

Organizational theory



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Organizational Theory As an organization grows managers have to take hierarchy decisions. Centralization by retaining the ity within the upperlevels of management leads to tall structuring or shape of the organization. A tall structure having too many hierarchical levels brings with communication difficulties. To offset this communication problems, but at the same time maintain span of control there are two possible solutions. The first is standardization. In standardization, control over employees is retained by their behavior, and thus minimizing the requirement of direct control. This reduces the need for several hierarchical levels and through standardization it is possible to maintain a flat shape of the organization. Horizontal differentiation is the second possible solution. In horizontal differentiation each department is broken up into functional teams. The consequence of horizontal differentiation is that organization takes a tall shape, but the communication issues are minimized (Jones, 2009). The hierarchy in an organization may be taken as the route map of how employees perform their tasks and resources are assigned, or in other words the manner in which things happen in an organization. However, quite often things happen outside of this formally designed channel. The extent to which informal channels develop and are utilized depends on the norms and values of the culture of the organization. When the norms and values are conducive to informal channels developing in an organization, the informal channels develop and become an additional pathway for things to happen in an organization (Jones, 2009). Literary References Jones, G. (2009). Organizational Theory, Design, and Change. New Jersey: Prentice Hall.