Organization Structures and Cultures

What is Organization Behavior?

Organizational Behavior (OB) is the study of how **individuals, groups, and structures** affect and influence behavior within an organization and how this knowledge can be used to make organizations more **effective** and **human-centered**.

What is Organization Behavior?

Level	Focus	Example
Individual Level	Attitudes, motivation, perception, personality, job satisfaction	Why one developer feels demotivated working under a rigid manager
Group Level	Communication, teamwork, leadership, power, conflict	How a software team collaborates or clashes during a sprint
Organizational Level	Structure, culture, policies, and design	How DPL's flat culture and "no sir/bhai" rule shapes behavior

Organization Structure

Organizational structure is the formal system that defines how tasks are divided, grouped, and coordinated within an organization, in other words, **how people and work are organized to achieve common goals**.

What Determines Organizational Structure?

1. To what degree are tasks subdivided into separate jobs?

2. On what basis will jobs be grouped together?

3. To whom do individuals and groups report?

4. How many individuals can a manager efficiently and effectively direct?

5. Where does decision-making authority lie?

6. To what degree will there be rules and regulations to direct employees and managers?

Key Elements of Organizational Structure
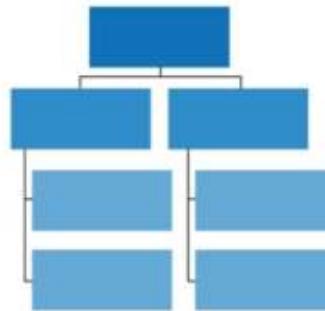
| Element	Meaning	Example
Work Specialization	Division of tasks into specific jobs	Separate DevOps, Design, and Sales roles
Departmentalization	Grouping jobs by function, product, or geography	IT Dept., Finance Dept., or Product Teams
Chain of Command	Who reports to whom	CEO → Managers → Teams
Span of Control	Number of people a manager supervises	Wide span = more autonomy; narrow = close control
Centralization / Decentralization	Where decisions are made	DPL = decentralized (team decisions)
Formalization	Degree of rules and procedures	Startups = low formalization; banks = high

Why Do Organization Structures Differ?
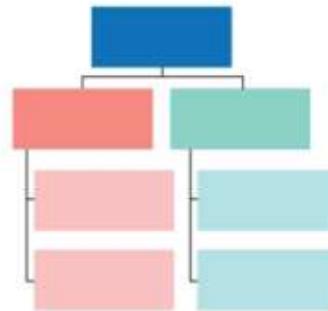
Factor	Explanation	Example (Pakistan / Global)
Strategy	Structure must support the company's goals and strategy.	DPL uses a *flat, flexible structure* to promote innovation; State Bank uses a *hierarchical structure* to ensure control and compliance.
Size of Organization	Small companies are simple and informal; large companies need more specialization and formal rules.	A startup with 10 people has one manager; a telecom company with 10,000 employees needs multiple levels.
Technology	The complexity of technology or production process affects coordination needs.	Software companies (like DPL) use agile, project-based teams; manufacturing firms (like Millat Tractors) use strict process-based departments.
Environment	Stable environments allow centralized structures; dynamic environments need flexibility.	Government offices operate in stable conditions; tech startups adapt quickly to market changes.
Culture and Leadership Style	Some leaders prefer control; others value autonomy.	DPL's founders built a people-first culture → flat structure. Traditional firms with authoritarian leaders → tall structures.
Geography (Location Spread)	Organizations operating in multiple regions often adopt divisional or hybrid structures.	Multinationals like Unilever have separate divisions for Pakistan, UAE, and UK.
Legal and Regulatory Requirements	Some sectors (like banking, telecom, or defense) require formal hierarchies and compliance mechanisms.	NADRA, SECP, and SBP have regulated, layered structures.

Common types of Organizational Structures
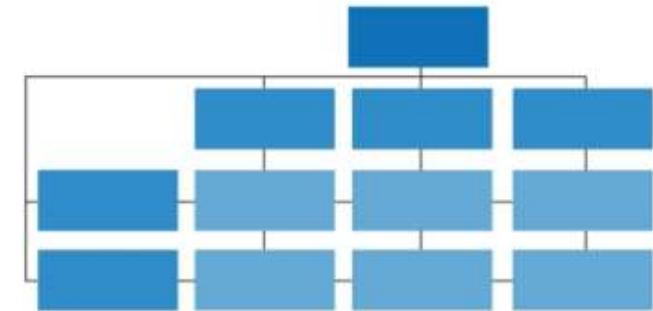
Hierarchical Structure
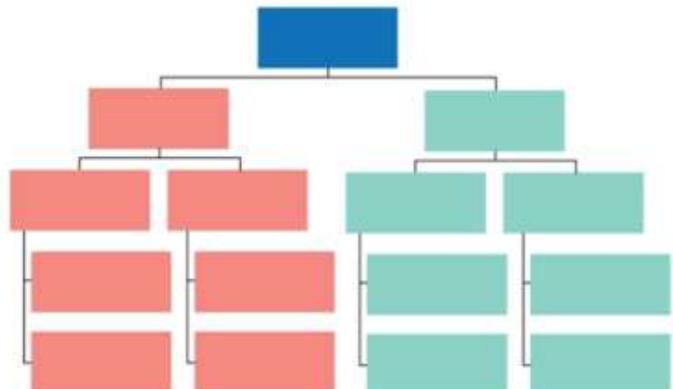
Functional Structure
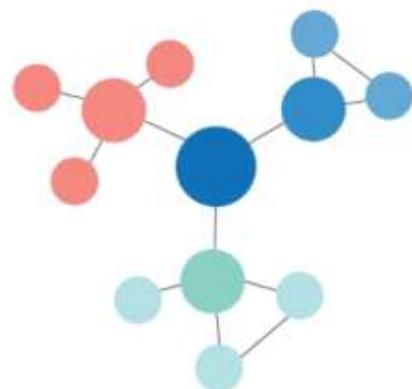
Matrix Structure
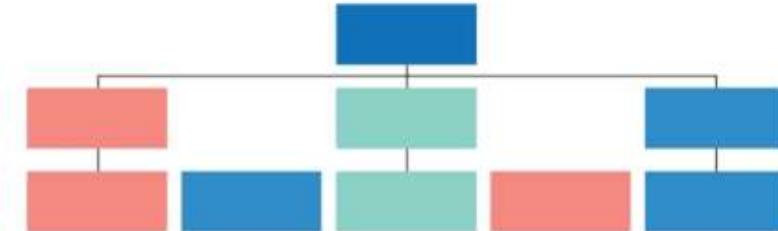
Divisional Structure
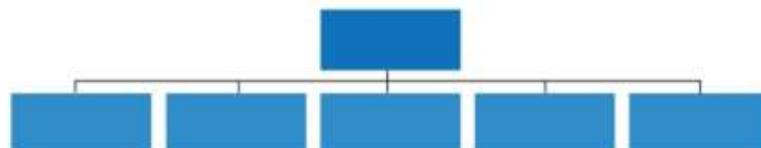
Network Structure

Team-based Structure
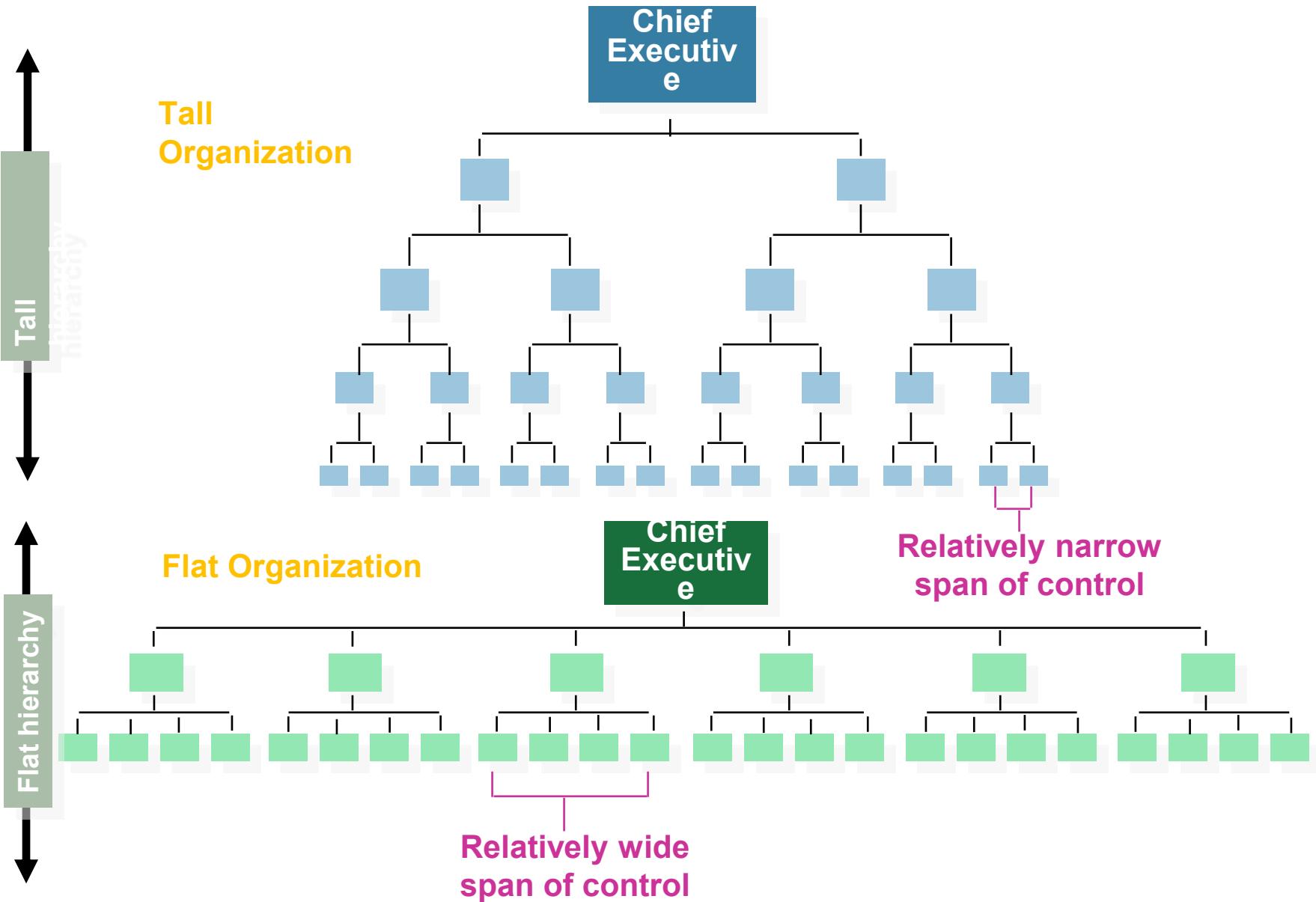
Horizontal/Flat Structure

Common types of Organizational Structures

Type	Description	Example
Simple Structure	Few layers, one central decision-maker	Small startups
Functional Structure	Organized by departments (HR, Tech, Sales)	Mid-sized software houses
Divisional / Product Structure	Based on products or clients	Project teams (IoT, AI, Web)
Matrix Structure	Employees report to both functional and project managers	Consulting or large engineering firms
Flat Structure	Minimal hierarchy, wide control span	DPL's "Rebel Culture"
Hierarchical (Tall) Structure	Many levels of management, clear authority chain	Government departments, traditional corporates

Tall vs. Flat Organizations

Tall Organization

Chief Executive

Flat Organization

Chief Executive

Tall

Flat hierarchy

Relatively narrow span of control

Relatively wide span of control

Tall vs. Flat Organizations

Feature	Tall	Flat
Levels	Many	Few
Decision Speed	Slow	Fast
Control	Tight supervision	Empowered teams
Communication	Top-down	Open and horizontal
Example	NADRA, Banks	DPL, Netflix

A Product Organization

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A Product Organization

What is Organization Culture

Organizational Culture is the shared system of **values, beliefs, norms, and behaviors** that shapes how people within an organization think, feel, and act.

It's the **"personality" of an organization** — the invisible force that defines how things are done around here.

What Do Cultures Do?

- Defines the boundary between one organization and others.

- Conveys a sense of identity for its members.

- Facilitates the generation of commitment to something larger than self-interest.

- Enhances the stability of the social system.

- Serves as a sense-making and control mechanism for fitting employees in the organization.

Characteristics of Organizational Culture

Characteristic	Description	Example
Innovation & Risk-taking	Encourages new ideas and experimentation	DPL teams trying new AI tools without fear of failure
Attention to Detail	Emphasizes precision and quality	QA and code review processes
Outcome Orientation	Focus on results rather than procedures	Performance based on delivery, not hours
People Orientation	Values employee well-being and respect	Flat hierarchy, flexible work policy
Team Orientation	Promotes collaboration	Cross-functional product pods
Aggressiveness	Competitive and ambitious attitude	Sales and growth teams pursuing bold targets
Stability	Desire for order and consistency	Corporate HR processes, documentation
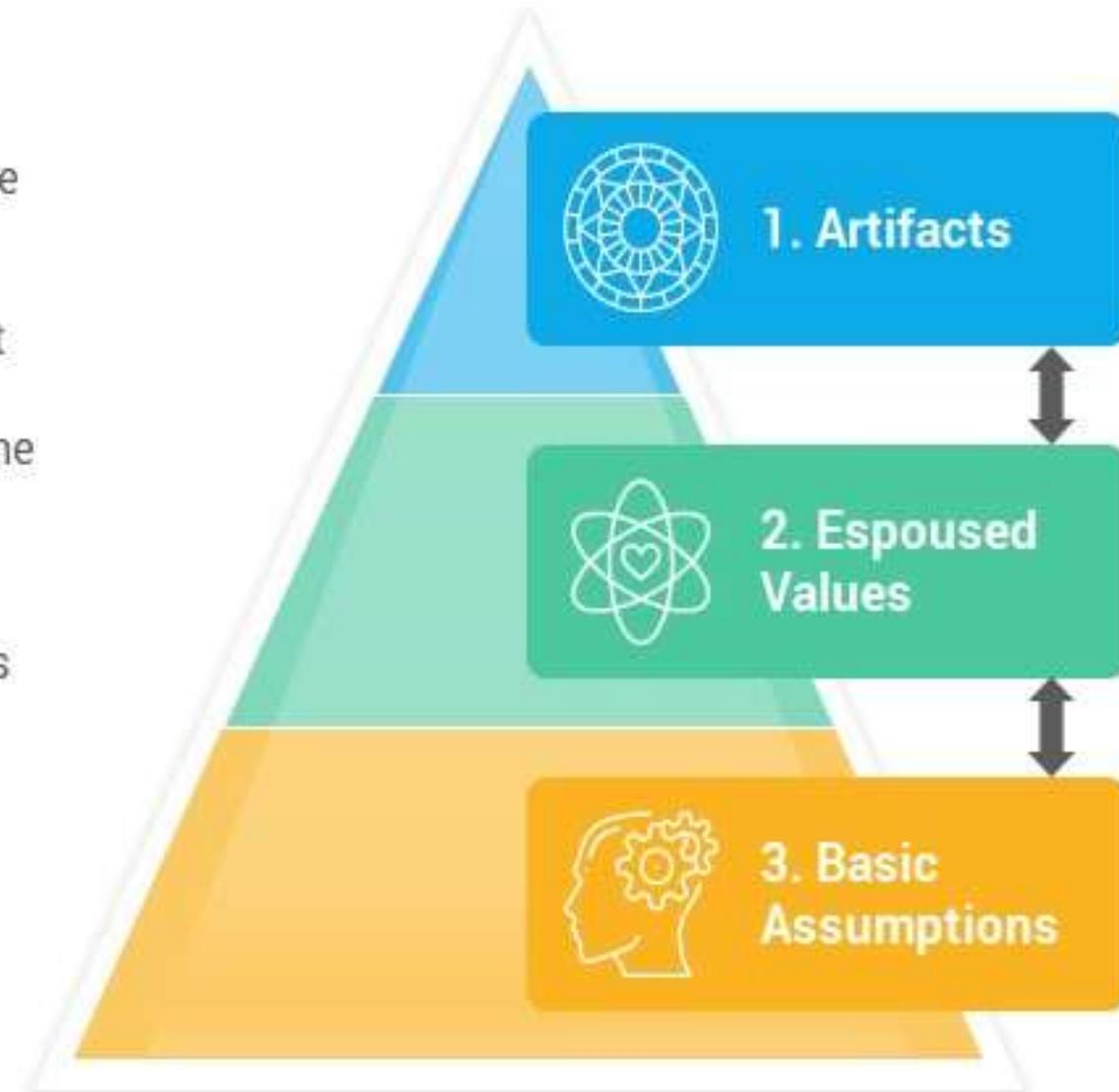
What is Schein's Model of Organizational Culture?

Organizational Culture Model

The Organizational culture model is an abstract concept that was developed by the American management professor Edgar Schein In 1980 to make the culture within an organization more visible.

Edgar Schein divided organizational culture into three different levels (layers):
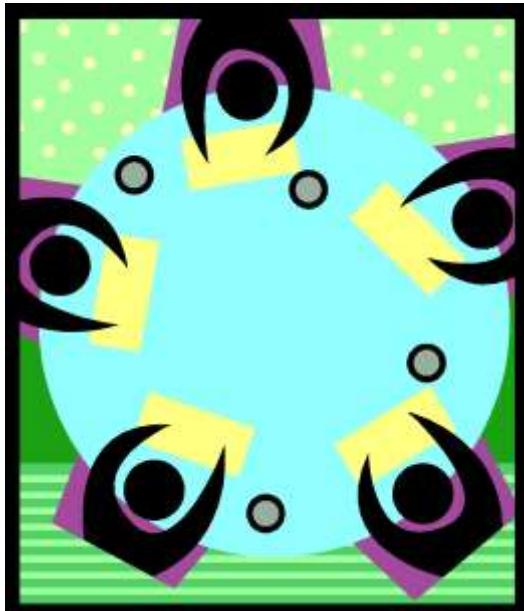
1. **Artifacts and symbols**: These are the "visible" symbols of the culture. such as logos, architecture, structure, business processes, and corporate clothing.
2. **Espoused Values**: They are the company's declared set of values and norms. It shows how the organization expresses its strategies, objectives, goals, and philosophies and how are these made public.
3. **Basic underlying assumptions**: They are the bedrock of organizational culture. They are the beliefs and behaviors that people use to make day-to-day decisions within an organization, they are so deeply embedded that they can sometimes go unnoticed.

1. Artifacts

2. Espoused Values

3. Basic Assumptions

# Do Organizations Have Uniform Culture?
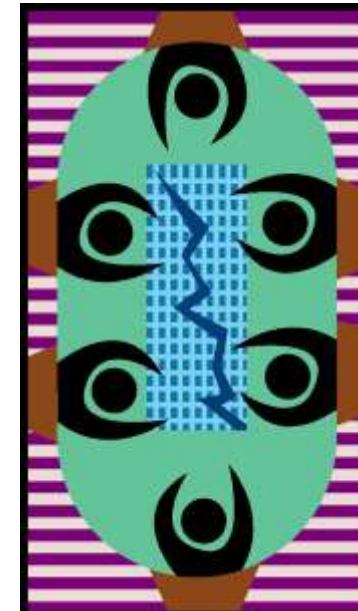
Dominant Culture

Expresses the core values that are shared by a majority of the organization's members.

Subcultures

Minicultures within an organization, typically defined by department designations and geographical separation.

Do Organizations Have Uniform Cultures?

Core Values

The primary or dominant values that are accepted throughout the organization.

Strong Culture

A culture in which the core values are intensely held and widely shared.

Case Study: Zappos Culture Values

Deliver WOW Through Service

Embrace and Drive Change

Create Fun and A Little Weirdness

Be Adventurous, Creative, and Open-Minded

Pursue Growth and Learning

Build Open and Honest Relationships With Communication

Build a Positive Team and Family Spirit

Do More With Less

Be Passionate and Determined

Be Humble

Case Study: DPL's Culture Values

1. Deliver value that blows away customer expectations.
2. Take ownership and commit your work to completion.
3. Self-organize to solve problems—no micromanagement here.
4. Be courageous enough to always speak the truth, be transparent, and embrace vulnerability.
5. Create a flat and fun culture—hierarchies have no place here.
6. Spread positivity, even in the face of challenges.
7. Master your craft—be an expert in whatever you do.
8. Build genuine connections and bring out the best in each other.
9. Stand for ethical integrity, against all odds.

Thank You