

Organizational Structure

Formal system of task and reporting relationships showing how workers use resources

Organizational design

The process by which managers create a specific type of organizational structure and culture so that a company can operate in the most efficient and effective way

Functional Structure

An organizational structure composed of all the departments that an organization requires to produce its goods or services.

Product Structure

Managers place each distinct product line or business in its own self-contained division. Divisional managers have the responsibility for devising an appropriate business-level strategy to allow the division to compete effectively in its industry.

Geographic Structure

Divisions are broken down by geographic location

Global geographic structure

Managers locate different divisions in each of the world regions where the organization operates. Generally, occurs when managers are pursuing a multi-domestic strategy

Global Product Structure

Each product division takes responsibility for deciding where to manufacture its products and how to market them in foreign countries worldwide

Market Structure

Groups divisions according to the particular kinds of customers they serve. Allows managers to be responsive to the needs of their customers and act flexibly in making decisions in response to customers' changing needs

Matrix Structure

An organizational structure that simultaneously groups people and resources by function and product

Team structure

organizes separate functions into a group based on one overall objective (These cross-functional teams are composed of members from different departments who work together as needed to solve problems and explore opportunities.

Network structure

relies on other organizations to perform critical functions on a contractual basis. In other words, managers can contract out specific work to specialists.