

Essay on organisational structures

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



The style Sainsburys would most fall under is Autocratic or authoritarian leadership, it cannot be solely categorised in this niche as it has influences from the Paternalistic leadership and probably even some from the democratic side. They are mainly authoritarian because they tend to use one-way communication more than two ways. The senior managers will have little or no involvement with junior employees and it is highly likely that each store has its own set of targets and objectives to work towards.

How does the Organisational structure, culture and management style of the business affect its performance? Organisational Structures Business can adopt a number of structures according to the size of the organisation, the environment in which it operates and the personal preferences of the owners and senior managers. There are many ways in which the Organisational structure of a company can affect its performance, both good and bad, internal and external.

Internal Factors

The size of the business - As the scale of the business increases, an entrepreneurial structure, for example, becomes unsuitable. As the business grows further, the chain of command is likely to be length, encouraging the removal of some layers of hierarchy and broader spans of control.

The Nature of the Product - If the firm supplies a diverse range of products, it may organise itself traditionally - perhaps in the form of divisions reporting to the board of directors. The Rank Organisation operates in this way with key areas of the business, such as film services and leisure activities such as the Hard Rock Cafes, having some degree of independence.

The Culture of the organisation - This is a major influence on the structure the firm adopts. If a business has a highly innovative culture whereby it wishes to be a market leader selling advanced products (as Sainsburys does), it may adopt a matrix structure to minimize bureaucracy and to allow teams to carry out the necessary research and development, and market research. On the other hand, an organisation which places importance on tradition (and would wish to appear conventional) may be best suited to a formal, hierarchical structure. This structure places emphasis on positions rather than people and this factor encourages the continuance of existing policies and practices. Some high-class hotels may fall into this category.

The Management Style Sainsburys Implements - Since Sainsburys touches on every management style within their company it gives them a great advantage. Sainsburys uses aspects from Authoritarian, Paternalistic and Democratic styles of management this means that they are able to adapt in most situations, they can adapt to Employee changes as in if they demand higher wages. They can adapt to what their competitors are doing because of their flexible Matrix Structure and they can also limit the damage done by any natural occurrence that should happen. This aids Sainsburys in nearly all of their objectives.

External Factors

The environment in which the business is operating is important. Fierce competitive pressure may encourage layering in an effort to reduce costs, whilst rapid change may require a matrix structure (which Sainsburys uses) to ensure that the organisation can remain competitive. The matrix structure

would also eliminate the possibility of inflexible hierarchies getting in the way of rapid decision-making.