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FUNCTIONAL MANAGERIAL APPROACH AND ORGANIZATIONAL PROGRAMMING

The article justifies the need for development and implementation of a new functional managerial approach - organizational programming. It studies the significance of management cycles for organizational behavior optimization and provides a quantitative and qualitative assessment of the meta-Information Technology (IT) framework of organizational sustainability. This framework helps programme the organizational process. Organizational programming is accomplished through a strategic cluster analysis of corporate indicators and business processes that heighten the level of economic activity in different organizational context.

JEL: O31; M1; M15

A major challenge for modern management science is to enhance organizational sustainability and efficiency. Efforts of the academic community and arguments of business managers of social practice filter down to: enhancing managerial theory that correspond to the evolving internal and external business dynamics; building *strategic vision and integrated models* of governance; enhancing the *control and optimization* of tangible and intangible organizational resources. As a result of these environmental challenges and managerial endeavors, broad implication in the *theory and practice* of management is given to the concept of *management control* (in Bulgarian management literature) and its western equivalent *six sigma*. The aspiration is to foreordain the development of organizational competencies and manage organizational excellence. It is commonly perceived that constant process of controlling inevitably leads to an increase in company's performance and asset base.

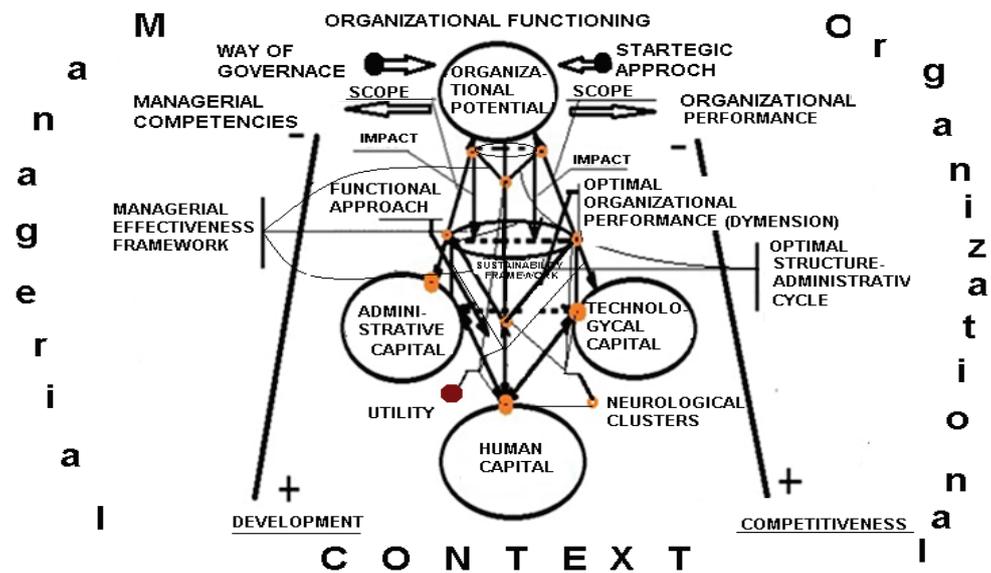
Although important, the *conceptual underpinning of such academic reasoning* suffers a significant *disadvantage*. An increased level of control for example, often encapsulates the organization. This results in *inert management* practices that limit the extent of interaction inside and outside the organization. The role of management *functionality* is often underestimated, which in turn deviates organizational performance from its optimal course of action and creates an *inadequate and unrealistic organizational dynamics* that stalls change and hinders the organization from achieving optimal structural administrative positioning and performance. Thus managers often employ inadequate strategic management approaches, which organizational competencies, but the actual result entails structural imbalances. The systematic administrative deviations from optimality in the medium and long term form an organizational identity characterized by *managerial depressiveness and continuous* decline in organizational activity and interactions (Kamenov, 2008; 2015). The need for *innovative approaches* in the theory and practice of management comes to the fore.

Structural administrative meta-framework of organizational effectiveness

The *functional managerial approach* streamlines the organizational process and provides an objective/realistic structural administrative organizational assessment. This approach initiates and sustains a proactive management (structural-administrative) cycle, which is characterized not only by a high *degree of compatibility among all components* of the organizational process - objectives, structure, activities, situations and competence, but also with a higher level of efficiency and sustainability. The *optimal structural administrative cycle* is achieved by quantifying the importance of neurological *clusters* (strategic centers) - a set of structural management activities - developing the human, technological and administrative potential in the organization. The functional managerial approach builds a *meta-IT framework* of structural administrative sustainability (Figure 1) and quantifies the *utility, impact and scope* of organizational processes and activities in view of the managerial situation at hand.

Figure 1

Structural meta-framework of organizational functioning and managerial effectiveness/sustainability*



* This structural framework is a by-product of a patented methodology – „Cognitive Topology“, PCT/CA 2012/050715

The structural meta-framework of organizational functioning identifies key structural administrative *variables* and the nature of interaction and interdependence

among them. Thus this framework helps measure the importance of all strategic centers (set of key organizational activities) in the process of organizational development and programmes the organizational process. Organizational programming becomes possible by measuring the level of compatibility between *organizational activities, competencies and managerial situations*. Its contribution to management science – theory and practice, is found in the overall relativity (measure) of the organizational process. The relativity claim is that different organizations perform uniquely, depending on the organizational dynamics at hand, i.e. the same organizational activities *enjoy different utility coefficient, scope and impact* in different organizational context. As a result, the functional managerial approach determines the *structural administrative dynamics* within an organization and creates a *unique organizational functioning dimension* that enjoys only one *optimal course of action* (constellation of process variables). This managerial approach creates an optimal structural administrative cycle; establishes the necessary preconditions for sustainable organizational development; sets the time-frame for achieving the programmed strategic objectives; and predetermines organizational results and managerial expectations.

The change in external and internal corporate environment requires a systematic *calibration of the organizational process*.¹ This includes a proper measurement of administrative deviations and constant adjustment of the ongoing structural administrative activities and objectives. This adjustment depends on the availability of a system of *managerial indicators*, which allow management to frame *the realistic organizational dynamics* and to form managerial behavior that leads to the best possible *organizational result/outcome*. The leading management performance indicators are a function of the utility, impact and scope of the *human, administrative and technological* resources/capital upon organizational performance.² In this context, the role of *organizational programming* for the development of the modern management science and practice boils down to systematic *structural administrative* adjustment of the organizational process.

Structural administrative cycle and managerial effectiveness

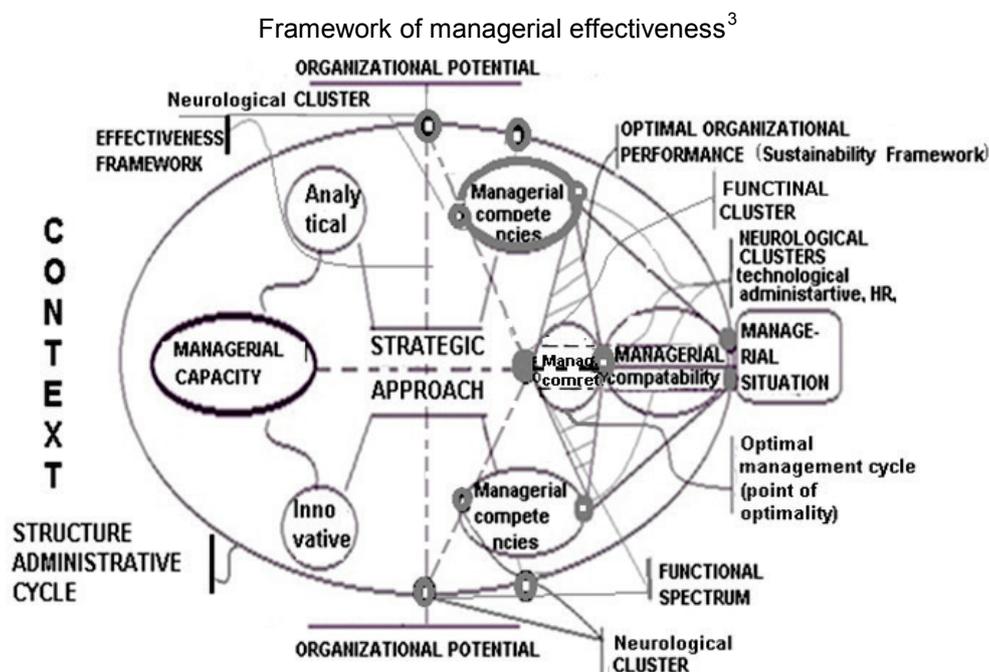
The necessity of a detailed evaluation of managerial abilities and organizational potential for growth surges the dynamics and interaction level within an organization.

¹ Organizational calibration is a form of structure-administrative adjustment, which is determined by the level of compatibility between the components of the organizational process. Please refer to <http://openmindmanagement.org> – Management Center "Open Mind" Ltd.

² They are: volume of production; innovation in the organization; the quality of the manufactured product/service; development and implementation of educational programs; level and nature of employment, including working teams as a percentage of all employees; liquidity of company assets; percentage ratios between own and loan/equity capital, between debt and asset; level of sales and research costs; level of return on the investment; leasing policy; advertising costs, etc. The interactions among these indicators to a large extent determine the types of management situations activities taking place in the organization is considered in more detail by Hadjiev, 2014.

Thus, it helps build upon organizational knowledge and managerial experience. More often than not such an evaluation heightens organizational efficiency and managerial effectiveness level by targeting a unique *structural administrative cycle*. The argument in this respect is that the uniqueness of each cycle is accompanied by a set of highly compatible administrative activities. The high level of structural administrative compatibility optimizes managerial performance and increases organizational resistance to unfavorable developments in the internal and external organizational environment (context). These managerial capacity building efforts result in developing managerial competences that heighten the overall level of organizational competitiveness. The interplay and compatibility among organizational process components – objectives, activities, structure and competencies map the *framework of managerial effectiveness* (see Figure 2).

Figure 2



The *utility, scope and impact* of this framework upon the efficiency of organizational functioning is determined by the degree of development of the *administrative, human and technological resource/capital* within an organization. An

³ The effectiveness framework is a by-product of a patented methodology - "Cognitive Topology", PCT/CA 2012/050715 - and is property of Management Center Open Mind. It cannot be used without a license or a teaching permit.

accelerated development of the administrative *capital* streamlines the organizational process; *rationalizes organizational functioning; creates an adequate strategic managerial approach*. The process of rationalization leads to the development of managerial competencies at all structure levels and enhance the ability of the organization to transform and develop in an optimal way. The consistency in synchronizing *management operations* with the dynamics of the organizational process (the managerial situation at hand) enhances managerial effectiveness and creates an optimal management cycle as a prerequisite for sustainable organizational growth (Hadjiev, 2015).

The degree of development of the human *organizational resource* is determined by the management capacity of the employees in the organization. This capacity is formed and developed on the basis of the established management concept - the understanding of management responsibilities, obligations and expectations associated with the initiated structural administrative activities. Management concept development is a by-product of managerial abilities to measure the relativity of all neurological clusters – a strategic set of organizational activities that lead to optimal management performance. On the one hand, it identifies *critical points* in organizational functioning - possibilities for structural administrative deviations from the course of optimal organizational functioning. On the other hand, it generates the necessary managerial potential to achieve prior strategic objectives and managerial tasks.

The development of the human resource also becomes possible by building a *managerial profile* of all employees within an organization. This profile determines the interaction between the needs of the business/organization and the strengths/weaknesses of management. It forms a sustainable working climate and determines the type and forms of employees' capacity building; serves as a guideline for HR development of employees in the organization; maps the type of optimal organizational employment. As a result, the managerial profile helps build upon key human resource competencies necessary for the achievement of the desired objectives and tasks arising from within a realistic dimension (context) of organizational functioning. This in turn leads to internal structural administrative synchronization which increases the degree of compatibility among *human potential, managerial competencies and organizational readiness to initiate and implement their strategic objectives*.⁴

Technological resources increase management efficiency and often serve as a basis for innovative changes. This becomes possible by integrating the volume of information related to organizational functioning and determines the level of *compatibility* between organizational *potential and managerial capacity* in view of the planned strategic objectives. The compatibility level is determined by quantifying all neurological cluster sets that propel organizational functioning. It determines the topological foundation of the organizational process and makes organizational programming possible. The quantitative value of each activity set generates an *optimal structural*

⁴ The construction of a managerial/organizational profile is a by-product of a patented methodology – „Cognitive topology“, World Intellectual Property Organization (WIPO) - WO2014/056067.

administrative cycle and helps management identify the *nature of the decision-making process*. The cycle reduces transactional costs, creates an informational technology (IT) organizational framework and prescribes the optimal course for organizational development, i.e. determines the HR risk and sets managerial priorities in view of the organizational dynamics (situation) at hand.

The *IT framework* of organizational programming is inducted upon the organic quantitative dimension and qualitative value of the *management effectiveness framework (neurological cluster centers)*. Taken together *both frameworks* help improve organizational performance; define the resource infrastructure of the organization; reveal the topology of the organizational process; initiate management activities, consistent with pre-set management objectives. As a result, the IT organizational framework helps increase administrative capacity by enabling prompt and adequate development of governing managerial competencies that increase the overall level of organizational competitiveness (Hadjiev, 2015).

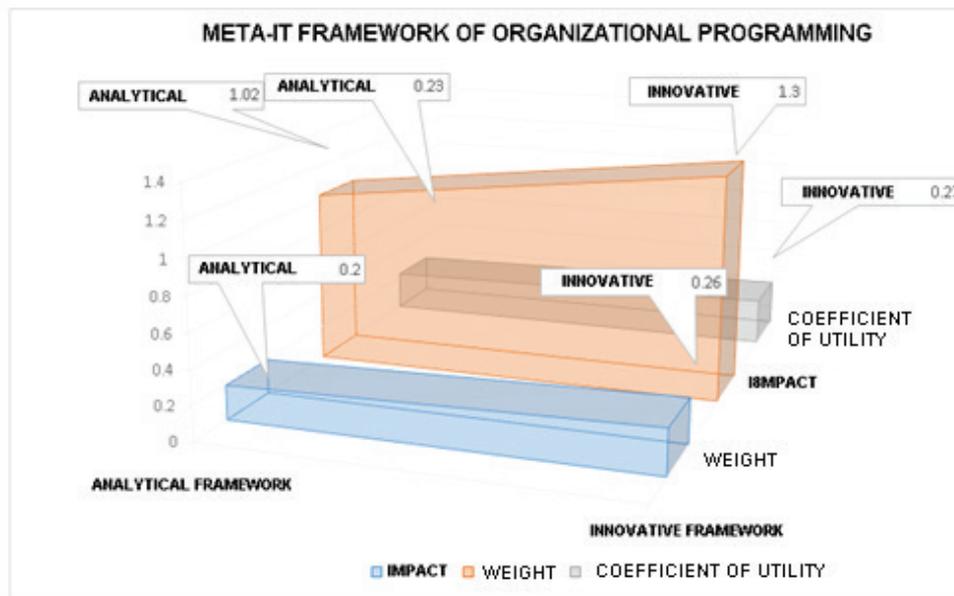
Information technology framework of structural administrative programming

Structural administrative programming becomes possible by freimenting - *fragmenting* and *segmenting* the organizational process. The method of organizational freimentation defines all major types of managerial situations and defines a strategic management approach that speeds up *organizational competencies development*. This methodological approach optimizes the decision-making process and brings about change within the organization by facilitating managerial capacity building. Organizational programming becomes possible by determining the level of structure and administrative compatibility. This type of compatibility generates a meta-IT framework of organizational sustainability which exhibits a unique dimension of organizational functioning in a different organizational context

Organizational freimenting determines the *functionality of a number of managerial competencies*. A realistic assessment of such competencies enhances the administrative capacity by rationalizing, optimizing and timing the adjustment of the organizational process. Propelled is an organizational dynamics which is cycled by the IT framework of managerial sustainability. This framework balances the interaction between organizational resources, on the one hand, and the components of the organizational process, on the other. It datalinks various performance indicators in order to identify the degree of structural balance/imbalance and determines the nature of the strategic decision-making process. This advances organizational dynamics characterized by a higher degree of compatibility between the features of the managerial situation and the strategic approach to decision-making. Despite the *diversity of possible management situations*, there are two basic managerial categories – Analytical and Innovative, of particular significance, in the process of organizational development and growth. These categories are at the core of the structural administrative datalink cycles and help project (calculate) the point of optimality. This point quantifies, measures and

computes the topological trajectory of the organizational process and constitutes the cyclical nature of organizational programming. The attributes that come along with the Analytical and Innovative nature of organizational functioning establish the meta-IT foundation of organizational programming (Figure 3).⁵

Figure 3

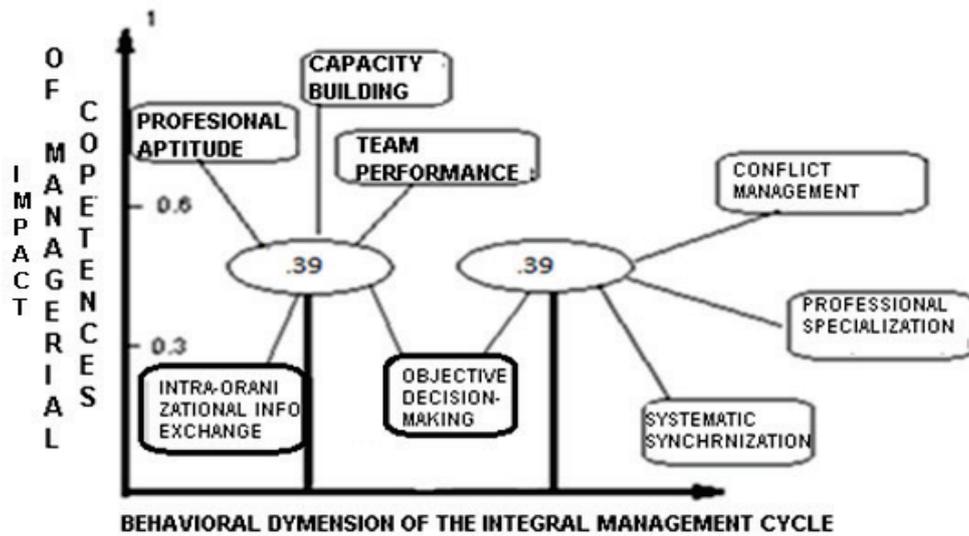


The Analytical Meta-IT framework of organizational programming studies the importance of management situations and their immediate interaction with all process components. It incrementally develops the necessary managerial *skills and aptitude laying out the foundation for process optimization*. This cycle gradually adjusts any deviations from the implementation of the programmed organizational objectives. This is achieved by measuring the *optimal balance* of managerial activities and identifying all management risks for each stage of organizational development. It generates a structural administrative cycle causing an intense interaction among all fragments and segments of the effectiveness organizational process framework. Thus all managerial decisions are directed toward the study and development of technological projects significantly enhancing the productivity and dynamics of the *integral management cycle*. The relativity (functionality) of this management cycle is 39 (see Figure 4).

⁵ Analytical and innovative management cycles are formed as the result of the degree of interaction between four main types of management situations and approaches, generating an optimal structure-administrative management cycle (see Hadjiev, 2013).

Figure 4

Behavioral dimension of the integral management cycle



The relativity of the above-identified integral management competencies bear immediate significance upon the sustainable and efficient development of the integral management process. They bring out process optimization based on the effective use of technical knowledge and know-how (for more details see Hadjiev, 2013). These managerial competencies targeted behavior are consistent with and characterized by an objective decision-making; accelerate information exchange among organizational units and improve the channels of communication by developing an intra-organizational information infrastructure.

Such managerial approach enhances the level of managerial interaction and creates a comprehensive view of all key managerial activities and processes within the organization. Successful functioning and outcome of the *integrated cycle* to a large extent depends on the controversial interaction of numerous managerial competencies and factors. Leading among them are *conflict management*, *degree of professional specialization*, *systematic synchronization of the organizational process*, *objective decision-making based on a cluster of performance indicators measuring organizational progress and development*. The interaction and interdependence among the managerial competencies mentioned in Figure 4 generate the *integrated management approach* and help achieve a higher degree of organizational sustainability.

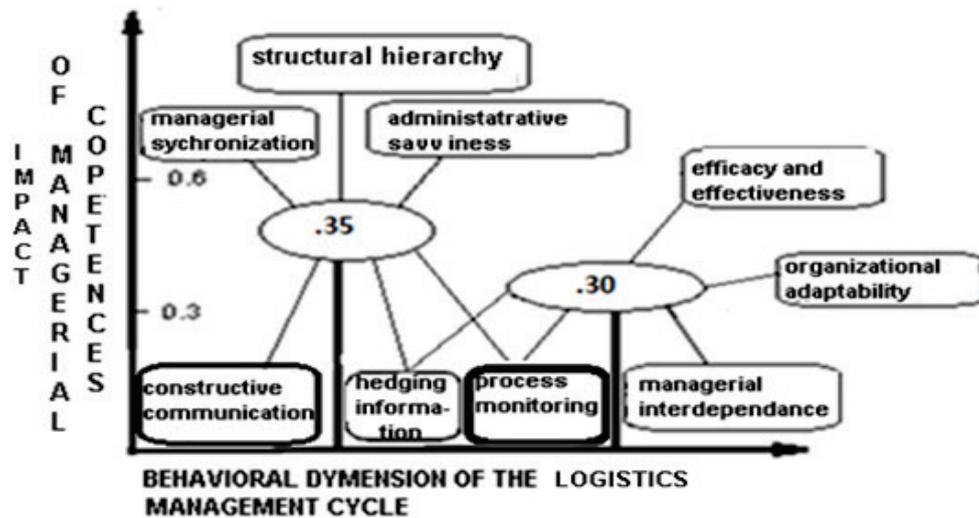
The logistics management cycle focuses on *coordination, organization and implementation* of the initiated managerial processes and strategic objectives. Management competencies and factors, optimizing management behavior are

determined by the degree of readiness and opportunities for risk taking within the organization. The successful outcome of this cycle is contingent upon the presence of effectiveness framework and highly specialized organizational staff able to make quick managerial decisions. The logistics managerial competence forms a managerial behavior that is characterized by a high degree of efficiency and accuracy in the implementation of the initiated processes and activities in the organization. Emphasis is placed on the overall development of the organizational process, and not on its individual components. To a large degree attainment of logistics management goals depends on the practical experience of managers and their ability to systematically evaluate and improve organizational performance.

On a practical level, management competencies of the *logistics cycle* build the administrative and hierarchical structure of the organizational process. It creates the necessary prerequisites for fostering management interaction and facilitating the development of the proposed product/service. In a highly uncertainty environment management behavior bears sustainable nature only when the emphasis is not on fragmentation of the management processes and activities but rather on *hedging the level of information processing*. The relativity of the logistics cycle and its behavioral dimension is illustrated on Figure 5.

Figure 5

Behavioral dimension of the logistics management cycle



Managerial results of the logistics *management approach* are measured on the basis of such performance indicators as identification and development of key management activities; availability of a monitoring system for observation and control of these activities and the provision of timely logistical information; level of decentralization of the work environment and the exchange of institutional experience; extent of

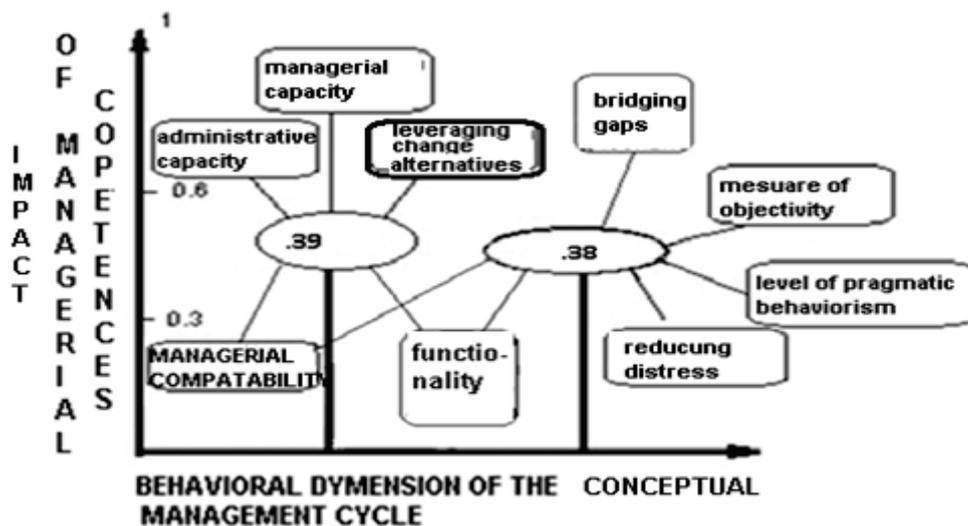
integration of logistics management process; as well as identification of new and long-term business development opportunities.

The innovative framework of organizational programming generates a *conceptual management cycle* which determines the *strategic business identity* of each organization. Very important for the successful development of this cycle is the systematic development of organization's overall potential and capacity for growth. The capacity-building process requires a structural administrative mechanism leading to systematic business development and proactive identification of the actual/realistic organizational opportunities for growth. Of particular importance are managerial risks, priorities and alternatives for practical implementation of the initiated organizational changes.

The conceptual cycle of the innovative process forms a behavior, leading to the determination of the optimal interaction between *managerial and human capital* (Panayotov, 2015). The nature of this interaction does not pertain to efforts providing a resolution of a specific management problem or task, but rather to the identification of the need for change in the status quo and balance among all organizational objectives, structure and activities. The result of such efforts is expressed in achieving a sustainable change in the course of organizational development. The proper implementation of this cycle significantly lowers the level of organizational distress. The relativity of key management competencies that bring about sustainability within the *conceptual management cycle the innovative process* is indicated in Figure 6.

Figure 6

Behavioral dimension of the conceptual management cycle

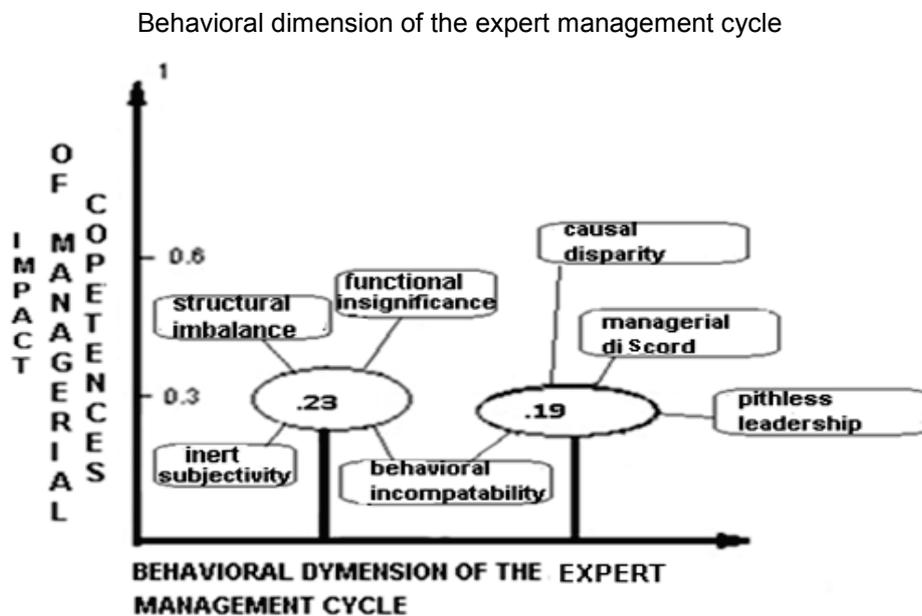


Management results in the studied cycle are measured against such management indicators as the number of identified new business development opportunities;

institutional capacity building measured by the level of integration of management activities and functions within the organization; level of effectiveness and sustainability during the transformation process; the overall measure of the significance of organizational resources and the compatibility level between structural administrative and technological pipeline activities. The ultimate success of the conceptual innovative management process depends on the intangible value of the pre-programmed organizational activities and assessment of their impact on the overall organizational development in the medium and long term.

The expert management cycle of the innovative process is generated by the changing nature of the contextual underpinning of organizational functioning. The success level of this cycle is measured by determining the *endogenous DNA dynamics* of the organizational process. Such an approach initiates compatible structure-centered activities that enjoy a measurable contribution to the achievement of the desired organizational momentum. Usually this is achieved by a *hyrgoscopic - detailed, realistic and surgical*, evaluation of the contribution of each segment of the meta-IT sustainability framework of the organizational process. A hyrgoscopic organizational functioning creates the necessary managerial and organizational prerequisites for systemic improvement of the organic composition of the intangible organizational resource. It fuses organizational capacity building that creates tangible social value and accelerates socio-economic growth and development. The key managerial competences that affect the dynamics of the expert cycle are exhibited in Figure 7.

Figure 7



A leading role in optimizing organizational functioning enjoys management's ability to determine the degree of organizational incompatibility between managerial potential and behavior in the long run. The presence of managerial disparity and structural pithlessness divert the organization from its optimal course of development and stimulate depressive and inadequate managerial behavior. Organizational imbalances lead to dysfunctional leadership characterized by an increasingly lowering degree of utility. Lack of a clear management concept and development perspective result in irrational organizational policies and cause inert management practice, which ultimately generate a critical disparity in organizational functioning and result in organizational crisis.

A high degree of incompatibility in *the innovative management process* causes functional distress and results in abstract organizational activities departing from the optimal organizational dynamics. In such organizational context the necessary managerial harmony is a result of a managerial precaution and contemplation rather than a well-developed methodological and conceptually based organizational development IT framework. Managerial precaution minimizes innovative vigor and undermines human capital development efforts. This in turn curves an organization's potential for growth and reduces organizational capacity to initiate and implement change inside and outside its medium. Such behavioral dimension decapitates intellectual potential for growth; undermines business legitimacy; marginalizes the tangible and intangible development of organizational resources; limits the potential of organizational surge.

Methodological background of organizational programming

Organizational programming determines the compatibility level among managerial *cycles, competence, activities, approaches* and the anticipated *managerial result*. This is accomplished by measuring the coefficient of utility, scope and impact of the neurological organizational clusters upon the development of the analytical and innovative process. It reveals the level and degree of interaction among the components of the management process and prescribes the optimal course of organizational development. The nature of the examined interaction and interdependence determines the organizational dynamics of the functional managerial approach – the dimension of organizational functioning. Thus it measures the impact of each management cycle upon organizational development.

The examined management cycles are dynamic in nature. In the course of time each of these cycles becomes essentially a routine and results in inert organizational behavior. Initiated are new management processes and activities, which change the functionality and the scope of the meta-IT framework of managerial sustainability. Qualitative and quantitative deviations from the optimal course of organizational functioning are initiated, enabling organizational transition from one management cycle to another (respectively of one management situation to another). This leads to a new quantitative and qualitative measurable output of organizational performance. It

produces a *functional neurological cluster* that projects a new topological dimension of organizational relativity.

The functional cluster determines the compatibility level of managerial competencies within an organization, on the one hand, and the managerial situation in the process of organizational development and growth, on the other. The topological dimension of organizational functioning reveals the degree of administrative risk in the implementation of the initiated strategic change. The functional cluster develops a structural administrative (managerial) potential by calibrating the relativity of both managerial processes against the programmed managerial objectives. This in turn streamlines management objectives and behavior with organizational priorities and enhances the overall level of functional sustainability.

The conceptual analysis of the structural administrative dynamics determines the methodological foundation of *organizational programming*. The study of the effects of different management situations and competence is particularly relevant to the argument of organizational sustainability. One of the challenges of the modern management theory and practice is to determine the topological dimension of the point of optimal organizational and managerial functioning in all key stages of the transition from one structurally-administrative (situational) cycle to another. This transition creates the need for developing a *new scientific approach* to management - DNA management. This approach projects a topological dimension of the *optimal organizational functioning in different organizational context* and creates a *DNA organizational profile*. This profile not only reveals the cyclical nature of organizational programming but also perpetuates the optimization of organizational functioning by enhancing managerial effectiveness and governance sustainability.

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Taken together the administrative, human and technological resources of the organization define its strategic *capacity* – the ability to navigate a strategic change to a successful outcome. The better developed are these organizational resources, the more clearly defined is the framework of management effectiveness and governance sustainability. The sustainability of the organization is increased in time. Its strategic organization competent and management capacity are developed. Increased are the level of managerial and organizational competitiveness – mission, objectives, structure, activities, competences, on the one hand, and the managerial situation, on the other hand. It becomes possible to rationalize, synchronize, optimize and correct the structural administrative functioning of the organization. The managerial effectiveness and the organizational activity are increased.

The interaction between management cycles and managerial behavior is carried out through *the meta-IT framework* of the analytical and the innovative process. This framework determines these management competencies and factors that optimize management behavior for each management cycle. It provides a quantitative assessment of the extent and the impact of the Integral, Logistics, Conceptual and

the Expert management cycles on the strategic development of the organizational process. This framework programs organizational functioning by determines the optimal balance of management competencies and generates organizational dynamics that leads to predictable and desired strategic result.

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