

**THE NECESSITY OF CONVERSATION TO
HORIZONTAL(FIAT) ORGANIZATIONAL STRUCTURES:
STATEMENT OF THE PROBLEM**

Organizational structure may be defined as the network of relationships that exists among various positions and position holders. More over any organization is considered as a network of contracts, agreements and informal arrangements between individuals members of the organization.

Contract is an agreement about the terms of the exchange of powers, concluded as a result of free and informed choice of the parties and meets the specific institutional conditions. The important role in this process is beloged to transaction costs. Better conception of the transaction costs is a conception of C. J. Dalman. C. J. Dalman following coined the concept of transaction costs: a «cost of collecting and processing information, negotiating and decision-making, monitoring and enforcement of the contract». The existence of transaction costs will push willing to trade for the introduction of various forms of business practices to reduce transaction costs in the case where the cost of generation of such forms be less than the savings on transaction costs. The choice of partners, contract type, selection of products and services – all may change. But, perhaps, the most important form of adaptation to the problem of the existence of transaction costs is the emergence of the firm.

According to the theorem of R. H. Coase «The company is growing until the internal costs of the company will not exceed the market costs» An important step in the further development of transaction theory was the work of A. Alchian, G.Demsetz. The essence of the company they are taken out of the benefits of cooperation when jointly using a resource in the composition of a team, you can achieve better results than acting alone. However, the production of a unified «team» makes it difficult to assess the contribution of each participant to the overall result, creating the incentives for «shirking». Approval Alchian and Demsetz, control over deviant behavior efficiently carried out within a firm when one of the participants (owner) assumes the functions of supervision over the others. But since the ability of the Central agent to prevent «procrastination» is also limited, at a certain point the costs of a «team» activities begin to outweigh the benefits, so that further expansion of the firm becomes inefficient. These are starting prerequisites for our reseach the problem of convinsation to flat organizational structures.