

## **Q 1. Discuss the effects of organizational structure on the behaviour and culture of the organization.**

**Answer:-** Organizational structure is the grouping of people to accomplish work. It establishes relationships among a business's managers and workers, giving them authority to carry out responsibilities. Different kinds of basic configurations exist, and a small-business owner chooses one over another by the effect a structure is likely to have on work activities. Grouping people together in a certain way elicits or prevents specific behaviours, so knowing how each structure shapes employee behaviour helps the small-business owner choose the one that produces the best work culture for accomplishing her strategic goals.

### **Functional**

"Mechanistic" describes the outcome of the functional structure. It's characterized by a top-down power hierarchy, with decision-making authority pushed up as high as is practically possible. Many rules exist to keep things running according to a predictable order. People work together according to function -- salespeople work together on sales, for example -- and employees perform standardized, narrow jobs. This, coupled with rules and management control, means employees color within the lines, becoming proficient and efficient at their jobs but exhibiting little creativity. The structure inhibits initiative and produces followers. The military uses the functional structure, as do most small businesses.

### **Team**

The team structure produces a much freer workplace. This organic structure adapts as needed by using fluid employee teams that take charge of company goals and projects. Authority is decentralized, pushed down to employees, who respond by exhibiting initiative, creativity and enthusiasm. Accordingly, it has fewer managers -- perhaps only the owner, who oversees all the teams. Jobs aren't

standardized, and this affects morale: Satisfaction increases as job specialization decreases. Of course, decreasing specialization decreases efficiency, as well. Creative industries may use the team structure to good effect.

### **Divisional**

When a company has disparate client categories, product lines or locations, it makes sense to divide employees into groups dedicated to a single concern. Doing this naturally decentralizes power, as each division has power over its particular concern. Indeed, each division operates as a small business unit, and managers respond by learning to behave like leaders.

### **Matrix**

The divisional structure creates unavoidable redundancy; each division must have its own equipment, for instance. A company may instead combine the functional and divisional structures in the matrix structure. The functional structure is permanent. Divisional managers then pull employees from across different functional areas to work in teams on divisional projects. This matrix gains some of the team model's flexibility, retains some of the functional structure's efficiency, while responding to different market concerns. There's a built-in potential for conflict, though. Divisional and functional managers can become territorial and competitive, and employees may dislike being caught between and answering to two bosses.

### **Other Conflicts**

Both the divisional and functional structures segregate employee groups, which can lead to insular behaviour. Employees in different departments may become indifferent -- even hostile -- to the concerns of other areas, putting their own well-being first, even ahead of the company's. Uncooperative behaviour results, and interdepartmental coordination suffers. The team structure, meanwhile, lives and dies on the ability of team members to rise to challenges. They must be

trained to flourish, not only in their own respective fields of functional expertise, but in areas such as communication, problem solving and diversity.

- Create regulations to protect users work and system security