Organizational structure and design

Organizational structure is a set of formal protocols that defines job reporting and determination of how employees utilize the available organization resources to achieve the organizational aspirations and goals. Organizational design is the process of deciding on how these formal protocols that form the organizational structure are arranged (Jacobides, 2007).

The contingency theory (Pugh, 2009) stipulates that an organizational structure should be based on the contingencies with are factors and conditions that affect the organization. Each organization has its own challenges that affect it, and, therefore, different organizations adopt different organizational structure formats.

Some of the crucial contingencies that almost universally affect organizational structure include; The organizational environment

Rapid changes in the forces of environment in an organization result in an increase, in the chances of uncertainty. This means that assessment of required resource input for the organization's growth becomes a significant challenge. These forces are; the cultural dimensions, social aspects within the organization and global changes. This requires management to choose an organizational structure that makes decision making in terms of resources rapid and flexible. This usually involves the disemination of authority to the junior mangers in order to make crucial operating decisions for the sake of effective running of the organization. Globally organizations are employing a form of the organizational structure that empowers employees and self-managed teams. Advancement in technology

Technology in an organization involves the combination of knowledge, skills, computers and machines in the processes of design, production and eventual distribution of organization's products. An organization that uses complex technology finds it hard to control and mange this technology. The contingency theory argues that an organization that uses complicated technology has to adopt a flexible structure that will allow employees to respond to the challenges they might encounter in using this technology by getting new solutions. This assists the organization in dealing with abrupt situations that might occur. With a routine technology, the organizational structure is usually formal since the tasks are simple in terms of production.

A complicated or non-routine technology is the one that has high task variety and low task analyzability. Task variety is the number of unexpected problems that an organization can face in the process of production while task analyzability is the availability of programmed solutions to employees for solving these problems (Jacobides, 2007). <

This means that organizations that use non-routine technology are usually faced with complex problems that require that employees utilize non-programmed methods in solving these problems. Example of non-routine technology is the utilization of digital technology in advanced research laboratories in making discoveries like new drugs. Example of routine technology is assembly operations and mass production where employees use programmed solutions that have already been identified and refined. The organization Employment relationship and human resources

The characteristics of an organization's work force determine the structure the organization will adopt. In an organization where skilled workforce or empowered workforce is utilized, the employees tend to develop team work. This organization will therefore, adopt a flexible structure where there is decentralization of authority and control to self-managed teams (Jacobides, 2007).

An organization that has harmonious relationship with its employees tends to settle on a structure that allows the employees to make crucial decisions. It has been found that skilled employees like freedom and dislike close supervision. A flexible organizational structure allows free interaction and consultation between employees and this works best to the interest of the organization (Jacobides, 2007).