СЕКЦІЯ 1

1. АКТУАЛЬНІ НАПРЯМИ РОЗВИТКУ ТЕОРІЇ ТА ПРАКТИКИ УПРАВЛІННЯ

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IMPACT OF IT ON ORGANIZATIONS IN MODERN CONDITIONS

ANNOTATION: Information technology, especially the internet, exerted strong influence on organizational systems. It has enabled flexibility and the establishment of decentralized and dispersed business organizations. Conception of the organization based on the principle of 'integrated decentralization' is the opposite of concentrated and centralized organizations that had dominated the traditional organizations of the past. Information technology has largely contributed to the establishment of 'integrated decentralized' organization because companies have been able to decentralize their parts in the general area, and then to integrate them at a centralized level, with the establishment of specific functions for all decentralized areas.
This paper further discusses the impact of IT on the design of organizations, as well as the place and role of man in the information society.

KEYWORDS: information technology, impacts, design of the organization.

1. Introduction

Although information technology, especially internet, is not a revolutionary innovation compared to earlier technological innovations such as electricity, railway, internal combustion engine, it can be concluded that it has far more changed all areas of life and

work than any other technological innovation before. Internet has abolished national barriers, connected the world and expedited the movement of goods, capital, people and ideas tremendously. Therefore, it is often said that the world is moving from nation states towards internet.[2]

Revolutionary aspect of internet is evident from its impact expressed and manifested both in the corporate business sphere, but also in non-profit organizations, state level and the personal life of every individual. When it comes to corporate organizations, the internet has reduced its size and depth and enhanced the power of small companies, which all has fueled the development of entrepreneurship and facilitated the creation of organizations with neither location nor space, 'virtual companies.' Each individual impact on certain elements of the corporate system has successively changed other parts of the organization as well as the organization as a whole, including the relationship and especially communication with the environment in which the organization operates.

2. The impact of IT on the organization

The introduction of IT in the organization created a radical change on various issues. There is no doubt that the traditional understanding of the organization is unacceptable today because it was based on the size (value of assets recognized in assets, location of buildings and warehouses, etc.) and the economy of scale as the traditional criteria for assessing the quality of the past. Miniature forms dominate on the business scene in modern conditions evident in the statement 'big is bad, small is good.' For example, a large multinational company in the U.S. that deals with electrical engineering, Asea Brown Boveri, is divided into 1,300 companies and 5,000 autonomous units. One of the most famous leaders of the business world, president of GE Jack Welch says: 'What we're trying to do is to get the soul and the speed of a small company within the body of our great company.' Paul Allaire, chairman of Ziroksa, is doing something similar. Then there's AT & T, Grand Metropolitan, Coca — Cola, Johnson & Johnson. The list goes on. When AT & T announced that it would split into three separate companies, the value of stocks increased by $ 10 billion.

Therefore, it is evident that in the modern sense, large companies may be also be internet companies, i.e. companies with a few employees, no office, retail, warehouse and other facilities and technical equipment if they possess information technology. Accordingly, internet companies with few employees can generate large turnover and profits and can operate in a number of countries, even continents. Towards this fact leads

the following statement: ‘I own a company called Megatrends Ltd. and we have 57 joint ventures in 42 countries, and we have only four employees including myself. We get everything done through subcontracts. Therefore, we are a multinational company. I am present in 42 countries. Still, I am not a large, but a small company.’[3].

We should add one more alpha plus to all this. Thanks to IT, smaller companies have become stronger and threaten to undermine the big ones. Now former David has become Goliath, which has completely turned around the traditional meaning and understanding of the organization, but also its design. Large companies have been decomposed into smaller parts so that each part with the results that can be expressed may become a ‘profit center’ performing distribution on its own level according to achieved results. Nevertheless, decomposed parts do not act independently. Thanks to IT they can be re-integrated and thus create the so-called ‘integrated decentralization’ which operates on the principles of financial concentration and decentralization of business. In this way, a synergistic effect is achieved, as the quality of the new organization.

Given the above, the international business scene has changed. There has been a reduction in the share of the 500 largest companies ranked in the world by the renowned business magazine Fortune two times at the end of the second millennium in relation to the share which they had in 1970. The 500 most successful companies in 1970 participated in the overall U.S. economy by about 20 % , while thirty years later they participate with about 10 % with a tendency of further reductions.[1] It is estimated that it will continue to decrease with a tendency that in 2020 it will be reduced to below 3% per cent, which would dramatically change the current global business infrastructure.

The reason way the internet companies can be so small and at the same time so great is that the internet as a technology iscompletely decentralized to the level of an individual. It actually consists of hundreds of million (the figure is constantly changing) autonomous parts, which in turn can become integrated and create a billion autonomous parts. Therefore, the internet is indeed a network, but it is also completely decentralized, and then integrated into system again. The above represents a radical shift that has changed the world and will continue to change it in terms of connecting the continents and national communities. The point is that the world will not be dominated either by America or China, but by the net. It is not about who will join China, but who will join the Chinese, American, and soon Indian internet, i.e. who will access the global network.

Internet is an universal but flexible technology that enables the creation of virtual organizations of a wide range and designs. The rule is that there are no rules and that any organization can be uniquely designed, which means that information technology has created the conditions for the creation of different organizations, on different bases and criteria. This is perhaps the biggest impact of IT that is ignored or insufficiently understood. Basically, various organizations are flexible, innovative and learn better than the traditional standard and universal organizations that were based on classical Taylor-Faylo basis. 'In the national industry, where all the organizations are the same and resemble one another using the same technology, the same business processes and organizational forms of the same , there are fewer opportunities to learn from each other.'(In an innovative context, diversity should be seen as a potential source of innovation, not as obstacle)

Information technology, especially the internet has reduced the life span of the organization, while at the same time resulted in the increased life expectancy of people. Other types of technology did the same thing, but here we face a radical reduction or decrease of the lifetime of the organization never previously seen in the past. However, any organization can find itself in the 'flower of eternal youth' if they timely introduce technological and organizational innovations. On the other hand, IT has a positive impact on the extension of the life span of people. It turns out that today a highly developed countries have the highest level of IT development and that they have the longest life expectancy, which is over 80 years of age. Their life span is about twice longer than in the developing countries. This statement is logical, since IT has improved all the elements of the standard of living which had a positive effect on quality of life, or the life-span.

Therefore, it can be concluded that information technology had an important impact on the organization as an element of the management process, because it changed the classical design of the organization. Technology has reduced the classical hierarchy of traditional organizations making it faster and more flexible, and more democratic. Fans of the internet and critics of bureaucracy by introducing information technology did try to promote the idea of the end of the hierarchy, changing, therefore, someone's rights to give orders and obligation on the part of others to execute orders. However, it should be noted that the hierarchy will never be abolished, as it exists in nature and is embodied in Darwinism, where 'the big swallow the small;' in modern times to ' the fast swallow the

slow.' Accordingly, with the introduction of information technology in corporate systems the hierarchy will remain, perhaps in an even more severe form, but instead of a hierarchy that is based on the power and the right of one to issue orders and other commitments to fulfill orders, this hierarchy shall be based on knowledge, skills and abilities. As information technology is used for teaching and learning as the most valuable resource, at the global level at the top of the hierarchical pyramid will be the countries that have the knowledge, and regarding corporate organizations scholars will be privileged and will be located at the upper levels of the hierarchy, while the people with scarce knowledge shall occupy lower positions, with ignorant people at the very bottom of organizations, if at all.

3. Resume

It is evident from the above text shows that the introduction of information technology in corporate organizations has radically changed their design. This is only natural, because it shows that the introduction of information technology is a strategic change that must accompany the re-engineering of both the organization and management processes. The most important quality that is obtained by introducing information technology in corporations is to create conditions for an 'integrated decentralization' in which to decentralize business functions, and to concentrate on high-level personnel, manage money and company development. Therefore, development of information technology has led to a new corporate philosophy on which modern business is based, and that is the phenomenon of integrated decentralization, through which one can achieve a significant competitive advantage. Regarding the above, we should keep in mind the statement by Andrew Grove: I am absolutely confident that in the future, all companies will be internet companies.

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МОНЕТАРНА ПОЛІТИКА ЯК ІНСТРУМЕНТ ДЕРЖАВНОГО УПРАВЛІННЯ ЕКОНОМІКОЮ

АНОТАЦІЯ. Розглянуто роль монетарної політики в системі заходів державного управління економікою. Обґрунтовано особливості та завдання монетарної політики в період посткризового відновлення світової на національної економіки.

КЛЮЧОВІ СЛОВА: монетарна політика, державне управління економікою,стійкість грошової системи, інструменти та завдання монетарної політик

АННОТАЦИЯ. Рассмотрена роль монетарной политики в системе мер государственного управления экономикой. Обоснованы особенности и задачи монетарной политики в период посткризисного восстановления мировой на национальной экономики.

КЛЮЧЕВЫЕ СЛОВА: монетарная политика, государственное управление экономикой, устойчивость денежной системы, инструменты и задачи монетарной политики.

ABSTRACT. The role of monetary policy in the system of state control of the economy. Grounded features and objectives of monetary policy during the post-crisis recovery of the world on the national economy.