

UDC 005.1

JEL Classification: B41, B59

DOI: 10.15587/2706-5448.2022.253674

Article type «Reports on Research Projects»

**Vasil Babailov,  
Iaroslava Levchenko**

## DEVELOPMENT OF UPDATED MANAGEMENT CONCEPT

*The object of research is the concept of management. Since the seventies of the twentieth century, the practice of management has been using the basic, modern management concept of management (MMC), which appeared in the West as a result of the generalization of private management concepts. It defines two main aspects of management – its essence and content. At the same time, six main elements are included in the content of management: planning (of goals), designing (position), motivation (of personnel), business communication (BC), decision making (DM). However, the practice of using MMC has revealed that in addition to these six elements of content, any managers perform other procedures, both basic and auxiliary. This is actually the problem of a possible renewal of the content of management in the MMC. An analysis of recent studies and publications suggests that its authors do not even pose such a problem. The reason for this is believed to be that management is a phenomenon of a more complex nature than its parts (economics, engineering, administration). Therefore, a change in views on management is much slower than a change in views on its individual parts: it can take not years, not decades, but even centuries. Therefore, in this work, an analysis of the development of management at the stage preceding the creation of the MMC is carried out, at which the real conditions for the creation of the MMC are made. This stage is determined by the development of different, limited, but important private concepts of management, made by the classics of management. The unresolved components of a certain problem are the lack of evidence of the feasibility and addition of the content of management by three elements: decision-making organization (DMO), problem solving (PS), business communication organization (BCO). The practical significance of the research is to update the basic (modern) concept of management, which will improve the efficiency of its practice.*

**Keywords:** modern management concept, business communication, decision making, content of management, effectiveness of management practice.

Received date: 22.11.2021

Accepted date: 11.01.2022

Published date: 28.02.2022

© The Author(s) 2022

This is an open access article  
under the Creative Commons CC BY license

### How to cite

Babailov, V., Levchenko, I. (2022). Development of updated management concept. *Technology Audit and Production Reserves*, 1 (4 (63)), 24–26.  
doi: <http://doi.org/10.15587/2706-5448.2022.253674>

### 1. Introduction

As the literature review shows, now the main, modern management theory (or rather, the concept) (MMC) is used in management practice. It appeared in the seventies of the twentieth century in the West, as a result of the generalization of various private management concepts [1, 2]. It defines two main aspects of management – its essence and content. At the same time, six main elements are included in the content of management: planning (of goals), designing (of positions), motivation (of personnel), business communication (BC), decision making (DM). As the laws of methodology testify, only those elements are considered basic, the exclusion of which destroys any corresponding concept, turns it into another. However, the practice of using MMC has revealed that in addition to these six elements of content, any managers perform other procedures, both basic and auxiliary. Therefore, a general problem arises – which of them is appropriate and possible to supplement the content of management defined in the MMC. This is actually a problem of a possible update of the MMC.

Thus, the authors of works [3, 4] touch upon operational problems, problems of only separate parts of management: economic, technical (engineering), administrative. The history of management shows that changes in the general, strategic order in its understanding – understanding of management as a whole, occur quite rarely [5, 6].

Let's believe that the reasons for this are that management is a phenomenon of a more complex nature than its parts (economics, engineering, administration). That is why a change in views on management happens much more slowly than a change in views on its individual parts and can take not years, not decades, but even centuries [1, 7]. Thus, significant changes in the views and concepts of management actually took place not in recent years, but occupied the entire 20th century [1]. First of all, an analysis was made of the development of management at the stage preceding the MMC creation, at which the real conditions for the MMC creation were made. This stage is determined by the development of different, limited, but important private management concepts. Thus, the author of the work [8] defines the most important property of management – its

essence as the organization of production; but it does not affect content in management. The author of the work [9], on the contrary, does not define the essence, but focuses on the content of management – it includes five elements in it:

- 1) prediction (i. e. planning);
- 2) organization (i. e. job design and their relationship);
- 3) management (motivation);
- 4) coordination;
- 5) control.

The author of [10] defines both the essence of management (coordination, harmonization of resources and activities, that is, the organization of production), and its content, which includes 4 elements: analysis, plan, implementation, control.

Created in the seventies of the XX century, MMC is actually the result of a generalization of all previous views on management.

The authors of works [11, 12] also made a significant contribution to the development of understanding of management. In particular, the author of the study [11] fully shares the views of the previously mentioned researchers regarding the essence of management. He also for the first time expressed the huge thesis that «everything is organization», which in the future was defined as a universal methodology (EIO).

Among the latest research, significant events in deepening the understanding of management as a whole, was the development in 2016 of the past, next and future management paradigms [13]. The author of the work [13] proved that it is management paradigms that have the closest connection with the essence of management. Therefore, the development of his paradigms has made a significant contribution to understanding the essence of management. It is proved that the management paradigm is nothing but the basic law of management, tested by historical time, era. And in the future, the whole practice of research showed that the fundamental law and essence are identical concepts. However, it is necessary to emphasize the fact that the development of management paradigms was carried out within the framework of the existing MMC.

In general, the analysis showed that modern management is within the MMC limits. The question for a critical analysis of MMC, the definition of its shortcomings, until recently, was not raised even by the authors of this study.

Their definition follows precisely from the general problem of management – the problem of updating the MMC, the problem of expediency and the possibility of supplementing the content of management defined in it. The authors consider it necessary to hypothesize about the expediency of supplementing two connecting processes (DM and BC) existing in the MMC with three more: decision-making organization (DMO); problem solving (PS); business communication organization (BCO).

Thus, *the object of research* is the management concept. *The aim of research* is to develop an updated management concept.

## 2. Research methodology

The following general scientific and special research methods and techniques were used in the study:

- comparative analysis of scientific literature and information sources based on comparison methods to highlight the problem;

- methods of systematization and grouping for finding vectors of ways to solve the problem;
- methods of generalizing the results of the analysis and the logical generation of conclusions using the theory of the Babailov method.

## 3. Research results and discussion

The meaning of DM and BC is considered quite deeply and in detail by the classics of management, as well as in modern research. In particular, here considerable attention is paid to the definition of many different aspects of the BC: essence, content, role, place, and most importantly, the BCO. But even in them, the BCO is not separated from the BC into a separate element of the content of management. And as a result, the question, the problem of clarifying the MMC, is not raised. However, it is impossible to confuse the BCO with the BC itself: without organization, without observing the rules, the BC turns into non-business communication, that is, in fact, the BC disappears. And it destroys the whole management. Therefore, an unambiguous conclusion follows that the BCO is a necessary element of the content of management.

A similar situation has developed with DMO and PS – in most literary sources, they also do not include DMO and RS in the content of management, they do not separate them from DM. Therefore, in previous studies [2, 13] we emphasize the author's opinion and focus on the isolation of PS, DMO and PS. So, in [2] DMO, PS and DM are correctly separated: «It is necessary to distinguish between decision-making processes, decision-making organization and problem solving. The decision (problems) is the implementation, the execution of the decision made, the execution of the decision. Problem solving occurs after a decision is made. Decision making (essence) is a one-time act of choosing one possible, future decision from several alternatives. Decision-making organization (essence) is the division of a problem into sub-problems».

However, it should be noted that here, too, the question of clarifying the MMC content has not yet been raised.

The separation of DMO and DM is most successfully defined in [13]. Here DMO is identified with analysis, and DM with synthesis. In [13], the following is literally stated: «The practice and logic of reasoning leads to the undeniable conclusion that ... the essence of analysis is the conduct of preparatory work, the preparation of synthesis. Analysis ... is caused by the presence, the choice of a problem by a human subject. And the first step in the analysis is a clear understanding, diagnosis, definition of the essence, nature of the problem. The second step, the second element of the content of the analysis, is the generation of any alternatives for solving the problem outside of their logical understanding (for example, using the brainstorming technique). The third element is the elimination, the exclusion of unrealistic alternatives. The fourth element is the evaluation and comparison of real alternatives. And this is where the analysis of the problem ends. All these four elements of the content of the analysis are nothing but the organization, the preparation of the decision, the preparation of the synthesis. Hence synthesis (essence) is decision making. This is the organization of the result of the analysis, conclusion, summary. It is a one-time act of choosing one of the most efficient alternatives».

However, the work [13] also does not raise the question of supplementing the content of the MMC, does not raise the problem of the need to clarify the MMC, in which there are no DMO and DM as elements of the content of management. Here, in fact, the prerequisites for proving, confirming the need to allocate DMO, DM and PS as separate elements of the content of management have already been created. Therefore, based on the fact that analysis and synthesis never mix with each other and that they are identical with DMO and DM, certain conclusions can be drawn:

- both DMO and DM also fulfill their separate role, occupy their special, special and important place;
- both DMO and DM never mix and must be separated from each other. Therefore, based on the conclusions made in [13] about the significant difference between DMO, DM and PS, it can be argued that it is expedient and possible to separate them from each other and include them in the content of management.

Consequently, the findings as the results of this work clearly indicate that the MMC has indeed been significantly revised: its two connecting processes (DS and PR) have been supplemented by three more new ones: DMO, DM and PS.

However, it should usually be recognized and emphasized that the actual practice of management does not consciously use these three certain new elements of the content of management. However, they are mixed with the two recognized in the SCM (respectively, with DM and BC), and are reduced to them. This diverts attention from their important and separate role in management, confuses them with others, as well as not the main, but secondary, auxiliary procedures that are not elements of the content of management. This unequivocally, undoubtedly reduces the effectiveness of management. Therefore, the clarification, updating of the MMC is not just an achievement in the improvement, growth of knowledge about management, but in the future it will be a real means of increasing efficiency in the practice of management itself.

It must also be argued that the addition of the content of management with three more of its elements completely completes the process of MMC formation and actually turns it into a new management concept (NMC).

Such an important note is also necessary: the essence of management is correctly defined in the MMC and it does not conflict with the change in the elements of the content of management, which are made in this work and therefore do not need to be revised. There is no need to revise the other four elements of the content of management, which are defined in the MMC – these are planning, design, motivation and control.

Among the limitations of this study, it should be noted that it has a theoretical component and the results of this study can be interpreted somewhat differently in the context of industry affiliation. This is the foundation for further research and scientific discussions.

#### 4. Conclusions

On the basis of a significant revision of the MMC, let's state that the result of this work is the addition of

its main connecting processes. That is, its two connecting processes of BC and DM (business communication and decision making) are supplemented by three more new ones – BCO, DMO and PS (business communication organization, decision making organization, problem solving). The results of the study state that updating the modern concept of management is actually equal to the creation of a new concept of management. This is a significant step in the development of fundamental knowledge of management, which will undoubtedly improve the efficiency and practice of management.

#### References

1. Brown, T. C., O'Kane, P., Mazumdar, B., McCracken, M. (2018). Performance Management: A Scoping Review of the Literature and an Agenda for Future Research. *Human Resource Development Review*, 18 (1), 47–82. doi: <http://doi.org/10.1177/1534484318798533>
2. Babailov, V. K. (2015). *Menedzhment. Nauka y praktyka*. Kharkiv: KhNADU, 276.
3. *Suchasni kontseptsii menedzhmentu*. Available at: <https://studfile.net/preview/8878486/page:11/>
4. Vdovichen, A., Chychun, V., Polianko, H. (2020). Modern concepts of management and their application in enterprises. *Investytsiyni: praktyka ta dosvid*, 19-20, 29–34. doi: <http://doi.org/10.32702/2306-6814.2020.19-20.29>
5. Hryshko, V. (2021). Modern Concepts of Management and Their Application in the Context of the Digitalization of the Ukrainian Economy. *Economics and Region*, 1 (80), 61–67. doi: [http://doi.org/10.26906/eir.2021.1\(80\).2246](http://doi.org/10.26906/eir.2021.1(80).2246)
6. *Kontseptsii suchasnoi nauky menedzhmentu*. Available at: <https://www.ebk.net.ua/Book/synopsis/menedzhment/part4/015.htm>
7. Shlapak, O. A. (2018). Modern concepts of management and their impact on the optimal communication environment. *Derzhavne upravlinnia: udoskonalennia ta rozvytok*, 6. Available at: <http://www.dy.nayka.com.ua/?op=1&z=1253>
8. Taylor, F. W. (1911). *The Principles of Scientific Management*. Available at: <https://www.gutenberg.org/cache/epub/6435/pg6435.html>
9. Wood, J. C., Wood, M. C. (2002). *Henri Fayol: Critical Evaluation in Business and Management*. Taylor & Francis.
10. Marsh, E. R. (1975). The Harmonogram of Karol Adamiecki. *Academy of Management Journal*, 18 (2), 358–364. doi: <http://doi.org/10.5465/255537>
11. McCrimmon, M. (2010). *A new role for management in today's post-industrial organization*. Available at: <https://iveybusinessjournal.com/publication/a-new-role-for-management-in-todays-post-industrial-organization/>
12. *The New Management Paradigm. A Review of Principles and Practices*. Available at: [https://www.rand.org/pubs/monograph\\_reports/MR458.html](https://www.rand.org/pubs/monograph_reports/MR458.html)
13. Babailov, V. K. (2016). Novaia paradyhma menedzhmenta. *Problemy i perspektyvy rozvytku pidpriemnytstva*, 1 (3 (14)), 72–76.

**Vasil Babailov**, PhD, Associate Professor, Department of Economics and Entrepreneurship, Kharkiv National Automobile and Highway University, Kharkiv, Ukraine, ORCID: <https://orcid.org/0000-0003-1451-7222>

✉ **Iaroslava Levchenko**, PhD, Associate Professor, Department of Economics and Entrepreneurship, Kharkiv National Automobile and Highway University, Kharkiv, Ukraine, ORCID: <https://orcid.org/0000-0002-4979-1101>, e-mail: [slavalevchenko1984@gmail.com](mailto:slavalevchenko1984@gmail.com)

✉ Corresponding author