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## Organisational Structures

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### ABSTRACT

*The development of human society has involved people working together in organised groups to undertake many forms of activity. The emergence of the business organisation in England was triggered by the industrial revolution in where larger industrial approaches to undertaking work replaced the family and cottage industries that had previously been prevalent. A similar pattern was to take place in countries across the globe experiencing industrialisation. In these organisations groups of people are situated together to develop and deliver the functions of the business. In such a grouping they can deliver more by working together within complex society than an individual would be able to. Organisations come in all shapes and sizes. The staff that they employ are subject to the rules, norms, values and expected behaviours of that organisation. They are also subject to staffing structures within the organisation. This determines their place in the organisation and what power they have in their employed position. These structures are subject to processes of continual review, change and modification. They can be complex and difficult to understand and explain. Structures are important for establishing the relationship between staff within the organisation and providing the framework in which they interact with each other. External influences can impact on organisations and pressure them into changing the way they operate and the structures they have in they have in place. Decisions in the organisations are made by managers which can influence and direct how change occurs. This article looks briefly at the development of staffing structures in organisations, the factors that influence them and it examines a number of structure models.*

**Keywords:** Business; Control; Management; Organisation; Structure

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### INTRODUCTION

Over the past century a rich history of academic writing has emerged about the development of organisations and businesses. Organisations themselves have been defined as a social arrangement through which collective goals are delivered in a controlled way [1]. They have also been described as 'hierarchical social structures' [2] and as being 'social

constructs which only exist if the people in them are there' [3]. Staff in an organisation can be seen as social actors carrying out performances through their roles at the organisation [3]. Some analysts argue that an organisation can only exist if 'social actors continue to keep up the organisation' [4]. The changing operational environment can impact upon an organisation. External drivers from the operational environment

can lead to a change in the structures in that organisation [5] [6]. Figure 1 illustrates the external drivers that can impact upon an organisation.

### STRUCTURE TYPES

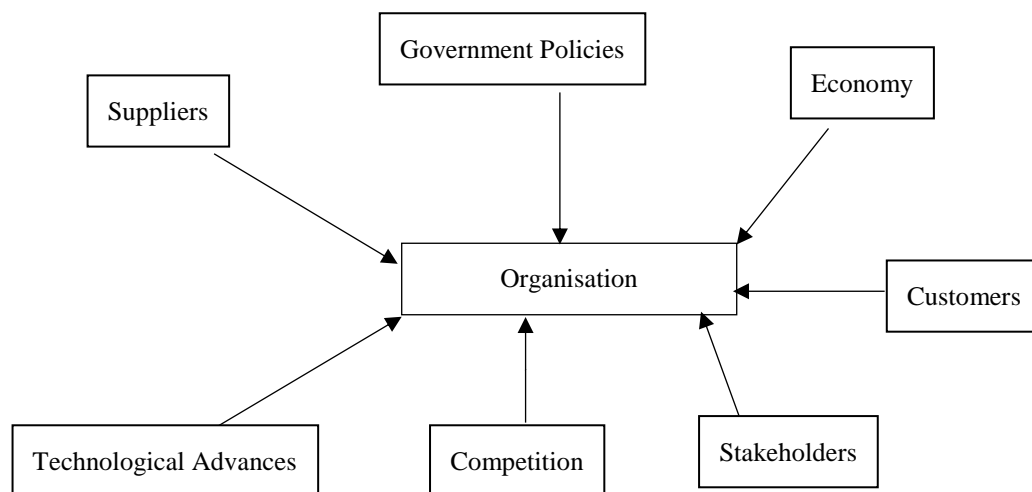
There are different types of organisational structure and these are briefly looked at in the following section.

#### Direct Line Management

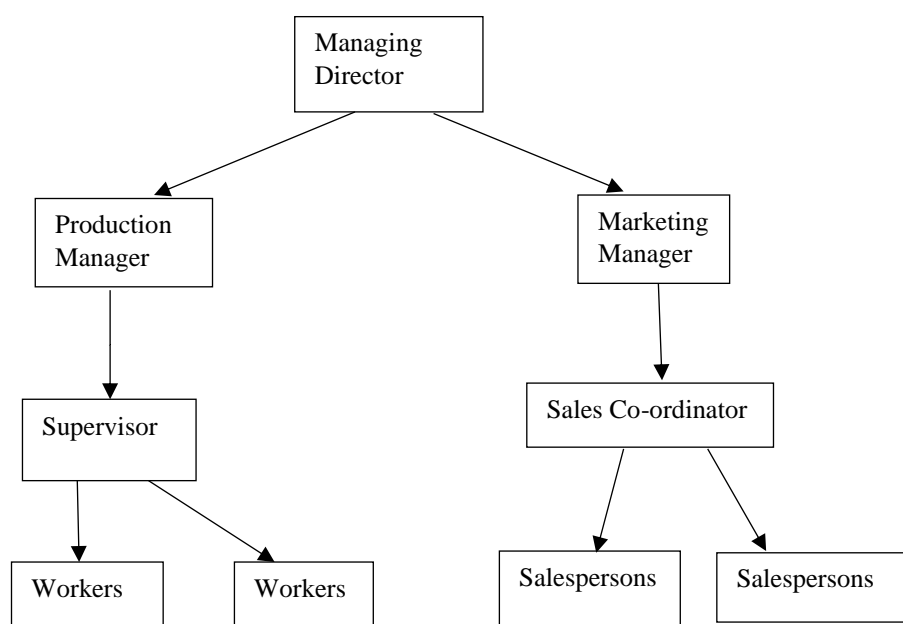
This is a type of structure within an organisation where there is only direct and

vertical relationships between different layers of management and between management and workers.

Within this type of simplified structure, the only functions that are carried out are ones that deliver the primary purpose of the organisation. An example of this is an organisation that focuses on producing and selling a product. The structure of this type of organisation has only two functional areas, production and sales. An example of this is shown in Figure 2.



**Fig. 1.** External drivers influencing organisation.



**Fig. 2.** Diagram to show a Direct Line Management Structure [7] [8].

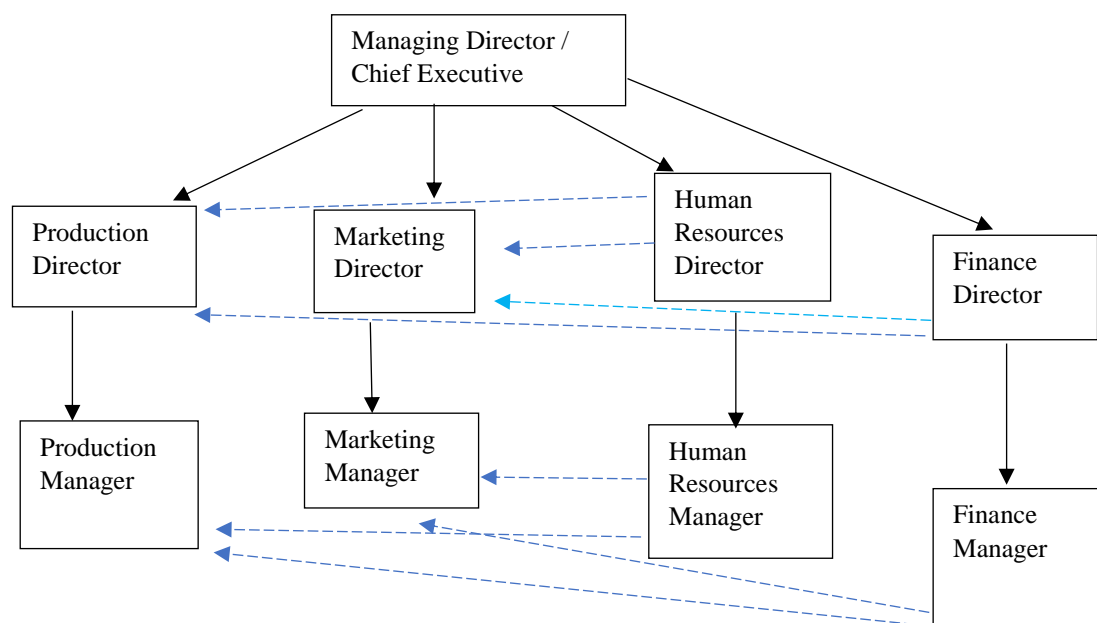
There are a number of advantages with this type of structure. It is simple and provides clear lines of accountability. The relationships between the different layers of management and between the management and the workers are easy to understand. As well as being clear to understand the decision making processes can be enacted quickly and decisions can be made quickly. The disadvantages of this type of structure are that some key employees could become overloaded with work as they are the only persons who make decisions. As the organisation only has specific functions then the key employees have to become knowledgeable not just of their own area but regarding other areas of work that are integral to the delivery of those functions. Examples of these other areas are human resources, finance and health and safety. This type of simple structure is most commonly found in small organisations and can be applicable to small family firms [9].

### Mixed Structures: Line Management & Functional

This type of organisation has different combinations of direct line management

relationships and other specialisms who work across the organisation in a matrix approach. These types of structures can be found in more complicated organisations. An example of this type of structure is provided in Figure 3.

Figure 3 shows that there are both diagonal and horizontal relationships within a mixed structure that combines the line management of staff and functional specialisms within the organisation. In this example the functional specialisms are the provision of human resources and finance. Unlike Figure 2 where the managers in the Direct Line Management Structure undertake these functions as part of their role, in the Mixed Structure the functions of finance and human resources are specialisms with staff that only deliver these functions across the organisation. In this example these two specialist functions are supporting the managers and directors in the production and marketing departments. There are many variations of this basic model used with staff in specialist functions providing advise and support to staff across the organisations.



**Fig. 3.** Diagram to show an example of Mixed Structures: Line Management & Functional.

In this type of Mixed Structure some managers have line management responsibility for staff in the chain of command, but other managers are experts in their field, such as human resources or finance and they are able to specialise in these areas. The advantage of this type of approach for organisations is that managers with line management responsibility and who operate within a key area such as production or marketing can focus solely on their areas. When they need to spend time dealing with a human resources or financial issue they can refer to the expert within the organisation and receive specialist advice and support [10].

The Mixed Structure is common to larger organisations. It allows staff to focus on their specific area of work and when required they can access specialist information from a knowledgeable expert within the organisation. A disadvantage of such an approach is if the line manager disagrees with the advice of the specialist

### Project Structure

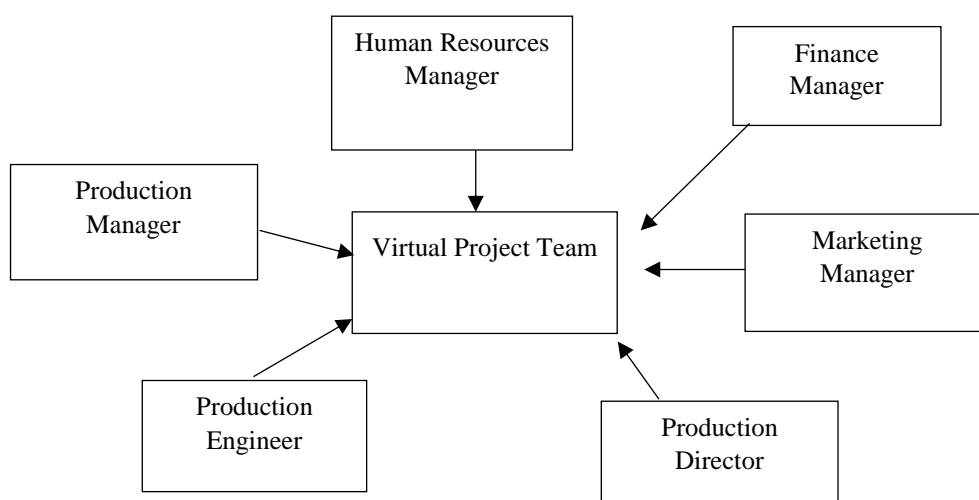
This type of structure is usually temporary and put together within an organisation to deal with a specific project. It is usually time limited and can be set up as a specific team or as a virtual team where experts

from across the organisation stay in their main roles but meet on a regular basis as a team to work on a specific project. Figure 4 shows an example of a virtual project team within an organisation.

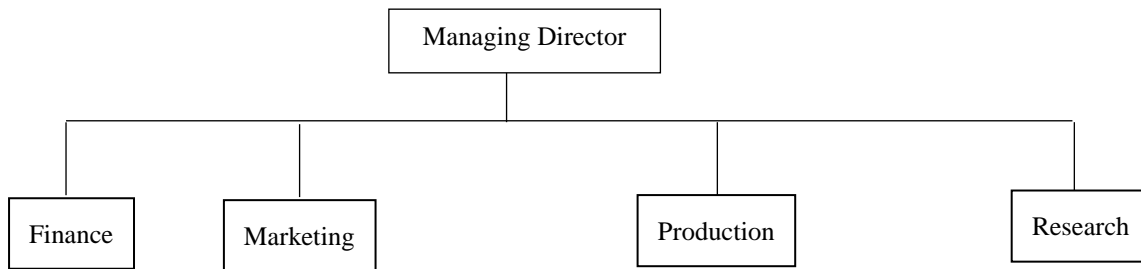
In Figure 4 the virtual project team includes staff from different parts of the organisation and on different levels within the organisation. The actual relationships between the members of the virtual project team within the organisation maybe vertical, horizontal, diagonal, upward or downward. They members of the team are selected because of the knowledge that they have and the contribution that they can make regarding the specific project that the team have been set up to work on. In this example there is a significant input into the project team from the production department because the issue that they have been set up to deal with is predominantly production focused.

### Flat Structures

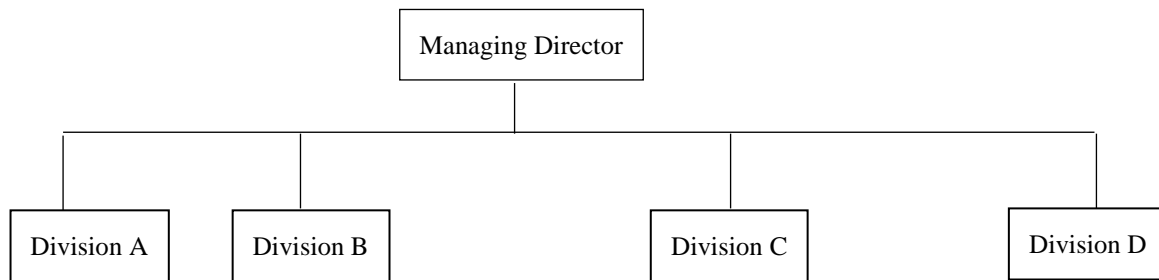
This are structures which have little on no hierarchical management. They are organised along functional, divisional, project or geographical lines. Figure 5 gives an example of a Flat Structure organised by function. Figure 6 gives an example of a Flat Structure organised by division.



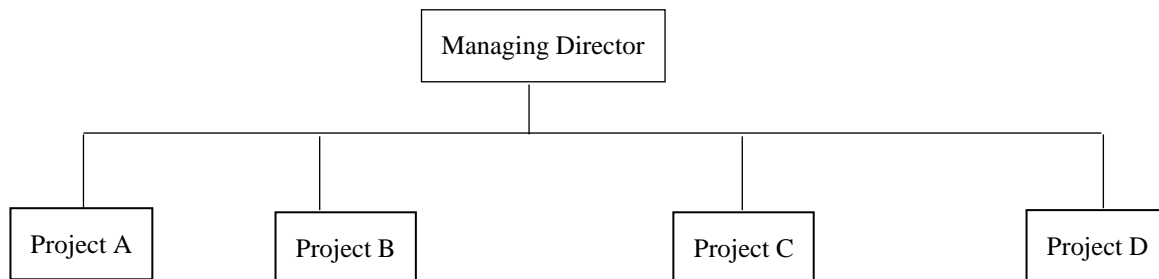
**Fig. 4.** Diagram to show an example of a virtual project team in an organisation.



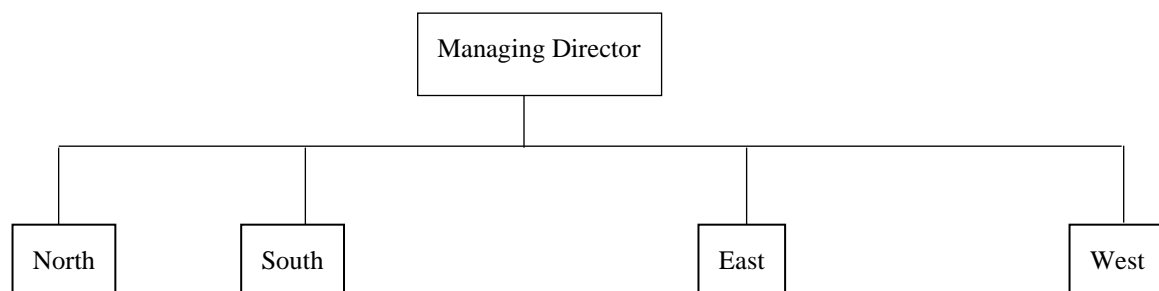
**Fig. 5.** Diagram to show an example of a Flat Structure organised by function.



**Fig. 6.** Diagram to show an example of a Flat Structure organised by division.



**Fig. 7.** Diagram to show an example of a Flat Structure organised by project.



**Fig. 8.** Diagram to show an example of a Flat Structure organised by geography.

Figure 7 gives an example of a Flat Structure organised by project.

Figure 8 gives an example of a Flat Structure organised by geography.

## CONCLUSION

In conclusion, it can be seen that there are external factors or drivers that impact upon each organisation. These can influence the

structures within the organisation. These structures determine where staff within that organisation are placed, their role and their decision-making capability. It can be argued that the decisions and actions of the individuals in these roles influence the way the structures within the organisations change. Their agency helps to shape the structure that develops through change. In turn, this structure will impact on the

agency of the individuals operating within the structure of the organisation.

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