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Organizational Structure

# ORGANISATIONAL STRUCTURES AND ITS IMPORTANCE

A Must Tool to Navigate Through COVID-19  
Pandemic

# ORGANISATIONAL STRUCTURES AND ITS IMPORTANCE

## INTRODUCTION

An **organizational structure** can be describe as a system that outlines how certain activities are directed in order to achieve the goals of an **organization**. These activities can include rules, roles, and responsibilities.



Figure 1 Organisational Structure

**Organizational structure** also determines how information and directives flows among the levels of operations within the organisation.

All businesses, both large and small, benefit from well-defined organizational structure. In order for a company to accomplish its strategic mission and acheive its objectives, it needs to develop an effective structure. There are various forms of organizational structures, formal and informal, that can benefit companies, depending on their particular operating needs. Each organizational structure type has its advantages and disadvantages, but whichever style a company selects, a well-structured organization can not only grow as it meets customers' needs, it can also adapt quickly to environmental, social and economic changes.

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With the ongoing global pandemic COVID-19 paying critical attention to organizational structure has become more important now than ever before. Paying due cognizance to organizational structure will help to lay out, who does what, so the company can meet its objectives.

This structuring provides a company with a visual representation of how it is shaped and how it can best move forward in achieving its goals. Organizational structures are normally illustrated in some sort of chart or diagram like a pyramid, where the most powerful members of the organization sit at the top, while those with the least amount of power are at the bottom.

So, it is important that business owners and managers understand the importance and benefits of organizational structure.

## ADVANTAGES

Properly organizing a company can help streamline operations,  
Improve decision making,  
Operate in multiple market locations,  
Increase sales and customer service  
Boost employee performance and creativity

## TYPES OF ORGANIZATIONAL STRUCTURES

Traditionally, four types of common organizational structures are implemented in the real world, but, with the contemporary interruption of technology and COVID-19 pandemic, other forms of organizational structures

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has evolved to cater for such organizational demands.

## Functional Structure

The first and most common is a functional structure. This is also referred to as a [bureaucratic organizational structure](#) and breaks up a company based on the specialization of its workforce. Most small-to-medium-sized businesses implement a functional structure. Dividing the firm into departments consisting of marketing, sales, and operations is the act of using a bureaucratic organizational structure.

## Divisional or Multidivisional Structure

The second type is common among large companies with many business units. Called the divisional or multidivisional structure, a company that uses this method structures its leadership team based on the products, projects, or subsidiaries they operate. A good example of this structure is Johnson & Johnson. With thousands of products and lines of business, the company structures itself so each business unit operates as its own company with its own president.

## Flatarchy Structure

Flatarchy, a newer structure, is the third type and is used among many startups. As the name alludes, it flattens the hierarchy and chain of command and gives its employees a lot of autonomy. Companies that use this type of structure have a high speed of implementation.

## Matrix Structure

The fourth and final of the traditional organizational structure is a matrix structure. It is also the most confusing and the least used. This structure matrixes employees across different superiors, divisions, or departments. An employee working for a matrix company, for example, may have duties in both sales and human resources management.

## Network

This is one of the modern structures which evolved to respond to contemporary development. While business giants risk becoming *too clumsy to be proactive and efficient*, 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. Example of this is outsourcing of business functions.



Figure 2 Virtual Structure

## Virtual

Virtual organization is defined as being closely coupled upstream with its suppliers and downstream with its customers such that, where one begins and the other ends means little to those

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who manage the business processes within the entire organization.

This is a special form of boundary less organization which is enabled by software, IOTs, digital eruption, Artificial Intelligence and some other technological inventions 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, the company can operate globally and be a market leader in its niche. The ongoing COVID-19 has totally change the business paradigm, that, it has become important for operations of organisation to proceed with little or no physical contacts.

### FINAL THOUGHTS

Conclusively, getting the appropriate structure to support an organisation is a critical ingredient for success and to navigate through the global recess as a result of COVID-19 and other public health challenges. Accountabilities for Organizational Structure and desired organizational behaviors should be strengthened through relevant frameworks - committee charters, policies, job descriptions, limit structures, procedures and escalation protocols. There must be a strong and open structure, detailing clear responsibility for operations and control, as well as positive attitude to Organizational Development.

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