

THE SYSTEM OF MANAGERIAL DECISIONS AS AN IMPORTANT FACTOR OF YIELDING STRATEGY

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Keywords: a managerial decision, an acceptance of the managerial decision, the system of managerial decisions, the structure of the system, the problem subsystem, the HR-subsystem, the subsystem of accepting and realizing managerial decisions, the change subsystem, a system vision, limitation/limitlessness in space-time-information, object, process, project, environment.

In this article the system of managerial decisions is considered from the position of fundamental typology of economic systems. The structure of the system of managerial decisions in a company is shown in the four interrelating subsystems such as: the subsystem of problems, engendered by problem situations, the HR-subsystem which is of human resources, the subsystem of accepting managerial decisions and the change subsystem. Within the framework of the system approach an objective need is substantiated to use the notions of the system space, system time and system information. The present types of economic systems are divided from the position of spreading the systems in informational space. There are characteristics of all the subsystems of the system from the position of their belonging to the definite class of economic systems in the article. There are conclusions about the management strategy in a company which has to provide for internal coordination of all the components of the system of managerial decisions and external environment in the article.

In any company the managerial decision is not an only act but a set of interrelating acts that let us talk about the system of managerial decisions. From our point of view it is also important to make the process of accepting the managerial decisions as a system with its elements, relations and characteristics. The strategy of a company management must be created to base on the system of managerial decisions of a company in detail.

Today it is an increasing interest in information as an object and resource of management in theory and practice of management and marketing. It can be explained by bringing an expanded informational pressure to bear on managerial decisions. Within the framework of the system approach it obviously needs to operate with the concepts of system space, system time and information. In contemporary science of management the authors who research economic and managerial systems as basic components pick out space and time. To our mind, today the need of coming to consensus in realizing not only the category of space and time but also information had become urgent. An informative component (Ip) in the system of coordinate is required to determine the level of definiteness or vagueness of information about the external and internal organization that “let

us raise the problem from the professional point of view in certain company”. Besides, we think the level of definiteness or vagueness depends upon whether the person who makes decisions is informed partly about the solving problem or it has unlimited information.

“Picking out an object as a system from the surrounding environment it makes it necessary to extract such kind of its elements as functioning or characteristics which reveal themselves in examining an object in the best way”.

Considering the system of managerial decisions in a company we follow “the fundamental typology of economic systems” by Kleyner G. Taking this typology a list of standard economic systems consists of objects, environments, processes and projects (events). Analyzing the system of managerial decisions in a company we determine its structure as follows, and it should contain substructures of all these four types of economic systems: organizational, objective, environmental and projective. Basing on such a structure a company management will be directed towards environment management, object management, process and project ones.

In the structure of managerial decisions in an industrial company we define its basic components taking the essence of the following concepts: “managerial decisions” and “an accep-

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tance of managerial decisions”. In modern literature these two concepts are indistinguishable and the authors speaking about “a managerial decision” define it as a process. We offer to separate these two concepts “a managerial decision” and “an acceptance of the managerial decision”. So we determine “a managerial decision” as a phenomenon but “an acceptance of the managerial decision” as a process.

A managerial decision is a strong-willed influence directed to overcoming a difficult situation involving a human being (resource).

An acceptance of the managerial decision is a process of the consecutive way in the system of management with a managerial decision as a result beginning with a definite problem situation up to analysis and appreciation of the accepted decision. We think that in structure of the system of managerial decisions it is correct, from the functional point of view, to find out the following four basic subsystems: the subsystem of problems brought into life by different problem situations, the HR-subsystem which is of human resources, the subsystem of accepting managerial decisions and the change subsystem.

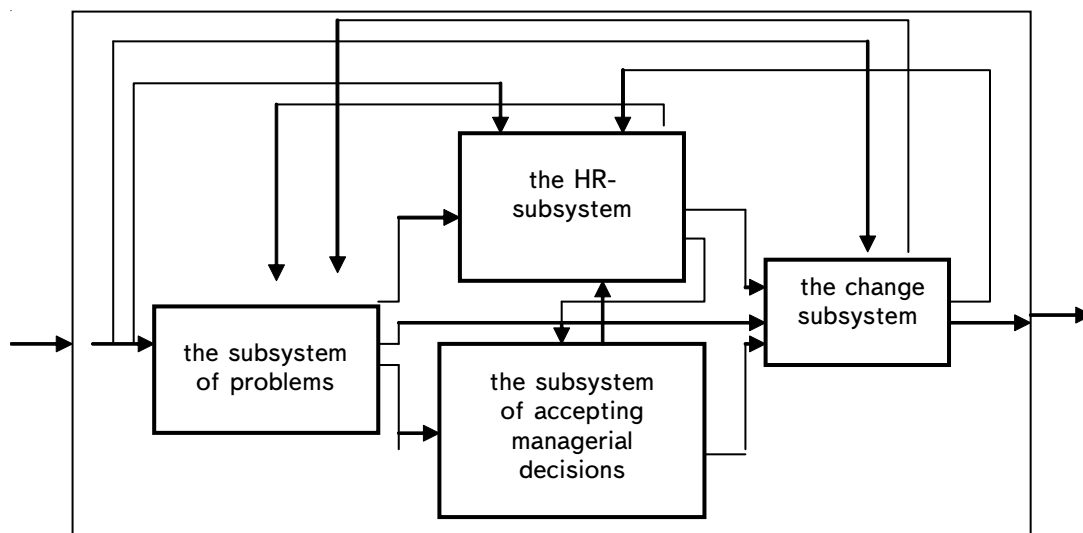
The structure of managerial decisions in a company can be schematized as follows (see figure).

In order to use Kleyner’s typology to the analysis of the system of managerial decisions we

tional size exists and consequently the concept of limitlessness takes place. Within the framework of the typology we shall pick out economic systems of objective, process, environmental and projective types from the point of view of limitation/limitlessness of information.

At the very beginning let’s consider systems of LL-type (Limited Limited-type), limited in space and time which are projective systems. In Kleyner’s article “quite various phenomena that show short and local space changes” were regarded as examples.

If we are talking about the ‘limited in informational space project’ it will be of high risk because, in concerning itself with limited information, a managerial subsystem is found that is vague in comparison with the environment. On the contrary, ‘limitlessness of informational space’ means a greater degree of definiteness because the system has much more possibility to own a great deal of information. The projects in the unlimited informational space we name as the projects of low risk. From the economic positions different tactical plans of a company with a precisely fixed period of realization or different corporate events and so on can be regarded by the projects of low risk. Accordingly, we divide the systems of project type into of high risk (the systems of LLL) and of low risk (the systems of LLU (Limited Limited Unlimited)).



suggesting considering not only space and time but also information as components of surrounding environment. Analogously we shall consider limitation/limitlessness of the informational sphere.

For a limited system of managerial decisions in the informational sphere the limited informa-

By definition, a system of objective type is a system limited in space and unlimited in time. Regarding such systems from the point of view of limitation/limitlessness in informational space we have divided them into the managed systems and managing systems. In reality an ob-

ject which possesses unlimited information, in essence, is a managing centre and, on the contrary, an object which does limited informational size becomes a managed object. As an example of the system of objective managing type (the system of LUU type), we can take a company but its branch one is the system of objective managed type (the system of LUL type).

The notion of the process as a set of consecutive changes does not mean spatial borders but definitely restriction in time. Within the framework of limited information the process is a sequence of definite stages which do not mean transformation and adaptation to changes of the conditions of the external environment. It should be noted that the changes of the current process is the only purpose of the function of feed-back. It means that having limited information we have the process without any consequence, which does not mean feed-back and self-control. Limitlessness of information, on the contrary, lets the process adapt to the conditions of external environment, it means the presence of the feed-back function. Having considered the systems of process type (UL) from the position of limitation/limitlessness in informational space we have divided them into the process systems without feed-back (ULL) and the process systems with feed-back (ULU).

As for the environmental type systems (UU) we have divided them into active (UUU) and positive (UUL) thinking that the environment which fills unlimited informational space will be active and, on the contrary, the environment which has a limited potential will be passive.

The list of standard economic systems in the context of the system interpretation of environment, time and information is demonstrated in the table.

Besides, real economic systems, as a rule, have got attributes of all the four types: so a company (a system a priori belonging to the

class of objects) can be regarded as a repository of the definite internal climate, environment (“industrial environment”, “intracorporate climate”). The system of managerial decisions is found in this environment. Three basic processes are brought into life in every industrial company on the systematic basis. They are an industry of products, its realization and a reproduction of resources. All these processes surely are accompanied by the processes of accepting managerial decisions.

In the industrial company the system of managerial decisions is a set of subsystems which are described by the organizational company structure. “A subsystem is a part of system which is formed by components. It is possible to consider a subsystem as a system consisted of lower range blocks. (f.ex. a business-unit company)”. On the one hand a company is a set of structural subdivisions which combine properties of industrial objects.

The system of managerial decisions in a company may have just a projective character. Summing up, we come to the conclusion that the system of managerial decisions is hybrid and has got attributes of all the four types of economic systems. As for its parts (subsystems), to our mind, it is possible and needs to talk exactly about belonging to a definite class of economic systems.

Of course, analyzing an actual company it is possible to determine the class to what the system of managerial decisions of the company belongs to whether it is an “environmental-objective” system or a “projective-objective” one, or, perhaps, this system combines well-marked characteristics of any certain class. It’s possible to determine the type to what the system of managerial decisions belongs to, from the position of limitation/limitlessness in informational space but only in the context of the certain company.

The basic types of economic systems

Spreading in environment	Time			
	Limited		Unlimited	
Limited	Projects		Objects	
	of high risk	of low risk	Managed	Managing
Unlimited	Processes		Environments	
	Without feed-back	With feed-back	Passive	Active
	Limited	Unlimited	Limited	Unlimited
	Informational space		Informational space	

Let's characterize each of the subsystems of this system.

We determine a presence of the problem situations as a necessary attribute of the decision. Considering the system of problems in a company within the framework of the basic coordinate system, we observe that such kind of a system a priori does not have any limits in space, time and information. In such a way, we observe that the system of problems in a company is a system of UUU-type (unlimited in space-time-information), that means an active environment.

The problems in a company reveal themselves in functioning, realizing internal managerial links and the functioning of the structure, in working and in working out decisions and carrying out inner rules of a company. The peculiarity of the problem changes in companies is in the fact that the reason for their appearance are the action of a person who constantly makes problems for themselves and others and without solving of which it is impossible to count upon "improvement" of a company and its development.

The second component of the system of managerial decisions in a company is a HR-subsystem (of human resource). To our mind, this component of the system of managerial decisions is the most difficult for examining because an element of this subsystem is a human being (an employee). Considering the system of HR we observe that this system is limited in space (because it consists of the definite quantity of objects) and is not limited in time that means it is an object system. A HR-system is a structural system of relations between people that's why an efficiency of its functioning depends much upon the quality of communications. It's obvious if communications are not effective people will not be able to come to an agreement about a common goal which is the activity basis of a company as a whole. Information in the process of communication is transferred not only for the acceptance of managerial decisions, but also for their execution. The HR-subsystem in the system of managerial decisions in a company is closely connected with the subsystem of accepting and realizing managerial decisions. Its title as itself determines the system as a process system. Really, it has not got space limitations but has got time ones.

The next structural component of the system of managerial decisions is the change sub-

system which is determined by the functioning of the system itself. "The system undergoes pathological changes because of inability of its elements to take the occurred changes adequately." We suppose the pathological changes start with the violation of interaction inside the system. The deviation sources of standard may be on the border between external environment and the system (entering or leaving) as well as in the structure of the system itself and also in the connected lines between its elements. Entering the system pathology appears as a reaction on the pressure of external environment. Leaving the system it appears as an incongruity of expectations of the environment to the real screams of the products of functioning of the system.

The subsystem of changes in the system of managerial decisions in a company is, to our mind, the system of projective type as limited in space and time. It's a real result of the other subsystems functioning of the system of managerial decisions. That is why we may already talk about its spreading in space of the informational potential when such a characteristic of the HR-subsystem and the subsystem of accepting and realizing managerial decisions takes place that is in the context of a examined company.

In such a way, the system of managerial decisions in a company contains the subsystems of all the four types of the economic systems described by Kleyner G. That is why a qualitative functioning of the system of managerial decisions from our point of view should basically be directed to the following four different approaches: objective, process, projective and environmental. It means that the system management should simultaneously be aimed at an environment management, a process management, an object management and a project management. In modern companies the leadership tries to emphasize only one of the components it may be a business-process management (a process approach) or a HR-management (an objective approach) or, perhaps, a projective management. These separate directions take the form of independent disciplines within the framework of a general theory of management. The management strategy of a company has to provide for internal co-ordination of all the system components and has to contain harmoniously a

complex vision of the system of a company itself and all its components. An integrated approach to the projection of the system demands a clear determination of parameters of these subsystems and understanding the behavior peculiarities of various models. We suppose, the chief obstacles in developing of the socio-economic system of management appear as a result of damaging to one or all the five its aspects (when one of the aspects is not functioning the others are defective).

The modeling of subsystems and systems of management as a whole was made by mathematical means as different models and methods for a long time. Last time they are supplanted by means of an objective-oriented programming. In comparison with the last century an objective-oriented programming comes to the

qualitatively new level. We offer to use the examined generalized model of the system of managerial decisions in a company.

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