

Organizational structure and design trader joe's

Business



In a decentralized organization structure, the business owner delegates some powers and responsibilities to a management team where the workers report to.

In a decentralized structure, Trader Joe owners will delegate some powers and responsibilities to the management of the stores in different parts of the country (Lowell & Claudia, 2007). The owners will no longer make policies that directly affect the employees, but instead, the managers at every stall make it on decision depending on how business is moving. This structure ensures fast decisions are made because the managers in charge of the stalls will not necessarily inform the owners of the decision they make. The employees will also be encouraged in their work since they make their decision and they will not be under-stressed. In a centralized form of structure, the Traders Joe owners make the final decision and it directly affects the employees. The control over the hundreds of outlets is done at the center. The structure will ensure consistency of consumers' experience and quality at every outlet.

The advantages of a centralized structure are; the powers are controlled from the center, it is easy to implement policies and practices for the whole business, secondly, it prevents different parts of the business from becoming independent, co-ordination and control is easy, decision making is quick and lastly, there is greater use of specialization. The structure disadvantages are; there is a lot of bureaucratic in the organization hierarchy, junior managers will likely much closer to consumer's requirement, due to less authority is given to the junior managers, the motivation to work might reduce and <https://assignbuster.com/organizational-structure-and-design-trader-joes/>

finally, customers will not benefit from flexible decision locally (Lowell & Claudia, 2007).

The advantages of a decentralized system is that decision is made near the consumers, the junior managers will respond better to customers when there are local problems, there is an improved level of customer services, employees motivation are improved and finally, it is easy to train and develop employees. The disadvantages of the hierarchy is that decision making in many occasion is not strategic, it is hard to ensure similar practices and policies at a different location, achieving tight financial control is not easy and finally, nobody will be there to provide leadership when there is a crisis (Edward & Christopher, 2012).