MISTAKES ARE A GOOD THING, IF WE LEARN FROM THEM

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Summary: *A lot has been written about creation, deployment, storage and use of. Knowledge especially has gained importance in the last two decades as well as learning as the most important element of knowledge management. However, this phenomenon has not been nearly processed enough, because in each new time dimension knowledge is significantly increased getting thus new dimensions and influence, which is natural, because increasing quantity often leads to increase in quality of life and work. Knowledge quickly becomes obsolete, which imposes the need to use it as soon as possible, i.e. to shorten time that elapses from the time when the knowledge acquired until its implementation. Both this race for time and increasing competitiveness put people in a situation to make mistakes.*

Nevertheless, errors are one of the least processed phenomena in management and organization. It is shown that errors are an integral part of the life and work of every man as a conscious and rational human being. People certainly cannot live without errors because there is no man on this earth who has not made mistakes. The only difference lies in the consequences of mistakes and in the dynamics with which people are able to eliminate them and continue to live their lives and perform their jobs. While no one wants to make mistakes (very few people are willing to admit their mistakes), errors in the modern organization are not only necessary, but can be useful provided that individuals and organizations learn from mistakes. Hence the need in modern conditions to change attitude towards mistakes and thus complement the gaps that objectively exist regarding this issue in the theory of management and organization.

This paper seeks to address the problem of errors in managing organizational systems, with particular emphasis on error management strategies.

Keywords: *learning, errors, concepts*

1. INTRODUCTION

Since the creation of man to the present day we have been trying to be efficient and effective and to work without errors, or with the least possible number of errors. Classical organization and management had a negative attitude towards mistakes. The entire classical scientific infrastructure and the apparatus is constructed so that individuals as well as organizations do not make mistakes. In this context there were prescribed detailed

guidelines, standards and other organizational measures in order to avoid errors. If the error occurred, people sought ways to eliminate its consequences and to continue work. In other words, errors were considered unacceptable, which is why they are often obscure; when they were evident, they used to be explained by objective circumstances, or by minimizing their effects. Individuals who have made mistakes were specifically labeled and subjected to various sanctions. An entire governance structure had been created and tasked to find and record the sinners. The attitude that only those who do not make mistakes and who had never failed either in life or in work are successful used to be prevalent in the society. In theory, organization and management had even built a special concept of increasing performance, and that is the elimination or reduction of errors through their sanctions. [1]

However, it is evident that the attitude towards mistakes in modern conditions has changed and it will continue to change in the future even more rapidly. If error cannot be avoided, or if it cannot be eliminated, then we must learn from it. In other words, professional management, and every other man, must strive to turn mistakes into useful things. In other words, we must learn from the mistakes in order to avoid recurrence. One of the most successful directors in the world G. Welch stated: "When my people don't make mistakes I get concerned." Welch was obviously talking about mistakes under certain prescrbied guidelines and standards, i.e. not make mistakes, and yet the company may not be successful. It is a fact that this is particularly evident in the dynamic and turbulent conditions that exist today and will continue to exist to an even higher degree in the future. On the other hand, it turns out that humanity has progressed thanks to the people who had made mistakes, i.e. who used to step out of prescribed procedures and frameworks, looking for new ways and concepts to get the job done with better quality. Therefore, it is natural that people make mistakes, because introducedc novelties are never a certain thing. It is nearly impossible to predict all the obstacles and problems when creating innovation. Consequently it can be concluded that the biggest mistake is not to make mistakes, and those who make mistakes are usually leaders in innovation, while the followers are those who stick to "trodden paths." They do not make mistakes, but they have trouble ensuring competitiveness against companies that constantly present new products or services on the market.

2. THE SOURCE OF ERRORS

In an attempt to study any phenomenon or process it is essential to determine the cause of its existence, which is logical because all arises out of something and serves something. If we want to raise the performance of a system, it is necessary to pay special attention to the causes. Practice shows that this rarely happens; therefore, individuals, or organizations are more concerned with consequences where nothing can be repaired, but usually just concluded.

Errors can arise from different causes. Regardless of the causes of the issue, the fact is that there are basically two causes of errors, as follows: wrong management decisions, or inadequately implemented decisions. Both occur in the human brain. Therefore, the first step is for man to think of something, then he approaches the realization of this mental construction, again under the supervision of the brain. In relation to the above, N. Tesla says: 'Every one of patents which I invented was exactly as I imagined. When I used find

error in the way of functioning, the correction of that error also had to happen in my head.' This is a confirmation of integrity and a high level of visualization of this world-class genius. Steve Jobs was famous for persistent, consistent and courageous implementation of his ideas.

The practice of individual and corporate systems shows that errors or omissions and failures rarely recognized, and if it does, they are shown as something objective, as a result of external influences. This especially applies to the management of the transition countries, where there is no professional management, and where the greatest number of business problems is explained by the influence of objective factors and influential powers such as the global economic crisis, globalization, etc. From the mistakes and failures organizations learn very little which leads to repetition of same mistakes, often in the same way, in the same circumstances and situations. Consequently, organizations need new and better ways to overcome superficial phrases, such as: 'Product or service is good, but it is the fault of the market that had not accepted our products/services;' or 'We find ourselves in a difficult economic position due to global problems in economy;' or 'Failure is evident, but our time shall come.' These excuses may explain certain errors or omissions, but they certainly do not justify them. We need to get past the old culturological beliefs and stereotyped perceptions of success and take to learning from failure. [2] For our failures and mistakes we should never blame others, but only and exclusively us.

Causes of errors and failures in organizational systems can be as follows:
- failure to comply with appropriate standards and procedures,
- carelessness in the performance of duties and tasks,
- lack of knowledge, skills and experience to perform tasks,
- compliance with existing or incorrect procedures and standards,
- complexity of transactions,
- uncertainty regarding the objectives.

The list of causes of errors is indeed much wider. Each organization has its reasons, some common, but also a number of specific characteristics. The failure or error arising from deliberate experimentation or research in new technology, processes and concepts of work, they might even be praised and rewarded as such. Innovative organizations encourage individuals to explore, and if an error occurs, the management stands firm against the perpetrators of mistakes and thus encourages them to continue experimenting and searching for new technological, organizational and other solutions. Practice shows that a large number of managers state that only a small number of errors in organizations are subject to sanctions, maximum 5%. But when we ask the question what percentage of errors get sanctioned, responses claim it is up to 90%. [2]

The reasons are more in the still large presence of classical organization and management that is still focused more on sanctioning and less on incentive to behave flexibly and to encourage employees to invent more effective ways to realize the defined objectives. In this context we should bear in mind that the sanctioning organization is focused more towards the past and less towards the future. Consequently, organizations that are oriented towards sanctioning errors are generally less successful than those that learn from mistakes. Naturally, mistakes should not be repeated. Therefore, within the organization, or department of knowledge management we should install the experts who will register

and then analyze the strategic errors; then – through information system – they should inform the perpetrators of the causes of the problem and how to resolve it. This analysis is necessary and should be entrusted to independent professionals. If errors are analyzed by those who made the mistake the analysis will never be objective, and therefore there will be no benefit from the analysis. Moreover, such a relationship can be detrimental, because it does not indicate negative occurrences and trends.

It turns out that the most efficient way for us it to learn from our mistakes. Practice shows that the smart people had come to their senses thanks to their own mistakes. In other words, little can be learned from failure, but much more from our mistakes. It is mistakes that usually remain in the deep memory of each individual, provided we had acknowledged that a mistake was made. Recognition is the first step towards learning from mistakes, because denial becomes a huge problem for both individuals and organizations. A belated recognition of errors is also irrelevant because the error can not be corrected, but still, delayed learning is better than nothing. It turns out that charismatic leaders never or very rarely admit fault, even when it is obvious.

However, from the standpoint of effectiveness, learning from our mistakes is the worst way to learn, because it is the most expensive. These errors are accompanied by the biggest problems, and often lead to the disappearance of the organization. Hence the general effort that management should be educated within the ongoing schooling to be able to diagnose causes or recognize symptoms that indicate possible errors, and then to be able to solve them. Modern business education insists that future managers learn how to act in every situation. It is clear that life cannot be programmed and that there no education system can predict all possible situations, or how individuals and organizations should operate in every single particular case. Thus, modern business education requires much higher degree of creativity and critical decompression, so management is enabled to act in accordance with any given situation.

Further to this, we should point out that the most efficient way to learn is learning from other people's mistakes. That is why an old folk of wisdom says: 'The smart learn from other people's mistakes, a fool learns from his own.' We herewith investigate the causes with the general effort to make sure that mistakes are not repeated in the learning organization, or that their negative impact is reduced to a minimum. Practice shows that the mechanical transfer of experience from one system to another is a serious mistake. The causes that led to errors and adverse effects in one system do not have to prove to be wrong for some other organizations. This imposes the need for management or analysis of influential factors and forces in the adoption and implementation of management decisions.

In the future more emphasis given to the prevention of errors and failures compared to the elimination of their consequences. The successful will be those who prevent rather than those who strive to solve problems and eliminate errors. In this context numerous mechanisms have been developed that detect or diagnose errors, and then try to rectify the same as soon as possible. For example, the system of "poka yoka" control in Toyota in Japan shows that system that is built on constant learning on small mistakes (small deviations in the process) is an effective way of improving the performance of the product or service. If the employees on the assembly line spot an error or a problem, they are encouraged to pull the rope called Andon cord that runs the mechanisms for resolving problems. Production can continue uninterrupted if the problem can be overcome in less than a minute. Otherwise, the production is stopped - despite the losses - until the error is resolved. This

system is called "idiotic safe" because it provides a hundred percent safe control system in which it is impossible to produce a car with an error. The intensity of repeating mistakes or errors on the assembly line is a signal that redesigning of the manufacturing process and conveyor belts must be made in order to have as few interventions as possible. [3]

3.   POSSIBLE ERRORS IN ORGANIZATIONAL SYSTEMS

Various types of errors may appear in the organizational systems. What is certain is that organizations live with errors. This is stressed by a famous businessman Lee Iacocca: "Mistakes are part of life, and can not be avoided. We can only hope that they will not be expensive and will not be repeated. [4] Basically, all errors more or less are made by his majesty the Man. Organizations with high organic composition of capital, or in places where technical and technological element is above average, these organizations are exposed to a lesser degree errors. It turns out that when error occurs in atechnical system, it is the result of man. It can be porr mental construct, or poor application of ideas, or both. In any case, management should establish a typology of errors as follows: by the cause of the formation, by time, place, operators of errors, consequences, etc. in order to be able to analyze mistakes and learn from them.

Practice shows that errors could be: intentional and unintentional, from carelessness or negligence, small and large, inevitable, intelligent, etc. Their intensity may vary as well as the consequences that errors leave behind. This necessitates that each error and omission must be approached with special care, because there are no two same mistakes, no matter that at first glance it might appear so.

Intentional errors and omissions are dangerous and can be allocated either to individuals or groups. These errors are precisely defined, i.e. there are certain legal norms that provide sanctions for what is considered to be the intention, as well as sanctions that are designed for these types of errors. The most dangerous are intentional mistakes made by management, especially top management. A typical example of deliberate errors is privatization in Serbia, where management has deliberately weakened the economic strength of the company in order to buy it, or in order to allow privileged prices for privileged customers. The problem with these errors is that it is very difficult to determine their intent, which is why it is necessary to explore them in entirety. This type of error is strictly sanctioned.

Errors from negligence are not necessarily sanctioned. What is carelessness and what is negligence is defined by certain legal or organizational framework. When it comes to the error of carelessness, the responsibilities and sanctions may be different. If inattention stems from fatigue, for example because of the long drive of motor vehicles, because of the longer working hours, the blame for failure or mistake shall be borne both by the individual in question but also by the manager who had put the employee in that shift and failed to provide adequate rest, which can be determined through the presentation of evidence.

Small and large errors. This typology is problematic because of different criteria for their determination. The organizational manuals often define what is small and what a big mistake, whereby takes into account damage resulting from certain mistake. In order to manage mistakes and learn them we must always keep in mind that every big mistake once used to be a small mistake; it has developed and became that large over time. This analogy stems from the logical thinking that there is no serious criminal that didn't used to be a

petty thief. Wisdom dictates that small errors get analyzed and that we try to prevent damage, but also to stop the trend of error development. [5]

Unavoidable errors generally occur in complex systems, or complex and unpredictable situations, or uncertain events. They are an integral part of the job and are difficult to avoid. In other words, a large number of organizational failures occur due to the complexity of the lack of information and knowledge to prevent, stop, or eliminate harmful impacts. This is confirmed by the examples from battlefields where there are high dynamic changes, health systems, nuclear power plants, spacecraft industry, aircraft carriers, etc. These events, environment, or situation, contain systemic risks faced by the employees. For example, in hospitals there is almost always a state of emergency because of the struggle for human life and health where time is a critical factor of success.[6]

Intelligent errors are always welcome, because they provide valuable new insights that help to overcome the competition and determine future development. Because of this, professor of management Sim Sitkin with Duke University calls them intelligent mistakes. They arise when it is necessary to experiment, or when the answers are not known in advance, because such a situation we have not met before, and may never face again.

For example, let us mention discovery of new drugs, creating radically new businesses, innovative product design and testing of customer behavior to a whole new market. "Trial and error" is a common term for the type of experiments necessary in such cases, but at the same time is a misnomer, because the error means that we originally had the correct result. When we are on the verge of discovery, at the border to make a mistake, the right kind of experiment leads quickly to the "useful" errors. Managers that implement this practice can avoid non-intelligent errors of too many unnecessary experiments.

The leaders of the company for product design IDEO realized this fact when they formed a deparatment for innovation strategy. They not only help customers design new products to its existing capabilities - a process which IDEO simply perfected - but their service helps to create new lines that will take them to new strategic directions. Realizing that had not yet been effectively introduced, the company started a small project with the company for the production of mattresses, not announcing the launch of a new business.

Although the project has failed - the client has not changed its product strategy - IDEO has learned the lessons from that and understood what needs to be done in a different way, which is a typical example of learning from mistakes. For example, they have hired team members with MBAs who are better able to assist clients in creating new business (enterprise) and included some of the client manager in their team. Today, service innovation strategy achieves more than one third of revenues in IDEO.

Tolerating unavoidable procedural errors in complex systems and intelligent fault on the verge of new discoveries and knowledge shall not promote mediocrity. Indeed, tolerance is the essence of any organization that wants to discover new insights and lessons hidden in such errors. But still, errors are always emotionally charged, because they are 'judged by the heart, not the intellect.' In the future this practice which has been turned into a stereotype must be eliminated in order for awareness on the issue of errors gets more space and influence.

4.   RESUME

This paper points out the problem of errors and the necessity of management services in organizational systems. In the traditional concept of organization and management mistakes were considered undesirable and harmful. The entire classical organizational structure was set up to look for errors and guilty, even when they were not essential for business success. Control and control mechanisms were more oriented towards the elimination of consequences of errors and omissions, and less on identifying the source of their origin. Such approach in the past did bring certain effects; thanks to the above concept, business systems exercised sufficient organizational performance.

In modern terms, the attitude towards mistakes has changed. Emphasis is given to the causes or sources of errors, in order to work on the mistakes and thus reduce their consequences. The biggest change in modern business was created in the treatment of errors: errors are now treated as something that is good and from which we can learn. Therefore, in turbulent conditions with increased interdependence of various actors in the business world there will certainly be more mistakes, but the key thing is not to repeat them. We migth even conditionally claim that mistakes are "necessary" in the intellectual, scientific, research and other intellectual organizations which aim to find new ways and concepts of labor and business. Sanctioning and search for culprits of errors creates the conditions where the organization quietly begins to die, which is natural, because anyone who does not change is doomed to failure. Therefore, we should not be afraid of errors, but should strive to manage them adequately and learn from them.

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