

# A new kind of structure essay



**ASSIGN  
BUSTER**

1. Describe the structural problems HP had. When Mark Hurd assumed his new role as CEO of HP, he soon realized that many of the company's structural problems were related to the fact that eleven layers of management separated him from HP's customers. Top corporate customers of the company told him that they did not know whom to contact at HP to respond to their questions. HP's head of corporate technology said that she had to wait three months to secure approval to hire 100 sales specialists.

Moreover, HP's salespeople were able to spend only about one-third of the time with customers; the remainder of their workday was spent in negotiating the bureaucracy inside of HP. 2. How did Mark Hurd decide to address his company's structural problems? What do you think of his changes? How do you think the company's customers responded to these changes? How about the company's executives and sales force? In attempting to remedy the structural problems at his company, Mark Hurd first terminated the employment of underperformers and eliminated three layers of sales management.

He also eliminated one sales group and merged those sales representatives into the remaining sales groups. Company executives and members of the sales force are likely pleased that the increased efficiency in the organization enables them to make decisions more quickly and to spend more time interacting with customers. Customers must be more satisfied to see that their needs and concerns are being met more effectively and efficiently. 3. Would a more mechanistic or a more organic structure be appropriate for HP? Why?

Considering the rapidly changing nature of the products, and particularly the services, offered by HP, the appropriate structure for this company would have many characteristics of an organic structure. Changing times and intense competition within its industry require that HP be quickly responsive and proactive in its corporate strategy; an organic structure would be more conducive to this type of strategy. 4. What role do you think organizational structure plays in an organization's efficiency and effectiveness?

Explain. Organizational structure plays a key role in enabling a company to function smoothly, to remain responsive to its internal and external stakeholders, and to adapt to changes in the marketplace. Innovation is facilitated by fewer layers of management, and students have already learned that the survival and success of a company is usually dependent upon its ability to function as a learning organization that promotes innovation.