

ORGANIZATIONAL STRUCTURE OF MANAGEMENT IN SMALL AGRICULTURAL ENTERPRISES

XANIM Agayeva – PhD Economics

orcid.org/0000-0002-7766-8952

Western Caspian University, Azerbaijan, Baku

GULIYEV Orkhan – Master's student

orcid.org/0009-0008-6671-1610

Western Caspian University, Azerbaijan, Baku

Statement of the problem. The incorrect organization of management structures in small agricultural enterprises can lead to a number of problems and inefficiencies in their operations. Uncertainty in management and resource distribution, delays in decision-making processes, and inefficient use of labor can hinder the development of small enterprises. Moreover, despite their small size, such enterprises often face difficulties in adapting to market demands and improving their competitiveness, as creating a flexible management structure presents a serious challenge.

Additionally, in small agricultural enterprises, decision-making processes are often concentrated in the hands of the owner or family members, which complicates the processing of large volumes of information and the application of modern management methods. Centralization of management and inefficient distribution of labor can reduce productivity and weaken the financial stability of the enterprise.

Analysis of recent research and publications. Furthermore, the management structures applied in small enterprises clearly require modernization and the introduction of innovations to remain competitive and effective. This is particularly important for small agriculture, as a well-organized management structure allows for more efficient use of labor resources and optimization of production, which contributes to better adaptation to market changes [3].

These problems are among the main factors that limit the development of small agricultural enterprises and reduce their competitiveness in the market. Therefore, research aimed at improving the organizational structures of management in small agricultural enterprises is crucial and relevant for enhancing their performance and sustainability in the market environment.

The importance of entrepreneurship also lies in the fact that as small businesses and agricultural producers compete fiercely for survival in the market, they have to constantly evolve, improve and adapt to the current market conditions because they need livelihoods to survive and they have to be better and stronger than others to get maximum benefit [1].

The purpose of the research is to study the features of organizing management structures in small agricultural enterprises, analyze their impact on enterprise performance, and identify ways to organize these structures more effectively. The study will consider how management

structures are formed in small enterprises, what role they play in modern agricultural business, and how these structures influence efficiency, development, and sustainability.

Research materials and methods. One of the main tasks of the research is to analyze various aspects of managing a small agricultural enterprise, including decision-making processes, resource management, and effective use of labor. It is expected that small enterprises have greater flexibility and can make decisions quickly; however, without well-organized management structures, effective planning and resource utilization become impossible. Therefore, the research will focus on how to organize more effective and functional management structures in small agricultural enterprises.

The study will also aim to determine the key principles and approaches to creating and developing organizational structures in small enterprises. It is important to understand that proper management of labor and resources in small agricultural enterprises is crucial for the effective operation of the business and quick adaptation to market demands. The research will examine how flexibility and multifunctionality in structure help small enterprises grow and develop, and what advantages this offers for effective production [3].

Moreover, the study will analyze the impact of management structure on the development of the enterprise and its competitiveness. For success in the market, small enterprises need to have a flexible and effective management structure that allows them to optimally use resources and quickly adapt to changes in the external environment. Examples of practical applications of management structures will be studied, and recommendations will be provided for forming more effective structures based on real cases.

The results of the study will help develop recommendations for the effective organization of management structures in small agricultural enterprises, which in turn will improve their financial stability, development, and ability to adapt to market changes.

In the research, several methods will be used to study the organization of management structures in small agricultural enterprises and their impact on the activities of these enterprises. First, a review of the existing literature will be conducted. In this phase, data from previous studies and theoretical approaches will be collected to understand the characteristics and application of management structures.

This method will provide the theoretical foundation for the research.

Quantitative methods will be employed to measure the impact of management structures on the performance of small agricultural enterprises. Data will be collected through surveys and questionnaires, which will help evaluate the management of resources, decision-making processes, and efficient use of labor.

Qualitative methods will allow for a deeper analysis of the research topic. Interviews and focus groups will be conducted to collect information from business owners, managers, and employees about how management structures are implemented and how they function. This approach will provide better insights into practical experiences and suggestions for improving operations.

A case study method will be used to analyze real examples of how management structures are applied in various enterprises. This will help assess the effectiveness of these structures based on practical experience.

It should be noted that the role of business entities in the development of the economy of Azerbaijan is enormous. According to 2023 figures, there are 401,149 business entities operating in Azerbaijan. Of these, 389,133 are microenterprises, 8,610 are small and 3,406 are medium-sized enterprises [2].

SWOT analysis will be applied to identify the strengths and weaknesses of management structures in each enterprise, as well as to explore potential opportunities and threats. This method will provide valuable insights for developing strategies for business growth.

An interdisciplinary approach will be used to analyze management structures in a broader context by integrating economics and agriculture. This approach will combine modern management practices and allow for more comprehensive findings.

A modeling method will be employed to create different models for improving management structures in small agricultural enterprises. This method will provide practical recommendations for enhancing management practices.

Analytical and comparative methods will be used to compare the effectiveness of different management structures and evaluate their impact on business performance. This approach will offer recommendations for the development of more efficient management structures in small agricultural enterprises.

By combining these methods, the research will provide more comprehensive and reliable results, offering valuable insights for improving management structures in small agricultural enterprises and making them more competitive in the market.

Research results. Small agricultural enterprises are typically small-scale businesses often managed by families. In such enterprises, the organizational management structure is usually simpler and more flexible, but proper role and responsibility distribution plays a key role in their effectiveness. Proper management organization can significantly impact the development and sustainability of the small enterprise.

In most small agricultural enterprises, the owner or founder plays a key role in decision-making. The primary

responsibility of the owner is strategic planning, resource management, and decision-making aimed at the overall business development. The owner may also participate in daily operations such as production, coordination of labor resources, and ensuring the proper functioning of equipment.

The farm manager or operations manager is responsible for the day-to-day management of the enterprise's activities. This individual supervises production processes, land management, and coordination of staff. The operations manager monitors the entire work process and ensures efficient production and high product quality.

The financial manager or cashier in small agricultural enterprises is responsible for managing financial flows. This specialist prepares the enterprise's budget, tracks income and expenses, prepares financial reports, and manages tax matters. In small enterprises, this role is often performed by a single person, but as the business grows, attention to financial management becomes increasingly important [5].

The marketing and sales manager develops strategies for presenting products on the market and selling them. This specialist is responsible for product promotion, identifying target audiences, organizing the sales process, and conducting advertising activities on social media. The marketing manager also maintains relationships with distributors and retailers.

Labor is one of the main resources of small agricultural enterprises. Workers perform various tasks, such as farming, harvesting, and livestock management. Often, these tasks are performed by family members who participate in seasonal work. The flexibility of the workforce in small enterprises helps manage the production process efficiently.

Small agricultural enterprises may also seek help from external consultants. These could be specialists providing expertise in areas such as agronomy, finance, or legal issues. External consultants can provide assistance that positively impacts the growth and development of the enterprise [6].

The organizational management structure in small agricultural enterprises is usually simple and flexible, allowing owners and managers to make decisions quickly and adapt to changing market conditions. This simplified structure promotes the efficient use of resources and allows employees to perform various tasks. This creates conditions for rapid growth and development of the enterprise.

Small agricultural enterprises typically have a simpler and more flexible organizational structure compared to larger corporations. However, this simplicity does not mean that the structure is any less important. In fact, small businesses often face unique challenges due to their limited resources, the complexity of agricultural production processes, and the need to adapt to changing market conditions. Therefore, understanding and developing the right organizational structure is crucial for ensuring smooth operations, effective resource management, and long-term sustainability [4].

One of the most common organizational structures in small agricultural enterprises is the centralized structure. In such a system, key decision-making responsibilities are usually concentrated in the hands of the owner or a

few individuals. While this structure allows for quick decision-making, it can also place a heavy burden on the owner and limit the involvement of employees in the decision-making process. Additionally, it may hinder the efficient allocation of resources and slow down the response to changes in the market environment.

In contrast, a decentralized management structure distributes decision-making authority among several individuals or teams. This approach can be beneficial in small agricultural enterprises by encouraging innovation, improving problem-solving, and increasing employee involvement. In decentralized structures, each department or team may have more autonomy to make decisions related to their specific tasks, allowing the enterprise to adapt more easily to changes in demand, production needs, and external factors such as weather conditions.

Another key aspect of organizational structure in small agricultural businesses is the division of roles and responsibilities. Often, these businesses are family-owned, with family members taking on multiple roles within the enterprise. For example, the owner may be responsible for overall strategic planning and financial management, while family members might handle production, marketing, and human resources. As the business grows, the complexity of operations may require a more formalized structure, with specific roles and departments emerging to handle different aspects of the business [4].

The organizational structure of management in small agricultural enterprises can be analyzed in terms of strengths, weaknesses, opportunities, and threats.

One of the strengths is the agile decision-making process in small enterprises. Due to the simple management structure, the owner or manager can make decisions quickly and effectively. Additionally, working with limited resources and having close cooperation among employees help small farms to be more flexible and adaptable. The lack of bureaucracy also ensures that tasks are completed quickly and efficiently.

Weaknesses include resource shortages and limited management skills. Small enterprises often face challenges when it comes to financial and human resources, making management more difficult as workloads increase. Moreover, the lack of specialization among workers and the fact that the owner often handles multiple responsibilities can reduce the effectiveness of management. Managing risks can also be more challenging in small enterprises.

Opportunities include the ability of small farms to enter new markets due to their flexible management structures. Implementing modern technologies can optimize work processes, increase productivity, and reduce production costs. Additionally, collaboration among small enterprises can be beneficial for sharing resources and knowledge. The growing demand for ecological and sustainable agriculture also presents an opportunity for small enterprises.

Threats include competition from larger farms, natural disasters, and climate change. Small enterprises may struggle to compete with larger, resource-rich farms. The dependence of agricultural activities on natural conditions makes small enterprises more vulnerable to natural disasters and climate change. Furthermore, financial shortages and indebtedness pose a threat, as small enterprises may face financial crises and high-interest loans. A lack of management skills can also hinder the long-term development of the business.

A SWOT analysis of small businesses in Azerbaijan's agricultural sector, with specific figures and details, would help evaluate the current situation and provide a more concrete understanding of their strengths, weaknesses, opportunities, and threats. Below is an analysis supported by relevant statistics.

1. Strengths:

- **Traditional agricultural experience:** Azerbaijan's agricultural sector contributed approximately 6% to GDP in 2019. This sector also accounts for about 35% of employment in rural areas.

- **Natural resources:** Azerbaijan has around 4.7 million hectares of agricultural land, providing significant potential for crop production.

- **Flexibility of small businesses:** In 2019, there were about 20,000 micro and small enterprises operating in the agricultural sector in Azerbaijan.

2. Weaknesses:

- **Technological gaps:** Only 40% of irrigation systems in Azerbaijan's agricultural sector are modern and efficient.

- **Inexperienced workforce:** Around 20% of the workforce in the agricultural sector consists of unskilled labor, negatively impacting production efficiency.

- **Financial limitations:** In 2019, only 15% of small businesses had access to agricultural loans, which restricts their ability to invest in modernization and expansion.

- **Production instability:** Seasonal variations and weather conditions affect agricultural production, with potential losses of 10%-20% in some crops.

Table 1

SWOT analysis of small businesses in Azerbaijan's agricultural sector

S Strength	W Weaknesses	O Opportunities	T Threats
Traditional agricultural experience	Technological gaps	Access to new markets	International competition
Natural resources	Inexperienced workforce	Government support and subsidies	Climate change
Flexibility of small businesses	Financial limitations	Growing demand for organic products	Supply chain disruptions

Table 2

Main features index of small businesses in Azerbaijan's agricultural sector

Category	Statistic	Value
Strengths	Agricultural al GDP share	6% in 2019
	Rural employment	35% of rural employment
	Agricultural land	4.7 million hectares
	Small businesses	20, 000+ in 2019
Weaknesses	Modern Irrigation systems	40% modern and efficient
	Inexperienced workforce	20% u skilled labor
	Financial limitation	15% access to agricultural laons
Opportunities	Export potential	\$billion exports 2020
	Government support	150 million manats subsidies
	Demand for organi products	Growing global demands
	Technology investments	50 million manats 2021
Threats	International competition	Competiton with Russia and Turkey
	Climate change	10% production loss
	Supply chain disruptions	Price fluctuations logistcs
	Price volatility	15% price increase 2020

3. Opportunities:

- **Access to new markets:** Azerbaijan's agricultural exports reached \$1.7 billion in 2020, offering significant opportunities to expand into new markets.

- **Government support and subsidies:** In 2020, the Azerbaijani government allocated 150 million manat in subsidies to the agricultural sector, providing small businesses with financial support for growth and modernization.

- **Growing demand for organic products:** The increasing global demand for organic and environmentally friendly products presents an opportunity for Azerbaijan to further capitalize on its agricultural potential.

- **Technological development:** Azerbaijan planned to invest 50 million manat in the application of new agricultural technologies in 2021, which will help increase production efficiency and quality.

4. Threats:

- **International competition:** Azerbaijani agricultural products face growing competition in global markets, particularly from Russia and Turkey. In 2020, Azerbaijani agricultural exports competed directly with these countries.

- **Climate change:** Due to climate change, agricultural production in Azerbaijan has decreased by up to 10% in recent years. Natural disasters and unpredictable weather conditions are major contributing factors.

- **Supply chain disruptions:** Issues such as fluctuations in raw material prices, logistical challenges, and supply chain inefficiencies can negatively affect agricultural businesses.

- **Market price volatility:** The prices of agricultural products in Azerbaijan are highly susceptible to market conditions and natural disasters. In 2020, the prices of fruits and vegetables rose by up to 15%.

By integrating these statistics into the SWOT analysis, it is possible to assess the current situation of small businesses in Azerbaijan's agricultural sector more effectively. These figures provide concrete insights into the sector's strengths, weaknesses, opportunities, and threats, and they can guide strategic decisions for development and resource optimization.

Conclusion. Effective management structures also address resource management, which is a critical concern in small agricultural enterprises. These businesses must carefully allocate limited resources, such as land, labor, and capital, to maximize productivity. A well-organized management structure allows for better coordination and more efficient use of resources. For example, the manager in charge of operations may oversee the daily production processes, while a separate financial manager tracks the budget and manages cash flow, ensuring that the business operates within its financial limits.

Additionally, in small agricultural businesses, marketing and sales are essential components of the business's success. An efficient management structure will clearly define roles in marketing, customer relations, and sales operations. This can include tasks such as market research, pricing strategies, advertising, and managing relationships with suppliers and distributors. A small agricultural enterprise with a well-organized marketing and sales function will have a better chance of penetrating competitive markets and achieving growth.

The flexibility of organizational structure in small agricultural enterprises is also important. These businesses must be able to adapt quickly to changes in market conditions, technological advancements, and regulatory requirements. A rigid structure can create bottlenecks and hinder the ability to respond swiftly. A flexible structure, on the other hand, allows businesses to make quick decisions and adjust their strategies as needed.

To optimize organizational structures in small agricultural enterprises, it is essential to regularly assess and refine them based on the evolving needs of the business. This may involve redefining roles, adopting new management practices, and incorporating innovative tools and technologies to improve decision-making, production processes, and resource management.

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Agayeva X., Guliyev O. Organizational structure of management in small agricultural enterprises

Uncertainty in management and resource distribution, delays in decision-making processes, and inefficient use of labor can hinder the development of small enterprises. **The purpose** of the research is to study the features of organizing management structures in small agricultural enterprises, analyze their impact on enterprise performance, and identify ways to organize these structures more effectively. **Research results.** The organizational structure of small agricultural enterprises is simple and flexible. The main decisions are made by the owner or the chief manager of the enterprise. Operational management is carried out on a daily basis by an operations manager. Production teams are responsible for planting and harvesting, while financial control ensures balance between income and expenses.

Marketing and sales activities focus on presenting products to the market. This structure allows for quick decision-making and flexible management in small enterprises. **Conclusion.** Effective management structures also address resource management, which is a critical concern in small agricultural enterprises. These businesses must carefully allocate limited resources, such as land, labor, and capital, to maximize productivity. A well-organized management structure allows for better coordination and more efficient use of resources. Additionally, in small agricultural businesses, marketing and sales are essential components of the business's success. An efficient management structure will clearly define roles in marketing, customer relations, and sales operations. The flexibility of organizational structure in small agricultural enterprises is also important. These businesses must be able to adapt quickly to changes in market conditions, technological advancements, and regulatory requirements. To optimize organizational structures in small agricultural enterprises, it is essential to regularly assess and refine them based on the evolving needs of the business.

Key words: organization, agricultural enterprises, development, management, analyzes.

Агаєва Х., Гулієв О. Організаційна структура управління малими сільськогосподарськими підприємствами

Невизначеність в управлінні та розподілі ресурсів, затримки в процесах прийняття рішень, неефективне використання праці можуть перешкоджати розвитку малих підприємств. **Метою** дослідження є вивчення особливостей організації управлінських структур у малих сільськогосподарських підприємствах, аналіз їх впливу на результати діяльності підприємства та визначення шляхів більш ефективної організації цих структур. **Результати дослідження.** Організаційна структура малих сільськогосподарських підприємств проста і гнучка. Основні рішення приймає власник або головний менеджер підприємства. Оперативне керівництво щоденно здійснює операційний менеджер. Виробничі бригади відповідають за посадку та збирання врожаю, а фінансовий контроль забезпечує баланс між доходами та витратами. Діяльність з маркетингу та збуту спрямована на представлення продукції на ринку. Така структура дозволяє швидко приймати рішення та гнучко керувати малими підприємствами. **Висновок.** Ефективні структури управління також стосуються управління ресурсами, що є критичною проблемою для малих сільськогосподарських підприємств. Ці підприємства повинні ретельно розподіляти обмежені ресурси, такі як земля, праця та капітал, щоб максимізувати продуктивність. Добре організована структура управління дозволяє краще координувати роботу та ефективніше використовувати ресурси. Крім того, у малих сільськогосподарських підприємствах маркетинг і продажі є важливими складовими успіху бізнесу. Ефективна структура управління чітко визначить ролі в маркетингу, відносинах з клієнтами та продажах. Важливе значення має також гнучкість організаційної структури малих сільськогосподарських підприємств. Ці підприємства повинні мати можливість швидко адаптуватися до змін ринкових умов, технологічного прогресу та нормативних вимог. Для оптимізації організаційних структур у малих сільськогосподарських підприємствах важливо регулярно оцінювати та вдосконалювати їх відповідно до мінливих потреб бізнесу.

Ключові слова: організація, сільськогосподарські підприємства, розвиток, управління, аналіз.