

## FIVE APPROACHES TO ORGANIZATIONAL DESIGN (П'ЯТЬ ПІДХОДІВ ДО ОРГАНІЗАЦІЙНОГО ДИЗАЙНУ)

**Іващенко А.Г.**, гр. Ф-29

Наукові керівники – канд. техн. наук, доц. **А.О. Колесник**,

доц. **О.О. Мануєнкова**

*Харківський державний університет харчування та торгівлі*

Managers must make choices about how to group people together to perform their work. Five common approaches – functional, divisional, matrix, team, and networking – help managers determine departmental groupings (grouping of positions into departments).

The functional structure groups positions into work units on the base of similar activities, skills, expertise, and resources. Production, marketing, finance, and human resources are common groupings within a functional structure.

As the simplest approach, a functional structure features well-defined channels of communication and authority/responsibility relationships. Not only can this structure improve productivity by minimizing duplication of personnel and equipment, but it also makes employees comfortable and simplifies training as well.

But the functional structure has many downsides that may make it inappropriate for some organizations. The functional structure gives managers experience in only one field – their own. Managers do not have the opportunity to see how all the firm's departments work together and understand their interrelationships and interdependence.

Because managers in large companies may have difficulty keeping track of all their company's products and activities, specialized departments may develop. These departments are divided according to their organizational outputs. This grouping of departments is called divisional structure. These departments allow managers to better focus their resources and results. Divisional structure also makes performance easier to monitor. As a result, this structure is flexible and responsive to change. However, divisional structure does have its drawbacks. Because managers are so specialized, they may waste time duplicating each other's activities and resources. In addition, competition among divisions may develop due to limited resources.

The matrix structure combines functional specialization with the focus of divisional structure. This structure uses permanent cross-functional teams to integrate functional expertise with a divisional focus.

Employees in a matrix structure belong to at least two formal groups at the same time – a functional group and a product, program, or project team. This structure not only increases employee motivation, but it also allows technical and general management training across functional areas as well. Potential advantages include better cooperation and problem solving; increased flexibility; better customer service; better performance accountability; improved strategic management. Here are a few of this structure's drawbacks: the two-boss system is susceptible to power struggles, as functional supervisors and team leaders vie with one another to exercise authority; members of the matrix may suffer task confusion when taking orders from more than one boss; teams may develop strong team loyalties that cause a loss of focus on larger organization goals; adding the team leaders, a crucial component, to a matrix structure can result in increased costs.

Team structure organizes separate functions into a group based on one overall objective. These cross-functional teams are composed of members from different departments who work together as needed to solve problems and explore opportunities. The intent is to break down functional barriers among departments and create a more effective relationship for solving ongoing problems. The team structure has many potential advantages, such as: intradepartmental barriers break down; decision-making and response times speed up; employees are motivated; levels of managers are eliminated; administrative costs are lowered. The disadvantages include: conflicting loyalties among team members; time-management issues; increased time spent in meetings. Managers must be aware that how well team members work together often depends on the quality of interpersonal relations, group dynamics, and their team management abilities.

The network structure relies on other organizations to perform critical functions on a contractual basis. In other words, managers can contract out specific work to specialists. This approach provides flexibility and reduces overhead because the size of staff and operations can be reduced. On the other hand, the network structure may result in unpredictability of supply and lack of control because managers are relying on contractual workers to perform important work.

The five structures are basic organizational structures, which are then adapted to an organization's needs. All five approaches combine varying elements of mechanistic and organic structures. For example, the organizational design trend today incorporates a minimum of bureaucratic features and displays more features of the organic design with a decentralized authority structure, fewer rules and procedures, and so on.