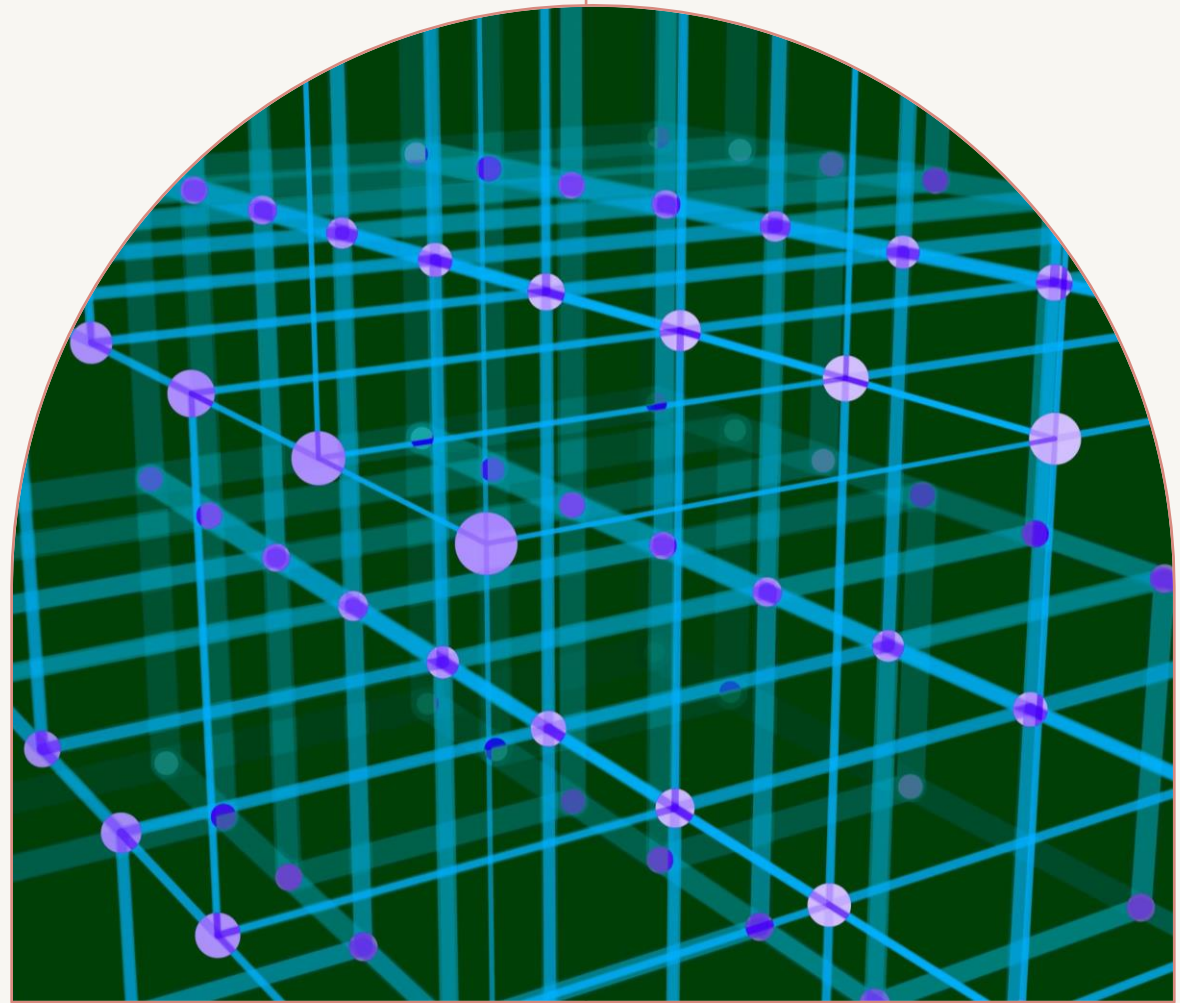


# Organisational Structure

- A form or system in which an organisation performs to achieve its goals.



# Organisational Structure(Continued)

## Centralized vs. Decentralized Organizational Structures

Centralized Organizational Structure:

Traditional organizational structure is;

Centralized leadership with a defined chain of command

Having a long and specific hierarchy of superiors and subordinates

For example, military and some religious organizations

## Organisational Structure(Continued)

### Decentralized Organisational Structure:

Due to the rise of Technology,

There is more space for employees to be adaptable

According to the nature of their work and

technology involvement (e.g. Johnson and Johnson)

# Types of Organizational Structures

Four Types of Organizational Structure:

(1) Functional Structure;

According to their work specialization, employees are grouped into different departments.

- Bureaucratic organizational structure
- small and medium business

## Types of Organizational Structure(Continued)

- (2) Divisional and Multidivisional Structure

- large companies and business units

- Based on products, projects and subsidiaries

, each leadership team and they operate themselves

For example, Johnson and Johnson

(which has every unit operates itself with its own company and its own president)

## Types of Organizational Structure(Continued)

- For instance, global companies has a South Asian Division and a European Division

# Types of Organizational Structure(Continued)

## (3) Flat(Flatarchy) Structure

- Horizontal Structure
- Less Hierarchy and chain of command
- Employees have more autonomy
- A high speed of implementation

# Types of Organizational Structure(Continued)

## (4) Matrix Structure

- Most confusing and least used
- Employees may have different roles across different superiors, divisions or departments

For example, an employee may be responsible for both sales and customer service



# Benefits of Organizational Structure

- Based on the type of organisational structure,
  - organisation can benefit its hierarchy and pay structure
  - more efficient and more effective
  - by separating employees and functions into different departments, the company can perform different operations at once seamlessly.

## Benefits of Organizational Structure(Continued)

- Due to a very clear organisational structure, employees can perform best to get their jobs done.
- Based on organisational structure, employees and employers or their superiors can benefit better working environment which can also benefit the mother organization to be more prosperous.

## References:

- Kenton, W., *"Organizational Structure for Companies With Examples and Benefits"* Updated March 16, 2023.

# Structural Dilemmas

- Finding a satisfactory system of roles and relationships is an ongoing, universal struggle.
- Managers or superiors of an organisation can rarely face well-defined problems with clear-cut solutions.

Boleman, Lee and Deal, T.(2008)

# Restructuring

- Restructuring is a challenging process that consume time and resources with no guarantee of success.

Organizations have to restructure when they face;

- the environment shift(nature's strike like Covid-19 when most went to Online business)
- Technology changes(fax machines are replaced by emails and internet)
- Organization grow(consumers and customers demand to a bigger one)

# Restructuring (Continued)

- Leadership changes (new CEO has a new strategy)

Ref: Bolman, Lee. And Deal, T. (2008)

# Maslow's Hierarchy of Needs

- Source: Conley(2007)

