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Modern approaches to the implementation of structural changes in entrepreneurship

Nowoczesne podejścia do realizacji zmian strukturalnych w przedsiębiorczości

ABSTRACT

The article's purpose was a retrospective study of theoretical views and practical tools for implementing structural changes in entrepreneurship. Scientific paradigms oscillate around structural, technical, and social approaches. The applied nature of structural changes is determined by technological approaches to value creation associated with the digital economy and transformation. The authors introduce scientific circulation and reveal the concept of "transformation scissors".

Keywords: management, entrepreneurship, structural changes, transformation scissors.

STRESZCZENIE

Celem artykułu było retrospektywne badanie poglądów teoretycznych i praktycznych narzędzi wdrażania zmian strukturalnych w przedsiębiorczości. Paradygmaty naukowe oscylują wokół podejścia strukturalnego, technicznego i społecznego. Zastosowany charakter zmian strukturalnych determinują technologiczne podejścia do tworzenia wartości związane z gospodarką cyfrową i transformacją. Autorzy wprowadzają do obiegu naukowego i ujawniają pojęcie "nożyce transformacji".

Słowa kluczowe: zarządzanie, przedsiębiorczość, zmiany strukturalne, nożyce transformacji.

INTRODUCTION

In the conditions of digitalization and artificial intelligence, the economy is changing faster than ever before, and many organizations cannot spare time to respond adequately to the challenges of evolving structural policies. The paradox of change management managers is that each completed change implementation cycle requires new transformations. Innovative changes give competitive advantages and provide an opportunity to "scoop the cream". However, there are no universal concepts and methods for implementing successful structural changes. According to existing studies of the effectiveness of organizational business changes (Szkola Zarządzania Zmianą, 2022) and applied studies of the American Management Association, fiascos from 45 to 70% (Beer & Nohria, 2003) of change implementation programs are noted.

The process of finding practical tools for structural changes continues. Therefore, the role of scientific research and generalizations of relevant business management practices is increasing.

1. LITERATURE REVIEW

The modern business environment is changing under the influence of globalization phenomena, a competitive market, and thus the quality and sustainability of business systems increasingly depend on the effectiveness of personnel management. This opinion is widespread among the founders of the science of management, particularly in strongly emphasised concepts of D. McGregor and H. Levitt. Levitt's model presents three approaches to structural changes in entrepreneurship:

structural, technical, and social one (Leavitt, 1975). The technical approach focuses on solving tasks, while the social approach focuses on the behavior of organizational members and the confidence that the organization meets the needs of employees. The structural approach refers to changes in the organization caused by changes in the organizational structure.

Other modern concepts also reflect the development of theories of social transformations and determinants of such changes in organizations. Thus, Hałas (2016) presented and compared three selected organization development models. Initially, the concepts of the organization and its development were discussed – models: Greiner (1989), Cameron & Quinn (2003), and Capel, which are very similar and differ among themselves mainly in orientation. The first focuses on the driving forces of structural changes: the organization's management, the second on organizational culture, and the third one on employees.

John Kotter's latest theory of change is positioned as the methodology based on the principles of the so-called dual operating system, which combines a traditional hierarchy with a flexible network, forming a more adaptive organization (Kotter et al., 2021).

2. RESEARCH METHODS

The purpose of the presented work is theoretical substantiation and practical analysis of approaches to the implementation of structural changes in the socio-economic system of the enterprise. The objectives of research are structural changes in entrepreneurship. The subject of study are theoretical, methodical approaches to generation techniques and implementation of structural changes. As research methods – structural and logical, analysis, generalization methods are used.

3. RESEARCH RESULTS AND CONSEQUENCES

Modern concepts of structural changes are based on integrated approaches. Kotter (2022), to achieve a coherent and comprehensive approach to the process of implementing change, identified four main principles of change – thinking, attitude, and leadership behavior necessary to stimulate change. With consistent and complete use, Kotter defines peculiar accelerators, the unlocking of which develops organizational potential in the process of change management:

- Creating an impulse for change – a sense of urgency.
- Creation of a coalition – favorable to change.
- Building a compelling vision and strategy.
- Effective dissemination (discussion) of the vision.
- Granting permissions for new assumptions.
- Achieving quick successes (victories).
- Consolidation of achievements (stimulation based on results).
- Consolidation of changes – institutionalization (Kotter et al., 2021).

The applied nature of research, particularly in Poland, where a research school of change management constantly operates, points to the problematic aspects of planning and

implementing changes. According to studies of corporate structures, the number of changes completed with total success was 36% in the best years and only 20% in the worst years (Smolik, 2021). According to the results of the research of the two previous years, the most often mentioned goal of changes was the transition to remote work (2020), and in 2021 – a shift in strategy, the full effect of the planned structural changes reaching 30% of companies, and the worst results of the implementation of changes being shown by industry – 21% and IT – 23% (Szkoła Zarządzania Zmianą, 2022).

In 2013 the Government of Great Britain and Capita plc., to manage and develop a global portfolio of best practices for implementing structural business changes, founded the AXE-LO union. IT-service management and project management became the key industry areas of activity. The Information Technology Infrastructure Library (ITIL) is a library of best practices for building and managing an IT organization. ITIL is a registered trademark of AXELOS, which also owns PRINCE2, MSP, and RESILIA change management techniques. ITIL has been adopted by organizations in the private and public sectors in more than 150 countries worldwide to improve the skills, knowledge, and competence of employees and the effectiveness of organizations. Today, ITIL has become a global standard used by thousands of companies such as AXA, BP, Disney, IBM, KPMG, Microsoft, HP, VISA, and organizations such as the US Army, US Navy, CERN, and Yale University.

The updated methodology of change management of version ITIL 4 is built on creating value and increasing operational efficiency without exposing the client to unnecessary costs and risks. The Service Value System includes the following components:

- Guiding Principles are the principles that underlie ITIL and provide a holistic vision of how an organization should be managed and how it should do its work;
- Governance is how the organization is managed and controlled;
- A service value chain (SVC) is a set of interrelated activities that provide a working model for creating, delivering, and continuously improving services;
- ITIL v4 Management Practices (Practices) are a core part of the ITIL v4 framework and provide a holistic view of how to work. They reflect new ways of working, balancing the needs of governance, compliance, and data, information, and documentation collection with the empowerment of operational teams.

Continuous improvement is a repeated organizational activity carried out at all levels to ensure that the organization's performance constantly meets stakeholders' expectations. ITIL v4 supports continuous improvement through the ITIL v4 Continuous Improvement Model (ITIL Foundation, 2019). ITIL 4 and the concept of the continuous improvement model are aimed at organizing high-speed IT support in crises and conditions of uncertainty (VUCA). The most important concepts introduced by ITIL v4 are the Service Value System

(SVS) and the four dimensions of service management. The Service Value System (SVS) shows how different components and activities can collaborate to co-create value through IT services (ITIL Foundation, 2019). For research, ITIL v4 uses elements of other methodologies. It integrates Agile and DevOps, Lean, and IT techniques – to big data, cloud computing, RPA, and other digital economy and transformation concepts.

Taking into account the “attack” of artificial intelligence on traditional employment, it is possible to predict the dominance of a kind of “transformational scissors”, when, on the one hand, the role of social transformations in the production sphere in business activities will be reduced. On the other hand, in the non-production sphere, the impact of social changes and the role of personnel will increase. This is due to the need and interests of a working person in self-realization and self-expression, and without the need for communication in the end, the need for recognition in various social groups is unattainable.

The analysis of the experience of structural changes in Ukrainian corporations proved (IT Enterprise, n.d.) that the central link of the changes has been introducing a new digital system (modules) into operational business processes in one form or another. In these changes, the actors of structural changes are the owners and management of companies and consulting companies that develop information systems and technologies. The role of the personnel working at the enterprise under the modern nature of technological changes is becoming more nominal and passive, and the functions are reduced not to the generation and implementation of innovations but to adaptation to existing realities through psychological reactions, behavioral models, training and increasing the level of competencies.

4. CONCLUSION

Despite the variety of approaches to developing and implementing structural changes in business, technological innovations based on digitization in all aspects of corporate management – research and design, finance and accounting, production and logistics, business processes, cost management, etc. – are leading. Such transformations are generated by technical changes in production methods, improved technologies, use of robotics, artificial intelligence, improvement of the quality of materials, modernization of tools and means of work, etc. Social technologies are more critical in services and public administration, where there is a higher density of contact and communication with the client. In this case, innovations of a mental and psychological nature

play a primary role, and socialization and ergonomics of the workplace increase, as well as innovations in the field of media technologies, Internet marketing, etc.

“Scissors of transformations” have, in our opinion, another manifestation: the context of technological, technical, and informational transformations is more typical of corporate business, vertically oriented companies. There, digitalization is the basis of all other modifications. At the same time, the mechanism of social change is more manifested and effective in small and medium-sized businesses, where the sphere of human relations plays a more significant role in the organization’s development. The practical aspect of implementing structural changes in Ukrainian realities is reduced mainly to constructing a unified information environment for the enterprise. Similar trends will persist in the nearest strategic perspective, particularly in the Ukrainian market realities. Therefore, it is essential in the study of socio-economic systems in entrepreneurship to include, in particular, the readiness of personnel for changes, their acceptance of changes, and their direct participation in the generation and implementation of changes, which requires proper analysis and evaluation.

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