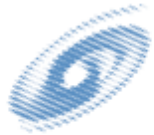


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SCHOOL OF INFORMATION
UNIVERSITY OF MICHIGAN

SI 626 – Management of Libraries and Information Services

Class Three: Organizational Design



Overview

- Organizational Design
- Organizational Structure
- Organization Chart
- Learning Organization
- Organizational Culture
- Conclusion



Big Picture

- Functions of management
 - Planning
 - **Organizing** (*you are here*)
 - Staffing
 - Leading
 - Controlling
- Includes deciding how to divide work into smaller tasks, how to group them together, who is responsible of doing them, who reports to whom, and who should make decisions when needed



Organization

- A goal-directed, boundary-maintaining, and socially constructed systems of human activities (Aldrich, 1999)
- Formal vs. Informal organizations



Organizational Design

- A process of creating a system that governs how work should be specialized and coordinated to best meet the goals of the organization
- Result: an organizational structure
- Two extreme approach: mechanistic model vs. organic model



Organization Design

- Discussion (10 min): Pick one organization you had worked (or are now working) in and discuss the approach of its organizational design. How do you think the approach fit that organization's goals?



Organizational Structure

- A system that governs how work should be divided, clustered and coordinated
- Six key elements
 - work specialization
 - departmentalization
 - chain of command
 - span of control
 - centralization and decentralization
 - formalization



Work Specialization

- Work is divided into smaller tasks to improve efficiency
- Horizontal and vertical specialization



Departmentalization

- Tasks are grouped together to coordinate common tasks
- Methods of departmentalization
 - By function, territory, product, customer, process, subject, and form of resources



Chain of Command

- Who reports to whom
- Forms an continuous line of authority from top to bottom of the organization
- Unity of command
 - an employee should report to one and only one supervisor
- Authority
 - legitimate right of a supervisor



Span of Control

- Number of people that a manager can effectively and efficiently supervised
- In general, the wider the span, the more efficient. Too wide a span could hurt effectiveness.
- The trend is go wider



Centralization and Decentralization

- Where decisions are made
- The trend is more decentralized



Formalization

- How much jobs are standardized
- High vs. Low formalization
 - Programmed vs. (relatively) non-programmed
 - Less vs. more freedom for workers in their tasks



Common Structures

- Simple structure
- Bureaucracy
- Matrix Structure
- Team Structure



Simple Structure

- Simple structure
 - low degree of departmentalization
 - wide spans of control
 - centralized authority (many times in one single person)
 - little formalization
 - usually very flat



Simple Structure

- Minute paper: Strength and Weakness of the simple structure. When or where does it fit most?
- Discussion (10 min).



Bureaucracy

- Bureaucracy
 - highly specialized (and routine) tasks
 - functional departments
 - centralized authority
 - narrow spans of control
 - decisions made with the chain of command
 - very formalized rules and regulations



Bureaucracy

- Minute paper: Strength and Weakness of the bureaucratic structure. When or where does it fit most?
- Discussion (10 min).



Matrix Structure

- Matrix structure
 - joins two forms of departmentalization, usually functional and product
 - breaks unity of command
 - planned carefully



Team Structure

- Team structure
 - uses work teams as a major way to coordinate
 - breaks down departmental barriers
 - decentralizes decision making
 - requires employees to be generalists as well as specialists



Organization Chart

- Discussion (15 min):
<http://lu.com/management/examples.cfm>
- Each group pick one from the list, and try to find out the principles that these organizational structures are based on.



Learning Organization

- It engages everyone in the exploration, exploitation, and transfer of knowledge, increasing the collective learning throughout the organization and the capacity to create its future (James, 2003)
- Learning organization web
 - Transformational leadership
 - Egalitarian culture
 - Dispersed strategy
 - **Integrating mechanisms**
 - **Horizontal structure**
 - Knowledge workers



Learning Organization

- Discussion (10 min): How do you use organizational design to foster a learning organization?



Organizational Culture

- shared belief, value, and meaning held by members that distinguishes one organization from other organizations
- Strong vs. Weak culture



Organizational Culture

- Functions
 - defines boundary
 - conveys a sense of identity
 - facilitates commitment to something larger than one's individual self-interest
 - enhances social system stability
 - serves as a sense-making and control mechanism that guides and shapes the attitudes and behavior of employees

(Robbins, 1999)



Organizational Culture

- How employees learn culture
 - Stories
 - Rituals
 - Material symbols
 - languages



Conclusion

- Organizational design answers how job tasks in an organization should be divided and grouped
- Organizational structures are not and should not be immutable, and should respond to environment's challenge
- Structures can help forming or changing cultures