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THE FUTURE OF HIERARCHICAL STRUCTURE IN ORGANIZATIONS

ANNOTATION: In the second half of the twentieth century organizational systems did change the way of management. Through the introduction of informatics and emphasis on the importance of human resources, management process has obtained a new design, very different from the classic one that dominated the first half of the twentieth century. This especially applies to reduced hierarchical structure in corporate systems and elimination of the so-called 'deep range' of organization and management, as well as new concepts of management and direction of joint work.

The aim of this paper is to highlight the changes that are expected in the design of organizations in the coming period in terms of hierarchy, in order for companies to get ready and be prepared for the upcoming changes in the organizational systems.

KEY WORDS: changes, future, CEO.

The perspective of hierarchy as the principle of organizational design

Much has been written on hierarchy. Classical organization and management are based on hierarchy where each higher level of the hierarchical pyramid has a higher quantum of power as compared to the lower levels and where the lower levels are obliged to perform without objection orders, directions and instructions of higher authorities. If the is not achieved, individuals were sanctioned, even the non-compliance with the instructions resulted in success.

However, as a principle, hierarchical design of business systems is increasingly called into question, and suffers changes. The key change

that will happen in the future and has already happened in the leadership companies is the reduction of hierarchical levels in the organization systems. Implementation of IT in management contributed to this, i.e. to the transfer of certain tasks of middle management towards the top lower managerial levels. This will increase the dynamics of organizational systems, flexibility and adaptability to take operational and tactical decisions, which inevitably leads to increased performance.

On the other hand, the basics of hierarchy will be changed too. Hierarchy will disappear as well as authority based on positional power, i.e. power and influence held by CEO; further, CEO too together with his power and influence shall vanish, i.e. authority will be based on skills, knowledge and expertise in recruiting people for ideas and requirements imposed.

In this regard, traditional and classic autocratic systems will disappear, remaining only in bureaucratic organizations, but in an altered form, even in traditional organizations such as the military, police, church and party in transition countries. It turns out that the highest level of hierarchy we find in political party structures in transition countries, including Serbia, as the undisputed leader of the party with the highest level of positional authority. The party structure is dominated by exclusivity, often malignant; there is no willingness to compromise, as the most effective way of solving problems. This is why they are potentially a focal point for the development of broader social problems.

In the second place we have the church organizations where religious leaders obey without question postulates and canons that underlie their beliefs and actions. This applies particularly to the Catholic church organization dominated by the pope, as head of the Church to the highest authority, and whose word is respected in the Catholic world. However, the Orthodox Church, which operates on the principle of autocephaly, within its parts (bishoprics, and others) holds the undisputed authority over the church leaders.

In the third place there are the military structures. Thanks to the so-called smart backpacks and the use of technology, they now give more freedom to the soldier to take decisions according to the situation on the ground and enemies they face. This is completely opposite to highly centralized and structured systems and military organizations

in which the lower levels were given orders to execute certain tasks; even the manner of the execution of those tasks was strictly prescribed. The construction and use of the so-called 'smart missile systems' means that every single missile is capable to identify and hits targets by itself, thanks to built-in system which is new in relation to the management of these systems from the ground, or give orders to the effect of higher hierarchical levels. Thus, missile and other systems are not waiting for orders from the top, but work automatically when targets appear. In these circumstances, the need for high levels of the hierarchy is reduced.

Reduction of hierarchy inevitably leads to changes in management styles too. High or deep hierarchical rule leads to centralization, which inevitably leads to bureaucratization and implementation of an autocratic management style, which dominated in the management of the past. Today, softer styles of management gain importance, styles oriented towards support and promotion of employees, primarily for the use of creative energy. It turns out that creative energy and its use is the ultimate potential and its use is largely conditioned on the style of management. In modern corporate organizations ideas will become the primary resource and the potential of the organization, i.e. implemented ideas and continual innovations and constant activity are the most important factors; applied in practice, innovation will be the main criterion of success. Successful companies will be those that create favorable conditions for development of ideas and their implementation in practice.

It is important to reiterate the indisputable fact that the hierarchy will never disappear, as pointed out by the IT and other professionals, i.e. it will never be abolished in organizations. This because every organization requires a certain level of authority, or position of authority and their dispersion in the depth and breadth of the organization. Every organization is based on interest; further, it is not possible to manage joint work without adequate authority. Thus, hierarchy will continue to exist because we see that there is hierarchy in the natural order. Darwin's famous theory claims that it is the order of nature that 'the bigger swallow the small,' and lately, when it comes to business organizations, we see that 'the faster swallow the slowly.' In other words, organizations that quickly diagnose the problem and eliminate the causes of their occurrence, i.e. quickly solve problems, are more successful and market competitive.

Therefore, if there is hierarchy in nature which operates on natural, meaning objective laws, it is inevitable in organizational systems too. It has been and will remain the eternal law of organization of natural and social order. When you need to organize joint work, i.e. organization, this must be done in a professional and rational manner, with clearly defined authority and influence. In such a situation there is no meaning in convening a party meeting and discussing everything. There must be someone who can articulate the interests of employees, taking into account the environment and the changes happening in it. As the organizations of corporate type become larger and more complex when it comes to technological, economic and social spheres, the need for authority grows. This is not only about the size of the organization, but primarily about relationships that exist within in the organization between individuals, between parts of the organization, between the parts and the whole organization and between the organization and the environment to which it belongs. Therefore, it is absurd to talk about abolishing hierarchy, but in the future the level of hierarchy and base of hierarchy will definitely change, as well s the infrastructure on which it is based.

Reduced hierarchy increases integration in organizations

Closely related to the previous is the traditional division that existed and still exists in social or organizational systems. Globalization has turned the whole world into a single unit, and turned it into a 'global village' with increasing interdependencies that exist between countries, or organizations. Thanks to information technology, traditional fiefdoms in organizations have been abolished, in which each individual or part was a goal in itself, and where the organization as a whole considered themselves self sufficient. We have a new society of knowledge today, which corresponds to a different management style. There are no more classical divisions, departments or other organizational units with precise job descriptions, their autarchy had been both lifted and even abolished; even offices had been abolished in order to speed up the flow of information and to avoid retention of information in certain departments. It turns out that no one is self-sufficient, but it all takes place in iterative and interdependent relationships and relationships that determines the degree of integration of the business and its success. The very integrity itself increases synergy in the organization and synergy is a free energy which produces a greater effect than when individuals act independently and individually. In this context,

classical organizations are 'broken' and abolished as well as the traditional boundaries between business systems, organizations and environment; there is a higher level of integration established between the organization and the environment in which it operates, again with the aim to achieve greater synergy effect. The change in hierarchy, i.e. reduction of range in management and the creation of the so-called 'flat' organizations will radically change human life and work in all spheres of human activity. Naturally, the greatest impact of the above will be expressed in the following:

Increased importance of middle and lower management compared to traditional organization where these control levels only had an executive role,

A new approach and a new concept of using information management, especially when it comes to their speed and implementation of management practice,

Transformation of the control system from the classical into self-control as the best form of control,

The rise of knowledge or competence as the most valuable resources in organizations, and its acquisition, deployment, storage and use,

Establishment of corporate social responsibility, as well as a new value system in relation to the classical organization.

All the above indicates that a change in one element of organizations, such as hierarchy, without question leads to changes in other parts of the organization, as well as changes in the environment in which the organization operates. It is therefore necessary to consider changes in the level of the whole, and not the partial effect, because it shows that the quality of the whole is always greater than the effects of partial components representing the introduction of the concept of holistic organization. Holism starts from the fact that between the parts of the organization, in the same way as in the natural order, there is a strong causal connections and relationships in which the individual elements are often the cause of certain effects, but at the same time can be the consequence of certain causes. This creates certain problems in their explanation, which is why it is important to define them and determine what belongs where and what is a sample, and what are the effects. Analyses show that these elements and their relationships can be considered the most objective application of the concept of organization and management.

Hierarchy as a phenomenon has existed since the beginning of human society. It did have certain results in the past, including the hierarchy that is based on power and where each level of government has more power, influence, or authority in relation to the lower levels. In other words, hierarchy is a necessary condition for survival, growth and development of the organization.

In modern terms, hierarchy has radically changed its traditional base under the influence of technological, organizational and social changes that have occurred in the last decade of the third millennium. It is still a necessity in organizations, especially when it comes to classic and apathetic organizations where will must be subordinated to the will or an authority of those in command. These organizations must be hierarchical, but you can always put hierarchical levels in question.

However, intellectual and organizations in the field of high technology, as well as service organizations that increasingly dominate modern business, have already largely marginalized hierarchy, or reduced to a minimum. In these organizations there is a high level of professionalism in depth and width, so that individuals, or parts of organizations have no need for the positional authority upon which they rely in making professional decisions. However, it should be noted that hierarchy as a principle of construction and management of organizations will never disappear, i.e. its basis and infrastructure shall have to change and adapt to new challenges.

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МЕТОДИЧНІ ПІДХОДИ ДО ВИЗНАЧЕННЯ ДОЦІЛЬНОСТІ ТА ЕФЕКТИВНОСТІ ІНТЕГРАЦІЇ

АНОТАЦІЯ. Розроблено систему абсолютних і відносних показників, що характеризують інтеграцію з позицій доцільності та ефективності результатів.