

WELCOME TO

Contemporary Organizational Design



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Team Structure

A structure in which the entire organization is made up of work groups or teams that perform the organization's work.

Characteristics

- Employee Empowerment
- No line of managerial authority from top to bottom.
- Teams are free to design work in the way they think is best.
- The team has responsibility for a relatively whole task and performance results in their respective areas.
- Team members each possess a variety of task related skills.
- The performance of the team as a whole is the basis for compensation and feedback.

Advantages

- Employees are more involved and empowered.
- Reduce barriers among functional areas.
- Having contented employees will lead to better performances and productivity improvements.
- Encourage innovations.
- Organizations can have the advantages of synergetic effect.

Disadvantages

- No clear chain of command.
- Pressure on teams to perform.

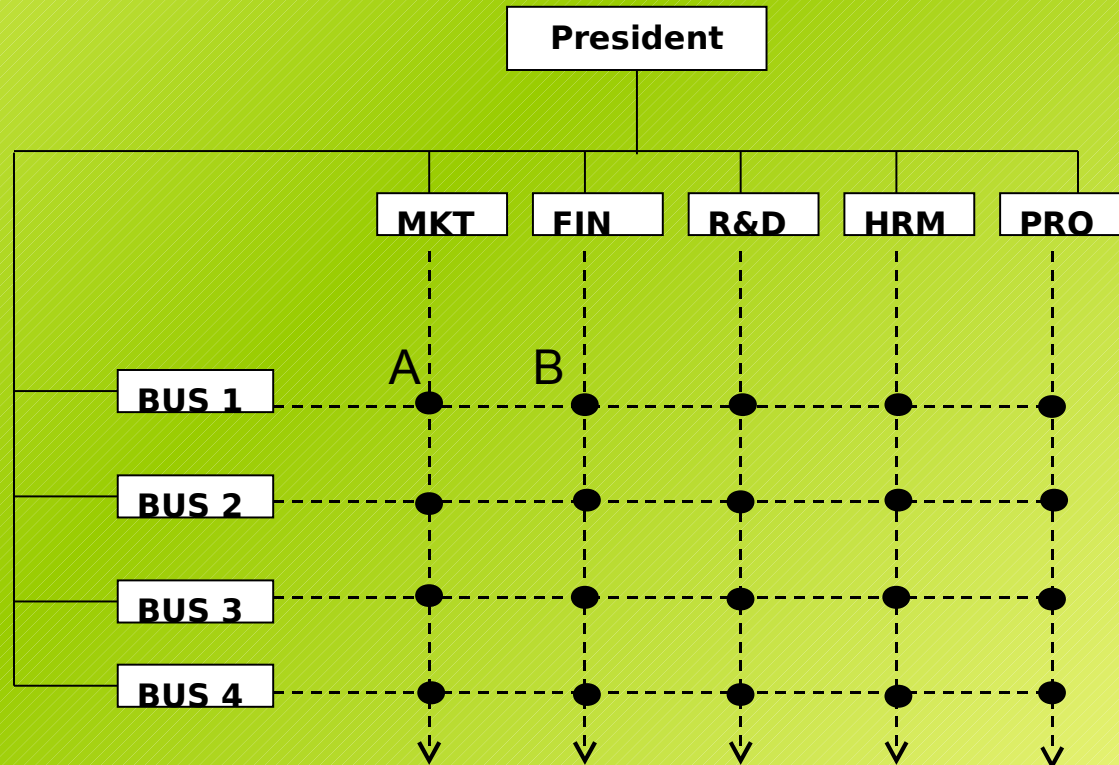
Matrix structure organizations



Definition

An organizational structure in which employee reports to both a functional or division manager to a project or group manager.

“This known as multiple command system”



Advantages

- Gather the diverse specialized skills required to solve a complex problem.
- This in itself produces a side benefits. (different areas of responsibility)
- Great deal of cost-saving flexibility. (Each project assigned only the number of people)
- As the dual responsibility, organization can make reactions to sudden changing of market.
- This encourages high degree of goal congruence-based on a common perspective.



Disadvantages

- This leads to a problem of dual responsibility.(accountability for two people)
- This is leads to duplication of resources.
- This is a highly complicated structure which leads to complicated decisions.
- This can lead to lack of proper information and poor quality information.
- This type of organization leads to slow decision making.

Project structure

An organization structure in which employees continuously work on projects

Characteristics of the project structure

- Operate with a specific objective
- SMART approach can be considered to evaluate the quality of the objective.
- Specific resources allocation (budget).
- Specific time frame
- Achievement of a specific standard
- Unique identification and existence
- Every project is unique and will be undertaken only once

Boundary less Organization

An organization whose design is not defined by, or limited to, the horizontal, vertical, or external boundaries imposed by a pre defined structure.

- Network organization
- Modular organization
- Virtual organization

Network Structure

- This is a structure which is based on the integration of other organizations.
- Therefore network structure demonstrates a specific relationship with other organizations beyond the physical boundaries.

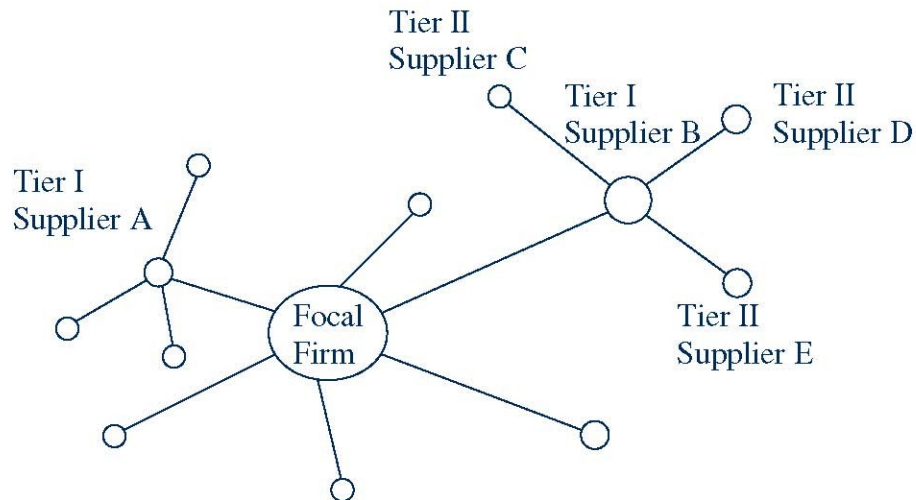
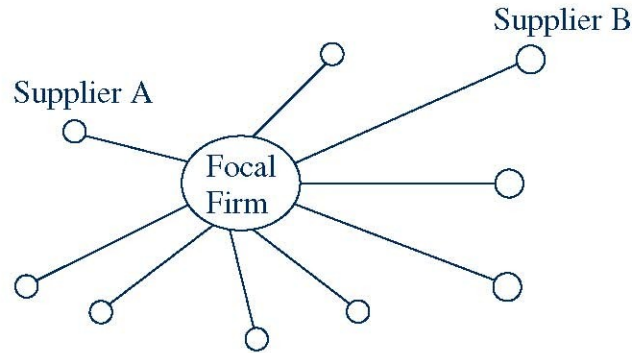
EX :NIKE

- enabling a competitive advantage
- help to generate a specialized input
- providing unlimited opportunity which is operates beyond the physical boundary.
- not easy task to determine which part should be outsourcing

Modular Organization

Modular organization can be defined as a “manufacturing organization that uses outside suppliers to provide product components or modules that are then assembled into final products.”

Types of Modular Organizations:



Pros and Cons of Modular Structures

- Directs a firm's managerial and technical talent to the most critical activities
- Maintains full strategic control over most critical activities—core competencies
- Achieves “best in class” performance at each link in the value chain
- Leverages core competencies by outsourcing with smaller capital commitment
- Encourages information sharing and accelerates organizational learning

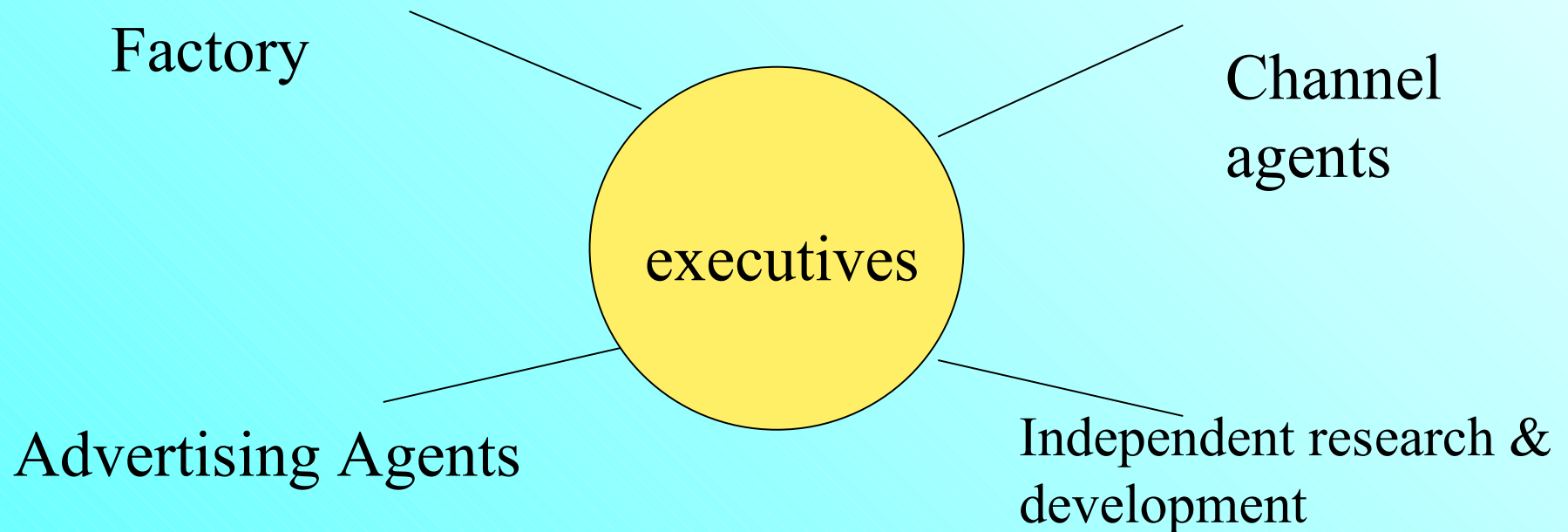
- Inhibits common vision through reliance on outsiders
- Diminishes future competitive advantages if critical technologies or other competences are outsourced
- Increases the difficulty of bringing back into the firm activities that now add value due to market shifts
- May lead to an erosion of cross-functional skills
- Decreases operational control and potential loss of control over a supplier



Virtual organizations

What is the Virtual organizations

A virtual organization is an organization that consist of a small core of full time employees and that temporarily hires outside specialists.



Real Examples for these organization

- Amazon. Com
 - This is use for book selling & Purchasing.
 - All buyers & sellers should be registered
 - Pay for that via internet
- E-bay
 - It is use for online auction
 - buyers keep bids.
 - It offered for the highest bid.



Advantages

- Dramatic reduction in cost.
- Employees can work in their houses.
- Create a comparative advantage.

Disadvantages

- Lack of control.
- Communication difficulties.
- Lack of much physical face to face interaction.



What is learning organization

An organization that learns and encourages learning among its people. It promotes exchange of information between employees hence creating a more knowledgeable workforce. This produces a very flexible organization where people will accept and adapt to new ideas and changes through a shared vision.

Why a Learning Organization?



- Do your employees seem **unmotivated** or **uninterested** in their work?
- Does your workforce **lack the skill and knowledge** to adjust to new jobs?
- Do you seem to be **the only one** to come up with all the ideas?
- And does your **workforce** simply **follow orders**?
- Are you always the last to hear about **problems**?



What's the Managers' Role in the Learning Organization?

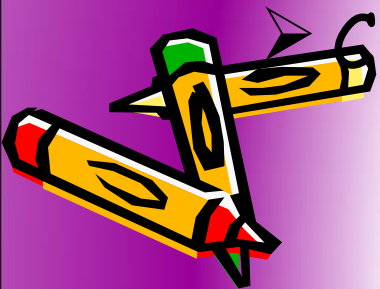
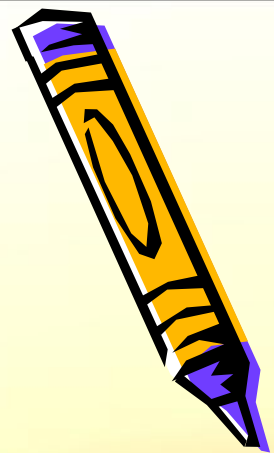


- responsible for building organizations where people are continually expanding their capabilities to shape their future -- that is, leaders are responsible for learning.



Why Learning Organizations Work

- The People Develop
- Greater motivation
- The workforce is more flexible
- People are more creative
- Interdependency
- Company Benefits
- Breakdown Traditional Communication Barriers
- Customer Relations



SUMMARY

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No bird soars too
high if he soars
with his own wings



Thank You

