

Organizational Structure Analysis Exercise

by

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This case may be used by current adopters of:

S. L. McShane *Canadian Organizational Behaviour*, 5th ed. (Toronto: McGraw-Hill Ryerson, 2004); S. L. McShane & M. A. von Glinow, *Organizational Behavior*, 3rd ed. (Boston: McGraw-Hill, 2005); S. L. McShane & T. Travaglione, *Organisational Behaviour on the Pacific Rim*, 1st ed. (Sydney: McGraw-Hill Australia, 2003)

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Purpose

This exercise is designed to help you to identify and describe the basic elements of organizational structure.

Instructions

The instructor should form teams of 4 or 5 participants one week or more before this exercise is discussed. Each team chooses an organization and reports its findings for discussion. Publicly traded companies should be selected because their annual reports are often the most informative sources about organizational structures. Team members should also search through online full-text newspaper and magazine databases to find articles about the firm. Through these sources, team members should be able to answer many of the questions listed below.

Organizational Structure Questions

Departmentation

1. Diagram the top levels of the organizational chart, based on the available information.
2. Many large organizations are hybrids, but they still emphasize one pure type more than others. Does the organizational chart represent a predominantly functional, divisionalized, or matrix structure? If a divisionalized form is emphasized, does it focus on clients, products, or geography?
3. If a matrix structure is used, which functional units are involved?
4. Does the organization make much use of the network structure? If so, what aspects of the organization's activities are contracted out?

Span of Control

1. Is this a tall or flat organization? How many hierarchical levels does it seem to have?
2. Has the organization recently increased or decreased its span of control? If so, what reasons were given for this change?

Centralization

1. In general, does this organization have centralized or decentralized decision making?
2. To what extent do nonmanagement employees participate in organizational decisions?

Formalization

1. Does this organization make extensive use of rules and procedures to organize and coordinate work activities? If so, provide examples.
2. Do nonmanagement employees have much discretion over their work or do they act mainly on programmed decisions?