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Dunda S., PhD in Economics,
Associate Professor,
National University of Food Technologies
Iakymchuk T., PhD in Economics,
National University of Food Technologies

THEORETICAL BASIS OF DEFINING THE ESSENCE OF ORGANIZATION DEVELOPMENT

The essence of the concepts "development" and "organization development" has been studied. Three main approaches to development are identified through: study and distinguish system properties; formation of interpretations of this category; comparison of the concept of development with similar categories in terms of scientific knowledge of system behavior.

An analysis of the theory of enterprise's development are carried out based on the research of domestic and foreign scientists. As a result of this analysis, specific manifestations of development were identified, and its modern features are studied. The main characteristics of the "development" category are highlighted. The classification features of development in the organization are considered.

The main theoretical provisions that form the basis of the development of any organization are presented: the theory of targeted development, the theory of cyclical development, the concept of the life cycle of the organization. It is determined that development in the organization is based on the laws of ontogenesis, composition and proportionality, self-preservation, competition, scale effect, the transition to new scientific approaches and principles, synergy, orderliness, economic laws, the law of development. The factors that determine it are given.

It is substantiated that the development of the enterprise is closely connected with its resource potential: the volume of resources possessed by the enterprise has great importance for the growth of the organization, but their presence does not indicate the development. It is noted that the solution to the problems of enterprise's development depends on the management, because economic results are determined by the level of reasonableness of management decisions on taking into account the conditions of production and products' sale, forecasts about their changes in the future.

The authors' definition of enterprise's development is proposed as a set of targeted, intensive and qualitative changes in the economic nature of activity that occur at the enterprise as a result of contradictions in the internal environment and the influences of external environmental factors.

Keywords: *development; organization; organization development; organization theory; system; management.*

Problem statement. Effective long-term functioning of the organization is possible only under the condition of its development. The complexity, ambiguity, and sometimes

inconsistency in definitions of the concept “organization development” are the reasons of necessary to analyze it in order to create a basis for the practical activities of organizations.

Analysis of publications. Many domestic and foreign scientists paid attention to the problems of the theory and practice of organization development. Among the foreign ones are such as R. Akoff, I. Ansoff, R. Kaplan, T. Copeland, T. Koller, D. Norton, R. Petukhov, M. Porter, R. Fathutdinov and others. V. Vasylenko, V. Verba, N. Kasyanova, O. Raevneva, O. Grebeshkova, I. Fedulova, Yu. Pogorelov are Ukrainian scientists who dealt with complex issues of the organizations’ development.

Unresolved parts of the problem. Despite the large number of studies devoted to the organization development, a unified approach to its theoretical basis has not been formed now.

The purpose of the article. The purpose of the article is to carry out a thorough study, systematization and generalization of theoretical basis regarding the definition of the economic essence of organization development as an economic category, to formulate the authors' definition of this concept.

Research methods. During completion of requested tasks, the following research methods were used: inductive for collectting, systematizing and processing information; deductive for the theoretical comprehenshion of the problem; analysis and synthesis for combining the constituent of economic phenomena in a single process; abstract and logical for the formation of initial principles and conclusions, generalization and critical analysis of research results.

Research results. First of all define category “organization” and then consider theoretical basis of the organization development. In the theory of organizations, it is considered as a system (phenomenon) and a process. Thus, the organization as a system is the internal orderliness, coherence and interaction of the parts of the whole, which is determined by its structure and goals [1]. Scientists-economists quite often use a systemic approach to the organization to determine its properties, laws, regularities, as well as development problems. Kasyanova N.V. [2, p. 84-88] distingushes four approaches to defining the system: 1) as a set of many parts connected (interacting) with each other; 2) in terms of cybernetics, according to which there are the inputs and outputs of the system that connect it with the environment, while the concept of “black box” is used; 3) they connect the system with purposeful activity; 4) as features of object to be classified as a “system”. Thus, the system is an ordered set of elements that develops over time and meets the requirements of the target function. Then the development of the system is a purposeful change over time in the structure, composition or structure and function of the system. In general, the basic properties of the economic system are: existence of goals of functioning; integrity and decomposition of composition; the presence of connections between elements and their complexes in the form of the structure; orderliness of the named components; development. The scientist emphasizes that it is necessary to take into account the existence of new properties of the system: emergence, or new properties of the whole, which were not in its parts; homeostasis, i.e. stability, which is sought by the organization under external disturbing factors to maintain for self-preservation.

The term “development” in a broad sense means a change in a process or phenomenon from simpler to more complex. There are many definitions of organization (enterprise’s)

development. According to [3, p.142], development is a change in the trajectory of movement, a shift in the state of equilibrium, a transition of the economic system from a given center of equilibrium at a certain point in timeto another one, constant adaptation of the economy to a changeable center of equilibrium, implementation of new combinations of production factors. Some scientists [4, p. 62] explain it as a process of changes leading to an increase in the viability of the system, the ability to resist the destructive forces of the external environment. Others view development as a process of increasing capacity and willingness to meet one's own needs and the needs of others. A number of scientists-economists [5] have expanded the definition of development in relation to the economic and production system: development is the process of transition of the system to a new qualitative state due to the accumulation of quantitative potential, changes and complications of the structure and composition, and as the result there are the increase in its ability to resist the influence of external factors and the growth of the efficiency of functioning.

There are four groups of views on the causes of development: the first group of researchers connects development with the implemention of set goals; the second group considers development as a consequence of the adaptation process to the environment; the third group considers contradictions in the system as the source of development; the fourth group sees development in the pursuit of perfection, progress [2, p. 95]. Development takes an evolutionary or revolutionary form, has such directions as progress and regression. When there is the probability of the process's development, the direction that ensures the minimum of increasing entropy is implemented.

Some scientists-economists [2, p. 95; 6, p. 55; 7, p.106] draw attention to the fact that development processes cannot be equated with growth processes. To grow is to increase in size or number, growth is a quantitative phenomenon that is intended for the external comparative characteristics of objects and the peculiarities of their interaction, it is caused by the exceptional action of external forces. To develop is to increase abilities and competences; development is a qualitative phenomenon that reflects the peculiarities of the internal nature, state, and organization of the object. Development is a natural process of self-organization, when the internal state of the system becomes a source of qualitative improvements, an internal component of the system’s existence. At the same time, development can contain elements of growth. There is not necessarily an opposition between growth and development, they can reinforce each other, that is, there is a synergy effect between them. Growth does not always lead to increased value, while development does. An increase in the enterprise’s value is not necessary for growth, but development is impossible without it. Unlike development, growth does not require systematicity. The number or size of the elements of the whole increases with growth; the elements of the whole may not undergo changes with development, but the whole changes as a system.

Some scientists [2, p.98] emphasize that development is always a change, but not every change leads to development. A change that can be called a development must meet the following requirements: be reliably measurable; to be stable over time, that is, to express the preservation of the consequences of strategy implementation as a trend over a long-time interval; to be stable in the space allocated by the strategy; to express development rather than mere improvement or growth.

There are three main approaches to understanding of development: through the study and distinguish properties of developing systems; through the formation of interpretations of this definition; as a comparative characteristic of the object. According to the first approach, development is an irreversible, targeted, logical and unique process of an open system's changes in space and time. The second approach is followed by such scientists who define development as the process of formation a new open system, which is expressed in a qualitative change of the composition, structure and way of system's functioning, and it manifests itself in a crisis form and aims to achieve the enterprise's goals. Another group of scientists understands development as a unique process of open system transformation in space and time, characterized by a constant change in the goals of its existence through the formation of a new open system and its transfer to a new development trajectory [7, p. 108]

The approaches of some scientists to the interpretation of the category "development" boil down to interpreting it as evolution with a targeted trajectory, a linear cause-and-effect relationship. However, the complexity and ambiguity of the development processes and their mechanisms made it possible to supplement its essence with such features as alternativeness, nonlinearity, chaotic, stochasticity, and unpredictability. According to the laws of thermodynamics, chaos is considered not only as the destruction of something, but also as a transitional state from a lower level of system's orderliness to a higher, more harmonious level. It is a constructive beginning, source, prerequisite and basis for the development process [8, p. 19]. Systems and their components undergo fluctuations and, depending on their strength, the system can use opportunities for development that occur at the bifurcation point. It is in it that the system chooses the direction of development. But, as they claim [6, p. 57], a catastrophe occurs at the bifurcation point - the system transitions from the sphere of attraction of one attractor to another. The system attracts one of the attractors, and at the bifurcation point it can become chaotic and collapse, move to an equilibrium state or choose the path of formation a new orderliness.

As the analysis of approaches to understanding of development showed, the main characteristics of the "development" category are the following [6, p.56; 8, p. 19; 9, p. 14; 10, p.18]: it acquires the opportunity for self-movement in the process of movement and changes; it reflects changes in phenomena under the influence of internal contradictions; external factors do not cause movement, but only modify it; it is carried out mainly through conscious, purposeful transformations of the object of development; continuous process in time; non-linearity.

In economic scientific literature, the concept of "organization (enterprise's) development" is often used. The conducted analysis allowed us to distinguish the elements of the definition of organization development: qualitative and quantitative changes, a targerted process, adaptation to the external environment, the ability to resist the destabilizing influence of external environmental factors, contradictions, improvement, long-term, increasing the internal and external potential of the organization, integration, increasing the efficiency of organization's activities, ensuring competitive advantages. The selected elements are interconnected.

There is no single approach to the interpretation of organization development, its classification. Thus, [2, p.100] defines it as a process of change over time in both the structure and the function of the organization, which cause the transition process to a qualitatively new

state (a higher level of technological system) through the interaction of elements of the internal and external environment. It is advisable to consider the development of the organization as a targerted, irreversible movement of the object, a change in its qualitative state, a connection - a transition between states, as well as a prerequisite for growth. The scientist-economist [11, p. 81] proposes to understand the organization development as a long-term set of processes of quantitative and qualitative changes in the organization's activity, which lead to the improvement of its condition by increasing the organization potential, adaptation to the external environment and internal integration, which contributes to increasing the ability of the organization to resist the negative effects of the external environment and its viability. Thus, scientists classify development in the organization according to the following characteristics [9, p.14; 11, p. 79; 12, p. 27; 13, c.85]: the nature of changes, the source of development, the scope and complexity of the object, the representation of the subject of development, the distinguish of the development vector, the number of selected vectors, the complexity of changes, quantitative characteristics of changes.

Theoretical provisions form the fundamental basis of the organization development. The main ones are the theory of targeted development of organizations, the theory of cyclical development and the concept of the life cycle of organizations. Targeted development is interpreted as a sequence of transitions from one state of internal and external equilibrium to another similar state formed by current circumstances and factors. The evaluation and analysis of the organization development is based on its production function and budget constraints, and the analysis criterion is the technical efficiency of the production system for the conversion of production factors [14, p. 696]. The development trajectory is determined by the ability to adapt to changes in the external environment and resolve contradictions that arise within the organization. Transition from one level of technical efficiency to another requires additional resources and time. The theory of cyclical development is based on the papers of M. Kondratiev, in which it is determined that economic crises in the development of socio-economic systems of different levels occur periodically, cyclically. The theory of cyclical development was continued in the concept of spiral development of organizations, which is characterized by fluctuations in their efficiency and transition to a qualitatively new level. According to the concept of the life cycle, the development of the organization is considered from the time of creation to its liquidation through two criteria: costs and results of activity.

Development is a general principle of any socio-economic system and is considered as an irreversible targeted change of the organization. It is caused by the following factors [9, p. 15; 12, p. 28]: global processes of world civilization; scientific and technical progress; changes in the external and internal environment; needs and interests of society; demographic trends; environmental changes; economic crises; moral depreciation and physical deterioration of material elements; cyclical macro- and micro-level processes. Information acquires an important meaning for modern management of development in organizations, because it connects and unites all its elements. The ecological factor is the impetus for the economic growth of an organization or the limitation of its opportunities due to the use of harmful technology.

According to conducted analysis of the laws of development, it was determined that the development of the organization is based on the laws of ontogenesis, composition and

proportionality, self-preservation, competition, scale effect, the transition to new scientific approaches and principles, synergy, orderliness, economic laws and the law of development. Management of the development of the organization is closely related to the action of these laws, and knowledge of them allows to choose effective ways to achieve the set goals. The most complex is the law of organization development, which is based on the principles of inertia, elasticity (adaptability), continuity, proportionality, and stabilization [13, p.87]. Inertia manifests itself in the continuation of changes in the system's potential for some time even after ending of changes' influence in the external and internal environment. In organizations, inertia manifests itself in the usage of outdated equipment, knowledge, and organizational structures.

Development affects the organization's potential, including resource potential. The process of changing the potential occurs continuously, with a different speed, which depends on level of the potential. The volume of available resources is of great importance for the growth of the organization, but their availability is not condition for development. The lack of resources cannot stop it: the more development the organization achieves, the less it depends on them and it is able to dispose of the available resources better, to form its own resource potential. In the conditions of changes in the external environment, one of the primary tasks of the organization's management is the formation and assessment of its current and prospective opportunities, that is, potential. This is due to the need to ensure effectiveness of functioning and to strengthen competitiveness in the market. Potential in the general sense is the possibility of realizing anything, so it can be accumulated, measured and implemented. Formation of the organization's potential is a process of implementing measures to ensure its market opportunities by changing the characteristics to the required level, in accordance with the set goals. The potential of the organization consists of various resources. The availability of resources as a basis for the formation of potential is not a guarantee of achieving the objective, it is important to have certain abilities to manage resources during the work of the organization. Supporters of the theory of immanent change adhere to this point of view: the development of the organization is based on the development of its potential.

Additional resources or resources of higher quality are needed for the organization development. The level of satisfaction of need for resources in the organization is determined by the availability of financial resources. The sources of formation of the organization's financial resources are profit, depreciation deductions, funds from the sale of securities, share contributions of members of the employee team, other organizations, institutions, and citizens. According to the sources of formation, financial resources of organizations are divided into own, borrowed and involved. Such sources of financial resources as profit, depreciation deductions, credits are investments for the organization development, because the object of investment activity in the economy is fixed assets, working capital, securities, earmarked contributions, intellectual values and other property objects, as well as property rights [15, p. 36].

Any organization is an open system and depends on the exchange of resources included in it and the results of interaction with the external environment. Therefore, it is necessary to consider how the external environment impact on the organization: it is a consumer of the results of the organization's activities; source and channel of outflow of resources, especially

financial in the form of payments and taxes; information environment, as a result of which the legal field of the organization's activity, restrictions, prohibitions, motivational influences, competitive conditions are formed. The importance of the influence of environmental factors on the organization's work depends on the field of its activity, industry orientation, the presence of foreign trade operations, as well as on the state of resource provision. The factors of the external environment have some constant influence on the organization. The higher the level of organizational potential, the more it is able to influence the environment and resist the influence of external factors.

Conclusions. The analysis of modern views on the definition of organization development showed that the main drawback is its unsystematic definition. Thus, the authors have studied different opinions and approaches to the definition of the concept of "organization development" and have proposed the authors' definition as a set of targeted, intensive and qualitative changes of an economic nature that occur in the organization as a result of contradictions in the internal environment and the influence of external environmental factors.

Prospects of further research consist in the development of theoretical and methodical provisions of the theory of enterprise development management, determination of ways and strategic directions of developing food industry enterprises.

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Дунда С. П., кандидат економічних наук, доцент,
Національний університет харчових технологій
Якимчук Т. В., кандидат економічних наук,
Національний університет харчових технологій

ТЕОРЕТИЧНІ ОСНОВИ ВИЗНАЧЕННЯ СУТНОСТІ РОЗВИТКУ ОРГАНІЗАЦІЇ

Досліджено сутність понять «розвиток» та «розвиток організації». Виділено три основні підходи до розвитку через: вивчення та виділення властивостей систем; формування трактувань даної категорії; порівняння поняття розвитку з родинними категоріями в плані наукового пізнання поведінки систем.

Проведено аналіз теорії розвитку підприємства на основі досліджень вітчизняних і зарубіжних науковців. В результаті цього аналізу ідентифіковано видові прояви розвитку, досліджено сучасні його особливості. Виділено основні характеристики категорії «розвиток». Розглянуто ознаки, за якими класифікують розвиток в організації. Наведено основні теоретичні положення, що формують основу розвитку будь-якої організації: теорія спрямованого розвитку, теорія циклічного розвитку, концепція життєвого циклу організації. Визначено, що розвиток в організації ґрунтується на законах онтогенезу, композиції і пропорційності, самозбереження, конкуренції, ефекті масштабу, переході на нові наукові підходи і принципи, синергії, впорядкованості, економічних законах, законі розвитку. Наведено фактори, якими він обумовлений.

Обґрунтовано, що розвиток підприємства тісно поєднаний з його ресурсним потенціалом: обсяг ресурсів, якими володіє підприємство, має велике значення для зростання організації, але їх наявність не обумовлює розвитку. Зазначено, що вирішення проблем розвитку підприємства залежить від управління, оскільки результати господарювання зумовлені рівнем обґрунтованості управлінських рішень щодо врахування умов виробництва і реалізації продукції, передбачення їх змін у майбутньому.

Запропоновано авторське визначення розвитку підприємства як сукупності спрямованих, інтенсивних та якісних змін економічної природи діяльності, що відбуваються на підприємстві внаслідок протиріч у внутрішньому середовищі та впливів факторів зовнішнього середовища.

Ключові слова: *розвиток; організація; розвиток організації; теорія організації; система; менеджмент.*