

WORLDWIDE MANAGEMENT PROBLEMS

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This article deals with the review of main problems in the management of industrial systems and possible way of their solution. Issues of effective control in social and economic systems still remain relevant to the present day, and are the subject of management research. It is important to understand that at first sight “management” is the ability to achieve the desired objectives by means of the human resources using (labor, intellect and behavioral motives). All the problems in the management of industrial systems directly or indirectly arise because of the present of human factor in the administration. This is the most important condition for the problems emergence in the management of industrial systems. The “person-oriented” management system is might become a resolution of this questions.

Keywords: Management system, management problems, human resources.

INTRODUCTION

In the classic sense management is the ability to effectively production manages. However, considering the management in such an interpretation, we run the risk of wrong prioritization during the research, and therefore eventually produce the false results. This writes A.I. Orlov (2003): “Management is always people managing. Moreover, it’s controls by person (not a computer or a traffic light).”

It is important to understand that the human factor is based on the management. And it’s besides by managers of production and from the subordinates. So, studying issues of management, we will build on the human nature as a root of the problem.

Traditionally management has been seen as:

- kind of labor activity;
- process of administration;
- core of administration;
- scientific discipline;
- practice of real management/administration;
- administration workmanship;
- academic discipline.

- 1) Management, as a **kind of labor activity** is meaningful sequence of actions aimed achieving factual results. Social and economic systems, human and resource management is only possible through intellectual work, which provides

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the core of the administration. Such work may include purposefulness, forecasting, organization, stimulation (motivation), command and monitoring (control) actions in the workplace.

- 2) All the above mentioned functions of administration core apply to the management process. Therefore, management consider directly as the **process of administration** at the production system.
- 3) Management is also considered as the **core of administration**. This core includes people, which are professionally involved in administration – managers.
- 4) As a **scientific discipline**, management is devoted to the consideration of issues arising in the administration at the production system.
- 5) Management considered not only as a social-humanitarian discipline, but also as an applied science. Accordingly, under the management is sometimes understood as the **practice of real management/administration**.
- 6) Management is also considered as the **art of administration**. Scientific researches in the field of management rather play theoretical than practical role. Science does not give concrete recommendations, so they have to isolate from management theories. In real practice management is more an art of administration rather than a science.
- 7) Management is an **academic discipline** about managing, which train students in higher education.

All statements are equally important in terms of understanding the phenomenon of management. Therefore, they are complementary. As researchers, we are most interested in management as:

- process of administration;
- core of administration;
- scientific discipline;
- practice of real management/administration;
- administration workmanship.

Following, the management issue we will consider basing exactly at those statements.

METHODOLOGICAL FRAMEWORK

American scientist Frederick Taylor (1911) had an influence by the establishment of management as a socio-humanitarian and applied science. Also, other researchers involved the knowledge systematization in the field of management, namely S. Yu. Trapitsyn (2007) and others.

RESULTS

Essence of the management problems

We must not forget that people are systems. Moreover, person is not an easy system, but incredibly complicated and the impact on one end of the system leads to changes across the system as a whole. Therefore, important issues in global management are the following:

- people motivation;
- professional burnout;
- incorrectly organized management structure and misunderstanding manager role in the organization;
- rigidity of management;
- the problem of lack physical activity and spirituality;
- incorrectly built a corporate culture in the organization.

Of course, there are much more problems in the global management, but we will consider just some of them.

Problem of people motivation

Since people are the most important link in the work of any organization, it is important that they have motivation. After all, if managers do not take care about the employee's motivation, it can lead to the breakdown of deadline, non-compliance with the objectives and even the crash of organization.

The problem lies in the fact that not every manager understands how to motivate staff properly. Quite often, business organizations play a big role of **monetary compensation**. Money rewards are able to meet basic human needs. However, through the time the effectiveness of this method begins to decrease. Follow is what S.Yu. Trapitsyn (2007) writes about this:

- “studies show that the constant improvement of the salary is not conducive to the maintenance of a labor activity at the appropriate level and to the growth of labor productivity;
- this method may be useful in order to achieve short-term increasing of labor productivity;
- finally, going a certain addiction to this type of impact;
- need for money will continue to grow to a certain point, which depends on the standard of living;
- the mechanisms are moral incentives are priority at the decision of the previous issue.”

S.Yu. Trapitsyn (2007) directly points to the fact that the need for monetary compensation is a question of basic human needs satisfaction. Therefore, the effectiveness of such compensation depends on the living standard of the employee in the organization. If the basic needs of the people are satisfied, the remuneration method stops his function. Furthermore, over time any person develops getting used to this kind of rewards, so he loses all interest in him. Monetary reward is helping people to feel more comfortable and gives hope for the future. However, it is only effective in the short term.

Reasons for this are clear: believing to the Abraham Maslow's pyramid of needs, person has the basic (vital) needs, social needs and the highest (common) needs. When the individual's basic needs are satisfied – what means that person has accommodation, what to eat, and it feels safe – monetary stimulation lose their effectiveness. This also explains why, after reaching a certain level of comfort (high level of well-being), the individual fewer interested in the vital resources. Money gives comfort, but do not give a true sense of satisfaction. Monetary promotion work effectively only when a person is really in need of vital resources.

More powerful effect has the **human social recognition**. "Person has a great pleasure public recognition, when his work celebrated in the presence of the other members of the team. This is also career growth, rank growth, receiving the award." (Trapitsyn, 2007). Social recognition affects a person's self-esteem, because all the people in greater or lesser extent want to feel important.

Dale Carnegie wrote: "Nearly all of these desires being met, all except one. It is just as strong and powerful as the desire for food and sleep, is rarely carried out ...", "Striving for self-worth is one of the main features that distinguish man from the animal," or "If our forefathers did not have this flaming desire for self-importance, the there would be no civilization." (Carnegie, 1997).

So, the need to be a significant has follow characteristics:

- can not be satisfied once and forever - just as you can not once and for all to satisfy the desire for food or sleep;
- inherent only for people;
- causes people to do some actions.

Consequently, the **human social recognition** is a very powerful tool influencing to the motivation using of which you can achieve significant results in the management. Moreover, the person requires constant recognition (this requirement cannot be satisfied once and for all). Consequently, the social recognition method works over the long term.

Unfortunately, many organizations are oppressed employee rather than recognize their achievements. As a result, almost the entire staff has learned helplessness. Status of learned helplessness is characterized by passivity of the individual and unwillingness to avoid negative incentives or obtain positive. This

condition occurs in humans and animals after a series of unsuccessful attempts by affecting to the negative environment condition (Kaznacheeva, 2015).

Most manager use the learned helplessness method when in the company does not recognize the significance and achievements of employee, but opposite is an atmosphere of total obedience and unthinking execution of superiors' commands.

Next mechanism that stimulates motivation is an **increasing freedom degree**. Essence of this method consists in the fact that if a person doing well his job, as a reward you can give him more freedom. For example, you can let him do some work at home, or provide a more flexible schedule. Thus, it achieved prevention of learned helplessness, because the person feels that something depends from his activities. Freedom is both recognition of the importance and the prevention of passivity.

Most companies around the world have introduced flexible working hours and increase the freedom degree. However, many managers continued aggressively control working staff, what going to degradation people working activity and employees feel continuous control and care from some side.

Another method of motivation increasing is **career growth**. The ability to grow and develop, taking more responsibility and climbing the career ladder are important reward both for men and women.

Problem of professional burnout

The problem of professional burnout can affect both the managers and employees. The biggest damage for organization is if psychological burnout concern managers.

Professional and psychological burnout occurs because of constant stress, strong psychological overload and far too high responsibility. Burnout is expressed in aggressive behavior, fatigue and loss of desire to do anything. By resolving this issue, give enough to rest time for manager.

Human resources, including psychological, are limited. This means that we must be able to recover them, because managers and working staff are human, who not have too many emotional (psychological) and mental energy.

“We live in the world that celebrates the work and activity, but rest and recovery are ignored, and which refuses to recognize that is important for high performance both.” (Loer and Schwartz, 2009).

Physiologist Martin Moore-Ede (1986) writes about the problem of large overloads and poor recovery: “At the core of the problem is a fundamental conflict between the demands of human created civilization and structure of the human body and brain ... Our bodies are adapted to hunting during the day, sleep at night, and in the case of travel passing of not more than several tens of kilometers from sunrise to sunset. Now we live and work all day, from sunrise to sunset getting to the opposite side of the globe, at any time we can accept vital decisions or placed on foreign exchanges. The speed of technological innovation is ahead of our ability

to understand their implications. Our mind becomes machine-oriented, that is focused on the optimization of the technology and equipment, rather than person-oriented, which focused on the optimization of human skills and productivity.”

Exactly these words reflect the essence not only problem of psychological overload and poor rest, but also problems in the management as a whole. It is because “machine-oriented” thinking we lose the fact that the person is a biological system. Since man is a “building block” of any organization, so management approach should be person-oriented.

Problem of incorrectly organized management structure and misunderstanding manager role in the organization

Incorrectly organized management structure is often going to the new problem. In particular, misunderstanding role of manager in results is reason of responsibilities misallocation.

Not every company understands the deep role of the manager. The core of this misunderstanding lies in the fact that between the manager and the leader often put an equals sign. It is fundamentally wrong, as the leader has one kind of functions, when the manager characterizes with others function.

The leader focused on the implementation of the external company policy. His objectives include the creation of development perspectives, competition and rapid response to the external environment changes. Manager has internal task. He must adjust system from the inside for implementation to the problem, which was formulated by leader (Chelnokova, 2013).

As a result, the leader performs an external function, when manager has internal function. Thus, the person can be a good leader, but bad manager. That is why, the system works well if every system is still in the specific place. Therefore, the priority task of the manager is building the internal structure by the way that everyone was in the right place. The priority task of the leader is externally administration.

“There are many books on the subject of what is the difference between a leader and a manager. Who is more necessary for the organization: manager, which will be familiar with the theory and build business processes, or a person with leadership qualities, able to “fire” people? It appears, this contrast is not necessary. In the XXI century to achieve significant results can only be one leader who combines both these sides.” (Balmanzhi, 2015). It happens that the head is both a leader and manager of the company and combines both qualities (able to build internal and external policy of the organization). But in this case, he has to work on two fronts, which means a drop of efficiency both in the external and in internal policy. So much more effective, when there is a corresponding performer for each type of work, when everyone is engaged their job.

Unfortunately, many worldwide organizations often ignore this problem, mean that is not essential. However, precisely because of this misunderstanding of management structure organization, majority organizations become to fail.

Problem of management rigidity

The problem of management rigidity characterize situation when the head does not show enough flexibility in the new environment. This leads to the using strategies that have worked in the past, in situations where is necessary to restructure or develop a new management strategy. As a result, the organization is unable to compete in the market because of the management rigidity.

The problem of lack physical activity and spirituality with incorrectly built a corporate culture in the organization

The problem of lack physical activity and spirituality is pay the least attention at companies. Moreover, employees are overloaded emotionally and intellectually. In the language of sports terminology, some kinds of human energy are depleted and overtrained (psychological and mental), and others (physical and spiritual) are untrained.

As an example, let's look at office workers, who work without rest during long time. Office workers often ignore recreation activities. Partly this is because of the corporate culture, which is not created the necessary conditions for outdoor activities. For example, if every 2 hours, workers doing some exercise, it would increase the efficiency in more than two times.

Spirituality is like glue to bind together all the components of the system, that means brings people together. People enjoy knowing that they are part of something bigger. As we can see, thanks to the spirituality, people feel their unity, as well as its significance. Everyone feels like an important link in the system, so gladly doing his job and helping his colleagues.

“Modern leaders and managers consider the culture of their organization as a powerful strategic tool to target all units and individuals to common goals, to mobilize the initiative of employees and facilitate productive communication between them.” (Wikipedia, 2011).

As a result, people become more altruistic and think more about general benefits, rather than on their own. Accordingly, if the corporate culture is built incorrectly, it could lead to pitiable results.

Supposing the absence of spirituality, people are more selfish and do not care about the company's mission or to other employees. As a result, the system is fragmented and not competitive. Strong system this is such a system, where all parts are closely interrelated. Since the foundation of production systems composed of people with good relationship, formed as a result of the overall objective, allow to strengthen relationships within the company.

Corporate culture has a huge impact on the company's efficiency. In management there are several models to prove the culture influence on the efficiency. Model of V. Sate is one of them (Fig. 1).

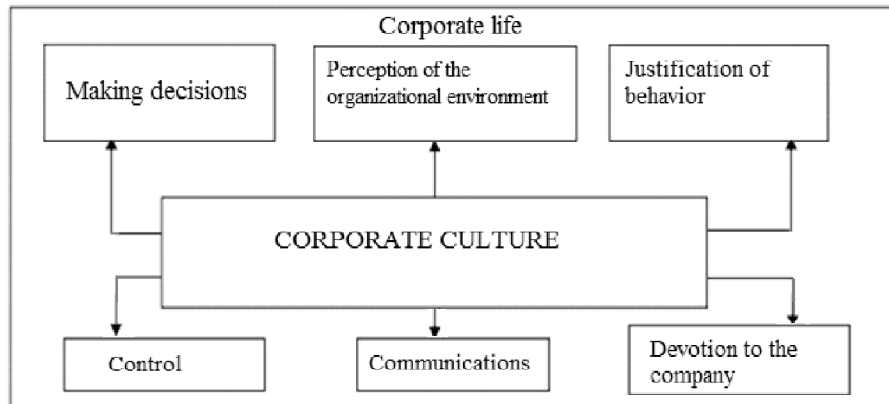


Figure 1: Model of V. Sate that describes the influence of corporate culture on the company efficiency

“Sate’s model is based on the follow postulate: the corporate culture values are the most important tools or instruments by performing the functions that model. If separated beliefs and values help it to adapt, to achieve the goals together and prove their usefulness to humans and other organizations, it is obvious that such a culture will affect the organization in the direction of success.” (Kaznacheeva & Chelnokova, 2013).

Incorrectly constructed model of corporate culture affects to the company efficiency in the most direct way. Model of V. Sate is only an example. In any case, the corporate culture must be built in such a way that employees were united by common values and ideas. Forming the correct corporate culture is the main duty of leader.

CONCLUSIONS

The root of all the major problems in international practice of management is the misunderstanding that people are constituent parts the production systems.

To construct a perfect system, we need the perfect people, but they are not. As a result, managers can choose only two methods of solving problems: ignoring human needs or forming such a management system that will be able to be “person-oriented”. If the manager chooses the first option, then during all his management activities he will struggle with the consequences. If he chooses the second one, so will be able to adapt and create a system that can meet the requirements of the component parts of the system – the requirements of the people.

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