

MODERN REQUIREMENTS FOR MANAGEMENT OPTIMIZATION IN THE CONDITIONS OF NEW SOCIO-ECONOMIC FORMATION OF HUMAN SOCIETY

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Abstract

The article is devoted to identifying the main modern requirements for management in the conditions of the next formation of human society. Constructive factors and criteria for evaluating socio-economic formations of human society are considered in the given article. The author's characteristic and name of the new formation of human society are put forward. Using the benchmarking method, an analysis of the innovation life cycle is performed for the processes of optimizing management by reengineering administrative procedures, in the context of the modern formation of human society. The author studied the issues of cardinal efficiency improvement, based on the findings, developed the necessary measures.

Keywords: constructive factor, natural systems, Informism, noosphere, optimization, reengineering, tools and methods of management information

Introduction. Considering modern tendencies of intensely growing diversification of vital human interests, our society faces the acceleration of transformation in science, technology, and culture. This in turn demands further speed-up of development of innovations both in public and in private sectors.

Each stage of social economic formation of the human society is characterized with certain *arrangement factor* related to it in space and time. This arrangement factor is a driving force for the society determined by its social needs and demands and setting optimal methods of management. Culture and laws, rights and freedom, status and wealth, power and justice of an individual and a society are directly influenced by the arrangement factor of each formation. Thus, the arrangement factor can be considered as a primary criterion of classification of social economic formation of the human society.

For example, in primitive society an individual had to be a member of a tribe to ensure his safety. His freedom and wealth were in direct proportion to his physical power, status didn't differ much, and laws were based on the culture formed. Hence the arrangement factor of primitive society was **membership**.

The arrangement factor of slave owning system was **physical power**. Freedom and wealth of an individual was in direct proportion to the number of free labor recourses that belonged to him. There started the process of stratification of statuses, culture and subjects' rights.

During feudalism in terms of cheap man power there increased the value of **irrigated lands** that determined productivity, and consequently status and wealth. The number and size of irrigated lands determined rights and freedom of an individual, thus they became the arrangement factor of the formation.

The arrangement factor of capitalism is **money**. It gives unlimited access to acquiring all kinds of material things, so it determines wealth, status, rights, freedom, and even culture. Inviolability of private property is proclaimed institutional foundation of capitalism.

All the above mentioned social economic forms of the human society developed evolutionary and they are similar to natural systems. In the 20th century there appeared a number of flawed formations such as socialism, fascism, fundamentalism. They were considered to be flawed due to the fact that their arrangement factors did not suffice to arrangement factors and characteristics of natural systems. Their revolutionary and forced implementation were, a priori, doomed to failure.

The present analysis of transformation tendencies and of arrangement factors gives all reasons to suppose that humankind has been undergoing a new social economic formation of the human society for several decades. Modern culture and laws, rights and freedom, status and wealth, power and justice are influenced by that regardless the fact whether an individual or a society wants it or not. It imposes its laws both on a society and on methods of its management which in turn calls for a rethinking of traditional ways of management so that corresponding systems could reach their goals and accomplish their mission.

Starting from the end of the 20th century we have been witnessing the transition to a new social economic formation of the human society and we would like to name it. It is ***informism***. The arrangement factor of this formation is **information** in its broad meaning. Each new information life cycle starts a new stage of further development, since information means knowledge and when we get knowledge we get a new skill. When repeated, a new skill becomes a habit, a part of culture, a way of life. Using it every day we may find out some flaws, some inconveniences, some imperfections solving which becomes a priority in manager's activity if he wants social stability and social development. Scientific empirical studies offer us innovation solutions of existing problems. Innovations enable us to create new technologies that deliver us from our imperfections and reduce excessive spending. This leads to profit, both financial and spiritual one. And it is financial and spiritual profit that gives an impetus to retrieve new information, as information is knowledge. The cycle goes on.

Like in the case of the previous formations **«informism»** shows that culture and laws, rights and freedom, status and wealth, power and justice of an individual depend on its main factor which is information. The feature of this formation is

acceleration of information processes such as its retrieval, collection, storage, management, generation, use and dissemination by means of corresponding infrastructures and tools. A hundred years ago there was introduced a new phenomenon – noosphere¹, the sphere of thought encircling the Earth, which signified that human mind had reached an all-encompassing level of its design capacity. Today we would like to propose a new hypothesis – Internet has become the mind of humankind. It is proved by the ideas of Herbert Spencer who said that “society is an evolutionary organism like any living organism studied by biological science”. Modern infrastructure of information and communication technologies, and social networks being instruments of retrieval and storage of information are like the nerve system and sense organs in the body of a human being, and company information system and data base where all information is concentrated is like the mind of a human being. The human mind stores and manages big data bases, makes decisions in the result of the work of corresponding neurons, processes information that is delivered by the nerve system from receptors. The Internet does a similar work, so we truly believe that the Internet has become the mind of humankind.

A living organism controls itself thanks to a normal workable nerve system. We call a person a disabled one if his nerve system or sense organs are damaged. And what about the mind of a company, a society, a state body, a business association, an NGO? Continuing an organic analogy, we can make a conclusion that however presentable the office, the company car, the dress code is, management in state bodies and business associations, in local authorities and NGOs is totally insignificant and disabled if the companies lack modern infrastructure of information and communication technologies, if there are no specialized information systems and data bases integrated into the e-government mechanism and functioning as the nerve system of a biological organism. They are instruments of management of knowledge, big data bases, administrative processes and projects.

Modern conditions require modern infrastructure of information and communication technologies, specialized information systems and data bases of administrative and business processes, of organization projects so that management system could be complete and up-to-date. In logics and mathematics there is a condition of necessity, which is a **condition of sufficiency**. In contemporary environment this condition of sufficiency is digital transformation, a process of integration of digital technologies into all aspects of administrative and business processes that demand core changes not only in technologies but also in the culture of the company, in its way of operation and principles that govern its mission accomplishment, politics, functions and tasks, products and services.

It takes 20% of all efforts to make the above mentioned changes in terms of transformation of social economic system to meet the condition of sufficiency. Then the remaining 80% of all efforts can be directed to performing the tasks and functions in most highly efficient manner. We believe that meeting the condition of sufficiency requires three stages of reforming:

1. Total inventory control of all kinds of activity. It includes categorizing the company activity into processes, projects and functional activities; **reengineering of processes; implementation of project management**; development of assessment criterion and making the working results of each staff member measurable regardless their level and position.

2. Total redesign of regulatory support to the activity of managers of all levels, starting from rules governing certain spheres of the company to job description of each staff member.

3. Knowledge management. Training and retraining of the staff members for them to comply with new realities and conditions of informism.

Thus, the leaders should remember the principles of the natural system so that social economic formations of the human society could be similar to it, since humankind is part of the whole entity of the world.

The leaders of companies, state bodies and business structures, local authorities and NGOs should:

1. Acknowledge and welcome the spirit of a new social economic formation of the human society which is the spirit of informism.

2. Create and constantly develop so-called nerve system of the company, multiply the number of 'receptors' which are sources of information, 'nerve knots' which are infrastructure of information and communication technologies, and bring 'the mind', specialized information systems and data bases, to perfection.

3. Accelerate the information life cycle.

So, it is obvious that the modern requirements to management in terms of informism is having tools of getting information and methods of its management. Nathan Rothschild, the founder of a great Rothshild family banking dynasty, used to say: "He who owns the information, owns the world". It is so indeed.

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ⁱ The World Encyclopedia: Philosophy / Edited by A. A. Gritsanov - Moscow: ACT, Minsk.: Harvest, Modern Literator, 2001. – 1312 pp.