PROSPECTIVE DIRECTIONS OF REFORMING THE ORGANIZATIONAL STRUCTURE OF MANAGEMENT AT SMALL AND MEDIUM-SIZED BUSINESS ENTERPRISES UNDER CONDITIONS OF ECONOMIC RECOVERY

Abstract. The methodological and applied recommendations for reforming the organizational structure of management at small and medium-sized enterprises under conditions of the Ukrainian economy revival are substantiated. The etymological meaning of the scientific categories “organizational management structure”, “management structure”, “production structure” and “organizational structure” has been clarified. The main types of organizational structures of enterprise management are summarized. The author’s version of the internal structure of the Logistics Department and the HR Department at small and medium-sized business enterprise is recommended in the medium term (for the next 2-3 years) and the functional specialization of their specialists is specified. Within the proposed Logistics Department, the expediency of creating the positions of Supply and Sales Manager, Marketer, Logistician, Chief Mechanic of the Motorcade and Warehouse Manager is substantiated. As part of the improved internal structure of the HR Department, the author recommends the creation of the Sector of Personnel Records, the Planning and Labor Organization Sector, the Social Development Sector, the Payroll Sector and the Personnel Evaluation Sector, and clarifies the functional tasks of the heads of these sectors. In order to implement elements of network and virtual organization in small and medium-sized businesses enterprise in a strategic perspective, measures to reform their organizational management structure are systematized. The expediency of applying a comprehensive approach to the development of combined forms of the organizational management structure at enterprises is substantiated. The author substantiates the expediency of applying a comprehensive approach to the development of combined forms of the organizational management structure at enterprises by opening their own call centers, creation of electronic offices at the management apparatus, formation of databases of regular customers, issuance of discount cards for the purchase of products, and entering into contracts for courier delivery of products through mobile applications.

Key words: structure, organizational structure, management structure, organizational structure of enterprise management, production structure, management apparatus, the process of designing an organizational structure of enterprise management, types of organizational management structures, small and medium-sized enterprises, recovery economy.

JEL Classification: D4, D47, G12, G32, L25, M10, P17
DOI: https://doi.org/10.32782/2522-1256-2023-39-04
ПЕРСПЕКТИВНІ НАПРАЯМИ REформування ОРГАнізаційнОї СТРУкТУРи УПРАВЛІННЯ НА ПІдПРИєМСТВАХ МАЛОГО ТА СЕРЕДньОГО БІЗНЕСУ В УМОВАХ ЕКОНОМІКИ ВІДНОВЛЕННЯ

Анотація. У роботі обґрунтовано методологічні та розглянуто прикладні рекомендації щодо реформування організаційної структури управління на підприємствах малого та середнього бізнесу в умовах відродження економіки України. Незважаючи на наявність низької пропозиції щодо удосконалення організаційних структур управління на рівні суб'єктів господарювання, застосування прикладних підходів у процесі їх формування викликає особливий інтерес. З цих підстав уточнено етимологічний зміст наукових категорій “організаційна структура управління”, “структура управління”, “виробнича структура” та “організаційна структура”. Узагальнено основні типи організаційних структур підприємствами. Рекомендовано авторський варіант внутрішньої структури логістичного відділу та відділу кадрів на підприємствах малого та середнього бізнесу у середньостроковій перспективні (на найближчі 2-3 роки) та конкретизовано функціональну спеціалізацію їх фахівців. В межах запропонованого логістичного відділу обґрунтовано доцільність створення посад менеджера з постачання і збуту, маркетолога, логіста, головного механіка автоколони та завідувача складу. В межах удосконаленої внутрішньої структури відділу кадрів рекомендовано створення сектору кадрового діловодства, сектору планування та організації праці, сектору соціального розвитку, сектору оплати праці та сектору оцінки персоналу, а також уточнено функціональні завдання керівників цих секторів. У метою впровадження на підприємствах малого та середнього бізнесу елементів мережової та віртуальної організації у стратегічній перспективи систематизовано заходи щодо реформування їх організаційної структури управління. Обґрунтовано доцільність застосування комплексного підходу до розробки комбінованих форм організаційної структури управління на підприємствах шляхом відкриття власних кол-центерів, створення електронних офісів при апараті управління, формування баз даних послідовних клієнтів, видачу дисконтних карток на придбання продукції, укладання договорів на кур'єрську доставку продукції через мобільні додатки.

Ключові слова: структура, організаційна структура, структура управління, організаційна структура управління підприємством, виробнича структура, апарат управління, процес проектування організаційної структури управління підприємством, типи організаційних структур управління, підприємства малого та середнього бізнесу, економіка відновлення.

Formulation of the problem. In the context of uncertainty in the external environment, global challenges and threats associated with rapid socio-economic, political, demographic and international processes, a number of obstacles arise that hinder the development of socio-economic systems. Our country is no exception, as it has not yet overcome the consequences of the global coronavirus pandemic (COVID-19) and is facing an equally serious threat – the destruction of critical infrastructure as a result of active hostilities in certain regions and the introduction of martial law. In such circumstances, the prospects for further business survival and maintenance of the functional state of the management system depend on the heads of enterprises and their management apparatus.

However, the transition to a post-industrial economy, the formation of the information soci-
constantly changing environment. It is the turbulence of environmental change that has led to the emergence of adaptive management systems and their organizational structures. Therefore, the introduction of effective organizational management structures at enterprises of various forms of ownership and industrial subordination is an urgent issue that allows forming an effective organizational management mechanism within individual business entities.

**Analysis of recent research and publications.** Theoretical and practical aspects of the study of the problem of forming an effective management system for business enterprises, consideration of the peculiarities of building modern organizational management structures are devoted to the scientific works of Ukrainian and foreign scholars, among which the following should be highlighted: R.I. Bilovol, I.A. Gruzina, O.I. Ignatyev, T.I. Lepeyko, I.A. Markina, N.G. Metelenko, V. Shorokhov, L.M. Shymonovska-Dianych, V.A. Vlasenko, A. Zhemchugov, M. Zhemchugov and others [3; 4; 7; 9; 10; 13; 14].

Certain types and kinds of organizational structures of enterprise management (bureaucratic (hierarchical or mechanistic), adaptive (organic or flexible) and network structures) were considered in the studies of L.I. Dolgova, V.V. Kudina, M.P. Pristupa, I.P. Prodius [2; 6; 11].

The practice of applying modern management structures (virtual, multidimensional, “borderless” structures, etc.) at enterprises and their structural subdivisions is reflected in the publications of V.G. Kralya, Ya.O. Kutsa, B.V. Litovchenko, Yu.V. Solonenko, V.Yu. Yedynak [5; 8; 12]. Certain aspects of improving the organizational structure of management at enterprises were disclosed in the authors’ works [1; 15; 16].

Despite the number of studies by scientists and practitioners in the field of management, a unified approach to the transformation of organizational structures of enterprise management from bureaucratic to adaptive and network ones has not yet been formed, which led to the need to conduct scientific research in this direction.

**Setting the task.** The purpose of the study is to substantiate the scientific and methodological approaches and to consider the applied principles of reforming the organizational structure of management at small and medium-sized enterprises under conditions of the national economy revival.

In accordance with the purpose of the study, the author’s version of the internal structure of the Logistics Department and the HR Department at small and medium-sized business enterprises in the medium term is developed and measures are proposed to reform the organizational structure of management at these enterprises in the form of a network and virtual organization.

**Summary of the main research material.** It should be emphasized that the category of “organizational structure of management” is one of the key concepts of management science, which are closely related to the goals, functions, management process and work of managers and distribution of powers between them. Within the organizational structure of management, the entire management process (flow of information and management decision-making) is carried out, involving managers of all levels, categories and professional specializations.

The development of the organizational structure of management and its formalization in the form of an organigram is a practical reflection of the statics of management, which characterizes the stage of the enterprise’s life cycle, the state of its production and economic activity, the amount of available property and sources of financing, and the possibility of implementing a long-term development strategy. After all, the organizational structure of management is the central element of the organizational mechanism [13, p. 46].

Scientists Yu.V. Solonenko and Ya.O. Kutsa believe that the organizational structure of enterprise management is the basis of the management system, which determines the composition, subordination and interaction of its elements, outlines the required number of management personnel, carries out its distribution by divisions, regulates administrative, functional and information relations between employees of the management apparatus and divisions [12, pp. 137–138].

Researchers I.A. Markina, R.I. Bilovol and V.A. Vlasenko emphasize that “the organizational structure of enterprise management is a set of departments and services engaged in the construction and coordination of the management system, development and implementation of management decisions; it is the composition of links and levels of enterprise management, their interconnection and subordination” [9, p. 45].

On the other hand, the organizational structure of management is a system of interrelations and subordination of organizational units (divisions) of the management apparatus that perform various functions of enterprise management [14, p. 49]. That is, the management structure is
a formal reflection of the principle of division of labor in the labor collective.

Scientist O.I. Ignatiyev defines the essence of the organizational structure of management as “a system of interrelations and subordination of organizational units (divisions) of the management apparatus performing various functions of management of an organization (enterprise)". According to this definition, the main elements of the organizational structure of management are: composition and structure of management functions; number of employees to implement each managerial function; professional qualification composition of employees of the management apparatus; composition of independent structural divisions; 5) number of management levels and distribution of employees between them; 6) information links [4, p. 127].

Considering the content of the category “organizational management structure”, it is also necessary to characterize its component – the management structure, which includes internal elements, subsystems and links between them, etc.

The management structure is understood as an ordered set of interrelated elements that ensure the functioning and development of the organization as a whole. It is also defined as a form of distribution and cooperation of management activities, within which the management process is carried out in the relevant areas aimed at solving the tasks [11, p. 18].

The management structure finds its specific expression in the scheme, staffing, regulations on departments and services, the existing ratio of structural divisions and employees of the management apparatus.

It should be noted that there is a close connection between the management structure and the organizational structure: the organization's structure reflects the division of work between departments, groups and employees, and the management structure creates coordination mechanisms that ensure the achievement of the organization's general goals and objectives.

A significant influence on the formation of the management structure is exerted by the production structure, which has two components: production and organizational.

Ukrainian scientists B.V. Litovchenko and V.Yu. Yedynak emphasize that “the production structure is the quantitative composition and proportions in the main, additional and auxiliary branches of enterprises and forms of interconnection at each level of production organization. The production structure of the enterprise directly affects the composition of functional services and the number of employees in them” [8, p. 25].

The production structure and management structure are two organizational complexes that are parts of one body that form the general organizational structure of enterprise management [10, p. 48].

As V.V. Kudina rightly observes, “the organizational structure characterizes the structure of the organization, the spatial and temporal location of its components, the relationships between them and is closely related to the goals, functions, management process, the work of managers and the distribution of powers between them. The successful functioning of the organization depends on its effectiveness” [6, p. 86].

Therefore, the general organizational structure of enterprise management is a logical combination of the organizational structure of the management apparatus and the production structure.

The wide variety of types of organizational structures for managing enterprises has been systematized by management experts into two groups:

1. Hierarchical (bureaucratic) structures – linear, functional, linear-functional (mixed), linear-staff, divisional (product, regional, market, customer-oriented and global, etc.).


Some researchers have additionally distinguished cross-functional [2], multidimensional, edhocratic structures, “borderless” structures, network and virtual organizations as part of adaptive (organic) management structures [5, pp. 128–130; 7, p. 109]. In our opinion, the latter two organizational management structures will be the most common in the field of small and medium-sized business enterprises and online communications in the near future.

It should be noted that the economic activity of small and medium-sized business enterprises has become significantly more complicated in recent years, which requires the management of each enterprise to participate in the development of effective anti-crisis programs, reform of existing management systems and their organizational structures.

In these circumstances, we recommend implementing the main directions of reforming the organizational structure of management at small and medium-sized business enterprises.

According to the author, the initial direction of reforming the organizational structure of management at small and medium-sized business
enterprises is to improve the system of supply, marketing and sales. To this end, in the medium term (within the next 2-3 years), we recommend that the top management of these enterprises establish a Logistics Department whose main activities will be aimed at increasing the productivity and quality of sales and distribution activities, implementing modern marketing and sales policies, organizing advertising activities and promoting products from the direct manufacturer to their final consumer.

The main tasks of the newly created Logistics Departments at small and medium-sized business enterprises will include:

1) determination of the long-term strategy of commercial activity and financial plans of enterprises in the field of material and technical supply;

2) creating an information and reference advertising package, organizing and conducting advertising campaigns;

3) organizing online sales of products (goods, works, services) on the Internet, as well as through the use of various messengers and call center services;

4) ensuring delivery of products via the safest logistics routes;

5) creation of a mechanism for managing commodity and material flows, formation of an optimal logistics supply system at enterprises.

In order to organize the Logistics Department in the general organizational structure of the management of small and medium-sized business enterprises, we propose its internal structure (Figure 1).

As we can see from Figure 1, the Logistics Department will be structurally subordinated to a line manager – the Deputy General Director for Marketing and Sales. The scope of this manager's competence and responsibility will expand from production and sales activities to issues related to product supply, organization of the marketing and sales system, formation of logistics flows and transportation of products by road and warehousing.

Thus, in the medium term, the range of powers and control of the Deputy General Director for Marketing and Sales will be significantly expanded. After the organizational structure changes, he will be subordinated to the Head of the Logistics Department (along with his subordinates). Ultimately, such structural changes may be economically justified if the economic potential of many small and medium-sized business enterprises is restored in the postwar period and their staffing levels are increased.

The Logistics Department of small and medium-sized business enterprises will be headed by a Chief who will develop a general marketing and sales strategy, product supply plans, approve logistics transportation routes and stocking rates for finished products in warehouses, which will ensure the competitiveness of products (goods, works, services) of these enterprises in the sales markets. The Logistics Department will also include a Supply and Sales Manager, a Marketer, a Logistician, a Chief Mechanic of the Motorcade (along with the motorcade's employees) and a Warehouse Manager (along with freight forwarders and

![Figure 1. Recommended author's version of the internal structure of the Logistics Department at small and medium-sized business enterprises in the medium term (for the next 2-3 years)](Source: developed by the author)
storekeepers), who will have their own areas of responsibility.

The Supply and Sales Manager will report directly to the Head of the Logistics Department, organize and coordinate the enterprise's sales activities, study the consumer market and its development prospects. In addition, he will be responsible for establishing direct contacts with suppliers and consumers, and developing an optimal logistics supply system.

The Marketer will report to the Head of the Logistics Department at these enterprises, develop recommendations and forecast the enterprise's position in the market, and be responsible for organizing and conducting market research.

The Logistician will report to the Head of the Logistics Department and will deal with the delivery, movement and warehousing of goods, services and information in various industries. He will be responsible for coordinating and executing the movement, planning, warehousing, and development of the most profitable supply chain schemes.

The Chief Mechanic of the Motorcade will report to the Head of the Logistics Department and will organize and coordinate the work of moving vehicles within small and medium-sized business enterprises.

Finally, the Warehouse Manager will also report to the Head of the Logistics Department and will be responsible for the warehouse operations at these enterprises.

The next direction of reforming the organizational structure of management at small and medium-sized business enterprises is further rationalization of the human resources management subsystem.

Given the fact that most enterprises already have a Human Resources Department (HR Department) in their structure, whose activities are aimed at implementing the main provisions of their personnel policy, the author's proposal will rather focus on delineating and clarifying the functional powers of individual specialists.

In order to improve the efficiency of the HR Department in the medium term (in the next 2-3 years) within the current organizational structure of management of small and medium-sized business enterprises, we propose to make changes to the work of the HR subsystem. For these reasons, it is advisable for the top management of these enterprises to implement the author's version of the improved internal structure of the HR Department according to the functional specialization of its individual performers (Figure 2).

According to Figure 2, the proposed structure of the HR Department has a linear-functional structure, which is characterized by a clear division of labor; hierarchical management, in which the lower level is subordinated and controlled by the higher; the presence of formal rules and regulations that ensure the homogeneity of specialists in the performance of their tasks and duties; the spirit of formal impersonality, under which officials perform their duties; recruitment in accordance with the qualification requirements for the position.

In our view, the HR Department at small and medium-sized business enterprises should be managed by the Head of the HR Department, who, in turn, is subordinated to the Deputy General Director for HR and Labor Management. The Head of the HR Department should be assigned the following functions:

1) managing the work on staffing enterprises with professional employees and workers of the required professions;
2) organization of certification of employees of enterprises;
3) scientific and methodological support of staffing work;
4) control over the proper execution of the established documentation;
5) creating healthy and safe working conditions for subordinate employees, etc.

In order to rationalize the human resources management system, the HR Department at small and medium-sized business enterprises should also include the Sector of Personnel Records, the Planning and Labor Organization Sector, the Social Development Sector, the Payroll Sector and the Personnel Evaluation Sector.

Consequently, in order to improve the operation of the human resources management system at enterprises, the author proposes to form new sectors within the HR Department. One of the employees of the HR Department should be responsible for the effective work of each sector. The functional tasks of each HR Department specialist within the recommended sectors are summarized in Table 1.

Based on the results of the analysis of Table 1, it can be noted that each of the heads of the newly created sectors within the HR Department will be responsible for certain aspects of the staffing work and will fulfill their functional responsibilities. In the future, we plan to develop job descrip-
tions for each sector head as a form of document-
ing the functional tasks and responsibilities of
managers.

The final direction of reforming the organi-
zational structure of management at small and
medium-sized business enterprises will be rec-
ommendations on the introduction of network
and virtual organization elements in the strategic
perspective (Table 2).

Analyzing the measures presented in Table 2,
it should be emphasized that another author's
proposal for the management of small and
medium-sized business enterprises is to open
their own call centers (or to use the services
of outsourcing companies), whose specialists
could accept applications from potential cus-
tomers (perhaps even the most vulnerable seg-
ments of the population – pensioners, disabled
and people with disabilities, orphans, internally
displaced persons, women with young children,
guardians) and organize their delivery to con-
sumers. The Head of the Logistics Department
and the Supply and Sales Manager should be
responsible for implementing these measures at
the enterprises.

It would also be advisable to organize online
ordering and sales of products through the offi-
cial websites of enterprises on the Internet or
through various messengers and applications.
An important role in organizing these activities,
in addition to the previous managers, should be
assigned to the Marketer and Logistician. In this
case, the traditional linear-functional organi-
zational structure of enterprise management will
gradually be transformed into a network (vir-
tual) structure, which will require significant
restructuring. However, such changes can only
be implemented in the long term (after 2-3 years,
and in some cases – after 4 years).

Ultimately, a comprehensive approach to
the development of combined forms of orga-
nizational management structure at small and
medium-sized business enterprises will include:
1) opening of own call centers at enterprises;
2) creation of electronic offices at the manage-
ment apparatus;
3) formation of databases of regular customers;
4) issuance of discount cards to consumers and
employees for the purchase of products (goods,
works, services) in the enterprise's store network;
5) entering into contracts for courier deliv-
ery of products through mobile applications (for
example, with the companies Glovo Express,
Rocket or Turbo.ua).

Figure 2. Recommended author's version of the internal structure of the HR
Department at small and medium-sized business enterprises according to the
functional specialization of individual performers (for the next 2-3 years)

Source: developed by the author
### Table 1

**Recommended functional tasks of HR Department employees in small and medium-sized business enterprises within the selected sectors**

<table>
<thead>
<tr>
<th>Name of the sector (responsible employee)</th>
<th>Functional tasks of an employee of the sector that is part of the HR Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector of Personnel Records (Inspector for Personnel Work)</td>
<td>Ensuring the correct accounting of HR documentation, timely registration and transmission of employee appeals to senior management and executives, and monitoring the implementation of such appeals.</td>
</tr>
<tr>
<td>Planning and Labor Organization Sector (Personnel Planning and Labor Organization Engineer)</td>
<td>Determining the need for human resources for each structural division, developing measures to organize the work of all categories of enterprises’ employees in order to further improve productivity and quality of work, efficiency of the production process, keeping records of implemented measures, participating in the preparation of draft programs and plans for the organization of work at enterprises, performing the necessary calculations of the economic efficiency of the planned measures, participation in identifying reserves for increasing labor productivity by improving its organization, etc.</td>
</tr>
<tr>
<td>Social Development Sector (Head of the HR Department)</td>
<td>Developing social development programs for the workforce and organizing social events (leisure, recreation, team spirit, employee health improvement, etc.).</td>
</tr>
<tr>
<td>Payroll Sector (Labor Economist)</td>
<td>Together with the Planning and Economic Department and Accounting Department, participate in the development of the draft staffing table, develop programs for the distribution of the bonus fund, and determine the size of the payroll in accordance with the provisions of the Collective Agreement.</td>
</tr>
<tr>
<td>Personnel Evaluation Sector (HR Manager)</td>
<td>Conducting formal and informal employee evaluations, developing questionnaires and test materials for the evaluation procedure, generating staff evaluation reports and providing the information to specialists of relevant departments and senior management.</td>
</tr>
</tbody>
</table>

*Source: compiled by the author*

### Table 2

**Recommended measures for reforming the organizational structure of management at small and medium-sized business enterprises in the strategic perspective in the form of a network and virtual organization**

<table>
<thead>
<tr>
<th>Name of event</th>
<th>Responsible manager</th>
<th>Implementation period</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Opening of own call centers at enterprises or turning to the services of outsourcing companies</td>
<td>Head of the Logistics Department</td>
<td>after 3-4 years, organizational preparation – 2-3 months</td>
</tr>
<tr>
<td>2. Organization of product delivery to consumers</td>
<td>Supply and Sales Manager</td>
<td>after 2-3 years, and then – constantly</td>
</tr>
<tr>
<td>3. Organization of online orders and sales of products through the official websites of enterprises</td>
<td>Marketer Logistician</td>
<td>after 2-3 years, site updates – constantly</td>
</tr>
<tr>
<td>4. Organization of product sales through various messengers and applications</td>
<td>Head of the Logistics Department Supply and Sales Manager</td>
<td>after 1-2 years, and then – constantly</td>
</tr>
<tr>
<td>5. Implementation of new directions of social policy of enterprises during martial law</td>
<td>Head of the HR Department</td>
<td>after 1 month, and then – constantly</td>
</tr>
<tr>
<td>6. Organizing events to improve the qualifications of employees (conducting various online trainings, workshops, webinars, etc.)</td>
<td>HR Manager</td>
<td>after 1 year, organizational preparation – 5-6 months</td>
</tr>
</tbody>
</table>

*Source: compiled by the author*
Conclusions and prospects for further research in this area. Thus, the formation of an effective organizational management structure at small and medium-sized business enterprises in our country under conditions of new challenges and threats from the external environment requires using of a comprehensive approach that will involve the development of combined forms of organizational management structures focused on the further implementation of network and virtual organization elements along with other types of business structures. In addition, in the context of the digitalization of key business processes and the constant automation of management decision-making, the system of distribution of powers and responsibilities requires further changes to allow for the integration of the work of most employees in the office into a single communication network, along with the ability of individual employees to work remotely in a global online environment.

The proposed directions and measures for reforming the organizational structure of management at business enterprises will allow forming an adaptive organizational and economic mechanism for managing their development, focused on the realization of key competitive advantages and ensuring the functional flexibility of structural divisions. The step-by-step implementation of each of them will be possible in the strategic perspective, when there are real opportunities to form the basic principles of a new vector of development of the national economy in the postwar period – the economy of recovery and revival of the main industries.

An important direction of transformation of traditional organizational management structures at small and medium-sized business enterprises and their transition to flexible forms of management is not just the creation of new structural divisions or the opening of modern positions with a new name, but also the specification of the functional duties of responsible specialists. This aspect remains one of the priority directions for further scientific research.

REFERENCES


10. Metelenko, N. G. (2009), Formuvannya orhanizatsiynoi struktury upravlinnya yak sklado voyi vnushtri's'oho hospodars'koho mekhanizmu promyslovoho pidpryemstva [Formation of the organizational structure of management as a com
ponent of the internal economic mechanism of an industrial enterprise. Investystiyi: praktyka ta dosvid, no. 10, pp. 46–49.


ЛІТЕРАТУРА


4. Ігнатьєв О.І. Теоретичні засади проектування організаційних структур управління суб’єктами господарювання. Науковий вісник Полтівської Медичної академії. 2015. № 1. С. 57–60.


6. Кудіна В.В. Процедура оптимізації організаційної структури підприємства. Наукові праці НУХТ. 2016. Т. 22. № 5. С. 85–95.


Стаття надійшла до редакції 30 листопада 2023 р.