


Workshop Samples 


Determining Structure

The Organisational Environment

- The quicker the environment changes, the more problems face managers.
- Structure must be more flexible (i.e., decentralized authority) when environmental change is rapid.

Strategy

- Different strategies require the use of different structures.
- A differentiation strategy needs a flexible structure, low cost may need a more formal structure.
- Increased vertical integration or diversification also requires a more flexible structure.


Workshop Samples 

Product, Market, and Geographic Structures

A. PRODUCT STRUCTURE


B. GEOGRAPHIC STRUCTURE

C. MARKET STRUCTURE

Workshop Samples 


Matrix Structure

A. MATRIX STRUCTURE

Workshop Samples 

Product Team Structure

B. PRODUCT TEAM STRUCTURE

Workshop Samples 


Tall and Flat Organisations

Tall structures have many levels of authority and narrow spans of control.

- As hierarchy levels increase, communication gets difficult creating delays in the time being taken to implement decisions.
- Communications can also become garbled as it is repeated through the firm.

Flat structures have fewer levels and wide spans of control.

- Structure results in quick communications but can lead to overworked managers.

Workshop Samples 

Organisational Structure

Managers should carefully evaluate:

- Do the organisation have the right number of middle managers?
- Can the structure be altered to reduce levels?

Centralised and Decentralised Authority

- Decentralisation puts more authority at lower levels and leads to flatter organisations.
- Works best in dynamic, highly competitive environment.
- Stable environment favor centralization of authority.