ISM101 – Information Systems Management

Knowledge Check #2

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1. In the context of organizational charts, what distinguishes a matrix organizational chart from a hierarchical one, and how might it impact communication and decision-making?

   A: A Matrix Organizational Chart and a Hierarchical Organizational Chart differ in how they structure authority, communication, and decision-making. While in a hierarchical organization the decision flows from top to down, in the matrix organizations decisions are more decentralized. In a matrix structure, employees may report to two or more managers, which can create dual report relationships. Dual reporting can lead to confusion and overlap in communication, as employees may receive conflicting directions from different managers. In this type of structure the decisions making are shared and collaborative made by multiple managers or teams working together. However, decision-making can be slower as it requires input from different managers with potentially conflicting priorities or strategies. On the other hand ,how in the hierarchical organization the communication flows top to down, employees generally lead to clearer communication of the company's strategic goals and operational expectations and decision-making tends to be more centralized, with senior management making most of the key decisions. Since decisions are made by a single authority, decision-making can be faster and more uniform, but it may lack input from different functions or departments.

2. How can technology tools like video conferencing and social media help overcome the challenges of remote communication, and what are some potential drawbacks of relying on these tools?

   A: Technology tools like video conferencing and social media can help overcome remote communication challenges by providing instant, face-to-face interactions, fostering collaboration, and enabling quick sharing of information.However it comes with potential drawbacks, such as:

   - Technical issues, like Connectivity problems;
   - Excessive use of these tools results in lack of personal connection of in-person interaction.
   - Non-verbal cues are harder to interpret, increasing the risk of misunderstandings or misinterpretations.

3. Explain the concept of "role alignment with organizational goals" and provide an example of how a company might need to adapt roles in response to changing business priorities.

   A: Role alignment with organizational goals refers to the process of ensuring that each employee's responsibilities, skills, and objectives directly support the broader strategic goals of the organization and aligned with company priorities, employees work cohesively toward common objectives, maximizing efficiency and impact.

   Over the years tech companies changed from on-premise server to cloud-based service model, it may need to adapt roles to align with this new direction.

4. Describe the impact of an organization's structure on its decision-making processes, including how hierarchy and collaboration play roles in decision authority. Provide an example to illustrate this impact.

   A: The organizational structure affects who makes decisions, how decisions are made, and the speed of decision-making. Hierarchical structures tend to centralize decision-making, making it more controlled but potentially slower. Collaborative structures distribute decision-making, promoting innovation and flexibility but requiring more coordination. The best approach depends on the organization’s goals, industry, and need for agility versus consistency.

   Spotify, a tech company, uses a team-based structure where decisions are often made collaboratively among cross-functional teams (e.g., product, design, engineering). This allows for innovation and faster adjustments to customer needs, but it may sometimes lead to longer discussions. On the other hand, a traditional manufacturing company with a hierarchical structure may require top management approval for decisions on new products or pricing, ensuring consistency but potentially delaying responses to market changes or customer feedback.

5. When responding to industry and market changes, what factors should a business consider when deciding whether to restructure and reorganize its business units? Can you provide an example of a successful restructuring strategy?

   A: When a company decides to respond to industry and market changes, businesses should consider market shifts, strategic goals, efficiency, financial, etc.

   A great example of a successful restructuring strategy is Microsoft that underwent a significant transformation, shifting its focus from license-based software (like Windows and Office) to cloud services and enterprise solutions (e.g., Azure and Office 365).