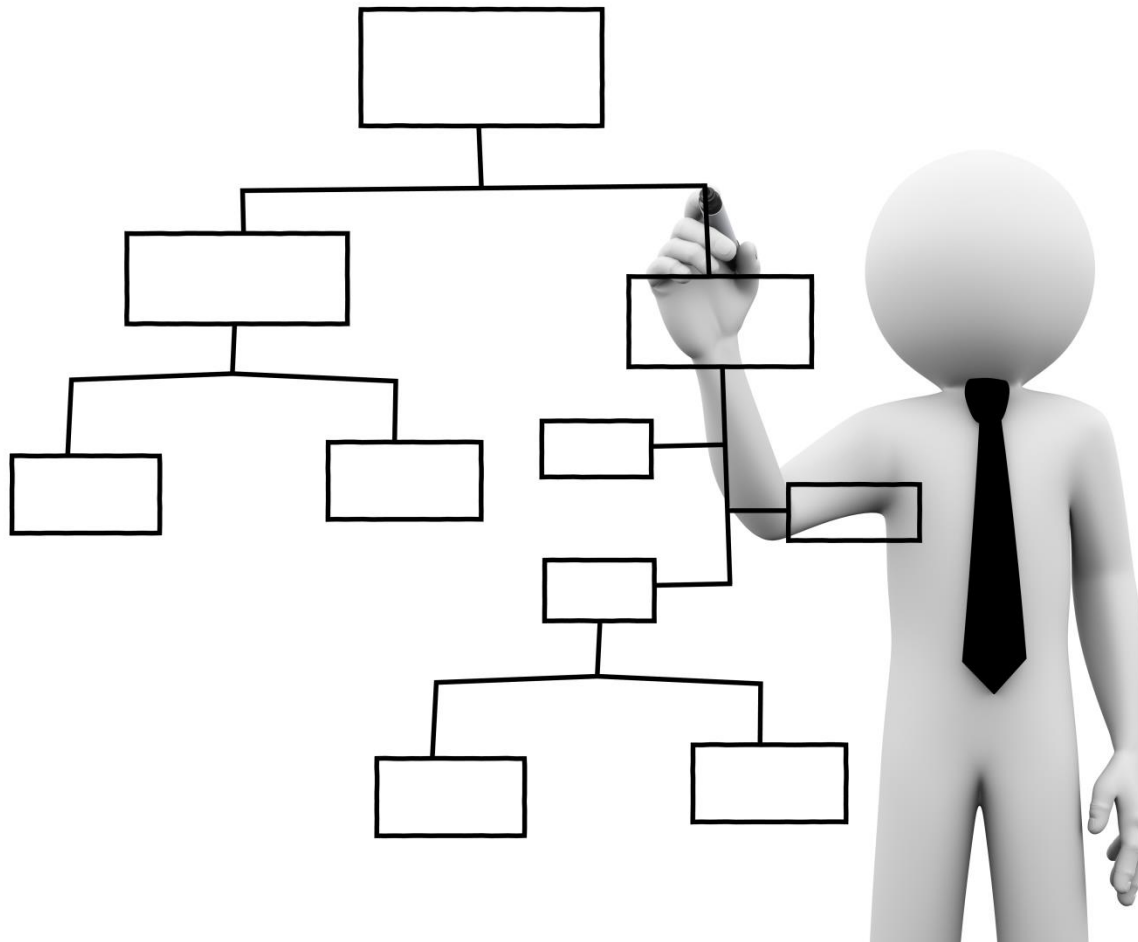


U.1 Organizations



What jobs need to be done?

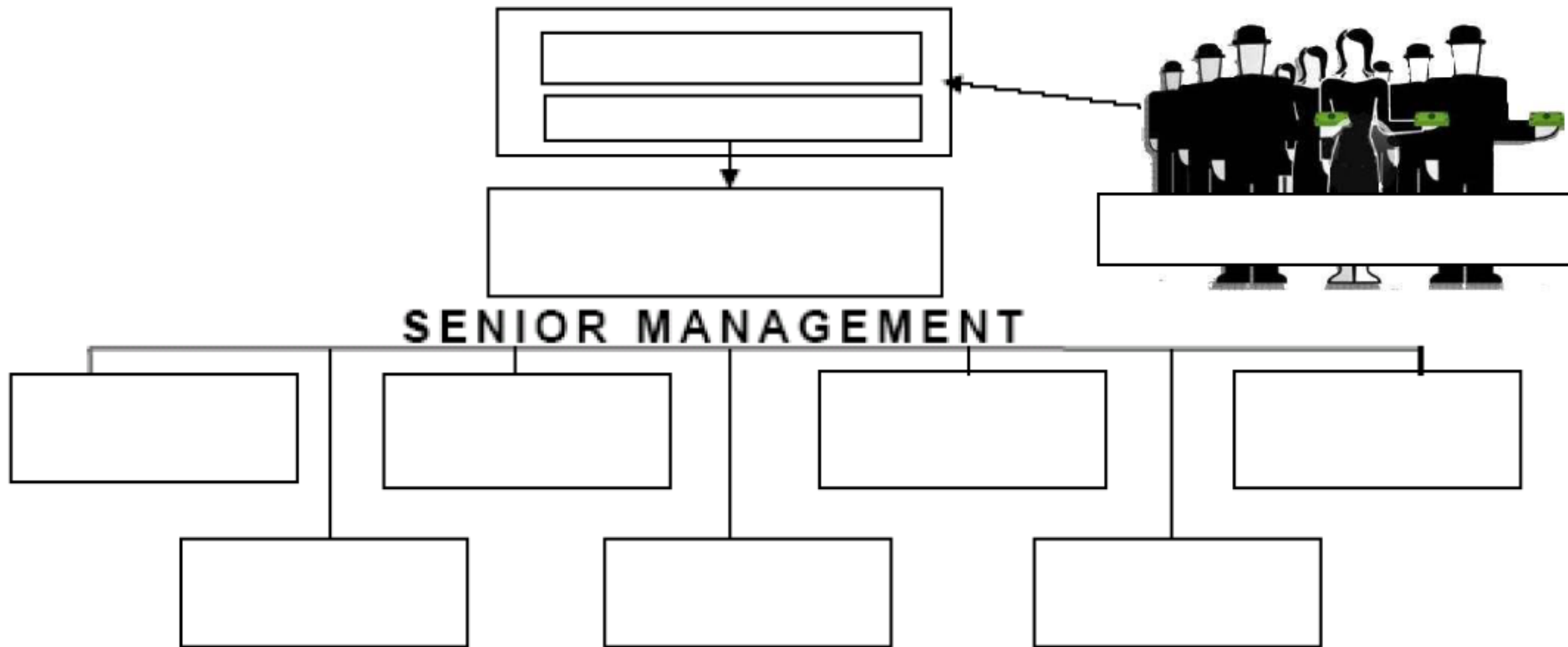
Who **is responsible for doing** what?

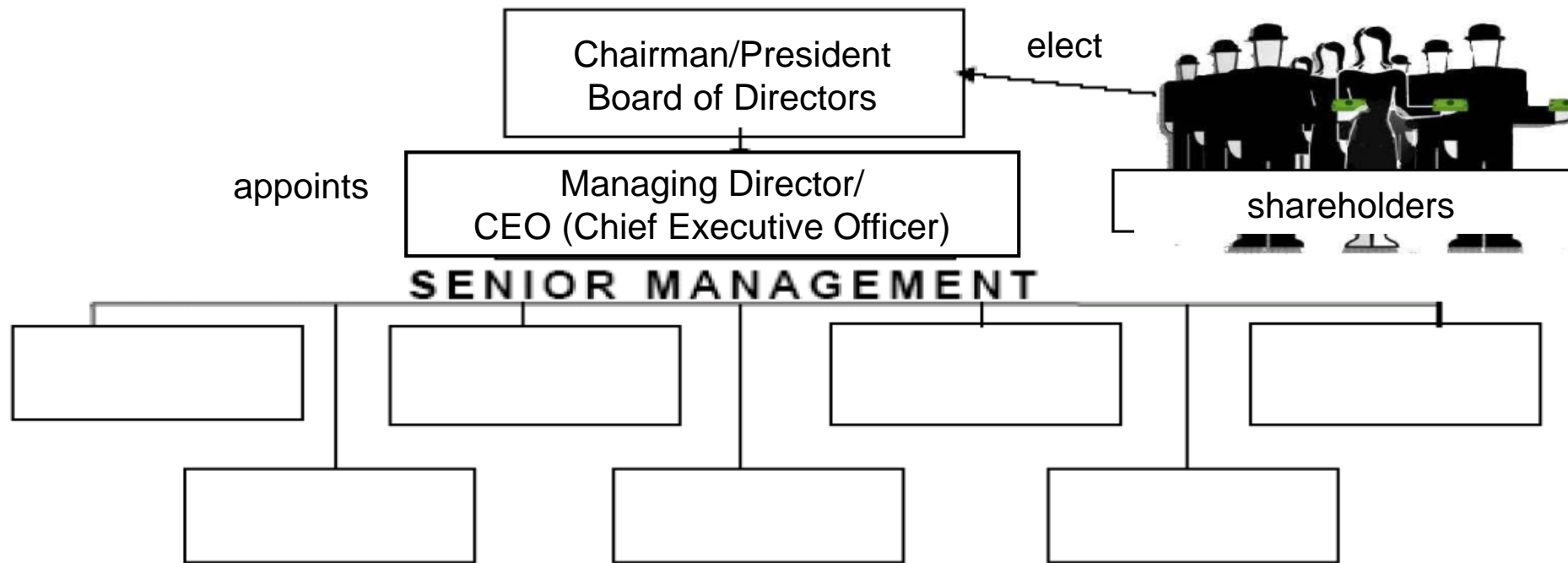
Who **reports to** whom?

What are the formal relationships among people in the organization?

You provide answers to these questions by developing an **organizational chart**.

1. business
2. company / corporation



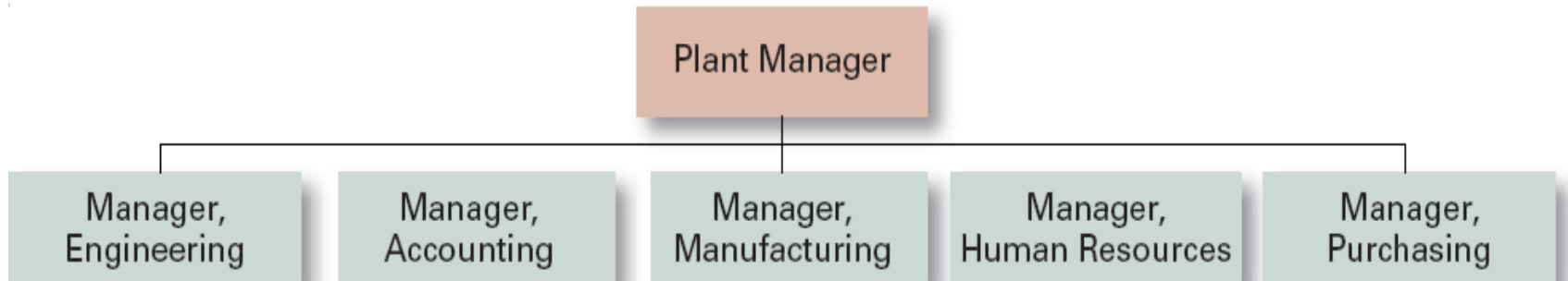


Workers	Money	The Public	Products

Ways of structuring an organization

*Taken from the textbook
MANAGEMENT (Stephen Robbins)- see p. 267*

Functional



- **Advantages**

- + Greater efficiency from putting together similar specialties and people with common skills and knowledge
- + Coordination within functional area
- + In-depth specialization

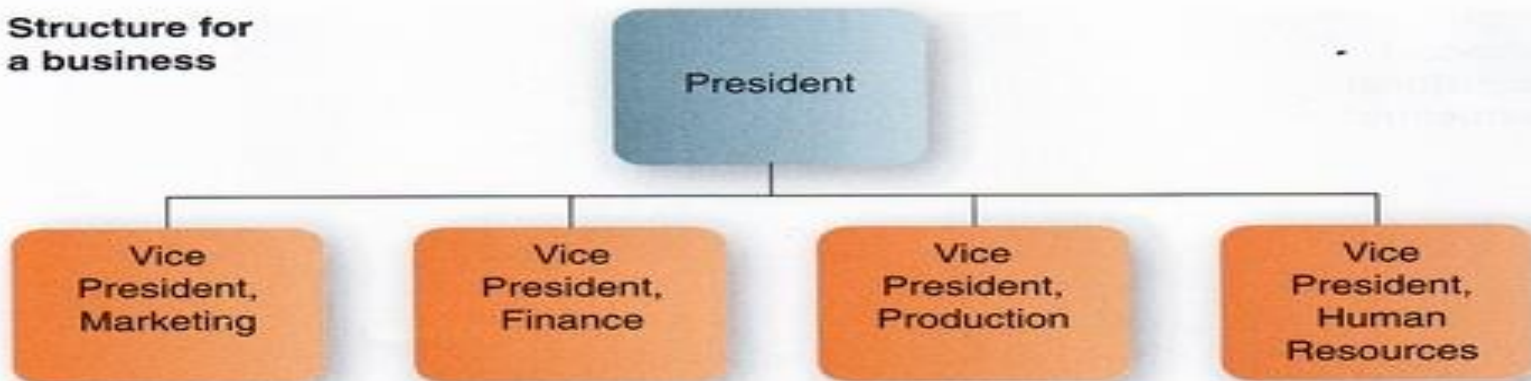
- **Disadvantages**

- Poor communication across functional areas
- Limited view of organizational goals

The Functional Structure

- Grouping by similar work specialties

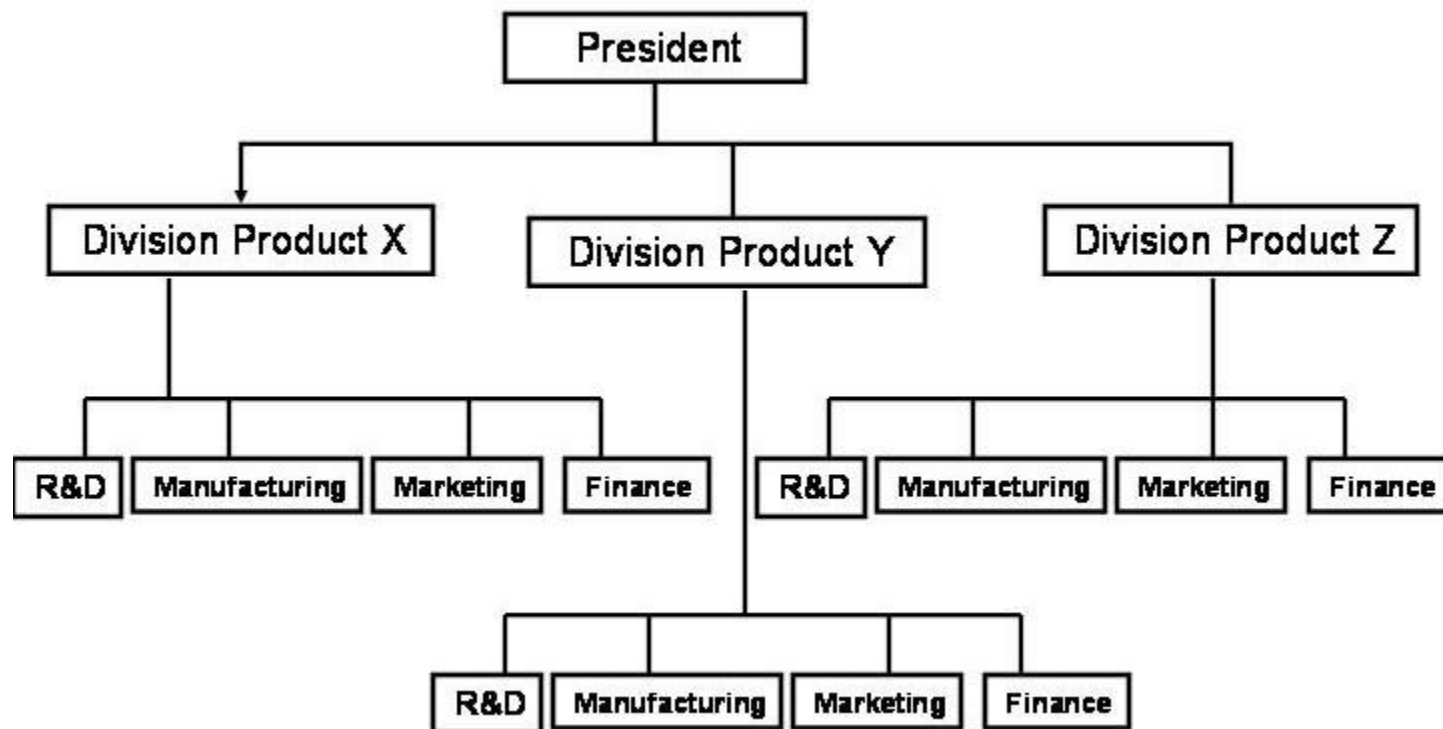
**Structure for
a business**



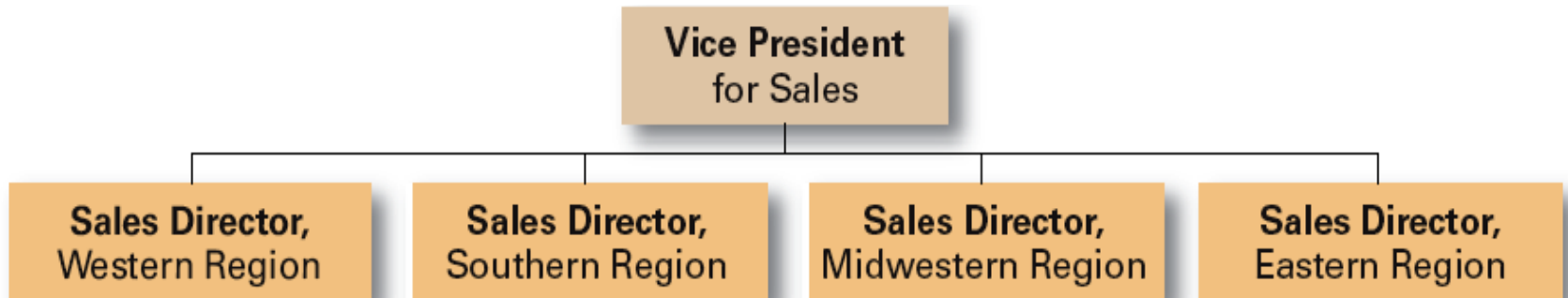
**Structure for
a hospital**



The Divisional Structure



Geographical



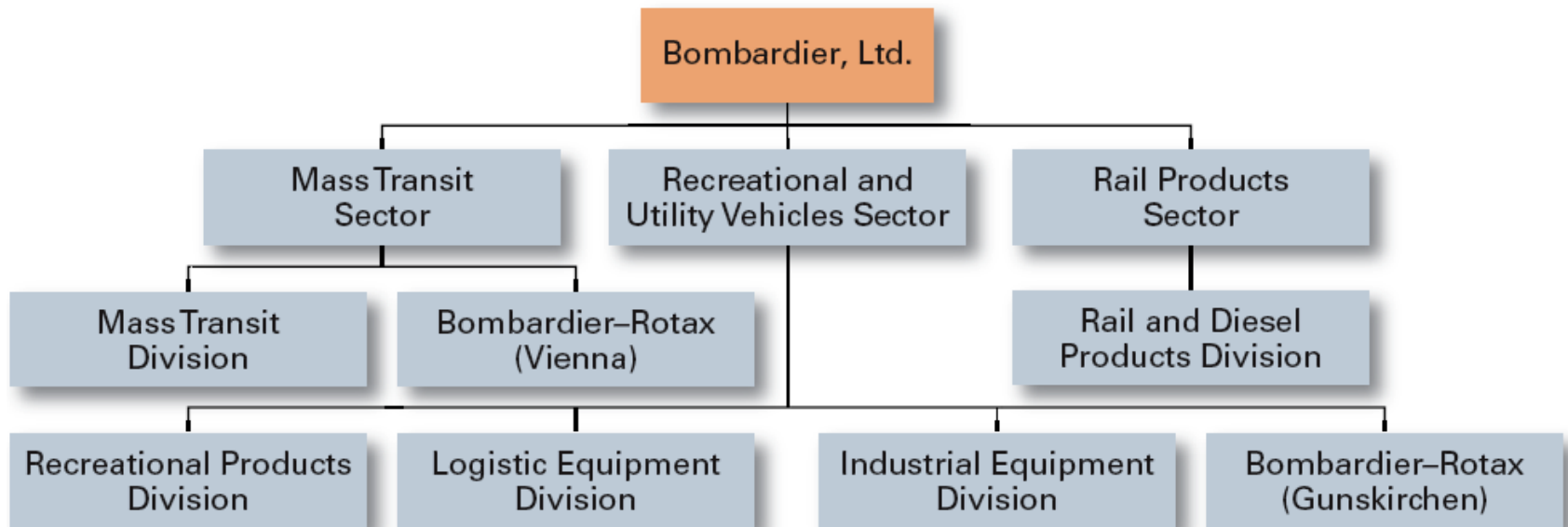
- **Advantages**

- + Knows and can serve needs of unique geographic markets better
- + Can handle specific regional issues that arise more quickly; closer to local problems

- **Disadvantages**

- Duplication of functions
- Feeling of isolation from other organizational areas

Product



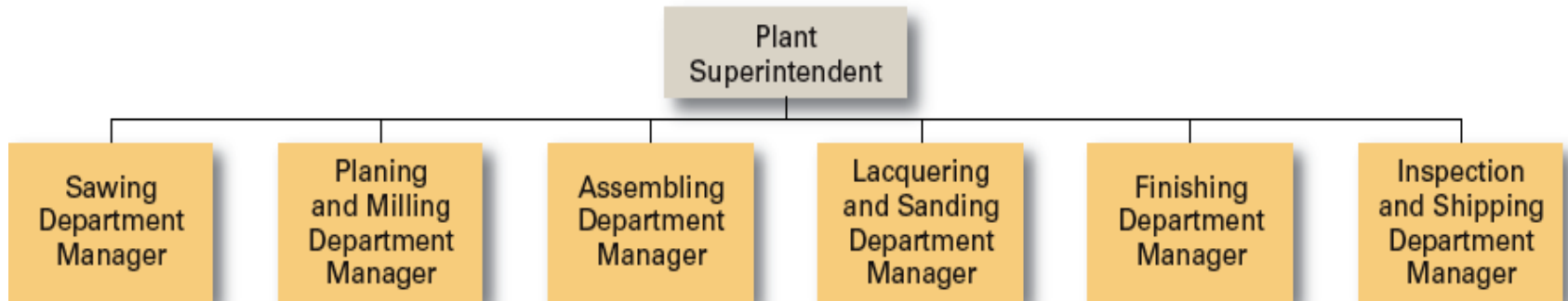
Advantages

- + Allows specialization in particular products and services
- + Managers can become experts in their industry and products
- + Closer to customers

Disadvantages

- Duplication of functions
- Limited view of organizational goals

Process



- + More efficient flow of work activities**
- Can only be used with certain types of products; cannot handle a wide range of products that require different production processes**

Summary: Ways of structuring an organization

- **Functional**
 - Grouping jobs by functions performed
- **Product**
 - Grouping jobs by product line
- **Geographical**
 - Grouping jobs on the basis of territory or geography
- **Process**
 - Grouping jobs on the basis of product or customer flow
- **Customer**
 - Grouping jobs by type of customer and needs

Structuring an organization today

TODAY'S VIEW. Most large organizations use combinations of most of these types of departmentalization.

Example: a major Japanese electronics firm organizes its **divisions** along **functional** lines, its **manufacturing** units around **processes**, its **sales** units around seven **geographic regions**, and its sales regions into four **customer groupings**.

A company like **Black & Decker** also does this..



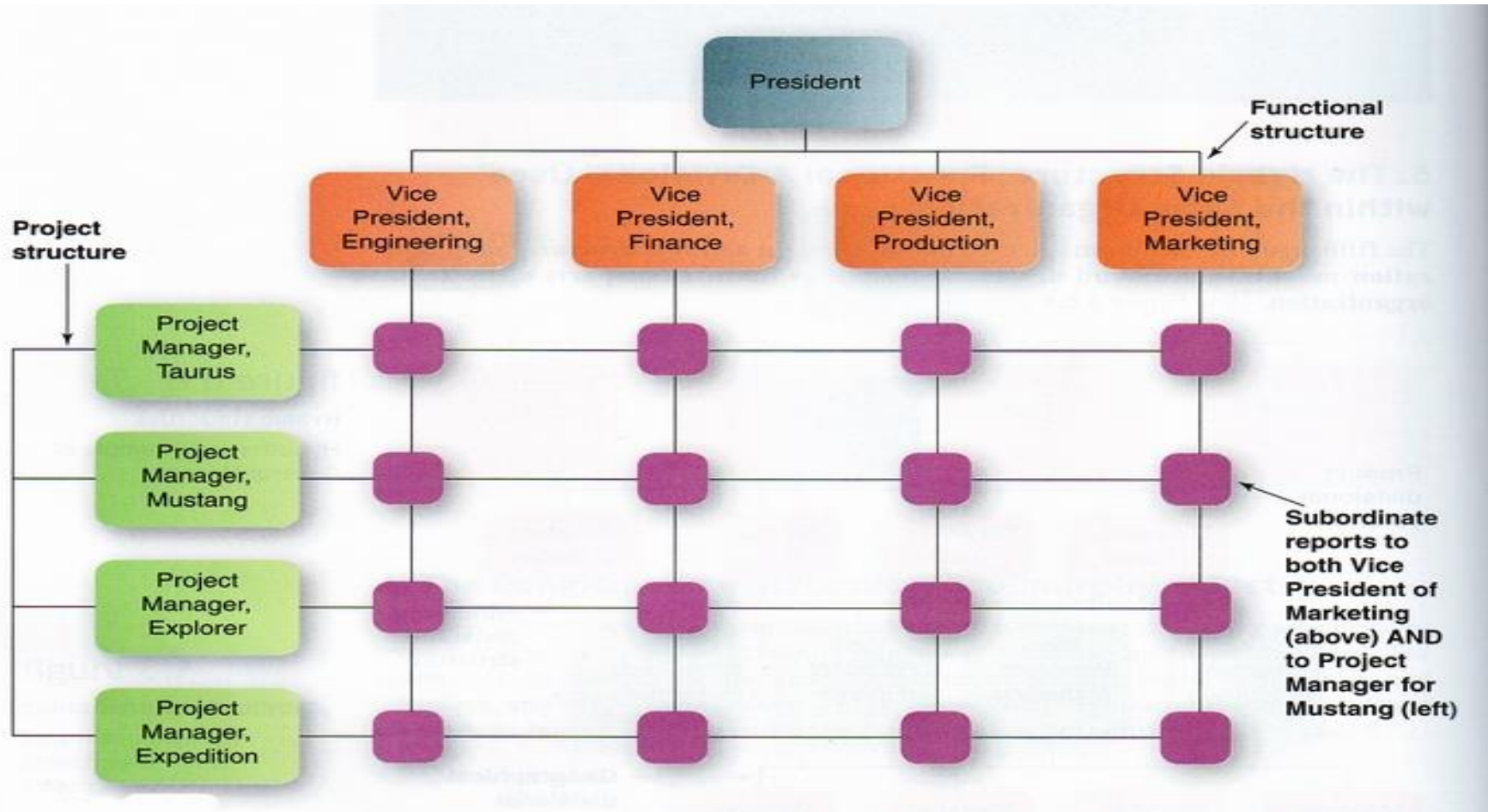
Contemporary Organizational Designs

Taken from the textbook

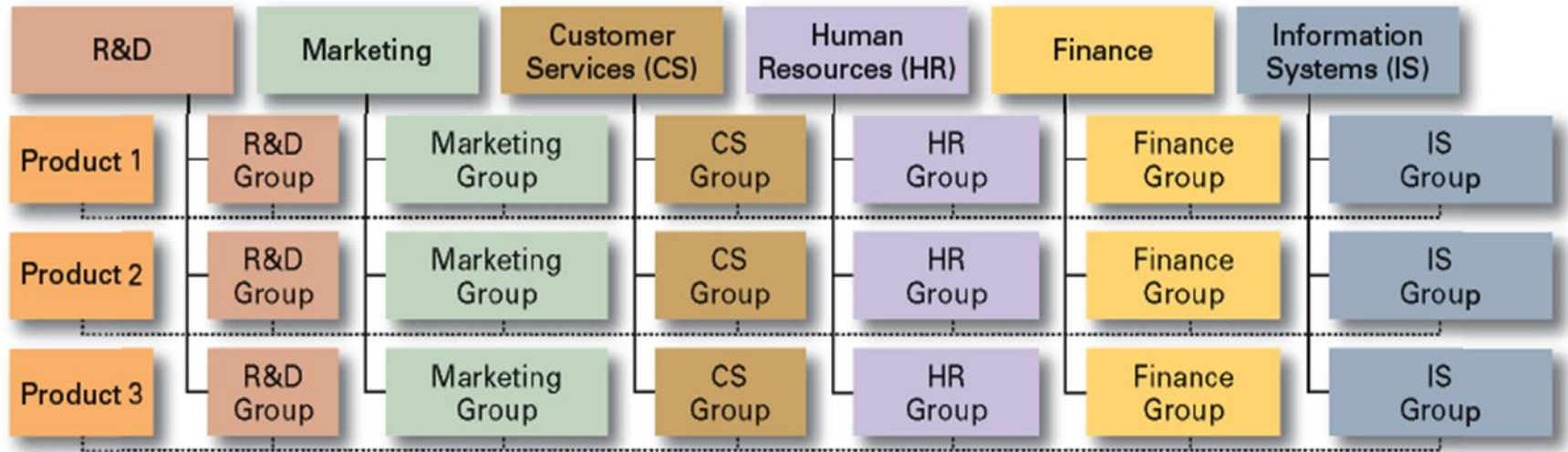
MANAGEMENT (Stephen Robbins)- see p. 289-290

The Matrix Structure

A Grid of Functional & Divisional for Two Chains of Command



The Matrix Structure



Advantages

- + Resources can be shared across multiple projects as well with functional divisions.
- + Strong project focus is provided by having a formal designated project manager.
- + High level of motivation and cohesiveness; participants share a common goal.
- + Access to the different areas of expertise.

Disadvantages

- Tension between functional managers and project manager
- Sharing resources and people can result in conflict and competition for limited resources.

SUMMARY: Contemporary Organizational Designs

– Matrix and project structures

- **Specialists from different functional departments** are assigned to work on projects **led by project managers**.
- In project structures, employees work continuously on projects; moving on to another project as each project is completed.

– Team structures

- The entire organization **is made up** of work groups or self-managed teams of empowered employees.

Organisational structure-Links

- Video explaining different types of organisational structures, along with advantages / disadvantages

Link 1

<https://www.youtube.com/watch?v=Chb3Mk7wVVQ&t=3s>

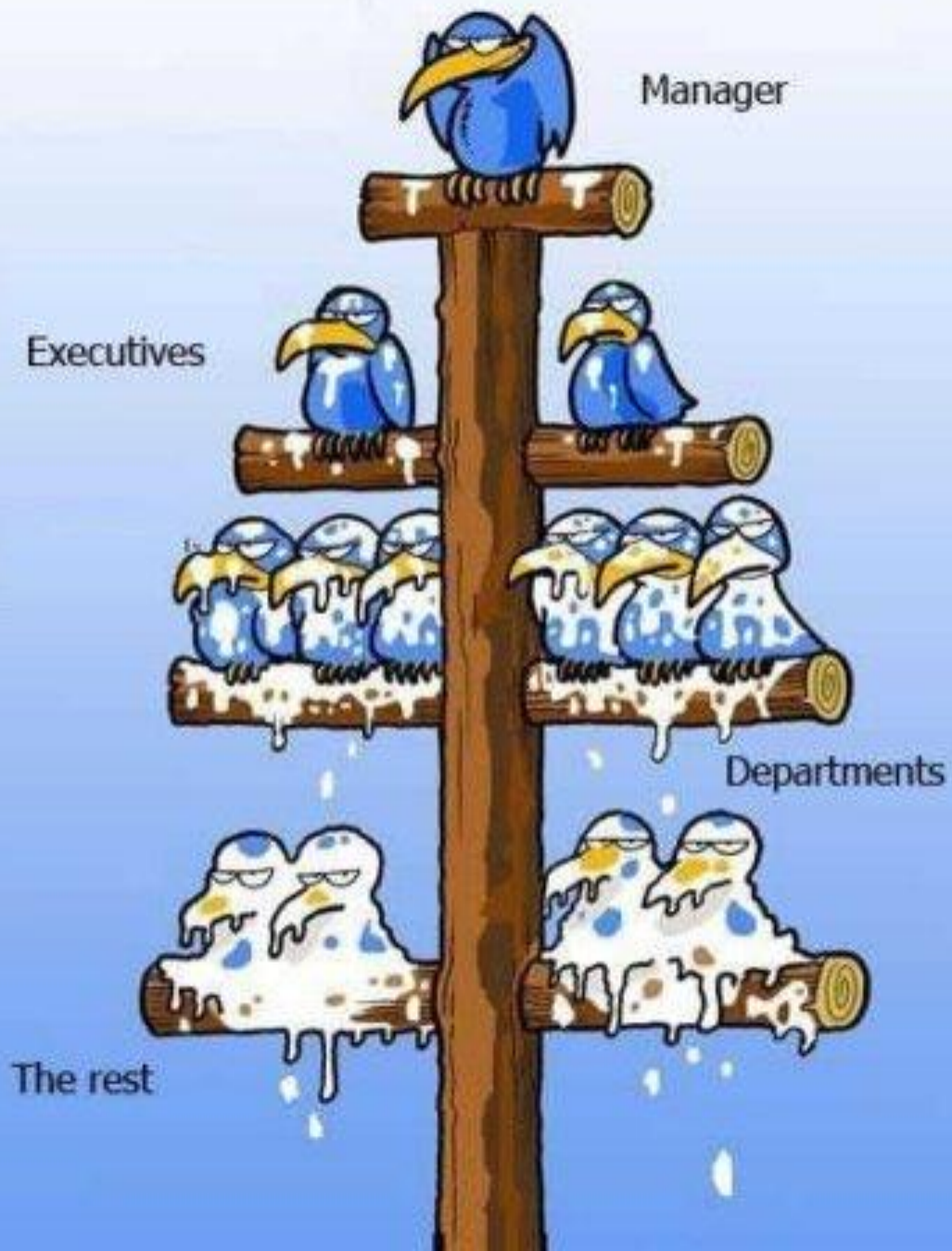
- Other links:

LINK: <https://youtu.be/NxJvS92uCus?t=3m35s>

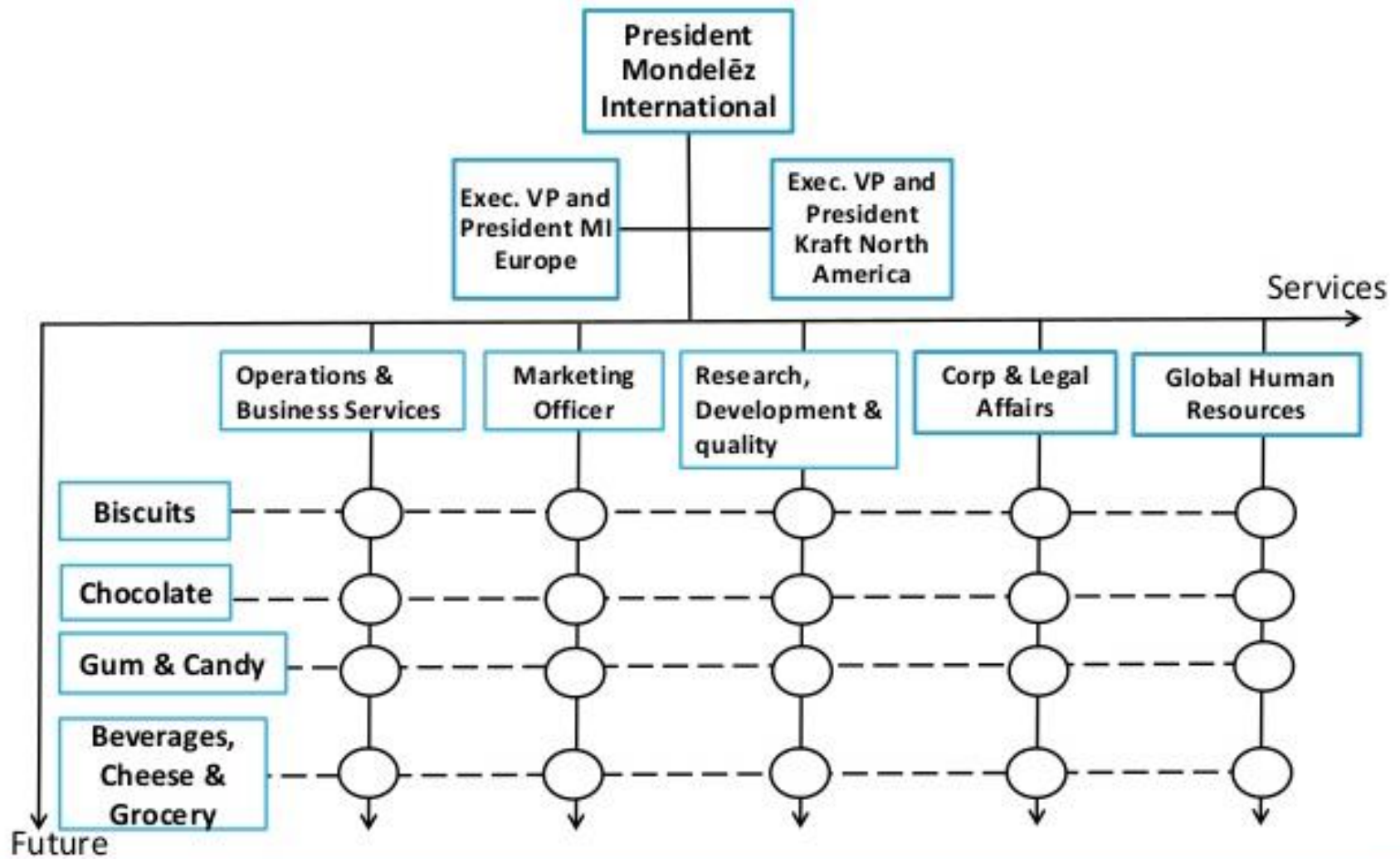
LINK: <https://www.youtube.com/watch?v=8ETaUvoEfis>

- Readings on companies today: How some real companies are organized

LINK: <http://panmore.com/tag/organizational-structure>

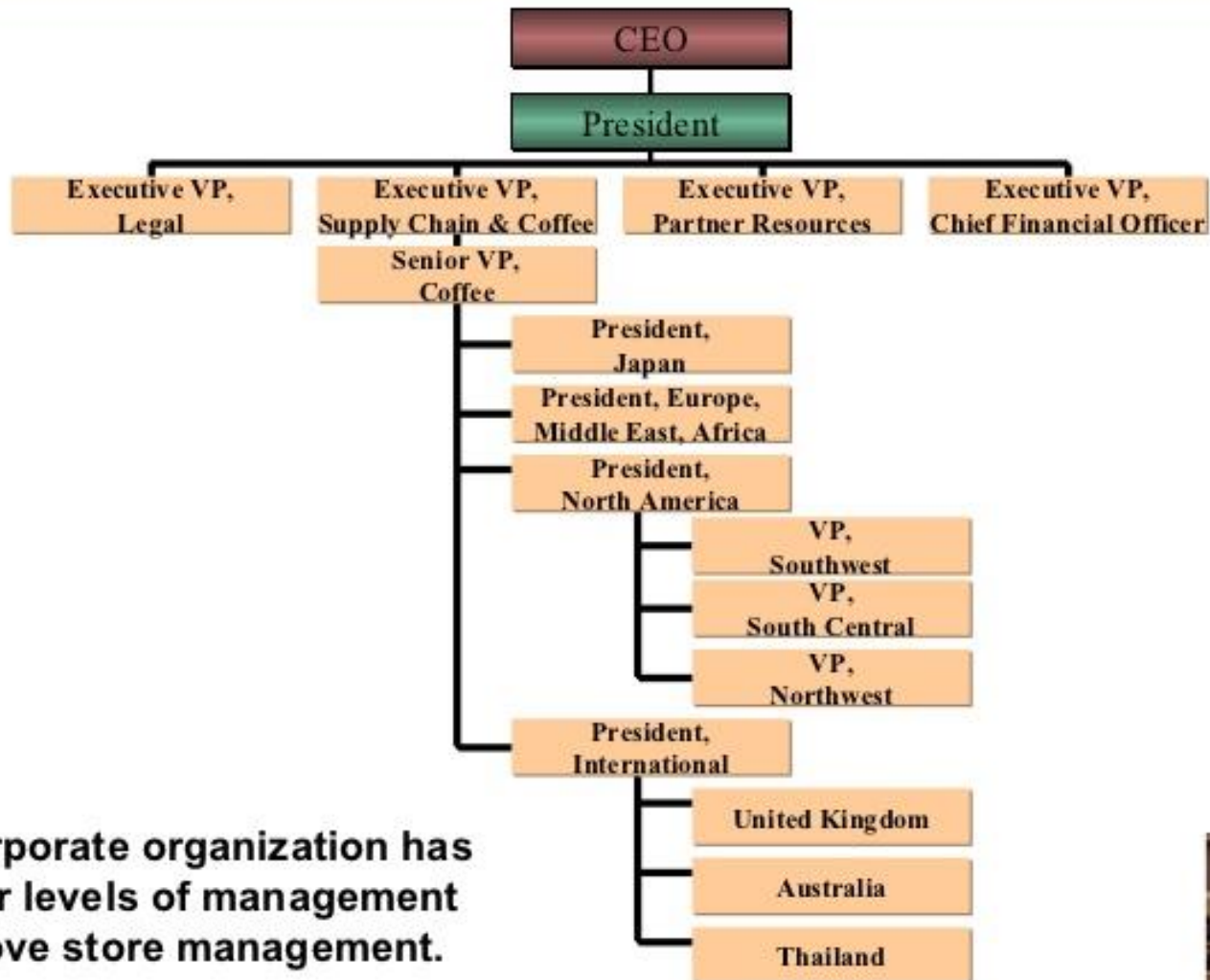


Example 1:



Example 2:

STARBUCKS - Organization Chart



Corporate organization has four levels of management above store management.



Videos:

What is organizational structure?

https://youtu.be/wO_-MtWejRM

Functional structures: Definition, pros and cons

<http://study.com/academy/lesson/functional-structure-of-an-organization-advantages-disadvantages-example.html>

<http://study.com/academy/lesson/functional-areas-of-a-business-definition-lesson-quiz.html>