

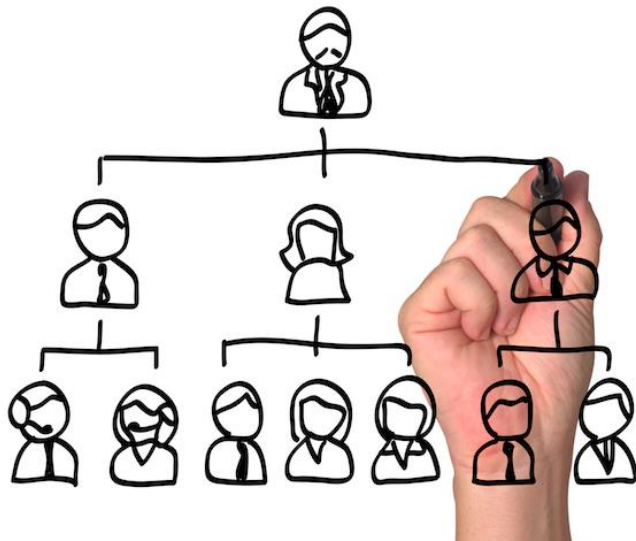
# Organizational Structure and Design



or·gan·i·za·tion

/('ôrgənə'zāSH(ə)n/

A social unit of people that is structured and managed to meet a need or to pursue collective goals. All organizations have a management structure that determines relationships between the different activities and the members, and subdivides and assigns roles, responsibilities, and authority to carry out different tasks. Organizations are open systems--they affect and are affected by their environment.





“Organizational structure is particularly important for decision making.”

“Organizational structure enables the distribution of authority.”

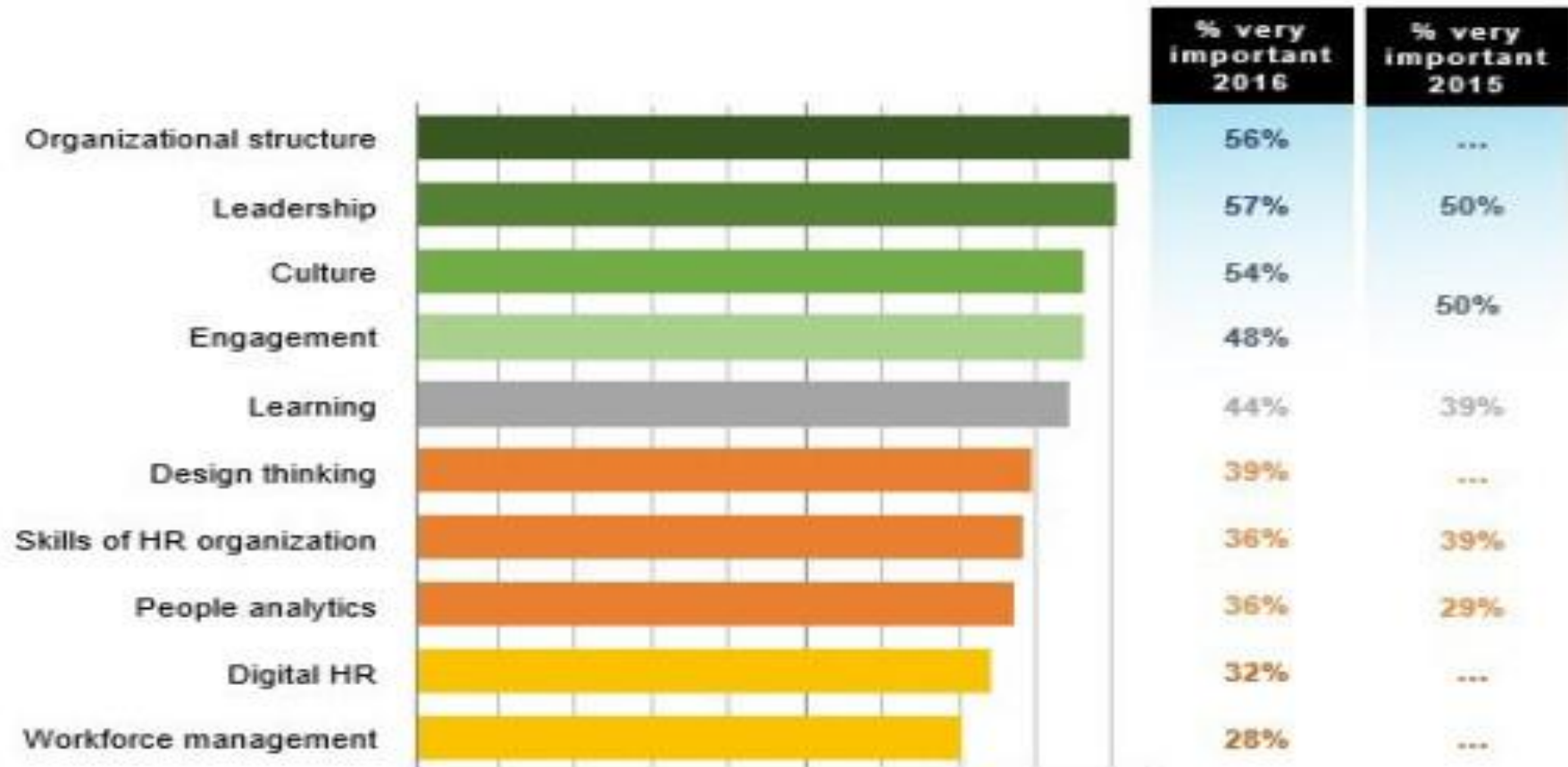
“Organizational structure is important for evaluating employee performance.”

“Organizational structure is particularly important in achieving goals and results.”

“Organizational structure enables companies to better manage change in the marketplace”

Percent rating trend important

## Importance of trends to business

Source: Global Human Capital Trends 2016; [www.deloitte.com/hrtrends](http://www.deloitte.com/hrtrends)Copyright © 2016 Deloitte Development LLC. All rights reserved.  
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- **Divides work to be done into specific jobs and departments.**
- **Assigns tasks and responsibilities associated with individual jobs.**
- **Coordinates diverse organizational tasks.**
- **Clusters jobs into units.**
- **Establishes relationships among individuals, groups, and departments.**
- **Establishes formal lines of authority.**
- **Allocates and deploys organizational resources.**

Organizational Design is a process that involves decisions about the six key elements.



1. Work Specialization - The degree to which tasks in the organization are subdivided into separate jobs.
2. Departmentalization - The basis by which jobs are grouped together :- Functions, Products, Geography, Process, Customers.
3. Chain of Command - The unbroken line of authority that extends from the top of the organization to the lowest echelon and clarifies who reports to whom.
4. Span of Control - The number of subordinates a manager can efficiently and effectively direct.
5. Division of Labour - The separation of a work process into a number of tasks, with each task performed by a separate person or group of persons.
6. Formalization - The degree to which jobs within the organization are standardized.

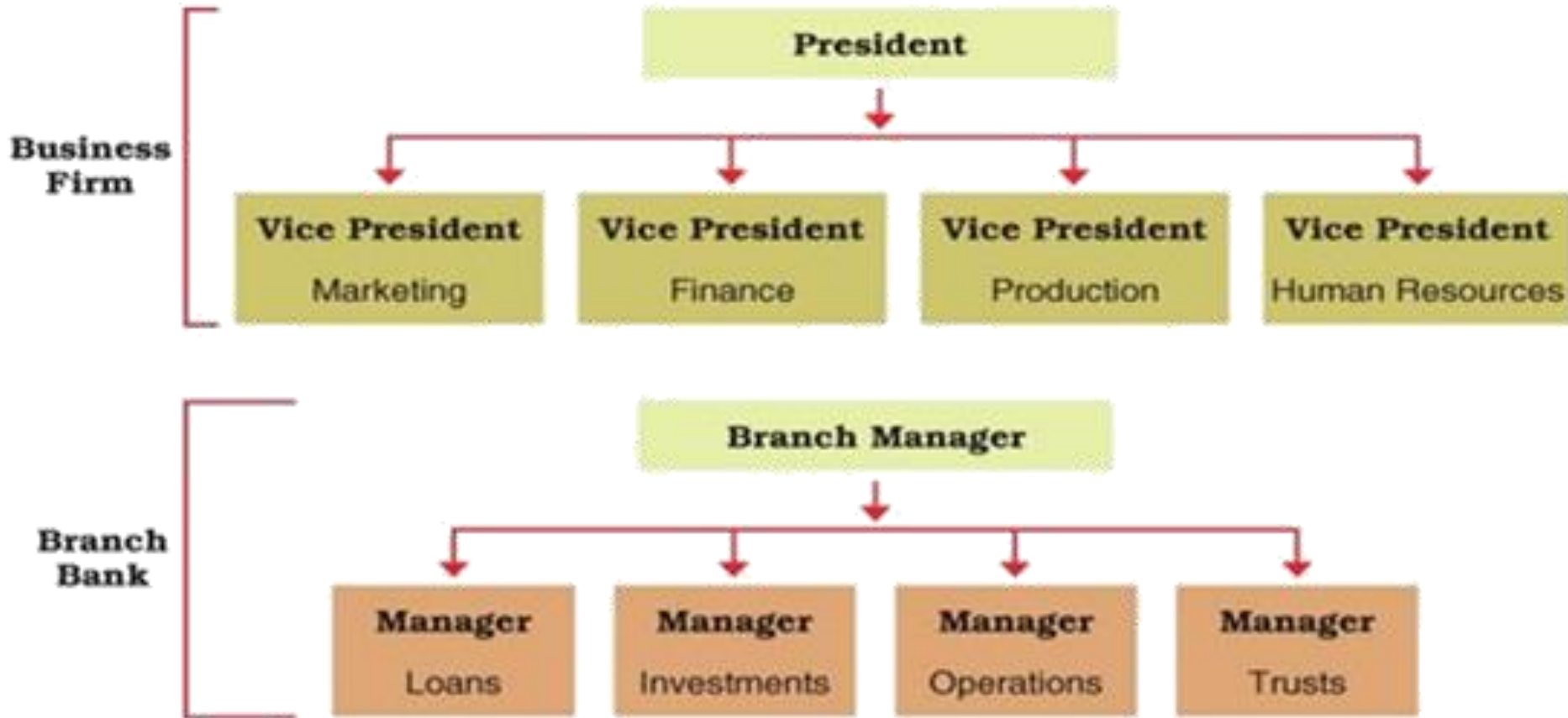


## Basic Types of Organizational Structure

1. Functional Structure
2. Divisional Structure
3. Matrix Structure
4. Line & Staff Structure
5. Project Structure





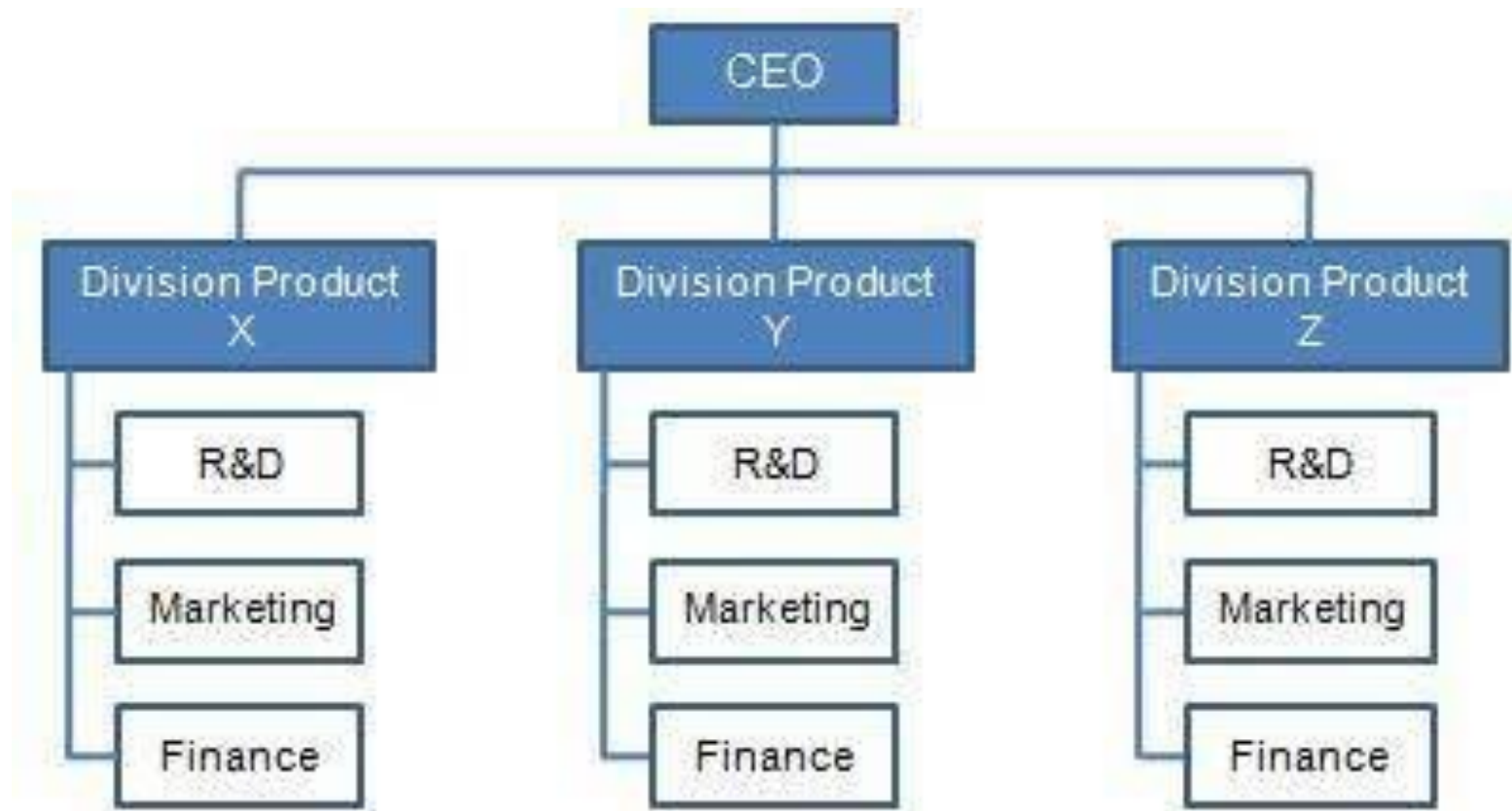


## Functional Structure

This kind of organizational structure classifies people according to the function they perform in the organization.

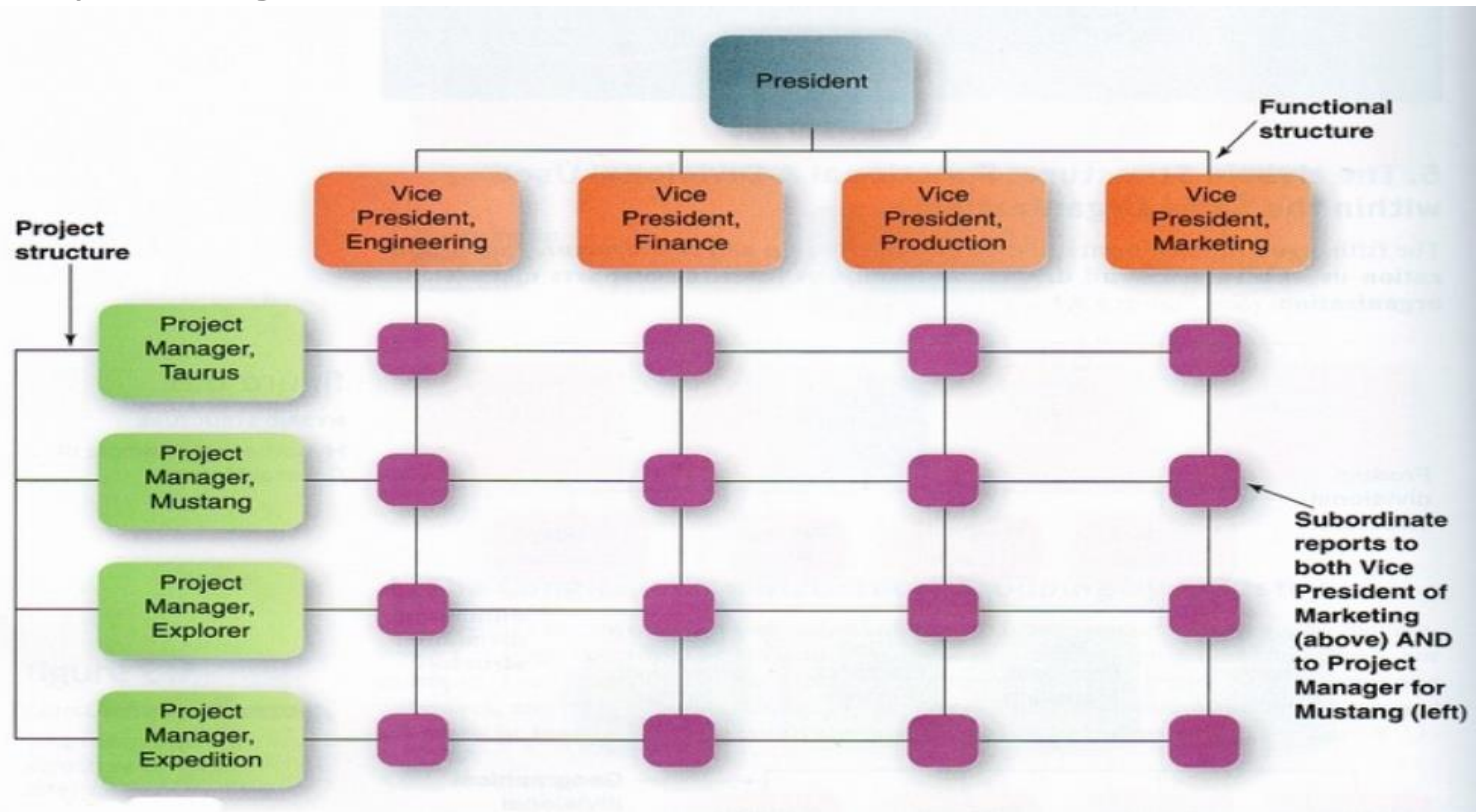
## Divisional Structure

A type of organizational configuration that groups together those employees who are responsible for a particular product type or market service according to work flow.



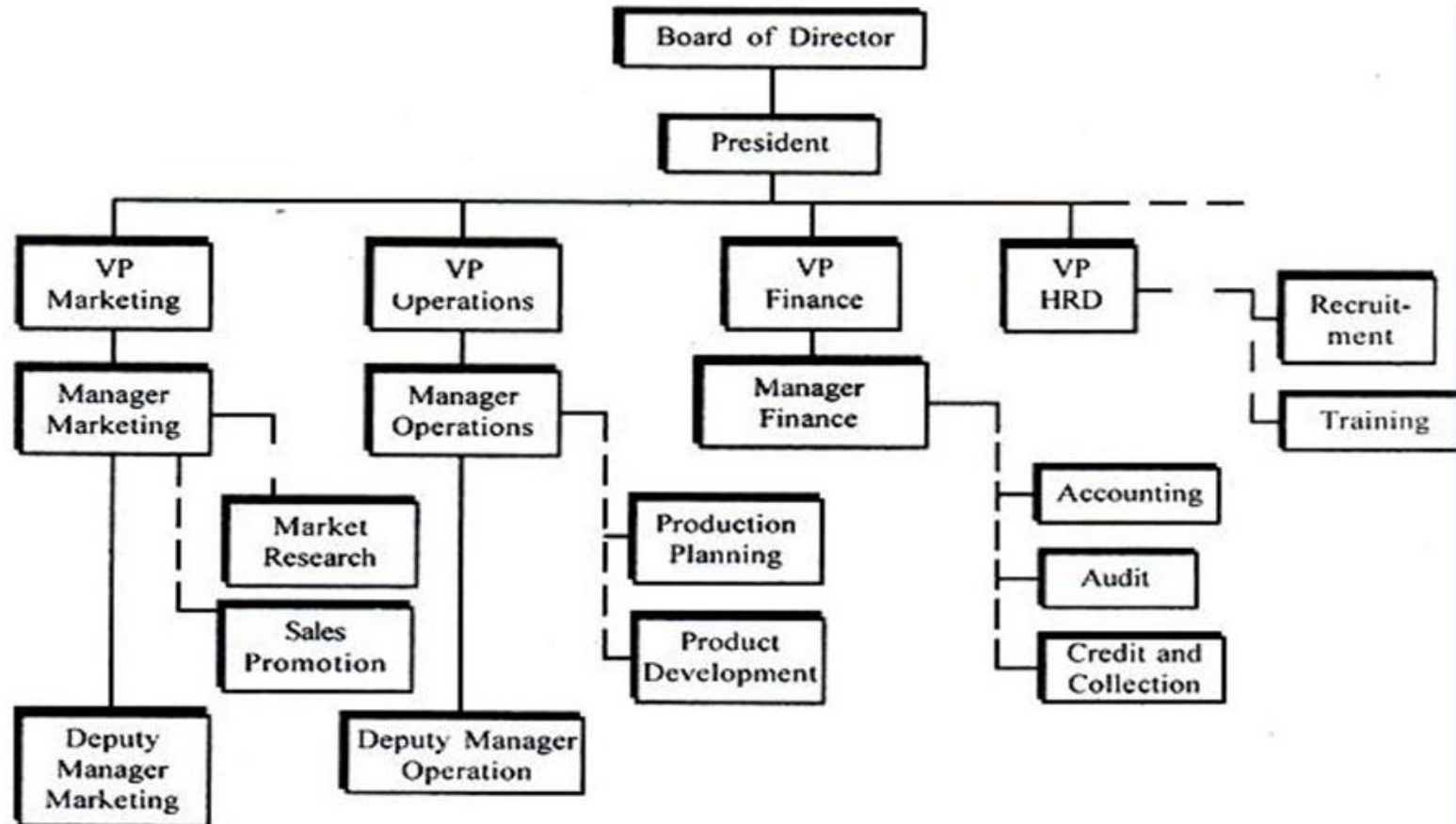
## Matrix Structure

This is a structure, which has a combination of function and product structures. This combines both the best of both worlds to make an efficient organizational structure. This organizational structure is the most complex organizational structure.



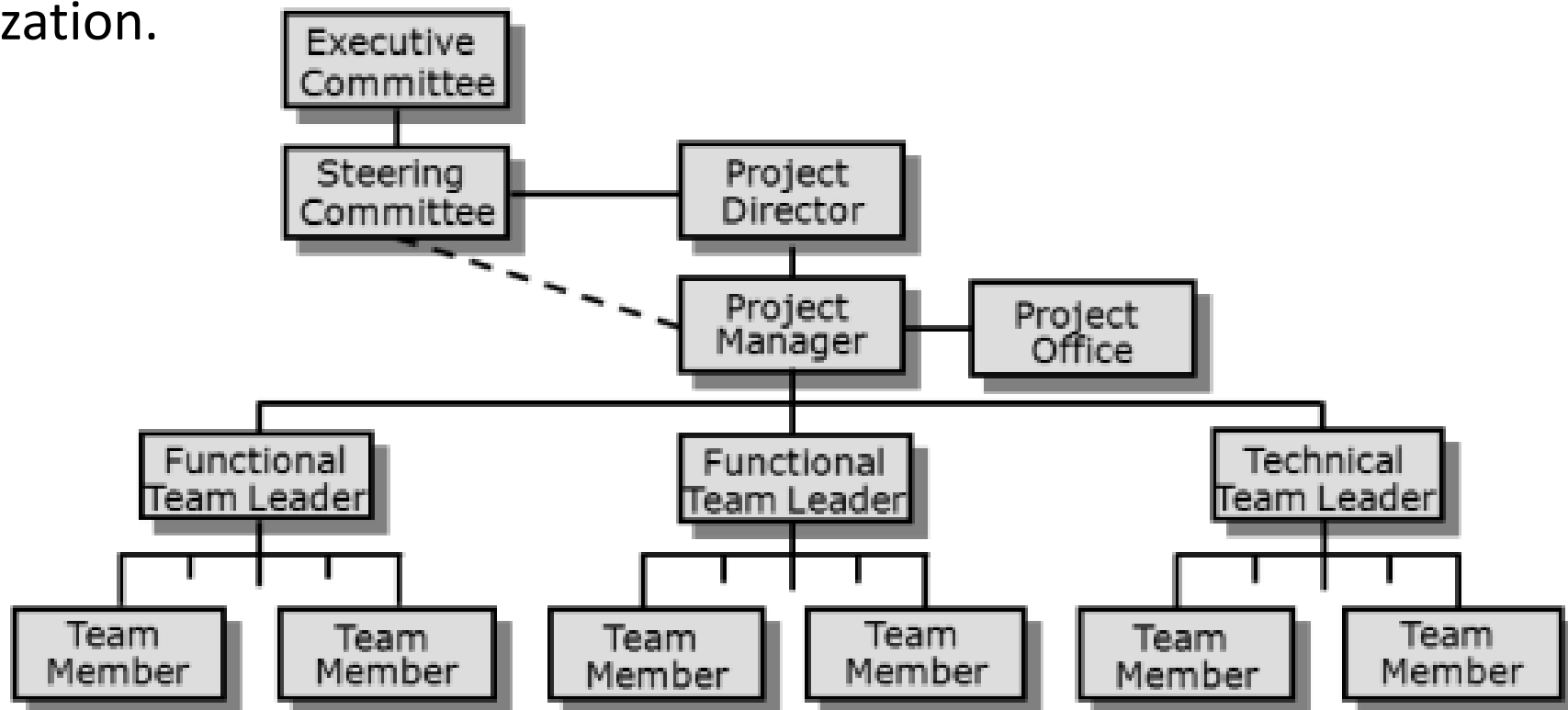
## Line & Staff Structure

Line and staff structure combines the line structure where information and approvals come from top to bottom, with staff departments for support and specialization. Line and staff organizational structures are more centralized.



## Project Structure

The core concept of project organization is to gather a team of specialist to work on and complete a particular project. The activities of a project team are coordinated by the project manager who has the authority to obtain advice and assistance of experts both inside and outside the organization.

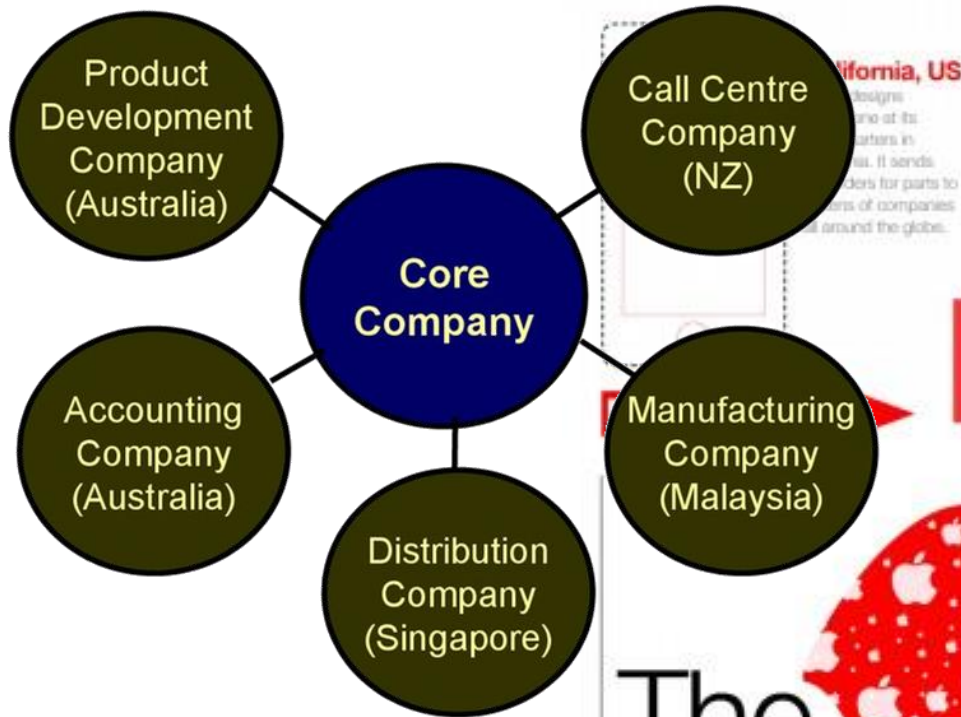


## Characteristics of New Nature of Organizations

New forms of organizations are geared to make organizations more receptive, adaptive and generative -- always focused on meeting the needs of stakeholders. New forms of organizations often exhibit the following characteristics:

1. **Strong employee involvement**
2. **Organic in nature**
3. **Authority based on capability**
4. **Alliances**
5. **Teams**
6. **Flatter, decentralized organizations**
7. **Mindfulness of environments, changes, patterns and themes**





## The iPhone supply chain

find out more at  
[thegatewayonline.com](http://thegatewayonline.com)

the gateway





## Apple's iPhone Boosts Some Asian Economies

A closer look at the key Apple suppliers\*



Sources: IHS Technology; staff reports Photo: Apple

The Wall Street Journal

## Virtual Organization

An organization that outsources its major business functions

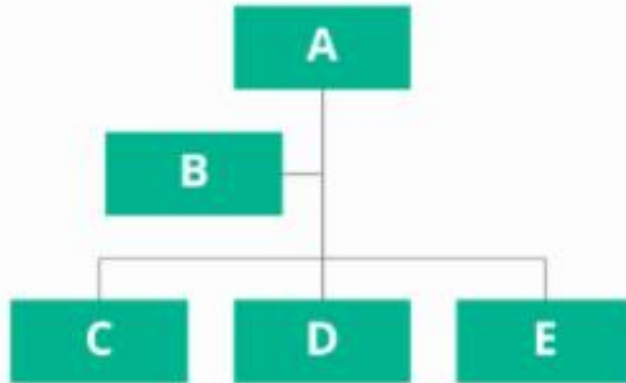
– Highly centralized with little or no

departmentalization

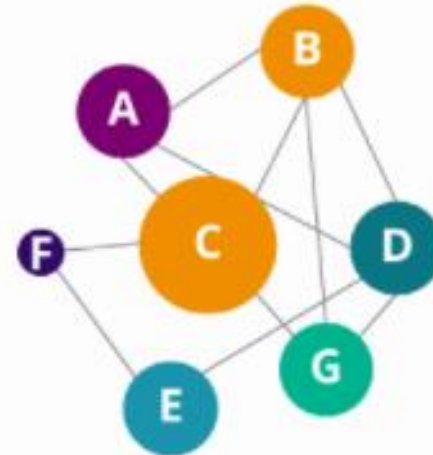
- Provides maximum flexibility while concentrating on what the organization does best
- Reduced control over key parts of the business



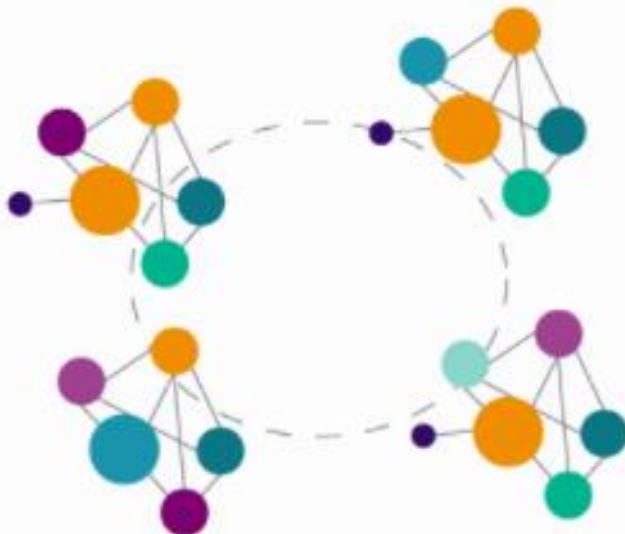
How things were



How things are



How things work



- Shared values and culture
- Transparent goals and projects
- Free flow of information and feedback
- People rewarded for their skills and abilities, not position

Old rules	New rules
Organized for efficiency and effectiveness	Organized for learning, innovation, and customer impact
Company viewed as a hierarchy, with hierarchical decision rights, structure, and leadership progression	Company viewed as an agile network, empowered by team leaders and fueled by collaboration and knowledge-sharing
Structure based on business function with functional leaders and global functional groups	Structure based on work and projects, with teams focused on products, customers, and services
Advancement through promotion upward with many levels to progress through	Advancement through many assignments, diverse experiences, and multifunctional leadership assignments
People “become leaders” through promotion	People “create followers” to grow in influence and authority
Lead by direction	Lead by orchestration
Culture ruled by fear of failure and perceptions of others	Culture of safety, abundance, and importance of risk-taking and innovation
Rules-based	Playbook-based
Roles and job titles clearly defined	Teams and responsibilities clearly defined, but roles and job titles change regularly
Process-based	Project-based



# Top 10 Technologies Driving the Digital Workplace

## Exploiting Information

- Ambient Knowledge
- Embedded Analytics
- Production Studio

## Citizen Enablement

- Microlearning
- Process Hacking
- Silo-Busters

## Mobile Productivity

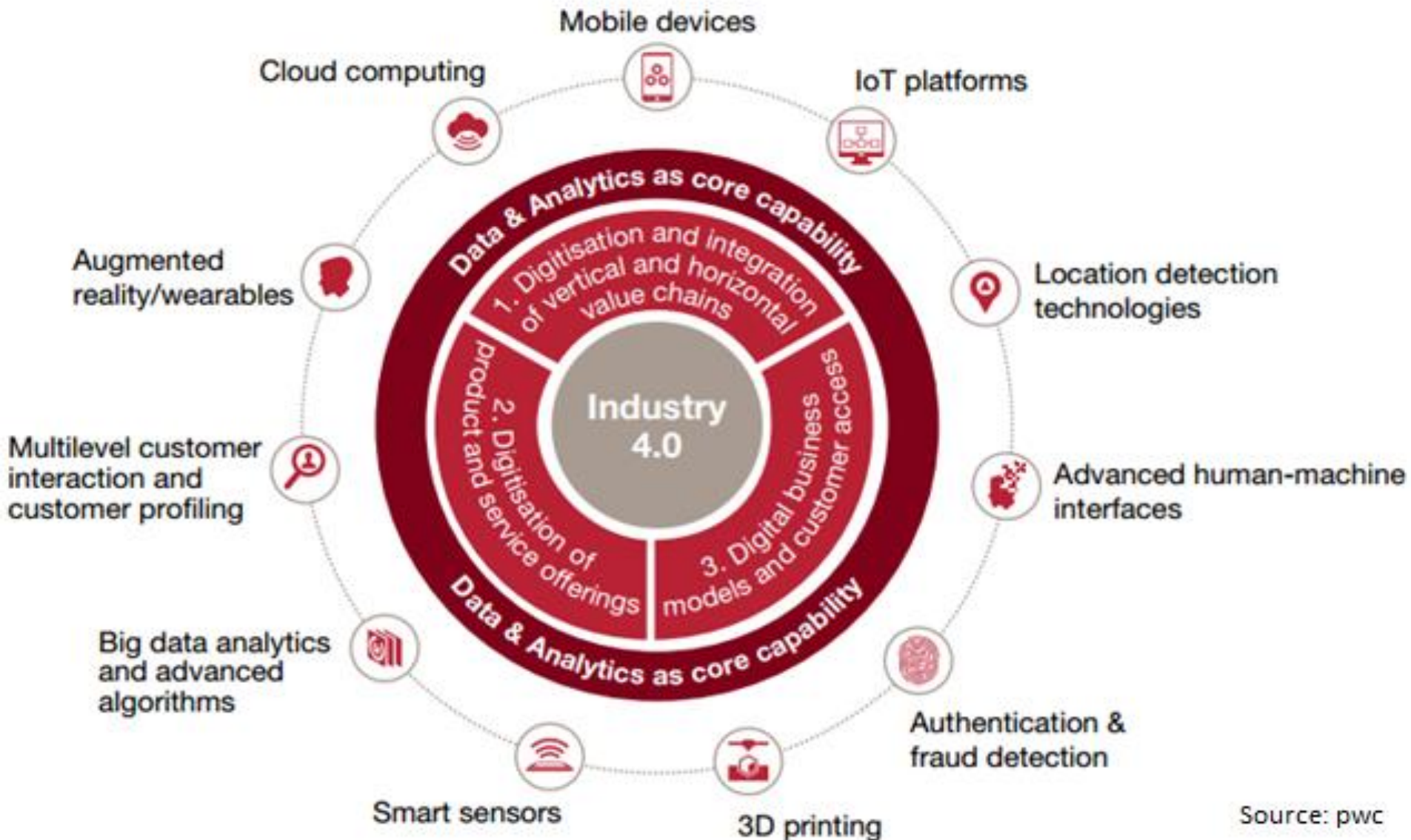
- Immersive Technologies
- Office Landscapes
- Personal Cloud
- Virtual Personal Assistants



[gartner.com/SmarterWithGartner](https://gartner.com/SmarterWithGartner)

Source: Gartner  
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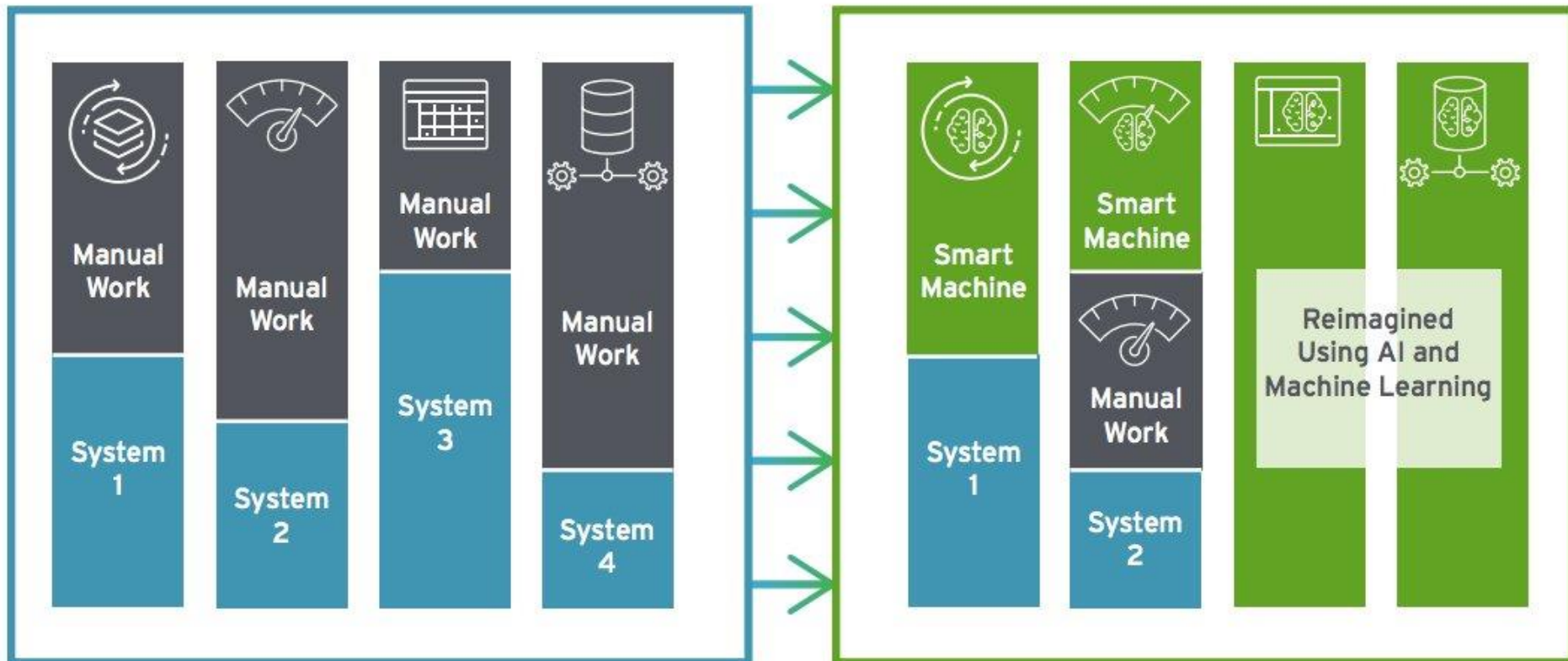
**Gartner.**

*Industry 4.0 framework and contributing digital technologies*

## Multiple Business Process Within a Function

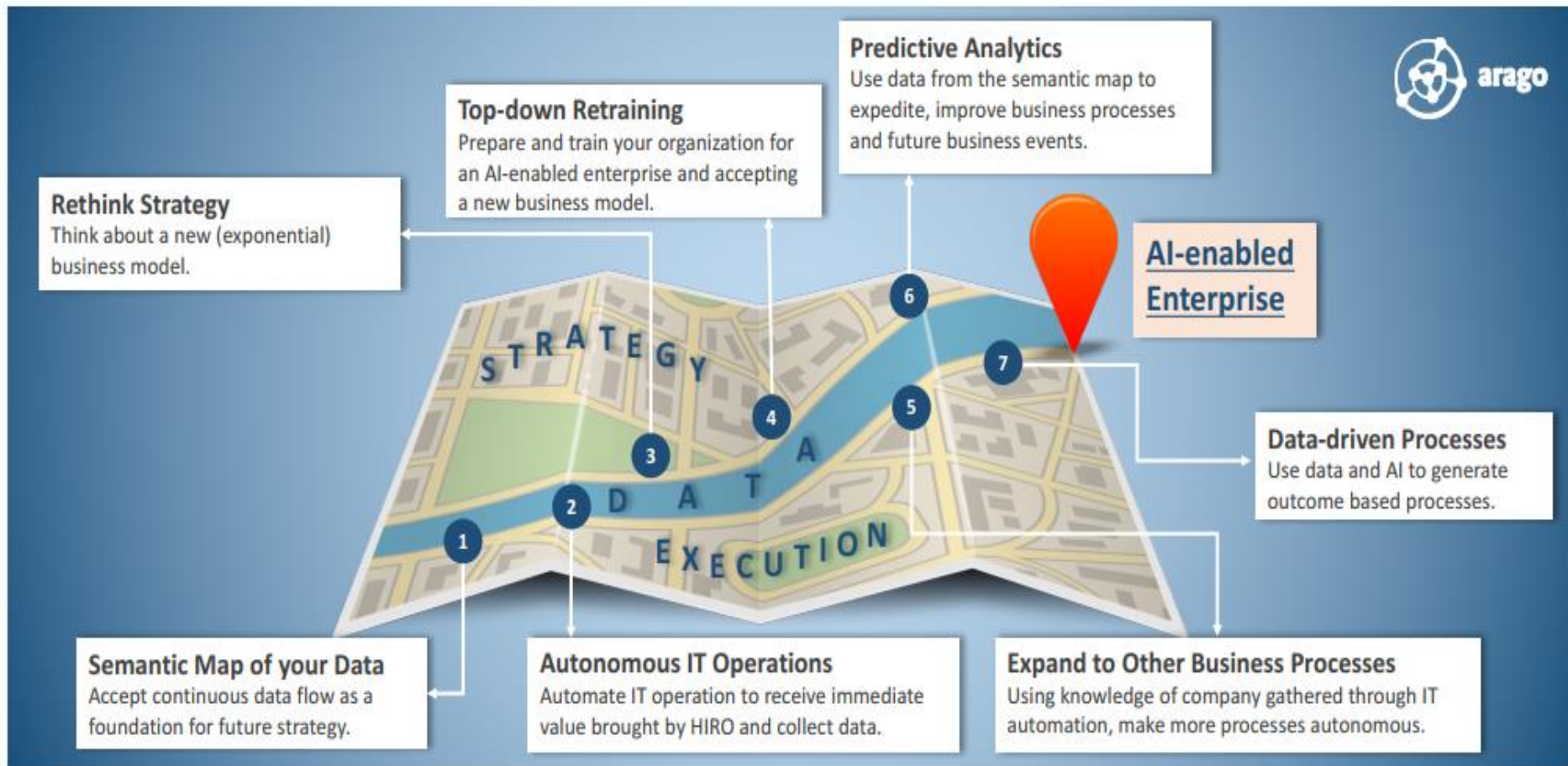
Current State of Play

Smart Enterprise of the Future





## The Journey to an AI-enabled Enterprise





## Business Transformation Readiness Factors

### Readiness Factors

Vision

Desire, Willingness, and Resolve

Need

Business case

Funding

Sponsorship and leadership

Governance

Accountability

Workable approach and execution model

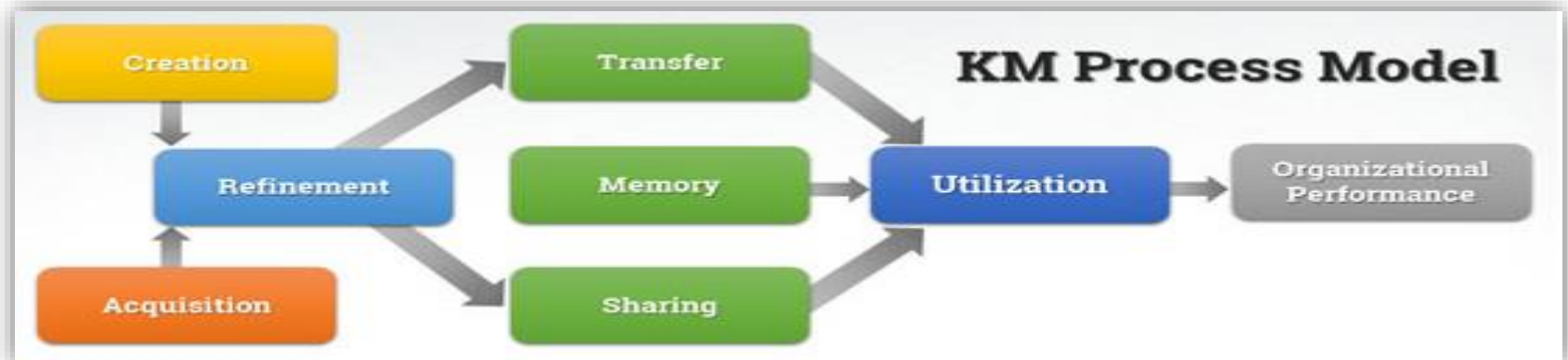
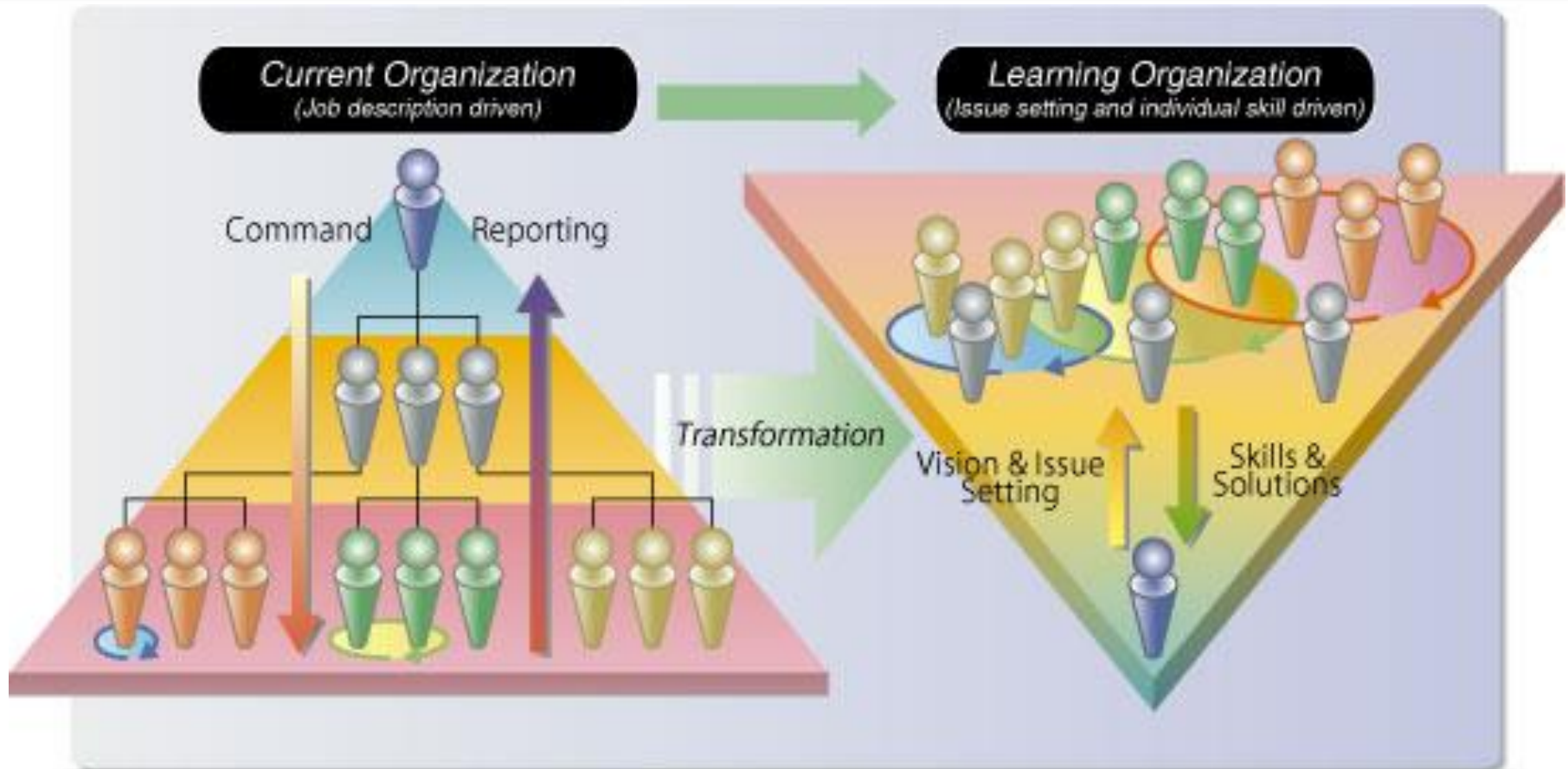
IT capacity to execute

Enterprise capacity to execute

Enterprise ability to implement and operate

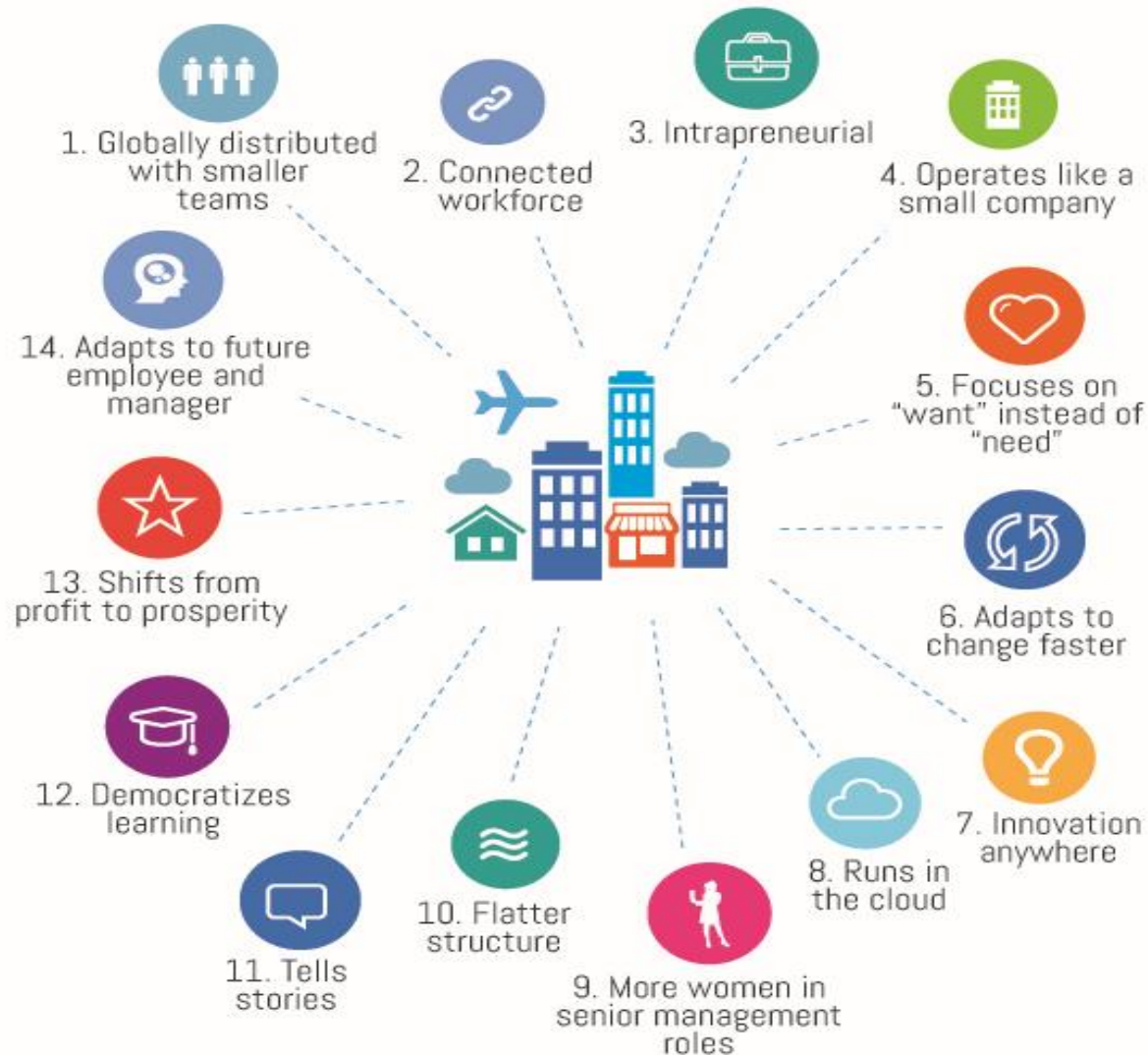


Source: TOGAF, 2011





## 14 PRINCIPLES OF THE FUTURE ORGANIZATION





Thank you