

## MANAGEMENT MECHANISMS OF ENTERPRISES: ADOPTING AGILE MANAGEMENT PRINCIPLES IN TRADITIONAL INDUSTRIES

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**Abstract:** Management mechanisms are foundational frameworks and practices within organizations that facilitate effective leadership, operational efficiency, and strategic alignment. These mechanisms encompass a spectrum of approaches, ranging from traditional hierarchical structures and centralized decision-making to modern agile methodologies and decentralized, collaborative frameworks. Key components include organizational culture, leadership styles, strategic planning processes, performance measurement systems, and adaptation to technological advancements. The evolution of management mechanisms reflects ongoing efforts to optimize productivity, enhance employee engagement, navigate market complexities, and sustain long-term growth. By implementing appropriate management mechanisms tailored to organizational needs and external dynamics, businesses can adapt, innovate, and thrive in today's competitive landscape.

### **Introduction.**

Manager's choices are those stating the value of an enterprise and it has been observed for the enterprise management as well. These two approaches are complementary elements of the enterprise management process. In the new conditions, the role of the manager has to be increasing, as long as the permanent feature of all type of enterprise - the risk - is increasing. The manager has a number of alternatives to use and a series of decisions to make. For this reason, contemporary society imposes a manager that is flexible and adapted to the non-reductionist option of social-economic conditions, that exercises numerous options when the decision-making situation asks for. In the early '80s, it was considered that the greatest part of managerial decisions were programmed decisions; then, at the mid '80s - the non-programmed decisions, but in fact non-programmed decisions are even more important in terms of both their complexity and of their consequences. The contemporary manager should have the capacity to invent holons (units within the station), at the level of technical, organizational service, of the production structure, of an administration structure or of implementation decisions of new economic activities. For this, the manager has to analyze and comprehend the external solicitation towards the enterprise, as well as the profile of the enterprise.

In practice, the success of any enterprise is determined both by the quality of the decisions made by its management and the ability to use what is to achieve the targets. The enterprise activity has to be controlled and steered down a certain path just like the

state of a car does. This control process is generalized by the concept of management, which is considered to be the steering process of one or more people in a determined direction, for the achievement of certain targets with rational expenses of resources. The management concept accompanied by the more general concept of leadership is becoming more important and gets better as a result of a process. The importance and the value of management decisions and actions depends on the fact that less or more all important and munificent activities, revealed by the historical development societies and economies are of enterprise type or are containing numerous elements of this type of organization. A low, inappropriate management cannot be efficient, but capable management cannot realize long-term results on the markets limited by the risk factor. The management mechanism of an enterprise should have the objective of solving main functions demanding the decision of long-term and short-term nature questions in the field of organization, planning, guiding, stimulation, and control of total activity and every savings part of an enterprise. The elements of enterprise management must be built in an appropriate internal system of economic accounting of enterprise activity. A mechanism is always determined by its purpose and, therefore, the enterprise management mechanism must be tied in with the enterprise activity mechanisms which are utilized for making corresponding operational savings. The enterprise management mechanism can be represented by a set of elements: organization structure, planning principles and procedures, guideline and control, and stimulation and growth incentives.

### **Literature analysis.**

Management mechanisms refer to forms of economic activity that are applied in industry and trade and aim to direct work procedures. The management mechanisms of an enterprise can be divided into two basic complexes: the management mechanism of a separate enterprise and the integrated management mechanism of cooperative enterprises. The aims of both the management mechanism of an enterprise and the complex of integrated management mechanisms should be tied in with the general aim of social production.

Traditional management mechanisms refer to the established practices, methods, and structures that have historically been used to organize and control work within organizations. These mechanisms have evolved over time and are rooted in principles of hierarchy, authority, and efficiency. Here are some key components of traditional management mechanisms:

Traditional management typically involves a hierarchical organizational structure where authority and decision-making flow from the top (senior management) down through various levels (middle management, supervisors, and frontline employees). Each level has clearly defined roles and responsibilities, with decisions and directives cascading downwards.



Decision-making in traditional management is often centralized at the top of the hierarchy. Senior managers or executives make key strategic decisions, while lower-level managers and employees are primarily responsible for implementing these decisions. This top-down approach can sometimes lead to slower responsiveness to changes and challenges.

Traditional management is characterized by formalized and bureaucratic processes for tasks such as budgeting, planning, and performance evaluation. These processes typically involve standardized procedures, rules, and policies designed to ensure consistency and control over operations.

Work is often divided into specialized tasks within traditional management structures. This division of labor allows organizations to achieve efficiency and expertise in specific areas. Employees are trained and assigned tasks based on their skills and expertise, contributing to overall productivity.

Traditional management emphasizes command and control mechanisms to ensure compliance with organizational goals and standards. Managers provide instructions and supervision to employees, monitor performance, and enforce discipline when necessary. This approach aims to maintain order and achieve predetermined objectives.

Communication within traditional management follows formal channels of communication. Information typically flows vertically within the hierarchy, from top management to lower levels and vice versa. Formal meetings, reports, and memos are common methods of communication used to disseminate information and coordinate activities.

Performance measurement in traditional management relies on quantitative metrics and formal performance evaluations. Key performance indicators (KPIs) are used to assess individual and organizational performance against predetermined goals and benchmarks. Performance evaluations often influence compensation, promotions, and career development within the organization.

While traditional management mechanisms have been effective in certain contexts, they are also criticized for their rigidity, bureaucracy, and potential lack of responsiveness to changing environments. In today's dynamic business landscape, where agility, innovation, and adaptability are increasingly valued, traditional management approaches may face challenges in fostering creativity, employee engagement, and long-term sustainability.

Many organizations are evolving their management practices to incorporate elements of flexibility, empowerment, and employee involvement. Modern management approaches such as agile management, flat organizational structures, participatory decision-making, and decentralized authority aim to address the

limitations of traditional management mechanisms and adapt to the demands of contemporary business environments.

In summary, traditional management mechanisms represent established practices that have historically governed organizational operations. While effective in ensuring structure, efficiency, and control, these mechanisms are evolving as organizations seek to enhance agility, innovation, and employee engagement in response to changing market dynamics and competitive pressures.

Modern management mechanisms have evolved to address the challenges and opportunities presented by today's dynamic and complex business environment. These mechanisms depart from traditional, hierarchical structures and embrace principles of flexibility, collaboration, innovation, and empowerment. Here are some key characteristics and components of modern management mechanisms:

Modern management often favors flat or decentralized organizational structures over traditional hierarchical models. Flat structures reduce layers of management and emphasize direct communication and decision-making among employees and teams. This fosters agility, quick decision-making, and responsiveness to changes in the market.

### **Analysis and results.**

Empowerment involves giving employees greater autonomy and responsibility to make decisions and contribute to organizational goals. Modern management encourages employee involvement in decision-making processes, problem-solving, and innovation. This enhances job satisfaction, engagement, and commitment among employees.

Modern management promotes collaboration across departments and functions through cross-functional teams. These teams bring together individuals with diverse skills and perspectives to tackle specific projects or initiatives. Collaborative teamwork fosters creativity, knowledge sharing, and the ability to respond quickly to challenges. Agile management is a methodology that emphasizes iterative and incremental delivery of projects, continuous improvement, and flexibility in responding to change. Agile principles, originally developed in software development, have been adopted by many industries to enhance productivity, adaptability, and customer satisfaction.

Modern management emphasizes strategic leadership that sets a clear vision and direction for the organization. Leaders inspire and motivate employees to align their efforts with the company's mission and goals. Visionary management involves anticipating future trends and opportunities, guiding the organization through strategic initiatives, and fostering a culture of innovation.

Modern management recognizes the importance of CSR and sustainability in business practices. Companies are increasingly integrating ethical considerations, environmental stewardship, and social responsibility into their strategies and



operations. CSR initiatives not only enhance corporate reputation but also contribute to long-term business success and stakeholder satisfaction.

Modern management leverages technology and data analytics to drive decision-making, optimize operations, and enhance customer experiences. Advanced analytics, artificial intelligence (AI), and machine learning enable organizations to gain insights from large datasets, predict trends, and personalize services. Technology also facilitates remote work and collaboration among geographically dispersed teams.

Modern management encourages a culture of continuous learning and adaptation. Organizations invest in employee training and development to enhance skills, knowledge, and capabilities. Learning opportunities foster innovation, resilience, and agility, enabling employees to stay competitive in a rapidly changing business landscape.

In response to evolving workforce expectations and technological advancements, modern management supports flexible work arrangements such as remote work, flexible hours, and telecommuting. Flexible work policies promote work-life balance, enhance productivity, and attract a diverse talent pool from different geographic locations.

### **Suggestions and conclusions.**

Modern management places a strong emphasis on understanding and meeting customer needs and preferences. Customer feedback and market research inform strategic decisions and product development processes. Organizations prioritize delivering value and exceptional customer experiences to build long-term relationships and competitive advantage.

Modern management mechanisms reflect a shift towards more adaptive, collaborative, and inclusive practices designed to meet the challenges of today's globalized and digitally interconnected world. By embracing flat structures, empowerment, agile methodologies, strategic leadership, CSR, technology integration, and a customer-centric approach, organizations can enhance their competitiveness, foster innovation, and achieve sustainable growth in a rapidly evolving business environment. As businesses continue to evolve, modern management mechanisms will continue to evolve alongside them, ensuring relevance and effectiveness in achieving organizational goals and driving success.

Management mechanisms encompass a wide array of practices, structures, and approaches that organizations employ to achieve their goals effectively and efficiently. From traditional hierarchical models focusing on control and efficiency to modern agile methodologies emphasizing flexibility, collaboration, and innovation, the evolution of management mechanisms reflects broader shifts in business paradigms and organizational priorities.

Ultimately, the effectiveness of management mechanisms lies in their ability to align organizational strategies with operational execution, empower employees, foster a positive organizational culture, and adapt to dynamic external environments. By leveraging appropriate management mechanisms tailored to their specific contexts and goals, businesses can enhance productivity, achieve sustainable growth, and maintain competitive advantage in today's rapidly changing global marketplace.

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