our brief translation. A. J. Schwab looks like the following: 1. Engineer as manager. 2. Sense and aim of enterprise. 3. As an enterprise (functions surroundings, structure of organization, logistic, external organizations, legal

forms). 4. Taxes. 5. Financial knowledge for an engineer (prime price, record-keeping, balance, income, financial analysis, price, fiscal knowledge, investments, calculations, jars). 6. Elementary administrative functions (planning, management, control and controlling). 7. Special administrative functions (project management, investment management, management of personnel and management by changes, ethic management). 8. Optimization of process of enterprise (analysis, benchmarking). 9. Management (methods of analysis, prognoses and scenarios, discussions, interview with leaders, presentations) technique. 10. Bases of existence. 11. Documenting.

Second category of authors the public functions of management see in basis of management theory. So, R. Griffin and V. Yacura [9] the structure of "management Bases" was set forth as follows: entering into a management (understanding of management essence, environment of organization and managers); planning(planning and strategic management, acceptance of administrative decision, enterprise and management of new enterprises); organization of activity (is a structure and planning of organization, organizational changes and innovations, management of human capitals); leadership (guidance by individual behavior, motivation of activity of workers, leadership and influence, communications in organizations, management of groups and commands); controlling (guidance controlling; complex management by quality, productivity, operating activity, supply, inventories). The supporters of American school of management give preference a similar structure. He is heavily perceived in by practices.

Structure of work of B.M. Andrushkiv, O. E. Kuzmin of "Management Basis" [10] looks like the following: maintenance, history and management role; organizations; management functions; planning as management function; organization of co-operation as management function; motivation as management function; control as management function; management methods; communications are in a management; making decision is in a management; methods of acceptance of rational decisions are in a management; management by the collectives (by groups) of workers; management by conflicts, changes and stresses; social responsibility and social ethics are in a management; guidance is in organization; organization of administrative labor. Which is ideology hired? Bases are the same public functions of management.

## **ABOUT EFFICIENCY OF MANAGEMENT**

Management efficiency is determined by means of comparison of results of management and resources. If counting up the volume of the resources expended on a management is possible, then to estimate management results more difficult. It is possible to count up the volume of the realized products, profit yield, profitability and profitability. And which is specific gravity in this end-point of managers? Defining is possible only with the known stake of exactness. It is mediated it is possible to estimate a management level by means of such indexes: the labor productivity, rhythm of production, level of quality of products, timeliness of deliveries, degree of achievement of the put aims. And morally-psychological climate, fluidity of shots? In the estimation of management efficiency it is necessary to take into account not only the economic side of administrative processes organization but also organizational, scientific and technical, social, ecological constituents. Efficiency it is also necessary to examine from positions strategic, i.e. how the accepted administrative decisions will affect on the results of activity of enterprise through ten, twenty or fifty years after.

## RESUME

A management theory is in permanent development. The list of management principles is filled up. Basis of changes in the theory of management it is been change in practice of management. It found a reflection in the evolution of going near the theory of management: classic (traditional) school management; administratively-functional school; school of human relations; school of frames of society; empiric school of management; new school. Four basic approaches of management are known by management subjects: traditional, system, situational. In the process of management it is important rationally to dispose of present (and necessary) resources: labor (intellectual), material, financial, informative and temporal. The changes the general are exposed to and concrete (special) management functions. The increase of necessities resulted in strengthening of marketing function. Innovations assist the increase of intellectual of technological processes. Expansion of international division of labor affects globalization of economic relations. The problem of increase of socio-economic efficiency of management, increases of welfare of all layers of population of planet, becomes actual. Under act of indicated and many other factors a management theory is and will be in the process of transformation, in the process of permanent changes.

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