

Yang Yingbin*

STRATEGIC PLANNING OF STRUCTURAL TRANSFORMATIONS WITHIN THE CONTEXT OF CORPORATE ORGANIZATIONAL DEVELOPMENT

This article is a comprehensive exploration of the theoretical and methodological principles of strategic planning for structural transformations in the context of corporate organizational development. It breaks down the complex concept of structural changes into simpler terms, defining them as specific alterations in business structure or the architecture of an integrated group of enterprises. The paper proposes a unique perspective on organizational development, viewing it as a process of breaking down the constituent elements of an enterprise, accompanied by changes in how these elements are connected, modifications in relationships between these elements and their external environment, adding new elements into the structure, and removing existing ones or a comprehensive solution involving doing some or all of these changes at the same time. It is demonstrated that the most radical and effective structural changes are associated with changes in how corporate and managerial control is distributed. The components of the mechanisms for accomplishing strategic tasks during organizational transformations that directly impact the structure of capital, resulting in the creation of legally independent entities, are identified. The sequence of stages in the strategic planning process of organizational development includes identifying the need for strategic changes, setting a system of objectives, assessing the appropriateness of modifying the business portfolio and conducting competitive analysis: evaluating the current status of the company, analyzing potential prospective resource zones and business areas; identifying strategic gaps between current and prospective profiles of strategic business units; analyzing the synergy of strategies; assessing constraints; optimizing the prospective business portfolio within a given system of objectives and constraints considering potential synergy; and developing competitive strategies in prospective business sectors. It also outlines the formulation of rules, mechanisms, and plans for managing strategic transformations. The primary constraints encountered during goal-setting in the context of organizational development include the time required to bridge strategic gaps, which are deemed critical due to the unpredictability of external environment behavior, the life cycle of the technology, or demand for products; cost implications and the availability of resources necessary for the strategic reorganization of the enterprise; and the company's ability to procure resources sufficient in volume and quality to undertake strategic restructuring.

Keywords: organizational development, structural transformations, corporate strategy, reorganization, restructuring, goal-setting.

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ORCID <https://orcid.org/0009-0009-4095-7046>

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Ян Їнбінь

СТРАТЕГІЧНЕ ПЛАНУВАННЯ СТРУКТУРНИХ ПЕРЕТВОРЕНЬ У КОНТЕКСТІ ОРГАНІЗАЦІЙНОГО РОЗВИТКУ ПІДПРИЄМСТВА

Стаття присвячена дослідженню теоретичних та методичних положень щодо стратегічного планування структурних перетворень у контексті організаційного розвитку підприємства. Виявлено сутність та зміст структурних змін (специфічний вид організаційних трансформацій) як особливого роду змін структури бізнесу чи архітектури інтегрованої групи підприємств. Запропоновано розглядати організаційний розвиток як

* National Technical University «Kharkiv Polytechnic Institute». Kharkiv. Ukraine.

процес декомпозиції об'єктів, що становлять підприємство (конгломерат підприємств), що супроводжується зміною міжоб'єктних зв'язків, зміною зв'язків об'єктів із зовнішнім середовищем, введенням у структуру нових об'єктів, ліквідацією об'єктів або комплексне рішення, що включає одночасне проведення всіх або частини цих змін. Доведено, що найбільш радикальні та ефективні структурні зміни пов'язані зі змінами в структурі розподілу корпоративного та управлінського контролю. Визначено склад механізмів виконання стратегічних завдань при здійсненні організаційних трансформацій, що прямо зачіпають структуру капіталу, та що призводять до утворення майново відокремлених об'єктів. Визначено послідовність етапів процесу стратегічного планування організаційного розвитку (визначення потреби у стратегічних змінах; формування системи цілей; визначення доцільності модифікації бізнес-портфеля компанії та конкурентний аналіз: аналіз поточного становища компанії; аналіз потенційно перспективних зон ресурсів та зон господарювання; аналіз стратегічних розривів між поточними та перспективними профілями стратегічних бізнес-одиниць компанії; аналіз синергізму стратегій; аналіз обмежень; оптимізація перспективного бізнес-портфеля компанії у заданій системі цілей та обмежень з урахуванням потенційного синергізму; розробка конкурентних стратегій у перспективних галузях ведення бізнесу; визначення правил, механізмів та планів управління стратегічними перетвореннями. Доведено, що основними обмеженнями, що виникають на етапі цілепокладання в контексті організаційного розвитку є такі: термін подолання стратегічного розриву, критичність якого визначена непередбачуваністю поведінки зовнішнього середовища, періодом життєвого циклу технології або попиту на товари; вартість витрат та наявністю ресурсів, необхідних для здійснення стратегічної реорганізації підприємства; наявність у компанії можливості залучення ресурсів, за об'єктивними та якісними показниками достатніми для проведення стратегічної реорганізації.

Ключові слова: організаційний розвиток, структурні перетворення, стратегія підприємства, реорганізація, реструктуризація, ціле покладання.

Problem Statement. Developing recommendations for conducting structural analysis and transformations necessitates creating a practical and convenient approach that facilitates both predictive and actual assessments of structural changes' effectiveness and enables comparison of different reorganization options to select the optimal path for organizational development. Given the profound connection between strategic and structural decisions, a deeper examination of the theoretical and practical considerations involved in implementing changes used in strategic business planning is required. Your role in this process is crucial, as your expertise and insights will be instrumental in the successful implementation of these recommendations.

Analysis of Recent Research and Publications. The patterns of organizational development have been the subject of study by many authoritative scholars such as Aldea A. [1], Brockett A. [2], Cichocki P. [3], Iacob M. [1], Irwin C. [3], Janssen T. [4], Korneyev M. [5], Lankhorst M. [1], Lessambo F. [6], Litvinenko A. [8], Ming X. [9], Ostroverhova G. [7], Popov O. [5, 7], Pylypenko A. [5, 8], Rezaee Z. [2], Shmatko N. [5], Wu Z. [9] and others. However, many aspects of examining the process of business organizational development, particularly those related to justifying managerial decisions in the realm of structural transformations, still need to be explored and demand further detailed exploration.

The objective of the Research. The objective of this study is to synthesize theoretical positions and develop recommendations for strategic planning of structural

transformations in the context of enterprise organizational development (this research aims goes to comprehensively understand the process and its implications).

Research Results. When examining structural changes (a specific type of organizational transformation), they can be defined as distinctive changes in the structure of an enterprise or the architecture of an integrated group of enterprises. Organizational development, in this context, can be viewed as a process of decomposing the objects that constitute an enterprise or conglomerate of enterprises, accompanied by changes in inter-object connections, alterations in relationships with the external environment, introduction of new objects into the structure, elimination of objects, or a comprehensive solution involving simultaneous execution of some or all of these changes. This artificial limitation on all possible types of reorganization allows for a specific kind of analysis akin to the concept of business process reengineering, where the main focus of the study is the connections between objects, which are considered either constant or subject to linear approximation. Thus, improving the efficiency of enterprise activities is achieved through a comprehensive solution that optimizes structural connections relative to the conditions of the external environment, increases or reduces (up to the elimination of an object) production volumes of individual structural objects, and augments the system with new objects.

The primary advantage of this approach is its higher practical applicability. This is achieved by simplifying the calculation system since the analysis initially assumes a limited set of objects with linear or nearly linear characteristics and, consequently, a limited set of connections. This approach eliminates the reliance on so-called expert evaluation systems, which are prone to subjectivity in unifying diverse processes into single scoring metrics.

The primary problem with this approach is that the general principles of enterprise modeling (structuring of the enterprise) currently do not meet the requirements of the times, as they reflect, in one form or another, the established administrative-functional grouping of departments and other modeling principles (such as business process modeling) are often insufficiently methodologically developed. In this context, for all possible options for changing the structure of the enterprise and the system of inter-object connections, it is appropriate to consider those that lead to the emergence or elimination of property-segregated and substantially independently managed objects.

Structural changes and connections are directly related to the enterprise's long-term prospects, which are considered within the framework of analyzing and developing long-term plans and forecasts. Structural decisions are made based on simultaneously analyzing two states of the "enterprise-external environment" system: current and desirable future. Therefore, structural changes within the organizational development process must be closely connected with strategic managerial decisions.

The most radical and, in many cases, most effective structural changes are related to shifts in corporate and managerial control distribution structure. These changes, while often complex, can bring significant benefits to organizations. By examining structural changes, we can focus on organizational transformations that directly affect the capital structure and lead to the creation of legally independent entities. Such transformations are executed through mechanisms including the division of a single business into multiple distinct ones; the segregation of a portion of a company's assets

and resources into a separate legal entity followed by its sale or partial liquidation; mergers and acquisitions; partial amalgamation of assets from several companies to form a new business entity; and various combinations of these mechanisms. Therefore, a company's structural transformations can be best understood as an "expanded decomposition" of existing and potentially formed business units, incorporating both division and merger of entities. This term, "expanded decomposition", refers to the process of breaking down and reorganizing a company's structure in a way that expands its capabilities and potential. In other words, it's about restructuring the organization to make it more agile and adaptable to changing market conditions.

The appropriateness and effectiveness of structural transformations, viewed as a mechanism for decomposing business units, are closely tied to the need for reorganization, identified through strategic planning. This comprehensive process ensures that every aspect of the transformation is carefully considered, leading to a more successful outcome. Consequently, to elucidate the interaction between structural and strategic analysis and the relationship between a company's structural and strategic decisions, it is essential to delve deeper into the strategic planning process. This process determines the need for strategic reorganization and the feasibility and appropriateness of conducting such reorganization in restructuring.

The strategic planning process, a tool in your hands, plays a pivotal role in identifying areas where structural transformations can enhance strategic outcomes. This assessment typically leads to a decision on whether restructuring is necessary to align the organization's structure with its strategic objectives, thereby improving overall business performance and competitiveness in the marketplace. With strategic planning, you have the power to shape the future of your organization.

Briefly, the process of strategic planning for organizational development can be depicted as a sequence of the following actions:

- 1) identifying the need for strategic changes through a qualitative diagnosis of the current state of the enterprise, the external environment, and the relationship system between the enterprise and the external environment;
- 2) developing a system of objectives;
- 3) assessing the advisability of modifying the company's business portfolio and conducting a competitive analysis: analyzing the company's current position (current resource zones and business operations, profiles of strategic business units);
- 4) analyzing potentially promising resource zones and areas of operation; evaluating strategic gaps between current and prospective profiles of strategic business units; assessing the synergism of strategies; analyzing the constraints of strategic planning tasks linked to the natural limitation of resources available for strategic transformation;
- 5) optimizing the company's prospective business portfolio within a defined system of objectives and constraints, considering potential synergism, and developing competitive strategies in prospective business areas; defining rules, mechanisms, and plans for managing strategic transformations (strategic management).

Critical approaches to strategic planning, whose use is anticipated in the analysis of the applicability and effectiveness of structural changes, include: the goal-setting concept is a method for establishing essential criteria for defining and evaluating strategic directions; the concept of strategic business zones and resource zones; the

concept of strategic business units; the concepts of differentiation and internationalization, and business portfolio modification; the concept of the company's competitive profile; the concept of strategy synergism.

The overall assessment of the directions of strategic development of the enterprise is determined through managerial tasks such as evaluating the advisability of differentiating the business portfolio (changing and/or expanding technologies) or internationalizing (changing and/or growing market geographies), i.e., processes accompanied by changes in the architecture of business units; selecting competitive strategies in prospective market segments; jointly assessing portfolio and competitive strategy to formulate the optimal direction of development under resource constraints.

An essential principle of the strategic planning concept is that the evaluation of strategy prospects is conducted from two perspectives – simultaneously assessing the desirable competitive profile of the company in prospective market segments and the current competitive profile, which enables the assessment of the accessibility of various strategic development options (from now on – strategic gap) based on the extent of gaps in current and prospective profiles of the company and the resources available to bridge these gaps. Strategies developed for strategic business units must be evaluated for their synergistic effect, which helps reduce the need for resources necessary for strategic reorganization on the one hand, and for a comprehensive assessment of whether the selected strategies meet the developed goals and/or enhance the overall profile characteristics of the company on the other.

The primary constraints arising at this stage (the initial system of goals and limitations arises during the goal-setting phase) include:

1) the timeframe for bridging the strategic gap is critical, and it is determined by the unpredictability (including objective unpredictability) of the external environment's behavior (hence, the degree of risk), the lifecycle of the technology, or the demand for products with specified consumer properties (correspondingly, potential profitability), among other parameters;

2) the cost of expenditures and the availability of resources necessary for the strategic reorganization of the enterprise;

3) the company's ability to attract resources, both in quantity and quality, is sufficient for conducting the strategic reorganization.

There is a specific dependency among these three constraints. The timeframe for reorganization is usually inversely proportional (this, of course, does not imply a linear dependency) to the cost of reorganization, which in turn is limited by the company's ability to attract reorganization resources.

The need for strategic structural reorganization (i.e., changes in the internal structure or mechanisms of interaction with the external environment of the enterprise) is linked to various aspects of strategic planning. Any change typically encompasses all aspects of the enterprise's activities, meaning that within the framework of a strategic reorganization, there is a change in both the organizational-management structure and the production structure and the system of relationships of the enterprise with the external environment. While the strategic approach to implementing structural-organizational changes, i.e., the mechanism of decomposing strategic business units for reorganization associated with optimizing the internal structure of

the enterprise, is possible, in general, enhancing the efficiency of the internal structure can also be achieved without the actual division of entities.

The effectiveness of employing structural transformations in this context is typically associated with achieving an effect, the criterion of which is defensive "agility". The premises for such a strategic decision generally include following: there is high turbulence in the external environment, where the synergy of unified management, planning, and use of financial and other resources is minimal and can be sacrificed either to potential threats of business loss (position in business) or to a potentially sharp increase in the efficiency of individual business units of the company; significant limitations on planning horizons; there is a high degree of disorganization in the company's administrative apparatus and/or an inability to manage complex or integrated productions; a high level of "goal conflict" cannot be reduced without organizational transformations; negative perceptions of the brand or increased counteraction from competitors or other strategic influence groups.

Another variant of effective structural transformations may be related to significant market changes, where an enterprise's internal costs begin to exceed the transaction costs of the "enterprise-market" relationship. In this case, there are premises for effectively substituting a number of internal functions (internal resources) with external ones. Accordingly, if transaction costs are high, there is a premise for restructuring through vertical integration.

Regarding another type of structural reorganization related to differentiation and internationalization, restructuring can serve as a tool to achieve reorganization goals with maximum efficiency (reducing timeframes and resource needs). This is determined by the fact that expanded decomposition, including the company's division and the acquisition and merger tools, is the most dynamic mechanism for growing and/or changing strategic business zones and resources.

The application of a strategic approach to the third type of reorganization, aimed at reducing or ceasing presence in certain markets, can be determined by: the possibility of selling the asset (or part of the asset) at a price exceeding its liquidation value, i.e., in cases where there is a potential for the buyer to value the business above the liquidation value of the assets; the use of restructuring as a method of "cleansing" the enterprise from inefficiently used assets, divisions, functions, and productions with the goal of reducing the enterprise's costs. Such a restructuring mechanism entails a preliminary assessment of the internal structure of the enterprise to identify its inefficient components.

The focus and special study of the processes of decomposing business units is related to the fact that, according to the author, as well as based on the analysis of merger and acquisition practices, this mechanism can be seen as one of the most dynamic and suitable for the requirements of increased turbulence (variability and unpredictability of changes) in the external environment, characteristic of current business development. In this sense, conducting structural changes is one of the most dynamic mechanisms of strategic reorganization and can become one of the most effective tools not only for adapting the enterprise to the current conditions of the external environment but also for ensuring the efficiency of its long-term development. The inseparability of strategic and structural decisions allows for structuring the research aimed at identifying the potential effectiveness of structural transformations of the enterprise for the purpose of economic growth.

Conclusions. The enterprise's system of objectives is a pivotal element in strategy development. It is your role, as key decision-makers, to define these objectives. By doing so, you can resolve the inevitable conflict of objectives that arises among interested strategic groups, thereby influencing the vector of the enterprise's strategic goals.

To determine the potential structure of business units in the context of organizational development, modeling principles employed within the concept of business process reengineering are proposed. This refinement involves analyzing the fundamental business processes in which the enterprise participates, as well as the internal processes related to supporting these business processes. Within the framework of analyzing internal and external processes, it is suggested that they be further divided according to their alignment with various functional, complementary-functional, and non-functional customer needs, the formation and satisfaction of which are facilitated by the enterprise's activities. Such division of needs allows for identifying groups of corresponding external and internal processes and objects at the enterprise level, primarily oriented towards specific processes. These processes and objects for a wide range of product groups can be foundational when analyzing the possibility of portfolio diversification, i.e., effectively serving as the main components of potential business units in diversified operational zones.

The decomposition of business units is a natural process of enterprise adaptation to external environmental conditions. This restructuring option, when chosen, is based on calculations of increased economic effect for the owner. The decision is influenced by the combination of the system of objects and the structure of their interconnections with each other and with the external environment, highlighting the importance of strategic decision-making in this process.

Future research in this field will focus on the development of a methodological approach to substantiating structural decisions. This approach will be instrumental in resolving the conflict of objectives of strategic influence groups, providing a more comprehensive understanding of their dynamics and implications for the enterprise's strategic goals.

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