Organization

Traditional Organization Structures

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Wednesday, April 6, 2016

Functional Structures

ഇ Assigning people with similar skills to perform similar tasks.

ഇ Functional areas include:
- .
- .
- .
- .
- .

ഇ Each functional unit performing optimally should result in a successful organization.

Advantages & Disadvantages

ഇ Advantages
- .
- .
- .
- .

ഇ Dis-advantages
- Ambiguity in pinpointing some responsibility
- *Functional chimney problem* –

Divisional Structures

ഔ Groups individuals based on:
- ○ .
- ○ .
- ○ .
- ○ .

ഔ More common when organizations are multi-national and/or have complex operations that are wide spread

Comparison of Divisional Structures

ഔ Product
- ○ Groups employees based on a single product or product line
- ○ .

ഔ Geographical
- ○ Groups employees based on location of activities being performed
- ○ Locally, provincially, internationally
- ○ .

ഔ Customer
- ○ Groups employees based on target markets being served
- ○ .

ഔ Process
- ○ Groups employees that are a part of the same process
- ○ Mail order catalogues
- ○ **Work process**

Advantages & Disadvantages

ഔ Advantages
- ○ .
- ○ .
- ○ .
- ○ .

ഔ Dis-advantages
- ○ .
- ○ .
- ○ .

Matrix Structure

- .

- .

- Gain advantages and minimize disadvantages.

- You can achieve more together than you can separately
  - .

- Especially helpful in areas such as:
  - Banking
  - Manufacturing
  - Multi-national organizations

Advantages & Disadvantages

- Advantages
  - .
  - .
  - .
  - .

- Dis-advanatages
  - .
  - .
  - .

Horizontal Organization Structures

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Horizontal Structures

ଚ Improve communication and flexibility across organization.

ଚ *Team Structures*
  ○ Use teams to bring together members of different functional areas.
  ○ .

ଚ *Network Structures*
  ○ Uses a central core to link external relationships with internal components. (Wheel with spokes)

ଚ *Boundaryless Structures*
  ○ .

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Important Terms

ଚ *Chain of command* – links all individuals in an organization as a hierarchy

ଚ *Span of control* – number of individuals reporting to a manger

ଚ *Delegation* – assigning and trusting others with specific tasks

ଚ *Empowerment* – allowing others to make decisions about work

ଚ *Centralization* - authority is central to top management

ଚ *Decentralization* – authority is dispersed throughout all levels

ଚ *Intellectual capital* – the collective brain power of a group of individuals

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Chatper 7 Review Questions - Homework

ଚ Page 227-230

ଚ Multiple Choice #1-17

ଚ Thinking & Inquiry
  ○ #18, #21, #38

ଚ Application
  ○ #48, #54