

Definition of the management system (Poznań 2006)

The enterprise management system can be defined as follows¹.

1. It is an integral, critical subsystem of the enterprise system. The subsystem is integral because it cannot be precisely and unambiguously separated out of the enterprise system. Without the management subsystem, the enterprise loses its identity, viability and operationality.

2. It is composed of a set of management factors and their properties. These compose the process-oriented, object-oriented, institutional and social nature of enterprise management. Separation of the management subsystem within the enterprise, although dependent on certain assumptions, makes it possible to treat it as an object derived from management perceived as a complexity. From the comprehensive process-oriented point of view, the management system comprises:

a) fundamental management processes and functions [causation; modelling; organising; directing; and linkage (CMODL)],

b) actions and variables treated instrumentally to driving behaviour,

c) meta-management,

d) activities supporting management,

e) economic actions in management,

f) informational actions in management.

3. At the root of the configuration of the set and interactions within and outside the enterprise lie the capability, purposefulness and feasibility of conducting management processes and functions. The essence of the management process and system is management driving of the enterprise's behaviours in its interactions with the environment. Such driving takes place in accordance with the accepted assumptions (management doctrine).

We assume that driving takes place in observance of all the stakeholders' rights, including the quasi-stakeholder - nature.

4. The management system is capable of driving behaviours due to its own energy, as well as the energy shaped dynamically in the social relation of managing (authority).

5. A special role in the management system is played by the meta-management subsystem. It provides the system with the ability to manage itself and is a fundamental factor making the enterprise system an autonomous one. Meta-management is constructed in a way making it possible to conquer various obstacles, from diverging and conflicting values and risk, assuming the superiority of key values of the enterprise's business objectives.

6. Such a system is characterised by compliance, coherence, orderliness and stability, perceived as dialectic categories. These characteristics apply both to the system's interior and its links to the environment. Thanks to these qualities, the management system has an internal, functionally diverse structure. Perceived globally, as a component of the enterprise system, it is a component whose above-mentioned properties and connections (relationships) must not be incidental (the enterprise management system as a part of a superior enterprise structure).

Interpretation of the EMS (Enterprise Management System), Dec 2008

| Object of interpretation | Reference to the sources listed below | Additional interpretation |
|--|--|--|
| 1. EMS as an integral, critical subsystem of the enterprise | 1. pp. a) 184-191 b) 244-249 2. pp. a) 53-61 | 1. Integrity of the EMS. Linking EMS to the other subsystems of the enterprise is multilateral. It is impossible to separate the management subsystem out of the enterprise system, defining unambiguously: a) the identity - elements (E), their properties (P) and relationships (R) among them; b) separateness– a) the boundaries between the EMS and the enterprise; b) relationships between the EMS and the enterprise. a) refers to the fuzziness (under-determination, |

| | | |
|---|---|--|
| | | <p>including that of boundaries), variability of all the subsystems within the enterprise and the enterprise system as a whole.</p> <p>b) at the same time, a change in the level of integrity (its scope and degree) of the enterprise entails adequate changes of the EMS, if the other system attributes of the enterprise and EMS are to be retained.</p> <p>2. A critical subsystem. It is a necessary component of the enterprise (without which the enterprise cannot exist). There are subsystems without which the enterprise can continue to exist, e.g. employee welfare subsystem (which must include its own managerial elements).</p> |
| <p>2. Set of management factors</p> | <p>1. pp. a) 66-70 b) 217-223</p> | |
| <p>3. Process-oriented, object-based, institutional and social nature of enterprise management</p> | <p>1. pp. a) 176-179</p> | <p>1. At the beginning, there is always a process (sequence of events), leading to consciously, or intuitively and instinctively defined outcomes. Even if we instinctively “punch (someone) in the face” (name of the action), we can still identify all the components of the action seen as a string (series of activities – see source no 1, pp. 155-165). Management activities here comprise – albeit intuitively and instinctively – a specialised managerial process. Without minimal activity aimed at causing (the decision impulse), modelling (recognition and assessment as well as planning the punch), organising (e.g. coordinating the elements of the action), directing (e.g. motivating oneself) and linking it all together (e.g. control), it would be impossible to achieve any outcome.</p> <p>2. Management can be isolated as a specialised, autonomous process</p> <p>a) exclusively with regard to the action it applies to (management does not exist in itself and for its own sake).</p> <p>b) exclusively as a result of an increase of size and complexity of the action and work distribution.</p> |

| | | |
|---|---|--|
| <p>4. Assumptions for isolating the management subsystem within the enterprise</p> | <p>1. pp. a) 244-245</p> <p>2. pp. a) 53-61</p> <p>3.</p> | <p>1. The starting points are: a) integrity; b) autonomy and c) congruence of the enterprise. The enterprise would be a completely autonomous system, if it had complete freedom of action. In practice, relationships with the environment bring down the level of freedom (scope and degree thereof), to a less-than-absolute value. Moreover, these days (what with globalisation and increased density of social systems) the environment – in an authoritarian way – claims some of the enterprise’s decision-making powers, with regard to its freedom of action (e.g. determines the categories and principles governing it). As a result, the cohesion of the EMS is ripped.</p> <p>2. As a result, it is impossible to precisely isolate the EMS as a subsystem within the enterprise system. The relations between “the enterprise’s internal EMS” and “the EMS determined by the environment” are dynamic. The management doctrine must determine certain issues, for example:</p> <p>a) whether the foundation is the cohesion, autonomy and complete integrity of the enterprise (thus, we solve the problem of: whether and to what extent the enterprise’s subjectivity can be “taken away” from it?).</p> <p>b) whether the foundation is the subjectivity of the social super-system, e.g. that of the country (thus, we solve the problem of the extent to which the enterprise can be “granted” subjectivity).</p> <p>The dynamics of the indicated relationships are shaped in an active game that the social system (enterprise) and the social super-system (e.g. the state and local governments of a given country) engage in.</p> |
| <p>5. Complete process-oriented approach to the EMS</p> | <p>1. pp. a) 237-242</p> | <p>1. The basic management activities together form management understood as a string. Thus, without the other activities of the management string, related to the basic activities and each other, management would be less efficient or not efficient at all.</p> |
| <p>5.1. Basic management processes and functions</p> | <p>1. pp. a) 211-217</p> | |

| | | |
|--|------------------------------|---|
| <p>5.2. Activities and variables treated instrumentally in management</p> | <p>1. s. a) 223-237</p> | <p>1. In general, the essence of management, understood as a specialised process, is driving the behaviours of the object of management. The object of management is understood as a category, which means that in any given case it may be an entity, object, system, etc. In this context, driving the behaviours of some objects, e.g. systems, is a very complex and probabilistic process.</p> <p>2. The hybrid nature, openness, variability and fuzziness of social systems cause the specialised managing subject to be only one of the players striving to realise its objectives.</p> <p>3. In such a game, the manager can nominally use any variable or sets of variables as driving factors (mechanisms), with the intent of efficiency. The pool of such variables is an open set, unless the subject adopts doctrinal restrictions, e.g. legal, ethical, self-limiting upon itself (it may for example exclude the use of military force, etc.). One example of a driving system used for management purposes instead of a direct business application, were the activities of Gazprom towards Ukraine and the EU in 2008, involving cutting off the gas supply.</p> |
| <p>5.3. Meta-management</p> | <p>1. pp. a) 216-217</p> | <p>1. Meta-management – the management of management. It is easy to understand when you treat management as an action under study (string). Then, in such an action you find all the activities of the string, including managerial ones. The basic activities – in the functional approach – will be the CMODL processes. The management activities inside the string, applied primarily to the basic management activities (CMODL), but also to the other activities of the string, comprise meta-management.</p> |
| <p>5.4. Activities supporting management</p> | <p>1. pp. a) 241</p> | <p>1. Basic management activities (CMODL) and other related thereto (<i>the complete process-oriented approach</i>) call for specialised auxiliary activities, aimed at maintenance, services, catalysts, etc. All these are supporting activities, helping to maintain, facilitate, accommodate, reconstruct, shape, etc., the management system and processes.</p> <p>2. You should not confuse this sort of support,</p> |

| | | |
|---|---|---|
| | | constituting a component of the “management” string, with the support granted, for example, by external experts in the basic management processes (example: a consulting group helping define a strategic plan). Such support is an “extension” of a basic function, here: (M)odelling. |
| 5.5. Economic activities in management | 1. pp. a) 241-243 | <p>1. Application of the management system and activities in the enterprise brings about economic effects. Each management change entails cost-related outcomes, sometimes revenues (e.g. when we sell management services).</p> <p>2. Actually, economy in management is as natural as in any other process. Thus, one cannot consider the EMS without referring to the economic processes in management. The direct effectiveness of management is hard to measure, register, calculate and count – but it does not mean that it does not exist.</p> <p>3. The economic subsystem in management is an integral component of the EMS.</p> |
| 5.6. Communication activities in management | 1. pp. a) 241 | 1. Every change, including a process, brings about information. Communication processes include information processes. Management in itself generates information and communication structures, and also creates demand for them. The management information subsystem is an integral component of the EMS. |
| 6. Pursuing management processes and functions | 1. pp. a) 80-128 b) 250-288 b) 289-298 | <p>1. Determining the possibility, purposefulness and feasibility of pursuing management processes and functions takes place against the backdrop of: a) the acting subject’s objectives; b) operating doctrine; c) internal and external circumstances of the action; d) specifics of the action in its environment; e) assumed restrictions.</p> <p>2. Management does not have to be an isolated process with a developed identity, a function of the enterprise. In micro-enterprises, it happens first in the heads, hearts and hands of the entrepreneurs-contractors. Only then, having considered the above categories of variables, do they decide, or not, to develop the EMS – most often in a gradual manner.</p> |

| | | |
|--|--|--|
| | | 3. Management can be perceived in a broader or narrower sense (see – source 2, pp. 54-56). |
| 7. Driving behaviours and management-based driving behaviours | 1. pp. a) 203-211 | |
| 8. Management doctrine | 1. pp. a) 218 b) 254-255 c) 264 c) 276 d) 280 | 1. Management doctrine is the entrepreneur's decisions concerning their cognitive, axiological and normative attitude to enterprise management. 2. For example, if the entrepreneur assumes that people respond only to coercion (D. McGregor's theory X), then they will tend to enforce the management methods and tools of their choice. 3. The circumstances (e.g. attitude of the trade unions) may, or may not, cause a change in the management doctrine. |
| 9. Doctrine on respecting all stakeholders' rights | 4. Core | 1. The environment is the most important area for the entrepreneur's interest. At the same time, nature is present both inside and outside the enterprise. 2. Thus, nature is – apart from people – the entrepreneur's most important stakeholder. 3. Of course, the entrepreneur may adopt a different doctrine regarding the attitude to stakeholders, in extreme cases one that circumvents or even defies law and ethics. |
| 10. Capability of driving behaviours | 1. pp. a) 217-223 | 1. The capability of driving the behaviours of the enterprise in its relationships with the environment is a special kind of the entrepreneur's social potential. 2. This capability constitutes nominal and actual social energy, thanks to which the manager can be and is effective to a higher or lesser degree. 3. Social system management efficiency can only be sub-optimal and is conditioned by |

| | | |
|--|---|--|
| | | other variables. |
| 10.1. EMS's own energy | 1. pp. a) 60-61 b) 69 | <p>1. Energy is defined as a given entity's (system's) ability to cause change. In this context, energy is present both inside the social system (internal energy) and in the environment (energy of the environment).</p> <p>2. Linking those two energies, from the position of the social system, I call the strategic energy of this system (the internal energy against the energy of the environment)</p> <p>3. The EMS's own energy is defined as the capability of managerial driving. Its essence is power, distributed among the elements, properties and relationships of the EMS (processes, objects, institutions and social array of management) in its links with the environment</p> |
| 10.2. Energy shaped in the social relationship of directing | 1. pp. a) 60 b) 76-78 c) 298-314 | <p>1. Managing the enterprise, treated as a system, involves driving the behaviours of the enterprise and its environment. It is a mistake to restrict the management process only to the interior of the system under management.</p> <p>2. The environment is driven by the entrepreneur egocentrically (aiming at their own interest). It is a question of the enterprise's doctrine (including its management doctrine), whether and to what extent it will also take into account the interest of the environment (e.g. the so-called corporate social responsibility).</p> <p>3. The environment and the entrepreneur are engaged in a game. Thus, the capability of driving behaviours of the enterprise treated as a system, or the strategic management potential, is a resultant of the social relationship.</p> |
| 11. Meta-management subsystem | 1. pp. a) 315-334 | <p>1. Constitutes a key subsystem in the management system, making it possible to shape the EMS as a whole.</p> <p>2. The object of management in this case is the EMS itself. Therefore, CMODL matrices (basic management processes)/EMS (management system) can be defined, wherein the EMS can occur in any structural form.</p> <p>3. Meta-management can also be a subsystem</p> |

| | | |
|---|--|--|
| | | within the EMS. In that case, we can create a matrix management subsystem/management system (in both cases, we have the “ <i>complete process-oriented approach</i> ”, object-based, institutional and the social system of management). |
| 12. System attributes of the EMS (conformity, cohesion, orderliness, stability – as dialectic categories inside and in links with the environment) | 1. pp. a) 244-249 5. pp. a) 23-34 | 1. Actually, conformity, cohesion, orderliness, stability are gradable qualities in the EMS. This means [e.g. with regard to the conformity of elements (E), their properties (P) and relationships (R) between them] that they coexist with the respective non-conformant E, P and R. What is more, this non-conformity may reach a critical level, threatening the existence of the EMS. 2. The most dangerous phenomenon are antinomies in the form of active negative cooperation, whose highest degree is combat (warfare) directed at annihilating a given attribute of the EMS or a set of attributes. |
| 13. Functional differentiation of the EMS structure | 1. pp. a) 233-249 | 1. This function is treated here as the place (location) and role (dynamic and static position of a given E, P, R or their sets in the entire EMS, as well as their significance for the EMS as a whole and for the enterprise). 2. Some E, P and R are functionally strictly specialised (e.g. serve solely for the purposes of planning), while other are multifunctional (e.g. price – can be significant for normative, incentive reasons, or affect a decision-making situation). |

1. Please take into consideration figure 2. Management subsystem within the action system, menu: "Management Sciences"

Sources:

1. H. Witczak, *Natura kształtowania systemu zarządzania przedsiębiorstwem*, WNPWN, Warsaw 2008
2. M. Sławińska, H. Witczak (ed.), *Podstawy metodologiczne prac doktorskich w naukach ekonomicznych*, PWE, Warsaw 2008
3. H. Witczak, *Nauka o zarządzaniu a nauka o ekonomii*, Współczesne Zarządzanie, issue no 3/2007

4. www.witczak.pl

5. E. Urbanowska-Sojkin, P. Banaszyk, H. Witczak,
Zarządzanie strategiczne przedsiębiorstwem, PWE, Warsaw 2004.