THE IMPACT OF ORGANISATIONAL STRUCTURE & TECHNOLOGY

FEM3104

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LEARNING OUTCOMES

1. To explain various organisational structures.
2. To explain the impact of organisational structure.
3. To explain the impact of technology to employee.
4. To explain the importance of occupational health and safety.
ORGANISATIONAL STRUCTURE

- Specification of the jobs to be done within an organization and the ways in which they relate to one another.
- This allows the organization to achieve its goals.
- At some organizations the structure is rigid, at other it is more flexible.
- Every business needs structure to operate. Organizational structure varies according to a firm’s mission, purpose, and strategy.
An organisational structure consists of activities such as task allocation, coordination and supervision, which are directed towards the achievement of organisational aims.

It can also be considered as the viewing glass or perspective through which individuals see their organization and its environment.

An organisation can be structured in many different ways, depending on their objectives.

The structure of an organisation will determine the modes in which it operates and performs.
Organizational structure allows the expressed allocation of responsibilities for different functions and processes to different entities such as the branch, department, workgroup and individual.

Effect of OS to organisational action:

1. It provides the foundation on which standard operating procedures and routines rest.
2. It determines which individuals get to participate in which decision-making processes, and thus to what extent their views shape the organisation’s actions.
- Size, technology, and changes in environmental circumstances also influence organisational structure.
- Although all organizations have the same basic elements, each develops the structure that contributes to the most efficient operations.
OS TYPES

- PRE-BUREAUCRATIC STRUCTURES

✓ Pre-bureaucratic (entrepreneurial) structures lack **standardization** of tasks.

✓ This structure is most common in smaller organizations and is best used to solve simple tasks.

✓ The structure is totally centralised.

✓ The strategic leader makes all key decisions and most communication is done by one on one conversations.

✓ It is particularly useful for new (entrepreneurial) business as it enables the founder to control growth and development.
BUREAUCRATIC STRUCTURES

Weber (1948, p. 214) gives the analogy that “the fully developed bureaucratic mechanism compares with other organizations exactly as does the machine compare with the non-mechanical modes of production. Precision, speed, unambiguity, ... strict subordination, reduction of friction and of material and personal costs – these are raised to the optimum point in the strictly bureaucratic administration.”
Bureaucratic structures have a certain degree of standardization.

They are better suited for more complex or larger scale organizations, usually adopting a tall structure.

The Weberian characteristics of bureaucracy are:

- Clear defined roles and responsibilities.
- A hierarchical structure.
- Respect for merit.
TALL ORGANIZATIONAL STRUCTURE - VERTICAL

Characteristic of centralized companies with multiple layers of management and relatively narrow spans of control.

Relatively narrow span of control.

At lower levels, where tasks are similar and simpler, span of control widens.
POST–BUREAUCRATIC

Charles Heckcher has developed an ideal type of the post–bureaucratic organisation in which:

- Decisions are based on dialogue and consensus rather than authority and command,
- The organisation is a network rather than a hierarchy,
- Open at the boundaries (in direct contrast to culture management); there is an emphasis on meta-decision making rules rather than decision making rules.
This sort of horizontal decision making by consensus model is often used in housing cooperative, other cooperatives and when running a non-profit or community organisation.

It is used in order to encourage participation and help to empower people who normally experience oppression in groups.
FUNCTIONAL STRUCTURE

Employees within the functional divisions of an organisation tend to perform a specialized set of tasks, for instance the engineering department would be staffed only with software engineers.

This leads to operational efficiencies within that group. However it could also lead to a lack of communication between the functional groups within an organization, making the organization slow and inflexible.
Divisional International Organization

Approaches to organizational structure developed in response to the need to manufacture, purchase, and sell in global markets.
FUNCTIONAL STRUCTURE

- As a whole, a functional organisation is best suited as a producer of standardized goods and services at large volume and low cost.
- Coordination and specialization of tasks are centralized in a functional structure, which makes producing a limited amount of products or services efficient and predictable.
- Moreover, efficiencies can further be realized as functional organizations integrate their activities vertically so that products are sold and distributed quickly and at low cost.
DIVISIONAL STRUCTURE

Also called a "product structure", the divisional structure groups each organizational function into a division.

Each division within a divisional structure contains all the necessary resources and functions within it.

One might make distinctions on a geographical basis (a US division and an EU division, for example) or on product/service basis (different products for different customers: households or companies).
DIVISIONAL STRUCTURE

In another example, an automobile company with a divisional structure might have one division for SUVs, another division for subcompact cars, and another division for sedans.

Each division may have its own sales, engineering and marketing departments.
MATRX STRUCTURE

- Groups employees by both function and product.
- A matrix organization frequently uses teams of employees to accomplish work, in order to take advantage of the strengths, as well as make up for the weaknesses, of functional and decentralized forms.
- Matrix structure is amongst the purest of organizational structures, a simple lattice emulating order and regularity demonstrated in nature.
### MATRIX STRUCTURE

- **Weak/Functional Matrix:** A project manager with only limited authority is assigned to oversee the cross-functional aspects of the project. The functional managers maintain control over their resources and project areas.

- **Balanced/Functional Matrix:** A project manager is assigned to oversee the project. Power is shared equally between the project manager and the functional managers. It brings the best aspects of functional and projectized organizations.
Matrix Structure

- However, this is the most difficult system to maintain as the sharing of power is a delicate proposition.

- Strong/Project Matrix: A project manager is primarily responsible for the project. Functional managers provide technical expertise and assign resources as needed.
### Matrix Organization at Martha Stewart

#### Area Specialists
- Cooking
- Entertainment
- Weddings
- Crafts
- Gardening
- Home
- Holidays
- Children

#### Media Group
- Magazines
- Books
- Internet
- Radio/Network
- Newspaper/Cable TV

#### Merchandising Group
- K-mart Line
- Catalog Line
- Sears Paint
- Specialty/Retailing

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This diagram illustrates the matrix organization at Martha Stewart, showing how different areas and media groups are structured.
**ORGANIZATIONAL CIRCLE: MOVING BACK TO FLAT**

- The flat structure is common in small companies (entrepreneurial start-ups, university spin-offs).
- As the company grows it becomes more complex and hierarchical, which leads to an expanded structure, with more levels and departments.
- Often, it would result in bureaucracy, the most prevalent structure in the past.
- It is still, however, relevant in former Soviet Republics, China, and most governmental organizations all over the world.
ORGANIZATIONAL CIRCLE: MOVING BACK TO FLAT

- Shell Group used to represent the typical bureaucracy: top-heavy and hierarchical.
- It featured multiple levels of command and duplicate service companies existing in different regions.
- All this made Shell apprehensive to market changes, leading to its incapacity to grow and develop further. The failure of this structure became the main reason for the company restructuring into a matrix.
FLAT ORGANIZATIONAL STRUCTURE – VERTICAL STRUCTURE.

Characteristic of decentralized companies with relatively few layers of management and relatively wide spans of control.

Typical Law Firm

Chief Partner

Partners

Associates

Relatively wide span of control
TEAM

- One of the newest organizational structures developed in the 20th century.
- In small businesses, the team structure can define the entire organization.
- Teams can be both horizontal and vertical. While an organization is constituted as a set of people who synergize individual competencies to achieve newer dimensions, the quality of organizational structure revolves around the competencies of teams in totality.
TEAM

- For example, every one of the Whole Foods Market stores, the largest natural-foods grocer in the US developing a focused strategy, is an autonomous profit centre composed of an average of 10 self-managed teams, while team leaders in each store and each region are also a team.

- Larger bureaucratic organizations can benefit from the flexibility of teams as well. Xerox, Motorola, and DaimlerChrysler are all among the companies that actively use teams to perform tasks.
▪ NETWORK

▪ Another modern structure is network. While business giants risk becoming too clumsy to proact (such as), act and react efficiently, the new network organizations contract out any business function, that can be done better or more cheaply.

▪ In essence, managers in network structures spend most of their time coordinating and controlling external relations, usually by electronic means.
VIRTUAL

A special form of boundaryless organization is virtual.

Hedberg, Dahlgren, Hansson, and Olve (1999) consider the virtual organization as not physically existing as such, but enabled by software to exist.

The virtual organization exists within a network of alliances, using the Internet.

This means while the core of the organization can be small but still the company can operate globally be a market leader in its niche.
VIRTUAL

According to Anderson, because of the unlimited shelf space of the Web, the cost of reaching niche goods is falling dramatically.

Although none sell in huge numbers, there are so many niche products that collectively they make a significant profit, and that is what made highly innovative amazon.com so successful.
HIERARCHY–COMMUNITY PHENOTYPE MODEL OF ORGANIZATIONAL STRUCTURE

In the 21st century, even though most, if not all, organizations are not of a pure hierarchical structure, many managers are still blind-sided to the existence of the flat community structure within their organizations.

The business firm is no longer just a place where people come to work. For most of the employees, the firm confers on them that sense of belonging and identity— the firm has become their “village”, their community.
The business firm of the 21st century is not just a hierarchy which ensures maximum efficiency and profit; it is also the community where people belong to and grow together – where their affective and innovative needs are met.
THE BUILDING BLOCKS OF ORGANIZATIONAL STRUCTURE

- The first step in developing the structure of any business, large or small, involves activities:
  - **Specialization**
    - Determining who will do what.
  - **Departmentalization**
    - Determining how people performing certain tasks can best be grouped together.
  - Process of grouping jobs into logical units
  - **Profit Center and Cost Centre**
    - Separate company unit responsible for its own costs and profits.
DIFFERENT METHOD OF DEPARTMENTALIZATION

- Customer Departmentalization
  - Departmentalization according to types of customers likely to buy a given product.

- Product Departmentalization
  - Departmentalization according to specific products being created.

- Process Departmentalization
  - Departmentalization according to production processes used to create a good or service.
Geographic Departmentalization

- Departmentalization according to areas served by a business

Functional Departmentalization

- Departmentalization according to groups’ functions or activities
CENTRALISED OR DISCENTRALISED

- **Centralized Organization**
  - Organization in which most decision-making authority is held by upper-level management

- **Decentralized Organization**
  - Organization in which a great deal of decision-making authority is delegated to levels of management at points below the top
  - This is the current trend.

- **Span of Control**
  - Number of people supervised by one manager
OCCUPATIONAL SAFETY & HEALTH (OSH)

- OSH is a cross-disciplinary area concerned with protecting the safety, health and welfare of people engaged in work or employment.

- The goals of OSH programs include fostering a safe and healthy work environment.

- OSH may also protect co-workers, family members, employers, customers, and many others who might be affected by the workplace environment.

- OSH can be important for moral, legal, and financial reasons.
All organisations have a duty of care to ensure that employees and any other person who may be affected by the companies undertaking remain safe at all times.

Moral obligations would involve the protection of employee's lives and health.

Legal reasons for OSH practices relate to the preventative, punitive and compensatory effects of laws that protect worker's safety and health.

OSH can also reduce employee injury and illness related costs, including medical care, sick leave and disability benefit costs.
OSH may involve interactions among many subject areas, including occupational medicine, occupational hygiene, public health, safety engineering, industrial engineering, chemistry, health physics, ergonomics and occupational health psychology.

In Malaysia, the Department of Occupational Safety and Health (DOSH) under the Ministry of Human Resource is responsible to ensure that the safety, health and welfare of workers in both the public and private sector is upheld. DOSH is responsible to enforce the Factories and Machinery Act 1967 and the Occupational Safety and Health Act 1994.
ILO/WHO Committee on Occupational Health

- "The main focus in occupational health is on three different objectives: (i) the maintenance and promotion of workers’ health and working capacity; (ii) the improvement of working environment and work to become conducive to safety and health and (iii) development of work organizations and working cultures in a direction which supports health and safety at work and in doing so also promotes a positive social climate and smooth operation and may enhance productivity of the undertakings. The concept of working culture is intended in this context to mean a reflection of the essential value systems adopted by the undertaking concerned. Such a culture is reflected in practice in the managerial systems, personnel policy, principles for participation, training policies and quality management of the undertaking."
Workers cutting Marble without any protective gear, Indore, India.

At-risk workers without appropriate safety equipment

Leather craftsman gloves, safety goggles, and a properly fitted hardhat are crucial for proper safety in a construction environment.
Occupations with high fatal work injury rates, 2010

- Fishers and related fishing workers: 38 injuries, 152.0 injury rate
- Logging workers: 60 injuries, 93.5 injury rate
- Aircraft pilots and flight engineers: 78 injuries, 70.6 injury rate
- Farmers and ranchers: 308 injuries, 42.5 injury rate
- Mining machine operators: 22 injuries, 37.0 injury rate
- Roofers: 57 injuries, 32.4 injury rate
- Refuse and recyclable material collectors: 26 injuries, 29.8 injury rate
- Driver/sales workers and truck drivers: 718 injuries, 23.0 injury rate
- Industrial machinery installation, repair, and maintenance workers: 98 injuries, 20.7 injury rate
- Police and sheriff’s patrol officers: 134 injuries, 18.1 injury rate

Source: U.S. Bureau of Labor Statistics
Some worker report a high incidence of back pain, physical fatigue and visual disturbances.

- **Carpal tunnel syndrome**: a repetitive motion disorder that may involve numbness, tingling or pain in fingers, hands and forearms.

- Studies have shown a higher rate of miscarriage among pregnant women who work with computers more than 20 hours a week, compared to pregnant women who do other kinds of office work.

- Long term effect of X-rays and infrared, magnetic and electrostatic field emitted by computers – yet to be determined.
OCCUPATIONAL STRESS

- Refers to stress involving work.
- Stress is defined in terms of its physical and physiological effects on a person, and can be a mental, physical or emotional strain. It can also be a tension or a situation or factor that can cause stress.
- “The process that arises where work demands of various types and combinations exceed the person’s capacity and capability to cope.” – The UK Health and Safety Executive.
- Occupational stress can occur when there is a discrepancy between the demands of the environment/workplace and an individual’s ability to carry out and complete these demands.
- Often a stressor can lead the body to have a physiological reaction which can strain a person physically as well as mentally.
A variety of factors contribute to workplace stress such as negative workload, isolation, extensive hours worked, toxic work environments, lack of autonomy, difficult relationships among coworkers and management, management bullying, harassment and lack of opportunities or motivation to advancement in one’s skill level.

Basic form of stress is divided into two categories, which are eustress and distress.

✓ Eustress is known as positive or good stress.
✓ While distress is the stress reactions to those events or actions appraised as being negative.
Stress-related disorders encompass a broad array of conditions, including:

- Psychological disorder (e.g., depression, anxiety, post-traumatic stress disorder) and other types of emotional strain (e.g., dissatisfaction, fatigue, tension),
- Maladaptive behaviors (e.g., aggression, substance abuse),
- Cognitive impairment (e.g., concentration and memory problems).
These conditions may lead to:

- poor work performance,
- higher absenteeism,
- less work productivity or even injury.

Job stress is also associated with various biological reactions that may lead ultimately to compromised health, such as cardiovascular disease or in extreme cases, death.
Stress

Body
- headaches
- frequent infections
- taut muscles
- muscular twitches
- fatigue
- skin irritations
- breathlessness

Mind
- worrying
- muddled thinking
- impaired judgement
- nightmares
- indecisions
- negativity
- hasty decisions

Emotions
- loss of confidence
- more fussy
- irritability
- depression
- apathy
- alienation
- apprehension

Behavior
- accident prone
- loss of appetite
- loss of sex drive
- drinking more
- insomnia
- restlessness
- smoking more
5 CATEGORIES ASSOCIATED WITH OCCUPATIONAL STRESS

1. Factors unique to the job
2. Role in the organization
3. Career development
4. Interpersonal work relationships
5. Organizational Structure/climate
These individual categories demonstrate that stress can occur specifically when a conflict arises from the job demands of the employee and the employee itself. If not handled properly, the stress can become [Distress (medicine)](https://www.merriam-webster.com/dictionary/distress).

1. FACTORS UNIQUE TO JOB

- Concerns with the ability of the employee coping with the specific hours worked, the level of productive rate expected, the physical environment, as well as the expectancy of the work desired by management.
For instance, research shows that night shifts in particular has a high possibility of negative impact towards the health of the employee. In relation to this, approximately 20 percent of night shift workers have experienced psycho-physiological dysfunctions, including heart diseases.

Extreme factors can affect the competence levels of employees.
2. ROLE IN THE ORGANISATION

- Role in the organization, is associated with the hierarchical ranking of that particular employee within the organization.
- Upper management is entitled to oversee the overall functioning of the organization.
- This causes potential distress as the employee must be able to perform simultaneous tasks.

3. CAREER DEVELOPMENT

- Security of their occupation, promotion levels, etc. are all sources of stress, as this business market in terms of technology of economic dominance is ever-changing.
4. INTERPERSONAL WORK RELATIONSHIPS

- The workplace is a communication and interaction based industry.
- These relationships (either developed or developing) can be problematic or positive.
- Common stressors include harassment, discrimination, biased opinions, hearsay, and other derogatory remarks.

5. ORGANIZATIONAL CLIMATE OR STRUCTURE.

- The overall communication, management style, and participation among groups of employees are variables to be considered.
In essence, the resultant influence of the high participation rate, collaborative planning, and equally dispersed responsibilities provides a positive effect on stress reduction, improved work performance, job satisfaction, and decreased psychosomatic disorders.
Sources of stress at work

**Intrinsic to job:**
- Poor physical working conditions
- Work overload
- Time pressures
- Physical danger, etc

**Role in organisation:**
- Role ambiguity
- Role conflict
- Responsibility for people
- Conflicts re organisational boundaries (internal and external), etc

**Career development:**
- Over promotion
- Under promotion
- Lack of job security
- Thwarted ambition etc

**Relationship at work:**
- Poor relations with boss, subordinates, or colleagues
- Difficulties in delegating responsibility, etc

**Organisational structure and climate:**
- Little or no participation in decision
- Restrictions on behaviour (budgets, etc)
- Office politics
- Lack of effective consultation, etc
- Financial difficulties, etc

**Individual characteristics**

**The individual:**
- Level of anxiety
- Level of neuroticism
- Tolerance for ambiguity
- Type A behavioural pattern

**Extra-organisational**
- Family problems
- Life crises

**Symptoms of occupational ill health**

**Disease**

- Diastolic blood pressure
- Cholesterol concentration
- Heart rate
- Smoking
- Depressive mood
- Escapist drinking
- Job dissatisfaction
- Reduced aspiration etc

**Coronary heart disease**

**Mental ill health**
Economic factors that employees are facing in the 21st century have been linked to increased stress levels.

Researchers and social commentators have pointed out that the computer and communications revolutions have made companies more efficient and productive than ever before.

This boon in productivity however, has caused higher expectations and greater competition, putting more stress on the employee.
HOW TO CHANGE THE ORGANISATION TO PREVENT JOB STRESS?

- Ensure that the workload is in line with workers' capabilities and resources.
- Design jobs to provide meaning, stimulation, and opportunities for workers to use their skills.
- Clearly define workers' roles and responsibilities.
- To reduce workplace stress, managers may monitor the workload given out to the employees.
- Also while they are being trained they should let employees understand and be notified of stress awareness.
CONTINUE

- Give workers opportunities to participate in decisions and actions affecting their jobs.
- Improve communications—reduce uncertainty about career development and future employment prospects.
- Provide opportunities for social interaction among workers.
- Establish work schedules that are compatible with demands and responsibilities outside the job.
- Combat workplace discrimination (based on race, gender, national origin, religion or language).
- Bringing in an objective outsider such as a consultant to suggest a fresh approach to persistent problems.
- Introducing a participative leadership style to involve as many subordinates as possible to resolve stress-producing problems.
- Encourage work-life balance through family-friendly benefits and policies
- Is another way organizations can help reduce stress for their workers.

- Employees defined telecommuting as "an alternative work arrangement in which employees perform tasks elsewhere that are normally done in a primary or central workplace, for at least some portion of their work schedule, using electronic media to interact with others inside and outside the organization."

- One reason that telecommuting gets such high marks is that it allows employees more control over how they do their work.
Telecommuters reported more job satisfaction and less desire to find a new job. Employees that worked from home also had less stress, improved work/life balance and higher performance rating by their managers.
Occupational health psychology is concerned with the effects of stress in the workplace.

Stress lowers productivity, increase absenteeism and turnover and causes psychological changes.

Prolonged stress can be a factor in illnesses such as heart disease, allergies, headaches and cancer.

Factors that can reduce stress include high job satisfaction, control, high autonomy, and power, social support, good health, job skills and certain personality characteristics.