

METHODOLOGICAL PRINCIPLES OF IMPROVING THE ORGANIZATIONAL STRUCTURE OF MANAGEMENT OF THE ORGANIZATION ON THE BASIS OF THE TRANSITION PERIOD

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Editor Científico: José Edson Lara Organização Comitê Científico Double Blind Review pelo SEER/OJS Recebido em 15.08.2023 Aprovado em 13.10.2023



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Abstract

The article defines the essence and content of a modern approach to improving enterprise management, based on process-oriented technology for modeling business processes, which allows: to increase the flexibility and adaptability of the organization's activities to changes in the internal and external environment; it has been proven that the process approach allows us to identify key factors of success and competitiveness of organizations, namely: innovativeness of the management system, adaptability of the system; optimal distribution of own total resources (taking into account the priority of processes occurring within the system); the effectiveness of the system, determined by qualitative and quantitative parameters; an algorithm for introducing the process approach in enterprises was formed and tested, based on the structuring of activities, their constituent processes and identification of results in the context of financial and management accounting; on creating information support for the process for making management decisions; on regulating the management improvement system; on the implementation of a budgeting system, from processes to the financial plan of the enterprise; fifthly, on the development of staff motivation based on a balanced scorecard system; a methodological approach to structuring the activities of organizations is proposed, which allows one to visually present the technology of work of each structural unit of the company, determine document flow and information flows, highlight the main, auxiliary and management functions of the organization's divisions, competently distribute functions between departments and employees, reduce the time and cost costs associated with execution of business processes, improve operational management.

Keywords: Business processes; Management; Modeling; Conditions; System.

1. INTRODUCTION

The relevance is due to the need for practical implementation of the world's best methods of managing organizations in enterprises in order to increase the efficiency of their work.

In the course of the research, the task was set to determine the effectiveness of management tools on a specific factual basis of the activities of enterprises, as well as the task of developing a mechanism for increasing their competitiveness based on the introduction of a process approach, modeling business processes, and improving the quality of enterprise management.

The purpose of the article is to substantiate theoretical principles and practical recommendations for improving enterprise management and increasing their competitiveness.

The use of the capabilities of the instrumental and methodological apparatus made it possible to ensure sufficient reliability and validity of the recommendations and conclusions obtained in the study.

The object and subject of the study are the enterprise and its organizational structure, which determines the efficiency of its production activities. Issues of supply of raw materials



and marketing of manufactured products are an integral part of the production process. The issue of professional training of a manager and his personal qualities and characteristics is also touched upon.

During the study, a systematic approach was used, which makes it possible to most effectively approach the issues of improving management and introducing process-oriented methods in existing enterprises in market economic conditions. Methods of analysis, synthesis, modeling, management engineering, classification, identification, positioning, grouping, questioning were also used, and dialectical, logical and integrated approaches were used.

About the importance and relevance of the research outlined problems are evidenced by a large number of publications and scientific works on this topic. Development issues, functioning and organizational restructuring management structures were studied by such scientists as (Datta R., 1998), (Maddison A., 1970), (Milner B.Z., Orlova T.M., 2013), (Arnold, H. J., 1982), (Birley, S. and Norburn, D.,1985), (Bourgeois, L. J., Mcallister, D. W. and Mitchell, T. R., 1978), (Dess, G. G. and Robinson, R. B., Jr., 1984).

In particular, (Datta R.,1998) justifies the fact that general culture of management improves its organization, simplifies and cheapens its process, ensures increases the coherence and clarity of the work of employees labor discipline in the organization. (Maddison A., 1970) claims that philosophy is being established in the business sphere, for whose person is the main resource, the greatest value and the goal of economic development.

The scientific novelty of the article lies in the development of theoretical provisions and practical recommendations for improving the enterprise management system in a dynamically developing environment, meeting not only modern, but also promising directions of management development.

2. **MATERIALS AND METHODS**

In the process of research and conducting consulting projects at the enterprise, we carried out a comparative analysis of various standard structures according to qualitative indicators, which showed that the territorial (mainly three-stage) structure provides: a comprehensive solution to production, economic, organizational, economic, managerial and social problems; greater stability, self-organization, adaptation of organizational structures; use of targeted comprehensive programs. At the same time, this structure has disadvantages:



the norm of the functional load of managers is 1.3-2.0 times higher than the rational one; up to 100-120 channels of production and organizational and economic communications arise; ties of subordination are 1.5-2 times greater than with a workshop structure; the main specialists developing the technical and technological support for the goal do not have labor and technical resources and are not responsible for the implementation of production tasks; The movement of information does not occur quickly enough due to the large number of transmission links.

Managers understand that as the economy develops and grows, enterprises need to improve the efficiency of managing their activities, which directly depends on improving the quality characteristics of the decision-making system. Let us note that when improving any type of activity, the manager has to change the usual, routine way of action, break the usual methods of work, many of which are not effective.

3. **RUSULT AND DISCUSSION**

The principles and methods of its formation are of great importance in preparing the structure. They are the foundation for the effectiveness of its work. The main of these principles can be formulated as follows:

The organizational structure of management must, first of all, reflect the goals and objectives of the organization, and, therefore, be subordinate to production and its needs;

An optimal division of labor should be provided between management bodies and individual workers, ensuring the creative nature of the work and normal workload, as well as proper specialization (Arnold, H. J., 1982);

The formation of a management structure should be associated with the determination of the powers and responsibilities of each employee and management body, with the establishment of a system of vertical and horizontal connections between them;

Between functions and responsibilities, on the one hand, and powers and responsibilities, on the other, it is necessary to maintain correspondence, the violation of which leads to dysfunction of the management system as a whole;

Reliability, efficiency, adequacy of changes to changes in the internal and external environment ensure flexibility of the organizational structure;

Forecasting changes in the external and internal environment and proactive action;



The ability to shape changes in the external and internal environment in the direction of fulfilling the organization's mission, its strategic and tactical goals and objectives;

The organizational structure of management is designed to be adequate in the sociocultural environment of the organization. In practice, this means that attempts to blindly copy management structures that successfully function in other socio-cultural conditions do not guarantee the desired result.

The implementation of these requirements means the need to take into account, when forming (or improving) the management structure, many different factors influencing the organizational structure of management.

This is precisely what makes it possible to consider the relationship between the part and the whole as a kind of analogy to the relationship between the elements (parts) and the entire organization as a whole.

It should be noted that these issues, albeit from the point of view of tectology, have already been analyzed. Only there we were talking about elements and complexes (collections of elements). The conclusions we have drawn can also be transferred to economic complexes, which are firms.

Thus, we have the right to use the dialectic of part and whole in the analysis of intracompany hierarchies. For us, perhaps, the fundamental conclusion here will be that what is true for a part is not always true for the whole, and vice versa. That is, we are dealing with a situation where the organization as a whole develops according to laws other than those of the element (structural unit).

The very definition of an organization given in the introduction presupposes the presence of an internal structure as a prerequisite for its existence.

This problem is beyond the scope of our study. We will not specifically consider organization as streamlining the work of a company, or logistics. For the authors, this is the structure of the organization, the relationship and subordination of elements within complexes (Birley, S. and Norburn, D., 1985).

The main factor that "sets" the possible contours and parameters of the management structure is the organization itself. Approaches to building management structures are different in commercial and non-profit organizations, large, medium and small, located at different stages of the life cycle, having different levels of division and specialization of labor, its cooperation and automation, hierarchical and "flat", and so on. It is obvious that the management structure of large enterprises is more complex than that needed by a small



company, where all management functions are sometimes concentrated in the hands of one or two members of the organization (usually the manager and the accountant).

The formation of the management structure is influenced by changes in the organizational forms in which enterprises operate. So, when a company becomes part of any association, say, an association, a concern, etc., a redistribution of management functions occurs (some of the functions are, naturally, centralized), therefore the management structure of the company changes. However, even if an enterprise remains independent and independent, but becomes part of a network organization that temporarily unites a number of interconnected enterprises, it has to make a number of changes to its management structure.

An important factor in the formation of management structures is the level of development of information technology at the enterprise. The general trend is towards decentralization, i.e. to an increase in the number of personal computers while simultaneously expanding the use of local networks, leads to the elimination or reduction of the amount of work for a number of functions at the middle and lower levels. A direct result of the use of local networks can be an expansion of the sphere of control of managers while reducing the number of management levels in the enterprise.

Of independent importance, as has been repeatedly noted, is the problem of determining the structural unit of the organization.

The author believes that the basis for identifying such a unit is not only objective factors (technology, enterprise size, type of market, type of product, etc.), but also subjective ones (the abilities of the managers themselves, their experience and knowledge, the ability to think strategically and creatively, to see essential details, to see the content behind the form; their personality qualities: type of character, type of temperament, type of charisma, its strength and brightness, the ability to unite and lead employees; the ability to predict the course of events (intuition), the presence of a creative mind, the ability to modulate the situation; type of psychology - risk-taking or the desire for decisions with a minimum amount of risk, the desire of managers to achieve short-term or long-term goals, etc.). The ability of a manager to see strategically, react flexibly and quickly to changes in the external and internal environment, the ability to quickly determine an effective management tool (or a set of them) and apply it at the right time, in the right place and in the right form and quality.

As practice shows, the listed factors are often decisive in the process of managing the organizational structure of an enterprise.



Unfortunately, the development of personal abilities and qualities of a manager in the system of existing educational institutions is not given due attention. This function was taken over by various training and coaching agencies, private training and retraining centers.

Comprehensive training of a manager involves constant physical training (the type of thinking and its quality depend on the type of sport), patriotic and environmental education would significantly improve the level of proper economic development of the country. Formation of organizational culture contributes to the formation of correct relationships between participants and structural units of business processes. Organizational culture permeates the organizational structure and ensures its effective operation. The quality of organizational culture is no less important than a properly constructed organizational structure of an enterprise (Bourgeois, L. J., Mcallister, D. W. and Mitchell, T. R., 1978).

Identical (very similar, same-order) organizations (firms) have different measures (degrees) of division of labor, and, consequently, different elementary units of organization construction.

Of course, the role of objective factors is very large, but in a specific analysis of a specific situation when determining the elementary unit of an organization, one must in no case abstract from the subjective component of the company's activities.

This approach determines the mobility of the organization. The reason for this situation is all the factors listed above, both objective and subjective.

The simplest example is the size of the company. If we have a monopoly capital presented in the form of a concern, then as a unit we may have a division that performs some elementary function (technological or some other). If we are talking about monopoly capital, presented in the form of a financial-industrial group, then such a unit will be larger, for example, an entire structural unit included in this group.

Subjectivism in the definition of an elementary unit is manifested in the extent to which top management gravitates towards detail in this matter. Any structural fragmentation is associated with additional (and considerable) costs, primarily for the division of functions or operations with their subsequent coordination.

Here, in fact, one can formulate another managerial dilemma: either a greater detail of the structure with the desire to find precisely an elementary (simple) structural unit with an increase in geometric progression of connections that need to be organized and coordinated, or a simplified structure with such a unit that is not consciously further structured and allows you to reduce expenses (costs) for coordinating elements in the company.



In our opinion, such an analogy is acceptable here. You can analyze matter at the level of atoms or their elementary particles (electrons, protons, neutrons), or you can analyze matter at a more elementary level. It is known that in the second case the degree of conditionality increases significantly.

It is the senior manager who has the final say in defining the unit of the organization. In this case, both objective factors and subjective biases of the person making the decision are taken into account.

It should be noted that in dynamic markets, specification of the structure is hardly justified, but in stable markets it can bring a certain additional effect.

The mobility of an elementary unit suggests that the development of firms (companies) can also be associated with changes in the organizational structure of the unit and, in turn, lead to such changes.

Now it is time to dwell in more detail on the types of structural units of an organization. The next two parts of this work will be devoted to consideration of this problem (Dess, G. G. and Robinson, R. B., Jr., 1984).

It was proven above that a company is an economic organization that compares the result of its activities with the costs incurred for this, striving for the result to be greater than the costs. However, a company is also a technological organization, which corresponds to a certain technological process (technological chain), the result of which is a specific use value that takes the economic form of a product in the process of purchase and sale.

The technological process itself cannot but be divided into more elementary components, units (technological operations). The reason for this is that cooperation and division of labor are the most important conditions for the growth of the productive power of labor (these provisions were discussed in detail above).

However, it should be noted that the division of labor (fragmentation into technological units) cannot be unlimited. A way out of the situation should be sought with the help of the thesis about the relationship between the result of activity and the costs caused by it, which has proven itself in solving many theoretical and practical problems.

The result of the fragmentation of a single technological process is the growth of the productive power of labor as a result of the unification of the efforts of the combined labor force and part-time workers. This is expressed in the growth of product production per unit of time throughout the entire technological process.

The costs that the entrepreneur bears in this case are associated with additional costs for coordinating the activities of divided workers.

It is easy to notice that the higher the measure of division of labor, the slower the rate of increase in output per unit of time (the effect of the objective trend of decreasing productivity of the production factor) and the faster the costs associated with the coordination of divided activities increase.

Inevitably, the flow of income (result) is compared with the flow of costs (additional costs). After this, further division of labor not only does not lead to an increase in the productive power of labor, but, on the contrary, leads to its decrease, while the overall efficiency of the organization (company) also decreases.

Thus, the thesis about the limited division of labor can be considered proven. This means that there is a limit to the allocation of a technological unit within a single technological progress. Ideally, this measure of division of labor actually allows us to obtain a unit for constructing an organization based on the division of labor.

In reality, achieving such a state is almost impossible. Managers can approach this state of affairs. However, there are obvious economic difficulties here. First of all, this is due to the accuracy of determining the result of further division of labor and the additional costs of coordinating even more divided labor.

Let us at least recall the dilemma between efficiency and accuracy. The desire to count everything to the last decimal place will inevitably lead to erroneous management decisions, since the time when the decision being made gives the maximum effect becomes wasted.

Therefore, we can, using a technological approach, build organizations that are engaged in more than just production activities. Now we are splitting up functions. They become technological units that also define organizational units.

The measure of fragmentation of functions (it is also the measure of division of labor for non-productive activities of the company) is determined by the ratio of the result obtained by the company from the division of functions and the costs that must be additionally incurred to coordinate the divided functions.

After such manipulations, we obtain a certain organizational unit (for example, a department, group, sector, etc.), identical to a part of some function of the enterprise. Again, on the one hand, we have the opportunity to further fragment the function into even more elementary components, but on the other hand, we do not do this, since the additional costs of coordination become so significant that they exceed the additional income from further division of the function.



The principle that operates during such a determination of the elementary unit (atom) of an organization comes down to the fact that one function (or some fractional part thereof) is assigned to the structural unit.

If there is no such consolidation, then it will be impossible to talk about responsibility for performing certain work. This will certainly affect the quality of work and the level of overall efficiency of the organization (company).

That is why such increased attention is given to determining the competence of a team, site, workshop, department, group, sector, etc. This is expressed in such an important management document as the Regulations on a structural unit, in which everything is defined down to the level of a specific employee of the unit, which is reflected in the Regulations on Job Responsibilities.

The importance of these documents cannot be overestimated. Their competent compilation means not only the absence of duplication, failures at the interfaces, etc., but also minimizing the sources of conflicts between people in the organization.

In fact, we have reduced the consideration of this kind of elementary structural unit (technological) to the construction of bureaucratic organizations, clearly hierarchical, well administratively managed, capable of effectively solving large-scale problems that may confront the company.

Previously, we have already analyzed the bureaucratic organization as a specific managerial resource. The advantages and disadvantages, pros and cons of a structure of this kind were noted. We repeat because of their importance and significance.

Pros: 1) hierarchical chain of command, 2) specialization, which makes it possible to build organizations based on job responsibilities, 3) the existence of uniform rules for everyone, 4) the presence of standard procedures leading to cost reduction, 5) career as a result of advancement through the ranks, 6) dominance of impersonal relations and 7) coordination from above.

Possible disadvantages: 1) regulatory framework in the form of official relationships, which does not provide flexibility and stability at the same time, 2) lack of effective opportunities to use global means of communication, 3) administrative model for resolving conflicts, which does not allow the use of mutual agreements that give better results, 4) low degree flexibility of the organization, 5) a formal bureaucratic atmosphere that prevents the manifestation of openness and mutual benefit, 6) subordination of the organization's participants.



Now the time has come to specifically focus on a fundamentally different approach to defining the elementary structural unit of an organization (firm).

A company is not only a technological reality and a technological process, but also, as already noted, an economic reality, an economic entity that professes the principle of correlating results and costs while striving to exceed the former over the latter.

If the company is considered precisely as an economic structure, then it seems obvious that all its activities can be divided not only into technological parts, units, but also into economic parts, units.

In this case, we need to find out: what is considered such an economic unit, on the basis of which we can build the structure of a company as an economic organization in a different way.

Let us remember that any economic relationship presupposes at least the presence of two subjects - a buyer and a seller (producer and consumer) without which economic relations do not become exactly economic, and the product of labor does not take the economic form of a commodity.

Thus, a product or service must have its consumer. All this seems obvious when we consider the relations between independent, independent, sovereign economic entities. What if we transfer this approach to the internal environment of the organization (to the intracompany hierarchy)?

In this case, the company becomes an organization in which there are both producers and consumers of labor products and services. Moreover, this applies to the entire activity of the company, to the entire turnover of capital. In this regard, the question becomes unprincipled: whether or not such activity takes the economic form of a commodity. Speaking about the intra-company hierarchy, we leave aside another form of economic organization, which is the market.

If a company moves a labor product or service across the organization's borders, then we have normal producers and consumers (sellers and buyers), who can act both within the framework of a market economic organization and within the framework of a contract system (they deal with goods as an economic form of product of labor, service).

To sum up what has been said, we have the right to assert that it is possible to fragment the economic activities of a company into economic units, each of which is supported by a specific consumer both within the company and outside it.

It is this approach that makes it possible to define a new category for our analysis, which is a business process.



Improving the management of the activities of an industrial organization cannot be done without its self-assessment according to the main criteria of competitiveness, namely innovation, adaptability, optimal distribution of its own total resources and effectiveness.

Innovativeness (dynamism) of a system is the ability to regularly carry out technological and organizational changes in the internal environment of the system, that is, the ability to systematically update it.

Adaptability (flexibility) of a system is the ability to adequately respond to changes in external conditions and internal factors, regulate their dependence on them, which is determined by the speed of adaptation to them.

Optimal distribution of one's own total resources (taking into account the priority of processes occurring within the system) and the establishment of an optimal relationship between various types of total resources that make up the competitive potential.

Factors that reduce the efficiency of organizational structures Causes and ways to eliminate negative factors Tendency towards anarchy Rights and responsibilities are not clearly distributed between the two lines of the structure. There is a need for clarity and precision in this matter. Struggle for power. Unclear definition of powers. It is necessary to establish a balance in the relations between project and functional managers Development of groupism It becomes the norm for a group to make all decisions. It is necessary to stimulate individual efforts. Collapse during an economic crisis. Matrix cells are indecisive during a period of general deterioration of the situation. Intervention from top management is required in planning and control of work execution. High overhead costs. An increase in the number of managers requires an increase in costs. Reduce the multiple roles of managers Gap between management levels In the matrix, the lower links work in a new way, the higher ones do not use the matrix. It is necessary to involve senior management by reducing the size of the matrix cells. Lack of control across management levels Cells exist at every level and add complexity to the system. It is necessary to create matrix cells only around critical problems of the organization's development. Narcissism of the organization The organization closes in on itself. Top management must keep the organization's goals in focus at all times. Difficulties in decision making. Decisions are not made on time. It is necessary to delegate the right to make decisions to the level of their implementation.

Reasons preventing the introduction of effective methods of managing organizations into the management practice of enterprises:

reduction of production operations implies reduction of enterprise employees. In conditions of hidden unemployment, workers do their best to prevent the introduction of



effective management methods, because... for them it becomes a threat of deprivation of their livelihood;

Along with simplification of the organization's management system, there is often an increase in labor intensity, which increases the load on the enterprise's employees. There is a need to overcome inertia and laziness, which requires new effective management tools.

The disadvantages include: the lack of a concept, strategy and program for the development of the food market with realistically achievable goals; permanent lag in development, unsystematic nature and imperfection of legal and regulatory support for economic regulation; destruction of the system for the reproduction of production potential (primarily its active part) due to low investment activity; rising inflation and lack of a normal investment climate in the real sector of the economy; preference for current expenditures to the detriment of capital ones; ineffective and unfair privatization of state property and public property; weakening of the regulatory role of the state in pricing policy; low legal discipline, lack or complete absence of economic ethics at all levels of management.

4. CONCLUSIONS

In modern market conditions, characterized by tougher competition for increasing production efficiency, a sharp consolidation of leading regional and all companies, and their geographical distribution, the risks of making management decisions increase sharply. In this regard, enterprises are forced to look for new approaches to company management that increase their sustainability of operation. One such promising approach to management is process-oriented management technology.

This paper examines various methods and means of improving enterprise management; based on the research, a fundamental approach has been developed based on the use of competitiveness factors, such as the innovativeness of the management system; adaptability of organizational structure; optimal distribution of own total resources; the performance of agricultural organizations, expressed by quantitative and qualitative indicators.

As a result of the analysis of management discipline at enterprises, the necessary measures have been developed aimed at increasing the efficiency of activities, allowing to build information support for decision-making to achieve the desired results of quality of products and services, technological purity of production processes, stimulation of labor and



motivational mechanisms of the workforce, linked into a single management algorithm. It includes the sequential implementation of the following stages: structuring the types of activities and their constituent processes; identification of results in the context of financial and management accounting; creation of information support for the process for making management decisions; regulation of the management improvement system; implementation of a budgeting system, starting from processes and ending with the financial plan of the enterprise; development of a personnel motivation system based on the provisions of the balanced scorecard.

Reengineering of business processes and subsequent comprehensive automation of the enterprise management system should be carried out on the basis of the developed generalized methodology for a formalized description of the organization's business processes, determining the main factors of operational efficiency in the context of responsibility centers. The creation of a unified information space at an agricultural enterprise will increase the efficiency and reliability of information on the implementation of production processes when making management decisions, and the budgeting system will allow for results-based management in each division of the organization. The methodology for motivating employees of departments of an agricultural enterprise, taking into account the indicators of a balanced system of the enterprise, is the basis for effectively stimulating the productivity of workers and their active participation in achieving the goals of the enterprise.

The result of this research is the creation of a basic subsystem for improving enterprise management based on regulatory documentation, informatization, budgeting and a balanced enterprise scorecard. The practical implementation of the proposed methods will lead to an increase in the number of alternative design solutions being considered and a reduction in material and time costs for improving the control system, and, therefore, as a consequence, to a reduction in product costs.

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