

THE ORGANIZATION AS A MANAGEMENT SYSTEM

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"An organization is a group of people whose activities are consciously coordinated to achieve a common goal or goals."

Chester Bernard

Abstract: Organizations are the main object of managerial influence in the modern world. They are created to achieve different goals, to meet different needs of people, that's why they are so diverse, have different purpose, location, size, structure, culture, behavior and other characteristics. This plays an important role in considering organizations as objects of management, for the use of effective methods and approaches for coordinating the activities of the people working in them. Organization is a central term in economics. It summarizes the name for human groups and communities united by goals, environment, means, attitudes and beliefs.

The management of organizations in modern conditions includes three interrelated tasks: Management of the activity (work) and of the organizations themselves; People management; Production and operations management. Whether an organization is large, medium or small in size, whether public or private, its management system must ensure that the work is done well and that it is effectively managed itself. The management of the activities and of the organizations as a whole is carried out through goals and plans, strategy, organization and control, design of the structure, evaluation of the work and the results of their functioning.

There are no organizations without people. In them, some people lead other people. Therefore, managers need to learn how to motivate, guide and communicate. They must also understand people's individual and group behavior, their interpersonal relationships, conflicts between them and ways to resolve them, change, development in organizations and people's resistance to them, their leadership as the ability to persuade others, enthusiastically pursue goals.

Each organization performs a certain activity - produces goods, educates, treats the sick, manages, entertains, protects, etc. Production management emphasizes its technology and refers to the design and operation of a system of people, materials, equipment, money and information in order to produce certain products or services. Organizations provoked by change are looking for new standards and innovations in management, which makes them different and unique. These standards focus on developing unique policies and strategies, team building, building value systems and motivating staff. The purpose of their management is to ensure the required quality.

Keywords: motivation, organization, management, quality.

1. INTRODUCTION

An organization is any human association that is consciously and rationally created as a unit in the social division of labor, has a purposeful commitment, official status, hierarchy and has relatively independent parameters of society.⁵³ The essence of the concept of "organization" is analyzed from three points of view:

- The first - as a system. For example, a business organization, a hospital, a sports organization, etc. In this sense, the organization is a major subsystem of society and the economy.
- The second - "organization" can mean a level of organization within the system. In this regard are the popular phrases "good organization", "bad organization", good, bad order in the organization.
- The third - organization can be understood as the activity of creating order in a system. These are activities and works related to the construction of the organism of the system. In this sense, organization can be seen as a function of management. Knowledge of the features, classification and models of organizations is the basis of optimal management decisions that are expected from the leaders of the New Age.

2. FEATURES OF THE ORGANIZATION AS A MANAGEMENT SYSTEM

There are many definitions of organization in the scientific literature, from which the typical concepts of the organization as a rational system or a system aimed at achieving a certain goal are separated.⁵⁴ Most organizations

⁵³ Pachev, T., Kolev, B. (2005), Economic Sociology, Sofia, University of Economics, p. 214

⁵⁴ Mladenov, Yu., Terziev, V. (2011), Fundamentals of Management, Ruse, p.28

are complex systems consisting of subdivisions (parts of organizations) that have their own goal of work related to the common goal. Complex organizations, depending on their specific purpose, have common characteristics, features and parameters or output principles. These parameters include:

- *the existence of common goals*;
- *processing of resources to achieve results*. The main resources used in organizations are people (labor resources), capital (money, fixed assets), materials, technology and information;
- *dependence of organizations on the internal environment*, both in terms of their resources and in terms of consumers, legislators, governments, competitors, public values and views, equipment and technology, etc. This environment, which has a significant impact on the organization, is usually outside the influence of managers;
- *division of labor*. The division of labor into parts is called the horizontal division of labor. The separation of the work of coordinating activities from the actions themselves is called the vertical division of labor;
- *formation of divisions in complex organizations*. The divisions of the organizations perform their specific tasks and realize specific goals. Such subdivisions are called departments, offices, workshops, sections, etc. Like the whole organization of which they are a part, the units represent and coordinate to achieve the common goals;
- *necessity and presence of a managing body*.

World practice shows that the management of organizations in modern conditions has the following main characteristics:

- ☐ orientation towards energetic and fast actions;
- ☐ constant contact with consumers;
- ☐ providing a certain independence to subordinates, encouraging their entrepreneurship;
- ☐ perception of people as the main source for increasing labor productivity and efficiency of the activities of organizations;
- ☐ connection with life, with an emphasis on one or more areas of key importance for the given business;
- ☐ introduction of efficient forms of management and maintenance of a small management staff (staff) in the organizations;
- ☐ establishing quality standards in each direction and ensuring their observance;
- ☐ existence of wide economic independence, providing freedom of decision-making by the one who is responsible for the final results of the functioning of an organization and its subdivisions and their appearance on the market;
- ☐ constant updating of the goals and programs depending on the state of the market and the change of the external environment;
- ☐ change of the planning functions - from current to perspective;
- ☐ attracting all employees in the organization in one form or another in its management;
- ☐ implementation of the management based on the forecasting of the changes and the making of efficient decisions;
- ☐ use of modern information base and computer equipment for multivariate calculations in making management decisions;
- ☐ conducting an in-depth financial and economic analysis for each management decision;
- ☐ ability to take reasonable risks and manage risk;
- ☐ increasing the role of innovation and marketing in each segment of the organization's work.

3. CLASSIFICATION OF ORGANIZATIONS

For the effective management of the organization it is important to know what place it occupies in the system of similar objects, whether there is a niche occupied by it, and how to determine those organizations that are comparable to the managed object in internal or external parameters. These and other issues for determining the business are directly related to the classification of organizations, their grouping on one or another basis.

The detailed classification of modern organizations can be represented by the following essential features of division:⁵⁵

Formalization (principle of building and functioning of the organization)

- formal organizations with clearly defined goals, rules, structure and links; in this group are all business organizations, state and international institutes and organizations;
- informal organizations working without clearly defined goals, rules and structures; this includes all families, friendships, informal relationships between people.

Form of ownership

- private;
- state and municipal;

⁵⁵ Ledeen, M. (2003), Machiavelli on Modern Leadership, S., Classics and Style, p.62

- others.

Scale of activities performed

- large;
- medium;
- small.

This division uses easily accessible criteria for analysis, such as number of employees, sales volume (turnover) and asset value.

Participation in various sectors of production

- organizations in the primary cycle industries involved in resource extraction, including organizations and enterprises in agriculture and forestry, the coal industry, etc.;
- organizations from the secondary cycle industries, which include organizations and enterprises of the manufacturing industry, for example, machine building, metalworking, automotive, etc.;
- organizations in the tertiary sectors, organizations and enterprises that provide services necessary for the normal existence of those of the previous two sectors. These are banks, insurance companies, educational institutions, retail, travel agencies, etc.;
- organizations and institutions from the fourth sector of the economy, which are engaged in such a progressive and rapidly developing sphere of human activities as information technology. This sector is very young, but its importance and potential are growing rapidly, and the role of information in the management of large and complex systems around the world is increasing.

Attitude to profit

- commercial ones, which pursue the extraction of profit as its main goal of their activity;
- non-commercial, which do not seek to extract or distribute the profits among the participants, but can carry out entrepreneurial activity when it serves to achieve the goals for which they were created and in accordance with them.

Belonging to the main structural elements of society

- state organizations;
- civil society organizations (commercial and non-commercial)

Areas and scale of activity

- national;
- foreign;
- mixed;
- international trade organizations.

The division of organizations into *mechanistic and organic* is also essential

The mechanistic organization is characterized by the use of formal rules and procedures, centralized decision-making, narrowly defined responsibility in the work and a firm hierarchy of power in it. With such characteristics, the organization can operate effectively in conditions where routine technology is used (low uncertainty of where, when and how the work is performed) and the external environment is not so complex and dynamic.

In order for the mechanistic organization to realize some of the advantages, especially such as universality, predictability and productivity, it is necessary to have the following conditions:

- the work of the organization can be divided into separate operations;
- the goals and tasks to be well formulated, to be known to all those working in it and to allow their implementation to be based on centralized planning in the organization;
- the results of the work of each member of the organization to be accurately measurable;
- the monetary remuneration to motivate the employees;
- the manager's authority is recognized as lawful.

From all that has been said so far, we can summarize that the classical bureaucratic mechanistic organization is usually single-production (or for one type of service), hierarchical, relatively conservative, with a lot of routine in its work. This type of organization today at the beginning of the XXI century is increasingly giving way to organic organization. It is characterized by a weak or moderate use of formal rules and procedures, with decentralization and increased participation of employees in decision-making, with widespread responsibility for everyone's work, with flexibility of the power structure and a small number of management levels. This type of organization takes place in conditions where non-routine technology is used (high uncertainty about where, when and how the work is performed) and the external environment is quite complex and dynamic. In the organic organization, the workers perform various activities, have significant freedom of action, which is activated mainly by their self-motivation and remuneration.

Organic organization has greater flexibility and adaptability to the external environment, as it implies better use of human potential. Managers are rewarded for practical achievements, which helps to grow staff and increase their responsibility. The processes of decision-making, control and elaboration of goals are decentralized and divided at different levels of the organization. The connection is made in all directions, not just from top to bottom in the hierarchical chain of power.

4. MODELS OF ORGANIZATIONS AS AN OBJECT OF MANAGEMENT

In the theory of organization, four types of models are identified, reflecting the evolution of theoretical concepts, determining the nature of the organizations themselves, the role and dominant functions of management, as well as the criteria used to assess the effectiveness of their activities.

First model. It is known as the "model of the mechanistic structure of the organization". It was formed at the end of the 19th century and became widespread in the first quarter of the 20th century. Its theoretical basis is the basic principles laid down in the school of scientific management. The founder of the scientific field, Frederick Taylor, considers efficiency in terms of time and motion factors. Another representative of the theoretical direction - the German sociologist Max Weber raises and substantiates the statement that the most effective form of organization is rational bureaucracy.

The mechanistic model of organizations (also called the model of rational bureaucracy) allows the creation of technical and economic relations and dependencies between the various factors of production, and this determines its strength. At the same time, insufficient consideration of the role and importance of the human factor for the effective operation of the organization is considered a weakness.

Second model. This is a model built on the basis of defining the organization as a team, formed on the principle of division of labor. The beginning of its development dates back to the 30s of the twentieth century and is associated with the names of famous scientists such as E. Mayo, D. McGregor, C. Bernard and F. Selznick, who laid the foundations of the theory of human relations and behavioral science.

The most characteristic feature of this model is that it is built based on the main position in the theory, namely that the most important factor for the productivity of the enterprise is the person as a social individual. Therefore, the elements of the model are such basic positions as, paying attention to workers, their motivation, communication with them and their participation in decision-making.

These two models can be considered as "closed", they do not take into account the influence of environmental factors on efficiency. It is not in vain in the literature that the theorists of management in the early 60s of the twentieth century did not pay attention to the problems in the business environment, competition, supply. They adhered to a "closed" view of the world. These constraints entrusted the need to develop new leaders of the organization, which are characterized by "openness", namely those that are formed under the influence of external events and which themselves influence them.

Third model. In this model, the enterprise is presented in the form of a complex hierarchical system, closely interacting with its environment. It is based on the general theory of systems (A. Chandler, P. Lawrence, D. Lorsch contributed to its development). The main idea in it is the recognition of the fact of the interconnection and dependence of all elements, subsystems and systems on the external environment. In accordance with these theoretical positions, the organization is considered as a unity of its components, which are inextricably linked to the outside world. The key factors for its success are in two areas: external (from which it receives all types of resources, including information, knowledge) and internal (the strengths and weaknesses of which create one or another prerequisite for the transformation of resources into production and services).

Fourth model. This model presents enterprises as public organizations, the activities of which are of interest to both internal and external groups. The interrelationship between enterprises is that they (for the collective, based on the principle of division of labor production of goods and services) use resources provided by suppliers, whose interests in turn are satisfied by the output of enterprises.

The basis of this model (formed in the 80s of the twentieth century) is the theoretical concept of stakeholders, according to which the organization is obliged to take into account the different interests of partners, the range of which may be wide enough. Thus, the goals of enterprises are determined not so much by the production plan, production of some products and the realization of profits, but by the degree of satisfaction of the various related stakeholders: consumers, suppliers, competitors, investors, society as a whole.

Such an approach practically means accepting as a basic strategy of limited optimization, in which the achievement of some goal of the organization is limited by the requirement to meet other goals at some acceptable level. This leads to the need to strike a balance between different important objectives, such as sales volume, profit, income and interests of staff and local authorities, environmental protection, etc.

The social significance of the enterprise strengthens the role and impact on its work of social norms and values, cultural and moral values both within the system and in relation to its external environment. In this regard, the main functions of management are to achieve high productivity and efficiency by strengthening the spirit of cooperation and involvement of employees in the activities of the organization, as well as balanced interests of the main groups of people involved in its activities. strengthening its position in society. Determining effectiveness under these conditions is based on the choice of values and the overall orientation of the organization. Therefore, along with the used criteria for socio-economic efficiency, the work of the organization is evaluated in such areas as the policy of linking its own interests with the interests of business partners, as well as compliance of its socio-cultural policy with the norms and values of the team and society as a whole.

5. CONCLUSION

In the last quarter of the twentieth century, humanity entered a new stage of its development - the stage of building an information society. Originating in the 20s in the bowels of industrial society, it gave its first sprouts in the 40s, in the 50s already began to talk about the advent of the information economy. In the 1960s, predictions emerged that the industrial society would become informational. In the early 1980s, the most developed countries were already settling on its first step.

Under the influence of the information society and the changes taking place in the world economy, the business environment of organizations has undergone significant changes, manifested mainly in the following:

- any individual or organized group can at any time and in any place have free access to the information they need through automated communication systems;
- they can use modern information technology to solve the problems facing them;
- they have the necessary technical means, infrastructure and social base for the creation and reproduction of the necessary information.

In the conditions of these changes new types of organizations have emerged, successfully functioning in the "information" environment.

The development of our society depends on the state of the functioning organizations and institutions producing goods and offering the services that each of us needs. Managerial decisions allocate society's resources to achieve different but often competing goals. The successful economic development of the country depends on the effective management of organizations and their ability to better adapt to rapidly changing conditions of the internal and external environment. The growing number of different organizations and their growing influence on people's living standards necessitates the study of issues related to different approaches in the management of organizations.

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