

# Organizational structure

[Business](#), [Management](#)



The hierarchical organization structure embraces a top-down approach relationship. It is a pyramid-like structure where the organization has few experts who delegate specific roles to the other employees. Managers are the main decision-makers and act as head of the different departments within the organization. On the other hand, the contemporary organization structure, different employees are specialists in the different roles they undertake within the organization. It is more of a decentralized structure, and employees are expected to make strategic decisions within their areas of specialty.

The contemporary organizational structure is very effective, especially in an organization that deals with the manufacturing of products. It encourages participative management as employees are specialists in different fields such as finance, engineering and customer service. (Hiriappa, 2009). The flow and distribution of the information throughout the organization are made easier, and the functions of the different departments are performed effectively. It, in turn, leads to quality production of goods and the provision of better services to the customers. Therefore, the organization can meet the demands of the market without compromising on the quality of the products and services.

Decision making is paramount in ensuring that the various departments within an organization perform their roles well and in a coordinated manner. In this organizational structure, decision making is fast as employees do not have to wait for others to make decisions. The employee is empowered and

is expected to make strategic decisions. It also ensures that time is not wasted and that all activities are finished within the allocated time.

Furthermore, there is a reduction of centralized control and employees in the different departments are held responsible for the decisions that they make.

Moreover, this structure encourages and advocates for teamwork and ensures that employees work together. Furthermore, cohesion is attained as employees with different specialties can work together to ensure that the objectives of the organization are met. Employees are also able to assume leadership roles within the team and effectively manage their responsibilities. Therefore, resources are utilized well, and this ensures the organization runs the operations in a cost-effective way maximizing the profits.

The contemporary organizational structure has several challenges. It can be less effective compared to other organizational structures. This is because the organization has to disseminate the required information effectively to ensure that decision making is properly done at all levels. Moreover, this structure embraces the flexibility that translates to more experts who further increases the costs incurred by the organization. Accountability in resource utilization also becomes a major challenge for the organization.

In conclusion, the organization can be able to cope with these challenges by putting in place proper job descriptions for each and every employee. The organization should also encourage teamwork; this will ensure employees interact and perform their roles in a more organized manner.