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Organizational Efficiency of Enterprises Under Management Process Transformation: Structural Dysfunctions, Communication Barriers and Management Constraints

Abstract

The *purpose* of the paper is to investigate the causes of organizational dysfunctions in enterprises and to determine their impact on the effectiveness of management processes under conditions of business environment transformation. The study focuses on structural problems of organizations related to management level overload, duplication of functions, unclear responsibility distribution, communication barriers, and the formation of management constraints. *Methodology.* The research is based on a systemic approach to the analysis of organizational structures, structural-functional analysis, comparative analysis of management models, and generalization of modern scientific approaches in the field of organizational design and management. The theoretical framework of the study includes the concepts of organizational structure, the Theory of Constraints, the process approach to management, and contemporary approaches to organizational development. *Results.* The results of the research demonstrate that organizational dysfunctions have a complex nature and emerge due to inconsistencies between enterprise structure, functional distribution mechanisms, and information flows. The analysis shows that managerial overload, duplication of tasks, unclear responsibility, and communication isolation of departments create systemic constraints that reduce decision-making speed and limit the ability of enterprises to adapt to changes. A generalized model of organizational dysfunction development has been identified, demonstrating the interconnection between structural transparency, responsibility distribution, communication efficiency, and organizational performance. *Practical implications.* The obtained results can be used for diagnosing organizational problems in enterprises and improving management mechanisms. The findings provide a basis for developing approaches aimed at increasing structural transparency, improving internal communication, strengthening coordination between departments, and enhancing organizational adaptability. *Value / originality.* The scientific originality of the research lies in the comprehensive analysis of the relationship between structural dysfunctions, communication barriers, and management bottlenecks as interconnected elements of a single system of organizational inefficiency. The study contributes to a deeper understanding of how internal organizational factors influence enterprise management effectiveness in conditions of transformation.

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Keywords

organizational structure, organizational dysfunctions, enterprise management, communication barriers, business processes, management constraints, structural transparency

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1 Introduction

Under the current conditions of enterprise development, management effectiveness increasingly depends on the ability of organizational structures to ensure consistency between functions, responsibilities, and information flows. Traditional approaches to enterprise organization, which were primarily based on functional division of tasks and hierarchical control,

in many cases no longer meet the requirements of a dynamic business environment. The increasing complexity of operational processes, digitalization, and the need for rapid decision-making create additional pressure on existing management systems (Drucker, 2020; Cherep, Andriukaitiene & Venger, 2019).

The organizational structure of an enterprise is not merely a formal scheme of positions and authority distribution, but a complex system of interaction

between people, processes, and information flows. When such a system fails to provide effective coordination, organizational dysfunctions emerge, manifested through duplication of functions, unclear responsibility, delays in decision-making, and reduced efficiency of internal communication (Voronkova, Nikitenko & Oleksenko, 2022).

The problem of organizational inefficiency becomes particularly significant in the context of enterprise scaling. At the initial stages of company development, a significant part of processes can be coordinated through direct interaction between managers and employees. However, as the organizational structure expands, such a model gradually loses its effectiveness. The increasing number of departments, management levels, and information channels creates risks of structural opacity and the formation of so-called organizational “silos”, where individual units operate in isolation from each other (Laloux, 2017).

In scientific literature, organizational efficiency is considered through various conceptual approaches. H. Mintzberg defines organizational structure as a system of coordination mechanisms that determines the distribution of work and interaction between organizational elements. P. Drucker emphasizes that management effectiveness depends not only on the execution of functions but also on the ability of an organization to concentrate resources on achieving results (Drucker, 2020). J. Galbraith considers organizational design as a mechanism for adapting an enterprise to the complexity of the external environment.

A separate area of research is related to E. Goldratt's Theory of Constraints, according to which system performance is determined not by the sum of efficiency of individual elements, but by the ability to eliminate critical constraints that limit overall results. In the context of enterprises, such constraints may include overloaded management levels, insufficient process transparency, or disruptions in information transfer between departments (Adizes, 2019).

Despite the significant number of studies in the field of organizational management, the interaction between structural dysfunctions, communication barriers, and management bottlenecks requires further investigation. A comprehensive approach is particularly relevant, as it allows these problems to be considered not as separate shortcomings, but as elements of a single system of organizational inefficiency (Biletskyi, 2024).

2 Organizational Dysfunctions of Enterprises as a Factor of Management Efficiency Reduction

Modern enterprises operate in an environment of constant change, which requires organizational structures to demonstrate a high level of adaptability

and the ability to quickly restructure internal processes. However, management practice often reveals situations where the formal organizational structure does not correspond to the actual logic of task execution. Such inconsistencies create conditions for the emergence of organizational dysfunctions, which are manifested in slower decision-making, inefficient resource utilization, and impaired coordination between departments (Adizes, 2019).

One of the most common dysfunctions is the overload of management levels. This problem occurs when a significant part of operational and strategic decisions is concentrated among a limited number of managers. As a result, managers are forced to simultaneously perform functions of strategic planning, control, coordination, and solving current operational issues. Such a situation reduces the ability of managers to focus on long-term enterprise development and creates organizational dependence on individual decision-makers (Drucker, 2020).

In scientific literature, the problem of managerial overload is considered as a consequence of insufficient delegation and a lack of autonomy among organizational units. According to P. Drucker, management effectiveness is determined not by the number of tasks performed by a manager, but by the ability to create a system in which employees can independently achieve defined results (Drucker, 2020).

Another significant dysfunction is the duplication of functions between structural units. This problem occurs when responsibility boundaries between departments are insufficiently defined or when business processes lack transparent descriptions. In such cases, several departments may perform identical or partially overlapping tasks while using different approaches and information sources (Voronkova, Nikitenko & Oleksenko, 2022).

Functional duplication is often perceived by organizations as an additional level of control or a guarantee of task completion; however, in the long term, it leads to increased time and resource costs and contributes to internal conflicts. This issue becomes particularly relevant under conditions of digital transformation, when different departments may use separate information systems without proper integration (Polchanov et al., 2022).

For example, marketing and sales departments may simultaneously create their own customer databases, financial and operational departments may perform repeated control of similar indicators, while business units and IT departments may independently develop their own analytical solutions. As a result, the enterprise does not achieve increased efficiency but rather experiences growing complexity of internal processes (Polchanov et al., 2022).

Another important organizational dysfunction is the diffusion of responsibility. This problem occurs when there is no clear connection between employees' functional duties and the final results of organizational

activities. Formally, responsibility may be distributed among several departments, but in practice, no participant in the process acts as the owner of the final outcome (Adizes, 2019).

The diffusion of responsibility has a particularly negative impact on complex cross-functional processes, where results depend on consistent interaction between several departments. Under such conditions, each unit performs its own part of the work, but the overall result remains outside the responsibility of a specific employee or manager (Laloux, 2017).

Therefore, organizational dysfunctions have a systemic rather than accidental nature. Management overload, duplication of functions, and diffusion of responsibility reinforce each other. Unclear role distribution creates conditions for task duplication, duplication increases managerial workload, and the absence of a responsible person for the final result complicates coordination of activities (Adizes, 2019).

Therefore, the analysis of an enterprise's organizational structure should not be limited to evaluating the formal hierarchy of authority but should include an examination of actual information flows, decision-making processes, and interaction between organizational units (Voronkova, Nikitenko & Oleksenko, 2022).

3 Communication Barriers in Interdepartmental Interaction and their Impact on Enterprise Efficiency

In modern organizations, communication performs not only an informational but also a coordination function. Communication processes ensure the alignment of actions between departments, the transmission of managerial decisions, and the formation of a common understanding of enterprise objectives. Therefore, communication failures become one of the key factors contributing to the decline of organizational efficiency (Voronkova, Nikitenko & Oleksenko, 2022).

In complex organizational systems, information passes through a significant number of management levels, which creates risks of distortion or delays. The more complex the enterprise structure, the higher the probability of information gaps emerging between departments. As a result, different units may operate with different versions of data, have conflicting priorities, and make decisions without a complete understanding of the overall situation (Drucker, 2020).

One of the most common manifestations of communication problems is the formation of organizational "silos". This concept describes a situation in which individual departments operate relatively autonomously, focusing primarily on their own objectives and performance indicators. At the same time, overall organizational goals may become

secondary. Such fragmentation reduces the ability of enterprises to respond effectively to changes and weakens internal coordination mechanisms (Laloux, 2017).

The formation of such isolated structures is often associated not only with behavioral factors but also with shortcomings in organizational design. If an enterprise lacks unified rules for information exchange, a transparent responsibility system, and integrated management processes, communication barriers become a natural consequence (Adizes, 2019).

This problem becomes particularly significant in the context of digitalization. The implementation of new technologies alone does not guarantee improved communication. If different departments use incompatible digital solutions or create their own information environments, technologies may even strengthen data fragmentation. Digital transformation requires not only technological modernization but also organizational changes aimed at integrating processes and improving information management (Polchanov et al., 2022).

Modern approaches to enterprise development emphasize that digital tools should support organizational objectives rather than replace management mechanisms. According to research on Industry 4.0 transformation, the effectiveness of digitalization depends on the ability of organizations to combine technological innovations with new management approaches, flexible structures, and improved coordination mechanisms (Cherep, Andriukaitiene & Venger, 2019).

Therefore, the effectiveness of internal communication depends not only on the availability of information channels but also on the quality of organizational structure, interaction culture, and process transparency. Enterprises that fail to ensure consistency between these elements risk losing decision-making speed and competitive advantages (Deloitte, 2024).

4 Research Methodology

The methodological basis of the research is a systemic approach to the analysis of enterprise organizational structures, according to which an organization is considered as a complex system of interconnected elements, including management structure, business processes, information flows, and coordination mechanisms. This approach makes it possible to examine not only individual manifestations of management inefficiency but also causal relationships between various organizational problems (Voronkova, Nikitenko & Oleksenko, 2022).

The research is based on a combination of theoretical and analytical methods. Theoretical analysis was used to generalize modern scientific approaches to understanding organizational structures, management

efficiency, and internal communication. Particular attention was paid to the concepts of organizational design, process management, and the Theory of Constraints, which allow assessing the impact of structural factors on enterprise performance (Drucker, 2020; Adizes, 2019).

The structural-functional analysis method was applied to examine the relationship between the formal distribution of functions and the actual processes of interaction between departments. This made it possible to identify the main manifestations of organizational dysfunctions, including management overload, duplication of tasks, unclear responsibility, and disruptions in communication flows (Voronkova, Nikitenko & Oleksenko, 2022).

Comparative analysis was used to identify general patterns in the formation of organizational problems across different types of enterprises. The study considers that regardless of industry specifics, organizations may face similar structural challenges related to business scaling, digital transformation, and increasing complexity of internal interactions (Cherep, Andriukaitiene & Venger, 2019).

The information base of the research consists of scientific works in the fields of management, organizational behavior, and business processes, as well as analytical materials from international consulting companies concerning management efficiency issues. The use of various sources made it possible to develop a comprehensive understanding of the causes of organizational dysfunctions and determine their impact on enterprise functioning (McKinsey Global Institute, 2025; Deloitte, 2024).

5 Research Findings and Discussion

The conducted analysis demonstrates that enterprise organizational efficiency largely depends on the consistency between three key components: management structure, communication system, and responsibility distribution mechanisms. Disruptions in the interaction between these elements lead to the formation of systemic constraints that reduce the

enterprise’s ability to respond effectively to changes in the external environment (Drucker, 2020).

One of the key findings of the research is that organizational dysfunctions have a cumulative nature. They rarely appear as isolated problems; instead, they usually develop gradually as a result of several interconnected factors. For example, the absence of a clear distribution of functions may lead to task duplication, which increases managerial workload and creates additional communication barriers (Adizes, 2019).

A particularly important problem is the concentration of managerial decisions at the level of individual managers. Under such conditions, a manager becomes the central point through which most information and management flows pass. On the one hand, this may ensure control over enterprise activities; however, in the long term, it creates the risk of organizational dependence on individual decision-makers (Drucker, 2020).

This situation corresponds to the concept of a management bottleneck, according to which the speed of the entire system is determined by its most limited element. If a certain management level is unable to process the required amount of information or make the necessary number of decisions in a timely manner, this affects the functioning of all other departments (Adizes, 2019).

Another important finding is the identification of a relationship between structural opacity and communication barriers. In enterprises with unclear roles, employees are often forced to use informal communication channels to solve operational issues. Although such mechanisms may provide some degree of flexibility, they cannot serve as the foundation of a stable management system in large organizations (Laloux, 2017).

The research resulted in the development of a generalized model of organizational dysfunction development (Figure 1):

The scientific contribution of the proposed model lies in interpreting organizational dysfunction not as a set of isolated structural deficiencies but as a cumulative causal process. In contrast to approaches that separately

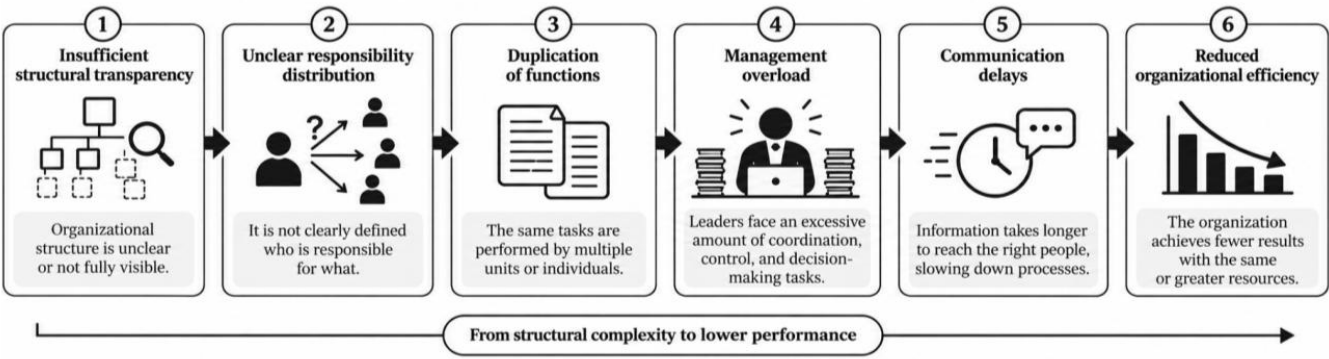


FIGURE 1 Generalized Model of Organizational Dysfunction Development

examine managerial overload, functional duplication, communication barriers, or organizational constraints, the proposed model integrates these phenomena into a sequential mechanism of organizational efficiency deterioration. This makes it possible to identify not only the manifestations of dysfunction but also the structural conditions that initiate and reinforce its development.

This model demonstrates that individual enterprise problems should not be considered separately but rather as elements of a single process of management system deterioration (Adizes, 2019).

The impact of digitalization on organizational processes also requires special attention. Modern technologies create significant opportunities for increasing the speed of information exchange; however, the implementation of digital tools alone does not guarantee improved efficiency. If an enterprise lacks a unified approach to data management, digital systems may create additional information fragmentation (Polchanov et al., 2022).

Therefore, digitalization should be considered not as an isolated technological solution but as a component of comprehensive organizational transformation. Technological tools can improve efficiency only when transparent processes, clearly defined roles, and responsibility among participants are established (Cherep, Andriukaitiene & Venger, 2019).

The obtained results confirm that optimization of an enterprise's organizational structure should involve not only reducing management levels or redistributing functions but also comprehensive improvement of coordination mechanisms. The main task of modern management is to create an organizational system that ensures rapid information flow, departmental autonomy, and responsibility for final results (McKinsey Global Institute, 2025).

6 Conclusions

The conducted research has demonstrated that organizational dysfunctions are among the key factors reducing enterprise management efficiency under conditions of business process transformation. They do not arise from individual managerial mistakes but

result from inconsistencies between organizational structure, information flows, and responsibility systems.

The analysis shows that the most common manifestations of organizational inefficiency include management overload, duplication of functions, diffusion of responsibility, and communication isolation of departments. These problems form an interconnected system in which one dysfunction reinforces another, creating conditions for the emergence of management bottlenecks.

It has been established that the key condition for improving enterprise efficiency is ensuring structural transparency, clear role distribution, and the development of an effective internal communication system. A formal organizational structure alone does not guarantee performance if it does not correspond to the actual processes of enterprise functioning.

The results of the study also confirm that digital transformation should be accompanied by organizational changes, since technological solutions are effective only when they are integrated into a coherent management system. Enterprises need to combine digital capabilities with improved coordination, flexible organizational models, and transparent decision-making processes.

The proposed generalized model demonstrates that organizational efficiency deterioration follows a cumulative logic: insufficient structural transparency generates ambiguity in responsibility distribution, which increases functional duplication, intensifies managerial overload, slows communication flows, and ultimately reduces organizational efficiency. Therefore, intervention at earlier stages of this dysfunction chain may prevent the accumulation of management constraints and reduce the organizational costs of subsequent restructuring.

Further research should focus on the operationalization of the proposed model through measurable indicators of structural transparency, responsibility diffusion, functional duplication, managerial workload, and communication delays. This would enable the development of an organizational dysfunction index and its empirical testing across enterprises of different sizes, industries, and levels of digital maturity.

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