

Innovative Sustainable Model (ISM) for Management Processes

-A way out for a Global Glitch.

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Abstract: *Global* organization's subsistence and long-term sustained success in the conditions of international competitiveness and every day changes, depends on various key performances. Degree of accomplishing intended level of key performances depends on the processes management – of products or services (process results), objectives management – of strategic, tactical and operative, as well as, on performances management – of processes, products and services. While theoretical processes, as well as performances of processes, products or services are quite well defined, the problem is how to define to what the real objective strive. For example, in the ISO 9000:2005 standard, *quality objective is something sought, or aimed for, related to quality*, or in ISO39000:2012 standard, *objective is result to be achieved, and performance is a measurable result*. Objectives are always oriented to some new performances of organization. Objectives and performances could mean activity, process or product, service or system or organization, in global. Obviously, result is the common denominator for all mentioned terms. In the realization of strategic, tactic and operative activities some risks can occur, which could influence their results. This requires risk management (ISO 31000:2009) process in combination with the all mentioned management aspects. The definition of risk itself has evolved from traditional to common one - *an effect of uncertainty on objectives*, and can be positive or negative, having the same aspects as objectives themselves. In this paper a model of integrated ISM for management of the processes is defined. It is proved to be practically management method for effective governing and managing of any organization.

Keywords: Innovative Sustainable Mode(ISM), Mgt by Objective (MBO), Balance Scorecard, Quality management, process, Objective, Risk, Performance.

Introduction

Sustainable organization success in the conditions of competitiveness and every day changes, does not depend only on one or few performances. It is necessary to continuously achieve acceptable level of all key performances of organization and its internal capabilities, according to stakeholders' requests. Degree of accomplishing intended level of key performances, from the methodological aspect, is the result of management process, in which products or organization's services are realized, and of management objectives whose effect should be increasing levels of processes themselves and their results, as well. This requires balanced guidance of the strategic and operative activities management. In the operative activities, as result of strategic activities, new process capabilities are integrated successively, and processes, products and services performances level is raised.

In practice the model proved to be a good management tool for effective guidance and management of any organization faced to all challenges

Process input requirement and objectives

In general, all processes in an organization could be classified in four basic types

1. Management processes
2. Business processes
3. Processes for support (including security processes), and
4. Innovation and improvement processes

In the 50's, Peter Drucker developed management by objectives (MBO) system, which attracted great attention. In spite of the fact that this method was not structured in detail, it defined objectives management concept and significantly influenced this approach to be applied at many organizations' management systems. At the beginning of 1990's this method was significantly adjusted and structured by development of today well known Balanced Scorecard (BSC) method used in many organizations with great success. Unlike traditional orientation at short-term profits and financial business perspective, the BSC includes the three additional categories of measuring from non – financial perspectives, such as: customers' satisfaction, internal business process, and learning and growth. Besides these business perspectives, the BSC includes four strategic processes for establishing relationship among strategic objectives and business performances, as well as twenty additional perspectives

Integrated management process of the objectives, risks and performances

It is very important to define comprehensively objective's coordinates and verify relationship between objective and risk to which it is exposed. Every objective must be determined by the following basic dimensions

- *Performances dimension*, which represents intended level of result, usually shown through indicators;
- *Time dimension*, when an objective should be achieved, and
- *Aspects dimension* that shows stakeholders and capabilities or competition, which an objective refers to.
- Relation dimension that shows customer and company products have a same objectives to be achieved and satisfied.*

Risk assessment

Depending on risk assessment results, strategic responses and measures should be determined for appropriate risk treatment that may include:

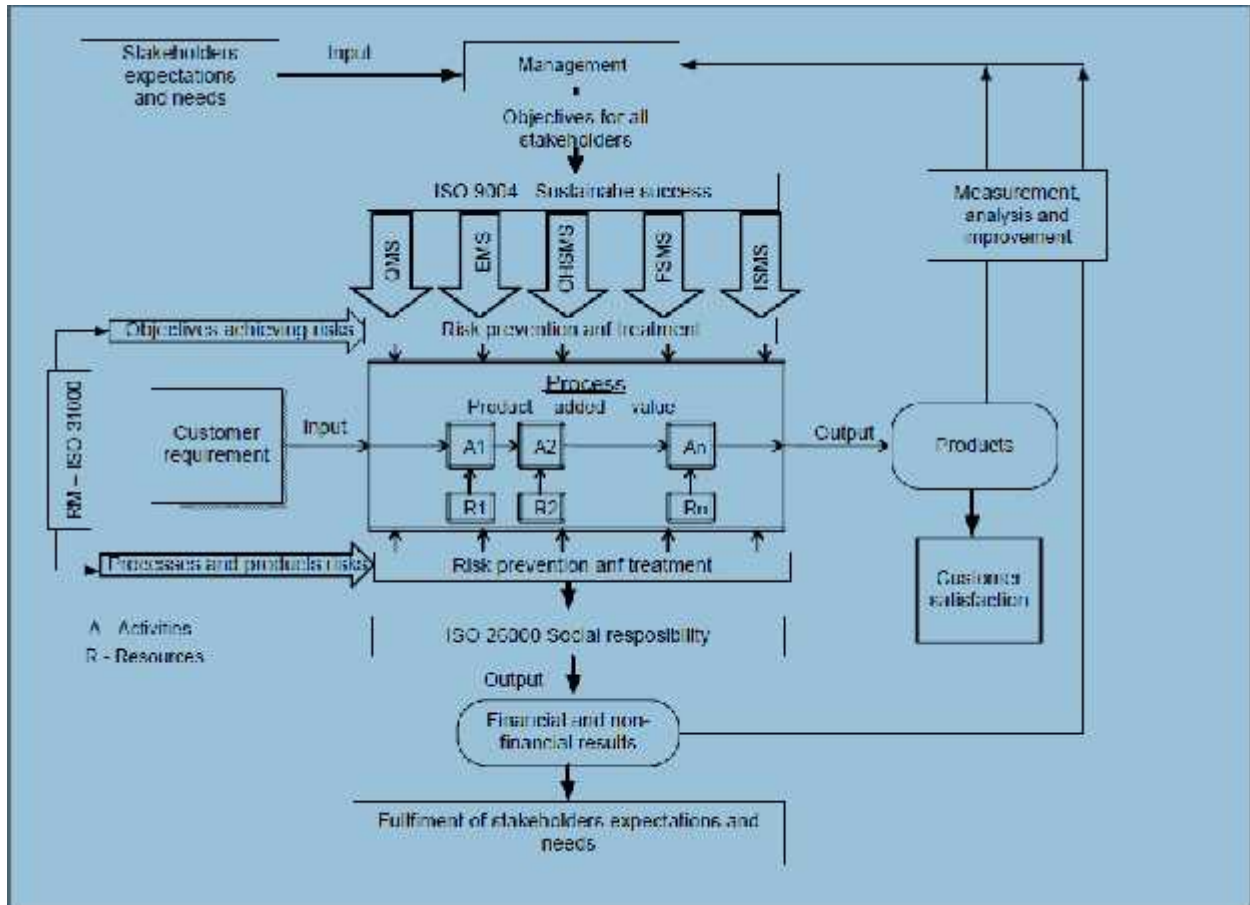
- *Avoiding risk*, like not initiating planned strategic activity
- *Increasing risk*, when it could lead up to new initiatives for improvement,
- *Eliminating risk causes*, such as vulnerabilities,
- *Changes of risk likelihood and consequences*, e.g. by reducing exposition to threats,
- *Distribution or sharing risk* with stakeholders (contractors, financial institutions etc.).

Certifications for international standard

Abbreviations	Name /Standard		Stakeholder
<i>Standards for management systems to certification</i>			
QMS	Quality Management System	ISO 9001:2008	Customer
EMS	Environmental Management System	ISO 14001:2004	Community
OHSMS	Occupational Health and Safety Management System	OHSAS 18001:2007	Employees
FSMS	Food Safety Management System	HACCP/ ISO 22000:2005	Customer
FMS	Financial Management System	Sarbanes – Oxley Act	Shareholders
ISMS	Information Security Management Systems	ISO/IEC 27001:2005	Shareholders
SMS	Security Management Systems	ISO/PAS 28000:2005	Shareholderscommunity
CTCL	General requirements for the competence of testing and calibration laboratories	ISO / IEC 17025:2005	Customer
ENMS	Energy Management Systems	ISO 50001:2011	Customers community
RTS	Road Traffic Safety Management Systems	ISO 39001:2012	Customers community
<i>Support standards for common affectivity of integrated management systems</i>			
GSR	Guidance on Social Responsibility	ISO 26000: 2010	Stakeholders
MSSO	Managing for the sustained success of an organization	ISO 9004:2009	Stakeholders
RM	Risk Management	ISO 31000:2009	Stakeholders

Effectiveness of every management system is measured by their objectives achievement level. Purpose of every mentioned management system is to define management methodology of:

- Policy and particular system objectives;
 - Risks which influence objectives achievement, and
 - Processes and resources which are appropriate for fulfilling stakeholders’ requirements, needs and expectations.
- shows functional structure of ISM, which provides application of Mgt processes.



Using standards, which are shown horizontally in, provides unique methodology establishment for common and balanced effectiveness of integrated management systems, so that:

- ISO 9004 standard provides guidance for organizations support to achieve sustainable success in satisfying their customers and other stakeholders’ needs and expectations, through balanced objective achievement of integrated management system, as a whole,
- ISO 31000 standard provides common approach and support to standards of different management systems that deal with specific risk aspects,
- ISO 26000 standards help to organizations for establishment of social responsibility objectives that contribute to sustainable development.

Using *ISM* model is possible in the case of using one or more management system standards. Standards for management system effectiveness support are complementary among themselves and it is recommended to use them simultaneously. It is especially important to emphasize significance of team work in application of this model, because multidisciplinary experience and creativity as result of exchanged views are required.

CONCLUSION

In search for Quality and Sustainability in the light of changing environment, modern management is obliged to continuously raise performances level of its organization. The managers must make strategic and operative plans and decisions at the same time, too. However, requirements for quality and reliability need standardization of not only products but also management system itself. These are not small challenges for the management's activities. The ISM model, presented in this paper, joins all requirements faced to managers in methodological terms and provides input to integrated and simultaneous management of the processes, objectives, risks and performances. This model can be integrated into structure of any standardized management system according to international standards, such as: ISO 9001, ISO 14001, ISO 27001 etc. It is generally accepted that integration of individual management system structure itself, in the terms of responsibility, documents, audits, review etc., is already very well known fact. The ISM model goes one step ahead and establishes unique and balanced effectiveness of integrated management systems and management system as a whole, using standards for sustainable success, social responsibility and risk management.

The results of the ISM model application in different organizations using existing infrastructure and practice of drafting and monitoring business plan, can prove to be effective management method for any organization. This model has been created as an open system in which specific objectives and performances of the organization can be included optionally.

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