Chapter 1
Structural Organisation of Industrial Companies

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ABSTRACT

The use of systemic theory in analysing industrial companies determines a certain organisational structure of them. In this context, current issues on the following have been dealt with: the industrial company as a system, the relationship of the industrial company with its environment through inputs-outputs, the forms of existence of the industrial companies, the analysis of the designed structure of the production process that is developed within the industrial companies, the production and conceptual sections of the industrial companies, including their arrangement and modernisation, etc. The modern systemic theory applied to the company’s relation with its environment particularly emphasises the input primary elements that can be both direct and transferable. These inputs are subject to a transformation process that is driven by the regulator of the system resulting, based on the information related to the inputs, outputs from the system that also make the company’s connection to the environment. Such a design creates the preconditions for calculating the production capacity that falls into the structure of industrial companies.

THE SYSTEM-INDUSTRIAL COMPANY

In essence, by company (organisation), we define a group of people organised according to certain legal, economical, technological requirements, which frame and develop a complex of working processes, by using certain means of labour, resulting in obtaining products and services in order to make an income or a profit as high as possible (Măcriş, 2011).

Industrial companies are those companies where an industrial production process is organised, performed, and completed in any industrial branch of an industrial economy.

What industrial companies of the “third wave,” meaning the “smoke chimney” age, must implement is that they should change the organisational structure because the great age of industrial mass production has passed. Thus, this standardised organisational structure must be dealt with differently. Flexible industrial companies appear thus,
which are founded, mature, develop, and dissolve or reappear in a new form. This is because exactly when reappearing, they can calculate their long-term failure or success.

Such an industrial company is the “pulsatile” industrial company understood as a company that expands (it increases its activity) and shrinks (it narrows its activity) in a regular rhythm. Thus, these industrial companies can accommodate according to the changes in the environment where they perform their activity.

Another form of the flexible industrial company is also the “two faced” company, meaning the company that may operate in two distinct ways, so that it maintains its size, but would change the hierarchical organisational structure to a non-hierarchical one.

The company must be analysed as a whole consisting in its components, meaning this will be systemically approached, which provides the following features to it:

• **Socio-Economic System:** As it reunites production factors and labour force, by means of which it accomplishes its functionality according to the set aims, which result from the social need. The employees’ action onto the production means has as basic component, their potential of knowing and volume of knowledge, which determines their motivated behaviour in the process of accomplishing the economical and social aims set forth for the company;

• **Dynamic System:** Meaning that the changes made within the company or in its relations with the environment determine a certain track in the company’s evolution, which defines its viability or non-viability;

• **Complex System:** As the company represents a reunion of elements, labour force and production factors, and multiple and deep links are set forth in between them, allowing the action of the “company” system. These elements are not simple passive components, as some of them act in adequate ways for achieving certain aimed objectives;

• **Probability System:** Meaning that the company’s action as a whole is subject to the influence of some random factors which permanently tend to disturb its balance;

• **Open System:** As any company is a component of the bigger systems represented by economy and society;

• **Self-Adjustable and Self-Organising System:** As the company performs its activity as link of the national economy, in order to accomplish certain aims converging the national interests.

Deemed as a system characterised by the aforementioned features, the company has an operating mechanism defined by the following features: it is a unitary set legal assembly and with a certain operational autonomy; it is formed by subsystems which behave semi-independently, as their operation is subordinated and integrated to the operation of the assembly directed towards the accomplishment of the aims which it has been created for; it disposes of the specific input parameters, corresponding to its profit, and which it transforms them into the processing procedure, into outputs necessary to the environment where the company operates; it is capable to self-adjust the activity by its own management, which is used in making the necessary managerial decisions, based on the adequately processed and valued information gathered from the company’s environment (Anderson, Sweeney, & Wiliams, 2002).

By its features, the production system may be framed into the category of open systems. This is due to its behaviour, featured by receiving the material, financial, and labour resources from the outer environment (inputs), which are then transformed into finished products, works and services (outputs) and sent to the outer environment at least partially, if not totally.