

Organization and Communication



"Now let's get organized, Jones. Your first detail will be to set up an officers' mess."

Organizational Culture

- Corporate culture
 - Shared values
 - Beliefs
 - Traditions
 - Philosophies
 - Rules
 - Role models for behavior

How is Corporate Culture Expressed?

- | | |
|---------------------|-------------------------------------|
| • Formally | • Informally |
| – Mission statement | – Dress codes (or the lack thereof) |
| – Codes of ethics | – Work habits |
| – Memos, manuals | – Extracurricular activities |
| – Ceremonies | – Stories |

Developing Organizational Structure

- Structure is the arrangement or relationship of positions within an organization, and developed by:
 - Assigning work tasks and activities to specific individuals or work groups
 - Coordinating the diverse activities required to reach the firm's objectives
- Organizational structure is depicted through organizational charts

What's Distributed?

- Authority
- Responsibility
- Accountability

Stages of Growth

The Evolution of a Clothing Store Phases 1, 2, and 3



Copyright © 2006 by The McGraw-Hill Companies, Inc. All rights reserved

Assigning Tasks

- Specialization
 - The division of labor into small, specialized tasks and the assignment of single tasks to employees
- Departmentalization
 - Departmentalization is the grouping of jobs into working units usually called departments, units, groups, or divisions
 - Functional departmentalization
 - Product departmentalization
 - Geographical departmentalization
 - Customer departmentalization

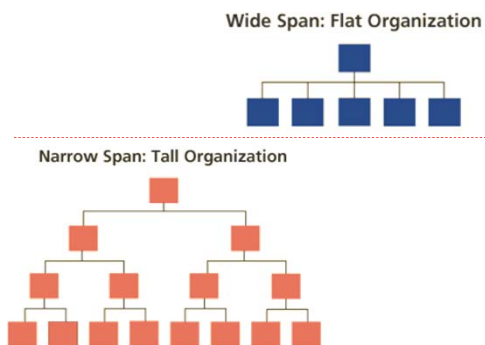
Degree of Centralization

- Centralized organizations
 - Authority is concentrated at the top level
- Decentralized organizations
 - Decision-making authority is delegated as far down the chain of command as possible

Span of Management

- The number of subordinates who report to a particular manager
 - A *wide span of management* exists when a manager directly supervises a very large number of employees.
 - A *narrow span of management* exists when a manager directly supervises only a few subordinates

Span of Management: Wide Span and Narrow Span



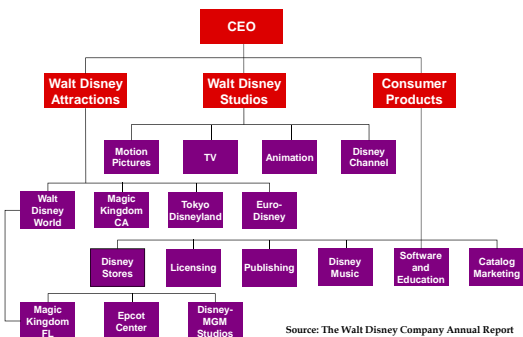
Organizational Layers

- Organizational layers are the levels of management in an organization
 - *Flat organizations* have few layers and have wide spans of management
 - *Tall organizations* have many layers and have narrow spans of management

Forms of Organizational Structure

- Line
- Line-and-staff
- Multidivisional
- Matrix

An Example of Multidivisional Structure: The Walt Disney Company



The Role of Groups and Teams in Organizations

- A group
 - Two or more individuals who communicate with one another, share a common identity, and have a common goal
- A team
 - A small group whose members have complementary skills; a common purpose, goals, and approach; and who hold themselves mutually accountable

Differences Between Groups and Teams

Working Group	Team
Has strong, clearly focused leader	Has shared leadership roles
Has individual accountability	Has individual and group accountability
Has the same purpose as the broader organizational mission	Has a specific purpose that the team itself delivers
Creates individual work products	Creates collective work products
Runs efficient meetings	Encourages open-ended discussion and active problem-solving meetings
Measures its effectiveness indirectly by its effects on other (e.g., financial performance of the business)	Measures performance directly by assessing collective work products
Discusses, decides, and delegates	Discusses, decides, and does real work together

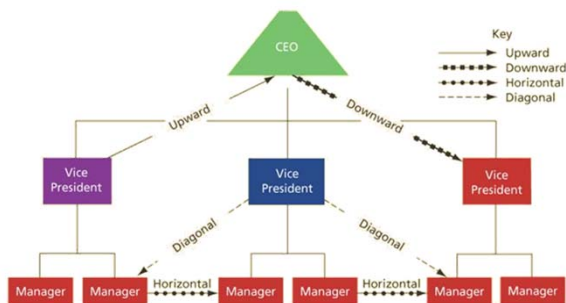
Source: Robert Gatewood, Robert Taylor, and O. C. Ferrell, *Management: Comprehension Analysis and Application*, 1995, p. 427. Copyright © 1995 Richard D. Irwin, a Times Mirror Higher Education Group, Inc., company. Reproduced with permission of the McGraw-Hill Companies.

Virtual Teams

- Employees' Reactions To Virtual Work
 - 91% enjoyed the experience
 - 73% would like to engage in virtual work more frequently
 - 35% felt it enhanced their relationships with other employees

Source: Darryl Haralson and Adrienne Lewis, "USA Today Snapshots," USA Today, April 26, 2001, p. B1.

The Flow of Communication in an Organizational Hierarchy



Formal Communication

- Communication flow
 - Upward
 - Downward
 - Horizontal
 - Diagonal

Informal Communication

- The informal organization
 - Friendships and other nonwork social relationships
- The most significant informal communication occurs through the *grapevine*
 - May relate to the job or organization
 - May be gossip and rumors unrelated to either

Monitoring Communications

- Monitoring the use of electronic communications in the workplace have become necessary for most companies
 - 70 percent of attacks on corporate computer systems are conducted from inside the firm
- Failing to monitor employee's use of e-mail and the Internet can be costly

Disciplinary Action for Misuse of Personal Use of Telecom Equipment

	Telephone	E-mail	Internet	Combined
Any disciplinary action	52.8%	54.5%	51.0%	76.4%
Informal reprimand/warning	31.5	24.8	23.0	44.7
Formal reprimand/warning	34.0	38.7	33.6	56.7
Dismissal	10.4	18.6	20.3	30.9

Source: American Management Association, 2001, as reported by Diane E. Lewis, "Devices Keep Close Watch on Workplace," *Boston Globe*, June 24, 2001, p. H9.
