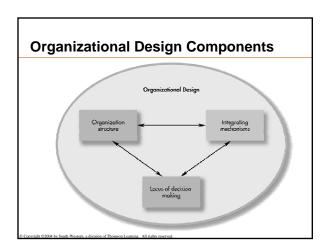
	CHAPTER 9
Designing the	9
Contemporary	
Organization	Pamela S. Lewis Stephen H. Goodman Patricia M. Fandt
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Organizational Design

A plan for arranging and coordinating the activities of an organization for the purpose of fulfilling its mission and achieving its goals.

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Organizational Structure

- Reporting relationships ...
 - Chain of command
 - hierarchy of responsibility
 - Authority
 - Accountability

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Forms of Organizational Structure

- Functional structure
- Divisional structure
- Matrix structure
- Network structure

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Functional Structure CEO Marketing Production Sales Human Resources Finance Cornicte C2004 by South Western a division of Thomson Learning. All rights reserved.

Forms of Organizational Structure

- Functional structure
- Divisional structure
- · Matrix structure
- Network structure

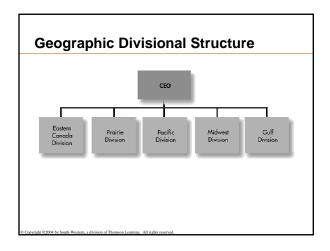
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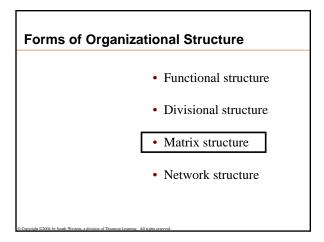
Divisional Structure

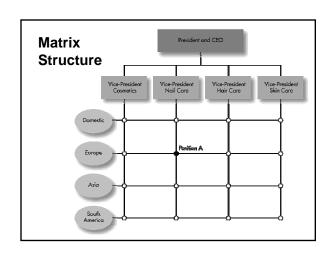
- Common products
- Geographic markets
- Customers served

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Product Divisional Structure Board of Management Process & Pigments & MasterPerformance Products Totalio Divis Pigments Asia' Profermance Chemicalis Products Process Profermance Chemicalis Figments Figments Amuricas Figments F







Forms of Organizational Structure

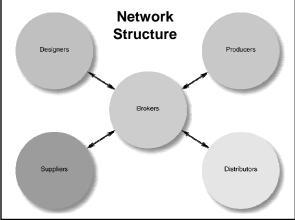
- Functional structure
- Divisional structure
- Matrix structure
- Network structure

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Network Structure

- Internal network
- Stable network
- Dynamic network

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Organizational Design Components

- Organizational structure
- Integrating mechanisms
- Locus of decision making

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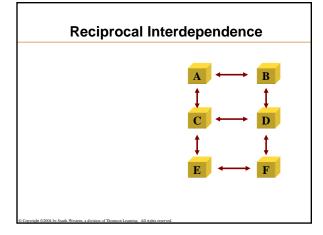
Integration

- Pooled interdependence
- $\\ Sequential interdependence$
- Reciprocal interdependence

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Pooled Interdependence A F Headquarters C

Sequential Interdependence A B C Commission CONTROLL State Additions of Thomason Learning. All rights reserved.



- General management systems. - Methods of increasing coordination potential. - Methods of reducing the need for coordination.

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Organizational Design Components	
– Organizational structure	
 Integrating mechanisms 	
– <u>Locus of decision making</u>	
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	7
Locus of Decision Making	
Locus of decision making refers to the degree to which decision making is centralized versus decentralized.	
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Mechanistic Vs. Organic Systems	
Mechanistic Rests with top-level management	
Acois wan iop-ievel managemeni	
Organic Systems Lowest levels of the greaningtion	
Lowest levels of the organization	

Environmental Stability	
Stable Environments	
Stable Environments	
• Turbulent Environments	
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Changing Environment	
Adaptive Organization	
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