

SESSION 4 ORGANISATIONAL  
STRUCTURE & DESIGN

- How should an organization structure itself?  
What sort of culture should it have?
- The Star Model provides a decision-making framework and a starting point to help leaders think about the interaction of strategy, structure, processes, rewards, and people.

THE STAR MODEL



KEY ELEMENTS OF THE STAR MODEL

- Provides a decision-making framework and helps leader to think about the interactions of strategy, structure, processes, rewards, and people
- The strategy as starting point
- Identify capabilities needed to execute strategy
- Alignment and continual re-alignment are important
- Complex due to changing environments
- Culture is embedded in this design
- Structure & culture are integrated parts of the organization and they influences each other.

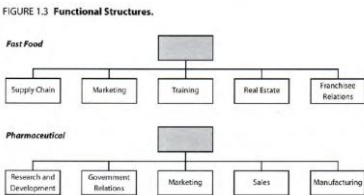
STRATEGY

- Implies a set of capabilities with which an organisation must excel in order to achieve the strategic goals
- Leaders have responsibilities to design and influence the structure, processes, rewards, and people practices in order to build these capabilities

ORGANISATIONAL STRUCTURE

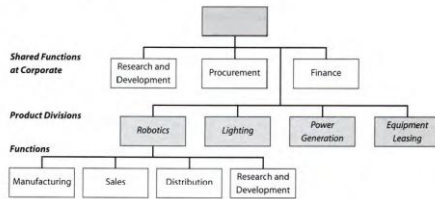
- How people and work are organized.
- 4 common structural dimensions
  - Functional, Product, Geographic, Customer
- There are in fact many different types of structures. Some are simple while some can be very complex.
- Key is designing a structure that supports your strategy.

EXAMPLE OF A FUNCTIONAL STRUCTURE



## EXAMPLE OF A PRODUCT STRUCTURE

FIGURE 1.4 Product Structure.



## WHAT IS ORGANISATIONAL CULTURE?

- “OC refers to the pattern of beliefs, values, & learned ways of coping with experience that have developed during the course of an organisation’s history & which tend to be manifested in its material arrangements & in the behaviours of its members” (Brown, 1998)
- In short, it’s the way of life in that organization.

## WHERE’S THE CULTURE?

- Artefacts
- Language
- Rites, rituals, ceremonies
- Norms of behaviours
- Heroes
- Values, beliefs & attitudes
- History
- etc

## WHAT’S THE USE OF CULTURE?

- For shaping behaviours
- A stabilising influence
- Reduction of uncertainty
- Co-ordination and control
- Motivation
- Competitive advantage
- Recruitment & retention strategy
- Possible unethical/inappropriate use?

## HOW DO EMPLOYEES REACT TO THE ORGANIZATION’S CULTURE?

- 4 possible strategies for individual action
  - Unequivocal adherence
  - Strained adherence
  - Secret non-adherence
  - Open non-adherence

## PREPARING FOR E-LEARNING WEEK

- In addition to the lecture handout, a self-learning powerpoint presentation with my voice over will be uploaded to the workbin in Week 5. You can therefore listen to my lecture anytime, anywhere.
- An IVLE discussion forum has been set up for each tutorial class so that you can go into the forum to discuss some questions with your tutors.
- The discussion questions will included in the self-learning powerpoint presentation I mentioned above.