

Egorov E.E., Lebedeva T.E., Bulganina S.V., Prokhorova V.P.

## PROBLEMS OF INTRODUCTION OF MODERN TECHNOLOGIES OF MANAGEMENT OF RUSSIAN ORGANIZATIONS

Evgeny E. Egorov, Russia, Nizhny Novgorod, Minin University, Ph.D. in Economics, associated professor, Chair of innovative management technologies.

Tatiana E. Lebedeva, Russia, Nizhny Novgorod, Minin University, Ph.D. in Pedagogics, associated professor.

Svetlana V. Bulganina, Russia, Nizhny Novgorod, Minin University, Ph.D. in Engineering, associated professor.

Maria P. Prokhorova, Russia, Nizhny Novgorod, Minin University, Ph.D. in Pedagogics, associated professor.

### Abstract

The conducted study highlights the most common problems of Russian companies in introducing the foreign management technologies. There are indicated common mistakes of heads in organizing the processes of changes in the management systems. The article presents the possible solutions to eliminate the existing problems in the implementation of new management technologies, both at the organizational and the psychological levels.

**Keywords:** management technologies, management of changes, the introduction of new management technologies.

In the beginning, let's define what we mean under the management technologies. Out of the various approaches to the description of the problem, we choose a definition that satisfies the objectives of our study. The management technology (administrative technology) is a system of relations, operations and procedures performed by managers, specialists and technical performers in a specific sequence using methods and tools required for this. As a general rule, the key goal of any management technology is to optimize the management process, its rationalization by building a chain of actions needed to achieve the result. The management technologies can be represented as concepts, theories, principles and specific ways, forms and methods of

management. The management technologies provide the conversion process of the control object from the initial state to a new target state or quality, or provide its guaranteed effective functioning [1,3].

The management technologies in the companies of the developed countries have passed the evolutionary path of development [2]. At present, the significance of the introduction of the modern management technologies in the Russian economy can hardly be overestimated. This is due to the fact that Russia, by virtue of historical features of the socio-economic development, serves as a “catch-up” in the world economy. And ensuring the efficiency of the economy is largely dependent on the quality of management. Forming “their own” new Russian management technologies is not practically possible for various reasons (for example, due to low implementation experience of modern management in the Russian context, or not fully formed management culture). Although, it is fair to say, that there are such attempts. Therefore, it remains the only way - to borrow the foreign management technologies. This necessity is caused by the following factors:

1. The end of stage of the “natural” development of the Russian management which took place due to crisis in the late XX century and the subsequent economic recovery. Many commercial organizations were then able to develop due to the temporary absence of foreign competitors or any price advantages compared to them.

2. The globalization of the market which has become almost inevitable after Russia's entry to the World Trade Organization in 2012. And as a consequence, a significant increase in competition from the foreign manufacturers that now is experienced by many Russian organizations, and this pressure is constantly increasing.

3. The need to improve the business efficiency and fold increase in productivity which are largely provided through the application of new organizational and management technologies.

4. The natural growth of many businesses that have gone beyond the regional companies combining ownership and management which is also pushing to change something within the organization and, above all, of course, the management technologies including the application of the corporative management technologies. Many talented entrepreneurs at the head of the business feel that, by managing with the usual methods, they no longer have time to keep track of all the important directions of development [4,6].

5. Understanding that the management technologies are the starting point, the basis for the introduction of production and product technologies which are also needed so much for the Russian economy and production.

All this proves once again a clear and urgent need for the introduction of the foreign management technologies in the activities of Russian companies. Such a provision, in particular, is confirmed in the National Report “Organizational and managerial innovations: development of economy based on

knowledge” which indicates that the tasks of reforming the structure of the Russian economy can not be solved only through the technological innovations since the application of high-tech production technologies in the market economy requires also high management standards. It is noted that the innovations in the management in Russia are rather forced, overtaking ones: first, the production, product innovations are introduced, and then, with a considerable time lag, followed by organizational and managerial innovations. The innovations in the organization of production, labor and management open great prospects to companies. According to the assessment of experts, due to the implementation of innovations in the field of management in Russian companies it is possible to increase the GDP by 50-80% [1, p.9].

Unfortunately, the majority of cases (according to our estimates from 55 to 60%) of attempts to introduce the above-mentioned management technologies end in complete failure. That is, being introduced in the company, they either do not meet the expectations of heads or worsen the condition of the management system introducing more destructive elements in it [5]. Why is this happening? Our study (it covered several dozen companies of various sizes and activities), summarized the experience in implementing various management technologies in the activities of Russian companies, allowed to single out a number of significant recurring problems incidental to the management of companies that have failed in the implementation of these new technologies. So, below is presented quite an exhaustive list of problems with a brief commentary on each of them:

1. Belief in the “omnipotence” of a particular approach to management (management technologies). Russian top managers often believe that if they can implement a certain technology in any field of activity of the organization, it will solve all their problems in the field of management. In doing so, they lose sight of the obvious fact that a particular technology solves a specific problem or a specific range of problems. Such a belief in universalism of the management technologies, even at more or less successful implementation, makes leaders and their subordinates to disenchant with the effectiveness of the management models and return to traditional approaches to the management.

2. Lack of trust and effective communication between the head (business owner) and employees of the organization. The introduction of new organizational and management technologies often begins with the initiative of top managers, who, for various reasons, can not bring the value of new technologies and can not convince the staff in the need to implement them. The few attempts to “persuade” the performers usually end in such a way that the owner or top manager begins to implement (force into application) a technology exclusively by prescriptive methods which leads to the ultimate destruction of trust between managers and staff, and, sometimes, to outright sabotage of new solutions in this field.

3. The formal attitude to the management technologies. The technology often exists only “on paper”. That is, certain regulations are entered, documents signed, even beautiful certificates received, but, in reality, the regulations are not fulfilled, and the documents are not the real source of the activity. Unfortunately, this can often be seen, for example, during introduction of the quality management systems at the enterprise which, of course, affects the efficiency of the organization activity.

4. Lack of flexibility in the implementation of the management technologies, i.e. an attempt to technically transfer the technology to new ground, to a specific organization, without considering the peculiarities of the latter, without adaptation to the specific circumstances, without its “tuning” to the needs of a particular management system. A similar error occurs very often. It may not have a fundamental impact on the implementation of the decisions on the introduction of the management technology, but always creates additional problems that, while accumulating, can lead to serious consequences in the form of reducing the effectiveness of the management or to the refusal of use of the management technology in a specific organization.

5. “Problems of growth” of the company when the internal structure does not have time to meet external needs, market requirements and size of the organization in general. This problem does not occur as often as the above, but also incidental to Russian companies. This occurs when the introduction of the management technology in a company coincides with its significant growth (opening of new lines of business, departments, branches, etc.). At such a moment, a loss of stability and relative stability of the management system takes place. And, it turns out that the mechanism of the new technology just starting its tuning needs to be transferred to other divisions or activities which greatly complicates the completion of this process. This leads to the fact that the technology remains not fully implemented and after some time loses its value at all due to lack of time or the will of the leaders to its implementation.

6. The complexity of coordination of the technologies’ implementation, if they have a specific subject (functional) orientation when the heads and specialists of one sphere do not understand the principles, mechanism and generally need to implement any specialized technology. For example, such difficulties are encountered in the implementation of budgeting in the company when the department heads (especially subsidiary) do not understand why they should deal with financial planning when there is an appropriate service. Or, when introducing the design engineering management technology, the heads and specialists, who do not know the special features of the design engineering activity, are opposed to the additional duties related to the increase of work time or document control.

7. Lack of the established feedback mechanisms leads to misunderstanding and unrealistic expectations of performers (and often, the heads themselves). The important changes should be usually started with a

serious information preparation. It is necessary to understand what information flows exist at the enterprise, including informal ones, to be able to manage them in the process of introducing new technologies.

8. The majority of the modern management technologies assumes, above all, a change in thinking, the use of mental methods to resolve the situation and then the technological envelope. In the Russian companies, the most difficult moment is just a change of mind. And often, we can see the attempts to introduce a technology without intellectual content. This usually leads to washing-out of the technology sense, its subsequent corrosion and gradual dying away as expectations of managers and specialists not met.

9. Another interesting, in our opinion, problem is pseudo improvement of the management technology itself. When the strange alien elements appear in the standard procedure of any organizational and managerial technology that are intended by their creators (most of them are middle managers) to improve the technology, but actually reduce it to “zero.” This is due to the appearance of any additional documents, unjustified actions, duplication of management functions, redundant control, etc.

10. Finally, another important issue, in our view, is “the influence of the opinion inherent in the Russian mentality that a strong leadership is required.” The point is that this is a really serious problem of Russian business; there is virtually no effective management without a strong leader. With the implementation of this control is manifested particularly clearly. When implementing the management technology, this is manifested particularly clearly. As soon as a manager (owner) reduces the attention to details when implementing the management technologies, the efficiency of this implementation is immediately reduced. Unfortunately, to this day the “manual management” remains the most popular element of the management system in Russia, despite the fact that many Russian companies more or less effectively implement various management technologies.

It should be noted that most of the problems have not isolated nature but are all-up manifested while reinforcing negative effect on the implementation of the management technologies. If to look comprehensively at the above problems of the implementation of the management technologies, it can be concluded that to overcome them we need an approach that will provide a comprehensive solution. This solution, in our opinion, is a change management technology which is a relatively new in the Russian market. The point is that the introduction of a new management technology is one of the fundamental changes in any organization; therefore, this process needs to be managed as a complex change. The change management is defined as a structured approach to the translation of individuals, teams, and organizations from a current state to a desired future state that completely fits into the logic of our study.

A key element of the change management system is a technique to overcome the resistance of staff in the implementation of the planned changes. Based on the results of studies [7], we can give the following data. In the survey, 80% of respondents said that the organizational changes have had a significant impact on staff and working environment in the company. As the consequences of organizational changes, they called:

- an established tense psychological atmosphere (70% of respondents) in the office;
- a marked decrease in dedication and loyalty of employees to the organization (45%);
- decrease of innovative activity of employees (new ideas, a willingness to take on projects with a certain level of risk) - 40%;
- increase in the number of conflicts between employees and management (35%);
- change of requirements of employees to the level of remuneration (35%);
- “voluntary” severance of some valuable employees (30%);
- decline in labor productivity (25%);
- increase in the number of conflicts between the employees (20%)

This is not an exhaustive list of possible reactions of personnel that impede the achievement of goals set by company for the organizational changes [8]. When introducing new management technologies, the situation is exacerbated by the fact that a painful and potentially conflictual process for the organization involves at least two significant sized groups of people, supporters and opponents of changes. As a result, a number of psychological effects of group dynamics appear: the organization disintegrates into warring camps, which are struggling to keep their group integrity and interpret what is happening in terms of “we” versus “they”, “winner” and “loser”, “best” and “worst”, etc. Managers wonder: introducing changes are essential for the further successful development of the company, so why employees are not willing to accept innovations and contribute to their implementation? Main reason is very simple (which, however, does not reduce its impact on the organization) - fear. Fear of loss and fear of the unknown and incomprehensible. This may be a fear of losing their job at all, to lose a certain status or usual friendly atmosphere within the department as a result of changes in the management technology, to part with your favorite colleagues, failing to adapt to the new requirements... And all this for what? For unexplained loud purposes, the practical results of which are quite not obvious to ordinary employees.

Basic principles of overcoming the resistance of staff to organizational changes follow from its grounds:

- the most open and honest communication of leadership with subordinates at all levels *максимально*;

- to bring to all a maximum of information about what is happening;
- involvement of employees in decision-making;
- additional training.

These methods are generally accepted and are sufficiently mature, but, unfortunately, they do not give a perfect result of successful implementation of new management technologies. The fact is that a simple technical application of these methods does not give guaranteed results. For example, the presence of the developed horizontal links in the organization may be indicative of the maturity of the company. It is believed that it allows delegating authority and responsibility, and, thus, increases the survival of large organizations during the implementation of changes. But it is usually overlooked that, at need for fundamental changes, the horizontal links are one of the biggest causes of resistance.

In fact, one explanation to the people - how and what to do – is not enough! It is even not enough to convince them that it is better for them.

After all, for example, everybody knows that it is bad to have bad habits, but most people who have these habits do not try to get rid of them, and if they try, nothing good comes out of it. In this case it is necessary to consider: why the changes do not take place? (and if they do they do not satisfy the heads...). The answer to this important question can be found in work of David Meister [2]. He believes that “the main reason why we do not make efforts in those areas in which, as we know, we need improvements - this is the fact that the reward (and its enjoying) will be in the future, but efforts, discomfort and discipline required to achieve it are needed immediately. To achieve our goals, we have to change our lifestyle, daily habits, and this is to be done now. And then we should have enough toughness to follow the new habits and do not be tempted to take up the old. Then, and only then, we will reap the rewards from innovations.”

In order to take advantage of traditional recommendations on management of resistance to change and take into account the restrictions of D. Maister, it is proposed to use a technology described in the book by John P. Kotter “Leading Change” [2,3]. The proposed requirements relate to the development of not any changes, but the introduction projects of new management technologies. Since we are talking about managing such changes, which should form new habits of behavior, it is necessary to create such characteristics of the organization and business processes, refusal of which will be possible with great difficulty. That's so how to integrate the management technologies. Otherwise, the likelihood that the technology will remain “on paper” and will not be fully implemented in the organization is very high.

Thus, for the successful implementation of the management technologies in the practice of Russian companies, we propose the following steps:

1) The implementation of the management technologies is to be started from the preparation of both the company itself and preparation of the personnel for performance of changes. Preparation of the company must answer a series of questions related to the readiness of the organizational structure, the ratio of the technologies used to technologies to be implemented, the ratio of building of production process, etc. For the staff, it should be the readiness diagnostics for the implementation, explanation and preliminary formulation of the upcoming actions. The main achievement at this stage should be the creation of an atmosphere for urgent actions.

2) The next step should be the fullest possible realization of the changes associated with the introduction of new management techniques at all levels of the organization. The consciousness is a necessary but insufficient condition for successful implementation of the technology, and the sincere adoption by the maximum number of employees is very important. Often, this action is called the formation of vision, creating and retaining the desired image of the future in the mind to increase the activity of employees.

3) The stage of integration of the new management technologies into the existing management system is primarily associated with the formation of the agent teams of changes. Such a team should be made by the managers and employees most authoritative both in the formal and informal plan. The members of this team must also be motivated to maximize the efficient implementation of new management technologies, not only and not so much in material terms, but also in terms of the realization of personal goals, ambition and achievement motivation. The number, composition and structure of mutual relations of the team is determined based on parameters of size of the organization, assessment of the quality of the existing management system, the company's expertise in making changes, the readiness of its staff to conduct specific transformations, etc. This command is intended to plan and create the conditions for the implementation of the management technology in the organization, eliminating the obstacles blocking the new behavior of the employees; changing the organizational structures, management and operational functions, which impede the implementation of the established vision. However, they should strive to organize informing the staff, its support and motivation; encouraging creativity and willingness to take risks in implementing new technologies. Another important activity element of this team is to achieve early results, as the success of the first steps is often depends on the effectiveness of the whole further activity.

4) The final stage of the introduction of the management technology is to consolidate and expand the achievements of transformations. As our study has shown, this step is "Achilles heel" of the change management in Russian organizations. Often, the Russian managers, received a relatively successful result of the introduction of the new technology, calm down thinking that everything will continue without much influence of leadership on the process.



As a rule, this is a critical error which ruins the whole project. Therefore, this stage should be given special priority in Russian organizations. It is very important for managers to create an atmosphere of trust to the new technologies including the change of the staff and performance of the personnel replacements. The implementation should be started with the introduction in individual subdivisions, and then to spread the successful experience of implementing the technologies throughout the organization. Finally, the extreme action in our process is the institutionalization of new approaches, formalization of rules of conduct, building the relationship between the results and rewards, creating conditions for the development of new qualities of employees.

Summarizing the study conducted, we note that the majority of the problems of the introduction of the foreign management technologies in the practice of Russian organizations are associated with the lack of culture and change management skills of the leaders of these companies. Most of these problems can be successfully solved, if we use the technologies of the transformation performance in the organization adapted to the specific conditions of business.

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Zueva O.A., Gorovoy A.A.

## THE CONCEPT OF A DIGITAL ECONOMY AS A QUALITATIVELY NEW ELEMENT OF THE NATIONAL ECONOMY OF RUSSIA

Zueva O.A., Candidate of Economic Sciences, associate professor  
of business and commercial activity of St.Petersburg State University of  
ITMO, Russia

Gorovoy A.A., Doctor of Economic Sciences, associate professor of  
business and commercial activity of St.Petersburg State University of  
ITMO, Russia

### Abstract

In article different concepts of a phenomenon and development of digital economy are analyzed. The phenomenon of digital economy as the economy of data presented by the countries – leaders, strengthens information chaos in economy. The necessity of forming the national concept of development of the digital economy as a qualitative component of the Russian economy on the basis of a comprehensive scientific approach is substantiated. The essence of the domestic digital economy as an economic cyber system providing information interaction of subjects in the real and financial sectors, through information technologies, the Internet and communication and being a competitive advantage of the Russian economy is considered. The necessity of creating a competitive domestic digital economy is substantiated. This problem should be solved by economists through the formation of a scientifically objective econometric model, and technological support should be formed by IT specialists.

**Keywords:** digital economy, industrial Internet of things, national economy, real sector, financial sector, information technologists, innovative potential.

In the Address to Federal Assembly in 2016 and a performance at the international economic forum of 2017 in St. Petersburg the Russian President has noted need of start of a large-scale trend of development of an important