

Navigating complexity: the crucial role of organizational structure change in transformative environments

Oleh Lukutin

*Senior Lecturer,
KROK University, Kyiv, Ukraine,
e-mail: oleglv@krok.edu.ua,
ORCID: 0000-0001-6142-2264*

Denis Baldyk

*Doctor (Candidate) of Economic Sciences,
Associate Professor,
KROK University, Kyiv, Ukraine,
e-mail: BaldykDO@krok.edu.ua,
ORCID: 0000-0003-2670-1190*

Viktor Garkusha

*Doctor (Candidate) of physical and mathematical sciences,
Associate Professor,
KROK University, Kyiv, Ukraine,
e-mail: garkushavv@krok.edu.ua*

In an era defined by rapid technological advancements, globalization, and unpredictable market dynamics, organizations find themselves navigating an increasingly complex and chaotic landscape. In response to these challenges, the importance of organizational structure change has become paramount during the transformation of organizations. This article explores why organizational structure is a linchpin in navigating complexity and chaos, and how strategic shifts can position organizations for resilience and success.

It is crucial to understand how to deal with a Complexity and Chaos today for everyone. Complexity and chaos are inherent characteristics of today's business environment. Complexity arises from interconnected systems, diverse stakeholder needs, and rapid changes in technology. Chaos, on the other hand, stems from uncertainty, unpredictability, and the constant evolution of market forces. To dig into the understanding of complex and chaotic domains we can use the Cynefin framework, developed by Dave Snowden, is a sense-making framework that helps leaders understand the nature of problems and make better decisions based on the characteristics of those problems. The factors of both domains demand organizations to not only adapt but to proactively shape their destiny. In this context, the traditional hierarchical structures often fall short, necessitating a paradigm shift in organizational design.

Organizations operating in complex and chaotic environments require Agility to thrive. An agile organizational structure allows for swift decision-making, promotes collaboration, and facilitates continuous adaptation to changing circumstances. This agility is particularly critical in industries where innovation cycles are short, customer preferences evolve rapidly, and disruption is the norm.

It is very important for organizations to enhancing Collaboration and

Communication. Traditional hierarchical structures, used by most of the organizations, can impede communication and collaboration. In complex environments, where cross-functional cooperation is vital, a more flattened structure or one that encourages matrix-style collaboration becomes imperative. Teams need the flexibility to collaborate seamlessly across departments, breaking down silos and fostering an environment where knowledge flows freely.

Fostering Innovation and Creativity is a way to improve a traditional approach which doesn't work now. In a rapidly changing business landscape, the ability to innovate is a key differentiator. Organizational structures that nurture a culture of creativity and experimentation empower employees to take risks and contribute novel ideas. Flat structures and decentralized decision-making can provide the autonomy necessary for innovative thinking to flourish, enabling organizations to stay ahead of the curve.

Strategic Alignment with Goals: A well-designed organizational structure aligns with the strategic goals of the organization. In a transformative environment, where strategic shifts are frequent, the structure must be agile enough to support these changes. Whether adopting Agile methodologies, implementing cross-functional teams, or introducing a networked approach, the structure should serve as a facilitator of strategic initiatives rather than a hindrance.

Employee Empowerment and Engagement: An organizational structure that empowers employees fosters a sense of ownership and accountability. In complex environments, where adaptability is key, engaged and motivated employees are a strategic asset. Decentralized structures that empower teams to make decisions and contribute to the organizational vision create a sense of purpose and ownership, driving higher levels of employee satisfaction and retention.

Conclusion:

As organizations navigate the intricacies of a complex and chaotic environment, the importance of organizational structure change cannot be overstated. It is not merely a matter of restructuring for the sake of change but a strategic imperative to enhance adaptability, foster innovation, and align with the dynamic nature of the business landscape. By embracing structural shifts that promote agility, collaboration, and employee empowerment, organizations can position themselves not only to survive but to thrive in the face of uncertainty, ensuring a resilient and sustainable future. The journey toward organizational transformation is, at its core, a journey toward a more adaptable and responsive structure that mirrors the complexity of the world it operates in.

Ключові слова: Agility; Organizational structure; Organizational transformation.

Список використаних джерел:

1. Cesario Ramos (2022). *Creating Agile Organizations A Systemic Approach*. Addison Wesley Pub Co Inc. ISBN 9780135853191.
2. Eringa Ron (2022) *The Professional Agile Leader Growing Mature Agile Teams and Organizations*. Addison Wesley Pub Co Inc. ISBN 9780137591510.
3. Dave Snowden. *Cognitive Edge blog*. <https://www.cognitive-edge.com/blog/>.