

British Journal of Economics, Management & Trade
4(6): 941-946, 2014

SCIENCEDOMAIN *international*
www.sciencedomain.org



Study on the Problem of Illusory, Conditional and Current Indicators on an Example Managing the Economy of the Company

Sergey A. Surkov^{1*}

¹*International Institute of Management, Moscow, Russia.*

Author's contribution

This whole work was carried out by the author SAS.

Original Research Article

Received 5th November 2013
Accepted 13th January 2014
Published 26th February 2014

ABSTRACT

Three types of parameters in management of economy are considered in article. The greatest attention is paid to illusory parameters, as the most difficult for understanding. Researches cover the period in four years for the managers of the city Zhukovsky who are training on the MVA program. Some triads of the parameters connected with each other are revealed. These triads form response surfaces for the description of internal life in the organizations. Examples of such triads are the complexes connected with a conflictness and skill to communicate of staff of firms.

Keywords: Illusory; synergy; conflictness; communicability.

1. INTRODUCTION

In recent years, more and more people involved in the management of the economy, are beginning to realize that the company's future largely depends on the proper selection of areas for development. Apart the path selection the indicated directions characterized by the control parameters.

These parameters can have a different nature that frequently complicates their definition. For correct management the nature and essence of parameters have to be elicited authentically, but certain difficulties are connected with that.

*Corresponding author: Email: context2002@yahoo.com;

1.1 Literature Review

There are many classifications of the parameters used in the economy as a control or management purposes.

V.P. Babkin et al. [1] indicate that the usual economic indicator contains just the information. But the procedure for the preparation of such information and the method of its further use is often converted into a philosophical problem, erroneous interpretation which leads to errors in the choice of indicators and their accounting system and the system of industrial relations. Such errors have strongly influenced in the case of the macroeconomics.

A. I. Popov [2] notes that, for example, macroeconomic indicators quantitatively or qualitatively characterize the overall development of the national economy and the volume of its production. For macroeconomics is important to know the nature of the indicators.

The site [3] states that the economic indicators in nature (the sequence of changes in the macroeconomic system) can be divided into three major groups - is the leading indicators, coincident indicators and lagging indicators. In leading indicators include the average number of hours spent on the production, new orders to the manufacturer, the efficiency of delivery of products to the wholesale trade, contracts and orders for production equipment, etc. Coincident indicators are among the number of employed persons, the index of industrial production, the realization of output, the average duration of unemployment, and so are a lagging indicator of the number of long-term unemployed people, spending on new plants and means of production, unit wage costs, and similar figs. There are other classifications.

B.A. Raizberg [4] indicates that the economic indices volume, depending on the nature of meters, in which they are expressed, are divided into two large population. Natural figs are expressed in physical dimension, so called natural data, i.e. in units or in units of weight, volume, area and length and also in terms of time. Value figs are expressed in monetary units, that is, in rubles, dollars, euro, etc.

But all of these classifications do not allow distinguish between the real and the other indexes that should be considered in different ways. Misunderstanding of the nature of used parameters can lead to their incorrect use.

1.2 Objects

Management indicators conditionally can be divided into three large groups. Illusory indicators, existing only in the representations of involved people, belong to the first group. Conditional indicators, about the meaning of which involved people came to terms, constitute the second group. The third group is the current indicators, which involved people can directly measure. For convenience all three groups are presented in Table 1.

This article is devoted mainly studying the peculiarities of illusory parameters, since precisely their use meets the greatest difficulties.

In practice of management these indicators are used differently. The confidence in indicators is various because of different trust in them by the managers. Illusory indicators in this sense are the most dubious, because determined by the people's views. In research have been studied exactly such indicators.

Table 1. Types of parameters of management and their characteristics

No	Nameofparameters	Distinctivefeatures	Examples	Average level of trust (By a survey of 47 experts)*
1	Illusory	Illusory indicators, existing only in the representations of involved people.	Conflictness, skill to communicate, ability to solve objectives, a trust to the trademark.	0,3
2	Condition	Conditional indicators, about the meaning of which involved people came to terms.	GNP, GDP	0,6
3	Current	The current indicators, which the involved people can directly measure.	The growth of gross income or production output enterprises.	0,9

**According to surveys conducted by the author*

2. MATERIALS AND METHODS

During preliminary researches the hypothesis that illusory indicators form the triads, described by the three-dimensional response surfaces was made.

Express poll and poll with use of the special questionnaire were carried out during research, and they gave similar results. It was polled 92 respondents who have estimated indicators of teamwork of 142 couples of people known to them in 63 organizations.

On the basis of these data attempt to reveal regularities of interrelation of indicators of activity of the organizations is made. Each definition is repeated seven times. Established, that there are conglomerates of factors or triads. The 3-dimensional model can be created. Conflictness as potential ability to destroy cooperation in the company is measured along one axis, significance of work as indicator of importance of cooperation - along the second axis and the synergy related with desire to cooperate - on the third. That is, the resulting surface shows conditions of successful work of the organization.

Research in this direction led to the analysis of the product of three factors: the synergy of teamwork β , the significance of this work for the organization k and the level of conflictness q . The product of explained by the fact that nulling each of the multipliers will lead to zeroing the product of. For this reason namely the product, but not sum or other options, is suitable. Established that with increasing number of respondents the product aspires to a constant value, which in this sample can be assessed approximately slightly below 8 Fig. 1a. This means the product of $\beta q k = B = \text{const}$.

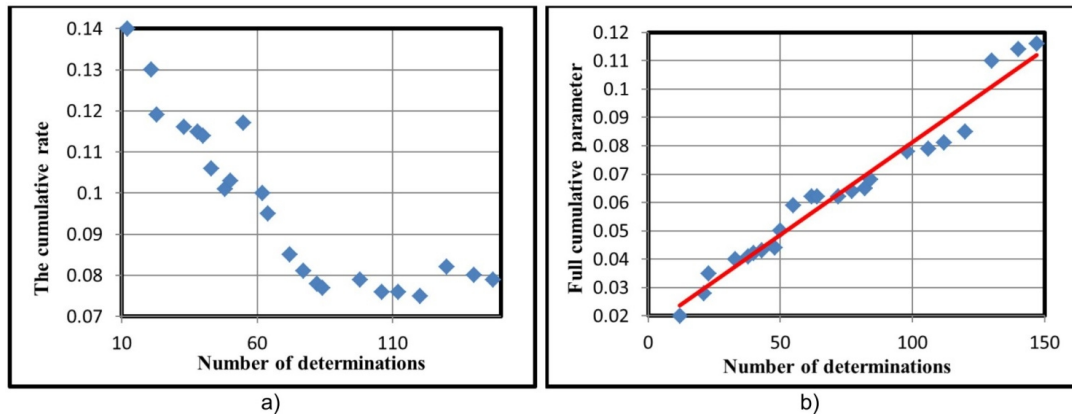


Fig. 1. Change indicators with increasing amounts of definitions for the cumulative (a) and total cumulative (b) of cases

It would be logical to assume that with the accumulation of statistical data the averaged quantities must fluctuate around some values. However for this triad in reality one-sided approximation takes place that probably is connected with existence dependence between average value of indicators and the number of definitions.

Microsoft Office Excel 2010 was used for calculations. In fact, the definition of the correlation coefficient for the given dependence gives a level that is substantial for all significance levels exceeding 0.01.

3. RESULTS AND DISCUSSION

Practically this means not the product of three indicators itself, but such result of its normalization on the number of definitions is a constant. Indeed, after normalization in the form of multiplication, the dependence on the number of definitions becomes linear Fig. 1b, and the correlation coefficient increases from -0.882 to 0.980. The regression equation for the dependence shown in Fig. 1b, has the form $y = 6,55 n + 155,32$, then $\beta q_k n = 6,55 n + 155,32$. Existence of autocorrelation was checked by means of Durbin-Watson's criterion. The calculated value of this indicator is equal to 1.88, which is less than tabular value 2. Given the fact that $155,32/n$ at increase in n aspires to zero, it testified that $\beta q_k = 6,55$. Strictly speaking, this indicator must be multiplied by 0.01, if all parameters are within a scale from 0 to 1.

Thus, proceeding from results of poll of a large number of respondents, it is possible to formulate the rule of cooperative activity in the organizations.

The product of the level a synergy from their activity, of the level the significance of their work for the organization and the level conflictness during such activity, is constant for a given composition of staff and couples working together employees.

In essence, this constant indicates a relative increase the efficiency of the company as a result of the pairwise joint activity of its employees. Cases of teamwork three or more employees are not considered here. First, the timekeeping of the daily activities of office staff of five companies allowed us to determine the proportion of bilateral, trilateral and more

contacts in total volume communion Fig. 2, which are significantly lower than pairwise contacts. Secondly, the study of the joint work of three or more employees would have greatly complicated the investigation, but hasn't brought significant changes. It is clear that such cases are to be worked out in detail in the full study, but combinations of higher order can be ignored at the initial stage.

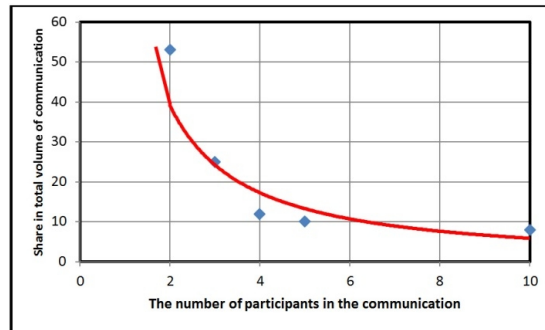


Fig. 2. Dependence of a share communion on number of participants to communion

Some complexity are connected with the fact that on working capacity of people, specific recoil and, ultimately on the Organizational Performance affect not hypothetical "absolute" conflictness or synergy, but representations of people about the level these indicators. So, the conflictness of certain people can seem for one employee high and to another - low, but lack of common reference points on which it is possible to lean, stirs to compare these opinions

The same triad or complex was found as well for skill to communicate. This triad includes skill to communicate, desire to share information, and awareness. The 3-dimensional model in which communicability as a potential ability to transfer information is recorded along one axis, possession of this information (awareness) - along the second axis, and desire to share all this - along the third, arises here too. That is, three conditions the effectiveness of these communications within the organization concentrated in this model. In a study the product of all three components was studied for the same reason, as earlier. Namely zeroing any of parameters deprives of sense their definition and use. Dependence of the summary indicator from the number of determinations is shown in Fig. 3. It is easily seen that although the result of such explicit, as in Fig. 1, is absent, but an asymptotic approximation to a certain indicator is present. In this case such an indicator may be isolated.

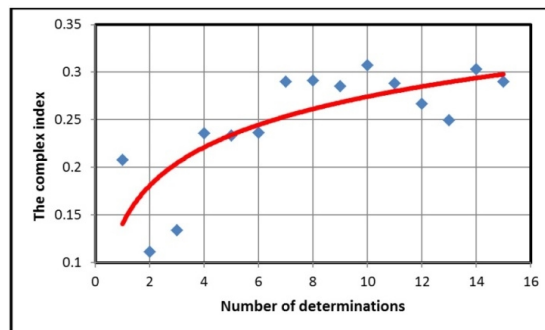


Fig. 3. Dependence of cumulative indicator from the number of definitions

The product tends to the value of 0.408. Thus, one more rule can be formulated.

The product of the level communicability, of the level of desire to share information and the level of awareness is a constant for a given composition of the staff and couples of employees working together.

4. CONCLUSION

Availability at least of two complexes or triads of illusory factors installed. It is possible to assume that the number such complexes are more, but an analysis of such probability is beyond the scope of this paper. Furthermore, although the analysis was carried out for separate companies in one country, there is no reason to limit the dissemination of the obtained regularities for more extensive objects.

The knowledge of existence of triads or conglomerates of illusory factors, their combination with conditional and current factors allows more consciously to manage organizations.

COMPETING INTERESTS

Author has declared that no competing interests exist.

REFERENCES

1. Babkin VP, Kamenetsky VA, Sokolova NA. Economy: the objective possibilities. Moscow: Economics. 2011;221.
2. Popov AI. Economic theory. St Petersburg [etc.]: Peter. 2006;541.
3. Economic indicators. Leading, coincident and lagging indicators. Available: [www.ereport.ru.global_economy](http://www.ereport.ru/global_economy) www.ereport.ru
4. Rayzberg BA. The course of the economy. Moscow: INFRA-M. 1997;720.

© 2014 Surkov; This is an Open Access article distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/3.0>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Peer-review history:

*The peer review history for this paper can be accessed here:
<http://www.sciencedomain.org/review-history.php?iid=426&id=20&aid=3847>*