

The different strategy hierarchies

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The Different Strategy Hierarchies

Hierarchy is a habitual organizational presentation that is a fundamental infrastructure deployed by many organizations in order to realize their management strategies and goals. In such organizations where hierarchy is the preferred management strategy, key decisions and policies designing is dominated by the top management organs by involving in the execution and formulation of the organization's hierarchical strategies. Apart from the top management elites, only strategic agents are involved in power circuit in a three alternative power models. The three hierarchical models preferred by these organizations include the porous hierarchical model, distributed model, and the strategy as simple rules model (Cunha, Rego, and Clegg, 2011; pp. 491-2). One of the organizations known to practice hierarchy management strategy is the Al-Qaida rebel groups.

Article Annotation

Organizations deploy different strategies as a way of enhancing their competitiveness in the industry. It is not a surprise that many organizations are still committed to hierarchy management strategy where key strategic decisions are conceived at the head-quarter by the top management organs while the execution of the tasks are delegated to lower levels. According to Williamson (1975; pp. 67), social organization is not achievable in without hierarchy in the social set-up. He argued that hierarchy is fundamental in reducing the transaction costs. Since firms operate on a cost-minimization principle, hierarchy is key to cost efficiency. Grint (2010; pp. 43) asserts that for symbolic reasons, hierarchy is critical since it is founded on the connotation orders of the Holy Sovereignty. Child (2009; pp. 502) reasoned that organizational hierarchy is an integrating principle that enhances

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collective goal orientation and strategy for distributing privileges through creation of social differentiations in power, status, and reward.

Hierarchy Models and their Evaluation

The Porous-hierarchy Mode

This hierarchy mode deviates from the traditional hierarchy that rooted for coercive and authoritative leadership and management styles characterized by top decision making. Although it retains a few features of Tayloristic flavor, it is more enabling and also revises a number of clauses in Taylorism such as obedient execution by the employees. Porous-hierarchy, therefore, deviates from the traditional and dominant version that is founded on hierarchical power and bureaucracies. Instead, the Porous-hierarchy mode allows all employees in different management levels within the organization to take part in strategic decision making process through improvement and learning. The model is opposed to the formulation of the strategies at the top with execution left for the bottom members. Rather, the porous-hierarchy mode calls for the creation of a local learning environment that supports both execution and formulation of the organizations strategies. The employees are, therefore, allowed to participate and contribute in the entire management process (Michelli, 2008; pp. 98). This management mode has been applied by Toyota.

The Distributed Mode

Like porous-hierarchy mode, distributed model is also a less orthodox management strategy that entails decoupling of execution and formulation. Under this model, a visionary leader is charged with the responsibility of setting the visions and objectives of the organization. With respect to implementation, no specific responsibility is designated to specific groups or

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departments within the organization. However, the agents are accorded considerable degree of freedom in the execution process but under tight control. The model least emphasizes on extrinsic hierarchical control and accountability. The Al-Qaeda terrorist group is an example of organizations that applies the distributed mode in their leadership style (Marion and Uhl-Bien, 2003; pp. 143-4).

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