

## WAYS TO IMPROVE ORGANIZATIONAL STRUCTURE IN LIMITED LIABILITY ORGANIZATIONS

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**Abstract.** The primary objective of this study is to develop practical conclusions for the structural improvement of enterprise management in such companies. It emphasizes that an adaptive and flexible management system is essential for maintaining business viability in today's dynamic market environment. The research aims to offer a new perspective on the current organizational structure of a limited liability company (LLC). The study identifies the key aspects of the structure, highlights typical problems in the organization of functions and the distribution of responsibilities, and proposes directions for improvement in order to enhance management quality, optimize business processes, and strengthen the enterprise's competitiveness.

**Keywords:** organizational structure, limited liability company, enterprise management, responsibility centers, management efficiency, structural optimization, business processes, adaptability, distribution of functions, competitiveness enhancement.

### 1.Introduction

In the context of globalization and continuous development, the modern economic environment requires enterprises—particularly limited liability companies—to adopt more effective approaches to management organization. The performance of a company largely depends on how well its organizational structure is designed. Therefore, improving the organizational structure becomes a key factor in strengthening the competitive position of the enterprise. Company growth complicates the maintenance of efficiency, while traditional types of structures (functional, divisional, project-based, and matrix) have significant limitations, including poor cross-functional coordination, conflicts of authority, slow responsiveness to change, and other challenges.

An organizational structure enables organizations of various types to systematize their operations with diverse functions, effectively develop functional management, marketing, and other activities, while allowing owners to gradually withdraw from day-to-day operational

management. It serves as an effective mechanism for maintaining control and manageability within the organization. Organizational structure implies the existence of clear lines of responsibility, defining who is accountable for what according to their functional duties, thereby establishing responsibility centers. The functioning of a company depends on each employee's understanding of their tasks and authority, which helps prevent redundancy of responsibilities, role hybridity, and managerial confusion in the management process. The significance of this research lies in the need to develop modern approaches for creating a flexible, adaptive, and efficient organizational form that takes into account the nature of a limited liability company as a business entity and current market trends.

**Research Problem:** The mismatch between the organizational structures of limited liability companies and the modern requirements of efficiency and adaptability.

**Object of the Study:** The organizational management structure in limited liability companies. **Subject of the Study:** Methods, approaches, and tools for improving organizational structure under contemporary conditions.

**Purpose of the Study:** The purpose of this research is to examine the characteristics of the organizational structure of limited liability companies, identify typical problems and factors affecting management efficiency, and develop practical directions and recommendations for its improvement.

Within this objective, the study aims to:

- analyze existing models of organizational structures applied in limited liability companies;
- identify the strengths and weaknesses of current management structures;
- determine the factors that hinder the effective functioning of the enterprise;
- develop proposals to improve the efficiency of the organizational structure, including optimization of the distribution of functions, streamlining of managerial processes, implementation of modern digital tools, and enhancement of responsibility centers.

Thus, the research is aimed at developing scientifically grounded recommendations that contribute to improving managerial performance and the sustainability of limited liability companies in modern market conditions.

**Hypothesis:** It is assumed that improving the organizational structure of limited liability companies through digitalization, redistribution of managerial functions, and the application of flexible management methods will lead to a significant increase in management efficiency and strengthen the company's sustainability.

## 2.Theoretical Framework

Organizational structure is commonly defined as a system through which organizational goals are achieved by coordinating and distributing tasks among departments (Robbins & Coulter, 2018). It determines how responsibilities and decision-making authority are allocated within a company, directly affecting employee performance and organizational effectiveness.

A limited liability company (LLC) is a legal entity whose authorized capital is divided into shares among participants and which is established by one or more individuals and/or legal entities for conducting business activities (Fayol, 1916).

The effectiveness of an organizational structure can be described as the ability of the structure to align with the strategic goals of the organization while ensuring optimal resource allocation and increased productivity (Daft, 2016). Research also indicates that decentralization of authority at the departmental level contributes to increased managerial flexibility and more rational resource allocation, which positively influences overall management efficiency (Mintzberg, 2009).

### 3. Analysis and results

Several organizational structure models are widely discussed in management theory:

#### 1. Classical Functional Model

The functional structure, originally described by Fayol (1916), assumes a strict hierarchy, division of functions, and centralized management. Centralization and clearly defined authority relationships enable organizations to operate in a structured and efficient manner.

#### 2. Matrix Structure.

The matrix structure combines functional and project management principles. According to Robbins and Coulter (2018), matrix organizations increase flexibility in resource allocation and improve interaction between functional and project units.

#### 3. Divisional Structure.

The divisional structure is based on dividing the enterprise into autonomous units according to products, markets, or geographic regions. Such structures enhance adaptability and customer orientation but may lead to duplication of functions and increased administrative costs (Daft, 2016).

Approaches to improving organizational structure efficiency include:

- delegation of authority and distribution of responsibility;
- optimization of departmental size and composition;
- implementation of management information systems and automation of business processes.

Research methods applied in the analysis of organizational structures of LLCs include:

- analysis of internal documentation (charter, regulations, job descriptions, local policies);

- comparative analysis of organizational structures of different companies;
- benchmarking methods.

#### Key Problems Characteristic of Organizational Structures of Limited Liability Companies

The most common structural problems identified in limited liability companies include:

1. Duplication or overlap of functional responsibilities between departments.
2. Excessively complex hierarchical systems.
3. Inefficient interaction and information exchange between departments.
4. Low level of digital technology integration in management processes.
5. Absence of key performance indicator (KPI) systems.
6. Excessive concentration of authority at top management levels.
7. Insufficient employee motivation mechanisms.

**LLC “Klimat Ekspert.”** This company operates in the sale, installation, and maintenance of climate control equipment. Based on publicly available data and business profile analysis, it belongs to the small-to-medium enterprise category. Management is concentrated in the hands of a single founder, which determines the organizational structure as compact and functional with a relatively small workforce.

**LLC “Everest Universal Trade Group.”** This organization operates in the supply, design, and implementation of climate and engineering equipment. The company belongs to the medium-sized business sector and demonstrates greater functional diversification. Its structure is more formalized and includes several independent departments, such as commercial, logistics, engineering, technical, and financial units.

**Table 1**

#### A Comparative Analysis of the Organizational Structures of Two Limited Liability Companies

Parametr	Climat Ekspert	Everest Universal Trade group
Scale	Small and medium	Medium/large. Higher turnover and authorized capital
Type of ownership	Clear individual founder (Valiev T.)	Multiple managers/members, formal management.
Types of Organizational Structures	Functional with linear elements	functional divisional structure

Process Formalization	separate departments have been established, procurement, logistics and service processes require support, which increases management transparency	Documents, regulations, and instructions exist, but functions are often combined, and communications are carried out informally
<b>Functional Structure</b>	functions are divided into smaller blocks, which increases the professionalism of work and reduces the risk of errors	many functions are combined under one department (for example, the accounting department handles purchasing, and the technical department handles design and installation supervision). Communication relies on vertical and personal links, which speeds up decision-making but hinders scaling.
Number of Employees	Small teams of fitters, combined technical/installation	Separate departments (commerce, logistics, project)
Risks of Organizational Structure	Dependence on a key owner; bottlenecks in the business/project	More operational stability, but more difficult coordination
Benefits of Organizational Structure	Flexibility in projects, quick response	Scale of purchases, possibility of large B2B/import business
Key Problems That May Arise in Organizational Structure	Narrow management vertical – risk of “overloading” the owner; weak diversification of functions (finance/procurement are combined).	possible problems with communication between departments (logistics - sales - project), the need for a coordinated IT/ERP system with increasing imports.

**Note:** The data have been grouped and processed by the author based on open sources.

### Recommendations for Preparing a Formal Comparative Section

To prepare a formal comparative section in a report or study, the following steps are recommended:

1. **Obtain official documents.** These include the company charter, staffing schedule, departmental regulations, and executive appointment orders. Such documents provide an accurate representation of the organizational structure (hierarchy, functions, and authority distribution).
2. **Conduct interviews with key employees.** Interviewing two to three personnel—such as the director, project manager, and chief accountant—can quickly clarify interactions, communication channels, and potential weaknesses in practice.
3. **Compare functions, not just department names.** Identify which employees are responsible for cost estimates, warranty/service, and import/customs operations.
4. **Develop visual organizational charts and a RACI matrix.** Prepare both the actual organizational chart and the ideal structure, and map key processes using a RACI matrix to clarify responsibilities.

In contemporary business environments, organizations, particularly limited liability companies (LLCs), must provide flexibility, process transparency, and managerial efficiency. These elements are essential for understanding the current management system and making informed recommendations for organizational improvement.

A key step is preparing a **formal comparative analysis**, which identifies both strengths and weaknesses of the organization. Gathering **official documents**—including the charter, staffing schedule, departmental regulations, and executive appointments—is the first step. These provide an objective view of formal structures, hierarchy, functional composition, and distribution of authority.

However, formal documents alone are insufficient, as actual procedures may differ from written policies. Therefore, conducting **interviews with key employees** is recommended. Such interviews reveal real interdepartmental interactions, informal communications, bottlenecks, duplications, and redundancies.

When analyzing the organization, it is important to consider the **actual work performed**, rather than department titles alone: who prepares cost estimates, handles warranty services, or manages import and customs operations. Based on this analysis, it is recommended

to develop two organizational charts: one reflecting the actual structure and one representing the ideal structure the organization aspires to achieve.

**Optimization of management levels** is another critical area. Excessive hierarchical complexity may delay decision-making, whereas an overly flat structure can overload managers. Therefore, maintaining a balance in vertical and horizontal management is essential.

The **implementation of digital tools**, such as CRM and ERP systems, is also important. These tools automate sales, inventory, document flow, and integration of information between departments, reducing human error. In a competitive environment, digitalization is a necessity rather than a mere advantage.

The **process approach** is equally significant. Creating a process map helps visualize the value chain, identify improvement opportunities, and coordinate work across departments. Process management is collaborative; **cross-functional teams** can be established to handle complex tasks requiring teamwork and project-based problem-solving. This approach enhances communication quality and accelerates coordination.

Additionally, a **performance measurement system** (KPI and OKR) helps structure organizational improvements, ensures visibility of results, motivates employees, and enables management to make informed decisions. Future development should focus on **aligning key processes with strategic organizational objectives**.

Expected Results of Optimization

- Faster managerial decision-making
- Cost reduction
- Elimination of duplications
- Increased employee motivation
- Enhanced efficiency and profitability.

#### 4. Conclusions

Improving interdepartmental communication, reducing redundant operations, and increasing accountability for results all contribute to a more **adaptive organizational structure**. Contemporary companies increasingly adopt a **flexible business approach**, which enables rapid adaptation to market changes, modification of processes to meet new objectives, and the development of a culture of continuous improvement.

Enhancing the organizational structure of a limited liability company (LLC) is therefore a **multifaceted project**, encompassing:

- Analysis of the current situation
- Diagnosis of structural problems
- Implementation of digital technologies
- Development of a process-oriented approach
- Application of flexible management methodologies.

The expected outcome is the creation of a more **efficient, adaptive, and competitive management system** capable of ensuring the sustainable development of the enterprise. Optimizing the organizational structure of LLCs is a key factor in improving overall organizational effectiveness. The research hypothesis is confirmed: **digitalization, process management, and flexible management methods** significantly enhance organizational performance and operational efficiency.

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