INTRODUCTION

Two respected journalists working at the same newspaper both write engaging, articulate, and well-researched articles. The ways they go about their work differ greatly however, as do their offices. The first journalist works in a flurry of activity, asking for input from anyone who will offer it, posting sticky notes as reminders over her computer. Seemingly haphazard piles of paper and files clutter her office. The second journalist works meticulously and predictably, taking regularly scheduled breaks and organizing his notes in a systematic file for each story. Working quietly and according to a plan, he seeks input from the editor but doesn’t like to be confused by too many perspectives. This chapter is about organization design and explains why some organizations, like these journalists, organize the work that is to be done. Just like people, different organizations organize their activities in very different ways to accomplish their goals.

I. Introduction to organizing
   A. The organizing function of management should ensure that tasks are assigned and a structure of relationships created that facilitates meeting organizational goals.
   B. Max Weber’s four basic elements of organizing
      1. The division of overall work into appropriate tasks
      2. Members know what their specific subtasks are
      3. Members know to whom they should defer
      4. Members’ task performance fits together meaningfully with that of their co-workers

II. Four Mainstream fundamentals of organizing
   A. Standardization: emphasizes uniform practices for organizational members to follow
      1. Can refer to formalized written policies or informal standards
      2. Potential negative consequences associated with too little or too much standardization
         a) Problems with too little standardization: members lack direction, motivation, and legitimacy for the organization
         b) Problems with too much standardization: frustration, stifled creativity, overwhelming and undermining
   B. Specialization: the grouping of standardized organizational tasks into separate jobs
      1. Managers should seek the optimal level of specialization
         a) Problems with too little specialization: members lack direction and understanding of their role, reduced proficiency and expertise in a particular domain
         b) Problems with too much specialization: repetitive and boring jobs, high turnover, goal displacement
            (1) Goal displacement occurs when people become so focused on specific goals that they lose sight of more important overarching goals
   C. Centralization: emphasizes top-down decision making, with managers and top executives making decisions to ensure order deference among members
1. Authority = the formal power given to specific members to arrange resources, assign tasks, and direct activities of other members
   a) Line authority = formal power to direct and control immediate subordinates
   b) Staff authority = formal power to advise and provide technical support for others, but not to tell them what to do

2. Delegation = the process of giving authority to a person or group to make decisions in a specified sphere of activity
   a) The more authority managers delegate to others, the more decentralized the organization is
   b) The level of centralization may vary from department to department within the same organization, or between the organization and the department
   c) Recent trend toward greater decentralization

3. Span of control = the number of members over whom a given manager has authority

4. Responsibility = the obligation or duty of members to perform assigned tasks
   a) Members assigned a certain responsibility should be given the authority necessary to meet that responsibility

5. Accountability = the expectation that members will have compelling reasons for decisions they make

6. An optimal level of centralization aids timely and coordinated decision making, facilitates interpersonal relationships among members and organizational commitment
   a) Problems with too much centralization: slow decisions, dictatorship, unrewarding for members, limits sense of belongingness
   b) Problems with too much decentralization: uncoordinated decisions, overwhelming, chaotic, some members may not have the tools and abilities necessary to make good decisions

D. Departmentalization: groups members and resources in a way that achieves the work of the larger organization as efficiently and harmoniously as possible

1. Two key dimensions of departmentalization: focus and membership stability
   a) Focus is concerned with the content of what each department is assigned to do.
      Four basic structures:
      (1) Functional = members are placed into the same department based on having similar technical skills and using similar resources to perform their tasks
          (a) Advantages: in-depth skill development, economies of scale, increased span of control, and lower management costs
      (2) Divisional = members are placed together based on their working as a subunit that provides a specific kind of product or service, serves similar customers, or works in the same geographic region
          (a) Advantages: faster response to changing customer preferences and greater ability to accommodate different customer needs based on region or customer group; more well-rounded members who understand and coordinate with members from different functional areas
      (3) Hybrid = tries to combine advantages of the functional and divisional approach
          (a) One type of hybrid is an organization that has both functional and divisional departmentalization simultaneously
          (b) Matrix = another type of hybrid structure in which an organization
has both divisional and functional departments, and members are simultaneously assigned to both answering to two managers

b) Department membership refers to the degree of permanence or stability of different departments, teams, and groups

(1) Network structure = organizations enter fairly stable and complex relationships with a variety of other organizations that provide essential services, including manufacturing and distribution

(2) Virtual organization = characterized by having members who come and go on an “as-needed” basis and are networked together by information technology

(a) Switching = the extent to which membership in a virtual organization changes over time

Discussion Questions

How does rational competence differ from relational competence?

What important knowledge and skills are related to each one?

III. Four Multistream fundamentals of organizing

A. Key differences between Mainstream and Multistream organizing

1. Mainstream focuses more on content of organizing while Multistream focuses more on process of organizing

2. Mainstream emphasizes rational competence while Multistream emphasizes relational competence

3. Multistream consciousness of how the organization’s structures and system affect other stakeholders

B. Four Multistream fundamentals of organizing

1. Experimentation: the emphasis on an ongoing voluntary implementation of new ways of performing tasks on a trial basis

   a) Ensures that work activities are completed in the best way

   b) Focus on dynamic process of organizing (experimenting) rather than on the static outcome of organizing (standards)

   c) Concern for multiple stakeholders and multiple forms of well-being

   d) Problems with too little experimentation: stagnation, rigidity, complacency, lack of growth and new knowledge

   e) Problems with too much experimentation: chaos, uncoordinated efforts

2. Sensitization: the emphasis on searching for and responding to needs and opportunities to improve the status quo

   a) Ensures that members know what subtasks they should perform

   b) Encourages members to be sensitive to new needs and opportunities and to continuously adapt and improve how they do their jobs in harmony with others

   c) When tasks are divided into separate jobs, Multistream managers tend to do so at the group level while Mainstream managers tend to do so at the individual job-holder level

      (1) Multistream job descriptions focus on the interrelationships among members

      (2) Multistream focus is on complementary skills of a team as a unit in contrast to the Mainstream focus on a particular individual’s skills

   d) Optimal levels of sensitization yield greater feelings of purpose, meaningful work, and loyalty; increases in team performance

      (1) Problems with too little sensitization: hinders creativity, feelings of
social justice and environmental concern

(2) Problems with too much sensitization: overwhelming, can stress limited resources

3. Dignification: the emphasis on treating everyone with dignity and respect in community
   a) Ensures orderly deference among members
   b) Providing people with appropriate choice and freedom
   c) Dignification is more likely in relatively decentralized organizations where authority resides in groups rather than in a few individuals
   d) Optimal dignification enhances decision making, encourages connectedness between and across organizational levels, and motivates members
      (1) Problems with too little dignification: decreases people’s sense of self-worth and enjoyment in work
      (2) Problems with too much dignification: neglecting some stakeholders to meet the needs of other stakeholders, may result in low accountability and responsibility for self and others

4. Participation: the emphasis on mutuality and giving stakeholders a voice in how the organization is managed and how jobs are performed
   a) Ensures that members work together harmoniously
   b) Focus
      (1) Multistream managers tend to prefer divisional rather than functional structure
      (2) Multistream managers tend to prefer relatively small (120-150 members) divisions where each member has a sense of the overall goals of the unit and how members’ roles fit together
   c) Membership
      (1) Multistream managers include and invite participation of external stakeholders
         (a) Participation refers to the emphasis on mutual discernment and giving stakeholders a voice in how the organization is managed and how jobs are performed
      (2) Virtual departments can facilitate communication among members across the organization
   d) Optimal level of participation is needed
      (1) Problems with too little participation: dictatorship, less enthusiastic following of members, poorer decisions because fewer perspectives included
      (2) Problems with too much participation: death-by-meetings or inefficiency from seeking input for every minor decision, and some members may wish not to participate