

## Theoretical Foundations of Management of the Organization: Development, Types of Structures, Management Methods of Control

<sup>1</sup>Lira K. Gurieva, <sup>2</sup>Elvir M. Akhmetshin, <sup>3</sup>Anna N. Savicheva,

<sup>4</sup>Valentina I. Kataeva (Sventa Yarvik) and <sup>5</sup>Anna N. Norkina

<sup>1</sup>North Ossetian State University named after K.L. Khetagurov, Vladikavkaz, Russia

<sup>2</sup>Kazan Federal University, Kazan, Russia

<sup>3</sup>Yaroslavl State Technical University, Yaroslavl, Russia

<sup>4</sup>Russian State Social University, Moscow, Russia

<sup>5</sup>Moscow Engineering Physics Institute (MEPhI), National Research Nuclear University, Moscow, Russia

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**Abstract:** The relevance of the chosen research topic due to a number of contradictions a mismatch control systems and organizational structures of the majority of Russian enterprises to modern conditions of doing business on one hand; the need to use an effective, science-based management firm structure design methods to improve the management in order to improve the efficiency of the company as a whole on the other hand; as well as the accumulation of a certain theoretical and practical experience in the design of organizational structures and lack of attention to these methods in the practice of Russian enterprises. The study presents a theoretical material on the issues of the organization of the Russian enterprises, systematized basic types and organizational structures, analyze their essential features, and discusses the factors influencing the organizational structure of the enterprise, the principles and methods of designing structures of enterprise management systems.

**Key words:** Management, organization management, management control, Design, Russia

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### INTRODUCTION

The main purpose of the organizational management structure-to ensure sustainable development of the organization through adaptation to changing environmental conditions. Environment influences the organization and impose their demands. Therefore constantly being searched the most flexible, resilient and progressive structures. In modern management theory Danilochkina (2013), Smirnov (2016), Utkina (2011) there are two types of management organizations: bureaucratic and organic. They are built on a fundamentally different basis and have specific features that identify the scope of their management and the prospects for further development.

Theoretical and methodological basis of the research were the works of local and foreign experts in the field of fundamental problems of governance and management of the theory presented in the scientific Shkurkin *et al.* (2016a, b) literature study Russian and foreign scientists, dedicated to the problems of management of enterprises, laws and regulations of state bodies of the Russian Federation. In the development of the problem, using

various methodological approaches, including a systematic approach to its subject-object-structural and functional aspects.

### MATERIALS AND METHODS

**Development of the main types of organizations management structure:** Historically, the first formed bureaucratic management style. The corresponding concept approach to building organizational structures developed in the early 20th century, the German sociologist Max Weber. The basis of this model-representation of the enterprises as an “organized by the organizations” strict requirements as to the people and the structures within which they operate. Key conceptual provisions of a normative model of rational bureaucracy are: a clear division of labor, resulting in the need for qualified specialists in each position; management hierarchy at which the lower level is subject to and controlled by the parent the existence of formal rules and regulations to ensure uniformity of implementation of the managers of their tasks and responsibilities; Spirit of formal anonymity with which the officials perform their

duties; implementation of employment in accordance with the qualification requirements for the position Kobersy *et al.* (2016). The main concept of the bureaucratic type of management structure-rationality, responsibility and hierarchy.

Most organizations today are variants of the bureaucracy. Bureaucratic management structures shown to be effective, especially in large and super-large organizations that need to provide a coordinated, accurate research of large groups of people working on a common goal.

However, they have disadvantages, especially notable in the context of current conditions and problems of economic development. Obviously, first of all, that the bureaucratic type of structure is not conducive to the growth of the capacity of people, each of which uses only the portion of their abilities which is directly required by the nature of the work performed. It is also clear: as soon as questions of strategy and tactics of the organization are resolved only at the highest level and all other levels are exclusively engaged in the execution of “top-down” decision, lost the overall management intelligence (which is regarded today as the most important factor of effective management) (Basygin, 2014).

Another flaw in the bureaucratic structures of the type-the inability to use them to manage the process of changes aimed at improving performance. The functional specialization of the structural elements causes their uneven development and is characterized by different speeds. As a result, there are contradictions between different parts of the structure, lack of coordination in their actions and interests which slows down the progress of the organization.

Bureaucratic structure type has many varieties but the most common is the linear-functional organization of management is still widely used throughout the world. This type was first theoretically developed and intelligently analyzed. In this structure endowed with production units only functions of the organization of the production process itself (Smirnov, 2012). Each element of this structure has a well-defined, specific tasks and responsibilities (in fact, it is the grouping of personnel on the tasks they perform).

Mass distribution in Russia linearly-functional organization of the control gained in the years of industrialization when the control system has been copied to the best of American and German companies of the time, along with machines and technology.

Meanwhile, today in the West, classical linear-functional structures are inherent only to small and medium-sized firms' part. For large companies became dominant divisional approach (Chelliah *et al.*, 2015).

The first divisional management structure appeared in the late 20-ies of XX century “General Motors” companies. The beginning of the popularity of divisional structures refers to the 50 th year. It was at this time, Western corporations have experienced decentralization of management, providing operational and operational and financial independence of its production units (Anderson and Kerr, 2013).

Divisional structure emerged as a reaction to the shortcomings of linear-functional structures. The necessity of the reorganization was caused by a sharp increase in company size, complexity of processes, diversification and internationalization of their activities. In a fast changing environment could not be controlled from a single center dissimilar or geographically remote divisions of the company.

The peak of the introduction of divisional structures occurred in the 60-70 year of our century. According to some estimates by linear-functional structure to a divisional to the mid 80-ies in the United states have passed 80% of diversified and specialized companies, including the largest 500-95%. In Japan this type of structure is used 45% of all companies (Mullakhmetov *et al.*, 2014).

In the USSR, the introduction of this type of governance structure is matched with the formation of associations. Their structure includes various companies and organizations which in part retained their independence. First on an experimental basis in 1961, production associations were created in Leningrad and Lvov and already in 1965 their number increased to 672. Each association should have been being a production-technical complex, part of which the organization is in part retained their independence and the rest turned into production units (Rozdolskaya, 2014).

World practice has shown (Shkurkin, 2016a, b) the introduction of divisional principles governing structure is basically (in own production departments-divisions) is a linear functional but at the same time strengthened its hierarchy, i.e., management vertical. As a result, significantly reduces the load on the upper echelons of management which focuses on the strategic management of the organization as a whole. At the same time, the department acquires operational and economic independence begin to operate as “profit centers” actively use their freedom to enhance the effectiveness of its activities.

And yet, the whole management structure is complicated, primarily due to the intermediate (secondary) level of management, created to coordinate the work of various departments. Duplication of control functions on different levels ultimately leads to higher costs for maintenance of the administrative apparatus.

Similar in principle and the results showed domestic association, applied the same kind of structure. Saving linear-functional construction management shortcomings intensified throughout the chain of management decisions, approvals and prolongs the circulating flow of management information. But the main negative was that there was not the expected breakthrough in the field of scientific and technical progress. All associations of management and their member companies and organizations to aim above all on the implementation of short-term and operational plans and objectives. Promising the same purpose, including science and technology, usually relegated to the background; they had neither the time nor the resources. There was no direct interest in their formulation and solution for the evaluation of the work performed as before on the basis of current production and economic activity. All this had a negative impact on the productivity and efficiency of organizations (Goncharov, 2011).

The most advanced kind of divisional management structures, according to some authors, can be called the organizational structure based on Strategic Business units (SEB). A pioneer in creating and using organizational structures of management built on the basis of allocation of SEB was "General Electric". In the second half of the 70-ies in the company had about 200 branches and 43 strategic business units. In the future, many companies took up this innovation. For example, the Russian company "Wimm-Bill-Dann" in the process of restructuring of the management company were identified and structural business unit of product basis (milk, juice, mineral water) (Kobersy *et al.*, 2015).

However, various modifications of hierarchical structures, used abroad and in our country did not allow to solve the problem of coordination of the functional units horizontally, increasing accountability and empowerment of grassroots leaders and average levels, the higher echelons of the liberation of operational control. It needed transition to a more flexible structure, better suited to the dynamic changes and the requirements of the economy (Lambeau, 2013).

Said second type of governance structures-organic (or adaptive)-has a relatively short history and emerged as the antithesis of the bureaucratic organization model which no longer meet the many businesses experiencing a need for more flexible and adapted structures. The new approach rejects the idea of the effectiveness of the organization as "organized" and working with the precision of clockwork on the contrary, it is believed that this model is able to carry out radical changes to ensure the adaptability of the organization to the objective requirements of reality. The researchers of this problem

(Anderson and Kerr, 2013; Basygin, 2014), stress that gradually loomed a different type of organization, in which improvisation is valued higher than the plan which is guided by the possibilities much more than limited, it prefers to find new acts and not cling to the old which is more appreciative of the debate than complacency and encourage doubts and contradictions not faith (Danilochkina, 2013).

Around the end of the 70s when on the one hand the creation of an international market for goods and services sharply increased competition among enterprises and life demanded by enterprises of high efficiency, quality and quick response to market changes and on the other hand, became apparent inability hierarchical structures such as these requirements conform and began to develop organic management structure.

In the original definition of organic type such structures highlighted its fundamental differences from the traditional bureaucratic hierarchy, as higher flexibility, lower connectivity rules and regulations, the use as a base group (brigade) Labor Organization. Further developments have greatly extended the list of properties that characterize the organic type of management structure.

One type of organic structures became brigade (command) form of government. Its basis is the group form of organization of labor and production, long known throughout the world and in our country. Form brigade works quite old organizational form, it suffices to recall the farm workers but only in the 80 years of the twentieth century there were also an opportunity and a need for more full use of its advantages: the acceleration of the processes related to upgrading of products and technologies; focus on a relatively low capacity markets increasing demands for quality customer service. And of course, cannot be discounted fierce competition for customers and markets. The solution was found just in the formation of small mobile teams (brigades), specialized to meet the varying needs and is fully responsible for the results of production and economic activity. Brigade form, backed up by corresponding changes in the entire organization of the management structure, creates the necessary conditions to fully use the creative potential of employees and consequently for the effective operation and development in line with scientific and technological progress.

In the 80 year team in our country we have become in essence, the basic social unit of production and labor collectives: in 1984 they worked for almost 60% of industrial workers and all were created >1.5 million different types of teams-specialized, complex, cross-cutting and self-supporting.

But, despite the fact that the brigade form of organization of production and work practically proved its value as an important factor in the growth of production efficiency its ability to use limited. One of the main reasons for this is the preservation organization-level bureaucratic system and its carrier-the linear-functional management structure that with the introduction of brigade forms did not change significantly.

Distribution of brigade structures abroad (for example, in the United States by 1984> 200 of the top 500 companies have established different in the degree of autonomy of team) stimulated the development of intra-market economic relations and led to a substantial reduction of administrative staff, particularly at the secondary and tertiary levels. Since 1981 at least 35% of middle managers in the US industry has been reduced and many organizations have made layoffs in the higher echelons of power.

The principles on which to build these teams (and expressly opposed the basics of command-bureaucratic management structures) are as follows: autonomous work teams, usually consisting of workers, professionals and managers; giving her the right of independent decision-making and coordination with other teams, including the right to attract staff from other teams if it is necessary to solve specific problems (as a result undermined by a tendency to the traditional isolation of manufacturing, engineering, economics and management services mating with the appearance of their own interests and target systems); replacement of hard links of the bureaucratic type (based on rigid rules, regulations and procedures) for flexible connections, required a joint resolution of specific issues.

However in practice such a scheme implemented by many companies, seeing in it the risk of losing the familiar manageability. One of the pioneers, you can call the company "Boeing" which went to the brigade management structure in the design of the new "B-77" passenger jet. Similar experiments with the introduction of various types of organic management structures carried out in our country. As an example (Basenko *et al.*, 2014), the restructuring of management system of JSC "Kirov where In 1992. The 27 structural units that have received the status of independent self-supporting units and the name of cost-accounting systems were formed. Already in 1993. The number of such facilities increased to 70 and the results of their work appeared in more precise and coordinated work in the development of economic relations between entities in the growth of labor productivity and reduce overhead.

Another type of adaptive structures that have grown during the second half of the twentieth century has

become a design shape. The basis of this structure is the project, ie., group of activities aimed at solving any single problem (experimentation, development of new types of products, technology, management techniques). Today, more and more widespread among the modifications of project teams got in the West "centers on the development of new business areas". The main task of the center is to develop and development of new products, sales of which would provide a firm foothold in the market.

Applies its high specialization, target orientation, mobility, allowing to achieve a high quality of work the advantages of the project structure. However, the implementation of projects is linked to the high cost and therefore their use is not affordable for any organization, despite the fact that the design principle is very fruitful.

Out of this situation was found in the transition to the organizations with the basis of the so-called matrix structure arising in 1960-1970-ies. Their essence is that the temporary project teams are constantly under the existing units. Initially, such a structure has been developed in the space industry, used in the electronics industry and in the fields of high technology. The matrix structure has arisen as a response to the need for rapid technological change while leveraging a highly skilled workforce (Radugina, 2014).

The matrix structure often is a superpositio of the project structure on the company continuing to linear-functional management structure. Formed as a dual structure (matrix) which is a lattice organization built on the principle of dual subordination performers.

The scope of application of matrix structures in organizations are quite significant, indicating their effectiveness, although the system of double (and in some cases even multiple) submission raises many problem personnel management and its effective use.

Project and matrix structures in our country have been successfully used in cases when they were introduced, along with new economic relations between units of enterprises and associations in order to increase their interest in the implementation of projects and target programs.

In the 70s Kaori Ishikawa ("Toyota" company) matrix program has been offered-the target structure which with slight modifications, operates to this day not only for the company, "Toyota" but also many other companies all over the world.

This structure is a network structure, built on the principle of dual subordination performers on the one hand-the immediate supervisor of functional service which provides staff and technical assistance to the

project manager on the other-to the project manager or the target of the program which is endowed with the necessary powers to implement the management process. It was subsequently developed and other structural building control for example, multi-dimensional structure.

It should be noted that the organic type of management structure is only in the initial phase of its development and in its "pure" form of its use until a few organizations. However, elements of this approach to the management structure have been widely spread, especially in those companies that seek to adapt to the rapidly changing environment (Shkurkin, 2016a, b).

Speaking about the prospects and trends in the evolution of organizational structures of management, it is important to emphasize that the experiments with the development and introduction of new governance structures has become a characteristic feature of the last decade of XX-beginning of XXI centuries. In the course of these experiments often used a variety of combinations of known species and types of structures, adaptable to specific organizations of their functioning conditions. But, the main trend is that each successive structure becomes more flexible as compared to earlier.

## RESULTS AND DISCUSSION

**Essence and analysis of the main types and forms of organizational management structures:** In the current methodology of the study of organizations Savitskaya (2013), an important place is occupied by methods based on the isolation and examination of objects as systems. One of the most important properties of the system are the backbone connectivity, integrity. In this aspect, a system refers to a holistic set of elements, physically or conceptually related to mutual relations. Each system can be considered as an element of a higher-order system. Elements of any system in turn can act as a lower-order system.

If the addition of the technical sub systems includes people, such systems are a class organization. Organizational system (organization) are characterized by a number of inherent properties. These include focused operations and hierarchical ordering of an organization elements (subsystems). Selecting types of structures allows them to move in a more detailed study and classification. Consider the main types of management structures and their varieties. Visualization representation of organizational structures by means of block diagrams:

- A hierarchical (bureaucratic) type of governance structures
- Linear organizational structure

The bureaucratic type of management structures has many varieties but the most common is the linear-functional organization (linear structure) is still widely used by companies all over the world.

The basis of linear-functional structure is "mine" and the principle of the specialization of management personnel by functional subsystems organization (marketing, production, research and development, finance, personnel and etc.). For each subsystem formed hierarchy of services ("mine"), permeates the entire organization from top to bottom (Fig. 1).

The results of each service are estimated indicators of the performance of their goals and objectives. For example, the work of service, production control-indicators of performance graphics output, resources, costs, productivity, quality, capacity utilization. To evaluate the services involved in personnel management, using parameters such as employee turnover, labor discipline and other. Accordingly, the construction and the system of motivation and encouragement of employees, focused primarily on the achievement of high levels of each service. In this case the final result (the effectiveness and quality of the organization as a whole) becomes a secondary since it is believed that all the services in one way or another working on his achievement.

Many years of experience in the use of linear-functional management structures showed that they are most effective where the control unit has to perform a lot of routine, repetitive procedures and operations for the comparative stability of administrative tasks and functions: through rigid communication system provides clear operation of each subsystem and the organization as a whole.

At the same time, it revealed significant shortcomings, among which in the first place say: resistance to change, especially under the influence of scientific and technical and technological progress; the rigidity of the system of relations between the units and personnel management system, must strictly follow the rules and procedures; slow transmission and processing of information from the plurality of coordination (both vertically and horizontally); slowing the progress of administrative decisions.

Thus in the present conditions of the linear structure disadvantages outweigh its advantages. This structure is poorly compatible with modern quality management philosophy.

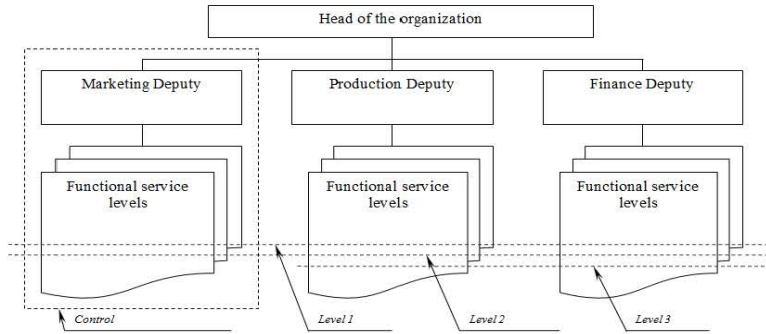


Fig. 1: Linear-functional management structure

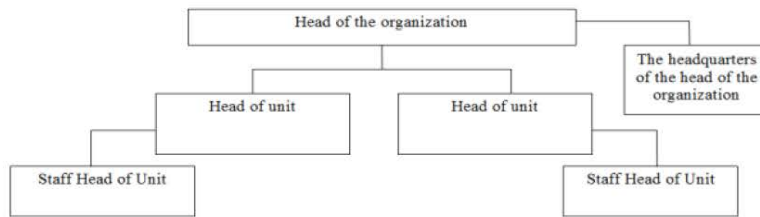


Fig. 2: The line and staff management structure

Line the staff organizational structure. This type of organizational structure is the development of linear and is designed to eliminate its most important disadvantage of the lack of strategic planning units Faltsman and Davydova (2012). Line-command structure is based on the principle of functional separation of administrative work used the services of staff of different levels. The main task of line managers here-to coordinate the actions of functional services and guide them into the mainstream of the common interests of the organization. That is the linear-command structure includes specialized units (headquarters) which do not have the rights of decision-making and management of what-or subordinate units but only to help the appropriate supervisor in the performance of certain functions above all the functions of strategic planning and analysis. Otherwise, this structure corresponds to a linear (Fig. 2)

Thus, the linear command structure can be a good intermediate step to be more effective in the transition from a linear structure. The structure allows, though to a limited extent to embody the ideas of modern quality management philosophy.

**Divisional management structure:** Currently, the classic linear-functional structures are inherent only to small and medium-sized companies of the. They are rarely used at the level of transnational corporations, more often-at the level of their units abroad. For large companies became dominant divisional approach to building organizational structures of management.

Divisional (of departmental) management structure (from the English word division-Branch, division) are the most perfect kind of hierarchical organizational structures of the type and sometimes they even find something in between the bureaucracy (mechanistic) and adaptive structures.

Divisional structure-a structure based on the separation of the major independent production and business units (departments, divisions) and their respective levels of government with the provision of these units operational and industrial independence and transferring this level of responsibility for profit (Fig. 3).

Under the department (division) means an organizational unit of the commodity-market which has required within their own functional departments. At the department is responsible for the production and marketing of certain products and making a profit with the result that management personnel of the upper echelon of the company released to the strategic objectives. Consequently, for the divisional structures characterized by a combination of centralized strategic planning at the upper echelons of management and decentralized office activities at the level of which the operational management and are responsible for making a profit. Structuring by division organization usually produced by one of three criteria:

- By type of products or services provided (product specialization)
- By targeting certain groups of consumers (consumer specialization)

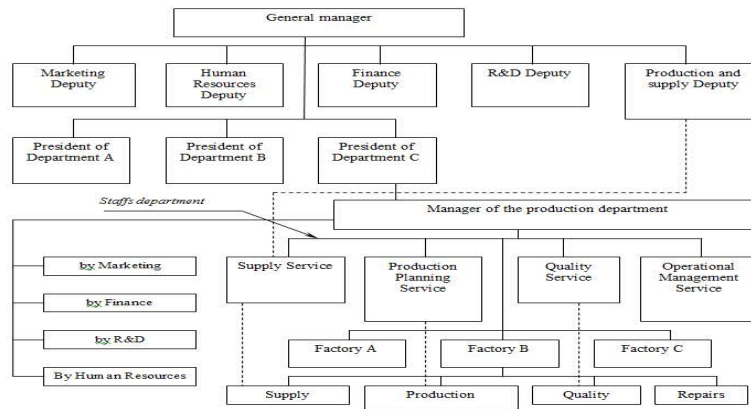


Fig. 3: Divisional management structure

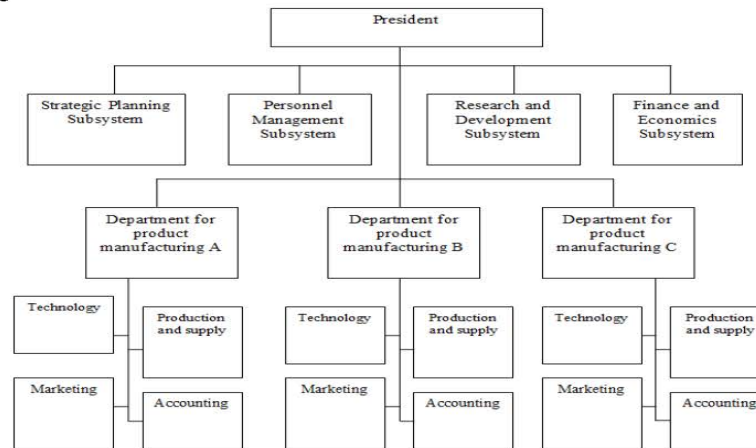


Fig. 4: The product divisional structure

- On the serviced territory (territorial or regional specialty)

At the divisional-product structure of authority for management of the production and marketing of any product or service are transferred to one supervisor who is responsible for this type of product, improves coordination of research (Fig. 4).

Heads of functional services (production, supply, technical, accounting, marketing, etc.) must report to the manager about this product. Companies with such a structure capable of responding quickly to changes in the competitive environment, technology and consumer demand Sheremet and Negashev (2013). Possible lack of product structure-an increase in costs due to duplication of the same types of work for different kinds of products. Each grocery department created its functional units.

The organization built on these principles are as preserved functional units, so absent. In the first case, workers are under double subordination-administrative (head of the functional units in which they work) and functional (the head of the working group or the team to

which they belong). This form of organization is called a cross-functional in many respects it is similar matrix (Fig. 5).

In the second case, the functional units as such are not available we will call it the brigade itself. This form is widely used in project management. A number of large organizations used structures such as that shown in Fig. 6. This pyramidal structure is formed in the organization of "Boeing", designing a new passenger jet aircraft "Boeing-777". Rejecting the traditional division management at the levels of the organization has created >200 multi-functional teams consisting of technical experts, business and financial profile.

**Management control methods:** As soon as the organization moves towards agreed goals, it should keep a track of intermediate results and to monitor changes in the internal and external environment. Determining whether an organization achieve its objectives by means of control. In other words, managers by monitoring constantly check how what happens in reality corresponds to what it should be.

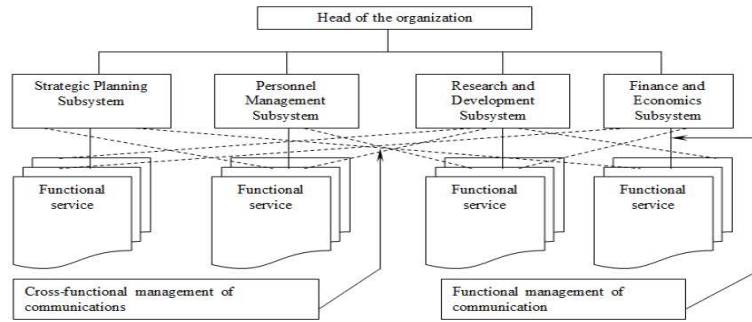


Fig. 5: Cross-functional organizational structure

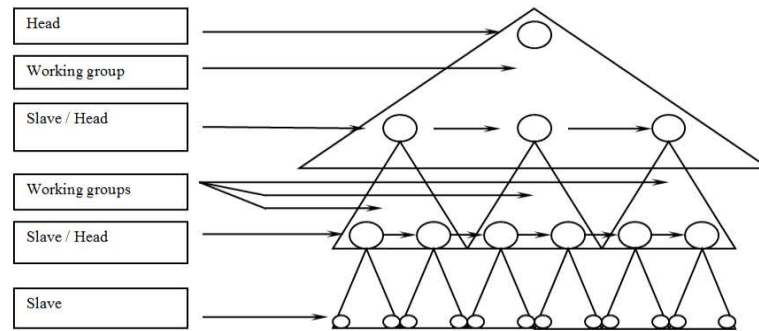


Fig. 6: Structure of the organization, consisting of working groups (brigade)

Control is an extension of the planning process and accompanies the implementation of the plans. It involves identifying and documenting the actual performance (results of implementation of the decisions) and their comparison with planned targets for establishing performance. The control also includes the analysis of deviations from the planned indicators. Comparison and analysis of stimulating new decision-making processes which in turn, initiate corrective actions and provide a long-term learning effect. Control becomes effective only when its follow-up or in the course of taking steps to address the shortcomings and causes of adverse events.

Monitoring-an ongoing process that ensures the achievement of organizational objectives through the timely detection of arising in the course of production and business operations management objects problems and changes in the external environment. Control objects are enterprises, organizations.

Subjects are monitoring the processes taking place in the organization or its members. Supervise the production process, standards expenditure of material and financial resources, carry out technical and process control, quality control and etc.,

The subjects of control can act as managers of the company, technical supervision departments and public bodies.

The main instruments perform control functions-surveillance, verification of all aspects of the activity, accounting and analysis. For example in the production of control may be in the form of observations using different instrumentation. To control the funds used financial and accounting documents. His subordinates a manager can be controlled in the form of written reports on the work or through regular meetings and discuss the problems that arise in the company or in individual workers.

Accounting-this collection, registration and generalization of all the information necessary for the company's management decision-making. Accounting is an information control database (Cheva *et al.*, 2016).

In carrying out its tasks, the account cannot do without the quality control of business processes. Otherwise it would not be fulfilled the basic requirement to take into account-its reliability. Therefore, consideration includes separate control functions.

Monitoring the number of cases cannot do without these records, since completed economic processes can be subjected to control only when there is data accounting for these processes. This is the relationship of accounting and control.



An important role in the preparation of the information required for decision and inform management decisions, plays analysis. In the process it is carried out a comprehensive evaluation of the functioning of the control object, analyzes the causes of deviations from the planned level of reserves identified, identifies possible alternative management decisions.

Control-a critical control function, as soon as it provides feedback to the control system. Other functions (planning, organization, motivation) are a direct link to the object of control. Control can be regarded as a feedback element, since according to him an adjustment of previous decisions, plans and even the rules and regulations. In other words, the control system provides feedback between expectations set out original plans and the actual performance of the organization. And the one who has advanced and accurate control system has a better chance to survive. In the process control, you can get answers to the following questions:

- What have we learned
- That the next time to do otherwise
- The reason for deviation from the intended
- What effect have control of the decision-making
- Whether the impact of positive or negative control
- What conclusions should be made to develop new goals

The control system is characterized by a certain purposefulness. This feature of the system is manifested in the fact that all elements and control units serve a common goal-to ensure effective control.

It is important to highlight another characteristic of a control system. Control is an information system, including data collection, processing, storage and transmission of control information. Through the control information associated with other systems and subsystems. This relationship is characterized by the information generated within the control system which he receives from other systems and that it sends to the environment.

People are an essential element of control. Consequently, the development control manager must take into account the behavior of people. Just knowing that the work is monitored, often encourages people to quality and efficiency of its implementation. Correctly organized control is very important and depends on the manager of art. It must be sufficiently demanding to subordinates always felt responsible for their actions and decisions. And at the same time truly skilled manager knows that continuously monitor their subordinates harmful: they lose their independence, initiative Shkurkin, Shestopal, Gurieva, Blaginina and Gurianov (2016).

The notion of "control" can be considered in three main ways: as a management function or element of economic governance; as a purposeful activity; a system of bodies exercising control. But it must be understood that these three aspects of control are a single entity. At the same time the control system is complex and needs to be managed.

The methods of monitoring and evaluation include: Analysis of economic activity. The definition of economic efficiency of production and marketing activities of the company and the identification of possible directions of its development in the future. Primarily aimed at providing marketing and scheduling information. It generates a feedback control system. Methods of "Business Analysis":

- The accounting for revenues (accounting for the time of the acquisition the supplier of the goods)
- The method of accounting for the execution of the contract
- The method of staged delivery of works
- The method of evaluation of property
- The method of accounting for the cost of
- method of estimating costs in the joint venture
- equity method

Analysis of financial statements. It involves defining performance indicators of economic activity (profit margin products, assets, equity and debt, equity returns) and financial soundness indicators (liquidity and solvency, capital structure, availability of working capital, business activity (impact and turnover), profitability)

A balanced assessment system (BSD) and Balanced Scorecard (BSC). R. Kaplan and D. Norton. Control maintain a certain balance between conventional economic indicators (primarily financial) and the parameters reflecting the impact on the results of the so-called intangible assets.

Benchmarking. The process, including the establishment of the company's key areas of improving the research of the firm, the identification and study of the best practices of other companies in these areas and the introduction of new processes and systems that support the growth of productivity and quality. Comparison of parameters of organization to the achievement of other companies. The performers are specially created teams or departments.

Total quality control and Total Quality Management (TQM). total quality Management covers all stages of organizational monitoring and control links with other management functions. The main purpose-to coordinate the work of all departments in order to achieve and maintain high quality.

Total quality management-an approach to the management of the organization, aimed at quality, based

on the participation of all its members and aimed at achieving long-term success through customer satisfaction and benefits to all members of the organization and society.

### CONCLUSION

Thus, every year Russia is increasingly merged into the civilized world economy. Sharper become “rules of the game” in the Russian market and “transparency”-the mechanisms of interaction. But along with the increasing ordering, more hardened competition, both from the domestic companies, as well as from overseas who already feel confident in the Russian market. To just keep “afloat” but also to develop successfully in the current conditions, be competitive and attractive to investors, companies willy-nilly have to think about improving efficiency and reducing costs.

It justified the foundation of effective management and the successful development of many business managers consider the firm organizational structure, defining it a “skeleton”. However in the majority of Russian companies’ existing organizational structure it has developed spontaneously and the control system is based on previous experience and outlook of the head and is not optimal. Moreover, until recently, methods for constructing the control system characterized by excessive regulatory nature, insufficient diversity, leading to mechanical transfer used in the past organizational forms in new conditions. Same original factors of structures often receive too narrow interpretation: the organizations; a permanent set of organs instead of number of employees instead of the objectives of hanging their composition and combination under different conditions.

The relevance of the chosen research topic is also due to a number of contradictions: a mismatch control systems and organizational structures of the majority of Russian companies to modern conditions of market development, on the one hand; the need to use an effective, science-based management firm structure design methods to improve the management in order to improve the efficiency of the company as a whole on the other hand; as well as the accumulation of a certain theoretical and practical experience in the design of organizational structures and lack of attention to these methods in practice firms.

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