

NAILA GASIMOVA
AZERBAIJAN STATE OIL AND INDUSTRY UNIVERSITY
nailya.gasimova@gmail.com

SIZE STRUCTURE OF BUSINESS ORGANISATIONS

SUMMARY

Size is one of the most relevant ways in which businesses differ from one another. Regardless of your job, knowing the different business sizes and in which category your hiring organization belongs can prove to be a professional advantage. Being familiar with the most common business sizes and their main characteristics is an important piece of information. In this article, we discuss what the different classifications are for business sizes and describe each one's main characteristics. This article highlights questions about the concept of an organizational structure, as well as gives the main characteristics of this concept. Organizational size refers to the scale or magnitude of an organization, typically measured by the number of employees, revenue, market reach, or other relevant metrics. It represents the scope and scale of operations within the organization. Size of an organization can be a useful tool to consider when planning a project. It can provide insight into the amount of resources, personnel, and budget needed to complete the project. It can also help to determine the amount of time needed to reach a decision and the amount of risk associated with the project. The size and scope of an organization depend on various factors such as its purpose, management structure, operational methods, funding sources, services offered etc. These parameters can define how small or big the organization is. An organization's size can be beneficial as it can provide access to more resources, personnel, and funding. Additionally, larger organizations tend to have more established processes and procedures in place, which can lead to more efficient decision-making.

Keywords: management structure, planning, product lines, acquisition, horizontal and vertical merger

Companies are often classified into different categories based on the number of employees they have. These categories can vary depending on the specific definitions used, but here is a commonly used classification based on the number of employees: a) Micro-enterprise: Usually defined as a company with 1 to 9 employees. These are typically small businesses or startups with a very limited workforce. Low morale can be both more destructive and easier to shift in organizations of this size. b) Small enterprise: Generally refers to a company with 10 to 49 employees. Small enterprises are often characterized by a close-knit team and a relatively small operational scale. c) Medium-sized enterprise: Typically considered as a company with 50 to 249

employees. Medium-sized enterprises are larger than small enterprises but are still smaller in scale compared to large corporations.d) Large enterprise: Generally denotes a company with 250 or more employees. Large enterprises often have significant resources, broader market reach, and more complex organizational structures. Different organizations and institutions may use slightly different ranges or criteria to classify company size based on employees.

Characteristics of small businesses Some of the main characteristics of small businesses are:

- They can be further categorized. A company with fewer than 100 employees is generally considered a small-sized business, while one with between 100 and 1,500 employees is a medium-sized business. Each industry has slightly different standards regarding what small and medium-sized businesses are, with some government institutions using these standards as part of their loan-granting process.

- They usually have limited IT staff. Most small businesses only have one employee who handles all IT-related tasks, with the maximum number of employees in IT-related positions typically being a few at most. Given the lack of need for complex operations, the IT staff usually has limited skills, with many employees learning on the job.

- They're usually limited geographically. Small businesses usually only have one location. However, due to outsourcing and remote work, some employees may work remotely from other geographical locations.

- They usually serve a limited geographical area. Small businesses usually have to limit their operations to a relatively small geographical area due to the logistical difficulties of expanding. Companies that want to expand into new areas usually have to hire new employees, which usually pushes them into a new size classification.

- They tend to choose technology based on price and accessibility. When investing in new technology to help their operations, small businesses usually have price and ease of use as their main two criteria, due to limited capital and lack of employee experience, respectively. Also, they tend to prefer renting or using pay-as-you-go subscription services instead of buying equipment and software.

- They're organized as sole proprietorships, partnerships or LLCs. Most small businesses choose forms of organization that allow their owners to exercise full control. Depending on the ownership structure, they're usually sole proprietorships, partnerships or limited liability companies.

- They have one decision-maker. Small businesses typically have one main executive who makes the majority of important business decisions. They don't usually delegate decisions, as small business owners tend to have a distinct vision of how their company needs to be run.

- They employ relatively few specialists. Most small businesses don't hire functional specialists to handle specific tasks, mostly due to budget limitations. The most highly skilled person in the company is usually the owner, and specialized tasks, such as accounting and legal issues, are usually outsourced.

Characteristics of mid-market enterprises Some of the main characteristics of a mid-market enterprise are:

- There are more specialized roles. Once a company evolves from being a small business to a mid-market enterprise, the number and complexity of actions and decisions increases, which prompts the need for specialized roles.

- The entrepreneur delegates more. As opposed to small businesses, where owners tend to make the most important decisions, mid-market enterprise owners need management skills to delegate responsibilities to others.

- They're privately owned. Similar to small businesses, most mid-market enterprises are privately owned and managed by their original founders.

- They're likely to have multiple locations and remote employees. As a business expands, it often needs to expand and open new locations. It's also more likely to hire remote employees.

Characteristics of large enterprises Some of the main characteristics of large enterprises are:

- They're usually international. Although large enterprises are typically based in one country, they tend to operate in many other countries throughout the world. Depending on the exact nature of the business, it can be managed remotely from its headquarters or have branches in multiple geographical locations.

- They have highly specialized departments. Large organizations have distinct departments, such as human resources, finance, marketing, sales and research and development. They're independently managed by department managers and employ specialists in their fields.

- They're usually organized as corporations. Unlike small and mid-market enterprises, which are usually directly owned by a person or group of people, large organizations are usually organized as corporations to separate their tax burden from their owners.

- Their owners don't usually run them directly. Corporate owners don't usually manage their companies. Instead, they appoint a board of directors by vote and task them with making all business decisions.

- They tend to appeal to a wider range of consumers. While smaller companies can generate a profit by focusing on a single product or service, a small geographical area of a specific customer type, large organizations usually appeal to a wide range of consumers and constantly look for ways to sell their goods and services to new markets.*

The growth of the firm Growth is a natural process for many firms that start small, capture a segment of the market and then continue to expand either by producing more of the same goods or by extending their product lines. The growth of the firm can occur either internally or externally. The firm may grow by purchasing the assets of another firm i.e., growth by acquisitions or by agreeing to join with that other firm under single ownership i.e., growth by merger. In everyday language “Acquisition” tends to be used when a larger firm absorbs a smaller firm and “Merger” tends to be used when the combination is portrayed to be between equals.

Internal growth The advantage of internal growth over external growth is that the company grows within the existing structure of management; there are none of the problems of bringing together two different management systems. There might also be economies of scale from building a bigger plant that might not be available when companies merge and plant size

does not change. Set against these, internal growth has certain disadvantages and this is why most of the growth in the size of organizations has occurred through external growth.

External growth Growth by acquisition is called external growth and occurs through takeover or merger. A merger is the voluntary coming together of two companies with the agreement of the management of both companies, the result of which is the creation of a new legal identity. A takeover is where one company makes an offer to the shareholders of another. If the management of the threatened company resist it is called a hostile takeover, but if the price offered to shareholders is high enough they will accept. Takeover bids can be and have been successfully fought off by the management of the second firm. A holding company is a new company that is formed to acquire assets in other companies. The acquired companies retain their independent identities but are directed by the holding company.

A horizontal merger A horizontal merger is where a combination between firms at the same stage in a production process takes place; for example, between two car manufacturers. The vast majority of mergers that take place are of this type and many of our largest companies have been formed through horizontal merger. Examples include mergers between banks and building societies. The motives for this type of merger are: To benefit from economies of scale. Horizontal mergers allow the merged firms a greater level of specialization and the benefits of other economies of scale. Greater market share. When firms come together there will be a reduction in competition in the market and the resulting firm will have a much larger share of the market. Rationalization of output. If the level of demand for a good is shrinking, merger between the producers could be necessary in order to rationalize output. Reaction to competitors. In markets where mergers are taking place, companies may feel that they have to do the same in order to maintain their market position.

A vertical merger A vertical merger involves firms at different stages of the same production process. It is vertical since it runs along the production process from extraction of raw materials to distribution. An example would be a merger between a car manufacturer and a metal-pressing company. Vertical integration can take place 'backwards' towards the beginning of the production process or 'forwards' towards the end of it and it can occur for several reasons: 1. In the case of backwards integration, to control the supplies of raw materials with respect to their quantity and quality. This brings greater security to the acquiring firm. 2. To restrict supplies of the raw materials to competitors. 3. In the case of forwards integration, to control the quality of the outlets for the finished product. Manufacturers finance the majority of advertising and they might well feel that a forwards merger would enable them to ensure that the good was being sold in the most appropriate setting. 4. In both cases, economies of scale are possible if different parts of the production process are brought together. 5. Again, vertical mergers can be carried out as a reaction to the activities of competitors.

A conglomerate merger A conglomerate merger is neither vertical nor horizontal but involves a merger between firms involved in producing different goods. The main motivation for this type of merger is diversification. It reduces the risk involved in producing for only one market

and allows the firm to spread risk further. It can also provide the firm with another option if the original market declines in size. As far as the economy is concerned, the main gains of mergers are in increased efficiency resulting from economies of scale and also the increased scope for research and development. A common view is that merger and takeover activity serves the purpose of rationalizing business. The weak businesses go and the strong survive. Even when a takeover is carried out for the purpose of asset stripping this will be the case. When a company is going to be launched, the majority owner(s) and stakeholder(s) will need to plan how the organization will be structured. They can choose how they want to operate and which structure to use based on the goals of the business and the employees they wish to have.

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N. Qasimova

BİZNES TƏŞKİLATLARININ ÖLÇÜSÜ STRUKTURU XÜLASƏ

Ölçü bizneslərin bir-birindən fərqləndiyi ən uyğun yollardan biridir. İşinizdən asılı olmayaraq, müxtəlif biznes ölçülərini və işə götürmə təşkilatınızın hansı kateqoriyaya aid olduğunu bilmək peşəkar bir üstünlük ola bilər. Ən ümumi biznes ölçüləri və onların əsas xüsusiyyətləri ilə tanış olmaq vacib bir məlumatdır. Bu yazıda biz biznes ölçüləri üçün müxtəlif təsnifatların nə olduğunu müzakirə edirik və hər birinin əsas xüsusiyyətlərini təsvir edirik. Bu məqalədə təşkilati struktur anlayışı ilə bağlı suallar işıqlandırılır, həmçinin bu konsepsiyanın əsas xüsusiyyətləri verilir. Təşkilati ölçü təşkilatın miqyasına və ya miqyasına aiddir, adətən işçilərin sayı, gəlir, bazara çıxış və ya digər müvafiq göstəricilərlə ölçülür. O, təşkilat daxilindəki əməliyyatların həcmi və miqyasını təmsil edir. Bir təşkilatın ölçüsü layihəni planlaşdırarkən nəzərə alınacaq faydalı bir vasitə ola bilər. O, layihəni başa

çatdırmaq üçün lazım olan resursların, kadrların və büdcənin miqdarı barədə məlumat verə bilər. O, həmçinin qərara gəlmək üçün lazım olan vaxtın miqdarını və layihə ilə bağlı riskin miqdarını müəyyən etməyə kömək edə bilər. Təşkilatın ölçüsü və əhatə dairəsi onun məqsədi, idarəetmə strukturu, əməliyyat metodları, maliyyə mənbələri, təklif olunan xidmətlər və s. kimi müxtəlif amillərdən asılıdır. Bu parametrlər təşkilatın nə qədər kiçik və ya böyük olduğunu müəyyən edə bilər. Təşkilatın ölçüsü faydalı ola bilər, çünki o, daha çox resurs, işçi heyəti və maliyyə vəsaitinə çıxışı təmin edə bilər. Bundan əlavə, daha böyük təşkilatlarda daha səmərəli qərarların qəbul edilməsinə səbəb ola biləcək daha çox qurulmuş proseslər və prosedurlar var.

Açar sözlər: idarəetmə strukturu, planlaşdırma, məhsul xətləri, alışı, üfüqi və şaquli birləşmə

Н. Гасымова

РАЗМЕРНАЯ СТРУКТУРА БИЗНЕС-ОРГАНИЗАЦИЙ РЕЗЮМЕ

Размер — один из наиболее важных факторов, по которым предприятия отличаются друг от друга. Независимо от вашей работы, знание различных размеров бизнеса и того, к какой категории принадлежит ваша организация по найму, может оказаться профессиональным преимуществом. Знание наиболее распространенных размеров бизнеса и их основных характеристик является важной информацией. В этой статье мы обсудим, какие существуют классификации размеров бизнеса, и опишем основные характеристики каждой из них. В данной статье также освещены вопросы о понятии организационной структуры и даны основные характеристики этого понятия. Размер организации может следует учитывать при планировании проекта. Он может дать представление об объеме ресурсов, персонала и бюджета, необходимых для завершения проекта, а также может помочь определить количество времени, необходимое для принятия решения, и величину риска, связанного с проектом. Размер и сфера деятельности организации зависят от различных факторов, таких как ее цель, структура управления, методы работы, источники финансирования, предлагаемые услуги и т. Д. Эти параметры могут определять, насколько мала или велика организация. Размер организации может быть необходим, поскольку он может обеспечить доступ к большему количеству ресурсов, персонала и финансирования. Кроме того, более крупные организации, как правило, имеют более устоявшиеся процессы и процедуры, что может привести к более эффективному принятию решений.

Ключевые слова: структура управления, планирование, производственные линии, поглощение, горизонтальное и вертикальное слияние.

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