

Organizational structure essays example

[Business](#), [Management](#)



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Introduction

Organizational structure is defined as the anatomy of the organization which serves as a foundation within which the organization functions (Dalton, Todor, Splendolini, Fielding and Porter, 1980). It is viewed as one that provides as a guide for the acceptable behavior in an organization which includes its relationship with its external environment. Without the establishment of a structural foundation within which the function and operation of the organization and its members revolves, an organization will not be able to thrive with better sustainance of its existence in an orderly and organized manner. Taking into account the importance of organizational structure, this paper aims to provide an overview regarding the essence of organizational structure, its purposes, implementation strategies and the building blocks that serve as the foundation of an organization with an overview on their advantages and disadvantages.

Organizational Structure and Implementing Strategy

Organizational structures are implemented for the purpose of attaining the organizational goals and objectives. In order to achieve a long term success, every organization should define and shape their organizational structure in a manner that will address both the human and business needs of their organization. The formulation of strategies and its implementation is one of the most difficult stages of organizational management. Some literatures correlate the importance of integrating the organizational structure with leadership style and resources (Karami, 2007). Strategy evaluation and control are among the important implementing policies that should be taken with prime importance which involves the monitoring of performances and evaluating whether the desired performance is achieved. Managers are vigilant in acquiring objective information from the members belonging to the lower hierarchy levels and becoming more sensitive in their responsive performance according to the existing working and organizational condition. This strategy allows organizational managers to evaluate performances and productivity of the members and make the necessary adjustments on their strategy formulation whenever appropriate or needed. In a dynamically competitive environment, there is no single implementing organizational structure implementing strategy that works to all organizations. Managers are in the position to take the responsibility of conducting evaluation and control in the efficient implementation of organizational structure to ensure productivity of the employees and profitability to the organization. According to Beer and Eisenstat (1996) however, not all organizations are capable of implementing a systematic implementation of change in their organizational

structures owing to an inflexible and poorly adaptive evaluation system in strategic implementation of the organizational structure. Because an effective implementation of organizational structure contributes to the company's success, organizational leaders are required to implement an adaptive strategy that will address the dynamically changing needs and responses of its members and the business demands in order to make their organization survive. This usually involves the process of decentralization and flexibility in designing the structural components of the organization.

Building Blocks of Structure

The building blocks of structure consists of individuals and a team of coordinated work and performance designed strategically to achieve the company's goals and objectives. It involves structural systems that each company implements in order to create a coordinated effort among the various members and departments within the organization. This includes the building blocks of centralization, formalization, hierarchical level and departmentalization. How each organization is able to integrate these blocks in their organizational operation, procedures and implementation will define the success of an organizational structure.

Advantages and Disadvantages of Building Blocks of Structure

Each of the building block has its own advantages and disadvantages. The structural block of centralization involves the process whereby the decision making is lodge within the higher ranking officials who are engaged to provide solution, control and implement strategic approach in solving organizational conflicts and problems. The advantage of this kind of block in

an organizational structure is the centralized aspect of business control and retention of power in allocating the use of resources and work decisions within the organization (Hage and Aiken, 1967). The disadvantage of centralization is it deprives the lower ranking employees to take an active participation in the decision making process and problem solving who are the persons closer to appreciating and understanding the existing conflicts. Formalization involves the framework of company policies, job description, procedures and rules that are to be articulated and implemented to all members of the organization. These are written rules that are designed to control the behavior of employees in order to exercise control and restrict employee autonomy. The advantage of the formalization process is to enable the management to predict employee behavior however it may have resulting disadvantages wherein it can result to employee's inflexible behavior and reduced innovativeness to adapt to the changing needs of the organization after getting use to certain manner of behavior. The hierarchal level in organization provides an effective means of supervision made by the higher level managerial positions to the lower ranking employee levels. Anderson and Brown (2010) noted that steeper hierarchy in an organization provides better performance control and monitoring in larger groups. The process effectively promote group performance and intra-group coordination among organizational members. However, this type of building block in an organization can result in poor self actualization, lower motivation and less satisfaction level of the employees. Furthermore, the implication of the hierarchal block is the higher demand of leadership and managerial skills among managers across the functional levels of organizational operation

(Pavett and Lau, 1983). Departmentalization uses functional structures called divisions that represent the different operational departments within the organization with distinct function from each other. This is an advantage in larger organizations with various divisions with unique needs. By departmentalization, each of the operational area of an organization is able to accurately identify these needs. Because departmentalization provides a functionally controlled structure, it is viewed to have the disadvantage of making the organization less volatile with resulting negative effects of resistance to change, departmental isolation and slow decision making process.

Conclusion

In conclusion, it can be drawn from this literature review that organizational structure plays a crucial role in helping organizations to thrive in attaining their goals and objectives through unifying its members, resources and leaders through the implementation of both formal and informal policies and regulations that can influence and control the business operations and behavioral responses of its members. Because of the dynamically changing needs of an organization, the implementation of the strategic organizational plans must be flexible and adaptive in order to streamline the workflow in the organization and to help employees to become more responsive to both the internal and external demands to the organization it belongs. The choice of building structures to implement in the organization will relatively depend upon the existing organizational condition while weighing the advantages and disadvantages in order to find the most suited building block structure that will most benefit the organization.

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