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Research Article

MODERN APPROACHES TO THE MANAGEMENT OF SOCIO-ECONOMIC SYSTEMSViktor Glaz¹, Yuliya Glaz¹, Aleksander Zbritskiy², Tatiana Ivchik², Alexey Tolmachev³¹Stavropol Institute of Cooperation (branch) of Belgorod University of Cooperation, Economics & Law, Stavropol, Russia; ²National Research University «Higher school of Economics», Moscow, Russia; ³Kuban State Agrarian University named after I.T. Trubilin, Krasnodar, Russia.**Article Received:** June 2019**Accepted:** July 2019**Published:** September 2019**Abstract:**

The urgent task of the current stage of adaptation of Russian organizations to the conditions of the global market economy is a scientifically based study of the management system, its organizational structures, mechanisms that ensure a balanced management system and meet modern market needs. Due to this, one of the important factors, or rather, one of the fundamental conditions, is the formation of a qualitatively new management system that is mobile and adequately responsive to external and internal changes, forming new forms of management decisions and well-reasoned plans for their implementation.

Key Words: *socio-economic systems, management, management objects, controls.***Corresponding author:****Viktor Glaz,***Stavropol Institute of Cooperation (branch) of Belgorod University of Cooperation, Economics & Law, Stavropol, Russia*

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INTRODUCTION:

Modern processes of socio-economic development of Russia are determined by cardinal changes of a global nature and are caused by paradigmatic transformations affecting all spheres of the life of the state and society - the transition from industrial to post-industrial society. The new development paradigm has determined the transition to an innovative economy, which is based on the knowledge and competencies of specialists. For an efficient and competitive business capable of positioning Russia not only as an equal partner, but also as an economic leader, when entering the global economic system, the primary task is to bridge the "gaps" in the levels of economic development relative to the countries that are world economic leaders. Due to this, one of the important factors, or rather, one of the fundamental conditions, is the formation of a qualitatively new management system that is mobile and adequately responsive to external and internal changes, forming new forms of management decisions and well-reasoned plans for their implementation.

At the same time, many Russian organizations and enterprises are currently faced with a rather serious problem - the lack of effective mechanisms in the management system adapted to new conditions. In fact, the modern management system is an adaptation of traditional Soviet management methods. Centralization of power, authoritarian governance, etc. management mechanisms veiled by the trends of the European management culture are not able to meet the needs of Russian companies. The objective laws of the development of socio-economic systems determine the need for the formation of new management mechanisms that can mobile respond to external and internal changes of an economic entity and thereby ensure the effectiveness of activities, competitiveness and prospects of development.

Because of this, the urgent task of the current stage of adaptation of Russian organizations to the conditions of the global market economy is a scientifically sound study of the management system, its organizational structures, mechanisms that ensure a balanced management system and meet modern market needs. Understanding the conceptual essence of management as an integrated system will make it possible to solve the problems of optimizing management processes and increasing their efficiency. The specifics of the modern scientific and methodological base, represented mainly by theoretical and practical developments of foreign researchers, widely use their experience and operate on the developments of foreign firms. Unfortunately, the experience of domestic

researchers, taking into account Russian specifics in this area, is currently not only used to a sufficient extent, but also completely unfamiliar to managers.

RESULTS AND DISCUSSION:

The management of socio-economic systems has traditionally been viewed from two perspectives. Firstly, as a process of transferring a system from one state to another by means of deliberate influence on someone in order to change (maintain) his state, behavior or action carried out within the framework of a certain system of relations called the control system. Secondly, management is considered from the perspective of the organization (governing body). The basis of control is the subject-object interaction.

The management of socio-economic systems as a process of subject-object interaction must be considered taking into account all factors and structure-forming control elements that form the principles, structure, methods and management techniques, make it an integrated system.

The structure-forming control elements are: the control subject, the control object, the internal environment (infrastructure formed by the control system) and the external environment under which this control system functions.

The management system of socio-economic systems is based on two fundamental categories - the object of management (controlled element of the system) and the subject of management (controlling element of the system).

The subject of management is the impacting category, and the control object is the category receiving the impact (a separate question is positive or negative). Under the subject of control can be understood as groups of people that make up the apparatus of management, as well as individual individuals - the leader as a system of biological, mental and social complexes that affect the managed object. The management object can be understood as groups of people (structural units of the organization), and a specific person (subordinate), and the entire team of the organization as a whole, and social processes and relationships, as well as social resources. Social resources can be defined as reserves of creative energy of the individual (social, cognitive, activity), social organization and society as a whole - the community of people, organizations, institutions, social groups.

As mentioned above, control can be characterized as a system of interactions between an object and a control subject. This interaction forms the features of the

functioning of a specific management system, its uniqueness and the degree of dynamism of development.

In the process of interaction, the subject of management provides a process of targeted influence and forms the organizational structure of management, and the object of management provides the process of creating material and spiritual benefits.

Consider the essential characteristic of the basic controls.

The subject of management is recognized as a superior element (the principle of the hierarchy of management), since it is the subject who forms the set of goals and objectives that determine the organization's activities, forms and methods for their implementation, analyzes, predicts the final results (goals) of the organization's activities.

The main objective of the control subject is to create in the organization such conditions under which the controlled object, when exposed to it by certain methods and restrictions, will be forced to respond in the manner expected by the control subject, i.e. obey. The art of management lies in the fact that the control subject must form and implement such methods of subjecting the object so that the potential of the object not only does not suffer, but also has the opportunity to develop and be used with maximum efficiency to achieve the goals of the organization, so management can be characterized as a process streamlining the actions of the control object.

The control object, either by virtue of their official duties or by voluntary consent, adequately reacts to the control subject; in addition, it should be noted that the actions of the control object are not purely subordinate, dependent on the control subject. Management objects, solving specific service or production issues, realizing specific functions, have relative independence in making a certain level of decisions.

Characterizing the subject-object relations, it should be noted that the interaction of the object and the control subject are never linear, one-sided. The presence of a direct connection (from the subject of management to the managed facility — for example, a manager's assignment) and feedback (from the facility to the subject, for example, a progress report) is a prerequisite for the existence of a control system (the principle of interaction). It should be noted that the organization of the channels of subject-object relations (information support), their multi-stage and

effectiveness in the corresponding production and business system (organization) directly depends on the existing hierarchy system in this organization, the level of information technology by which this connection is made, cultures managerial personnel.

A feature of the socio-economic systems management system that underlies its effective and dynamic development is not only the presence of direct and feedback between the subject and the object of management, but also their stability and orderliness. In the system (organization), the organization of subject-object relationships and the channels of direct and feedback should be clearly defined. This organization, on the one hand, is carried out within the framework of the formal structure of the system (organization), is regulated and regulated by normative acts. The publication and implementation of regulatory acts streamlines the organization's infrastructure, formalizes the relationship between the subject and the management object, and creates the conditions for achieving goals. On the other hand, the informal structure of the organization based on interpersonal relationships and not fixed by regulatory documents has a strong, and sometimes dominant, significance on the subject-object relations and communication channels between them. The informal structure is based on the human factor, it is the informal structure that forms the unique infrastructure (internal environment) of any organization, makes it a complex social system, different from other social systems (organizations). The presence of an informal structure is the main difference between a social system and mechanical and biological systems (in their traditional sense). The informal structure of an organization is a complex subsystem that forms special relationships between its elements (people), and forms its informal leaders. Discrepancies between formal and informal structures, contradictions between them can lead to the collapse of the organization. Cases of mismatch between nominal and actual leaders occur in any formal organization, sometimes a competent employee manages the organization to a greater extent than a formal incompetent leader.

In modern specialized methodological literature, there are a large number of different tips for the leader (recommendations, questionnaires, tests, etc.). It is completely obvious that the success of an organization (of any level and value) depends on the professional qualities of the leader. This is one of the most significant groups of managers. It is the manager who makes the allocation of resources and determines the strategy of production processes. It is the leader, taking into account the potential of specialists, who

consolidates all the development resources of the company. An effective leader must be a necessary and important quality leadership.

The question arises by what criteria to distinguish between the subject and the control object. Currently, some researchers of social management systems put forward the thesis that the line between subjects and objects of management is so thin that “subordinates, employees are subjects of their activities to the same extent as their leaders. They experience comparable needs, also analyze the situation, make forecasts and carry out activities.” Proponents of this approach rely on the theory of social exchange (the theory of behaviorism), which is based on four principles:

- the principle of success;
- principle of incentive;
- principle of value;
- the principle of "saturation".

These principles are based on the exchange between the subject and the object of management, the categories of exchange can be material incentives, information, moral reward, value of the result, saturation of needs, working conditions, etc.

Realizing these principles in practice, the control object - “the actual subordinate builds his activities and exerts such influence on the boss that they ensure the realization of his goals.” Thus, both management and the production and economic process itself can be represented as a purely market exchange process.

But, on the other hand, we must not forget that hired management is in fact always carried out under conditions of formal organization, when the functions of both the control object (subordinate), the control subject (manager), and the processes of interaction between them, etc., are clearly regulated by the normative -Legislative acts. The formal organization is based on connecting people with the means and goals of collective labor through a hierarchy of authorities, in which teams from above are implemented; a clear written prescription system; fixed wages, moral and material incentives, career opportunities, etc. This situation is typical not only for state organizations, but also for private firms.

Formalization of management processes, as mentioned above, has the goal of creating integrity, functionality of goals, streamlining processes of subject-object interaction, rationality of ways to achieve goals, which, ultimately, provides increased efficiency by limiting diversity in the organization. In this case, the manager as the subject of management, in contrast to

the managed - the management object (which solves its goals), solves the goals of the organization.

Currently, the growth of professionalism and the development of information technology has led to the formation of more flexible formal (bureaucratic) organizations. Highly qualified specialists become not tied to the hierarchy of authorities but become able not only to influence the processes of goal achievement, but also to coordinate constantly changing processes of goal setting. Consequently, we can talk about the merging of the principles of the theory of bureaucracy and the theory of behaviorism.

This is confirmed by modern criteria, on the basis of which the characteristics of the subject and the control object are determined:

- status and functions;
- rights and powers;
- exposure activity;
- the sequence or initiative of the impact;
- rationality of exposure;
- attitude to the goal, goal-setting and goal-attainment.

Naturally, from the position of social interaction, the subject and the object of management can change their positions, but from the position of management as a process, ultimately leading to the achievement of specific goals, the manager will always act as a manager, and not only because of his status, rights and powers, but also, based on the fact that the head has great resources and awareness, in addition, the head is delegated the right to use the resources to influence subordinates. The efficiency of management and the activity (or passivity) of the participants in the processes directly depend on the leader as the subject of management, and, to some extent, he has the ability to influence the goals of both the organization itself and its specific employee as the management object.

This influence forms power relations as the resultant force of actions (and counteractions) that provide a model for the functioning of any social organization and determine the characteristics of the interaction of the leader with the team - leadership style.

On the other hand, the control object, possessing internal creative potentials, also participates in the processes of goal-setting and goal-attainment, though with a certain degree of independence.

It is necessary to consider the problems of subject-object interaction and mutual influence in social management systems taking into account the formal

and informal structures of the organization, the factors that shape the organization's infrastructure as a social system and the management system of this organization.

The infrastructure of the socio-economic system - organizations, enterprises (the internal environment of the management system) is an important structural element of the management system in which the process of subject-object interaction is carried out. The infrastructure of the organization is a complex mechanism that combines all the internal resources of the system and forms its potential. The organizational structure of the internal environment includes the technical, economic, technological, informational and social components (subsystems).

All subsystems (technical, technological, organizational, economic and social) are not only interconnected, but also represent the organization as a whole organism, in which the processes of managing the subject-object interaction are able to ensure efficiency and balance.

Considering the management system as a process of subject-object interaction in a specific infrastructure, it should be noted that the social component for management will be primary. Regardless of whether people, or machines, or production processes act as the control object, the human factor, the human potential that controls these machines, implements these processes, and uses internal or external system resources will remain dominant. As a matter of fact, the management system of any organization, enterprise or institution can be characterized as a social management system, which is based not only and not so much on technical (using various machines and technical devices) or technological (improving management technology), but the human factor.

The external environment acts as a structure-forming element of the control system, which affects both the nature of the subject-object relations and the control process. In relation to the external environment, control systems, like any systems, are divided into closed and open. But, considering management systems, it is necessary to proceed from the fact that no organization, institution or enterprises acting as a management system exists in isolation from the external environment as a purely closed system. From the external environment, the organization receives raw materials, energy, information and other resources, including human ones. The elements of the external environment with which the organization interacts (and which influence it) can be the

organizations interacting with it, partners, competitors, individuals, and the state and society as a whole. Also, the organization cannot be completely open to the external environment, especially in the conditions of market competition.

Changes in the external environment can affect both one or more elements of the system, as well as the entire control system as a whole. The degree of environmental impact is determined by the stability of the organization's infrastructure (internal environment). On the other hand, the organization in turn affects the environment.

Consequently, the processes of mutual influence of the organization and the external environment imply the dynamism of development of both the organization and the management system. An organization cannot be static, it must quickly monitor changes in the external environment, analyze these changes and choose the best response that contributes to the achievement of the organization's goals; therefore, we can only talk about the relative openness or closeness of the management system. The external environment and the processes of interaction of the organization with it can be represented by the following scheme.

Based on the foregoing, it can be stated that management is a complex process of interaction between the subject and the control object, based on the principles of hierarchy and interaction, taking into account indirect or direct impact from the external environment and internal infrastructure of the organization.

It is necessary to consider management systems taking into account many factors (organizational, socio-psychological, economic, etc.), each of which in a certain situation can become dominant and dramatically affect the functioning of the management system. Only a combination of all elements, processes and factors, taking into account the temporal and causal relationship between them, makes an understanding of the management system comprehensive and complete.

At the same time, a theoretical understanding of the management system in the manner described above is, in practice, determined, first of all, by the instability of the market as a whole or of its individual segments in which the company operates. In fact, today company management is a risk management, that is, that strategy and tactics of organizing a business system that allows, if not avoid losses, but at least minimize them. In this case, the management system should be focused on the use of its potential, including human

resources, and change mobile depending on the conditions. Design organizations can serve as an example of such mobile organizational systems. In relation to production organizations, the processes of structural transformation are naturally more complex, but, nevertheless, practice shows that strategic market conditions calculations make it possible to predict changes and not only “fit in” with new conditions, but also, if necessary, form them.

The second, important factor is the development of scientific and technological progress, in the framework of which there is a rapid, and sometimes cardinal change in production technologies, machines, equipment, etc. This factor has become key in those paradigm changes that have changed our reality and caused a civilizational transit to a post-industrial society. In the process of managing and managing production processes, the influence of the scientific and technical component allows us to talk about the emergence of a new subsystem - a scientific one that fundamentally changes the entire functional logic of the control system. The scientific factor has not so much transformed the structure-forming subsystems themselves as it has changed their functional positions. For example, those subsystems that are positioned as less mobile in classical textbooks - technical, technological, in modern conditions act as the most mobile. And, accordingly, the new arrangement of priority positions in a decisive way entails fundamental changes in the management system itself. In this case, we are talking about the fact that traditional hierarchical interactions acquire a new meaning, primarily related to qualitative changes in relation to the human resources of the organization. Workers today are regarded as carriers of scientific knowledge, skills, and competencies. The company evaluates its employees not only from the standpoint of the contribution they make to the development, not only from the standpoint of what kind of profit or preference the company can receive from their activities, but, first of all, from the standpoint of their strategic potential, that is, the employee's ability to self-develop, self-education, self-improvement. In turn, an employee with skills and competencies evaluates the company itself as a springboard for self-development. And under these conditions, the traditional hierarchical management system becomes incapable of ensuring the balance of the “company - employee” to the extent that both parties receive the greatest effect (both moral and material) from their activities. Accordingly, the management system aimed at the development strategy is undertaking qualitatively new mechanisms of influence on the management objects - employees.

CONCLUSION:

Traditional management mechanisms are increasingly taking the form of interaction. Managers interested in employees whose experience, skills and competencies represent the strategic resource of the company are forced to change management methods. The concept of management has long been recognized in management theory as part of which the management system while maintaining the traditional administrative-hierarchical structures / subsystems is considered in a socio-psychological context. Modern theories are guided by studies of the informal management structure, the force of influence of which on production processes is quite large. And in the conditions of scientific and technological progress, when the share of qualified specialists (“intellectuals”) in the management system has increased significantly, it becomes decisive. The creative principle underlying the activities of “intellectuals” is a determining factor in the democratization of bureaucratic management. Today, an organization is no longer viewed as a bureaucratic structure with a rigid hierarchy and an authoritarian governance structure, but as a social entity with many socio-psychological manifestations, its own culture, value-oriented norms and rules of behavior. The practical experience of foreign companies and Russian corporations, successfully adopting the experience of Western management, shows that in the management system, the general trend is, first of all, the formation of a balance in the system of “professionalism - bureaucracy”. Practice shows that the rejection of the traditional bureaucratic model of governance is impossible in principle, but the integration of this model into the system of “human relations” makes the power apparatus efficient and able to adequately respond to internal and external changes.

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