

Are you in a group? Did you contact your group members ?

A

Yes

B

No

SUBMIT



WEEK 4

DESIGN ADAPTIVE ORGANISATIONS

CHAPTER 9

WEEK 4

LEARNING OUTCOMES



Slide 3



After reading this chapter, you should be able to:

1. describe the departmentalisation approach and the various organising principles which can be applied to organisational structure
2. discuss different methods for job design
3. explain the methods that companies are using to redesign internal organisational processes
4. describe the methods that companies are using to redesign external organisational processes



< **DEPARTMENTALISATION**

**Subdividing work and workers
into separate organisational
units responsible for
completing particular tasks.**

TYPES OF DEPARTMENTALISATION



Slide 5



Functional departmentalisation

Product departmentalisation

Customer departmentalisation

Geographic departmentalisation

Matrix departmentalisation

TYPES OF DEPARTMENTALISATION

Slide 6



Functional departmentalisation

Product departmentalisation

Customer departmentalisation

Geographic departmentalisation

Matrix departmentalisation

Functional departmentalisation

Organising work and workers into separate units responsible for particular business functions or areas of expertise.

TYPES OF DEPARTMENTALISATION

Functional departmentalisation

Product departmentalisation

Customer departmentalisation

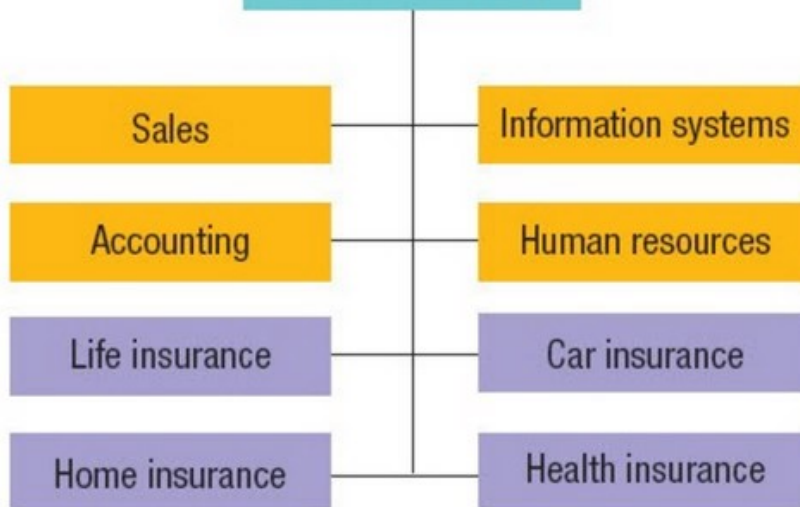
Geographic departmentalisation

Matrix departmentalisation

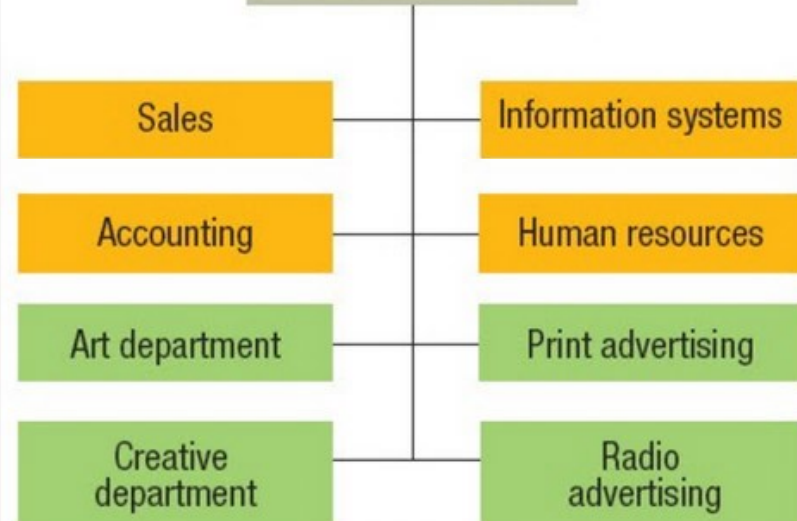
Functional departmentalisation (cont.1)

Examples

Insurance company



Advertising agency



TYPES OF DEPARTMENTALISATION

Slide 8

Functional departmentalisation

Product departmentalisation

Customer departmentalisation

Geographic departmentalisation

Matrix departmentalisation

Product departmentalisation

Organising work and workers into separate units responsible for producing particular products or services.

TYPES OF DEPARTMENTALISATION

Functional departmentalisation

Product departmentalisation

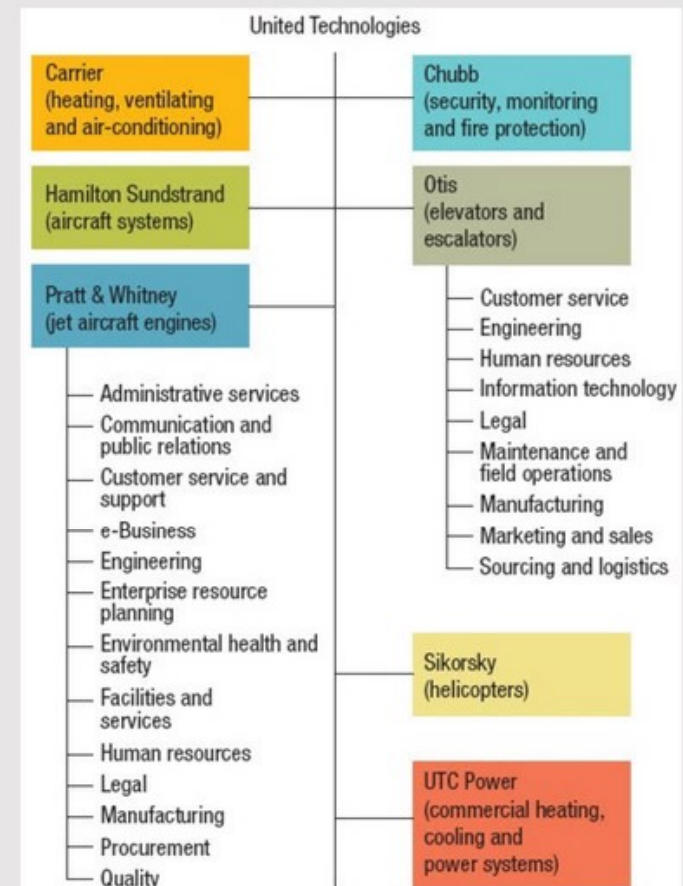
Customer departmentalisation

Geographic departmentalisation

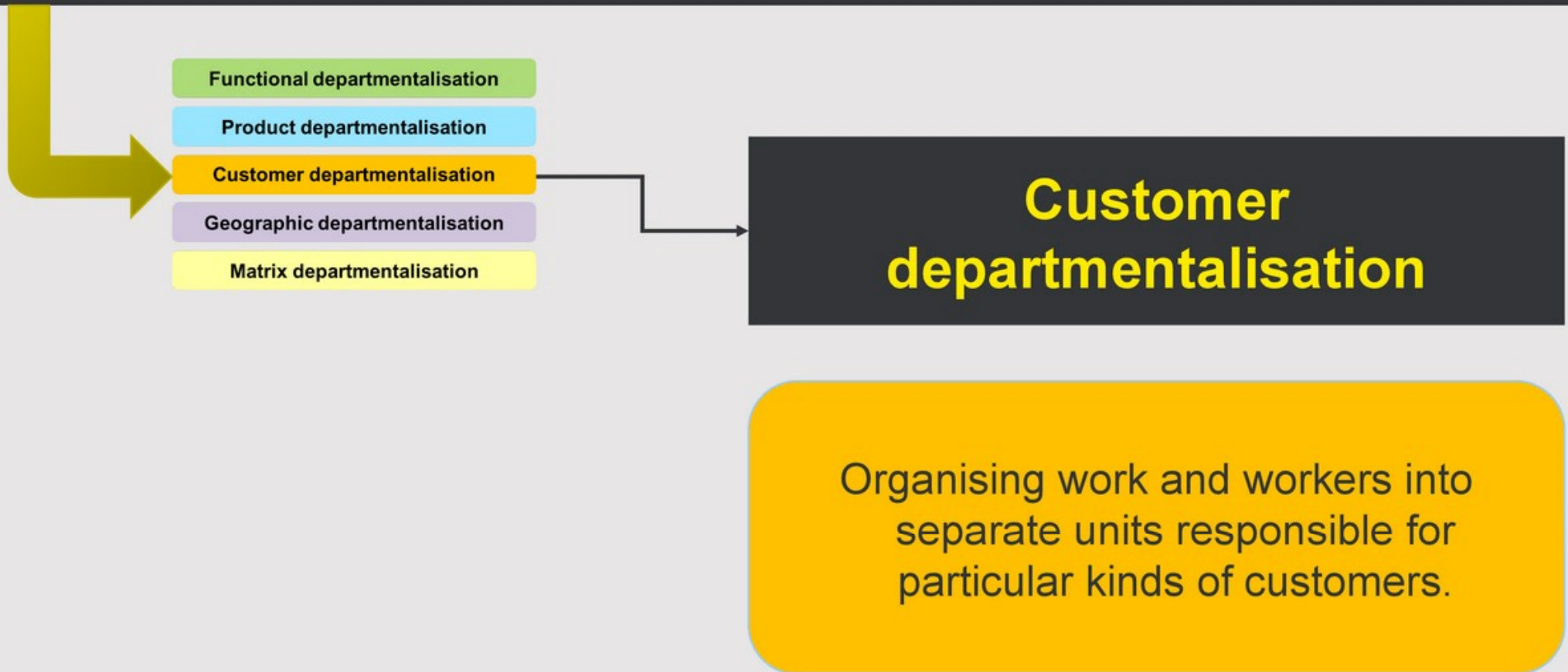
Matrix departmentalisation

Product departmentalisation (cont.1)

Example



TYPES OF DEPARTMENTALISATION



TYPES OF DEPARTMENTALISATION

Functional departmentalisation

Product departmentalisation

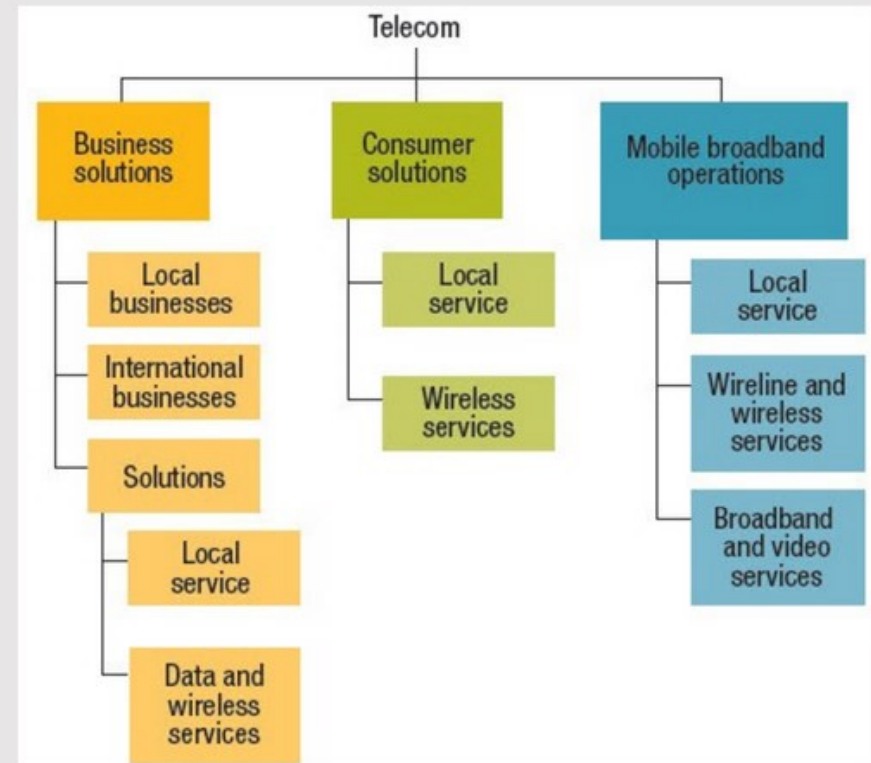
Customer departmentalisation

Geographic departmentalisation

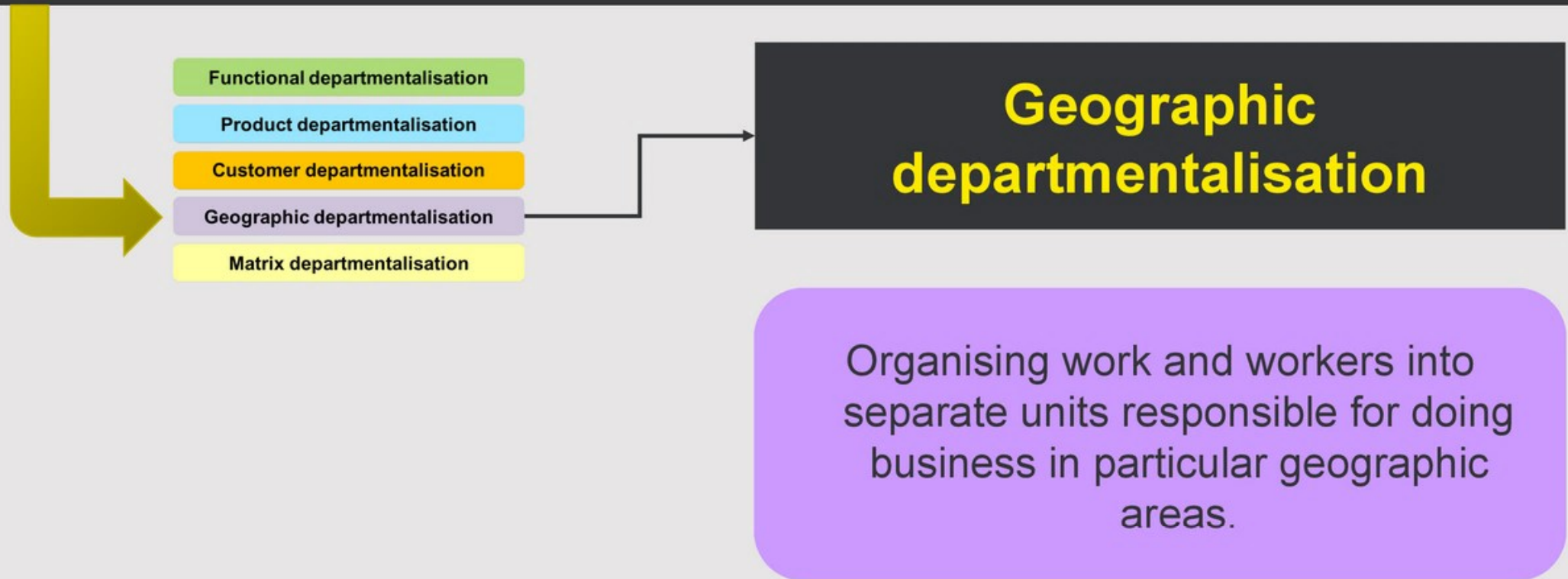
Matrix departmentalisation

Customer departmentalisation (cont.1)

Example



TYPES OF DEPARTMENTALISATION



TYPES OF DEPARTMENTALISATION

Functional departmentalisation

Product departmentalisation

Customer departmentalisation

Geographic departmentalisation

Matrix departmentalisation

Geographic departmentalisation (cont.1)

Example

Territories of operation



	POPULATION	PER CAPITA CONSUMPTION ¹	EMPLOYEES	FACILITIES ²
North American group	263m	300	63000	399
European group	146m	174	11000	32
Total company	409m	255	74000	431

(1) Number of eight-ounce servings consumed per person per year.

(2) Facilities include 18 production, 335 sales/distribution and 46 combination sales and production plants in North America; and 3 production and 17 sales/distribution plants in Europe.



STRUCTURE AND PROCESS

Slide 14



ORGANISATIONAL STRUCTURE:

- the vertical and horizontal configuration of departments, authority and jobs within a company

Answers questions: Who reports to whom? Who does what? Where is the work done?

ORGANISATIONAL PROCESS:

- the collection of activities that transform inputs into outputs that customers value

Focuses on how things get done rather than hierarchy of structure

TYPES OF DEPARTMENTALISATION



Slide 15



Functional departmentalisation

Product departmentalisation

Customer departmentalisation

Geographic departmentalisation

Matrix departmentalisation

**Matrix
departmentalisation**

A hybrid organisational structure in which two or more forms of departmentalisation, most often product and functional, are used together.

Simple matrix: managers in different parts of the matrix negotiate conflicts and resources



Functional departmentalisation organises work and workers into separate units responsible for particular business functions or areas of expertise.

**A**

True

BFalseSUBMIT



Hallmark has four departments: flowers and gifts, cards and e-cards, hallmark collectibles, and photo albums and scrapbooks. Hallmark uses _____ departmentalisation.

A**Matrix****B****Product****C****Customer****D****Functional**

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JOB DESIGN

The number, kind and variety of tasks that individual employees perform in doing their jobs.

Job specialisation

A job composed of a small part of a larger task or process

Job rotation

Periodically moving workers from one specialised job to another

Job enlargement

Increasing the number of tasks performed by a worker

Job enrichment

Adding more tasks and authority to an employee's job

JOB DESIGN

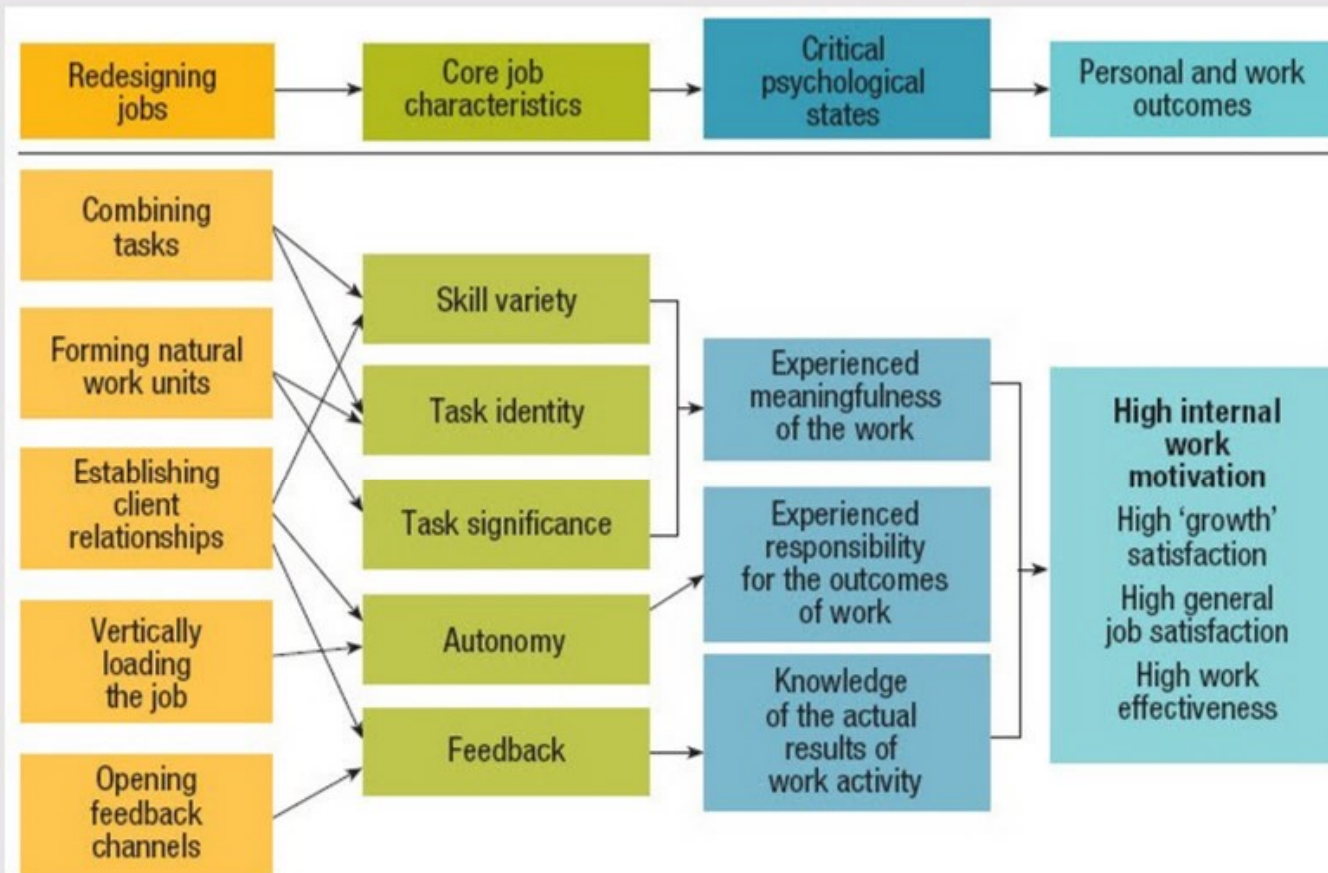


Job characteristics model

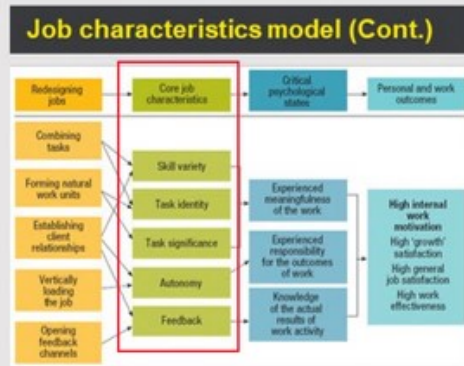
- An approach to job redesign that seeks to formulate jobs in ways that motivate employees and lead to positive work outcomes.
- Emphasises internal motivation, as employees must:
 - experience the work as meaningful
 - experience responsibility for work outcomes
 - have knowledge of results.

JOB DESIGN

Job characteristics model (Cont.)



JOB DESIGN



Core job characteristics

Skill variety

The number of different activities performed in a job

Task identity

How much a job, from beginning to end requires the completion of a whole and identifiable piece of work

Task significance

How much a job is perceived to have a substantial impact on others inside or outside the organisation

Autonomy

How much discretion, freedom and independence employees have to decide how and when to accomplish the job

Feedback

The amount of information a job provides to employees about their work performance

Job enlargement adds a fundamentally different dimensions, namely authority and control, to make meaningful decisions about the work.

A

True

B

False

SUBMIT

_____ is the number of different activities performed in a job.

A Task significance

B Skill variety

C Task Identity

D Skill feedback

SUBMIT

DESIGNING ORGANISATIONAL PROCESS

Slide 24



Mechanistic organisation

Characterised by specialised jobs and responsibilities; precisely defined, unchanging roles; and a rigid chain of command based on centralised authority and vertical communication

Organic organisation

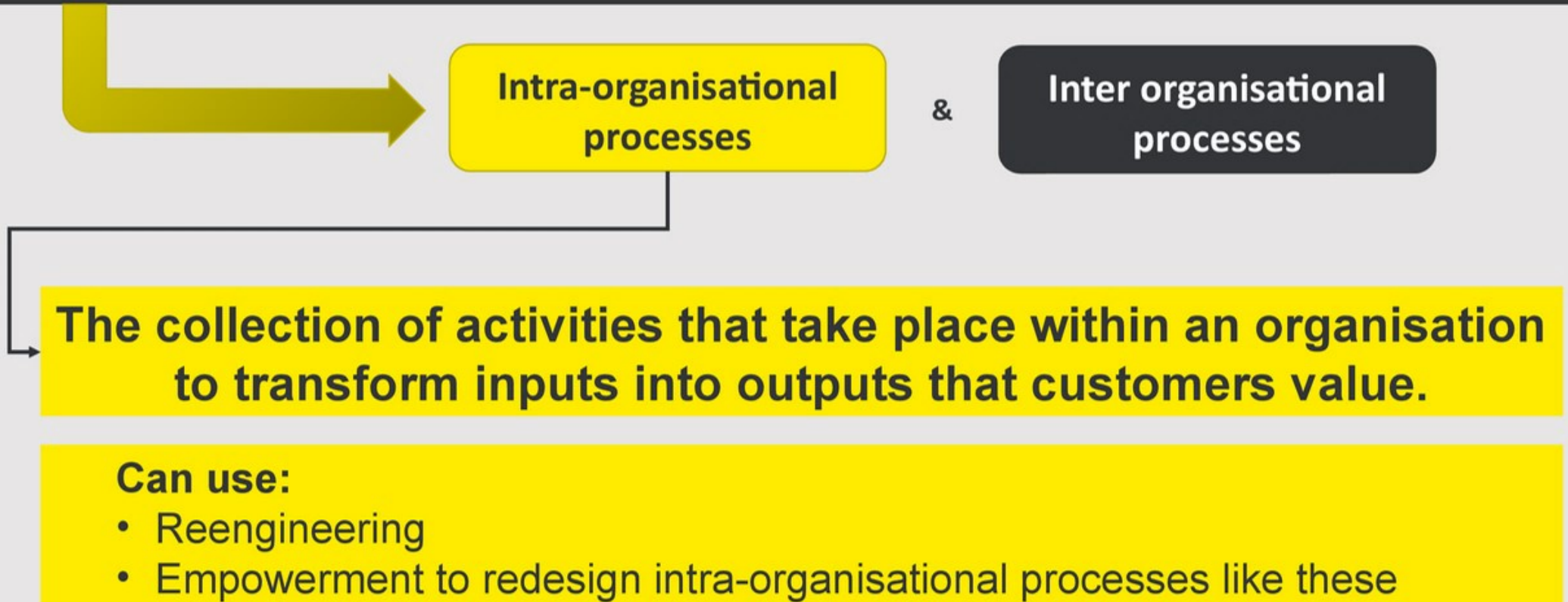
Characterised by broadly defined jobs and responsibility; loosely defined, frequently changing roles; and decentralised authority and horizontal communication based on task knowledge

Would you rather work for an organic or mechanistic organisation ? And why ?

What is your response?

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ORGANISATIONAL PROCESSES



EMPOWERMENT

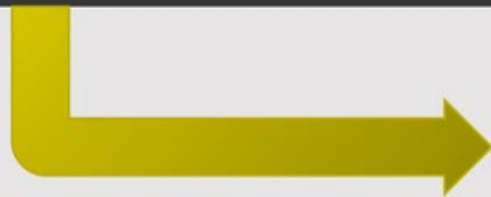
A feeling on intrinsic motivation, in which employees perceive their work to have impact and meaning, and perceive themselves to be competent and capable of self-determination.

Passing decision-making authority and responsibility from managers to employees by giving them information and resources they need to make and carry out good decisions.

ORGANISATIONAL PROCESSES



Slide 28



Intra-organisational
processes

&

Inter organisational
processes

A collection of activities that take place among companies to transform inputs into outputs that customers value.

Can be:

- Modular organisations
- Virtual organisations



Outsources non-core business activities to outside companies, suppliers, specialists or consultants.

Advantages:

- Less costly: modular organisations pay for outsourced labour, expertise etc. only when needed
- Allows focus on core business competencies

Disadvantages:

- Loss of control
- May reduce competitive advantage

VIRTUAL ORGANISATIONS



Part of a network in which many companies share skills, costs, capabilities, markets and customers to collectively solve customer problems or provide products or services.

Different from modular organisations:

- Virtual organisations work with some but not all organisations in the network alliance
- Inter-relationships with network organisations less stable and short-term than those in modular organisations

VIRTUAL ORGANISATIONS (CONT.)



Part of a network in which many companies share skills, costs, capabilities, markets and customers to collectively solve customer problems or provide products or services.

Advantages:

- Lets companies share costs
- Fast and flexible
- Being the 'best' should provide better products

Disadvantages:

- Difficult to control the quality of partners
- Requires tremendous management skills



NEXT WEEK - LEADING

