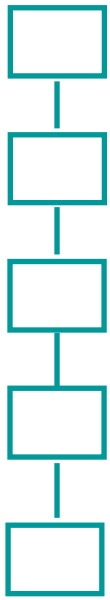
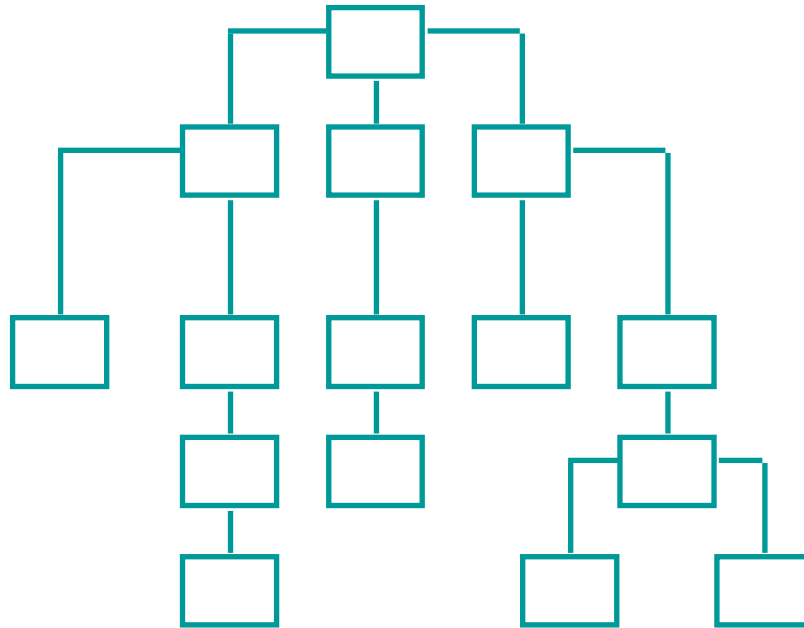


Organizational Structures

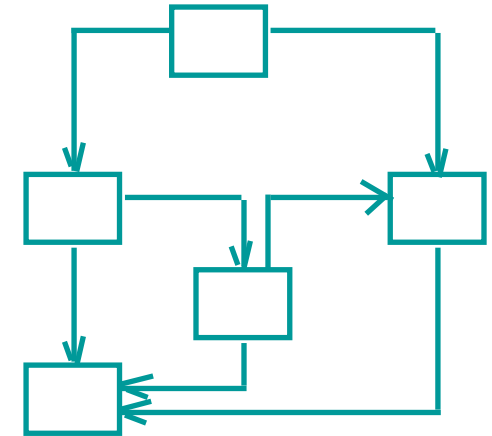
Information Structures



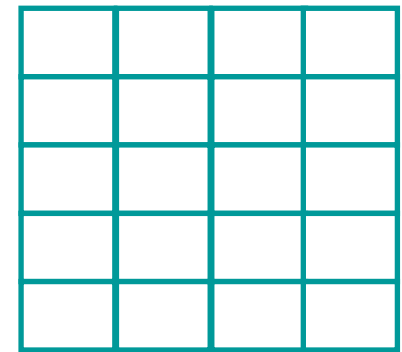
Linear



Hierarchical

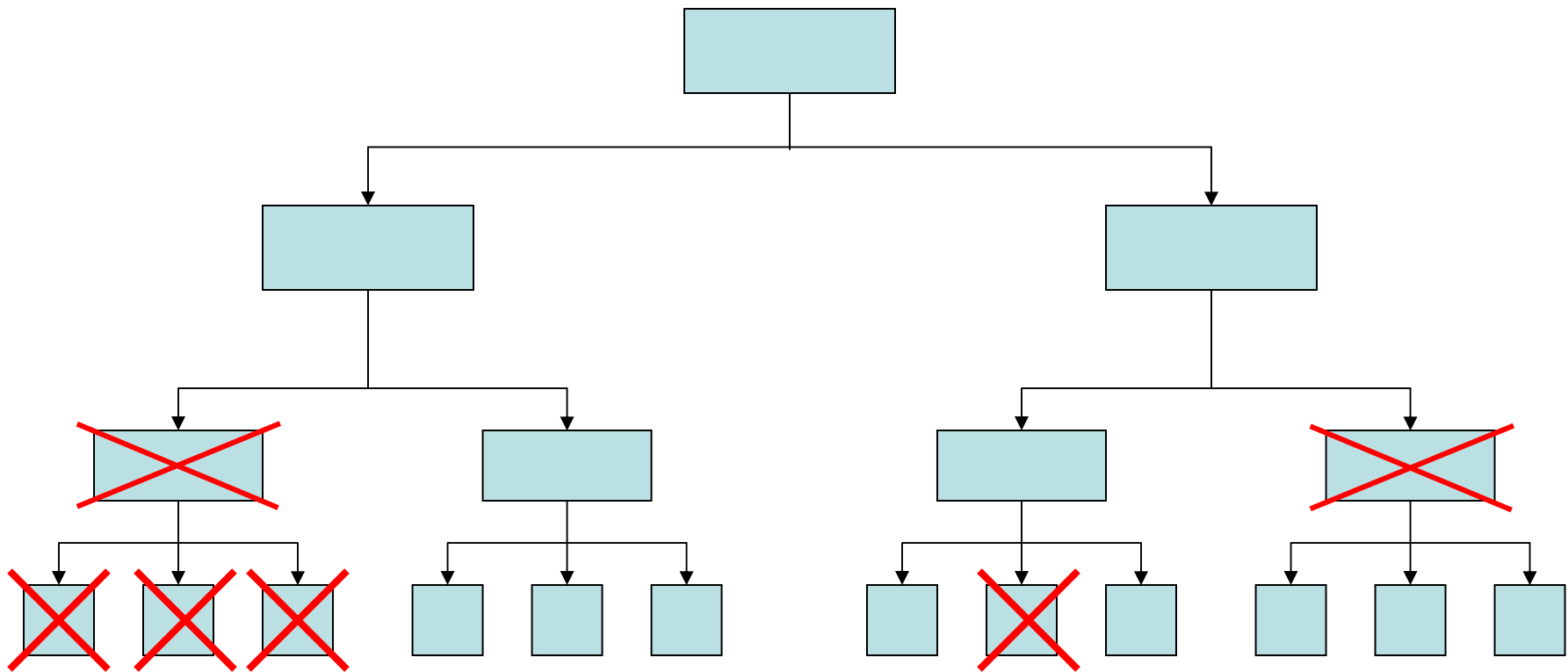


Network



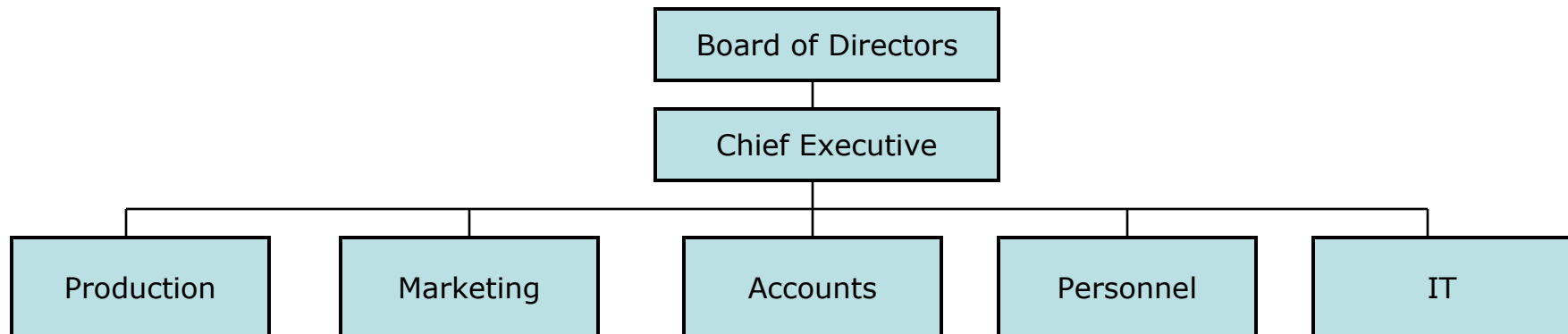
Matrix

Substitution of Information for Hierarchy



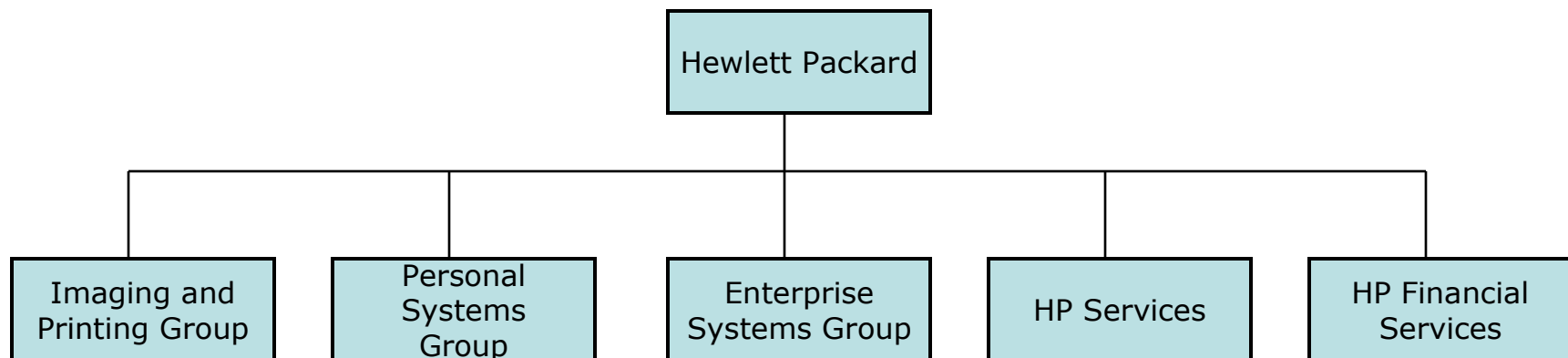
Functional Structure

- Individuals engaged in one functional activity are grouped into one unit, such as HRM, Sales.
- Advantages
 - Makes efficient use of specialized resources
 - Makes supervision easy
- Disadvantages
 - Difficult to get quick decisions
 - Difficult to determine accountability and judge performance
 - Coordination of the activities may be difficult



Divisional Structure

- Arranged around main products, services or customer groups. Can be further divided into either product or customer structures which enable staff to specialise in particular product or customer group or geographic structure where managers divide the organisation geographically, usually according to location of customers.

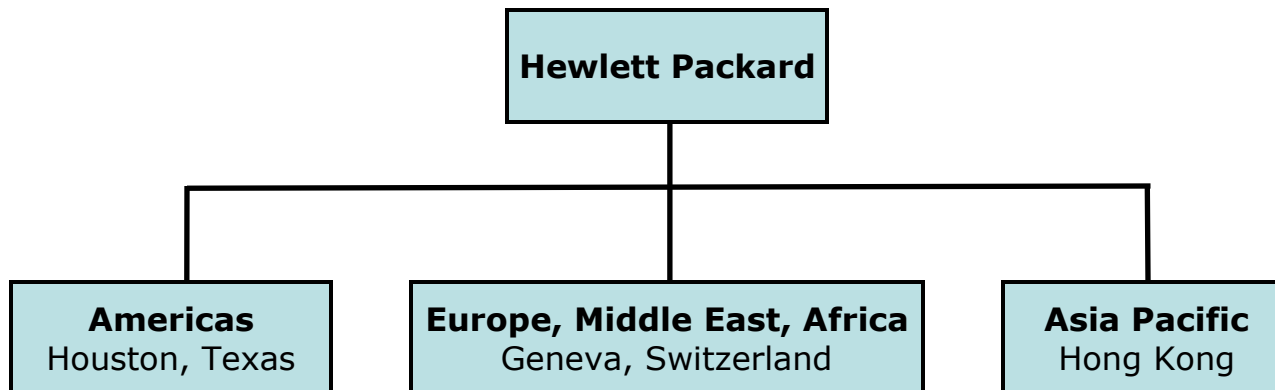


Organization by Division

- Individuals engaged in one functional activity are grouped into one unit.
- Advantages
 - Easy coordination and high performance
 - Speed of decision making is greater
 - Positive competition between divisions
 - Better control as each division can act as separate profit centre and clear accountability
- Disadvantages
 - Duplication of functions (e.g. different sales force for each division)
 - Negative effects of competition
 - Lack of central control over each separate division
 - The interests of the division may be placed ahead of goals of organisation

Organisation by Area

Hewlett-Packard's Headquarters Worldwide



Organisation by Area...

Advantages

- Serve local needs better
- Positive competition
- More effective communication between firm and local customers

Disadvantages

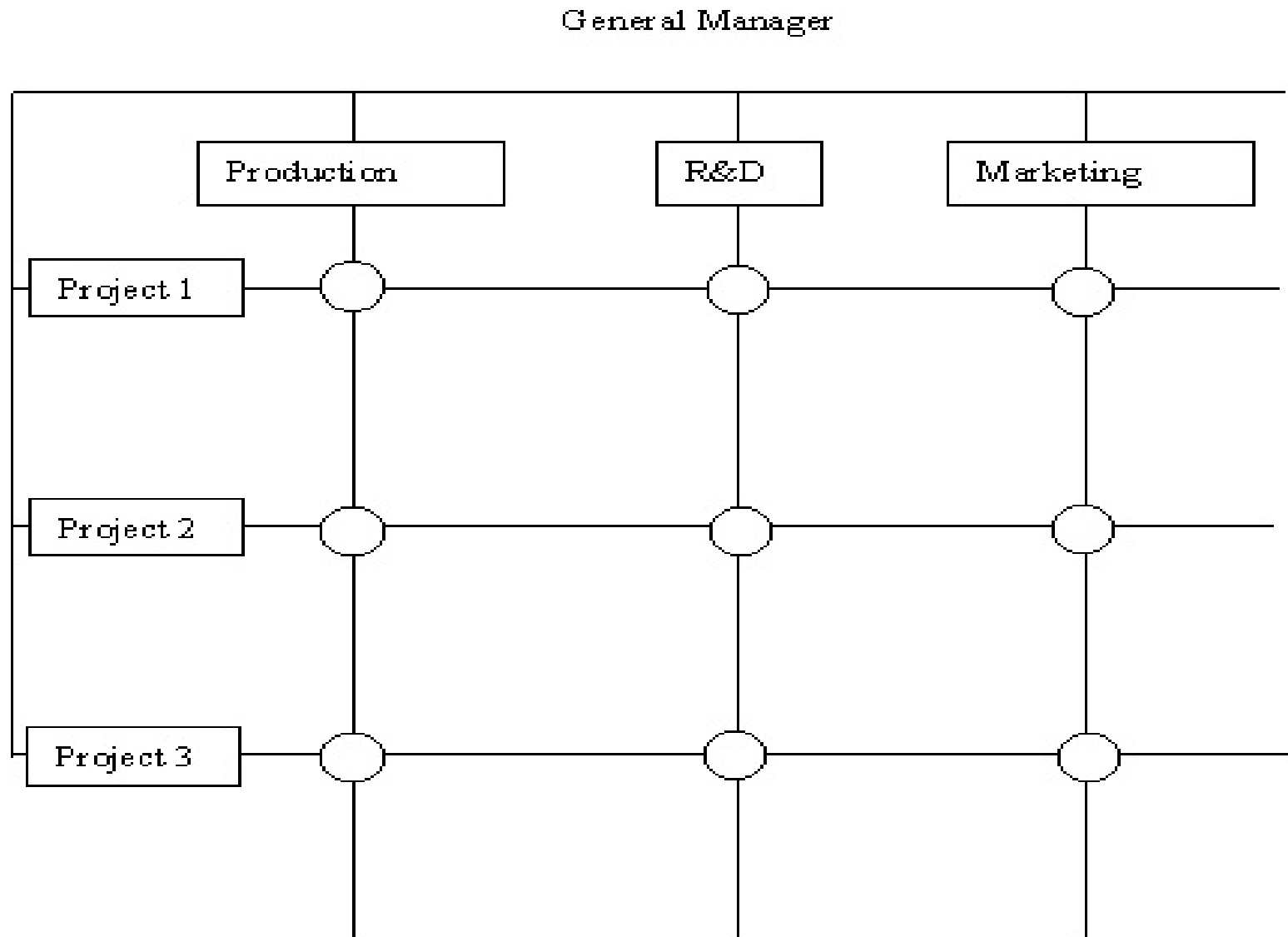
- Conflict between local and central management
- Duplication of resources and functions

Matrix Structure

A matrix or multidimensional organizational structure may have several structures at the same time.

For example, an organization may have both traditional functional areas and major project units.

Matrix Structure....



Matrix Structure....

Advantages

- Efficient means of using specialised skills
- Easy coordination – work as a group
- Flexibility and adaptability to changing environment
- Ability to understand each others workload

Disadvantages

- Conflict between local and central management
- Need good interpersonal skills

Virtual Organization

Temporary network of independent companies-suppliers, customers, competitors linked by information technology to share skills, costs and access to one another's markets.

It will not have a central office, organization chart or a hierarchy!!