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Management Structure Notes

Hierarchical type of control structures

Management structures in many modern enterprises were built in accordance with the principles of management formulated in the early twentieth century. The most comprehensive formulation of these principles was given by the German sociologist Max Weber (the concept of rational bureaucracy):

the principle of hierarchy of levels of management, in which each lower level is controlled by the higher and subordinate to it;

the principle of the correspondence of the powers and responsibilities of the management staff to a place in the hierarchy arising from it;

the principle of division of labor into individual functions and specialization of workers according to their functions; the principle of formalization and standardization of activities, ensuring the uniformity of the fulfillment by employees of their duties and the coordination of various tasks;

the principle of impersonality in the performance of employees of their functions arising from it;

the principle of qualifying selection, in accordance with which hiring and dismissal from work is carried out in strict accordance with the qualification requirements.

An organizational structure built in accordance with these principles is called a hierarchical or bureaucratic structure. The most common type of such structure is linear - functional (linear structure).

Linear organizational structure

The basis of linear structures is the so-called "mining" principle of construction and the specialization of the management process according to the functional subsystems of the organization (marketing, production, research and development, finance, personnel, etc.). For each subsystem, a hierarchy of services ("mine") is formed, penetrating the entire organization from top to bottom (see figure). The results of each service are evaluated by indicators characterizing the fulfillment of their goals and objectives. Accordingly, a system of motivation and rewards is built. At the same time, the final result (efficiency and quality of the organization's work as a whole) becomes, as it were, of secondary importance, since it is believed that all services work to some extent to obtain it.

Notes marketer. Linear organizational structure

The advantages of the linear structure: a clear system of mutual relations of functions and divisions; a clear system of unity of command - one leader concentrates in his hands the leadership of the entire set of processes with a common goal; clear responsibility; quick response of executive units to direct instructions of their superiors.

Disadvantages of a linear structure: no links involved in strategic planning issues; in the work of managers at almost all levels, operational problems ("routine") dominate over strategic ones; the tendency to red tape and shift responsibility when solving problems that require the participation of several units; low flexibility and adaptability to change the situation; criteria for the effectiveness and quality of work of departments and organizations in general are different; the tendency to formalize the assessment of the effectiveness and quality of work of departments usually leads to the

emergence of an atmosphere of fear and disunity; a large number of "management floors" between the workers who produce the product and the decision maker; overload of top-level managers; increased dependence of the results of the organization on the qualifications, personal and business qualities of top managers.

Conclusion: in modern conditions, the disadvantages of the structure outweigh its advantages. Such a structure is poorly compatible with modern quality philosophy.

Linear - headquarters structure

This kind of organizational structure is a linear development and is intended to eliminate its most important drawback associated with the absence of strategic planning units. Linear - headquarters structure includes specialized units (headquarters), which do not have the right to make decisions and manage any subordinate units, but only assist the relevant manager in the performance of certain functions, primarily the functions of strategic planning and analysis. Otherwise, this structure is linear.

Notes marketer. Line headquarters structure

Advantages of the linear - staff structure: a deeper than in the linear, study of strategic issues; some offloading of top managers; the possibility of attracting external consultants and experts; when empowering staff units with functional management rights, such a structure is a good first step towards more efficient organic management structures.

Disadvantages of the line-staff structure: insufficiently clear distribution of responsibility, since the persons preparing the decision do not participate in its implementation; tendencies to excessive centralization of management; similar to the linear structure, partly in a weakened form.

Conclusion: a linear - staff structure can be a good intermediate step in the transition from a linear structure to a more efficient one. The structure makes it possible, to a limited extent, to embody the ideas of modern philosophy of Quality. The divisional management structure. Already by the end of the 20s of the last century, the need for new approaches to organizing management became clear, due to a sharp increase in the size of enterprises, diversification of their activities (versatility), complication of technological processes in a dynamically changing environment. In this connection, divisional management structures began to emerge, primarily in large corporations, which began to provide a certain independence to their production divisions, leaving the leadership of the corporation to develop development strategies, research and development, financial and investment policies, etc. In this type of structure An attempt was made to combine centralized coordination and control activities with decentralized management. The peak of the introduction of divisional management structures fell on the 60s - 70s of the last century, but even today this type of structure remains popular, since it adequately solves the tasks set by firms. Marketer notes. Divisional management structure Key figures in the management of organizations with divisional structure are no longer the heads of functional units, but managers who head production departments (divisions). Structuring by divisions, as a rule, is carried out according to one of the criteria: according to the output (products or services) - product specialization; on orientation to certain groups of consumers - consumer specialization; by service area - regional specialization. In our country, similar management structures have been widely introduced since the 1960s in the form of creating production associations. The advantages of a divisional structure: it provides for the management of multi-disciplinary enterprises with a total headcount of about hundreds of thousands and geographically distant subdivisions; provides greater flexibility and faster response to changes in the environment of the enterprise compared with the linear and linear - headquarters; when expanding the boundaries of the autonomy of departments, they become "centers of profit", actively working to improve the efficiency and quality of production; Closer connection of production with consumers. Disadvantages of the divisional structure: a large number of "floors" of the management vertical; between workers and a production manager of a unit - 3 or more levels of management, between workers and company management - 5 and more; disunity of the staff structures of the offices from the company headquarters; the main connections are vertical, therefore there are disadvantages common to hierarchical structures - red tape,

overloaded managers, poor interaction in resolving issues related to departments, and so on; the duplication of functions on different "floors" and, as a result, the very high costs of maintaining the management structure; As a rule, in offices there is a linear or linear - staff structure with all their shortcomings. Conclusion: the advantages of divisional structures outweigh their shortcomings only during periods of fairly stable existence, with an unstable environment they risk repeating the fate of dinosaurs. With this structure, it is possible to embody most of the ideas of the modern philosophy of quality.

Organic or adaptive management structures These structures began to develop around the end of the 70s of the last century, when, on the one hand, the creation of an international market for goods and services sharply intensified competition among enterprises and demanded from enterprises of high efficiency and quality of work and quick response to market changes, and on the other hand, the inability of hierarchical structures to these conditions became apparent. The main feature of organic-type management structures is their ability to change their shape, adapting to changing conditions. The types of structures of this type are design, matrix (program-targeted), brigade forms of structures. When introducing these structures, it is necessary to simultaneously change the relationship between departments of the enterprise. If you keep the planning, control, resource allocation system, management style, methods of personnel motivation, do not support the employees' striving for self-development, the results of the implementation of such structures can be negative.

Brigade (cross-functional) management structure The basis of this management structure is the organization of work by working groups (brigades). The form of brigade organization of work is a rather ancient organizational form, it suffices to recall the working artels, but only from the 80s began its active use as an organization management structure, in many respects directly opposite to the hierarchical type of structures. The main principles of such an organization of management are: autonomous work of working groups (brigades), independent decision-making by working groups and coordination of activities horizontally, replacement of rigid management relations of a bureaucratic type by engaging in the development and solving problems of employees from different departments. These principles destroy the rigid distribution of employees in the production, engineering, economic and managerial services inherent in hierarchical structures, which form isolated systems with their own goals and interests. In an organization built according to these principles, both functional units can be maintained, and so absent. In the first case, the employees are under dual subordination - administrative (head of the functional unit in which they work) and functional (head of the working group or team in which they belong). This form of organization is called cross-functional, in many ways it is close to the matrix. In the second case, the functional units as such are absent, we will call it the brigade itself. This form is widely used in project management organizations.

Marketer notes. Cross-functional structure Cross-functional structure. Marketer notes. Structure of an organization consisting of working groups (brigade) Structure of an organization consisting of working groups (brigade) Advantages of a brigade (cross-functional) structure: reduction of the administrative apparatus, increase of management efficiency; flexible use of personnel, their knowledge and competence; group work creates conditions for self-improvement; the possibility of applying effective methods of planning and management; reduced need for specialists of a wide profile. Disadvantages of the brigade (cross-functional) structure: the complexity of the interaction (especially for cross-functional structure); difficulty in coordinating the work of individual teams; high qualification and responsibility of staff; high demands on communications. Conclusion: this form of organizational structure is most effective in organizations with a high level of qualification of specialists with their good technical equipment, especially in combination with project management. This is one of the types of organizational structures in which the ideas of the modern philosophy of quality are most effectively embodied.

The matrix (program-targeted) organization structure. Such a structure is a network structure built on the principle of dual subordination of performers: on the one hand, to the immediate head of the functional service, which provides personnel and technical assistance to the project manager, on the other hand, to the project manager or the targeted program, which has the necessary authority for the implementation of the management process. With such an organization, the project manager interacts with 2 groups of subordinates: with permanent members of the project

team and with other employees of functional departments who submit to it temporarily and on a limited number of issues. At the same time, their subordination to direct managers of departments, departments and services is preserved. For activities that have a clearly defined beginning and end, they form projects, for permanent activities, target programs. In organizations, both projects and target programs can coexist. Marketer notes. Matrix Structure Matrix Structure Benefits: Better Orientation on Design (or Program) Targets and Demand; more efficient current management, the ability to reduce costs and improve the efficiency of resource use; flexible and efficient use of personnel, expertise and competence; the relative autonomy of project teams contributes to the development of decision-making skills, management culture, and professional skills among workers; improved control over individual project objectives; Any work is organized organizationally, one person is appointed - the "owner" of the process, which serves as a center for the concentration of all issues related to the project or target program. Disadvantages of matrix structures: the difficulty of establishing clear responsibility for the work on the instructions of the unit and on the tasks of the project (a consequence of dual subordination); the need to monitor the ratio of resources allocated to units and programs; high requirements for qualifications, business qualities of workers, the need for their training; frequent conflict situations between heads of departments and projects or programs; the possibility of violation of the rules and standards adopted in the functional units, due to the isolation of employees participating in the project or program from their units. Conclusion: the introduction of the matrix structure gives a good effect in organizations with a fairly high level of corporate culture and staff skills.

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