

Organization Chart

DOES show: reporting relationships

DOES NOW show:

- products/services provided
- customers served
- work flows
- ways in which products/services are delivered

In short, such a chart doesn't show what an organization does, for whom they do it, or how they do it.

Process

A group of logically related tasks (decisions and activities) that when performed, utilize the resources of the business to produce definitive results.

Processes are independent of organization and have the following characteristics:

- measurable inputs
- value added
- measurable outputs
- repeatable activity

Limitations of Hierarchical Management

- Artificial goal establishment
- huge coordinating activity to reconcile goals of different units
- managers tend to perceive other functions as enemies
- many issues fall through the cracks
- top level manager is often the only person with authority over low-level stuff