

LECTURE 7.7

BUNDLING TASKS

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How should tasks be bundled together?

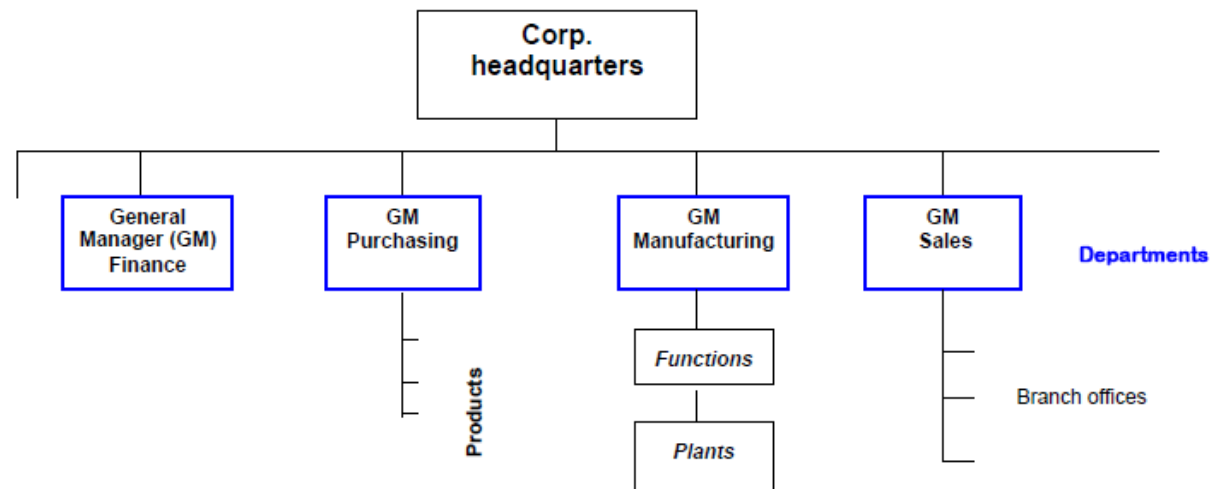
- Complementary tasks are better performed together

One option is functional grouping of tasks

- E.g. manufacturing, sales, finance
- Gives rise to the U-form organisation
- Benefits: coordination within functional units; develops functional expertise and career paths, economies of scale
- Costs: coordination across units: workers focus on their function and ignore other functions

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U-form organisation:



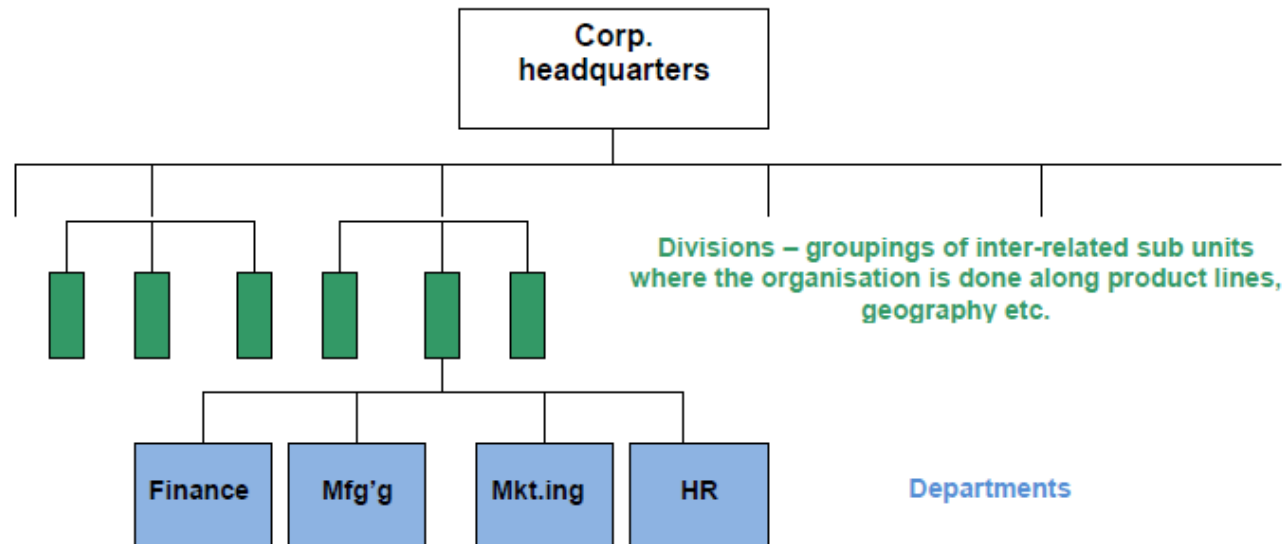
BUNDLING TASKS

Another option is by product or geography:

- Gives rise to the M-form organisation
- Benefits: decision rights are co-located with specific knowledge; rewards can be based on local performance, improving incentives
- Costs: territory disputes; interdependencies might be ignored

BUNDLING TASKS

M-form or multi-division organisation:



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There are other alternatives

- Network organisations
- Matrix organisations