

## 2.2 Organisational structure

# The big picture

Rappi is a Colombian multinational company that provides on-demand delivery services. Providing an app for transactions, Rappi acts as an intermediary between consumers and shops, groceries, kiosks, restaurants, offices and other supply stores, and pharmacies. Rappi currently operates in nine markets (Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Peru and Uruguay) and has 10 million active users per month.

Rappi's delivery workers, called *rappitenderos*, are considered freelancers, rather than full employees of the company. They work in the gig economy. Workers can disconnect from the app when they do not want to deliver. While this arrangement gives many vulnerable workers their first step into the labour market, it also means that workers have fewer benefits and protections than full employees. This organisational structure is common among on-demand delivery companies around the world and has caused a certain amount of controversy. Such workers have participated in strike action, and labour activists have been advocating for better conditions for them.

People work together towards achieving a common goal in an organisation. The work of each employee in the company is organised to support the goals of the organisation. The organisational structure determines how tasks are divided and coordinated, who employees report to, who has the authority to define tasks to employees, and what the role of each employee is within the organisation. As the example with Rappi and other businesses that use gig workers shows, the way in which a business organises its employees has consequences for its operations and for the employees themselves. This subtopic will explore different types of organisational structures that are used in the wide variety of businesses operating today.



**Figure 1.** The delivery business Rappi offers a new type of business structure.

Source: "Rappi delivery

(<https://www.flickr.com/photos/carlosfpardo/49788624533/in/album-72157707781638925/>)" by Carlos Felipe Pardo is licensed under CC BY 2.0  
(<https://creativecommons.org/licenses/by/2.0/>).