1. Describe any three organizational structures and their advantages and limitations. Illustrate with reference to an organization you are familiar with how restructuring helps in the effectiveness of their organization.

Ans: PRINCIPLES OF ORGANIZATIONAL DESIGN
Division of Labour
Departmentalization
Specialization
Authority and Responsibility
Line and staff authority
Authority and power
Contingency Factors
Environment and technology
Knowledge technology: task variability & problem analyzability
Spans of Control
Levels of control
Centralization and decentralization
Contingency Factors
Knowledge technology: task variability & problem analyzability
EFFECTIVE ORGANIZATIONAL DESIGNS
Use functional structures, when the organization is small, geographically centralized, and provides few goods and services.

When the organization experiences bottlenecks in decision making and difficulties in coordination, it has outgrown its functional structure. Use a divisional structure when the organization is relatively large, geographically dispersed, and/or produces wide range of goods/services. Use lateral relations to offset coordination problems in functional and divisional structures.

When the organization needs constant coordination of its functional activities, then lateral relations do not provide sufficient integration. Consider the matrix structure. To adopt the matrix structure effectively, the organization should modify many traditional management practices.

ORGANIZATION STRUCTURES
Functional Organizations
Reduces duplication of activities
Encourages technical expertise

DIVISIONAL ORGANIZATIONS
Improves decision making
Fixes accountability for performance
Increases coordination of functions

MATRIX STRUCTURES
Reinforces & broadens technical excellence
Facilitates efficient use of resources
Balances conflicting objectives of the organization

LATERAL RELATIONS
Dotted-line supervision
Liaison roles
Temporary task forces
Permanent teams
Integrating managers

Organization Design
Organization design is central to an enterprise’s ability to be market driven, adaptive, innovative, and more – in short, to be able to compete effectively.
The design approach is guided by the following core principles:

Organization design is more than just structure – it is the integration of structure, processes, people, culture, systems and technology
Strategy is the starting point – organization design must be driven by, and supportive of, overall strategy
Clarity and accountability underpin sound organization design – when good people know what to do and are held accountable, they achieve results
Transitioning to a new organization end-state requires an integrated approach to change management
Strategic Organization Design

The Need: