

Technology and organizational structure

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



Technology and Organizational Structure Wanda Armour University of Phoenix
Technology and Organizational Structure This paper represents the research on how technology interacts with organizational structure. Two companies will be identified to compare and contrast their organizational structures. A matrix will be included to summarize the findings.

Introduction
Organizational structure in today's complex multi-dimensional organizations is the connection that holds the infrastructure together to achieve the organizations goals.

It is the patterns or arrangement of groups of jobs within an organization. It is also a process that requires organizational re-structuring as the company grows. Historically industry has shifted from the job-shop manufacturing to mass production, with innovative pioneers such as Frederick Taylor, Henri Fayol, and Max Weber ((Dristelzweig & Droege, n. d.). These early pioneers were very different thinkers in terms of their principles to determine how to structure organizations for maximum productivity.

However, they all had a common view that it was like a machine and that power was in the position, not in the individual holding the position; clearly a vertical bureaucratic structural hierarchy ((Dristelzweig & Droege, n. d.). This 'one best way' mindset gradually disappeared as concerns that the traditional organizational structure may hinder, rather than help promote creativity and innovation (Dristelzweig & Droege, n. d.). Today, pressures in U. S. business structures to compete globally calls for a variety of organization structures.

There is no 'one fit all' organizational structure that has proven effective in contributing to business success. Organizations operate in different

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environments with different opportunities, products, tasks, risks, strategies, constraints, strengths and weakness, and different organizational structures to meet those challenges (Reference for Business, n. d.). There are two types of organizational structures found in business environments; centralized and decentralized. Centralized organizational structures rely on one individual to make decisions and provide direction or the company; decentralized organizations rely on a team environment at different levels of the business (Vitez, n. d.).

Organizational Structure Overview of Two Company's Two very successful companies have been identified with different organizational structures; Toyota Motor Corporation and The Watson's Creative Company. These two companies are on the opposite end of the spectrum in terms of organizational structure. Toyota, a Japanese, multinational corporation, has a centralized matrix organizational structure (the combination of two or more different structures-organic/mechanistic) with a bureaucratic infrastructure.

The Watson's Creative Company, a New York based advertising agency, has a small-decentralized organic organizational structure (organizations that are flexible and effectively adapt to change) (Dorf & Byers, 2008). Toyota is considered by some as the world's largest maker of automobiles, trucks, buses, and robots. Toyota has factories all around the world, that manufacture and assemble vehicles for local markets (Taneja, Pryer, & Sewell, 2012). Toyota has an interesting blend of mechanistic, organic and bureaucracy in a centralized organizational structure, which allows them to accommodate their versatile product line.

This structure develops a workforce who believes in the company's products, image, and vision; along with placing a high value on the welfare of its employees (Taneja et al. , 2012). A recent SWOT analysis shows that intense competition could pose a threat resulting in lower price pressures. A recent massive product recall (10 million worldwide) which could hurt the company's brand image and sales ((Toyota, 2012). Toyota is a company that has a reputation for reliability; the challenge now is rebuilding the emotional ties of customers.

A bureaucratic organizational structure could be the flaw as hindered information sharing, miscommunication; along with delayed response time to quality and safety issues have been sighted as the root cause of the recall (Taneja et al. , 2012). One of the disadvantages to a matrix organizational structure is keeping communication channels clear so that potential conflicts do not arise and hinder organizational functioning (Reference for Business, n. d.). As corporations become worldwide the process of restructuring is inevitable, as they must respond to challenges on a global level.

The foundation of Toyota is respect of its people and continuous improvement through the ' Toyota Way' which is summarized by five keywords; " Challenge," " Kaizen," " Genchi Genbutsu," " Respect" and " Teamwork" (" The Toyota Way," n. d). The Watson's a Creative Company, is an ad agency. They have a decentralized organic organizational structure that is simple and low in formalization. All parts of the organization need each other as an interdependence relationship improves functioning.

As an organic organization they need to stay flexible in dealing with customers and in creating concepts for television commercials and <https://assignbuster.com/technology-and-organizational-structure/>

printadvertisement(Field, n. d.). I recently visited the Watson's ad agency and I found a comfortable informal environment with a small staff and their dogs. It seemed quite remarkable that a company with such clients as ' Whole Foods', ' Metropolitan Home Magazine' and many others could work as a community. However it is in line with their mission statement of building lasting relationships between great companies and the audiences they benefit (" The Watson's," n. .). Their core competency is in their knowledge management and creativity. An organic organization such as The Watson's is a knowledge-based organization. Tacit knowledge is exchanged through interaction with other knowledge workers. This interaction facilitates the development of a knowledge culture within the organization, supporting decision making of various knowledge workers through collaboration (Hosnavi & Ramezan, 2011). How Structure Affects the use of Technology and Technology Decisions Technology plays a crucial role in today's organizational structure.

Toyota understood that the traditional understanding of centralization in organizational structure would fail to capture its vision of technological development, and value in the employee in the face of new challenges and demands. Toyota adopted a matrix organizational structure to facilitate technology decisions ((Hosnavi & Ramezan, 2011). The Watson's on the other hand believe that technology decisions are based the decentralization of power and control and a higher level of informality and a organic organizational structure was the best fit for their company.

Toyota's superior technology was not enough in light of the recent recalls. As a result they had to reduce their organizational structure, which is no easy

task. My observation is that Toyota could have closed a blind eye but instead decided to restructure and fix the problem without deviating from their core competency and mission. The Watson's interaction with technology is equally exciting as visual displays of artistic genius are created and displayed through a variety of avenues. Technology gives expression to the endless possibilities of the mind and allows them to make decisions based on whatever idea they can dream of.

Working on something they believe in helps them to focus on the effectiveness of their products and services. TECHNOLOGY AND ORGANIZATION STRUCTURE| Inquiry| Toyota Motor Corporation| The Watson's a Creative Company| Organizational Structure| Centralized Matrix Organizational Structure| Decentralized Organic Organizational Structure| Environment| Stable, highly efficient and orderly. | Constant change, simple, low formalization. | Control| Hierarchic| Network community. | Internal Communication| Vertical, between superior and subordinates. Lateral between people. | Core Competency| Lean Manufacturing Tools, Supply Chain Management, Product Development Technology, Branding| Creative Advertising /Knowledge worker| Core Technology| Conventional and Hybrid Vehicles, Hybrid Systems, Safety and Environmental Technologies. | Web based advertising systems, HTML, XML, SVG and Flash, Communications protocols, Video and audio technology. | Enabling Technologies| Toyota Technology Institute, Toyota InfoTechnology Center, Home Living Assistant Robotics, Personal Mobility. R&D product portfolio. iAd mobile app, Ad tracking, Banner Ads, Rich Media Ads, Tradeshow, Commercial Emails, Poster Ads, Social Media| Organizational Members| Task Oriented| People

Oriented| Control-Stability and predictability. | High| Low| Flexibility-Quick response to changing conditions| High| High| Knowledge Management| Reinforcement of hierarchy| Anywhere in the company| Technology Interaction with Organizational Structure Based on these comparisons| believethat the interaction of technology must be accompanied with the right fit of the organizations structure to achieve sustainability.

Toyota works on a technological scale far beyond that of the Watson's. It uses manufacturing technology that is the cutting edge of science (Taneja et al. , 2012). It is doing an amazing work with its robotic technology that will help the handicapped, as well as the individual. Taneia et al. , (2012 believes that Toyota's research and development accomplishments are making groundbreaking strides in the area of defense against energy starvation. The Watson's Creative Company is using the Internet to extend their market reach far beyond what was once thought possible through conventional channels.

According to Behboudi, Hanzae, Koshksaray, Khirkhani Tabar, & Taheri (2012), " Creative advertising can provide a competitive edge for a brand, add to its value, and give it an advantage over its rivals in terms of more positive market response"(p. 140). The Watson's advertising agency has achieved sustainability with their creative and innovative ads through the technology of the Internet. In comparison mechanistic and organic organizational structures are like two musicians, one who plays' by ear and the other who has to read music; both however deliver a beautiful arrangement of music.

Toyota is continuously focused on increasing its technological capabilities, while The Watson's are continuously looking for more ways to use technology to create ads that are an experience for the consumer. Both are making contributions that will add value to organizational learning, and technological capabilities. References Behboudi, M. , Hanzae, K. , Koshksaray, A. , Khirkhani Tabar, M. , & Taheri, Z. (2012). A Review of the Activities of Advertsing Agencies in Online World []. International Journal of Marketing Studies, 4(1), 138-149. Retrieved from Ebscohost Dorf, R.

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