Ye. Podryadchikov

3rd year student of Management and Marketing Faculty of KhNUE

IMPROVEMENT OF ORGANIZATIONAL STRUCTURE OF AN ENTERPRISE

Annotation. Methods of improving the efficiency of organizational structure of an enterprise are considered. The important place is allocated for "knowledge worker" – the term offered by Peter Drucker – category of workers whose activity is connected with processing of available information and obtaining new data.

Анотація. Розглянуто методи підвищення ефективності організаційної структури підприємства. Важливе місце відводиться "інформаційному робітнику"— терміну, запровадженому Пітером Друкером,— категорії працівників, діяльність яких пов'язана з обробкою інформації, що є в наявності, та отриманням нових даних.

Аннотация. Рассмотрены методы повышения эффективности организационной структуры предприятия. Важное место отводится "информационному работнику" — термину, предложенному Питером Друкером, — категории работников, чья деятельность связана с обработкой имеющейся информации и получением новых данных.

Key words: organizational structure, enterprise, "knowledge worker".

Organizational structure is a consideration of every company. The breadth of products/services offered, the range of markets targeted and the methods by which those markets are targeted are important considerations. A narrow focus can turn out to be a make-or-break venture, while too broad of a focus can erode competencies and brand image. Either extreme can lead to problems for the company.

The problem of studying the organizational structure of an enterprise, its theoretical and methodological foundations are studied in works of many famous economists, such as H. Fayol, G. Griffiths, S. Sambrook, F. W. Taylor, M. Weber and many others.

The purpose of this article is to show the role of an organizational structure of the enterprise as one of the most essential factors of successful business activities and to describe the methods of improving the organizational structure.

Organizational structure may be defined as a set of activities such as task allocation, coordination and supervision, which are directed towards the achievement of organizational aims [1]. In an organization of any size or complexity, employees' responsibilities typically are defined by what they do, who they report to, and for managers, who reports to them. Over time these definitions are assigned to positions in the organization rather than to specific individuals. The structure of every organization is unique in some respects, but all organizational structures develop or are consciously designed to enable the organization to accomplish its work. Typically, the structure of an organization evolves as the organization grows and changes over time.

Peter Drucker coined the term "knowledge worker" to describe a new class of employee whose basic means of production was no longer capital, land, or labor but, rather, the productive use of knowledge. Today, these knowledge workers, who might better be called professionals, represent a large and growing percentage of the employees of the world's biggest corporations. They make it possible for companies to deal with today's rapidly changing and uncertain business environment, and they produce and manage the intangible assets that are the primary way companies in a wide array of industries create value.

Today's big companies do very little to enhance the productivity of their professionals. In fact, their vertically oriented organizational structures, retrofitted with ad hoc and matrix overlays, nearly always make professional work more complex and inefficient. To raise the productivity of professionals, big corporations must change their organizational structures dramatically, retaining the best of the traditional hierarchy while acknowledging the heightened value of the people who hatch ideas, innovate, and collaborate with peers to generate revenues and create value through intangible assets such as brands and networks.

Companies can not only build this new kind of organization but also reduce the complexity of their interactions and improve the quality of internal collaboration by implementing four interrelated organizational-design principles:

- 1. Streamlining and simplifying vertical and line-management structures by discarding failed matrix and ad hoc approaches and narrowing the scope of the line manager's role to the creation of current earnings.
- 2. Deploying off-line teams to discover new wealth-creating opportunities while using a dynamic management process to resolve short- and long-term trade-offs.
- 3. Developing knowledge marketplaces, talent marketplaces, and formal networks to stimulate the creation and exchange of intangibles.
 - 4. Relying on measurements of performance rather than supervision to get the most from self-directed professionals.
- A new organizational model for today's big corporations will not emerge spontaneously from the obsolete legacy structures of the industrial age. Rather, companies must design a new model holistically, using new principles that take into account the way professionals create value. Big companies that follow these principles will get more value, at less cost, from the managers and the professionals they employ. In the process, they can become fundamentally better at overcoming the challenges and capturing the opportunities of today's economy.

© Ye. Podryadchikov, 2013

Reference: 1. Pugh D. S. Organization Theory: Selected Readings / Pugh D. S. – M. : Harmondsworth : Penguin, 1990. – 385 p.