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ДЕЯКІ АСПЕКТИ ПІДХОДУ ДО ФОРМУВАННЯ ГНУЧКОЇ ОРГАНІЗАЦІЙНОЇ СТРУКТУРИ НА ПІДПРИЄМСТВАХ УКРАЇНИ

SOME ASPECTS OF THE APPROACH TO THE FORMATION OF FLEXIBLE ORGANIZATIONAL STRUCTURE AT UKRAINIAN ENTERPRISES

Гресь Г. О. Деякі аспекти підходу до формування гнучкої організаційної структури на підприємствах України. *Український журнал прикладної економіки та техніки*. 2023. Том 8. № 2. С. 186 – 191.

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The article aims to improve the flexible organizational structure formation approach by formulating and explaining the stages of the process and related specifics in the mechanism of the flexible organizational structure formation. The article discusses forming a flexible organizational structure and presents a recommended sequence of stages to achieve this goal. The author draws from various studies on organizational structure formation, contemporary management approaches, and flexible organizational structures. Forming a flexible organizational structure involves several distinct stages, starting with creating a competent team and culminating in the final implementation of the new structure. The recommended steps include analyzing both the external and internal environment of the company, with a focus on VUCA dimensions (volatility, uncertainty, complexity, ambiguity) and business processes. The formation of the organizational structure is to be guided by specific criteria based on the company's goal subsystem and business processes, with key performance indicators established for measuring the success of the new structure. The article also highlights specific improvements in forming flexible organizational structures, including incorporating process orientation principles and adaptations based on legal changes. It is proved that Limited Liability Companies (LLCs) are the most suitable legal form for implementing flexible organizational structures, and the involvement of facilitators in managerial decision-making is recommended to encourage open discussion and resolution of issues. Further research in this field should aim to specify exact procedures for the stages of the discussed approach to the formation of a flexible organizational structure.

Keywords: organizational structure, flexible organizational structure, formation of flexible organizational structure, approach to formation of flexible organizational structure, mechanism of formation of flexible organizational structure, principles of formation of flexible organizational structure, process approach.

Метою статті є вдосконалення підходу до формування гнучкої організаційної структури управління підприємством шляхом формулювання та пояснення етапів процесу та пов'язаної з ними специфіки механізму формування гнучкої організаційної структури. У статті розглянуто процес формування гнучкої організаційної структури управління підприємством і подано рекомендовану послідовність етапів досягнення цієї мети. Автор спирається на різноманітні дослідження щодо формування організаційної структури, сучасні підходи до управління та особливості гнучких організаційних структур. Процес формування гнучкої організаційної структури управління підприємством включає кілька етапів, починаючи зі створення компетентної команди і закінчуючи остаточним впровадженням нової структури. Рекомендовані етапи включають аналіз зовнішнього та внутрішнього середовища компанії з акцентом на параметри VUCA (мінливість, невизначеність, складність, неоднозначність) і бізнес-процеси. Формування організаційної структури має здійснюватись за конкретними критеріями, заснованими на цільовій підсистемі та бізнес-процесах компанії, із встановленими основними показниками для вимірювання ефективності нової організаційної структури. У статті також висвітлено конкретні пропозиції щодо вдосконалення механізму формування гнучких організаційних структур, включаючи використання принципів процесної орієнтації та адаптації на основі правових змін. Доведено, що товариство з обмеженою відповідальністю (ТОВ) є найбільш прийнятною правовою формою для впровадження гнучких організаційних структур, а залучення фасилітаторів до прийняття управлінських рішень рекомендовано для стимулювання відкритого обговорення та вирішення питань. Подальші дослідження в означеній сфері мають бути спрямовані на визначення конкретних процедур для реалізації окремих етапів розглянутого підходу до формування гнучкої організаційної структури.

Ключові слова: організаційна структура, гнучка організаційна структура, формування гнучкої організаційної структури, підхід до формування гнучкої організаційної структури, механізм формування гнучкої організаційної структури, принципи формування гнучкої організаційної структури, процесний підхід.

Formulation of the problem

Today, flexible organizational structures are gaining significant popularity in Ukraine and worldwide [1; 2; 3]. But many aspects of their formation and implementation still need to be solved due

to the complexity and wide variety of situations and purposes of such performance. Universal approaches to organizational design only sometimes work well, as flexible organizational structures have some peculiarities distinguishing them from bureaucratic structures.

Moreover, in our country, the use of flexible organizational structures needs to be more regulated from a regulatory and legal point of view. Yes, there is no legal basis and legal protection for all participants of organizations with a flexible management structure. This problem is especially relevant for limited liability companies, the largest group of legal entities by organizational and legal form of business, covering more than 51% of all legal entities [4]. The presence of this problem, along with issues of an informational and psychological nature (for example, the belittled attitude of the top Management of domestic medium and large businesses to the severe perception of flexible organizational structures), lead to a decrease in the effectiveness of the activities of companies in Ukraine.

Therefore, developing a practical approach and mechanism for forming and implementing flexible organizational structures at domestic enterprises becomes relevant.

Analysis of recent research and publications. Organizational structures, their features, types, and approaches to implementation were studied by such foreign and domestic researchers as Ansoff I., Bykova A., Daft R., Gruzina I., Lepeiko T., Levitt T., Meskon M., Mintzberg H., Osovskaya G., Sladkevich V., Sloan A., Sobol S., Khmil F., and many others. In addition, certain aspects of managing the activities of enterprises related to their organizational structure were regulated by legislation, first of all, by the Civil and Economic Codes of Ukraine and the Law of Ukraine "On economic partnerships".

The problem of flexible organizational structure formation in enterprises is relatively well-developed. It is considered both as a separate problem and in the broader context of organizational design (e.g. [6]) or organizational changes (e.g. [7]). The core element of the process of organizational structure formation is the related procedure (the sequence of stages). Analysis of scientific works on this topic shows two main approaches to developing the process of organizational structure formation: the first approach (which can be called content) focuses on stages necessary to decide on the type of organizational structure, distribute responsibilities, etc. Under this approach, the following steps are recommended [8; 9; 10]: researching the external and internal environment, researching the company's goals; analysis of the organization's capacities and readiness; designing of organizational structure; development of key performance indicators, etc.

The second – organizational – approach is aimed at describing steps necessary to perform the process of corporate structure formation from the point of view of the organization in the company. It usually includes such stages [6; 7; 8]: creating a team of specialists for the organizational structure formation, formulating the purpose of changes, identifying theories and criteria for differences, budgeting the organizational structure formation measures, approving the program of changes, etc. Thus, such approaches should be integrated and specified to receive a comprehensive, flexible organizational structure formation process.

The purpose of the article

The article aims to improve the flexible organizational structure formation approach by formulating and explaining the stages of the process and related specifics in the flexible organizational structure formation mechanism.

Main results of the research

Generalizing the studies on the process of organizational structure formation [6; 7; 8; 9; 10; 11], contemporary management approaches [12; 13], and peculiarities of flexible organizational structures [6; 11; 14; 15], the author recommends the following sequence of stages in the process of the flexible organizational structure formation:

1. Creation of a team for flexible organizational structure formation. Of course, the main requirement for such team members is the level of competency that must be enough for the task assigned; including professional consultants in this team is strongly recommended to ensure that. There are two main reasons for such a recommendation. The first one is that the formation, implementation, and use of flexible organizational structures are more complicated than traditional ones [6; 15]. Another reason is that primarily flexible organizational structures are used in small and middle-sized companies, which usually have lower managerial competency.

2. Analysis of the external environment of a company. Such analysis is recommended to perform with a focus on its dimensions called VUCA (standing for volatility, uncertainty, complexity, ambiguity) as recommended in the work [16].

3. Analysis of the internal environment of a company. Here the main focus is to be made on the company's goal subsystem (vision, mission, objectives, strategies) [6] and its business processes [12; 13]. Business processes are a vital internal factor defining a company's structure [17]. Thus, it is essential to use the process approach to form and further reformat flexible organizational structures.

4. Developing the criteria for the organization structure formation that, based on the goal subsystem of the company and its business processes, must guide the structure formation process.

5. The key performance indicators for measuring the company's performance with the new organizational structure will be developed based on the criteria.

6. Developing the list of alternative types of organizational structure for implementation. This stage can require involving experts.

7. Modeling and simulating key business processes of the company and calculating the critical performance indicators for every alternative type of organizational structure. The appropriate software is recommended for implementing this stage, e. g. Bizagi Modeler, ARIS, etc.

8. Choosing a type of organizational structure based on the previous stage's simulation. If there is no organizational structure satisfying the criteria from stage 4, it is necessary to return to stage 6. If there are no new types of organizational structure to consider, it is essential to reconsider the criteria in step 4.

9. Departmentalization (defining the list of departments, their functions, and relations).

10. Developing the procedures necessary to implement and use the new organizational structure. Here, the focus should be made on the coordination mechanism among departments and the systems supporting it (e.g., software).

11. Integrating the systems of motivation and budgeting with the new organizational structure.

12. Documenting the results of stages 9 – 11.

13. Pilot implementation of new flexible organization structure and monitoring of company performance. This requires gradually implementing a new flexible organizational system, personnel training, etc.

14. Analysis of the piloting results by comparing the actual company's performance with the anticipated and the commission under the past organizational structure. In case the actual implementation is significantly lower than in the past, it is necessary to consider the cancellation of all the changes made. If the actual performance is more excellent than the performance under the past organizational structure but less than anticipated, it is necessary to get back to stage 9. Eventually, in case the actual company's performance is satisfactory, the turn to the next stage should be made.

15. Standardizing the organizational documentation and final implementation of the new flexible organizational structure.

16. Developing the procedure to review the elements of the flexible organizational structure. This stage is essential as a flexible organizational structure implies dynamic interrelations among its components.

The mechanism of formation of a flexible organizational structure has some specific features. The agency includes principles of construction of organizational structures [8; 18], such as:

unity;

prevalence of functions over the structure;

functional closeness;

simplicity;

sole authority;

the optimal span of control;

the optimal proportion between centralization and decentralization;

feedback;

correspondence.

Enriching the abovementioned principles with the principle of process orientation is recommended. It means that the structure must follow processes as it was discussed above.

Another improvement is to specify some details in forming a flexible organizational structure. Thus, in February 2018, the Law of Ukraine "On Limited and Additional Liability Companies" [19] was adopted. Adopting this Law led to a change in the model of legal regulation. If before that, the activity of limited liability companies (LLCs) was determined by the principle "participants can determine at their own discretion what is allowed by law", now it has instead become "participants can determine at their

own discretion everything that is not prohibited by law". Changes affecting the specifics of the implementation of flexible organizational structures that occurred with the adoption of the Law mentioned are as follows [20]:

- requirements for the content of the Charter;
- requirements for the number of votes to make a decision;
- unification of legislation;
- corporate agreement.

Adopting the Law of Ukraine on Limited and Additional Liability Companies" significantly simplified their organizational and legal activities. Today, there is a practice of implementing the provisions of this Law by Ukrainian companies; however, some of the requirements still need to be addressed [20]. This is due to the relative novelty of the Law and the lack of experience, and therefore, the available recommendations for its application, including in the part of implementing flexible organizational structures. Thus, it is necessary to develop recommendations on adopting the legislative changes in forming flexible organizational structures at Ukrainian enterprises.

The aforementioned legislative changes and the study of the organizational and legal forms of business conduct available in Ukraine [5; 20] allow us to state that the most suitable form of organization for implementing flexible organizational structures is the LLC. At the same time, to scale the LLC on the market in a dynamic style, it should attract partners and counterparties who are legally organized as individual entrepreneurs for business cooperation, which will best support the principles and values of flexible management systems in the legal space of Ukraine.

It is proposed to enshrine the following provisions in the Charter of such an LLC. Any of the LLC's participants have the right to make proposals included in the agenda of the general meeting and to provide draft decisions on agenda items and draft documents planned to be considered and approved at the public forum. Agenda items should be formulated as a description of the situation that requires actions or decision-making by the general meeting of the LLC. The formulation of the agenda item should contain a variety of decision options.

The flexibility of the LLC can also be ensured by the following order of discussion and managerial decision-making, described below.

It is recommended to involve a facilitator for the general meeting or any other meeting implying group decision-making. The facilitator provides an opportunity for the participants to discuss the procedure for consideration of the issues included in the agenda and to discuss and resolve other issues related to the procedure of the current meeting. The facilitator puts each of the problems on the agenda for discussion and voting and allows each of the members of the LLC to speak about the results of the meeting.

According to the recommended procedure, each item on the agenda should be discussed in the following order:

1. At the beginning of the discussion of the issue, the facilitator gives the floor to the person who initiated the issue's introduction to the agenda to explain the issue's content, the proposed draft decision, and the desired consequences of its adoption. The initiator may ask the facilitator and members to help in formulating a draft decision that will be put to a vote. The formulation of the draft decision should keep the agenda and include other plan issues in the decision on the discussed topic.

2. After the initiator finishes his speech, each participant can ask him a question about this agenda item. The initiator is not obliged to answer the questions. The facilitator should not allow the question to be discussed outside the "question-answer" format and should also remove from the discussion questions that are not aimed at clarifying the content of the initiator's proposal.

3. After all the participants have asked all the desired questions, the facilitator should invite the participants, except the initiator, to express their opinion on the agenda issue being discussed. The facilitator must stop discussions or replies in response to other people's statements.

4. The initiator has the right to change the proposed decision or refuse further consideration of this issue. Changes to the decision may only go up to the agenda item specified in the meeting notice, except for changes made with the consent of all company members. Refusal from further consideration of the issue is entered into the general meeting minutes and confirmed by the initiator's signature.

5. The facilitator must give all present members of the meeting one by one the opportunity to express objections to the decision proposed by the initiator. The facilitator must stop other participants'

discussions, responses, or lines. The facilitator must check the participant's complaint for compliance with the requirements regarding the validity of objections).

In case there is at least one valid objection, or the objector insists on discussing his complaint, the facilitator shall facilitate the discussion of each such objection in turn to amend the initiator's proposed decision in accordance with such objection. The facilitator has the right to stop the discussion of a complaint if the person who raised such an objection does not make sufficient efforts, in the opinion of the facilitator, to correct the draft decision by his protest.

In the absence of objections, it is considered that all members of the LLC present at the general meeting voted for the decision. After three repeated discussions, the same complaint is considered to be rejected.

Conclusions and prospects for further investigations

Thus, forming a flexible organizational structure involves several distinct stages. Among those stages, it is necessary to focus attention on engaging external consultants, analysis of the external environment considering its volatility, uncertainty, complexity, and ambiguity aspects; using the process approach to formation and further reformation of flexible organizational structures, modeling and simulating key business processes of the company; developing the procedure to review the elements of the flexible organizational structure. Changes in Ukrainian legislation can also be used to improve the decision-making procedures during the general meeting.

Further research in this field can be aimed at developing a more effective methodology for voting on meeting decisions, based on the presence or absence of actual or potential harm to the company, rather than considering the opinion of the majority of those voting for or against the proposed decision. Also, it is essential to specify the exact procedures for the stages of the discussed approach to forming a flexible organizational structure.

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