

Essay on organizational structure

[Business](#), [Company](#)



Apple Inc.

Apple Inc. is a multinational corporation with a global presence. In the latest financial standings, it has the highest value by the prices of stock. Apple Inc. supplies computer and other electronic and is ahead of others mainly for its production and sale of iPods, iPhones, Mac and the iTunes. The organizational structure at Apple Inc. is functional in nature with the work having been structured according to the functionality. To this extent Apple Inc. is run by departments conferred with specific functions. The departments are run under the Senior Vice Presidents who report directly to the Chief Executive Officer. Some of these functional departments are as follows: Technologies, Finance, Hardware Engineering, Worldwide Marketing, General Counsel and Operations. It is instructive to note that some of the departments overlap and consequently operate in a multifunctional nature. However, by and large, each department is charged with their respective function that in combination ensures the efficient delivery of the organization. In addition, the organizational structure of Apple Inc. is accommodative of its multinational nature. It is notable that Apple Inc. with its headquarters in the United States of America operates branches and plants all over the world. However, the functional structure is manifested in the work organization in the sense that every respective department in the external locations reports directly to its departmental head at the headquarters. Moreover, the company has embraced an element of decentralization in which the branch managers have some degree of autonomy in decision making and other managerial functions.

This organizational structure can be compared and contrasted to the

organization of the Bank of America and the Amazon. com Inc. In the Bank of America, the organizational structure is product based. In that context, the departments of the bank are influenced by the product categories. Some of the running departments at the moment include: the salaries services department, the small and medium scale loans department, the personal accounts department, the executive and corporate banking department and the capital and forex market departments. By their naming, it is instructive to note that they draw their structure from the product that they consume. This system fits well with the bank since potential clients often need specific products hence the need for specialization of personnel in the respective products. On the other hand, the organizational structure at Amazon. com Inc. is a mixture of functionality and geography. In that context, the organization is run by departments premised on the overall functions just like in the case of Apple Inc. However, the different locations have autonomy from the headquarters and can hence run their own affairs without necessarily consulting and seeking approvals.

The nature of Apple Inc. organization entertains a lot of influence from the organizational functions. Some of the functions in the organization as intimated previously include the following technologies, finance, hardware engineering, software engineering, marketing, counsel, operations and human resources, among others. It is also noteworthy that the multinational nature of the organization constrains its operations to assume a global character. In that context, the organization runs its activities with the knowledge of appealing, reaching and engaging the entire global market. Consequently, the organization must assume a multifunctional approach that

is based not on the geographical contexts but the need to provide for the entire globe. In addition, the special nature of the functions defeats any attempt to apply a general organizational framework. The organization needs to have personnel of high speciality in respective functions hence the need to have a functional approach. It is this that has consequently created the need for a functional approach that is devoid of general management. In addition, it should be noted that decentralised management in the company does not confer full authority on the local management but requires that they consult their functional heads at the headquarters. The organizational design can be credited with the consequential organizational structure. This is informed by the fact that ordinarily organizational structure is a product and a reflection of the organizational design. An organizational design essentially refers to the framework of the operations of the organization. It looks into a number of elements such as nature of production, level of production, the volumes of produce, the distribution, the revenue base, the functions involved, among others. On the surface, it would be essential to categorize an organizational design on two main premises. That is, whether it engages in production or services. In many cases, the organization would be engaged in only one of the two. However, in other isolated cases, it could be designed in a way that it engages in both. In the case of Apple Inc., it engages both in service and production. In this regard, Apple Inc. needs an organizational structure that entertains the characters of both service and product industries. This is what could be given to explain away its functional nature. The need to engage effectively in production and service delivery expands the scope. This is a

much complicated arrangement that needs a diverse organizational structure. The functional organizational structure best responds to this need. This section shall examine the organizational design in relation to the organizational structure. It is imperative to note that the multinational nature of Apple Inc. imposes a strain as the design must entertain a global perspective that is embracive of various global divides. It is on this premise that operations need to be governed from a central point despite the fact that it is international in nature. In addition, the functions are by and large specialized so that each department is charged with its respective duties and tasks. This does not in any way undermine the cohesion and team working of the company as the departments are relational in nature. The products and services of each department compliment or add value to the outputs from other departments. This approach in design places a need for the organization to adopt the functional organizational structure. The functionalism in the long run blends the organizational objectives to the overall organizational design. This is essential in the final delivery of its services and products. In other words, given the organizational design any other organizational structure other than the functional structure may not meet the needs of the organization. As indicated before, the organization must embrace the best structure that addresses its overall needs and enables it efficiently deliver its services. It is on that premise that the Apple Inc. has adopted the functional organizational structure. Finally, given its positive and enviable performance in the market, it can be surmised that the organizational structure is realistic and workable for the organization.

References

Apple Inc. (2013, March 2). Apple Press Info. Retrieved April 15, 2013, from Apple Inc.: <http://www.apple.com/pr/bios/tim-cook.html>

Ivancevich, J., & Konopaske, R. (2010). *Organizational Behavior and Management*. New York: McGraw-Hill Companies, Incorporated.

Shafritz, J. M., Ott, S. J., & Jang, Y. S. (2010). *Classics of Organization Theory*. New York: Cengage Learning.