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## THE ROLE OF ADMINISTRATIVE METHODS OF SUPERVISION IN THE MARKET CONDITIONS OF MANAGEMENT

### Annotation

It is determined the role and the meaning of usage of administrative methods of management at the enterprise in market economy, the ways of perfection of usage administrative methods of leadership, integration of progressive standards in planning and organization of production, growth of corporative discipline and optimization of functioning structure of management etc in the work.

**Key words:** *Administrative methods of management, market conditions, perfection.*

### Introduction

At this stage of economic development of Ukraine the improvement of management has an overall influence on public production and is an important reserve of its intensification and efficiency increase. The continuous improvement of production management is conditioned by the dynamic development of the economy, growth of production volume, increase of hardware application for mechanization of production processes, development of both inter- and intraeconomic co-operations, agricultural and industrial integration, change of intercommunication between the economic phenomena and processes.

The problems of effective administration are widely spread in scientific works of many scientists, such as: I. Zavadsky, G. Chorny, V. Hmil, M. Kruglov, R. Fathutdinov.

Taking into account the progressive changes we must constantly bring the control system to conformity with developing objects as well as carry out its reorganization according to the peculiarities of the national economy development. At this conjuncture, as practice shows, the proper organization of production, labour and management, can not be provided by means of economic influence only. To provide the production activity of the employees on every enterprise one must constantly coordinate and correct their performance by the administrative regulation of subordination.

As compared to the economic methods the administrative ones are more operative in influencing employees and, accordingly, the production process on the whole. Administrative methods provide the necessary execution of top management's deci-

sions, as their non-fulfillment can result not only in disciplinary liability but also liability for breakage.

At the same time we have to assert that development of market relations has objectively reduced administrative influence on production process. The wrong understanding of democracy bases has resulted in permissiveness on the one hand and the absence of control of the performance on the other hand. As a result, production discipline and labour productivity has drastically become worse.

### **Standing of problem**

It is necessary to notice also, that without administrative methods other leadership methods can not be fully realized. The importance of the above mentioned problems has stipulated the theme of this research.

The research purpose is to solve the number of interrelated tasks:

- to research the methods of co-ordination and regulation of production processes on an enterprise;
- to introduce concrete motions for the better application of administrative leadership methods, to introduce progressive measurement data in planning and organization of production, to increase labour discipline, to improve the operating structure of management, to clarify job description for managers and specialists, to introduce the centralized traffic control and others.

In order to solve the above-mentioned problem it used system approach as for the research which include in certain case the usage of such methods as: concrete – historic and monographic and analyzing as for the enlightening of work's positions, logical with the aim of generalization and conclusion's formulation.

Administrative methods of management are based on power and subordination. Thus the key role is performed by the administrative power with managers in the hierarchical system having plenary powers. Power enables to lead or order the subordinates and make them report on the successful fulfillment of the given orders.

Since 1928 the role of administrative methods of management has been increasingly growing. In adjusting public renovation processes the administrative approaches prevailed for a long period of time. Both the material-technical supply and trade in capital goods were replaced by the state distribution. The purview for economic methods narrowed under these conditions, the market mechanism was ousted and the principles of self-supporting basis in the national economy management became less strict [1, p.95].

Today we see the growth of the role of moral power which is based on common intellectual advantage of a manager over his subordinates.

In order to completely elucidate this problem, first of all we must find out how different authors study the concept of "administrative methods".

Administrative methods are the system of the direct administrative influence on subordinates carried out by administrative units or by a single manager within the frame of his power for achieving the objectives. This definition is resulted by Y.S.Zavadsky [1].

G.M. Chorny says that administrative methods are the way for managers and key experts to govern their subordinates on the basis of legal needs of cooperation. Unlike the individual production activity a fruitful group activity is possible only under conditions of its legal regulation [3, p.83].

Some other authors consider administrative methods as organizationally-administrative.

V.I.Khmil' claims that organizationally-administrative methods are directed to the use of such motives of labour activity as call of duty, responsibility as well as administrative one [2, p.94]. The author underlines that these methods differ by direct way of influence: any regulatory or administrative act must be fulfilled.

The authors of the above mentioned works emphasize that administrative methods are based on legal security for management.

So in his monograph G.M. Chorny's [24] claims that from the theoretical point of view the administrative methods of management are the methods of practical realization of legal requirements and the principles specifying these requirements.

Y.S.Zavadsky says: "Unlike the economic methods which foresee multi-variant approach of decisions, organizationally-administrative methods are single-variant as they are binding. These methods of management are based on authoritarian power rather than on public economic interests. At the same time organizationally-administrative are concerned with economic methods and in correct correlation are different aspects of economic management. Administrative methods are efficient when they increase the economic influence, rational organization and technology of production, when leading staff are appointed and dismissed in accordance with their real job performances, when physical and financial assets are correctly allocated" [1 c.96].

Consequently, organizationally-administrative methods originate from the essence of management, its features and mutual relations, and are the degree of the administrative authority, a specific managerial phenomenon.

The correct correlation between the methods of compulsion and training is the important point in economic management. As practice shows, in manufacturing problem-solving you must not completely rely on the effect of orders. You should bear in mind the moral and political consequences of your decisions. The administrative manager of any grade must make the best use of his opportunities to join the administrative work with training people use the three instruments of authority in the process of management: persuasion, stimulation, compulsion.

Organizational influence on the object of management is related to the improvement of the administrative systems, determination of authorities' activity and jurisdic-

tion and suchlike. It is carried out in the form of organizational regulation, normalization and instruction.

Organizational regulation determines what a manager must do. It is represented by the statute for structural subdivisions, which sets the tasks, functions, rights and duties of subsections and services of an enterprise and their leaders. On the basis of the statute the list of members of staff is drawn up, and the day-to-day activity of a subsection's activity is organized. The statute (regulatory documents) can not remain unchanged over a long period of time so it needs to be regularly revised and corrected.

The organizational normalization is carried out by establishing the standards, which specify the scopes of a certain activity, parameters of technical, technological and economic processes on enterprises. Technical standards include periodical maintenance of vehicles, standards of their turnaround time etc; technological standards are made up of scheduled time. The organizationally-economic standards refer the managerial staff, routine rules, remuneration of labour, working capital, funds expenditure on current repairs and maintenance works.

The organizationally-methodical instruction is carried out in the form of various instructions regulating the enterprise activity. The statements for the organizationally-methodical instruction include recommendations for application of certain management facilities taking into consideration the top managers' experience. Instruction always has the form of methodical and informative assistance for the successful task fulfillment. Instruction can be carried out on the radio, telephone, video facilities, through the personal contacts, individually and collectively. It can be pictorial. Equipping offices with job documentation also refers to instruction, laconic brevity, simplicity, taking into account the perceptual psychology being of great importance. All this improves the organizational working environment, promotes its successful fulfillment.

The statutory acts of an enterprise are the subject to obligatory verification (to legal examination on accordance to the requirements of the current legislation). The prescriptive influence is expressed in the form of order or direction which is by character a legal nonnormative act. They are issued in order to provide the observance and execution of current legislation and other normative acts, and also to legalize administrative decisions. The orders are issued by the managing director. Orders and direction are issued by a head of the operating department in the subsection, service of an enterprise, head of functional service, and linear manager of the workshop sub-unit.

Common rules of the operative management for top managers are as follows:

- within the bounds of their jurisdiction managers must only give orders when necessary;
- orders must be based only on the legal rules of current legislation;
- orders must be scientifically grounded;
- the specialists of an enterprise must take part in elaboration and adoption of regulatory acts;

- orders must be short, concrete, exact and clear;
- orders must be intended for concrete executors;
- in the process of management it is necessary to follow the principles of the basic link, to make the objectives correspond the provided funds and plenary powers of employees, to co-ordinate the task of separate executors;
- in management you must only give orders to an employee through his direct manager;
- orders must be given in advance to be fulfilled in time.

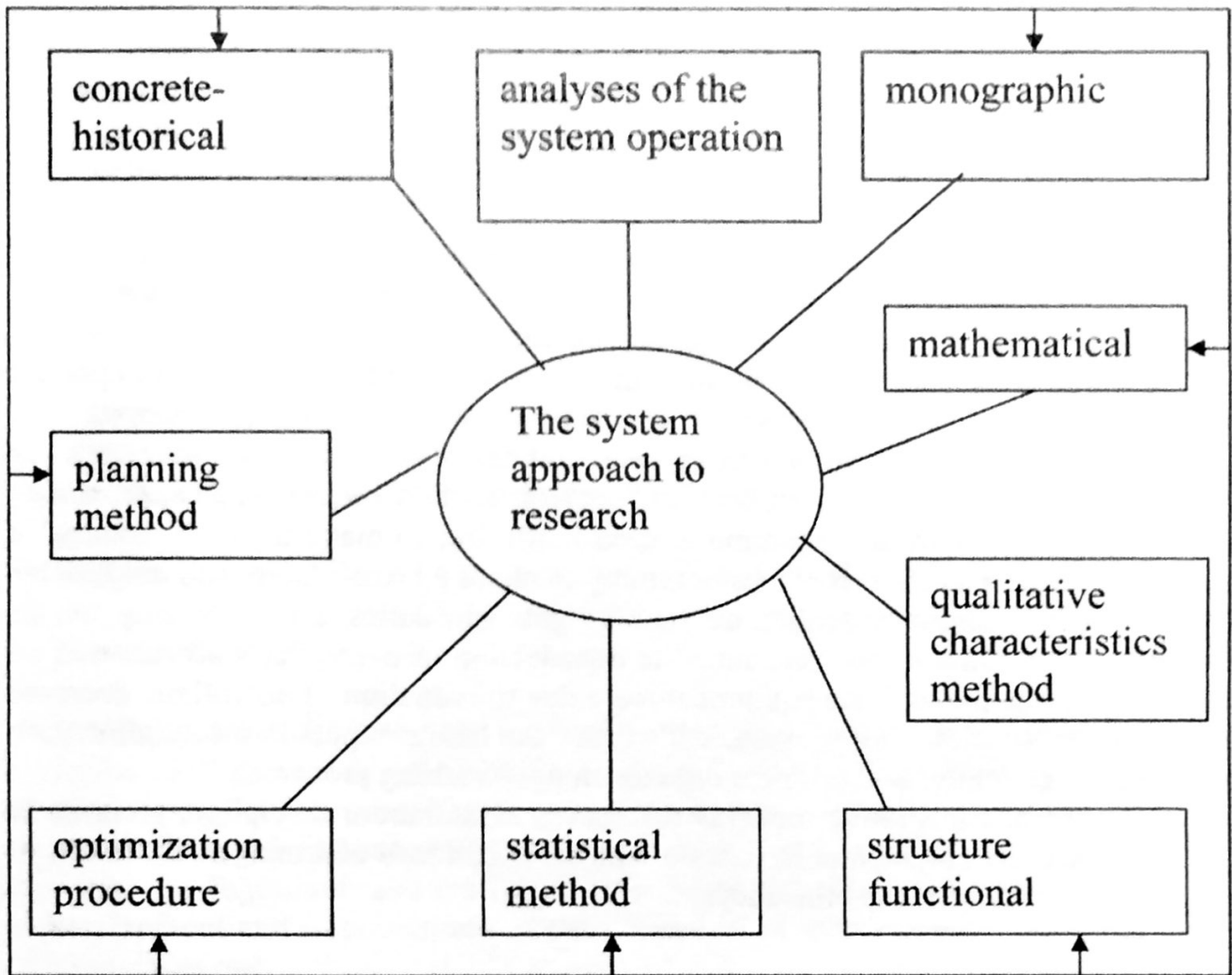
The administrative influence can be either in verbal or written form. Each of these forms has its advantages. A verbal form is more operative. A documentary form is more efficient in accounting and controlling orders execution.

The combination of forms of regulatory activity is the important component of company executive's activity.

Research of methodology of administration on an enterprise requires application of some methodical tools. The analysis shows that we need more than a few methodical approaches as the problem must be solved in numerous aspects. Therefore to research this problem it is necessary to apply the system approach to find and analyze the existing principles and possible processes which are expressed quantitatively and qualitatively. Systems approach foresees the complex study and research of the socio-economic phenomena as a whole, that includes the analysis of principles of the matter and functioning of administrative methods of management on the whole, consideration of features of all components of the administrative system, their interdependency, both horizontal and vertical relations with other elements of the system. By means of systems approach the deep logic analysis of management object is carried out, rules for the development and functioning of the systems at different hierarchical levels are set; methods and procedures of working out, acceptance and realization of administrative decisions are improved. Generalization of the methodical techniques applied in this research under the common name a «system method» allows us to select its constituents in this synthetic category (pic.1.)

In the analyses of managerial processes probabilistic methods based on the mathematical modeling have been increasingly used. The practical application of these techniques is caused, firstly, by the general trend towards complication of adoption of optimal managerial decisions in the conditions of uncertainty using the criterion of optimal efficiency and, secondly, by the need in scientific approach to the study of managerial problems. In this concrete case we deal with substantiation of enterprise performance with the change of influence parameters from the object of management to its subject applying different managerial techniques. On the basis of multi-variant approach of decisions, provided by mathematics, we can find the optimal decision. Within the general programme approach the facilities of the organizational planning have been used in the work. On the basis of analysis of operative influence on man-

agement efficiency the author designs the project of the centralized managerial control on the basis of minimal expenses and maximal effect.



**Fig. 1. The system of system method constituents in research the administration on an enterprise**

To study such topical aspects of the problem as organizational structure of an enterprise, management structure, nature of relations between operating departments and between the separate levels of management the designing, organizational and analytical graphs and charts were used in the work.

On the whole, we think that the offered arsenal of techniques and research methods within the framework of methodical requirements allows the complete definition of the methodological aspects of administration, to show the level of their application in management and, finally, to make concrete suggestions on their improvement on the basis of complete economic requirements for management.

## Conclusions

Due to the conducted research, we have found out the following: Administrative methods are the system of the direct administrative influence on subordinates carried out by administrative units or by a single manager within the frame of his power for achieving the objectives. We have determined that other managerial methods can not be implemented without administrative methods. A manager must make the best use of his opportunities to join the administrative work with training people use the three instruments of authority in the process of management: persuasion, stimulation, compulsion.

Managerial effectiveness and the need in organizational impact on the management object depend on the proper development of business documents used for the organizational regulation, norm-setting and instruction.

To improve the application of administrative managerial methods it is important to introduce the controller's service on an enterprise. It necessary to elaborate a detailed list of organizationally-technical measures for introduction of controller's service, to define the agents of controller's management of an enterprise, an approximate demand for the controller's communication hardware; to make the daily routine of central controller's office. It is thus necessary to choose a candidature and confirm his appointment as senior controller, define his rights and duties, i.d. to develop Job description. According to our accounts, the introduction of controller's service will enable to promote the variable equipment ware due to reduction of downtime, decrease in managers' timetable for moving, will reduce the labour inputs in information gathering and accounting, will promote organization of working processes.

It is the administrative methods that can provide labour discipline, promote labour productivity and their combination with other methods of management results in the increase of productive efficiency.

## Literature:

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