

Audit methodology for middle and lower-level managers of a transport company

Yulia Kapitonova^{1*}, Vadim Vakulyuk², and Oleg Omelchenko¹

¹ Moscow State University of Food Production, 11, Volokolamsk sh., 125080 Moscow, Russia

²«FBSC AMC» ltd, Moscow, Russia

Abstract. The staff of the organization, as the main driving force of any company, at all times required special attention. And in the conditions of digital globalization, deeper penetration of artificial intelligence into everyday life, the attitude of an ordinary employee to his work is transformed, the requirements for managerial personnel are also changing. The problem being developed in the current article is relevant due to the growing discontent in the labor market. The main purpose of the study is to develop a methodology for auditing middle and lower-level managers. The main results of the conducted research can be called: firstly, the methodology of the audit of the management of the middle and lower levels of the transport company is presented, secondly, the ranking of managers according to the effectiveness of their professional activities is presented, thirdly, the sequence of the audit of middle and lower level managers is presented and justified. The practical significance of the conducted research lies in the fact that the formulated proposals can be used in the audit of the management staff at the enterprises of the transport industry. Keywords: personnel management, enterprise personnel, personnel audit

1 Introduction

Earlier, we considered the problem of the decline in the initiative of specialists of Russian companies to work and the origins of this problem. As the root cause, we have considered the role of managers and their approaches to management. The necessity of classifying managers into effective and toxic ones is determined for the purpose of understanding further steps in matters of increasing the initiative and impact of personnel.

It should be noted that such a phenomenon as Great Resignation (in Russian, the closest term is "mass dismissal") [3], which appeared after the covid-19 pandemic, exposed the problems of the work of middle and lower-level managers with their employees. According to Gallup research conducted by the end of 2021, only 21% of people in the world are passionate about their work, in the CIS countries this figure is 20%. At the same time, low employee engagement is closely related to the company's performance results, such as productivity, profitability and data security. According to the results of the study, low involvement and initiative of employees costs the world economy 7.8 trillion US dollars or 11% of GDP [4].

* Corresponding author: k9154940653@yandex.ru

The conceptual apparatus is also expanding. One of the terms is "quiet quitting" [7]. In Russian, it can be translated as "quiet withdrawal" or, if we turn to the essence of the phenomenon, "work without initiative". This trend is manifested in the setting of boundaries between work and personal life on the part of the employee, in reducing involvement in the company's activities, fixing the pattern of doing everything within the job description, but no more. Any overwork, delays at work without compensation, informal assistance to the manager or an initiative to receive a small salary increase are canceled.

Another term is quiet firing ("quiet firing", "quiet shooting") [5]. This is a passive-aggressive approach to managing employee productivity. It can manifest itself intentionally or unintentionally when managers create a toxic workplace environment. Such managers do not welcome a variety of points of view, do not advocate an open dialogue, do not give feedback, do not provide opportunities for development and promotion, create an information vacuum for individual employees. This method of management clearly coincides with the type of managers in our study, called "black holes".

In many publications, these terms are associated with the impact of the pandemic and the rethinking of employees' attitude to life and work. At the same time, we believe that "quiet quitting" was a response to the methods of "quiet firing" (quiet firing). And the key role in these processes is played by a toxic immature leader, which is confirmed by the own research results conducted earlier [3]. And the covid-19 pandemic was only the trigger.

Many authors also come to the conclusion that the decline in initiative and employee engagement is associated with toxicity in the workplace. For example, Kelly Campbell, a member of the Forbes Board, a coach on conscious leadership, connects the phenomenon of "quiet withdrawal" with the toxic culture of the company, and calls managers who implement toxic management approaches an unconscious leader [5].

Thus, the relevance of the audit of middle and lower-level management in order to identify toxic managers does not weaken. However, the formation of a classification methodology is a non-trivial task due to the fact that approaches to determining the type of managers have been considered in scientific circles by a wide range of authors.

2 Materials and Methods

For example, I. Ansoff in his works [1] comes to the conclusion that it is necessary to define the archetype of the leader, which distinguishes four: leader, administrator, planner, entrepreneur. Based on the archetype of the leader, the conclusion is made about the need to develop certain qualities. However, the author paid key attention to top management and did not touch on other levels of management.

G. Mintzberg in his writings [6] presented the work of management as a set of roles that a manager uses in his daily work. Ten roles within the framework of the proposed analysis can be divided into three categories: interpersonal, informational and decision-making category. Each role differs not only in its functions, but also in its behavior model. Partially the proposed roles overlap and expand the approaches proposed by I. Ansoff. At the same time, to a greater extent, the analysis of roles by G. Mintzberg is more suitable for introspection due to a significant increase in the complexity of the assessment in the case of application for company employees.

D. McClelland in his works described the scope of the needs of an employee of the company as a factor that encourages action. Motivation theory is based on the idea of three dominant needs: the need for power, success and involvement. These needs are not static and can change in the course of a person's life under the influence of the experience gained. Depending on the motivation, certain patterns of behavior are typical for people, which makes it possible to identify cynical careerists within the framework of the analysis, better understand the needs of the analyzed leader, build an effective system of his encouragement,

more simply choose a suitable line of work (position). This approach has found wide application in the corporate environment.

E. Campbell and K. Summers Lachsa in the work Strategic Synergy [2] consider the effectiveness of management from the point of view of value added assessment. As part of research on the development of companies in the long term, the authors came to the conclusion that it is necessary to evaluate middle and lower-level managers through the so-called value-added analysis of business processes, business units or companies accountable to them (if the analysis is carried out within the framework of holdings). The paper notes that in the process of company growth, the organizational structure becomes overgrown with fat from managers of various levels who do not add any utility. The reduction of such managers will be useful not only from the point of view of reducing labor costs, but also from the point of view of increasing the manageability of the company. The authors give examples of the application of such evaluation logic in large modern multinational companies [2]. The high efficiency of this method from the point of view of optimization can lead to the closure of entire areas in which future stars of the company could work, who accidentally found themselves in an unpromising place of work.

From our point of view, we have considered the main types of analysis of the motivation and psychotype of the manager, which can be used within the framework of the investigated problem of identification and classification of a toxic manager in the company. Methods of the psychological theory of motivation proposed by other authors (for example, F. Herzberg, A. Maslow and others) rather, they are aimed at creating motivation in a company with a healthy internal environment and are less useful within the framework of the ongoing research.

The use of these methods of analysis separately may not give an effective result due to the fact that some methods are focused on determining the psychotype of a manager in isolation from his workplace and responsibilities, others are aimed at optimizing business processes and do not differ in the depth of assessment of the possibility of applying the skills of a single manager, others are characterized by deep complexity and labor intensity without clarity the usefulness of the results obtained in practice.

3 Results

In this regard, we came to the conclusion that it is necessary to apply an integrated approach to the differentiation of middle and lower-level managers and to identify a toxic leader by combining various approaches to analysis within the framework of the proposed methodology. The audit involves the passage of five stages:

- stage 1 – archetype analysis;
- stage 2 – motivation analysis;
- stage 3 – analysis of past experience;
- stage 4 – analysis of business processes and employee engagement;
- stage 5 – summarizing the results, forming final conclusions and recommendations.

As part of the audit, it is assumed not just to find an answer to the question whether this particular manager is suitable for a specific position, but to form a comprehensive vision for the most effective use of past experience, the psychotype of the manager, his orientation to success in relation to the role of the manager in the organization and specific business processes that are under control (are supposed to be transferred) of the analyzed the manager.

3.1 Stage 1. Analysis of the archetype and the stage of development of the business unit

Based on the works of I. Ansoff, who divided the manager into four types [1], we propose an evaluation matrix, which is presented in Table 1.

Table 1. Evaluation matrix of archetypes of managers.

Archetype	Abilities	Evaluations		
		Director 1	...	Director N
Leader	disclosure of the potential of subordinates			
	the ability to inspire dedication			
	average rating			
Administrator	objectivity			
	reliance on facts			
	consistency			
Planner	average rating			
	analytical mindset			
	methodical			
	organization for the future (risk is limited)			
Businessman	average rating			
	analytical mindset			
	development of new directions			
	formation of the future			
Integral evaluation, characteristic of the archetype				

Of course, a person with all the archetypes is a rare phenomenon. Moreover, for different stages of the company's development, the need for individual archetypes decreases, while others increase.

It should be noted that I. Ansoff in his works paid attention to top managers and considered the archetypes presented from the point of view of the effectiveness of top management. However, the use of these archetypes for the purposes of the issues of audit of middle and lower-level managers that we are investigating will allow us to approach the identification of a toxic leader.

Applying the theory of I.K.Adizis [11] to practice, which expanded the interpretation of the meaning of the influence of the archetype of a particular person, and not a senior manager, on the type of appropriate decision-making algorithms and actions, it is possible to significantly expand the variability of audit tools and the objectivity of expert assessment methods. Thus, according to the theory proposed by I.K.Adizes, the sources of the conflict of managerial styles in the decision-making process are the features of the archetypes of various people on the:

- Meaning and interpretation of "YES" and "NO"
- Speed of problem detection
- Speed of decision-making
- Time measurement
- Behavior during meetings
- The degree of conflict next to other styles.

An important element of the objectivity of the assessment, taking into account the complex nature of the functioning of transport and logistics structures, is the application of knowledge about the stage of development of the company and the influence of the corresponding stages, processes on the motivation of middle and lower managers. Thus, according to the theory of I.K.Adizes [12], several types of maturity of the company can be distinguished: courtship, infancy, come on, come on. youth, dawn, stability, aristocracy, "witch hunt", bureaucracy, death (Fig.1):

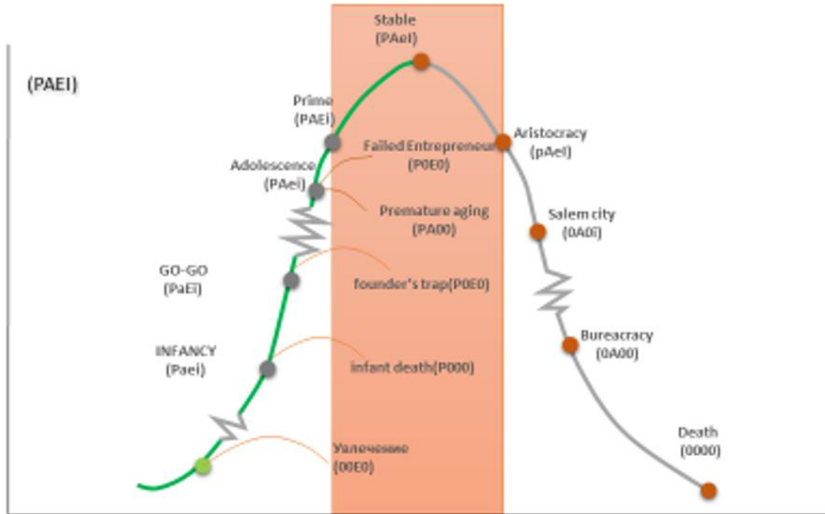


Fig. 1. Organization life cycle curve.

For example, here are the demotivating factors characteristic of the "Bureacracy" stage, identified during the audit of motivation and involvement of personnel of transport and logistics structures (Fig. 2.)

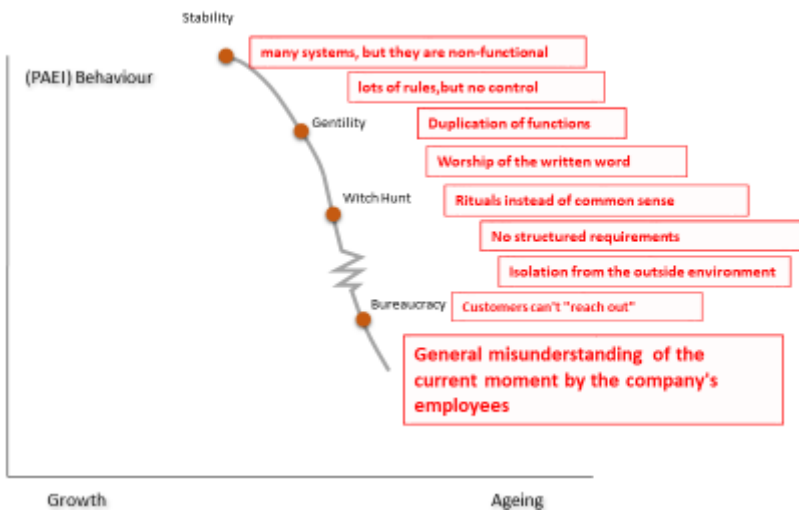


Fig. 2. Features of the "Bureacracy" stage.

The evaluation matrix for a specific manager is filled in based on the collection of assessments of subordinates, related managers, as well as a senior manager, taking into account information about the stage of development of the company. Each ability within the

archetype has a detailed description to improve the accuracy of assessments. The survey results are averaged and combined into a final matrix for all managers. Due to the fact that the activities of middle and lower-level managers have a less broad focus compared to top management, a certain set of abilities should prevail in the main, and, as a result, the archetype.

3.2 Stage 2. Motivation analysis

The methodology for conducting this stage of evaluation depends on the availability of an operating motivation system at the enterprise where the evaluation is being conducted. In case of availability, the execution of plans that take place in the motivation system is tested. In the event that there is not one yet, the assessment is carried out on the basis of personnel testing for motivational flexibility.

3.3 Stage 3. Analysis of past experience

The third stage of the analysis involves the formation of information about the practical experience of middle and lower-level managers and, thus, determining its potential within the framework of existing and prospective business processes. The significant experience of the head in the directions reflected in the value chain of M. Porter is separately noted.

We propose the following steps towards the formation of the proposed matrix:

- 1) Collecting information on the work experience of the relevant manager, namely:
 - a. general experience,
 - b. work experience as a specialist up to the first managerial position throughout the career and the presence of this experience within one place of work, the breadth of functionality, the range of tasks to be closed;
 - c. the experience of working as a low-level manager before the first appointment to a mid-level manager throughout his career and the presence of this experience within one place of work;
 - d. the experience of working as a middle-level manager before the first appointment to a senior manager throughout his career and the presence of this experience within one place of work.

This block of information characterizes the experience of a manager as a specialist, whether there was a gradual growth in his career within the same company from the positions of a specialist to the management staff. The absence of such practice in the work experience of middle and lower-level managers may indicate that the manager is not immersed in the subtleties of operational work, which means that it is impossible to delve deeply into the essence of the work. As part of the comparison of current data with the results of past stages, we can get a deeper description of the personality of the manager already in relation to past work experience.

1) Collecting information on implemented project initiatives at previous places of work, as well as project initiatives at the current place of work. This block allows you to evaluate initiative, the ability to take responsibility and the aspiration for a new activity.

2) Collecting information on the number of subordinates who have been promoted within the management. This block is necessary for evaluating leadership qualities and mentoring. Collecting information on this block is very difficult, but it can be evaluated from the point of view of determining the quality of specialists subordinate to this manager at the current place of work. The absence of employees who have been promoted by this manager indicates low leadership qualities, lack of qualities of support and development of their own staff, teamwork and systematic work, and should be extremely negatively evaluated when considering a candidate within the framework of development in leadership positions.

3) Formation of functional responsibilities and necessary competencies of the current place of work. This block is necessary for further comparison of the necessary experience at the current place with the experience of working at previous places.

4) Using the results of the "360 degree" evaluation method is a tool that allows a specific employee/manager to receive anonymous feedback about their effectiveness from a superior manager, subordinates, as well as colleagues on the same horizontal.

5) Comparison of current functional responsibilities with the competencies of past jobs, assessment of the sufficiency of experience in lower positions. This block is necessary from the point of view of the possibility of implementing a methodological function, in-depth examination of individual issues. For example, if at the current place of work the functionality is associated with the coordination and verification of business plans, development strategies, then with a lack of such experience at previous places of work, the lack of experience in forming business plans and development strategies with "hands", carries significant risks to the quality of prepared materials at the current place of work, even if there is a subordinate employees who have extensive experience in these areas.

3.4 Stage 4. Analysis of business processes and employee engagement

The fourth stage of the assessment is based on the works of E. Campbell and K. Summers Lachs [2] and generalization of management experience of modern transport and logistics structures [8,9,10]. Within this stage, all business processes of a particular manager are evaluated from the position of the classical value chain of M. Porter. The result is a gradation of managers into groups, which are presented in Table 2.

Table 2. The effectiveness of business process managers.

№	Degree of involvement	Characteristics of the management result	Explanations
1	administrator	negative	hinders the new, delays decisions, suppresses the labor initiative of subordinates
2	coordinator	zero result	due to weak knowledge, he is not able to bring positive dynamics to work, but does not provide obstacles for talented subordinates
3	profitable participant	positive	has the necessary competencies, generates a positive result

This approach has proven itself in the foreign practice of corporate governance within the framework of large multinational corporations. At the same time, we believe that using the presented approach to evaluate divisions within one organization will bring a positive result, including from the point of view of optimizing processes that do not create additional usefulness.

Taking into account the current trends of reducing staff involvement in internal business processes and reducing employee initiative, a parallel assessment of their immersion in current activities is assumed. The assessment is carried out by means of an anonymous survey of employees of a particular department and involves the use of questions from the perspective of the usefulness and effectiveness of their business processes. Based on the conducted engagement analysis, the percentage of personnel who are not involved in current activities and poorly represent the usefulness of certain business processes of the division is determined. Describes the degree of detachment and the intended role of the head.

At the same time, generalizing the experience of managing modern transport and logistics structures, the complex-structured specifics of managing modern transport flows and logistics, characterized by a high level of automation of the linear value creation process and, accordingly, blocking the ability of individual employees to influence the formation and transmission of a request for process change, are necessarily taken into account. The consequence is often fatalism in relation to existing problems and shifting responsibility to others: to other departments, to higher management, to colleagues, to corporate culture.

The main reason for the lack of involvement and fatalism in assessing the actions of others, in our opinion, is a limited understanding of the daily activities of the company and the non-use of employee awareness-raising tools about the current and promising systems of key performance indicators for the company at all levels of staff functioning.

Numerous Kotter studies (<https://www.kotterinc.com/>) showed that more than 80% of projects aimed at improving business processes in transport and logistics structures do not achieve their results, which certainly has a demotivating effect on employees. If we consider the structures of transport and logistics in the form of integrated business units of the company, then the motivating involvement is also influenced by the secondary position of departments, relative to sales or procurement departments. After all, it is these departments that make complex decisions that the Department of Transport and Logistics must follow, relying on linear processes, often forming a demotivating position of the head managing the department entrusted to them.

When conducting an engagement analysis, it is important to take into account the degree of psychological possibility of involving personnel in improving the effectiveness of business processes, taking into account the unique knowledge of the system and process that blocks project activities among employees of transport and logistics departments. In this case, visual detachment from participation in business process improvement projects is often associated with a blocking sense of the perceived risk of dismantling the existing linear process of functioning of the structure, introducing a case-leaving protocol for responding to incidents not included in the linear process, which in the future will reduce the possible influence of carriers of unique, but linear knowledge on incident resolution.

3.5 Stage 5. Summarizing the results, forming final conclusions and recommendations

As a result of the four stages of analysis, information is generated for each middle and lower-level manager that reflects:

- leadership and managerial qualities based on an average assessment of the environment;
- motivation in achieving goals;
- past experience, areas and career successes, significant experience in the areas of the value chain;
- current business processes, distribution of processes by employees and their correlation with the value chain;
- the level of staff involvement and understanding of the value of the type of activity performed.

4 Discussion

Previously conducted research in this direction increasingly concerned the search for problems in the staff itself. That is, the manager was not considered as a source of loss of interest in the work of a subordinate. , the position formulated by the authors that it is the manager who is able to return motivation to the result of the employee can become the basis for new research directions. In this connection, it can be argued that the tasks assigned to the

study have been achieved, the goal has been achieved, and the proposals formulated according to the result have been deeply studied and substantiated.

Summarizing the results obtained, comparing past and current experience within the value chain, comparing the motivation of the manager, his archetype and the formed system of staff involvement, the classification of middle and lower-level managers is carried out on the basis of the developed matrix of classification of managers (black holes, stars, satellites, planets, question marks) [3] recommendations for:

- optimization of business processes (in case of identification of processes that do not create added value) or their transformation;
- optimization of the number in case of detection of black holes;
- changing approaches to management in the degree of staff involvement;
- improving skills in certain areas of people management;
- personal recommendations for improving individual competencies;
- changing the set of business processes under the management of the manager.

A separate issue of audit implementation: who should deal with the classification of employees? It is certain that due to the hierarchy of subordination that takes place, HR cannot always truthfully characterize the work of TOP management. In addition, the first two stages of the audit assume anonymity of assessments and their results, which is difficult to implement when conducting an audit within HR. In this regard, we recommend using this methodology through the involvement of consulting companies, HR agencies and leading universities of the country.

5 Conclusions

The results of the study can be formulated as follows:

- the methodology of the audit of the management of the middle and lower level of the transport company is presented;
- the ranking of managers according to the effectiveness of their professional activities is presented;
- the sequence of the audit of middle and lower-level managers is presented and justified.

The process of classifying managers in practice is very complex and involves a lot of problems, including organizational ones. However, if there is a regulated bureaucratization of processes in the company's work, responsibility is shifted to the level of collective irresponsibility, the level of involvement and initiative of staff is extremely low, new projects and initiatives do not find a proper response to development, it means that there are black holes in the management. And, therefore, an audit is necessary.

The practical significance of the conducted research lies in the fact that the formulated proposals can already be used by consulting companies, HR agencies in the audit of the vertical management of transport companies.

References

1. I. Ansoff, *Strategic management: Translated from English* (Economics, M., 2010) ISBN 5-282-00652-9
2. E. Campbell, K. Summers Lachs, *Strategic synergy* (Peter, St. Petersburg, 2004) ISBN 5-94723-127-1
3. Y. Kapitonova, V. Vakulyuk, *Bulletin of the MFUA* **3**, 252 (2022) DOI 10.52210/2224669X_2022_3_252

4. Gallup. State of the Global Workplace (2022) URL: <https://www.gallup.com/workplace/349484/state-of-the-global-workplace-2022-report.aspx>
5. K. Campbell, Q. Quitting, Q. Firing, Signs of Low-Conscious Leadership, URL: <https://www.forbes.com/sites/forbesbusinesscouncil/2022/09/22/quiet-quitting-and-quiet-firing-signs-of-low-conscious-leadership/?sh=3e97139c14ec>
6. H. Mintzberg, *Inside our strange world of organizations* (Free press, New York, 1989)
7. The Guardian, Quiet quitting: why doing the bare minimum at work has gone global, URL: <https://www.theguardian.com/money/2022/aug/06/quiet-quitting-why-doing-the-bare-minimum-at-work-has-gone-global>
8. S.L.J.M. de Leeuw, J.P. van den Berg, *Improving operational performance by influencing shopfloor behavior via performance management practices* (Amsterdam Business Research Institute)
9. V.W. Kiana, *Sustainability in Trucking Snapshot Report to see the full analysis for sustainability trends in trucking* (2022) <https://www.supplychain247.com>
10. J. Koganti, *VP of supply chain COE at The Estée Lauder Companies, Inc. AI Powered Next Generation Supply Chains – Transformation from Fragile to Agile. The role that artificial intelligence (AI) will play in transforming the world's supply chains* (2022)
11. I.K. Adizes, *Company lifecycle management: How organizations grow, develop and die and what to do about it* (Alpina Publisher, 2022) ISBN-978-5-9614-7894-5
12. Yitzhak Kalderon Adizes, *Management styles — effective and ineffective* (Alpina Business Books, M., 2009) ISBN 978-5-9614-0939-0