



# Organization Structure: Formation

Welcome to Unit 4 of our course, Group Behavior. Today, we explore the fascinating world of organization structures, their formation, and their impact on team dynamics.

MK

**Dr. Maharajan K**



# Recap of Previous Presentation

## 1 Group Dynamics

We covered group formation, norms, roles, and the impact of groupthink on decision-making.

## 2 Teamwork

We delved into team development stages, communication styles, and the benefits of effective collaboration.

## 3 Leadership

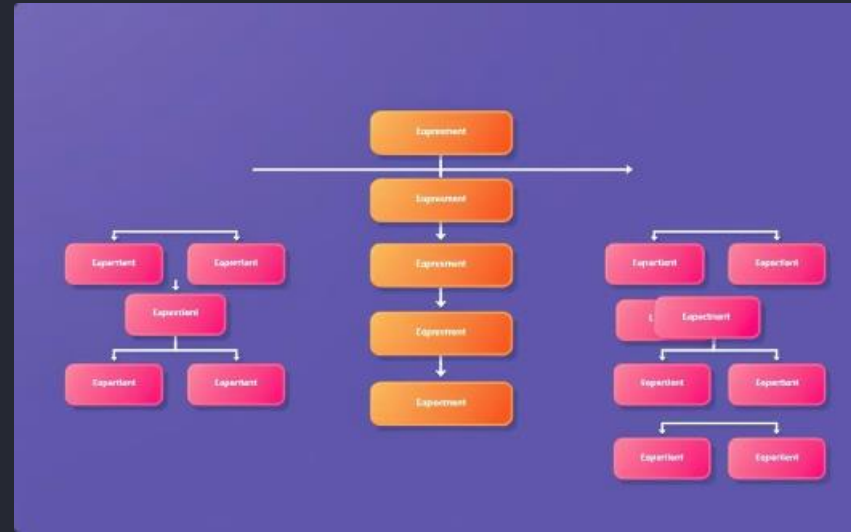
We discussed various leadership styles, their influence on team performance, and the importance of effective delegation.





## A group of diverse professionals, including men and women of various ethnicities, are seated around a wooden conference table in a modern office setting. They are all smiling and appear to be in a positive, collaborative meeting. On the table, there are glasses of water, a coffee cup, and a whole orange. A large, stylized pink wavy graphic is overlaid at the bottom of the image, partially obscuring the lower portion of the table and the people's legs.

The way teams interact and coordinate to achieve shared goals.



The framework that outlines roles, responsibilities, and reporting lines within an organization.



The expansion and evolution of an organization as it adapts to changes in the market and its environment.



# Introduction to Organizational Structure

## Definition

An organization's structure is its framework for assigning roles, responsibilities, and authority among its members.

## Purpose

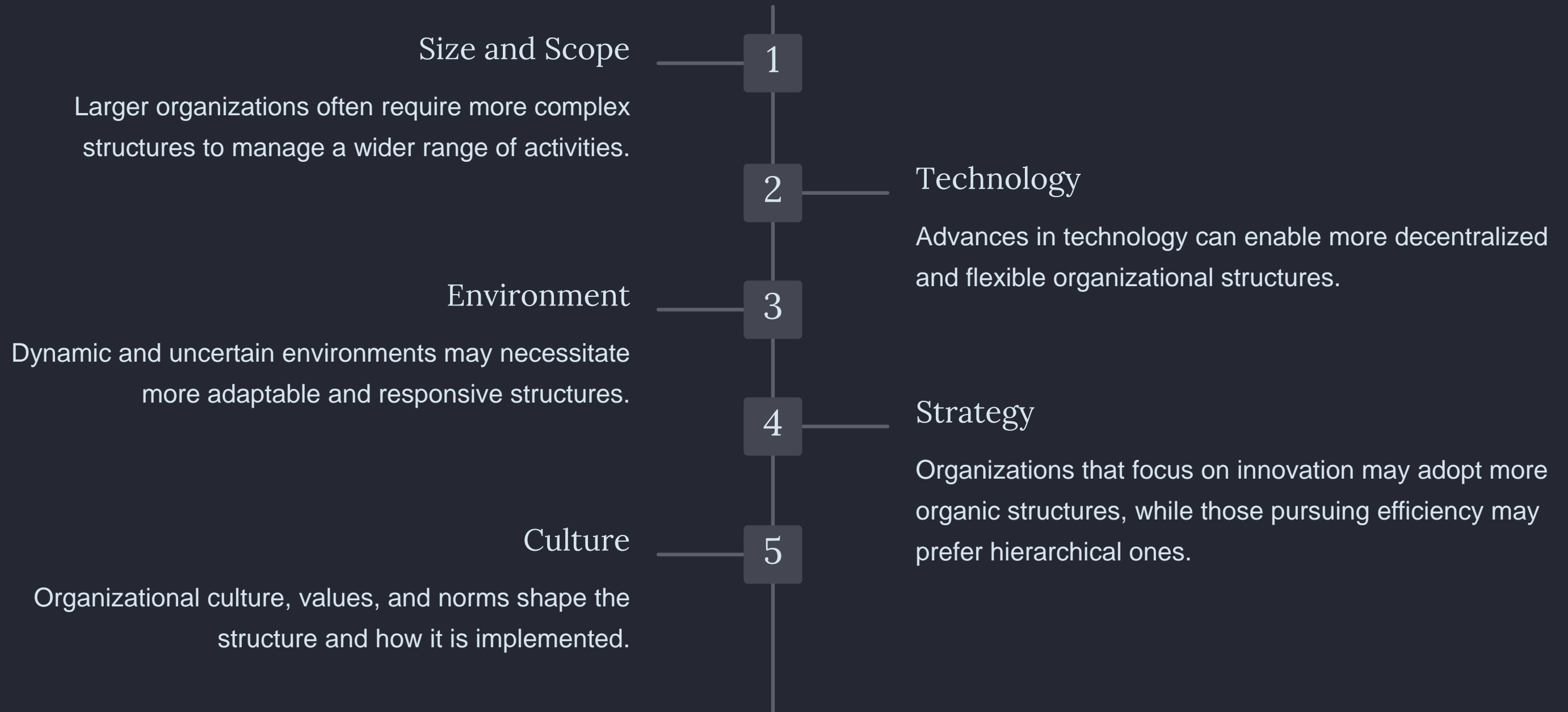
It provides a blueprint for how work is divided, coordinated, and managed to achieve organizational goals.

## Types

There are several common types, including functional, divisional, and matrix structures.



# Factors Affecting Organization Structure







# Case Study: Zappos and Holacracy

1

## Holacracy

A self-management system that distributes authority and decision-making power throughout the organization.

2

## Zappos' Adoption

Zappos implemented Holacracy to create a more agile, responsive, and employee-centric workplace.

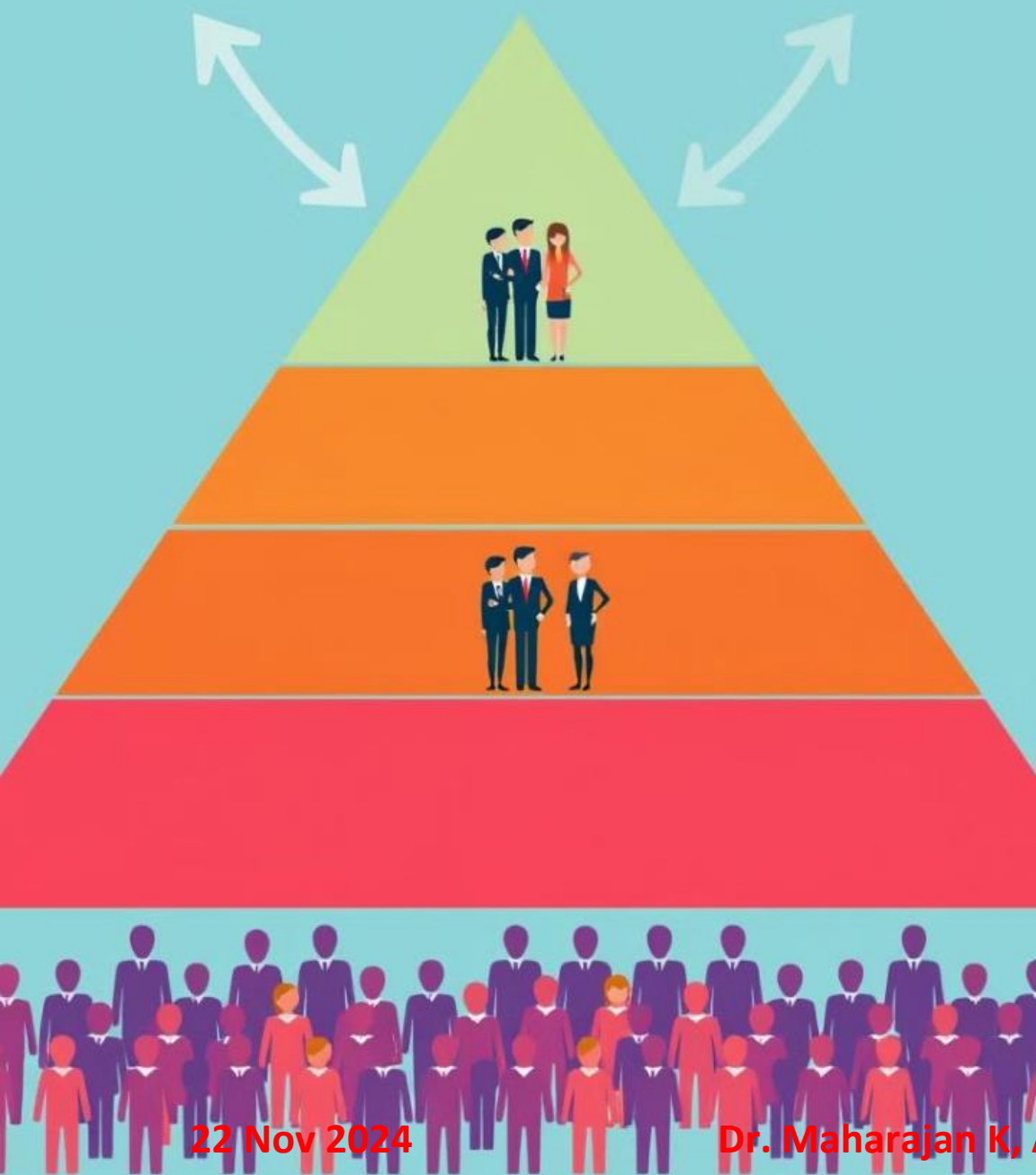
3

## Outcomes

It has led to increased employee engagement, improved productivity, and a more innovative culture.



# Organizational Hierarchy and Chain of Command



Level	Role	Responsibilities
Executive	CEO, Board of Directors	Strategic Direction, Vision, Oversight
Management	VPs, Directors	Departmental Leadership, Team Management, Performance Goals
Supervisors	Team Leaders, Managers	Direct Supervision, Performance Evaluation, Daily Operations
Employees	Individual Contributors	Specific Tasks, Project Execution, Reporting to Supervisors





# Centralization vs. Decentralization

## Centralization

Decision-making authority resides primarily at the top of the organization.

## Decentralization

Decision-making power is distributed throughout the organization, empowering lower levels.

## Factors

The choice between centralization and decentralization depends on factors such as size, industry, and strategy.



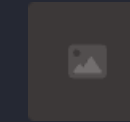


# Check for Understanding: Quiz

?

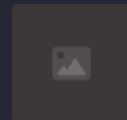
## Question 1

What are the main factors that influence an organization's structure?



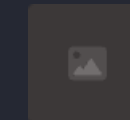
## Question 2

Describe the difference between a functional structure and a divisional structure.



## Question 3

What are the advantages and disadvantages of a centralized organizational structure?



## Question 4

How does the concept of Holacracy differ from traditional hierarchical structures?



# Summary and References

## 1 Key Takeaways

Organizations have different structures, shaped by factors like size, technology, strategy, and culture.

## 3 Hierarchy and Decentralization

Understanding the hierarchy and the balance between centralization and decentralization is vital.

## 2 Types of Structures

Common types include functional, divisional, and matrix, each with advantages and disadvantages.

## 4 Holacracy

Emerging models like Holacracy offer alternatives to traditional hierarchical structures.

1. Mintzberg, H. (1980). Structure in 5s: Designing Effective Organizations. Prentice-Hall.
2. Daft, R. L. (2015). Organization Theory & Design. Cengage Learning.
3. Zappos.com. (2021). Holacracy at Zappos. Retrieved from <https://www.zappos.com/z/holacracy>

