MAR-OCS- Management by Analysis and Review of Outcome in Critical Situation

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Abstract: *Management is a process of ascertaining that organizations goals are achieved by means and methods that align with the work culture. Various activities like making policies, defining organization structure, planning, controlling, and directing make Management a wholesome task. Every organization is bound to have their grey areas of operations where micro level of management may be required. At the same time, people at the helm of the affairs of the company cannot always involve in micro-management. Their roles are meant for Macro management and conceptualization. Managers at every level in the organization will be faced with their levels of Micro and Macro management. However, there can be situations where the intricacy of an issue needs micro management. But, is it the priority? Is the manager trading off his time from important Macro management schedule to mange at micro level? The same can be vice versa too. Hence, instead of seeing management as a method it should be looked at with respect to priority and the resultant outcome of decision. This paper deals with the conceptual theory of Management by Priority considering the critical situations and the outcome. This is a work in progress paper highlighting the optimal system of handling a Critical Situation in an organization.*

Key words: *Management, Objectives, priority, Organization*

I.   Introduction

Managing is one of the most important human activity in any organization. Effective management is needed to accomplish aims and objectives of the individual and the organization. Strategies to manage changewith time and situation. The same principles of management need not always work effectively. One size fits all concept of management is a old school of thought. An organization always depends on group effort and today groups have become large making the task of managers increasingly important and complex. Hence, managerial theory has become crucial in the way managers manage complex organizations.

More broadly, management is the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims (Koontz and Weihrich 1990, p. 4). But, with changing dynamics, sometimes the managers need to prioritize as to what is to be managed?

- We are all familiar with the school of thought of what Management is?
- Understanding Team Dynamics and Encouraging Good Relationships, which is teambuilding.
- Selecting and Developing the Right People, which we call as staffing
- Delegating Effectively.
- Motivating People.
- Managing Discipline and Dealing With Conflict.
- Communicating effectively
- Planning, Problem Solving and Decision-Making, and so on.
- We are also conversant with the MBO. Management by Objectives (MBO) is a personnel management technique where managers and employees work together to set, record and monitor goals for a specific period of time.
- Organizational goals and planning flow top-down through the organization and are translated into personal goals for organizational member.

II.   Coceptual Framework

Principles in management are fundamental truths, explaining relationships between two or more sets of variables, usually an independent variable and a dependent variable. Principles may be descriptive or predictive, and not prescriptive. That is, they describe how one variable relates to another – what will happen when these variables interact.

At this point it is worth distinguishing management theory from management techniques. Contrary to the theory we have discussed above, techniques are essentially ways of doing things; methods of accomplishing a given result. In all fields of practice, including management, they are important.

Techniques normally reflect theory and are a means of helping managers undertake activities most effectively.

The goal of all managers is to create a surplus and to be productive by achieving a favorable output-input ration within a specific time period with due consideration for quality. Productivity implies effectiveness (achieving of objectives) and efficiency (using the least amount of resources).

Critical situations are very serious business problems and issues that are urgent, threatening, or vexing. They demand a lot of your time, are usually distracting, and if enacted, are likely to impact the future. Critical Situations can be game changers. For good or bad. The deciding factor is often in the way they are planned and managed. There could be no organization which is immune to critical situation. Each situation has different characters:

- **HIGH ON RISK** (things don't go well if the situation is not handled.)
- **HIGH ON POTENTIAL** (situation is handled successfully and if things do go well)
- **URGENT** (short on time- Needs immediate attention)
- **IMPORTANT** (to someone in the company but not outside)
- **UNFAMILIAR** (Unique situation - the company has never experienced this before)
- **HIGH IMPACT** (very likely to affect your future business)
- **NOT GETTING DONE** (moving slowly, stalled, or in trouble or a bottleneck)

Critical situation can arise within the organization and outside the organization. Breakdown of a machine, Process failure, non-availability of expertise etc can be inside the organization. Transport, Supply chain failure, warehouse issues, customer complaints, defects etc can be outside the organization. Generally, critical situations with respect to customers get addressed by the Escalation Manager. He has an important role to play in the process of solving critical situation. Should he or should he **not** escalate the situation to higher ups? Escalation means 'Time consumption'. When there are multiple issues, the escalation manager need clear understanding about the priorities in getting issues resolved.

The main responsibility of an escalation manager is to bring order, structure, and focused management attention to the customer's problems in order to gain complete consumer satisfaction. The need for creating an escalation process is triggered by the organization when the customer complains about the urgency of resolution or when the organization perceives the loss of consumer base due to emergency situation.

Escalation management is based on task accomplishment in a critical situation, hence one has to show competitive skills for carrying out the task effectively within the scheduled time. Partner satisfaction is the key element of escalation management program, hence one has to carry out all the tasks assigned effectively. The key skill requirements for escalation management are mentioned below:

Problem solving ability

- Budget management
- Team management
- Expertise in staff handling
- Performance management

The job profile of a manager is related to escalating the task accomplishment in critical situations and guaranteeing that the system does not have any hiccup. This requires one to be fully accomplished for handling this role efficiently. The roles and responsibilities of a manager along with the above qualities is to be able to Analyze and Review the priorities in handling critical situation. This is sufficiently explained below.

III. Mar-OCS - Management By Analysis And Review Of Outcomes In Critical Situation.

A manager may encounter critical situations in varied forms as below:

1. A single standalone critical situation.
2. Multiple critical situations

A standalone critical situation can be solved without affecting any other processes. However, when there are multiple critical situation happening at the same time, the allocation f time and resources to set right the situation is very important. This is diagrammatically explained below

Let us consider that there are multiple critical situations CS-A, CS-B and CS-C (CS for Critical situation of Type A or Type B or Type C).

The magnitude of the critical situation is shown in relation to the size of the event depicted by a circle with various diameters. Smaller diameter issue seem to be LESS critical than the bigger diameter circle. At level1, it seems that the critical issue at C (CS-C) has a larger magnitude. When we say magnitude- let us put it a Financial Loss. If the escalation manager views the three issues CS-A, CS-B and CS-C, prima facie he may be tempted to allocate all the resource to resolve CS-C due to its sheer magnitude. Here, the final outcome of resolving the matter is a black box. In this case, CS-C is the terminating event which means that there are no further levels and that may be the highest loss incurred if the situation is left pending or unattended.

If you observe, CS-B seems to be smaller than A and C. Hence, an escalation manager is likely to neglect attending the same on priority and prefer to attend CS-C or CS-A. However, If the manager attends to critical Situation CS-A then the events at Level 2 will have no impact and this is a terminating activity. But, during this stage, CS-B has been pending and the problems accumulate to level 3 and Level 4 making the losses larger than expected.

Here, the Critical Situation needs to be managed by analyzing the impact of choosing the situation to be addressed.

If CS-A is addressed than the projected loss will be at CS-B at level 4 and at CS-C at level 1. The cumulative loss will be large.

If CS-B is addressed then the projected loss will be at CS-A at level 2 and CS-C at level 1 but the projected loss at CS-B will be resolved

If CS-C is addressed then the projected loss will be at CS-A at level 2 and CS-B at level 4. The cumulative loss will be highest
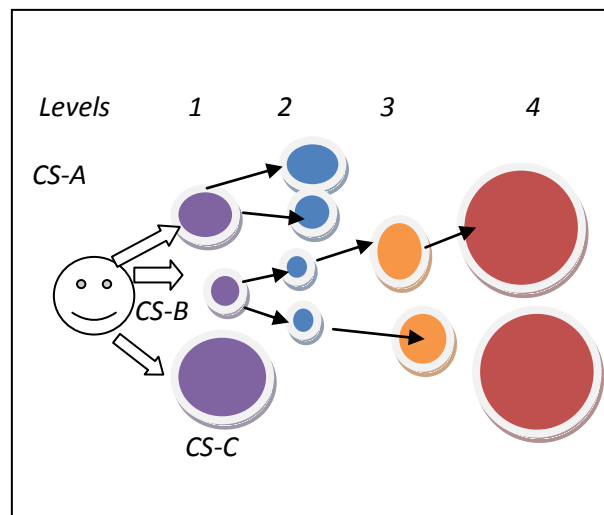
Figure 1: Multiple Critical Situation at Level 1 and outcome at terminating point

Here, priority of addressing the critical situations need to be worked out by mathematical or operations research methods. There are many tools like LPP (Linear Programming Problem), PERT-CPM, etc to mathematically model such situation and work out the priority of addressing a critical situation. The mathematical model is yet to be developed. This paper is a work in progress paper.

IV. Benefits

The concept of MAR-OCS is a systematic method of prioritizing the Escalation of a critical situation by the escalation manager or resolving a critical situation onsite considering the outcome. The issues at Level 1 may seems small, but the tsunami effect it can have on the outcome can be very detrimental. In simple word- " What*looks small now can give big trouble later".* This will allow the managers to analyze and review each network path and ascertain the extent of loss or benefit (whichever scale is chosen).

V. Limitations

It may be difficult to resolve issues where the outcome are subjective and behavioral in nature. Quantitative outcome are easier to ascertain but subjective outcomes are difficult to handle.

VI. Conclusion

In conclusion, it has to be restated that management is the process of designing and maintaining an environment for the purpose of efficiently accomplishing selected aims. Managers carry out the functions of planning, organizing, staffing,leading, and controlling. Managing is an essential activity at all organizational levels. However, the managerial skills required vary with organizational levels. Managing as practice is art; organized knowledge about management is science. The development of management theory involves the development of concepts, principles, and techniques. There are many theories about management, and each contributes something to our knowledge of what managers do. Each approach or theory has its own characteristics and advantages as well as limitations. The operational, or management process, approach draws on each "school" and systematically integrates them.

Finally, the organization is an open system that operates with constraints. No doubt, a manager who makes serious attempts to translate theory into reality is bound to increase productivity but a trial and error approach can be detrimental. This method or technique of management will quantify and give fair reasoning for actions and escalation.

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