

**Lesson 11.11**

**ORGANIZATIONAL DESIGN AND  
ORGANIC VS MECHANISTIC VS VIRTUAL STRUCTURES**

3. **Job rotation** is the practice of periodically shifting workers through a set of jobs in a planned sequence.
  - a. One purpose of job rotation is to combat boredom, but its success is short-lived if tasks are too simple.
  - b. Another purpose of job rotation is cross training so that there is maximum flexibility in job assignments.
  - c. A related purpose is employee development so that employees increase their capabilities and understanding of various aspects of the organization.
  - d. A potential problem is that rotating individuals may be treated as temporary helps and their loyalty perceived as questionable.
4. **Job enlargement** is the allocation of a wider variety of similar tasks to a job in order to make it more challenging.
  - a. Job enlargement broadens **job scope**, the number of different tasks an employee performs in a particular job.
  - b. The problem is that if additional simple tasks are added, worker boredom may persist. Too, lower efficiency, mental overload, increased errors, and other problems may develop.
5. **Job enrichment**, pioneered by Frederick Herzberg, is the process of upgrading the job-task mix in order to increase significantly the potential for growth, achievement, responsibility, and recognition.
  - a. Job enrichment increases **Job depth**, the degree to which individuals can plan and control the work involved in their jobs.
  - b. The important **job characteristics model** is a model developed to guide job enrichment efforts that include consideration of **core job characteristics, critical psychological states, and outcomes**.
  - c. The job characteristics model has five core job characteristics.
    - 1) **Skill variety** is the extent to which the job requires a number of activities that require different skills.
    - 2) **Task identity** is the degree to which the job allows the completion of a major identifiable piece of work, rather than just a fragment.
    - 3) **Task significance** is the extent to which the worker sees the job output as having an important impact on others.
    - 4) **Autonomy** is the amount of discretion allowed in determining schedules and work methods for achieving the required output.
    - 5) **Feedback** is the degree to which the job provides clear, timely information about performance results.
  - d. According to the job characteristics model, the core characteristics will increase worker motivation only if workers experience three critical psychological states.
    - 1) Workers must feel that the work is meaningful.
    - 2) Workers must know they are responsible for the outcomes.
    - 3) Workers must actually find out results.
  - e. According to the job characteristics model, outcomes of the critical states will be higher internal work motivation, greater satisfaction of growth needs, higher general job satisfaction, and increased work effectiveness.
  - f. The job characteristics model is likely to be used successfully under two conditions.
    - 1) Workers have high **growth-need strength**, the degree to which an individual needs personal growth and development on

- the job.
- 2) Workers are satisfied with other aspects of the job context, i.e. supervision, pay, coworkers, and job security.

## ORGANIZATIONAL DESIGN DECISIONS

Organizations aren't structured the same way. Top managers put a lot of thought into how best to design the organization's structure. That "best" design depends on four contingency variables: the organization's strategy, size, technology, and degree of environmental uncertainty.

There are two generic models of organizational design.

1. A **mechanistic organization** is an organizational structure that is characterized by high specialization, rigid departmentalization, narrow spans of control, high formalization, a limited information network, and little participation in decision making by low-level employees.
2. An **organic organization** is a structure that is highly adaptive and flexible with little work specialization, minimal formalization and little direct supervision of employees.
3. When is each design favored? It "depends" on the contingency variables. Contingency factors—

appropriate structure depends on four contingency variables:

### 1. Strategy and structure

One of the contingency variables that influences organizational design is the *organization's strategy*.

Most current strategy-structure frameworks tend to focus on three strategy dimensions:

- 1) Innovation—needs the flexibility and free flow of information of the organic organization
- 2) Cost minimization—needs the efficiency, stability, and tight controls of the mechanistic organization
- 3) Imitation—which uses characteristics of both mechanistic and organic

### Size and structure

There is considerable historical evidence that an *organization's size* significantly affects its structure. Larger organizations tend to have more specialization, departmentalization, centralization and formalization although the size-structure relationship is not linear.

Technology also has been shown to affect an organization's choice of structure.

- a. Every organization uses some form of technology to transform inputs into outputs.
- b. The study of structure and technology found that organizations adapted to their technology and that three distinct technologies had increasing levels of complexity and sophistication.
  - 1) **Unit production** is the production of items in units or small batches.
  - 2) **Mass production** is large-batch manufacturing.
  - 3) **Process production** is continuous-process production.

### Environmental uncertainty and structure

The final contingency factor that has been shown to affect organizational structure is *environmental uncertainty*. One way to manage environmental uncertainty is through adjustments in the organization's structure. The more uncertain the environment, the more flexible and responsive the organization may need to be.

## COMMON ORGANIZATIONAL DESIGNS

A. Traditional organizational designs.

We now need to look at various organizational designs that you might see in today's organizations.

1. A **simple structure** is an organizational design with low departmentalization, wide spans of control, authority centralized in a single person, and little formalization.
  - a. Its strengths are its flexibility, speed and low cost to maintain.
  - b. Its major drawback is that it's most effective in small organizations.

As an organization grows, the structure tends to become more specialized and formalized. When contingency factors favor a bureaucratic or mechanistic design, one of two options is likely to be used.
2. One option expands functional departmentalization into the **functional structure**, which is an organizational design that groups similar or related occupational specialties together.
3. The other option is the **divisional structure**, which is an organizational structure made up of autonomous, self-contained units.

B. Contemporary organizational designs.

However, many of today's organizations are finding that the traditional hierarchical organizational designs aren't appropriate for the increasingly dynamic and complex environments they face.

1. **Team-based structures:**

One of the newer concepts in organizational design is the **team-based structure**, which is an organizational structure made up of work groups or teams that performs the organization's work.

2. **Project and matrix structures:**

Another variation in organizational arrangements is based on the fact that many of today's organizations deal with work activities of different time requirements and magnitude.

- a. One of these arrangements is the **matrix organization** that assigns specialists from different functional departments to work on one or more projects being led by project managers.
- b. Another of these designs is the **project structure**, which is a structure in which employees are permanently assigned to projects.

3. **Autonomous Internal Units:**

Some large organizations have adopted a structure that's described as **autonomous internal units**, a design in which there are independent, autonomous decentralized business units, each with its own products, clients, competitors, and profit goals.

4. **The Boundary less Organization:**

Another approach to organizational design is the **boundary less organization**, which describes an organization whose design is not defined by, or limited to the horizontal, vertical, or external boundaries imposed by a predefined structure.

5. **Learning Organization:**

An organization that facilitate the life long learning and development of its employees while transforming itself to respond to changing demands and needs of market.