The use of a new management method by members’ activity estimation of the Council of the Elders

Vahram Shaboyan
Armenian State University of Economics, Faculty of Economics and Management
e-mail: shaboyan.vahram@gmail.com

Samvel Nazaryan
Armenian State University of Economics, Faculty of Economics and Management
e-mail: samvelnazaryan1997@gmail.com

Abstract
Productivity of the activity is clearly visible, when it is estimated by measurable units. And the presence of this assessment is one of those factors, which can become basis for increasing the productivity of that activity. Taking in account the importance of the assessment of the activity, motivation and awareness of the population, we suggest a new Management Model to use in the work of the representative bodies, especially in the Council of Elders.

Keywords
management method, members’ effectiveness estimation, Council of the Elders

Introduction
One of the best methods of increasing the working motivation is estimating it and encouraging or stimulating it, according to that estimation. The estimation of the work and the methods of stimulation differ in private and public sectors. In the private sector, it is developing, depending on the competition, existing in the sector, but in the public sector, it is not always that the competition is the motive of job motivation and the effectiveness of increase. Sometimes, job motivation is missing in different countries, because of underdevelopment of institutional systems and it is not always being done justified. When we observe activity estimation for the Council of the Elders of the community in Armenia, these problems are becoming evident:
1. There are not definite criteria of members' activity estimation of the Council of the Elders, which supposes that it is remaining not understandable for the citizens on which level of effectiveness whether a member of the Council of the Elders works.

2. The absence of the estimation does not create the motives in the member of the Council of the Elders, which would create the estimation of the work.

3. People’s partial or full unawareness of Council of the Elders’ members’ activities.

There was "Mardamej" social-innovative camp in Armenia in 2017 in which the authors of the article also took part. Main idea of the estimation of the member’s activity of the Council of the Elder’s and criteria for that estimation are cultured during that camp. Developing created idea, we suggest clarifying criteria more, including new criteria, suggested by us, and getting quantitative estimation of the activity by an equation, created by us.

According to above, the main aim of the article is to find a new way of estimating members’ activities of the Council of the Elders. Finding it out it is easier to motivate them into a better job and to solve above-mentioned problems, so it is more probable to get better results from those activities.

1. Literature Review

Literature, including books and laws, which are taken into account, while writing the article mainly regulate members’ activities and relations between members’ of the Council of the Elders. The book, named “Local Self-Government in Armenia”, gives general characteristics of the law and does juridical and planning estimation of the improvements of Local Self-Government. Due to the European Charter of Local Self-Government, number of countries regulate activities of the Councils of the Elders by defining categories, regarding to them, their obligations and so on with the same way.

Armenian legislation does not address public participation in the decision making process in detail, although it may do so according to the Law on Local Self-government [Law on Local, 2000]. In general, the community head and community elders have the right to initiate decisions, but residents may submit draft resolutions and attend council sessions with the permission of the local council [Saroyan, 2010, p. 10]. However, the level of public participation in Armenia is very low [Tumanyan, 2010, p. 331]. Most citizens are poorly informed about local authorities and their responsibilities as well as local government procedures. Although the Constitution
The use of a new management method by members’ activity estimation of the Council of the Elders

provides for forms of direct democracy, such as referenda, public hearings and meetings, they have rarely been used at the local government level. Only a few cases of public hearings are known. The absence of direct forms of democracy is due to many factors, such as lack of financial resources, an ill-defined legal framework, minimal activity on the part of non-governmental organizations (NGOs) and overall organizational difficulties [Saroyan, 2010, p. 12].

Law gives legal regulation for the relations between members’ of the Council of the Elders and for the whole activity of the Council of the Elders [Law on Local, 2000]. On the other hand, there are economic, social and individual factors determining the behavior of elderly people [Piecut, 2016, p. 81], so the challenge is also to assess the factors motivating people included in Council of Elders.

2. Research Methods

Therefore, based on these three problems existing nowadays in Armenia, the authors suggest starting this method of estimation and the increase of effectiveness. The method consists of the estimation of the members’ performance and the increase of the effectiveness of the Council of the Elders. The method includes a system of estimation, which works with these standards.

1. Participation (P)
2. Initiative (I)
3. The rate of suggestions with positive results (S)
4. Public availability (A)

As a result, we get one General Index, in which the participation (Pr) has 0.16 coefficients, Initiative (Ir) has 0.28 coefficients, the rate of suggestions with positive results (Sr) has 0.34 coefficients and the Public availability (Ar) has 0.22 coefficients. The final grade is calculated by the following formula:

\[ G = \frac{Pr \times 0.16 + Ir \times 0.28 + Sr \times 0.34 + Ar \times 0.22}{5} \]

Where G is the General Indicator of the Council of the Elders’ members’ job effectiveness.

3. Discussion of the result
To get the general indicator of the Council of the Elders’ members’ activity effectiveness, we are going to discuss all the factors separately. The level of the participation due to speeches in the sessions is determined by comparing with the average rate of the participation of each member. The average rate of the participation for each member \( (P_a) \) is determined by dividing the present members’ participation (speech) proportion over the number of the members having speeches during the session of Council of the Elders. Then this number should be compared with the number of individual speeches made in the Council of the Elders. The average rate of Participation is estimated by 3 units. If the rate is lower than 3 units the grade will be 2 or 1 and if the rate is higher than 3 units the grade will be 4 or 5. In the formula, each unit is taken as a standard deviation of 5. On the other hand, the factor which is being calculated has until 100% deviation in both positive and negative directions. Taking into consideration the fact that the questions cannot be lower than 0, we have chosen \([-100,100]\) as a range.

Geometrically, it will have the following form

\[
X + X + \frac{X}{2} + \frac{X}{2} + X + X = 200
\]

\[
X = 40
\]

Calculated X shows percentage difference of units in the formula. Doing countdown by 40 units from right extreme point (100) towards left extreme point, we can get the percentages, which will be used, in the formula.

The above mentioned is correct for the Participation, Initiative, Suggestions and Public availability, which are being explained below.

The weight of this factor in the whole is 0.16.

\[
P_L = \frac{T}{N}
\]

Where:

Overall Participation during the session (number of Speeches): \( T \)
Number of speakers during the session: \( N \)
Participation level for one member of the Council of the Elders: \( P_L \)
Speech number of the member of the Council of the Elders during the session: \( T_n \)
The use of a new management method by members’ activity estimation of the Council of the Elders

If \( T_n \geq P_r \times \left( 1 + \frac{60}{100} \right) \), \( n^{th} \) member of the Council of the Elders gets 5 units.

If \( P_r \times \left( 1 + \frac{20}{100} \right) \leq T_n < P_r \times \left( 1 + \frac{60}{100} \right) \), \( n^{th} \) member of the Council of the Elders gets 4 units.

If \( P_r \times \left( 1 - \frac{20}{100} \right) \leq T_n < P_r \times \left( 1 + \frac{20}{100} \right) \), \( n^{th} \) member of the Council of the Elders gets 3 units.

If \( P_r \times \left( 1 - \frac{60}{100} \right) \leq T_n < P_r \times \left( 1 - \frac{20}{100} \right) \), \( n^{th} \) member of the Council of the Elders gets 2 units.

If \( T_n < P_r \times \left( 1 - \frac{60}{100} \right) \), \( n^{th} \) member of the Council of the Elders gets 1 unit.

Those who do not have any participation get 0 point.

The next factor is Initiative (I). Given member’s average Initiative rate of the Council of the Elders is determined by dividing the sum of the questions, put under the discussion, by the members of the Council of the Elders during the session over the number of members suggested questions during the session. Then the number of the questions, suggested by a separate member the Council of the Elders, must be compared with that number. Average Initiative gets 3 units, lower than it - 2 or 1 unit, and higher than it - 4 or 5 units. The weight of this factor in the whole is 0,28.

\[
I_L = Q / N
\]

Where
The number of the questions, posed during the session: Q
The number of the members who raise questions during the session: N
Initiative level for one member of the Council of the Elders: \( I_L \)
The number of the questions, raised by \( n^{th} \) member of the Council of the Elders during the session: \( Q_n \)

If \( Q_n \geq I_L \times \left( 1 + \frac{60}{100} \right) \), \( n^{th} \) member of the Council of the Elders gets 5 units

If \( I_L \times \left( 1 + \frac{20}{100} \right) \leq Q_n < I_L \times \left( 1 + \frac{60}{100} \right) \), \( n^{th} \) member of the Council of the Elders gets 4 units

If \( I_L \times \left( 1 - \frac{20}{100} \right) \leq Q_n < I_L \times \left( 1 + \frac{60}{100} \right) \), \( n^{th} \) member of the Council of the Elders gets 3 units
If $I_L \times \left(1 - \frac{60}{100}\right) \leq Q_n < I_L \times \left(1 - \frac{20}{100}\right)$, $n^{th}$ member of the Council of the Elders gets 2 units

If $Q_n < I_L \times \left(1 - \frac{60}{100}\right)$, $n^{th}$ member of the Council of the Elders gets 1 unit

Those who do not show any initiative get 0 point.

The next factor is the weight of all members’ suggestions with positive results in the whole ($S$). The weight of this factor in the whole is 0,34.

$$S_L = \frac{Q}{L}$$

Where:

- All members’ suggestion number with positive results: $Q$
- Members’ number who made suggestions: $L$
- Average suggestion number with positive results for one member of the Council of the Elders: $S_L$
- The result of the $n^{th}$ member of the Council of the Elders during the session: $S_n$

If $S_n \geq S_L \times \left(1 + \frac{60}{100}\right)$, $n^{th}$ member of the Council of the Elders gets 5 units

If $S_L \times \left(1 + \frac{20}{100}\right) \leq S_n < S_L \times \left(1 + \frac{60}{100}\right)$, $n^{th}$ member of the Council of the Elders gets 4 units

If $S_L \times \left(1 - \frac{20}{100}\right) \leq S_n < S_L \times \left(1 + \frac{20}{100}\right)$, $n^{th}$ member of the Council of the Elders gets 3 units

If $S_L \times \left(1 - \frac{60}{100}\right) \leq S_n < S_L \times \left(1 - \frac{20}{100}\right)$, $n^{th}$ member of the Council of the Elders gets 2 units

If $S_n < S_L \times \left(1 - \frac{60}{100}\right)$, $n^{th}$ member of the Council of the Elders gets 1 unit

The next factor is Public Availability ($A$), which is a qualitative indicator, but it is expressed in the above-mentioned formula quantitatively. If a member of the Council of the Elders shows readiness and communicates with the residents of the community actively without creating any barriers, reducing the number of requests, applications about the same question, then he/she is estimated by the maximum unit of the factor (5 units). If a member of the Council of the Elders shows readiness but communicates with the residents of the community partly with some difficulties, then he/she is estimated by the half of the rate of the maximum unit of the factor (2.5 units). If a member of the Council of the Elders does neither show readiness nor communicates with the residents of the community, then he/she gets 0 units. The weight of this factor in the whole is 0,22.

As a result, the final result (named $G$) gives characteristics for a member of the Council of the Elders about the job done by the member. Given grades for the above-
mentioned factors are included in the G final grade. Overall grade for the exact member of the Council of the Elders is calculated after every session. Then Grade point average (GPA) is being calculated for 4 years to be visible whether how 4 years’ dynamics was: negative, positive or neutral. By taking 4 years’ GPA as a final result, we get clear image about members’ activities in the Council of the Elders.

Conclusions

This estimation solves the above-mentioned first problem. The existence of the estimation motivates members to work more effectively and the above-mentioned second problem is being solved by that. We have tried to give solutions to these problems by a new Management Method, purpose of which is to involve as many people as possible in the solutions of problems in which their involvement gives an opportunity to solve the problem as effectively as possible. Theoretically, the method is a combination of virtual and real worlds. It should work in the form of website where the results of the activities in the real world will be presented. Each member of the Council of the Elders will have his/her profile where the above-mentioned 4 factors and the general grade will be shown separately. The website must be available for all and this solves the third problem which is about people’s partial or full unawareness. Besides the figures, in the website there will also be the information about sessions, results of those sessions and other details. A team must work for each member of the Council of the Elders, which will remind it about the existing problems and their possible solutions. In other words, the member of the Council of the Elders should make suggestions during the sessions by the exhortation of the team. The member will know that a team works for him/her but will have no information about its number and members. The motivation of the team members will be the solution of the problems present in their communities. Non-Government organizations can apply to this activity with more official analysis. So, due to the sustainable work of this system, activity effectiveness of the members of the Council of the Elders will increase, the transparency of the activity of the Council of the Elders will be improved, as well as the residents’ awareness about that activities may grow.

Literature

1. Piekut M. (2016), Restaurants and hotels expenditure in Polish households of the elderly, Economics and Management, Vol. 8, Issue 1
2. The law of the Republic of Armenia on Local Self-Government, 07.05.2002
5. Tumanyan D. (2010), Local Government in Armenia [in:] Local Governments in Eastern Europe, in the Caucasus and Central Asia, Yerewan
8. Alymkulov E., Kulatov M. (2001), Local government in eastern Europe, in the caucasus and central Asia