

Influence of an organizational structure in a firm

[Business](#), [Organization](#)



An organization's structure influences the flow of information throughout the firm and determines who reports to whom. In some firms, decision-making powers are concentrated at the upper echelons of the organization, whereas in others, this role is distributed among various management levels in the organization. A lateral organization a structure embraces decentralization whereby various departments work together in order to achieve common organizational goals (Hall, 1972). For an organization to achieve its objectives and goals, the jobs of the members of the organization must be connected into logical patterns of relationships and activities. This cohesion is attained through the nature of relations and the structure of the organization. Decisions regarding the future are drawn by people and the strategies are also implemented by people. The accomplishment of a certain objective set will be dependent on both how the decisions are arrived at and also on how those decisions are being implemented by the employees of the organization. Lateral organizational structures encompass individuals from different departments and groups in the organization. This relation involves individuals at the same level of management and involves consultation and coordination (Hall, 1975; Galbraith, 1995). Lateral corporate arrangement is built on the idea that all employees communicate at the same organizational level, laterally, and not up and down communication. The relationship among various employees and different departments takes place at the same hierarchical level. These organizational arrangements still have top management, however, they are persuaded to foster sound working relationships among employees (Lawrence & Lorsch, 1967). This type of organization is dependent on the co-ordination of activities and the informal

relations. In summary, efficacious lateral organizational structures enhance the management of the business, reinforce harmony in the organization, and contribute to strategic success (Galbraith, 1995). Lateral organizational structures exist in the formal organizational structure. This form of lateral arrangement is determined by the assigned roles of each member of the firm, which implies the expected pattern of behaviors associated with members occupying a particular position within the structure of the organization. It also describes how a person perceives his or her own situation and position. Defining the specific role of each individual is important for the proper operation of various groups, and to enhance understanding of the cooperation behavior and processes. It is by differentiating roles of all individuals that a structure defining relationships among members of an organization is established (Walton, 1964). The process of developing lateral arrangements involves the definition of specific roles to be performed by each member. Some organized form of arrangement is essential for co-operation and teamwork. The concept of roles helps to clarify the structure and to define the pattern of complex relationships within the group. Lateral organizational structure is part of formal relationship that can be viewed as a form of role relationships. These individual authority relationships determine the pattern of interaction with other roles. The roles each individual plays in the group is influenced by a number of factors such as the requirements of the task, position in the communication network, the style of leadership, position in the communication network; and personal factors such attitudes, values, ability and motivation (Walton, 1964). A person may perform several different roles

in one work group compared to the role he performs in a different work group. However, everyone within the group is required to fulfill certain specified role expectations and to behave in a specific manner. Moreover, the role relates with members who belong to their own group - superiors, subordinates and peers - hence the individual shall have a number of relationships related to his role with outsiders for instance members belonging to other work groups, suppliers, trade union officials and consumers.