

# The nestle organistional chart



According to Louis A. Allen as cited anon, Organisation is the process of identifying and grouping the work to be performed, defining and delegating responsibility and authority, and establishing relationship for the purpose of enabling people to work most effectively together in accomplishing objectives.”

According to Mooney and Railey, “ Organisation is the form of every human association for the attainment of a common purpose.”

In short, organizing is the determining, grouping and arranging of the various activities deemed necessary for the attainment of the objectives, the assigning of people to those activities, the providing of suitable physical factors of environment and the indicating of the relative authority delegated to each individual charged with the execution of each respective activity.

(Anon. n. d)

## **ORGANISATIONAL STRUCTURE**

The typically hierarchical arrangement of lines of authority, communications, rights and duties of an organization. Organizational structure determines how the roles, power and responsibilities are assigned, controlled, and coordinated, and how information flows between the different levels of management.

### **Formal and informal organization**

A formal organization structure shows a recognisable chain of command, it also has many levels of management. This makes communication slower and decision making harder to implement.

An informal structure is much more relaxed, with very few levels of management. This makes communication much easier between levels and decisions anr made faster. (Anon. n. d)

## **Centralization and de-centralization**

Centralized organizational structures rely on one individual to make decisions and provide direction for the company. Small businesses often use this structure since the owner is responsible for the company's business operations. Decentralized organizational structures often have several individuals responsible for making business decisions and running the business. Decentralized organizations rely on a team environment at different levels in the business. Individuals at each level in the busi. (Osmond Vitez, Demand Media. (2009).)

## **Span of control**

The number of subordinates that a manager or supervisor can directly control. This number varies with the type of work: complex, variable work reduces it to six, whereas routine, fixed work increases it to twenty or more.(  
[http://www. businessdictionary. com](http://www.businessdictionary.com))

## **Product Structure**

The product structure describes the information that's needed, or is produced, at each phase of the lifecycle. The workflow is defined as a set of tasks, characterised by resources, events, associated information, responsibilities, decision criteria, procedures to be used, and standards to be applied (Product Lifecycle Management, 2011)

Advantages

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1. allows the business to make relatively quick decisions, and locate all personnel related to each other together
2. Clear focus on market segment helps meet customers' needs.
3. Positive competition between divisions
4. Better control as each division can act as a separate profit centre

Disadvantages: Redundancies often exist across product organizations as functional responsibilities are duplicated under each product organization. Economies of scale and scope are more difficult to achieve as this organization structure encourages less cooperation and coordination across the product units.

### **Regional structure:**

" One which takes account of the exclusive membership of countries which are geographical neighbours and identify closely with each other politically, not including non-regional members, although there are also ' quasi-regional ' organisations whose membership is basically limited to a geographical area of interest but which in practice includes non-regional members" (The Structure and Process of International Law: Essays in Legal Philosophy, Doctrine, and Theory, 1983)

Advantages:

The country organization is capable of sensing and understanding local conditions and is able to formulate strategies which effectively meet the needs of local stakeholders. Policies in areas such as human resource

management can be tailored to meet the needs and expectations of local employees, product mix and design can be optimized for local conditions, and the organization can respond more quickly to changing circumstances on the ground.

Disadvantages:

The disadvantages of the area structure are similar to those of the product structure. Economies of scale will be harder to achieve as different localities develop and implement very different product strategies on one hand, and invest resources in developing local functional expertise and effort which may well be duplicated unnecessarily across geographic units.

### **Function Structure:**

“ A functional structure is based on the primary tasks that have to be carried out, such as production, finance and accounting, marketing and personnel. This structure is typically found in smaller companies or those with a narrow, rather than diverse, range of services” (Managing Projects, Managing People, 2008)

Advantages

Specialization – each department focuses on its own work

Accountability – someone is responsible for the section

Clarity – know your and others’ roles

Disadvantages

Closed communication could lead to lack of focus

Departments can become resistant to change

Coordination may take too long

Gap between top and bottom

## **Matrix Structure**

“ A matrix structure is a combination of structures. it often takes the form of product and geographical divisions of functional and divisional structures operation in tandem” (Managing Projects, Managing People, 2008)

Advantages:

The matrix allows functional efficiencies to be achieved while also allowing for the management of discrete product lines. Product managers remain focused on specific customer and product issues, yet can tap into the specialized support systems offered by strong functions. Where a geographic dimension is included in the structure, country managers or other local personnel can devote their attention to the development of location specific strategies. Communication and information sharing may be facilitated through the multiple dimensions.

Disadvantages:

The matrix is complex and often involves additional coordination costs. Confusion and ambiguity may result from multiple reporting relationships as a single individual may receive conflicting direction from their various supervisors.

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## Multidivisional Structure

“ These divisions may be formed because of products, services, geographical areas or the processes of the organisation” (Managing Projects, Managing People, 2008)

### Advantages:

Profitable growth: when each division is its own profit centre, individual profitability can be clearly evaluated

Internal labor market: the most able divisional managers are promoted to become corporate managers

### Disadvantages

Managing the corporate-divisional relationship: finding the balance between centralization and decentralization

Coordination problems between divisions: divisions start competing for resources and rivalry prevents cooperation

## **CULTURE**

“ Culture is the collective programming of the human mind that distinguishes the members of one human group from those of another” (Foreign Market Entry and Culture, 2009)

### Types of Culture

### **Handy’s culture types (1978)**

The theorist Charles Handy identified the four main types of culture.

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Power culture – wherever power is concentrated in a leader or top of the management team. Quite informal and flexible, it allows trusted staff to get on with the job.

Role culture – where the authority is arranged in a hierarchy and the power depends on formal status. Many rules and procedures can make change difficult. It is Mostly seen in large bureaucratic organizations.

Task culture – is purpose- and project-driven with leadership based on expertise for the task in hand. Often copes well with rapid change but may lack overall cohesion.

Person culture – stresses the individual’s right to make decisions with shared rules only for mutual benefit. Effective for professionals and independent workers such as lawyers but may break up as conditions change. ((Kim Ann Zimmermann. (2012))

## **NESTLE ORGANISTIONAL CHART**

Functional

Organization Chart

Product

[http://www.nestle.](http://www.nestle.com/asset-library/Documents/Library/Documents/Corporate_Governance/Organisation_generale_externe_december_2012.pdf)

[com/asset-library/Documents/Library/Documents/Corporate\\_Governance/Organisation\\_generale\\_externe\\_december\\_2012.pdf](http://www.nestle.com/asset-library/Documents/Library/Documents/Corporate_Governance/Organisation_generale_externe_december_2012.pdf)

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[com/us/aboutsamsung/sustainability/sustainabilityreports/download/2012/2012\\_sustainability\\_rpt.pdf](http://www.samsung.com/us/aboutsamsung/sustainability/sustainabilityreports/download/2012/2012_sustainability_rpt.pdf)

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