

Features of Modern Management and Its Impact on the Security of Socio-Economic Systems

Vasyl Franchuk ¹ [0000-0001-5305-3286], Marta Kopytko ^{* 1} [0000-0001-6598-3798],
Olga Guk ² [0000-0002-8129-8392]

¹ *Lviv State University of Internal Affairs, Lviv, Ukraine*

² *National technical university of Ukraine is the "Kyiv polytechnic institute of the name of Igor Sikorsky", Kyiv, Ukraine*

* *marta_kernytska@ukr.net*

ABSTRACT

The article analyzes the trends of the modern world, which involve changes in the concepts of economic development of modern society. Such changes require the adaptation of management decisions to new business conditions. In this regard, the need to find new management methods in enterprises that will allow developing and ensuring a high level of economic security. The features of new leaders are defined and explained, what their management decisions should be based on, how they should build relationships in the team and organize work under the influence of a number of new challenges and threats that pose a real danger to maintaining competitive positions and further profitable operation. The work is based on the comparison of traditional and modern management concepts in enterprises, taking into account innovative approaches and the need for the latest methods of motivation and organization of employees, promoting continuous training, empowerment for each employee and more.

Keywords: *management, change, innovation, economic security, adaptability of management, creativity, agile-management.*

1. INTRODUCTION

At the turn of the millennium, questions about how to describe and understand the modern world of economics, politics and business became relevant. How to develop criteria and mechanisms for correct and effective behavior and decision-making in different situations of complexity and unpredictability? What are the tasks of the new leadership, the formation of different types of capital and assets, building relationships, ensuring competition and cooperation, management in cyberspace and social networks, in conditions of prolonged pandemics and total isolation?

It is difficult to answer these questions and analyze the challenges posed by the environment. They have both a global context and national specifics, so it requires thorough research.

Based on research [1-5], we can say that management [6-9] in the form in which it mainly exists today, is one of the social technologies invented by mankind in the last century. As the world has changed beyond recognition over the centuries, so must the

management, in accordance with the realities of modern life, new technologies, institutions, values of the spiritual life.

There is a need to identify the inherent features of the modern world in general and the world of business (and politics) in particular. This will be a step towards understanding it, and then towards making certain decisions and actions. Meanwhile, as Patriarch of Management Peter Drucker remarked, "for all their significance, perceptions of reality are seldom analyzed, studied, and revised — seldom even clear."

The main characteristics of the modern world are:

- multidimensionality of reality in which modern management operates (objective / subjective, individual / collective, material / virtual) and, accordingly, the multiplicity of the system of measurement and evaluation of this reality;
- different content of management in different realities, conditions, time, situations and modes of management (for example, stable and unstable, normal and crisis, in a period of growth or decline);

- simultaneous linearity and nonlinearity of the processes that occur (phenomena, operations) - their sequence, on the one hand, and mixing, cyclicity, simultaneity - on the other, respectively, different attitudes to space / time of these processes;

- the energetic nature of governance, as well as everything that exists on Earth (in particular, such phenomena as thought, power, will, strength, influence, leadership);

- the biological nature of organizations, on the one hand, maintain the internal balance of a living organism, on the other - constantly self-developing, changing and self-learning;

- strengthening the creative principle in management, which creates, as artists or musicians, from "paints", "notes" or "stone" known tools effective and competitive schemes, business models, organizations [5].

2. CHANGES AS THE BASIS OF MANAGEMENT IN MODERN BUSINESS

One of the dominant constant characteristics of modern development is change. It is necessary to emphasize the evolutionary nature of change and their perception within a certain cultural, social, temporal and historical context. Changes that have a significant impact on further development have occurred in history many times. However, it is important that modern changes have acquired a new meaning, ie they have changed fundamentally, and this has significantly affected the management process in general and change management in particular.

D. Kuzin [10] identifies ten fundamental phenomena that determine the nature of change in the XXI century:

1. The concept of development as growth ceases to be a value in itself and is replaced by the concepts of integrity, sustainability and balance.

2. The pace of change has changed significantly - phenomena that used to span decades or centuries are now shrinking into years. First of all, it concerns the speed of change of technologies, volumes of information and knowledge, life cycles of industries, organizations and business models.

3. Changes have become comprehensive and far-reaching, they affect all aspects of life and work of modern man, his environment, his way of thinking. At the same time, within the framework of this tendency there are two opposite processes: globalization and differentiation of cultural individuals, which determines the formation of new forms of sociality (social organisms and structures, forms of interaction).

4. Changes have led to a huge diversity in everything, which is now becoming not just a fact of existence of organizations, but their most important asset, a

competitive advantage. This diversity is associated not just with the forms of organization and their relationships, but with the desires, views, orientations of people and their behavior, with changes in the composition and structure of the workforce.

5. The spread of "multiculturalism", the consequence of which is the lack of a single type of rationality, a contradictory combination of universal values and inherent in a culture.

6. The consequences of change carry a lot of uncertainty, unpredictability, threats and risks. Not all changes lead to the best.

7. Changes lead to the blurring of borders and barriers: countries, industries, businesses, communities, goods and services, producers and consumers. Everything is mixed - businesses and their models, competitors and individual players, paradigms and ideas, expectations and advantages. Hypercompetition is combined with cooperation and interaction.

8. Changes in technology and communications lead to greater openness, the emergence of "flat" (as defined by American publicist Thomas Friedman) and "transparent world". In it, the implicit quickly becomes apparent, the new is instantly distributed and copied. The term "24/7" describes a world in which work never ends and everything happens online. This leads to a general coherence and democratization of information, which drives expectations and social will.

9. There is a shift in the dominant in the creation of wealth. This role passes from financial capital to intellectual and social capital. More than 2/3 of value added is now created by intellectual labor, while a quarter of a century ago its share did not exceed 1/3.

10. The ethical context of change in business and management has gained new meaning, especially after a series of high-profile corporate scandals before and after the global crisis of 2008, affecting the institutional (ethical laws), organizational (codes of ethics) and individual (values and self-regulation) spheres.

Summarizing these changes can be described by the following characteristics: complexity, speed, diversity, scale, multidimensionality, uncertainty and unpredictability, new risks and opportunities.

3. CONDITIONS OF SUCCESSFUL DEVELOPMENT OF MANAGEMENT

In May 2008, 35 well-known management theorists and practitioners gathered in California to discuss the prospects for the development of management approaches in the 21st century. The participants of the conference were, in particular, such world-famous management gurus as Peter Senge, Henry Mintzberg, K.K. Prahalad, Tom Stewart, Gary Hemel and others. In the presented article, Gary Hemel talks about the key

issues of modern management, which were discussed at the conference, and also gives 25 transformational tasks of management, formulated as a result of discussions, the solution of which should ensure the successful development of management in the future.

The main task for the near future is to go beyond existing management practices without losing the benefits of Management 1.0. Organizations need to become more adaptable, innovative and inspiring without losing focus, discipline and focus on results. New thinking, free from outdated beliefs, and new tools, such as those that contributed to the social revolution on the World Wide Web, can help solve this problem. The purpose of Management 2.0 is to form an organization as human as the people who work in it. People have three important traits: they can adapt, create new things and think socially. Unfortunately, existing management systems are more likely to contribute to the weak manifestation of such properties in the organization. Pioneers of management worked against human nature, trying to make free-thinking, uncommunicative people loyal obedient employees. Today, management faces the opposite task - organizations must become more human [11].

Let's analyze the changes that have occurred in the field of competition (Table 1), business (Table 2), management (Table 3).

Table 1. Changes in the field of competition

Competition 1.0	Competition 2.0
Stable competitive advantages	Temporary competitive advantages
Goods / services / prices / market share	Solutions, business concepts, business models. Emotions, desires, customer attention, global attractiveness
Economic, financial, labor capital	Intellectual, social, spiritual capital
Traditional resources (natural, financial, scientific, informational, labor, etc.)	New resources (values, ethics, education, trust, creativity, time)
Companies, industries, states	Institutes, projects
Multifactorial competitiveness (five forces of M. Porter)	Sustainable competitiveness, benefits of interaction with stakeholders, competition and cooperation

Source: author's development based on [10].

Table 2. Changes in business

Business 1.0	Business 2.0
Scale, size	Specialization, individualization, reduction
Relative simplicity	Complexity
Uniformity, standardization	Diversity, variability
Closedness	Transparency
More, better, faster, cheaper	Otherwise, in a different way
What, how, who, how	Why / for whom
Rationality	Rationality / irrationality
Unpretentious customers	Demanding, emotional customers
Figures, values	Values (content, expediency)
Effectiveness / strategy	Creative, social efficiency / strategy
Reducing uncertainty	Creating uncertainty
Hierarchy / markets	Networks, coalitions, partnerships
Where (invent, create, sell)	Who and how creates, invents and sells
Clear boundaries / barriers (markets, industries, consumption, business)	Blurred borders, interaction, combinations
Loyalty to the group, enterprise, state	Loyalty to like-minded people
Economics and knowledge management	Creative economy, knowledge-based management
Some win at the expense of others	Mutual benefit

Source: author's development based on [10].

Responsibility for the activities of the enterprise rests primarily with the managers who manage it. It is the managers who are responsible for the results of using the resources used by the company to achieve the goals set by its founders. Modern socio-economic changes focus in management not on leadership, but on leadership. The thesis "Leadership" is understood as follows: it is necessary to manage not the power of administrative supremacy, but the authority of knowledge, skills and humanity, that is, being the leader of this team.

Table 3. Changes in the field of management

Management 1.0	Management 2.0
Engineering management paradigm, rationality of management system	Psychobiological management paradigm (management of a living organism)
Bureaucracy, hierarchy	Networks, "natural" hierarchy (experience, authority, contribution), "thinking systems". Organizational wisdom and wealth
Tight control	Collective control, trust, self-discipline, responsibility
Rules, norms, procedures	Social contract, compromise, tolerance, controlled chaos
Hereditary, positional, official power, force of coercion, punishment	Strength / power of knowledge, talent, ability, competence, creativity, association, synergy
Shareholders / managers	All stakeholders
Short-term benchmarks and estimates	Long-term vision and motivation
Risk reduction / distribution	Reasonable risk-taking, active and systemic risk management
Financial / production results, indicators, reporting	Non-financial results, reporting, consequences (return to knowledge, trust, relationships)
Positional power / leadership	Moral, intellectual, mobilizing, guiding leadership
Thinking - "how?", "What is?"	Thinking - "why?", "What can happen?", "What if?"
Paradigm "or - or"	"And-and" paradigm

Source: author's development based on [10].

Another characteristic feature of the new style of management is the transfer of responsibility for the poor quality of work from the executor (worker, engineer) to the manager. One of the leading "gurus" in the field of quality assurance, Dr. Juran, expressed this in the form of rule 85/15, which means: 85% of problems that arise in the work are determined by the system (process), and therefore responsible managers system (process), and only 15% of problems arise through the fault of the direct performers.

Thus, the main trends of modern management style can be described as follows:

- making scientifically sound decisions based on the analysis of complete and good quality information collected and processed using modern methods (including statistical methods of data collection and analysis);

- abandonment of the authoritarian style of leadership and the transition to leadership;

- the deepest and fullest possible delegation of powers at all levels, accompanied by appropriate empowerment;

- continuous training of all, everywhere and always; the company's work on the principle "we all do the same thing";

- recognition of almost 100% of managers' responsibility for the operation of the system.

4. INNOVATIVE MANAGEMENT

Managerial work throughout human history has always existed, because the management of people in the production process has been relevant in different eras. Throughout the history of management, classical approaches to the implementation of its functions have been formed. But with the advent of the 21st century, there is a significant need for change.

Technological, technical, economic, social changes, actually global world changes form new requirements to work of managers. In an environment where norms change, the manager must find innovative ways to solve problems faced by the leaders of organizations in the process. As a result, the range of classic abilities and skills that were inherent in managers is supplemented by new competencies necessary for effective management.

To achieve traditional goals (production, profit, market niche), the classical approach was enough for managers to organize a hierarchical management structure and establish control over people's activities. The situation changes when the use of innovative solutions to achieve high performance not only more, but also the quality of production, which is reflected in the level of its competitiveness. In this case, managers must have a set of skills that help leaders motivate people, using their authority in the process of benefiting from the results of intellectual and physical cooperation.

Innovations in goods, services, management systems, production processes, corporate pricing and other aspects of the organization provide companies with growth, change and prosperity. In the long run, no company will be able to survive without innovation. In today's world, technology, the economy, the state and society are constantly changing, and managers are obliged to help their organization develop in conditions of uncertainty, using flexibility and innovation.

Innovative management, without denying the importance of classical principles, uses new principles that demonstrate the features of the modern economy: the global nature of processes and phenomena [12, 13], the growth of uncertainty, risks and competition in the markets of resources and finished products

The classical understanding of traditional management is based on the division of the management process into functions. Based on the composition of functions, the classical content of management is defined as management activities that provide vision, planning activities, predicting results, resource management, coordination of people's actions in the process of carrying out activities and control over its results.

Over the past twentieth century, the economy has undergone significant changes. Management has also changed, gradually acquiring modern content, and its characteristics have changed accordingly:

- separation of independent areas of management (innovation, corporate, logistics and others);
- formation of new management functions (development of ethics and culture of management, social responsibility, changes, intellectual creative process of managerial decisions, intellectual leadership, management of teams and projects, etc.);
- instability and dynamism of external and internal conditions that cause constant adaptation of managers in order to achieve certain goals and the need for organizational change;
- a radical change in the relationship between management and staff, which contributes to the formation of leaders who can lead people to achieve their goals, using the strengths of the individual and the knowledge of each team member;
- increasing attention to risk factors, which in the modern economy are becoming a priority in management decisions [14].

Management with similar features differs significantly from the classical view of management:

- loyalty to employees;
- high degree of responsibility;
- effective organizational communications;
- the need to create an atmosphere conducive to the disclosure of personality;
- involvement of employees in the management process;
- sensitivity to changes in the environment;
- employee satisfaction with the results of work;
- transition from authoritarian leadership to leadership;

- priority of consumer preferences;
- ethics of business and management;
- high degree of trust in people;
- vision of prospects for the development of the organization;
- high importance of the personality of managers [15].

The process of enterprise management and its activities in the classical theory of management involves the construction of hierarchical relationships and the definition of organizational structure. Subordination of some employees to others is defined as the basis for receiving instructions on the performance of tasks and, conversely, the ability to control the implementation of tasks. In addition, the existence of different departments forms a feature that everyone is involved in the development of an innovative product, its own link and carries out a separate stage of such work. This means that employees of one department carry out certain operations on an innovative product, then it is sent to another department - there are other employees working on it, then this already changed product is sent to another department and so on.

If we analyze the effectiveness of such a scheme, we can say with certainty that it has lost its relevance. Leading world-class executives believe that only innovation programs are doomed to failure if they are brought down by top management and accompanied by the appointment of those responsible for them (who are tasked with the difficult task of inventing something new). This approach is a naive attempt to control the future and is based on causal determinism. Such programs simply do not work. Complexity theory argues that innovation can only be an emergent result that cannot be planned. For something new to emerge, a foundation is needed on which it can be formed.

In addition, if due to the inefficiency of the hierarchical management structure, it is necessary to find a new one that will bring the desired results - it is recognized Agile-management. Its peculiarity is that it provides a flexible management system, which puts in the main place the self-organization of the team to perform the task without clear instructions on how the members of this team should perform it, only stipulating the final parameters. An important place is given to the process of information exchange, communication and opportunities for independent decision-making within the project. That is, the main resources for the success of innovation are smart workers (as noted by Peter Drucker - "intellectual workers"). Knowledge is formed through the constant flow of information from the environment through education and training, requests and specifications, measurement and feedback the result is a continuous accumulation of experience. Creativity is a

critical variable in the process of creating value based on knowledge. Creativity is the ability to move away from stereotyped approaches when creating a new one, to offer new answers based on old information and to see solutions where no one has seen them before [16].

People are the only element in projects that can initiate interaction. In a complex system, agents interact with each other, exchanging signals and messages. They receive input from each other, process it and transform it into a certain result. People are also the only element of the system that can create knowledge, be creative and take the actions necessary to bring their ideas to market. And only people are able to manage projects, because only they have the level of complexity needed to manage complex systems. The following conclusion is becoming more and more obvious: the focus of any manager should be the task of releasing people's energy. People need to want to do their job, and that requires motivation.

In addition, it is very important to ensure the diversity (heterogeneity) of employees in enterprises. The more diverse the staff (by age or gender, religion or race or other affiliation, etc.), the greater the success it can bring to the tasks.

Creativity arises at the intersection of knowledge, motivation and personality traits. In any project team, knowledge will lead to creativity only if people have the motivation and necessary personal qualities. They determine the behavior of people and have a huge impact on the motivation of others. Therefore, the presence of personal qualities is an integral part.

5. CONCLUSIONS

Thus, in today's business environment, the priority to address is the organization of management in the enterprise. Only the use of innovative methods for working with staff and the organization of financial and economic activities will achieve the desired performance, as well as maintain a competitive position in the market and achieve the desired level of economic security.

The main task of managers is to make an adequate selection of managers who will be able to organize their activities in such a way as to give employees a significant level of freedom, while clearly defining their responsibility for mistakes and shortcomings.

The prospect of further research is to study the peculiarities of the use of Agile-management methods in Ukrainian enterprises in order to intensify innovation activity.

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