

Organizational Structure & Staffing

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Organizational structure and staffing refers to a company, business or other entity's operations and management. Defining the organizational structure for a business is a key aspect of small business planning, including staffing. Often based upon estimates, considerations concerning staffing may include budgets, production requirements and employee and management staff work experience. Using business organizational structure, managers may determine required staffing, how to utilize existing resources and when to add new staff to complete work.

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Purpose of Organizational Structure

An organization may be structured in different ways, according to its main objectives. Company structure determines how the business will operate and perform. Organizational structure can allow for the allocation of responsibilities for the company's functions in management and production. Operational standards and routines may be developed based upon the foundation that organizational structure provides. Designing an organizational structure also helps to determine which staff will participate in decision making, which can be helpful in shaping the actions of the company or business.

Structure Types

The type of organizational structure that a company may use is determined by the type of business and the environment that it is in. Task allocation, supervision and coordination and goal achievement are all aspects to consider when designing an organization structure for a company. While some organizations may use hierarchical structures, smaller businesses may opt to use a more

informal system. For example, a small company may only have an owner who also functions as the operations manager. As the business grows, managers may be added to supervise staff in specific areas of the company.

Functional Organizations

Small businesses frequently structure the company around specific job functions. This kind of business structure works for companies that feature a limited number of products or services and therefore have fewer production requirements than a large corporation. Staffing for this type of operation might include the owner, a main manager and enough staff to produce and manage the products and services. For example, a business that depends upon customers who purchase products needs to have at least one person who can adequately handle the orders received to be able to operate at a bare minimum. Ideally, a small business should at least have a manager who can attend to business matters, while another person attends to production and customer service.

Staffing Requirements

To determine staffing needs, companies may use job functions to identify the types of skills necessary for each position. Time estimates and materials required for each job should be defined, along with the level of skill required. For example, if products sold are acquired from another company, a manager or other individual would be responsible to obtain those products. If, however, the products are produced by the company, it would be necessary to employ production people who know how to make the products being sold. The experience level and caliber of the staff required vary according to the company's exact production or service needs.

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