Anna Mayakova UDC 65.018.2

Economist of the Procurement Department, Southwest State University, Kursk, Russia 94, 50 Let Oktyabrya Str., Kursk, 305040, Russia BerryAnnett@yandex.ru

## Quality of management in the context of modern economic and managerial paradigm

Abstract: The author considers the quality of management, determined by the emergence of requirements to the efficiency and effectiveness, the formation and functioning of organizations, accompanied by an increase in the number of challenging tasks, their complexity and diversity. It is possible to achieve a new quality of management through progressive ideas promoting, improved methods and tools, and relevant managerial forms of organization activities. The article examines management quality not as a single conceptual measure in general management system, but as a systemic factor of the organization's activity modernization, and, as a result, achievement of organization's high efficiency, effectiveness, and competitiveness. The author specifies the thesis that management quality is a kind of modulating instrument for the ways and means of the organizational development which boosts growth opportunities in the competitive market environment. Evaluation of the management quality is performed not only for the general activity of the organization, but also for the detailed processes. For this purpose, the author's technique for estimating the quality of detailed process control on the basis of quantitative qualimetric control criteria has been tested on the example of CJSC «Technosphere» engineering plant in Kursk region. It has been suggest that a new complex program of process management design should be introduced at industrial enterprises in order to improve the quality of management.

Keywords: Management Quality; Managerial Paradigm; Efficiency; Effectiveness; Competitiveness

JEL Classification: D24; G30

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## Маякова Г. В.

економіст відділу державних закупівель, Південно-Західний державний університет, Курськ, Російська Федерація **Якість управління в контексті сучасної економіко-управлінської парадигми** 

Анотація: У статті розглянуто якість управління, обумовлену появою таких вимог до ефективності й результативності, формування й життєдіяльності організацій, які супроводжуються збільшенням комплексу поставлених завдань, їхньої складності й різноманіття. Досягти нової якості управління можливо завдяки висуненню прогресивних ідей, удосконалених методів та інструментів, а також актуальних управлінських форм організаційної діяльності. Автор глибоко досліджує якість управління не як загальну концепцію менеджменту, а як комплексний фактор модернізації життєдіяльності організації для досягнення її високої ефективності, результативності й конкурентоспроможності. У статті докладно аргументується теза про те, що якість управління – це своєрідний модулятор шляхів і способів розвитку організації, росту її можливостей у конкурентному ринковому середовищі.

Ключові слова: якість управління; управлінська парадигма; ефективність; результативність; конкурентоспроможність.

## Маякова А. В.

экономист отдела государственных закупок, Юго-Западный государственный университет, Курск, Российская Федерация **Качество управления в контексте современной экономико-управленческой парадигмы** 

Аннотация: В статье рассмотрено качество управления, обусловленное возникновением таких требований к эффективности и результативности, формированию и жизнедеятельности организаций, которые сопровождаются увеличением комплекса поставленных задач, их сложности и многообразия. Достичь нового качества управления возможно благодаря выдвижению прогрессивных идей, усовершенствованных методов и инструментов, актуальных управленческих форм организационной деятельности. Автор глубоко исследует качество управления не как обобщенную концепцию менеджмента, а как системный фактор модернизации жизнедеятельности организации для достижения высокой эффективности, результативности и конкурентоспособности. В статье подробно аргументируется тезис о том, что качество управления – это своеобразный модулятор путей и способов развития организации, роста ее возможностей в конкурентной рыночной среде.

**Ключевые слова:** качество управления; управленческая парадигма; эффективность; результативность; конкурентоспособность.

- 1. Introduction. Successful activities of a company in domestic and foreign markets, enhancement of corporate production, social and economic potential are connected with the quality of economic growth. The quality of economic growth can be defined as an organizational resources expressed by means of organization's performance, as well as the structure of the used resources and a method of their combination. In turn, management quality determines the quality of economic growth in all strata of managerial pyramid. It is obvious that not only among the international scientific community but also among the representatives of international management the slogan «From quality management to management quality» is becoming more popular [1]. This thesis has deep semantic value because it implies the change of the priorities of organization activity development in particular and management science as a whole. The keynote of the modern economic-managerial paradigm is the quality of management.
- 2. Problem Statement. Management quality is a complex category. Modern management theory does not have a universal definition of management quality in its categorical framework, consequently, its essential content is not objectively formed. In practice, management quality is assessed according to the organization's performance. In this regard, management quality is identified as the efficiency and effectiveness of management. However, these concepts are interdependent though not identical.
- **3. Brief literature review.** Such researchers as A. P. Agarkov (2013), Yu. P. Adler (2011), S. E. Shepetova (2014), G. G. Azgaldov (2013), E. P. Reichman (2010), etc. when specifying the concept of «management quality» use the principles and terminology of ISO 9000 [2].

Accordingly, management quality involves the extent of compliance of the existing set of general management characteristics with the requirements.

However, a group of foreign researchers, namely, Ch. S. Jacobs (2008), J. Barker (2010), L. Iacocca (2012), W. Novak (2013), interpret this concept differently within the contemporary managerial paradigm. According to them, management quality is primarily a business category, and it can be biased to consider it in the context of the general theory of management [3-4]. In this regard, this category is determined by the scope of the organization's activities (academic or industrial), the structure of general management system (hardware and software) and organization performance [5].

- **4. The purpose** of the article is to examine the category of «management quality» as a key concept of modern economic and managerial paradigm, and to study and systematize the methods and means providing a proper management quality and possibilities of its improvement.
- **5. The key findings of the study.** In our opinion, the study of the category of management quality is relevant being based on the following statements:
- 1) a dialectical category of "quality" is an "existent determinateness" [6] of an object, a characteristic of which differs it from the other objects;
  - 2) a subjective understanding of quality [7];
- 3) fragmentation of the «existent determinateness of an object» in situational and existential reality [8].

On the basis of these statements, it is possible to distinguish certain characteristics of this category. Management quality is a double-sided category. The first essential side of management quality determines a method and a level of organization's functioning within its capabilities and needs, as well as efficiency and effectiveness of its internal processes. Management quality is considered as a function of a variety of factors: employees' competence, communication efficiency, the quality of managerial decisions, technical and information relevance of methods and means of goals achieving.

The second side where management quality is evident is the level of external market. In the other words, management quality characterizes and assesses organization's competitive capabilities in the market conditions. Within this framework, the category of management quality is interconnected, and in some cases is synonymous to the categories of "branding", "key competence", "market resultant", "management capacity" [9]. Management quality can be expressed both in verbal and numerical forms: a measure of management potential usage expressed in organization performance [10]. Thus, management quality is understood as capability and ability of management to get an advantage over competitors.

It is impossible to achieve an adequate management quality without taking into account key competence [11], i.e. the scope of activities in which an organization is competitive, and the capability to achieve immediate results in the form of sales, profits, and rate of return. Management quality represents organization's strengths and, thereby, generates the leading factors of success [12]. Not realized organization's competitiveness is neither informative nor essential. Moreover, this fact suggests improper management, because the basic requirement of general management is stable and efficient activities, the achievement of current or long-term compliance of measure and structure of organization potential's elements with the structure of market potential in terms of competitive advantages and struggle.

Adequate management quality is a complex system-related problem because it involves realization of a set isolated and generalized (strategic) goals related to the decision of market challenges, approval of a number and composition of tangible and intangible resources necessary to achieve these goals. Charles S. Jacobs (2010) proposes a theory of adequate quality management [3]. Russian scientists O. I. Bondarenko (2006), V. A. Vinokurov (2008) support this theory. It identifies ways of ensuring proper quality management: the type of organization behaviour at the market level, introduction and application of innovative programs and strategies, efficient investment activities and other types of works, which are aimed at creating organization competitive advantages [13-14].

Based on the Jacobs's theory, it can be concluded that adequate management quality is achieved through the formation and continuous enhancement of management proce-

dures, as well as qualitative performance of managerial functions: forecasting, planning, regulation, motivation, control measures. At the same time, achieving adequate management quality requires compliance with specific conditions: staff competence and qualifications, modern technical facilities, application of modern technologies.

Not only achievement of adequate management quality is an important component of organization efficiency, effectiveness, and competitiveness, but also it involves management quality enhancement. Accordingly, specifying and forming a set of measures to monitor and improve management quality is a priority of any organization. It is noteworthy that such set of measures includes structure-oriented methods and tools, grouped into separate areas: resource saving; transformation of subject-matter area, a price list, and a range of applied technologies; increasing commodity value minimizing costs; system and process approaches [15-16]. At the same time, a prerequisite for implementing these measures is their integrated use. In accordance with organization strategy, its challenges and capabilities, the focus can be shifted towards necessary areas.

Based on the definitions of management quality within the framework of general management theory, it is possible to judge objectively about the dynamism of this category. Over time, changes in management quality are determined by both external and internal factors. For example, within the scope of quality management, the generation of the policy in the field of quality is quite a time-consuming process, which is based on the concept of strategic management, the basis of which is a high level of management quality [17].

Another feature of management quality in accordance with general management theory is relativity. This feature is inconsistent with the dialectical essence of quality as an absolute category, because quality determines an object, gives it uniqueness, but quality change results not only in a new quality, but also in a new object. However, modern economic and managerial paradigm claims that «management quality» is a relative category, arguing that, primarily, management quality should be evaluable and measurable and, thus, comparable to a standard or model. Requirements of regulatory documents and codes, qualimetric indicators and process models can serve as a standard [18].

The necessity for evaluating management quality is a major condition for the analysis of a current level and prospects of organization's development. A specialized technique is required to carry out such an analysis, because management quality is not always measured in monetary terms. We mean an integral method, which is based on a pattern recognition technique [19]. Pattern recognition is a system of comparison of an aggregate structure of indicators to be evaluated (at some stage or for a certain period of time) with the possible aggregate structure which serves as a standard.

Since management quality assessment is a generalized assessment designed to identify and reflect the tendencies of its changes over time, the result of management quality assessment is a generalized characteristic, and is the basis for a detailed analysis. Detailed analysis includes a factor, systemic, morphological, functional, cost, and other methods of studying [20]. In accordance with the results of detailed analysis, a set of industrial, economic, managerial and other decisions is made.

Evaluation of the management quality is performed not only for the general activity of the organization, but also for the detailed processes. Let us consider the author's technique for estimating the quality of detailed process control on the basis of quantitative qualimetric control criteria.

The author's technique for estimating the quality of detailed process control consists of considering the management and control system in the form of a «tree of properties» with the assignment a ki for each level. These weighting coefficients represent complex quantitative qualimetric control criteria calculated for detailed sub-processes of a projection process in points. When the separate quantitative criteria are calculated, we calculate total complex evaluation of management quality. To unify the dimension, all the criteria, including the overall complex evaluation of management quality, are given as a percentage (fraction).

Thus, the general formula for calculating the complex evaluation of the quality of detailed process control based on quantitative qualimetric control criteria is as follows:

$$\begin{aligned} &Q_0 = [k_1 \times (k_{II} \times (k_{III} \times D_m + k_{II2} \times D_{ac} + k_{II3} \times D_{re}) + k_{I2} \times (k_{I2I} \times D_{in}) + \\ &+ k_{I3} \times (k_{I3I} \times D_{con} + k_{I22} \times D_{ass})) + k_2 \times (k_{2I} \times (k_{2II} \times D_{nd}) + k_{23} \times \\ &\times (k_{22I} \times P) + k_{23} \times (k_{23I} \times OT_{dt}) + k_3 \times (k_{3I} \times (k_{3II} \times bb) + k_{32} \times \\ &\times (k_{32I} \times SPS + k_{322} \times OT_{complex}) + k_{33} \times (k_{33I} \times D_{fp} + k_{332} \times D_{i} \text{ complex} + \\ &+ k_{333} \times 0.94 + k_{334} \times 0.06) + k_{34} \times (k_{3II} \times D_{c} \text{ complex} + k_{342} \times 0.86 + k_{343} \times \\ &\times 0.14) + k_{35} \times (k_{35I} \times OT_{mm} + k_{352} \times 0.63 + k_{353} \times 0.37)) + k_{4} \times (k_{4I} \times D_{rc}) + k_{42} \times (k_{42I} \times D_{sa})) + k_{5} \times (k_{5I} \times (k_{5II} \times OT_{sc}) + k_{52} \times \\ &\times (k_{52I} \times C + k_{522} \times OT_{p}))] / (1 - k_{6} \times k_{6I} \times k_{6II}), \end{aligned}$$

where  $k_{\rm i}$  is weighting factor;

D<sub>m</sub> - market share;

 $D_{\rm ac}$  - the attracted customers share;

 $D_{\rm rc}$  - regular customers share;

D<sub>in</sub> - innovation share;

 $D_{\rm con}$  - the share of contracts concluded;

Dass - the share of agreements with the after-sales service;

 $D_{nd}$  - the part of employees who read the normative documenta-

P - production profitability;

OT<sub>dt</sub> - organizational accuracy of the design task;

bb - points according to the scale of complexity;

SPS - staff performance share:

 $OT_{\mathrm{complex}}$  - complex organizational accuracy:

 $D_{\rm fp}$  - the share of agreed subsections after the first presentation:

 $D_{\rm i\ complex}$  - a complex share of inconsistencies:

 $D_{\mbox{\tiny c complex}}$  - the complex share of

agreed normative control sections after the first presentation;

OT<sub>mm</sub> - organizational accuracy of making modifications;

 $D_{\rm rc}$  - the share of realized changes upon the demand of a

D<sub>sa</sub> - the share of the signed acts of reception/transfer;

OT<sub>se</sub> - organizational accuracy of passing the state examination; C - the level of an employee competence;

OT<sub>p</sub> - the organizational accuracy of development and approval of the project.

Summing up the results of estimating the quality of detailed process control on the basis of quantitative qualimetric control criteria is performed in accordance with a specialized scale (Table 1), created up on the basis of 20 R 50.1.058-2006

«The methods of the cost of development assessing, examination of the national standards of the Russian Federation and cost-effectiveness of their implementation».

This system has been tested at the Kursk plant of the engineering complex CJSC «Technosphere» in 2015. Together with the specialists of the quality control department, the structuring of the design process was held; also, the complex evaluation was calculated [21].

According to the results of testing, the calculation of the complex evaluation of the design process quality control in particular, we can draw the following conclusions. The quality of this process control corresponds to the average level (71%). This conclusion is drawn not only on the basis of quantitative criteria, but also on qualitative research. Thus, CJSC «Technosphere» has been successfully operating during 15 years and holds a significant share of the market (about 30%) in Kursk region. Relying on the testing results, we suggest that a new complex program of design process management should have been integrated; it is called a reactive improvement [21].

Tab. 1: The scale of assessment of management quality		
No.	The value of the generalized criterion «management quality»	Management quality
1	0-20%	Inadequate quality control: requires re-engineering of an enterprise management system
2	21-40%	Inadequate quality control: requires re-engineering of the process control system
3	41-60%	Poor management quality (proper quality management): requires local administrative impact in generalized processes
4	61-85%	Middle level of management quality (proper quality management): requires accurate impacts on the detailed management processes
5	86-100%	High level of management quality (proper quality control): the control system does not require re-engineering, «soft» modernization can be used

Source: Structured by the author on the basis of 20 R 50.1.058-2006 «The methods of the cost of development assessing, examination of the national standards of the Russian Federation and cost-effectiveness of their implementation»

> 6. Conclusions. In terms of modern economic and managerial paradigm, a category of «management quality» is defined as a dynamic, relative and evaluable category which serves simultaneously as an assessment criterion for a current level and prospects of organization's development and as a result of activities of both organization as a whole and its managers in particular. Studying management quality as a category of general management theory showed that transformation of the areas of activities and managerial procedure is a primary goal, the achievement of which involves significant changes in management functions, means and tools, organizational structures, information and technology support, which generate organization's competitiveness.

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