

Management 301 Exam 3 Exam Study Guide

- I. **Chapter 8 – Organizational Structure & Design**
- a. What is Structure?
 - i. Anything composed of parts arranged together in some way
 - ii. Think about your DNA
 - b. Structure is everywhere
 - i. Think about the structure of a road
 - ii. Tallest Domino Video → all of the dominoes came crashing down at the end; it was HUGE
 - iii. Other examples: family, sports, video games, PSU, buildings, computers, modes of transportation, local restaurants, THON
 - c. Organizing
 - i. Arranges people and resources to work toward a common goal
 - ii. Divide up work → arrange resources → coordinate activities
 - iii. Managers are challenged to choose best organizational structure to fit people, strategy, etc.
 - iv. We should care about structure in organizations we join because it helps u know where we fit in
 - v. Google Structure - video
 - 1. Larry Page & Sergey Brin
 - 2. Had great idea and strategy but didn't know how to scale their strategy
 - 3. Culture and structure were going to work
 - 4. Strategy → provide some structure
 - 5. Needed an off-site & worked on strategy
 - 6. Staff meeting, quarterly objectives, replacing financial system that didn't work
 - 7. Company only needed a little bit of list making and structure → worked out well other than that!
 - vi. Formal structure
 - 1. The official structure of the organization
 - 2. Shows us how to divide things up
 - 3. CEO → VPs → Managers → the rest
 - a. Remember picture of birds!
 - 4. Xerox
 - a. So prominent as a company that they got people to say "I need to Xerox something"
 - b. Line reporting – core; services, operations, ACS, global docs, CFO, customer operations
 - c. Staff reporting – non-core, but not less important; counsel, CEO assistant
 - 5. **Organization structure** – a system of tasks, reporting relationships, and communication linkages

6. **Organization chart** – describes the arrangement of work positions within an organization
 - a. Provide:
 - i. Division of work
 - ii. Chain in command → who reports to who
 1. Star Trek video example
 - a. Plan to attack fleet
 - b. Drop the ranks
 - i. Captain told Commander he doesn't like him, but good pilot
 - ii. Commander tells captain that he isn't trustworthy, there's not joy in anything, not good captain
 - iii. Span of control
 1. The number of persons directly reporting to a manager
 2. Tall v. Flat
 - a. Tall – more levels; narrower spans of control; manager supervises only a few people
 - b. Flat – fewer levels; wider spans of control; manager supervises a lot of people
 - c. Flat = management 301
 - iv. Communication flow
 - v. Major units
 - vi. Staff vs. Line
 1. *Know how to compare the difference*
 2. Line professionals – responsible for core business functions → think developing products, making products, and selling products
 - a. Ex: marketing
 3. Staff professionals – play important support role but do not directly bring in revenue
 - a. Ex: Accounting, HR, EHS, Legal, etc.
 - vii. Levels of management

7. **Division of labor** – people and groups perform different jobs
8. Aligns positions, people, responsibilities → all done in the best way
9. Issues
 - a. CEO and chairman of the board being the same person
 - i. Reporting to his or herself → need to separate to strengthen governance
10. Dell - Restructuring Organization video
 - a. Organization structure got unwieldy
 - b. 20+ people reporting to CEO → too many decisions, unclear missions, overlaps, slows things down
 - c. Sat down and changed it by sitting down with everyone and telling them it needed to be fixed
 - d. Simplified structure and created new positions in areas where trying to invest and build new capabilities

vii. Informal structure

1. The network of unofficial relationships among an organization's members
2. Always an informal structure behind a formal structure
3. **Social network analysis** – identifies the informal structure and their embedded social relationships that are active in an organization
 - a. Used to be more of a face-to-face structure, but now technology has made it easy to just hop on the computer and network
 - b. Information collected using this analysis can be used to redesign the formal structure
4. Advantages
 - a. Helpful in getting work accomplished
 - b. Fill gaps in formal structure
 - c. Provide social and emotional support → access to friendships, etc.
 - d. Helpful during times of change
 - e. PSU Ex: Teachers getting together to discuss things
5. Disadvantages (Penn State setting)
 - a. Things that happen here may be against the best interest of the organization as a whole → not included in formal structure
 - b. Can easily carry rumors or inaccurate information
 - c. Distract workers