THE GOAL-ORIENTED ORGANIZATIONAL STRUCTURE
OF THE FRANCHISING SYSTEM MANAGEMENT

UDC 339.187.44

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The basic issues of franchising system formation and optimization of its goal-oriented organizational structure are examined in the article. The main attention is given to the objective goal-oriented organizational structure of company’s management, provided a company performs franchising operations and forms optimal franchising system to increase its competitiveness on domestic and foreign markets. The organizational structure of the franchise system should reflect the aggregate of the system components, communication and relationships in the process of their functioning and to ensure the formation of communication network for management decisions to meet the objectives of the franchise system. Achieving the goals of the franchise system is a major factor in the efficiency of the organizational system.

Key words: franchise, franchising system, franchising operations, goal-oriented organizational structure.
Functional analysis helps to create a more objective goal-oriented organizational structure of the franchise system, as the joint work of the franchisor and the franchisee, who understand the importance of the combined efforts, would be most effective only when each of them clearly understands his role in joint efforts, and how their roles are interrelated. Creating and maintaining a system of roles is largely an administrative function in the organization of the franchise system.

Many Ukrainian and foreign scientists have examined issues related to franchise and franchising operations: E. Legenda, G. Tsirat, L. Tsymbal, G. Androschuk, O. Suhovaty, O. Gorodov, N. Shyrobovskaya, V. Shkromada, V. Liashenko and others. However, not all issues have been fully revealed, and besides, the proposed organizational structures while forming franchising system usually do not take into account goals of franchising system. Therefore it is necessary to conduct more research in this field.

The aim of this paper is to determine the optimal goal-oriented organizational structure franchising system.

To set up a franchising system the following goals should be considered [1 – 3]:

- clear understanding of the main duties or spheres of activity;
- certain discretion or authority, so that franchisee (the manager and performer) knew what he personally could do to get the desired results. In addition, the performance of every function requires the timely provision of information and other tools. The role of structural elements of the franchising system and the construction of the formal organization of the system are defined according to the functional analysis.

Organizational activity acts as a process of combining various activities required to achieve the assigned goals, subordination of each functions group to the manager, authorized with certain control power by the specific element, and provision of vertical and horizontal coordination in the franchising system structure.

The organizational structure is the set of units and actors in a specific hierarchy, who are authorized with certain rights and responsibilities and perform certain management functions. The organizational management structure reflects the static position of units, posts and nature of the relations between them. According to [5; 6] the following relations are distinguished:

- linear (administrative responsibility);
- functional (by the sphere of activity, with no direct administrative hierarchy);
- cross-functional or cooperative (among units of the same level).

Depending on the nature of the relations several basic types of organizational structures of control are distinguished:

- linear;
- functional;
- matrix;
- divisional;
- multiple.

Achieving the goals of the franchising system is the major factor in system performance, so when designing the organizational structure the following principles should be considered [4]:

- the principle of goals’ unity. The organizational structure is effective if it promotes cooperation in achieving goals. Applying the principle of the goals’ unity in the franchising form of business organization requires a clear formulation of goals of the franchisor and the franchisee. If the goal is obtaining profit for the certain period of time, the organizational structure should contribute to achieving this;

- principle of efficiency. The organizational structure is effective if it contributes to the achievement of goals with minimum unwanted effects or costs. The effective goal-oriented organizational structure for a franchising system is the one which does not allow losses or errors, ensures satisfaction from work, suggests a clear hierarchy of responsibilities, allows to be involved in problem solving, gives confidence in the future, provides a certain status and opportunities for career growth, and a relevant level of wages.
According to the specified principles, the organizational structure of the franchising system management should be goal-oriented. The goal-oriented organizational structure of the franchising system should reflect the system components, their connections and relations in the process of their functioning, and ensure the formation of communication network for management decision making, which meets the goals of the franchising system and helps to achieve them (Figure).

Such organizational structure is based on the principle of decomposition of goals when different franchising objects are used. Among the goals may be increase of income, profit maximization, growth of the market share, growth of popularity, competitive recovery and others. The type of the goal-oriented organizational structure of management of the franchising system is matrix, which helps to direct the executives of each department toward the fulfillment of different goals by using different franchising objects. Every worker from every department has to understand his functions clearly, know the actions which he needs to undertake to reach a certain goal, and undertake them at his work. This will help to support the value of the franchising objects used by the company and the level of the company’s effectiveness.

The most effective way to form the franchising system is to use a matrix goal-oriented organizational structure of management. Such organizational structure is based on the principle of decomposition of goals when using different franchising objects and distribution of functions between the workers of different departments, fulfillment of which helps to achieve the set goals. Thus, the goal-oriented organizational structure is the set of units and actors in a specific hierarchy, who are authorized with certain rights and responsibilities and perform certain management functions to achieve the assigned goals. The proposed goal-oriented organizational structure of franchising system management is optimal as it helps to achieve the goals of franchisees and franchisors.

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THE EVOLUTION OF RESEARCH OF RATIONAL ECONOMIC BEHAVIOR

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This paper selectively analyzes the parts of the respective discussion on the human "nature", as a new psychological and genetic basis for understanding the economic behavior of people. This discussion supplements the neo-classical, new-institutional and other researches of rational economic behavior. The scientific importance and practical timeliness of cognitive and psychological analysis of rational economic behavior consists of formalized research modeling, which have undergone experimental and empirical verification in certain and various situations in economic realities. Its hypothesis is that people and their psyche are characterized, apart from the theoretical epithets which are being attached to them by particular economic theories ("economic" and "institutional" man), by a smaller or greater degree of "natural irrationality" associated with the individual-social contradictions, which are immanent in humans.

Key words: choice, rational economic behavior, rationality of economic subjects, rationality, substantial rationality.

ДО ПИТАННЯ ЕВОЛЮЦІЇ ДОСЛІДЖЕНЬ РАЦІОНАЛЬНОЇ ЕКОНОМІЧНОЇ ПОВЕДІНКИ

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Проаналізовано сучасну дискусію про природу людини як нову психологічну та генетичну основу для розуміння економічної поведінки людей. Ця дискусія доповнює неокласичні, неоінституційальні та інші дослідження рациональної еко-