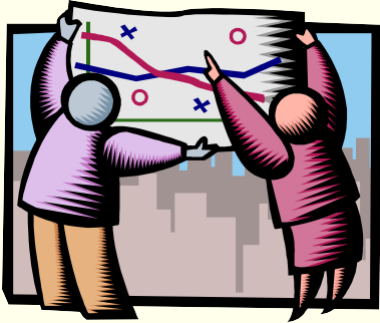
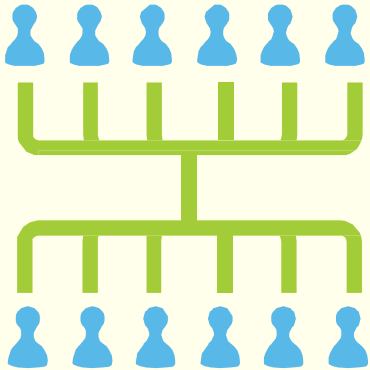


**Lecture will start at 9:15am**



# Management and Organisational Behaviour

## Organisational Structure & Design

---



# Recap



Last week, we discussed:

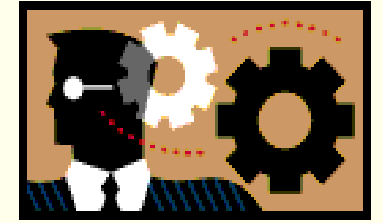
- To look at what managers do
- To consider their organisational impact
- To evaluate managerial effectiveness
- To consider time management

# A manager's main job is...

- To inspire employees to do their best
  - To establish a working environment that lets them achieve their goals
  - To remove obstacles in the organisation that stop people from doing their jobs effectively
  - To get people the resources they need
  - To train them
- ..... To do their jobs effectively



# Recap



**What key skills do you need to  
get things done through  
others?**

# Expected Key Skills

- ✓ **Communication:** Clearly articulating goals, expectations and feedback is crucial to guide and motivate others
- ✓ **Delegation:** Knowing how to assign the right tasks to the right people, considering their skills and capacities
- ✓ **Motivation:** Understanding what drives your team members and using this knowledge to encourage productivity and engagement
- ✓ **Empathy:** Being able to understand and share the feelings of another, which can foster a supportive and collaborative environment
- ✓ **Conflict Resolution:** Being able to identify and address disagreements or conflicts within a team efficiently and constructively

# Expected Key Skills (contd.)

- ✓ **Problem-Solving:** Guiding others in navigating challenges and finding effective solutions
- ✓ **Decision Making:** Making informed and timely decisions that affect others and standing by them
- ✓ **Leadership:** Inspiring and leading by example, setting the tone for the work ethic and culture
- ✓ **Influence:** Having the ability to persuade and convince others to understand and accept your ideas or the tasks at hand
- ✓ **Adaptability:** Being able to adjust strategies and approaches when dealing with different people or changing circumstances
- ✓ **Mentoring and Coaching:** Providing guidance and feedback to help others grow and improve their skills

# What does a manager do?

**A manager's work depends on:**

- The type of structure
- Activities and tasks involved
- The nature of people employed
- Technology and methods of performing work
- The level in the organisation at which the manager is
- The nature of the organisation, its philosophy, objectives and size



# Golden Rule Management: Mary Kay Ash

- Trust people fairly but according to merit
- Make others feel important
- Motivate people by praise
- Encourage feedback
- Sandwich every bit of criticism between two layers of heavy praise
- Have an open-door philosophy
- Help other people get what they want
- Never hide behind policy or pomposity



(Ash, 2008)

*"Take care of associates and they will  
take care of the customers."*



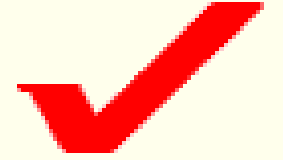
## Activity

# Think

Think of a manager you know:

- What makes them efficient or inefficient?
- What makes them effective or ineffective?

# Efficiency and Effectiveness



## **Efficiency:** *Doing Things Right*

Focuses on how well a manager uses time and resources.

### **Efficient managers:**

- Prioritise high-impact tasks
- Manage time well and run focused meetings
- Delegate appropriately
- Use clear systems and processes
- Avoid rework and duplication

### **Inefficient managers:**

- Poor planning and constant urgency
- Too many unnecessary meetings
- Micromanage or fail to delegate
- Waste time on low-priority tasks

# Efficiency and Effectiveness (contd.)



## **Effectiveness: *Doing the Right Things***

Focuses on achieving meaningful goals and results.

### **Effective managers:**

- Set clear direction and expectations
- Make timely decisions
- Communicate well
- Build accountability and trust
- Deliver results and develop their team

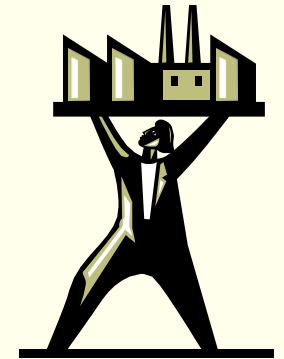
### **Ineffective managers:**

- Lack direction or shift priorities often
- Avoid tough decisions
- Communicate poorly
- Focus on activity instead of outcomes

# Managerial Effectiveness

*'The manager is the dynamic, life-giving element in every business. Without their leadership, the resources of production remain resources and never become production.'*

*In a competitive economy above all, the quality and performance of the managers determine the success of a business: indeed, they determine its survival.'*



(Drucker, 2007)

# How can effectiveness be measured?



## Measures

- The strength of motivation and the morale of staff
- The success of their training and development
- The creation of an organisational environment in which staff work willingly and effectively

## Indicators

- Meeting important deadlines
- Accuracy of work
- Level of complaints
- Adherence to quality standards
- Productivity
- Adhering to budgets set

# The management of time

'Time is a unique resource – you cannot rent, hire, buy or otherwise obtain more time. The supply of time is totally inelastic; time is totally irreplaceable, and everything requires time.'

Drucker (2007)

Reflection:

On a scale of 1 to 10, how good is **your** time management?



# Quiz

How Good Are Your Time  
Management Skills?



# Discussion

As a future manager, how  
can you use this tool?

# PARETO PRINCIPLE



**Access:**

[Pareto Principle  
Explained: How the  
80/20 Rule Changes  
Everything](#)

# Pareto Principle

80% of your output arises from  
20% of your input

20% of customers create 80% of turnover

Time is a scarce managerial resource.  
Managers are busy, but are they effective?



(Pareto, 1906)

# Pareto Principle (contd.)

Effective managers use the *Pareto Principle* to:

- Prioritise what truly drives results
- Avoid spreading effort too thin
- Focus on strategic impact rather than minor tasks
- Allocate time and resources wisely

For hotel managers, the *Pareto Principle* means identifying the guests, services or operational issues that have the greatest impact on revenue, reputation and guest satisfaction – and focusing effort there.



# Good time management

- Are managers busy being busy?
- Is being busy being effective?
- Techniques for good time management include:
  - ❖ Clear objectives
  - ❖ Careful forward planning
  - ❖ The definition of priorities and action
  - ❖ The ability to delegate successfully
  - ❖ Flexible working

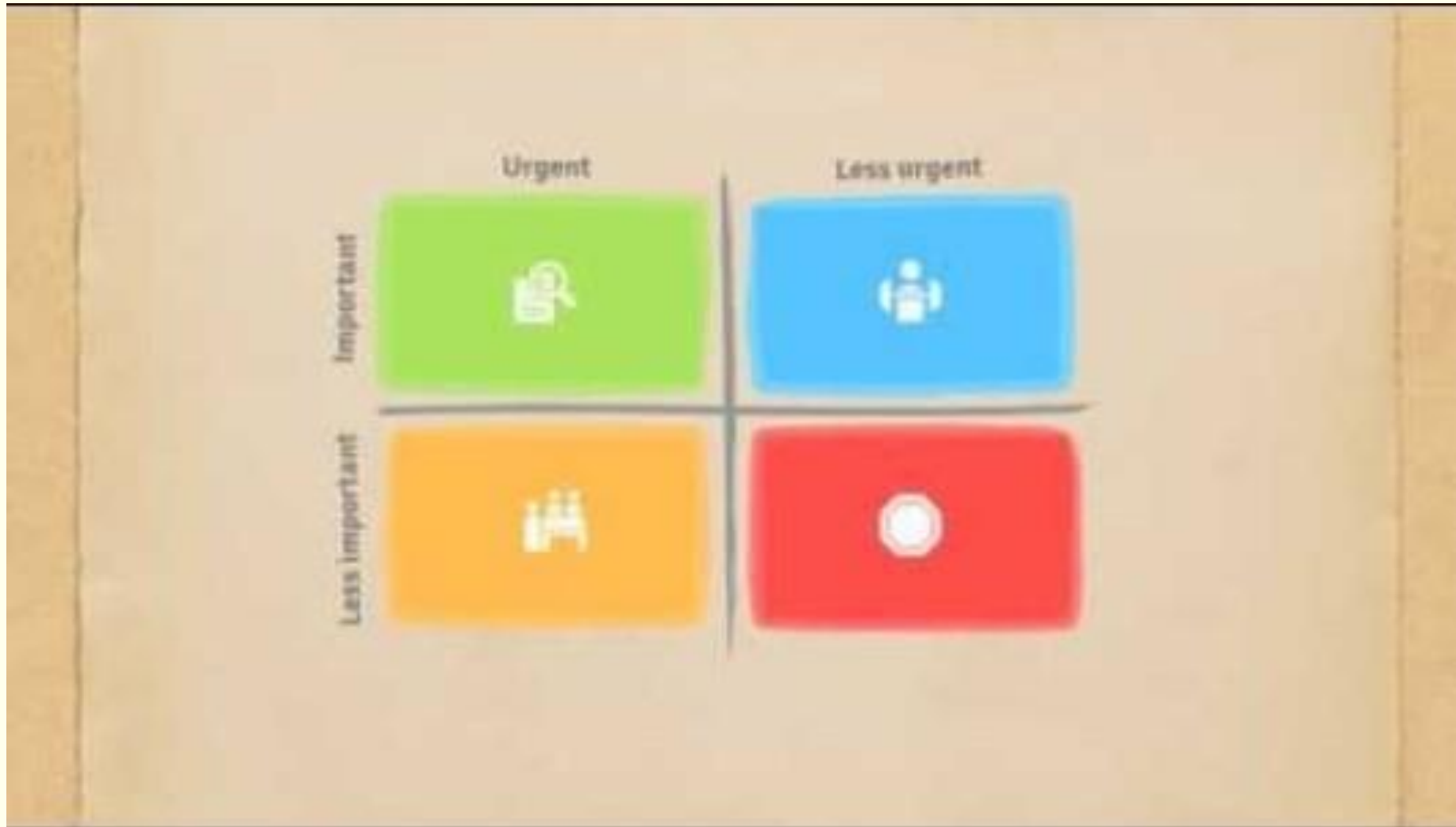


# Time Management

For each management activity, managers should ask themselves:

- ✓ **Should it be done at all?**
- ✓ **If so, when should it be done?**
- ✓ **Should I be doing it, or should it be delegated?**

Use a tool such as the **Eisenhower Matrix!**



**Access:**

[The Eisenhower matrix:  
How to manage your  
tasks with EISENHOWER](#)

# THE EISENHOWER MATRIX

URGENT

NOT URGENT

IMPORTANT

**DO**  
immediately



**PLAN**  
and prioritize



NOT IMPORTANT

**DELEGATE**  
for completion



**DELETE**  
these tasks



© VERTEX42

## Hotel General Manager Task List

1. Handling a guest complaint about a room issue
2. Scheduling a strategic meeting with department heads
3. Responding to a VIP guest's immediate request
4. Reviewing and approving staff rotas for next month
5. Handling an urgent staff shortage situation
6. Overseeing the hotel's long-term renovation project
7. Dealing with a food safety incident in the restaurant
8. Planning an annual staff development programme
9. Responding to daily social media comments and reviews
10. Attending a hotel industry networking event in two weeks
11. Negotiating a long-term supplier contract
12. Checking routine emails
13. Finalising an important budget report
14. Delegating daily front desk operations

# 1. Urgent & Important

➡ These tasks require immediate attention and have significant impact.

- **Handling a guest complaint about a room issue**  
Immediate service recovery is critical to protect guest satisfaction and reputation (or delegate to department manager).
- **Responding to a VIP guest's immediate request**  
VIP guests often represent high revenue and reputation value – delay could cause serious impact.
- **Handling an urgent staff shortage situation**  
Directly affects daily operations and service delivery hence must be resolved quickly.
- **Dealing with a food safety incident in the restaurant**  
High legal, reputational and health risk that cannot be postponed.
- **Finalising an important budget report** (if deadline is imminent)  
Strategic and often deadline-driven; financial decisions depend on it.

## 2. Not Urgent but Important

➡ Strategic, long-term impact tasks that drive growth and sustainability.

- **Scheduling a strategic meeting with department heads**  
Critical for alignment and long-term direction, but not usually time-sensitive.
- **Reviewing and approving staff rotas for next month**  
Important for operational planning but can be scheduled ahead of time.
- **Overseeing the hotel's long-term renovation project**  
Strategic investment; essential but typically planned over time.
- **Planning an annual staff development programme**  
Supports retention and service quality long-term.

## 2. Not Urgent but Important (contd.)

➡ Strategic, long-term impact tasks that drive growth and sustainability.

- **Negotiating a long-term supplier contract**  
Financially and operationally important; usually planned rather than urgent.
- **Attending a hotel industry networking event in two weeks**  
Valuable for partnerships and brand visibility but not urgent today.

### 3. Urgent but Not Important

➡ Time-sensitive tasks that don't require the GM's direct involvement.

- **Responding to daily social media comments and reviews**  
Needs timely response but can often be handled by marketing or guest relations teams.
- **Checking routine emails**  
Feels urgent but often low strategic value; can be filtered or delegated.
- **Delegating daily front desk operations**  
Operationally urgent but should be managed by a Front Office Manager.

## 4. Not Urgent & Not Important

None of the listed tasks clearly fall fully into this category. Potentially 10.?

As a General Manager, most listed tasks contribute either operationally or strategically.

# Today's Objectives

- To identify the concept of organisation structure and the key principles involved
- To review Centralised vs Decentralised organisations
- To explain the concept of an 'inverted organisation'
- To consider new and emerging organisational structures

# Why do organisations exist?

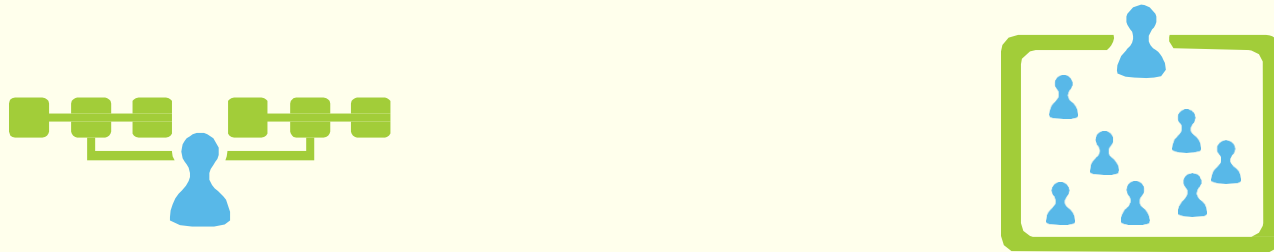
Remember:

*Organisations are **mechanisms** through which many **people** combine their efforts and **work together** to accomplish **more** than any one person could alone.*



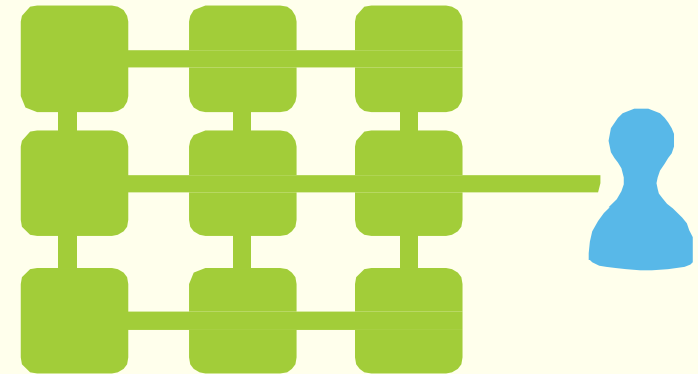
# Organisation Structure

- Pattern of relationships between levels and members of the organisation
- Allows management to take place
- Creates a framework of order and command
- Activities can be planned, organised, directed and controlled



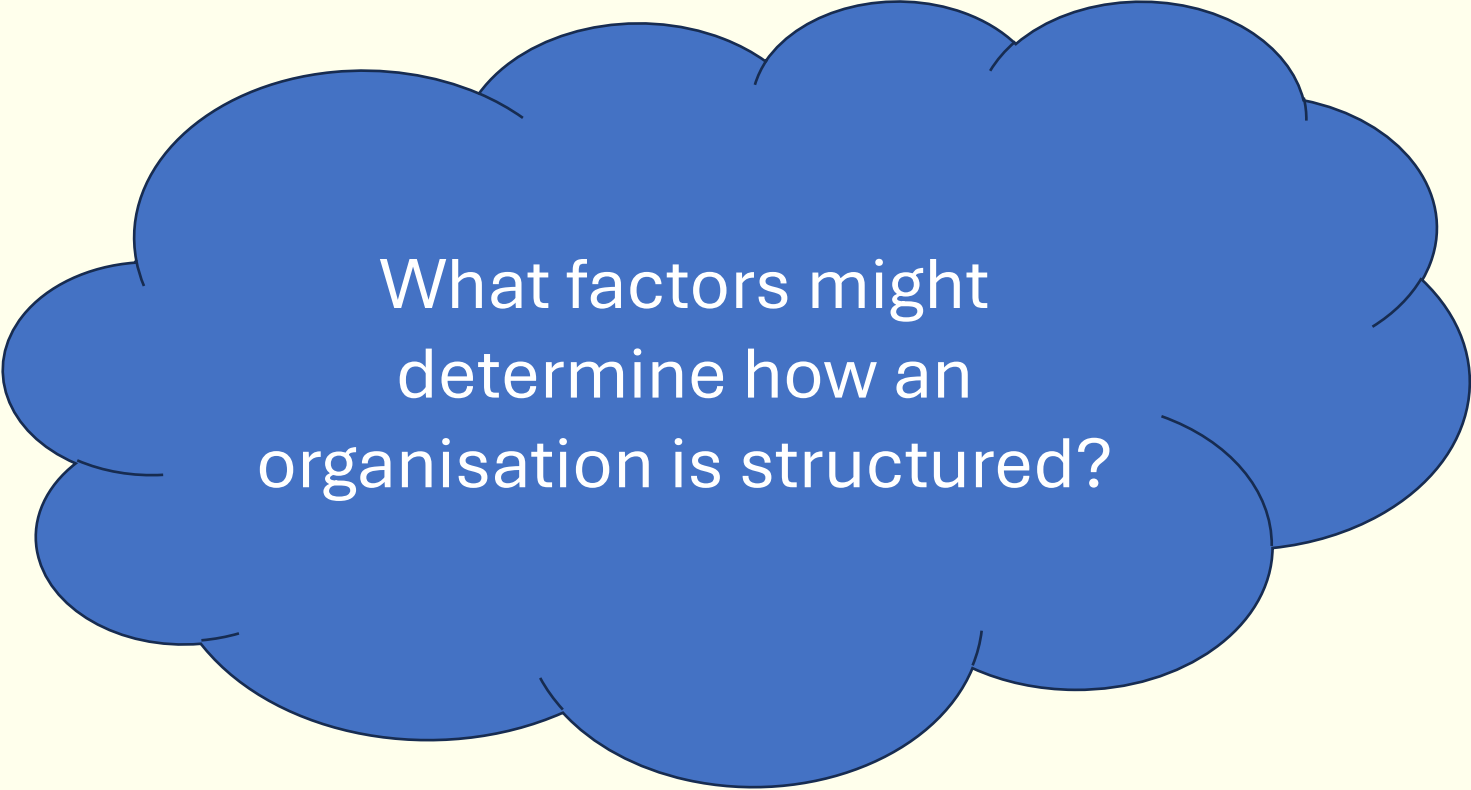
# Objectives of Structure

- The economic and efficient performance of the organisation
- Monitoring the activities of the organisation
- Accountability for areas of work undertaken by groups and individuals
- Co-ordination of different parts of the organisation
- Flexibility in order to respond to future demands and adapt to changing environmental influences
- The social satisfaction of members working in the organisation



*Knight (1977)*

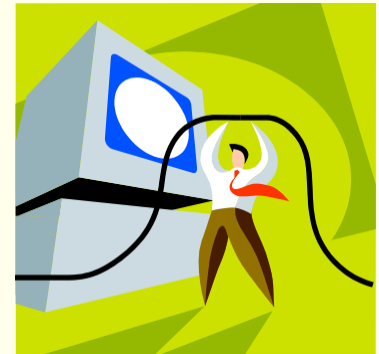
# Group Discussion



What factors might  
determine how an  
organisation is structured?

# Factors influencing organisational design

- **Scale** – bigger = more complex; more people, more rules
- **Technology** – what converts inputs to outputs
- **Environment** - micro and macro
- **Strategy** - must reflect goals & vision



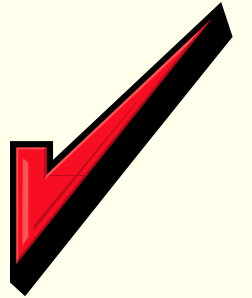
(Burton and Obel, 2018)

# The importance of good structure

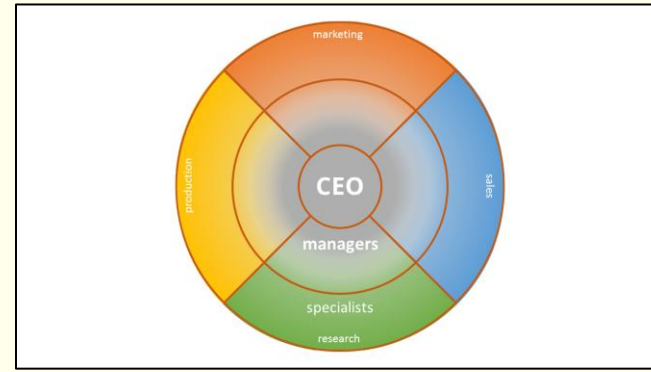
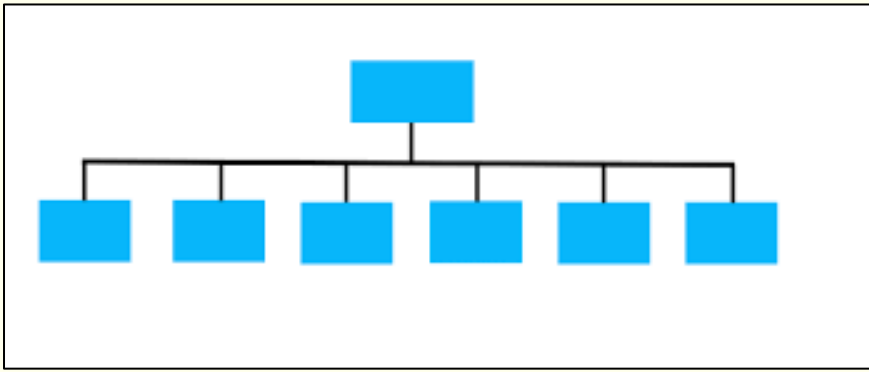
'Good organisational structure does not by itself produce good performance.

But a poor organisational structure makes good performance impossible, no matter how good the individual managers may be.

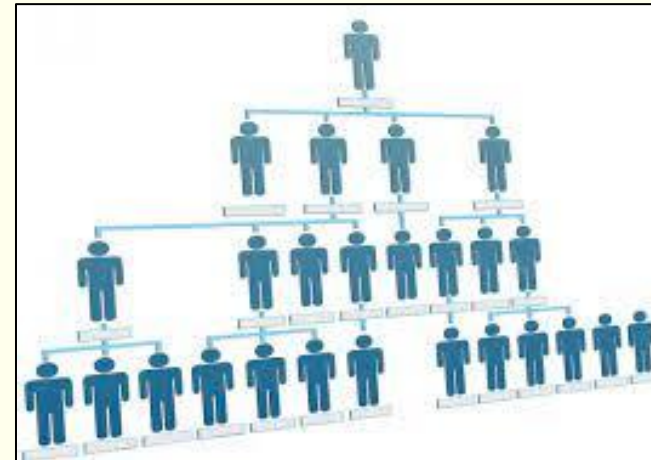
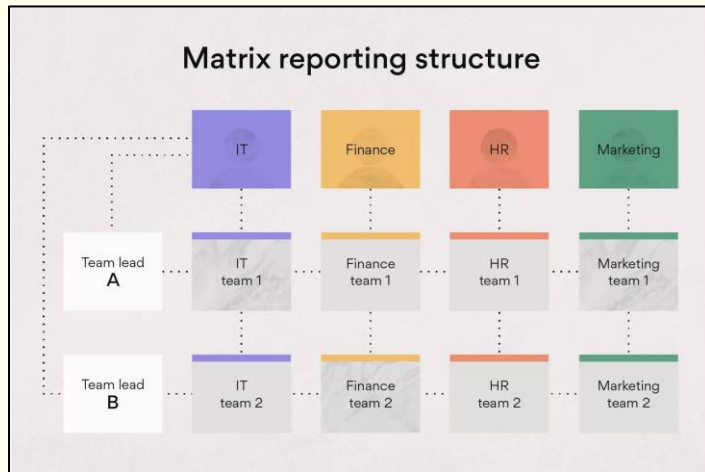
To improve organisation structure... will therefore always improve performance.'



*(Drucker, 2007)*



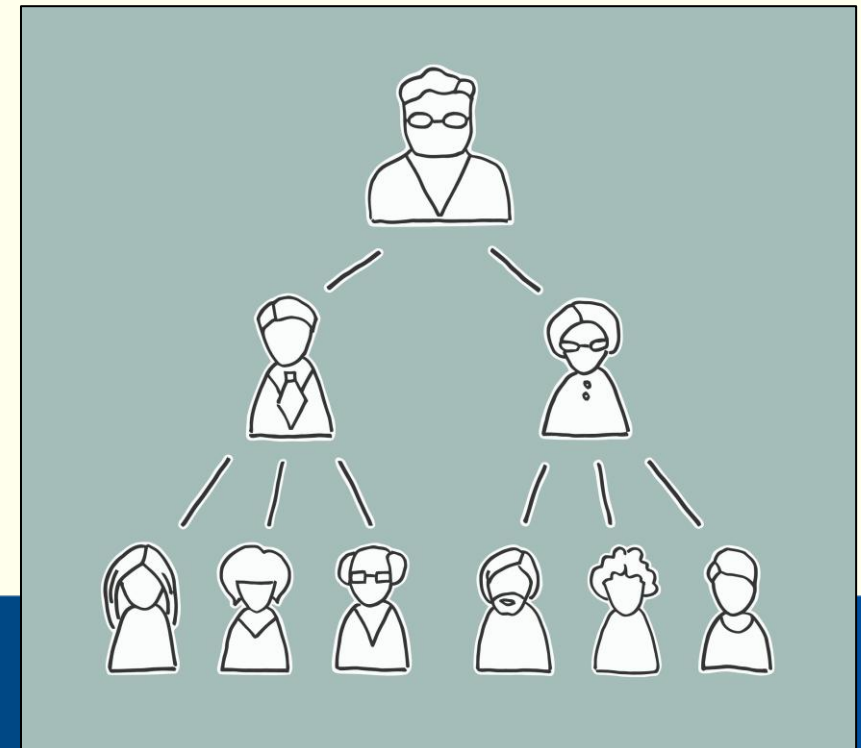
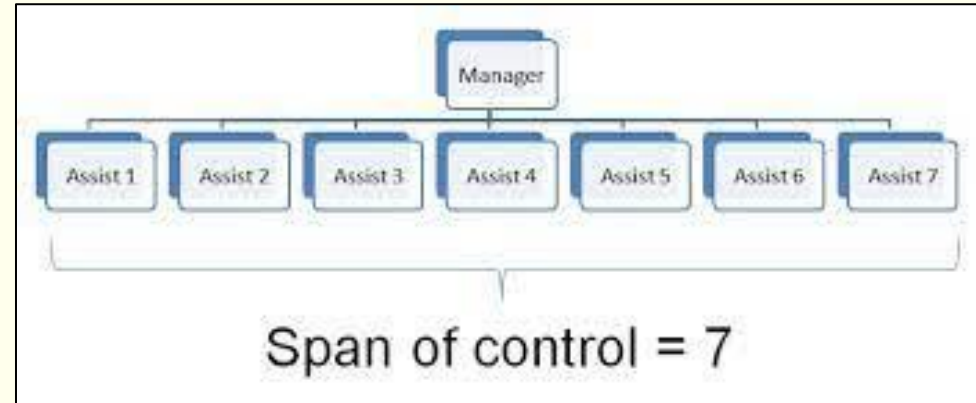
# Types of organisational structures



# Key terms associated with structures:

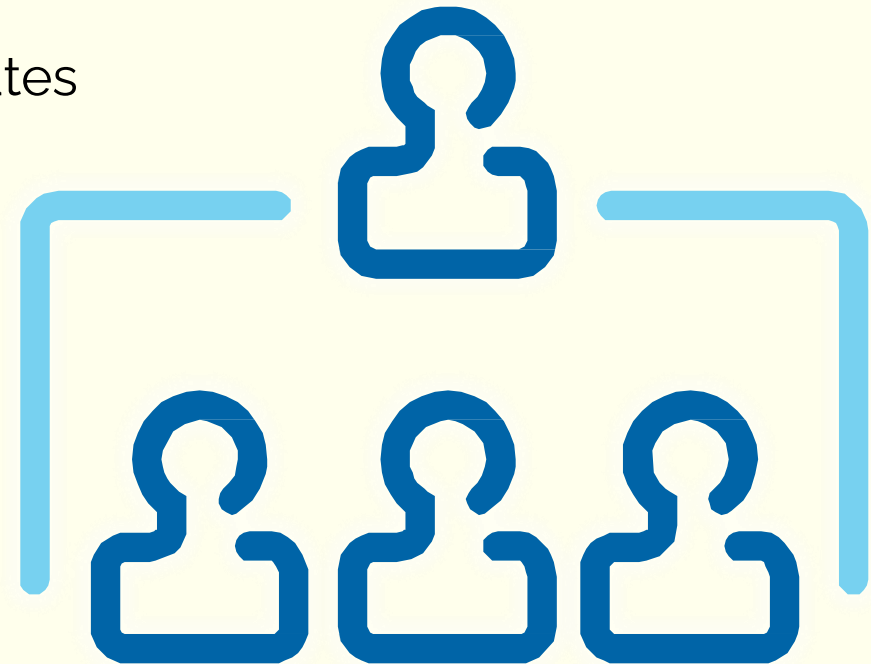
- **Span of control** – This is the number of employees that a manager has direct responsibility for
- **Chain of command** – The route by which instructions and communications flow from the top to the bottom of the business, it shows who answer to whom
- **Subordinates** – This is basically members of staff that work for a manager, they are under that managers span of control and are below them in the chain of command.

(Mullins, 2007)

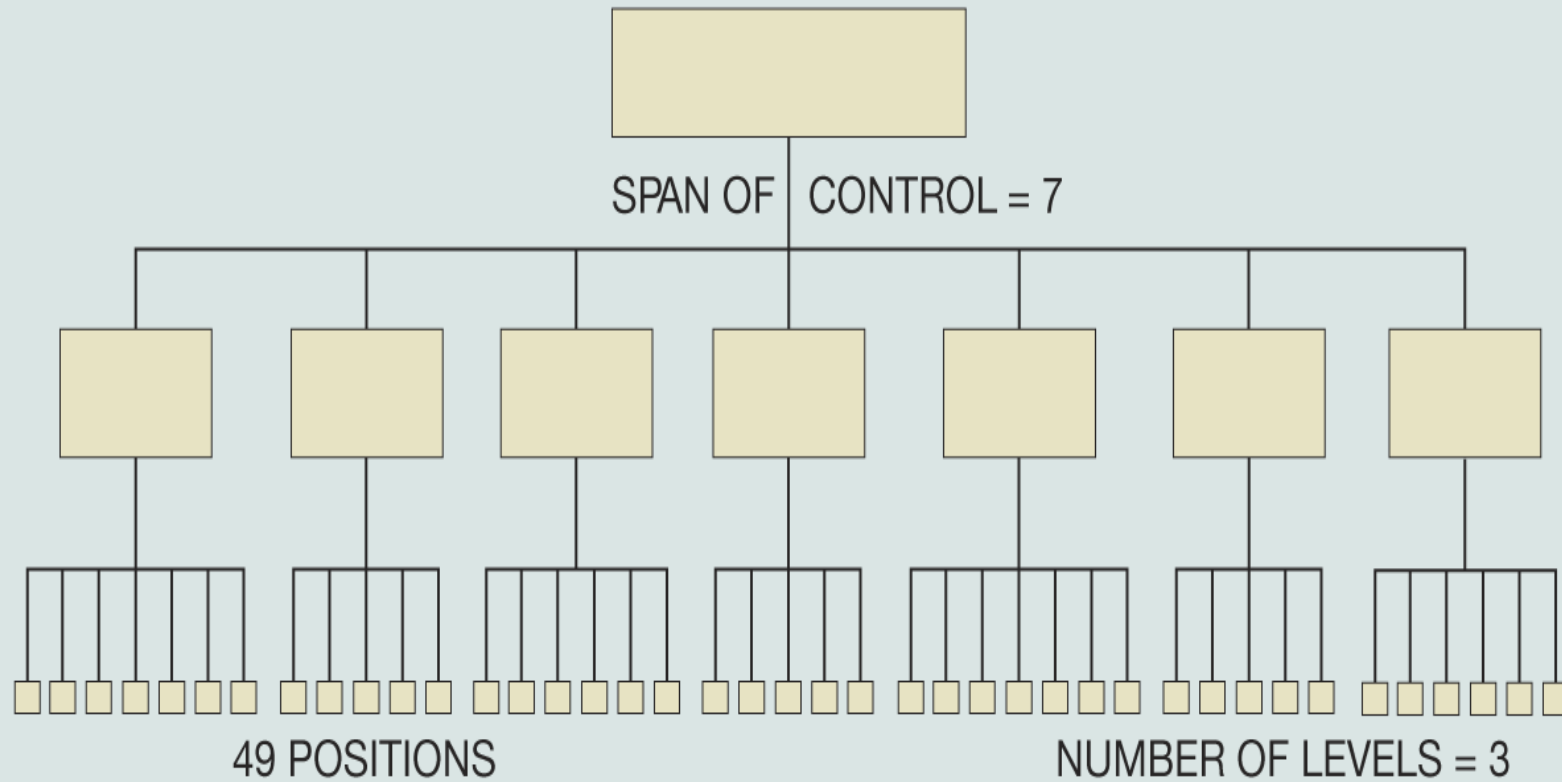


# Factors influencing the span of control

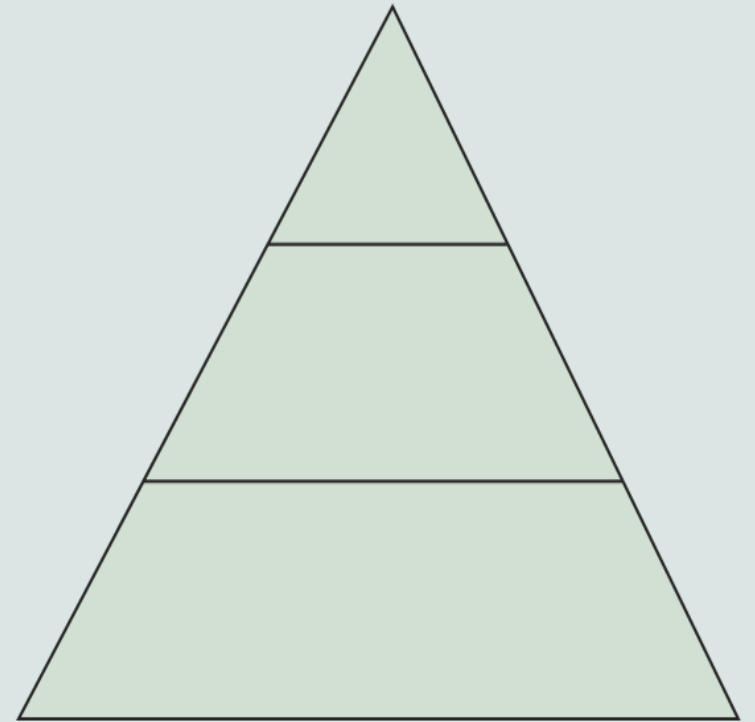
- Nature of the organisation, complexity of work, range of responsibilities, and similarity of function
- Ability and personal qualities of the manager
- Amount of time a manager is available to spend on subordinates
- Ability and training of subordinates
- Effectiveness of co-ordination and nature of communication
- Physical location
- Length of scalar chain



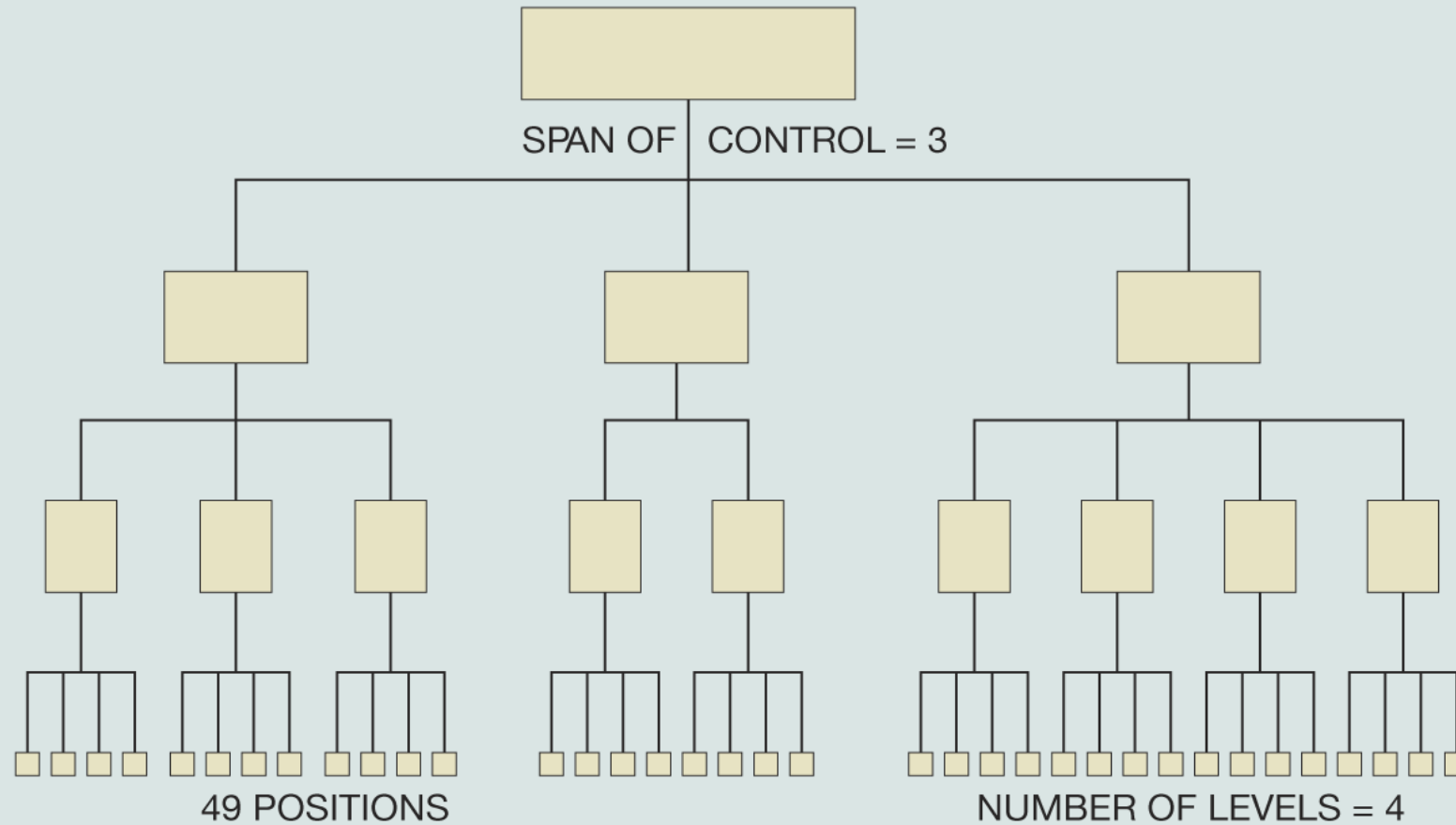
# The span of control: effect on structure



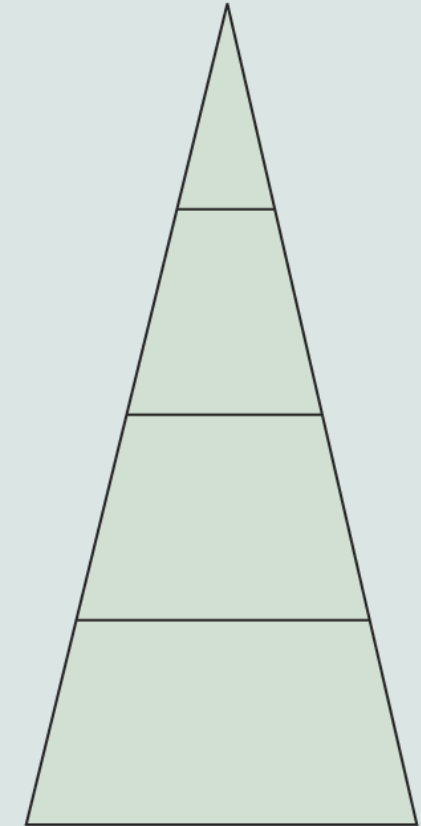
(a) 'Flat' hierarchical structure



# The span of control: effect on structure

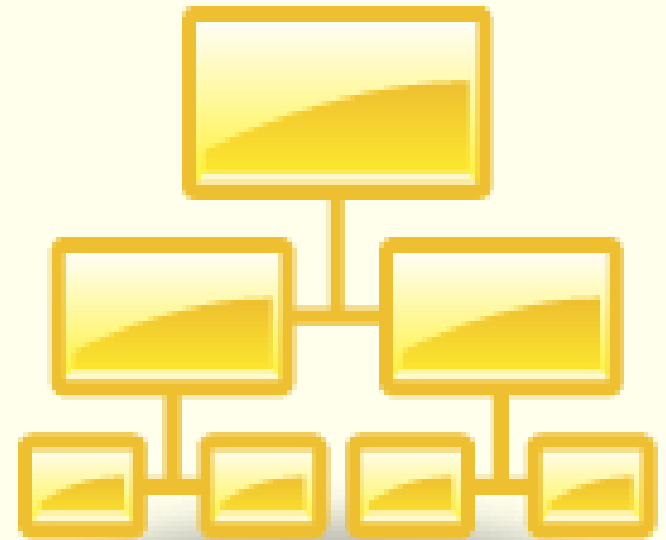


(b) 'Tall' hierarchical structure



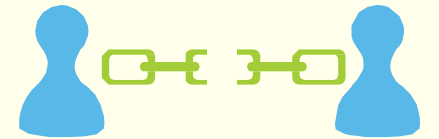
# Chain of Command

- Establishes the vertical graduation of authority and responsibility
- Provides the framework for superior-subordinate relationships
- Often represented through organisation charts
- Shows a clear line of authority and responsibility

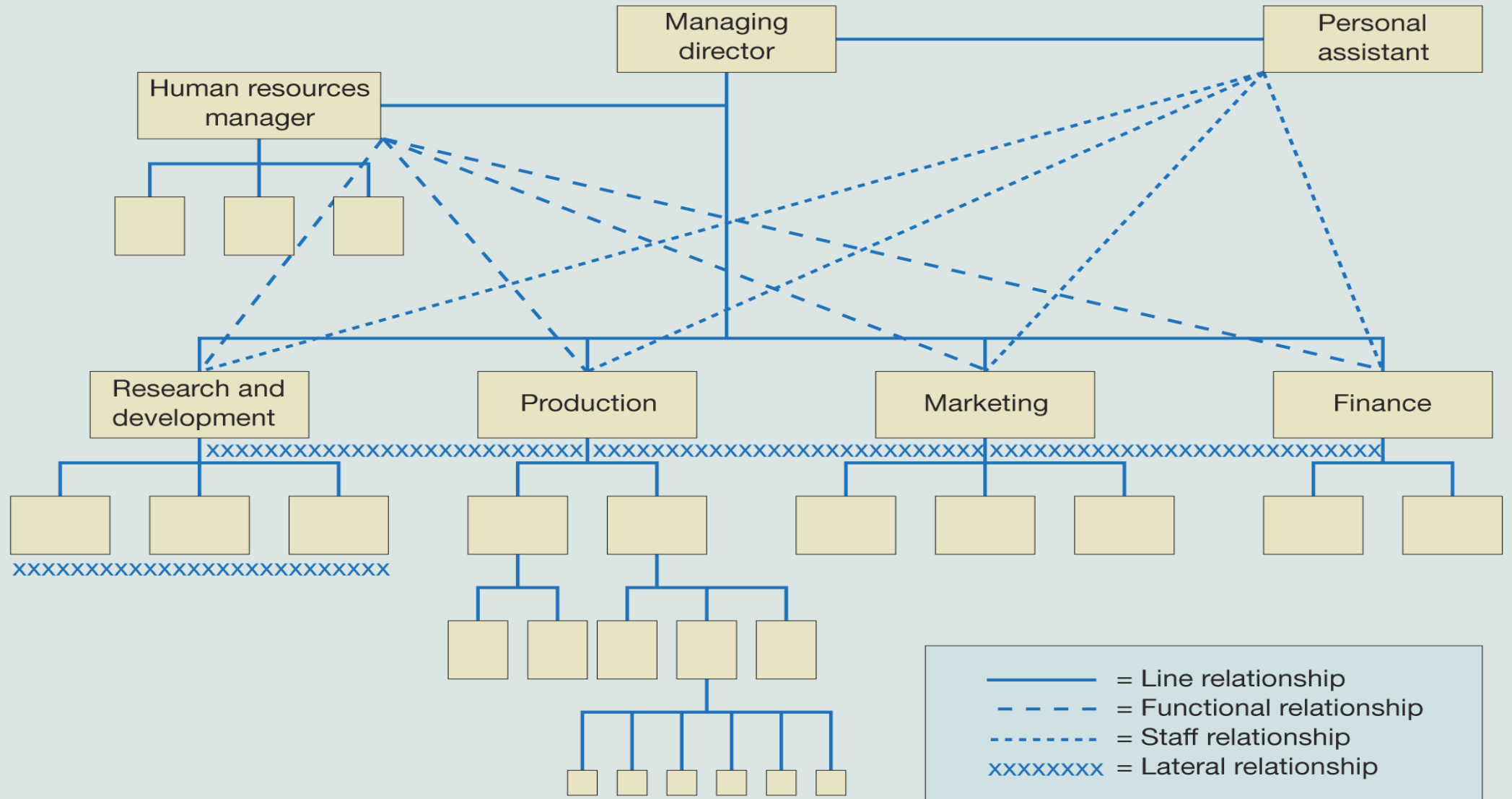


# Formal organisational relationships

- **Line**
  - flows vertically directly down through the structure
- **Functional**
  - relationship between people in specialist or advisory positions
- **Staff**
  - arise from the appointment of personal assistants to senior managers who act as gatekeepers
- **Lateral**
  - exist between individuals in different departments or sections especially those on the same levels

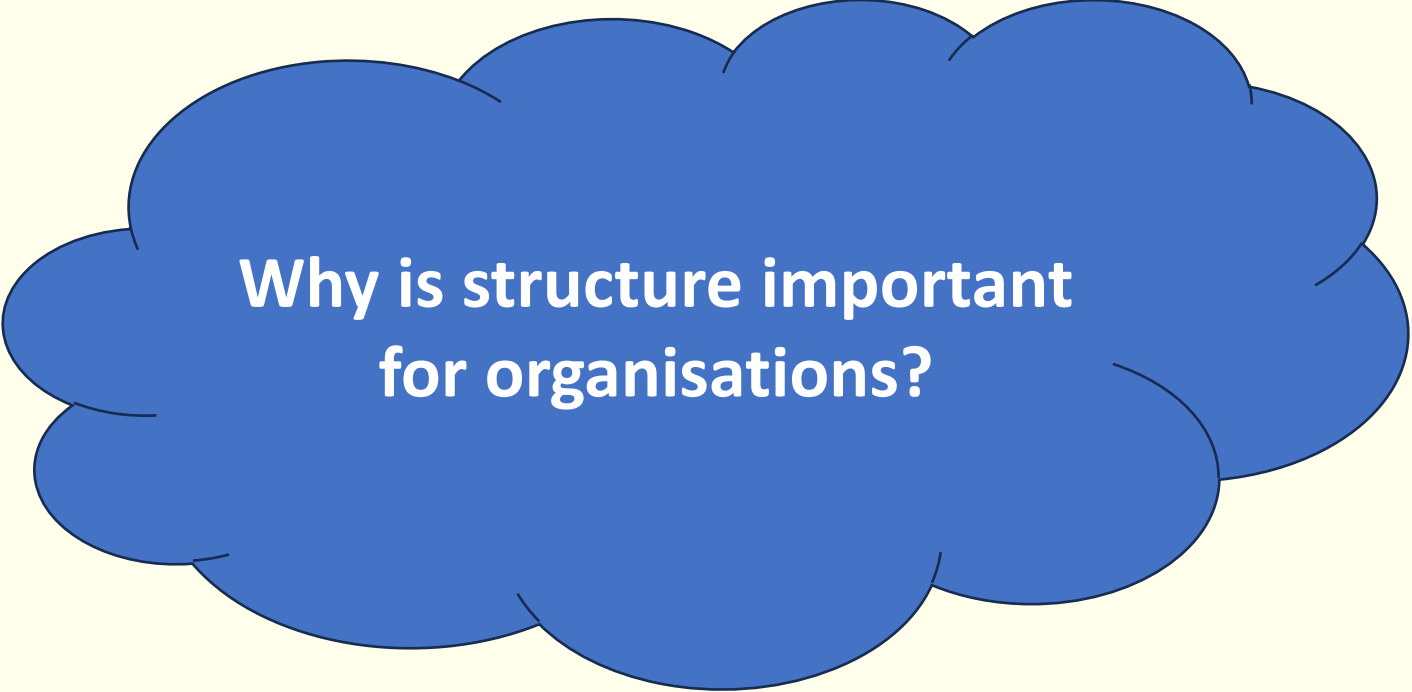


# Formal organisational relationships (contd.)



(Nadler, 1997)

# Discussion



Why is structure important  
for organisations?

# Structure is important because...

It determines:

- **Authority and responsibility** – who is responsible for whom and who is in charge?
- Individual job roles and titles
- The people to whom others are **accountable**
- The formal routes through which **communication** flows in the business
- One way to think of the organisation structure is of an explanation of the “**command and control**” system in a business.

**15 minutes**

# Group Activity

## Research the different organisational structures

- Provide a definition of the structure
- Key features of the structure
- Pros and Cons of this structure
- What does the structure look like?

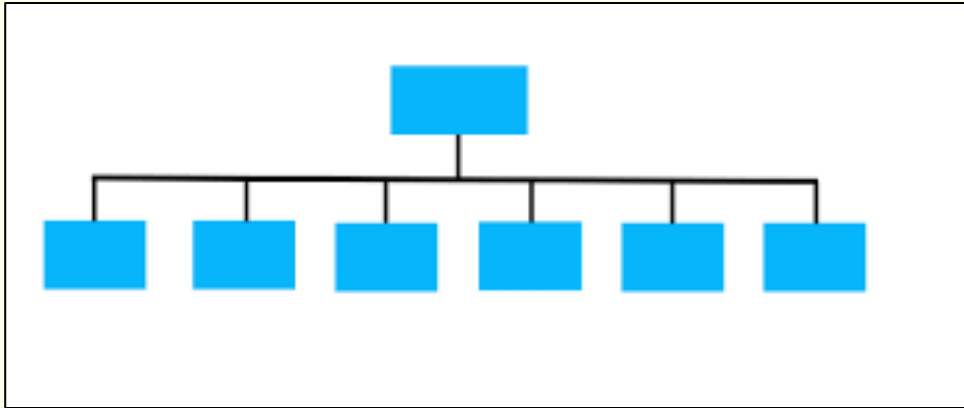
*Flat  
Structure*

*Hierarchical  
structure*

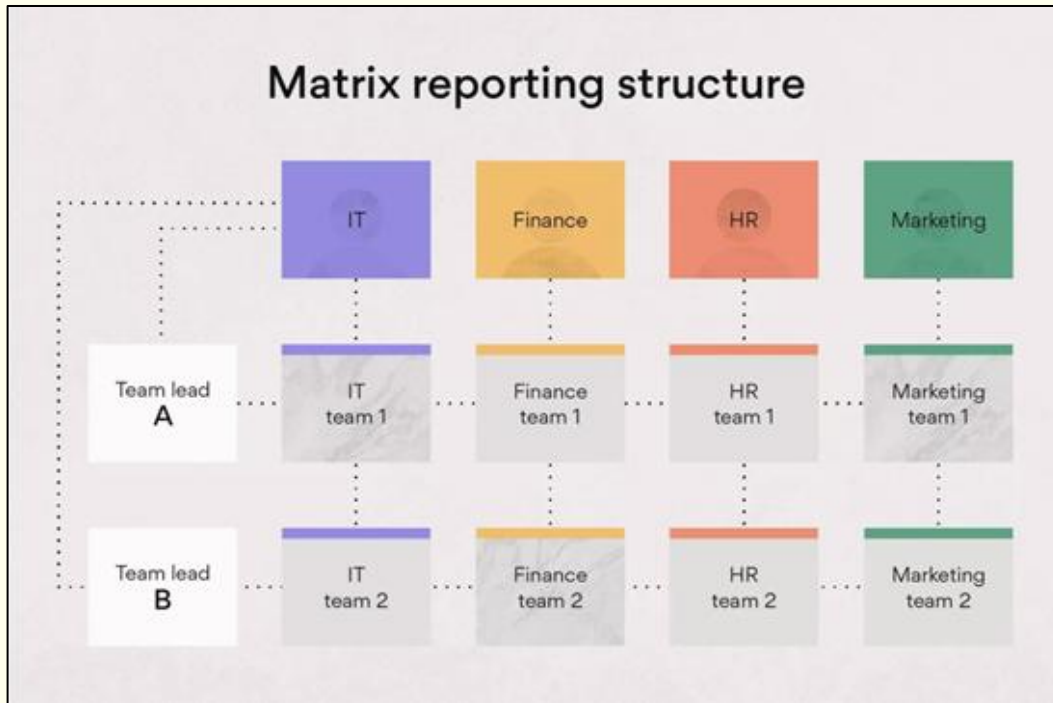
*Matrix  
Structure*

# Flat Structure

- There are few levels of middle management
- Often used in small or startup businesses
- There are steps between an 'entry-level' employee and the company's CEO
- Employees often feel a greater sense of accountability and autonomy in their job
- Clear route of communication and less room for communication to be missed
- However, internal promotion is harder to seek as there are many subordinates after fewer roles.

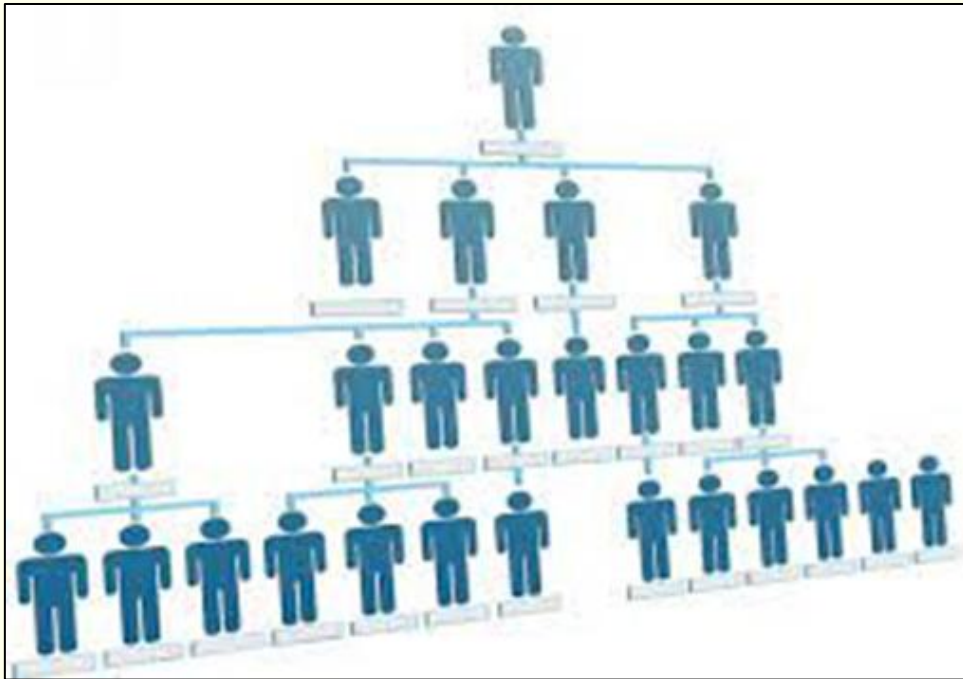


# Matrix Structure



- Tasks require you to report to more than one manager
- Often used when an organisation requires different skill sets to work together
- It leads to two different chains of command working in conjunction with each other
- Done effectively, it can lead to greater employee motivation as they have a greater input on a particular project
- Can increase the skillset/ knowledge of employees working alongside other departments
- However, there can be confusion over 'hierarchy' – e.g. *which manager is responsible, or who do I report to?*

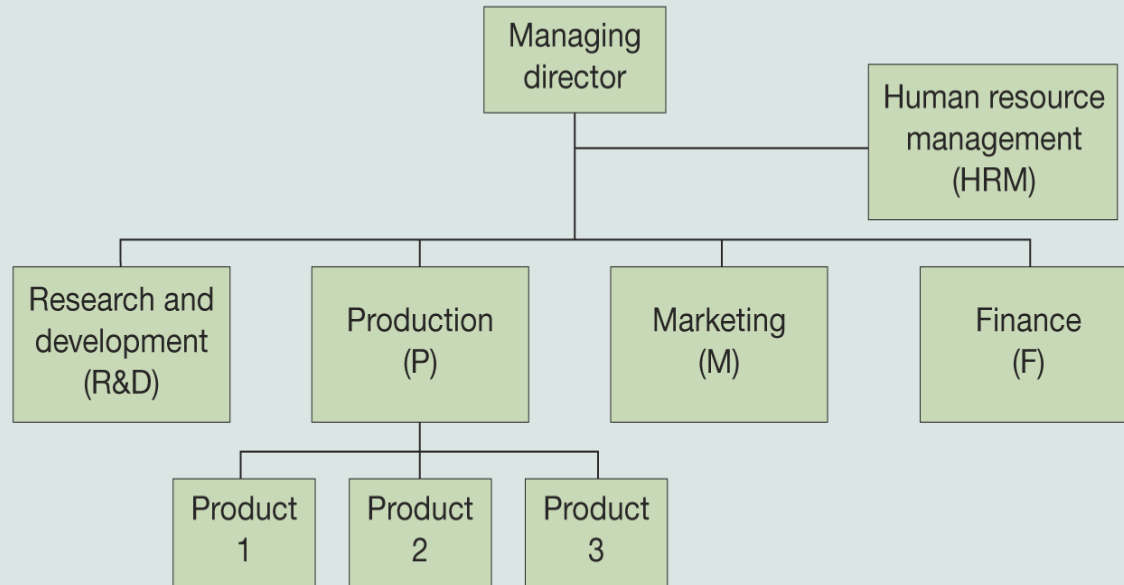
# Hierarchical Structure



- Follows a clear ‘chain of command’ from top CEO to regular employees
- Often resembles ‘a pyramid’
- There is a distinct reporting structure and everyone knows their place.
- Often evident in larger organisations with many departments that perform different duties
- There can be less ‘span of control’ as there are more managers for staff to report to
- Communication takes longer to reach ‘the top’
- Can show clear progression opportunities for employees looking to develop

There are different types of  
Hierarchal structures –  
depending on division of work

# Division of work by function



(Nadler, 1997)

- The organisation is divided into **departments based on job functions**.
- Each department does a **specific type of work**.

## Discussion:

What are the advantages and disadvantages of division of work by function?

# Functional structure (division of work by function)

## Advantages

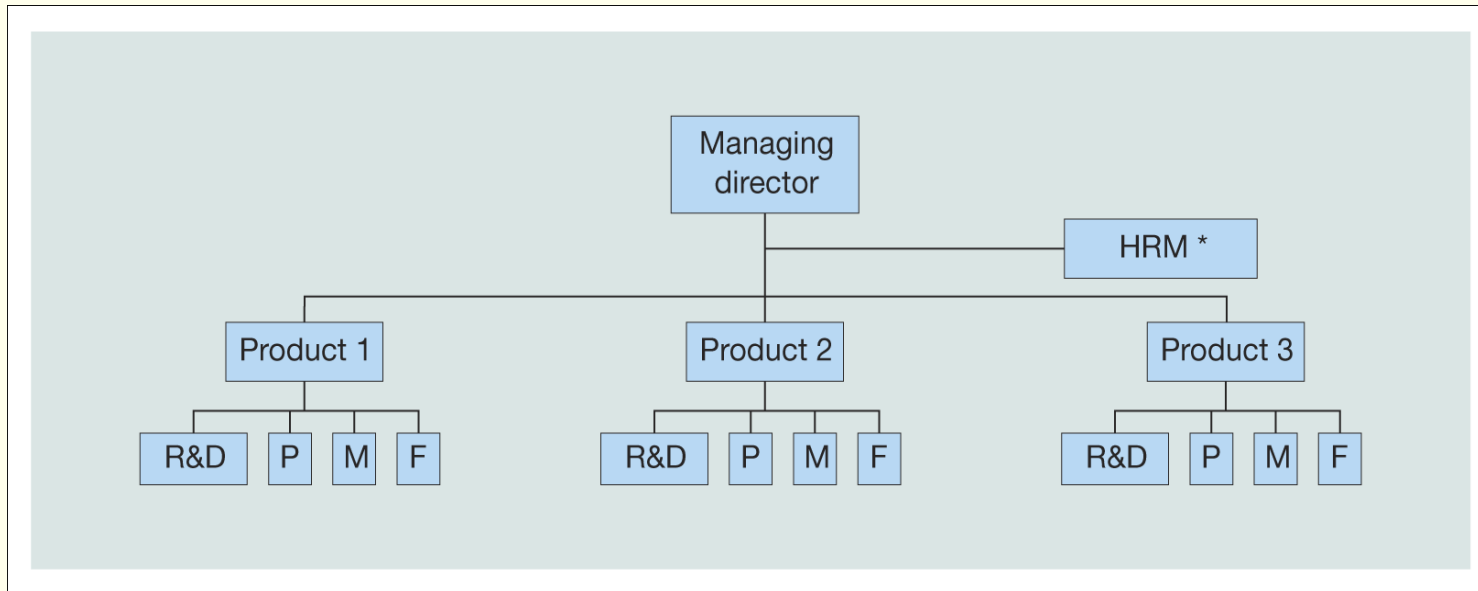
- ✓ Specialisation – each department focuses on its own work
- ✓ Accountability /control – someone is responsible
- ✓ Clarity – know your and others' roles
- ✓ Less duplication

## Disadvantages

- ✗ Insular – micro not macro picture
- ✗ Departments can become resistant to change
- ✗ Coordination may take too long
- ✗ Gap between top and bottom

# Division of work by product or service

- The organisation is divided based on **specific products or services offered**.
- Each product/service acts like its own “mini-company” with its own managers.



(Nadler, 1997)

## Discussion:

What are the advantages and disadvantages of division of work by product/service?

# Division of work by product / service



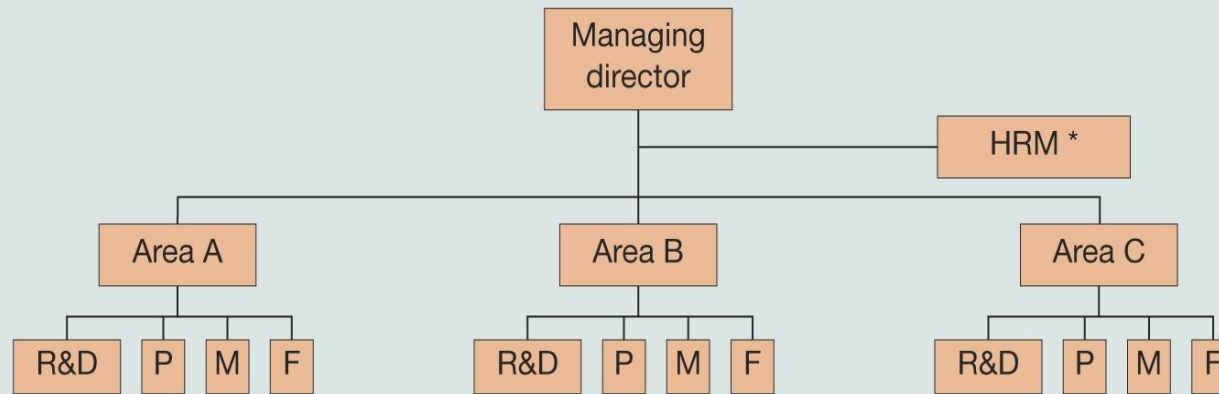
## Advantages

- ✓ Clear focus on market segment helps meet customers' needs
- ✓ Positive competition between divisions
- ✓ Better control as each division can act as separate profit centre

## Disadvantages

- ✗ Duplication of functions (e.g. different sales force for each division)
- ✗ Negative effects of competition
- ✗ Lack of central control over each separate division

# Division of work by location



\*In the case of division of work by product or service, or by geographical location, it is possible that certain aspects of support services, such as human resource management, may also be assigned to individual units of the organisation. However, the main responsibility of the HRM manager, as a separate entity, is to provide a specialist advisory service to all unit managers and to ensure implementation of HRM policy throughout the organisation as a whole. Responsibility for the main aspects of the HRM function is likely to remain, therefore, in a direct line of authority from top management.

(Nadler, 1997)

- The organisation is divided based on **different locations or regions**.
- Each location has its **own management team** for operations in that area.

## Discussion:

What are the advantages and disadvantages of division of work by location?

# Division by location

## Advantages

- ✓ Serve local needs better e.g. ethnic foods, etc.
- ✓ Positive competition
- ✓ More effective communication between firm and local customers

## Disadvantages

- ✗ Conflict between local and central management
- ✗ Duplication of resources and functions

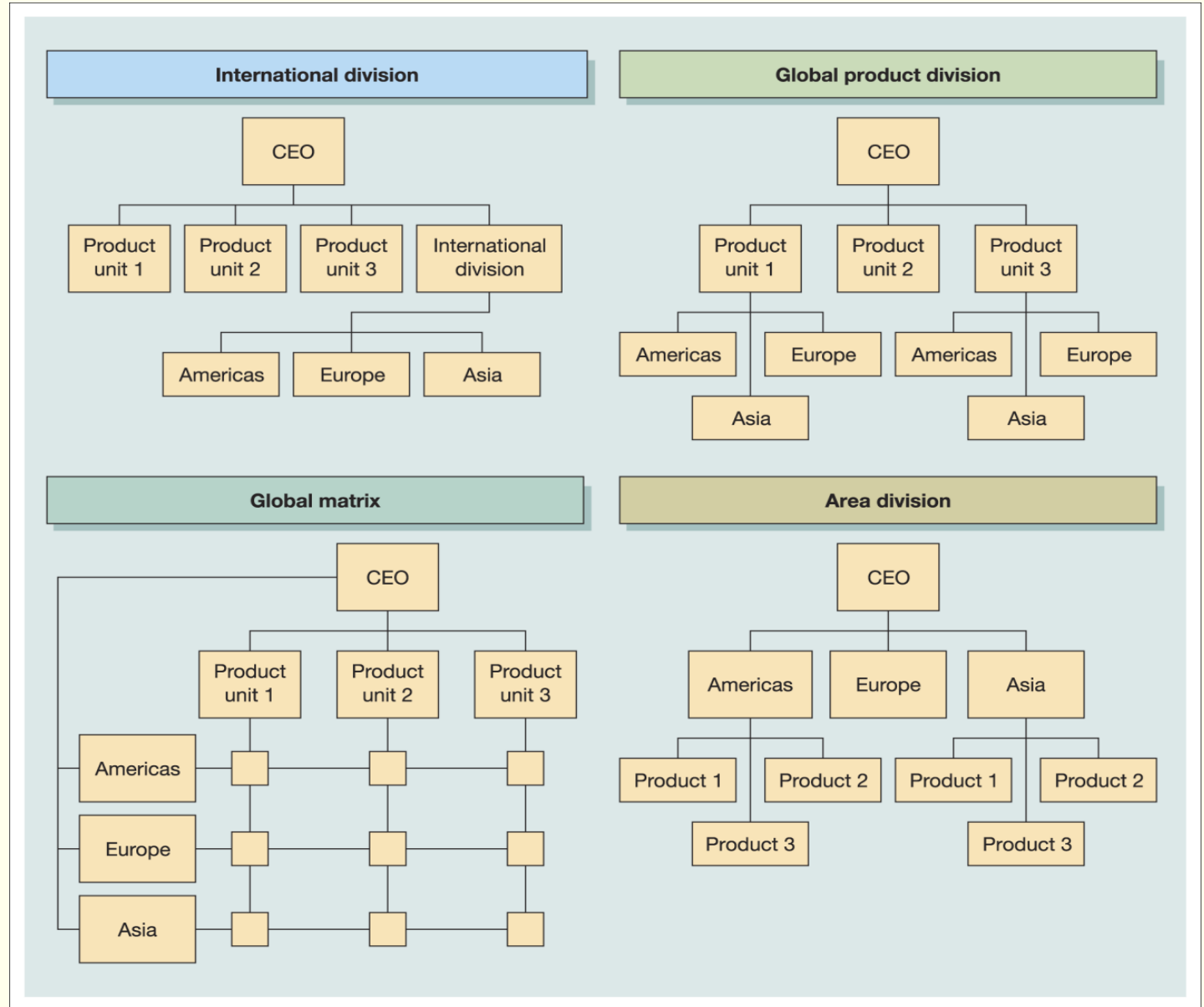


## What about global businesses?

### Four models:

1. International division
2. Global product division
3. Global matrix
4. Area division

(Birkinshaw, 2001)



## What about global businesses?

### Four models:

1. International division
2. Global product division
3. Global matrix
4. Area division

| Structure                      | What it focuses on         | Real Examples                    |
|--------------------------------|----------------------------|----------------------------------|
| <b>International Division</b>  | Early global expansion     | Starbucks (in early expansion)   |
| <b>Global Product Division</b> | Global product consistency | Apple                            |
| <b>Global Matrix</b>           | Product × Region           | Unilever, Philips, Nestlé        |
| <b>Area Division</b>           | Local responsiveness       | McDonald's, Kellogg's, Coca-Cola |

(Birkinshaw, 2001)

# Centralisation vs Decentralisation

This is looking at decision-making within different organisations and how this is reflective of their structures

# Control and decision-making

## Centralisation:

The concentration of authority for making most decisions at the top levels of the organisation



## Decentralisation:

The dispersion of authority to make decisions throughout all levels of the organisation



# Centralisation vs Decentralisation



Access:

[https://youtu.be/jviFsd4hhfE?si=P8pEryH\\_M\\_9kickP&t=49](https://youtu.be/jviFsd4hhfE?si=P8pEryH_M_9kickP&t=49)

(Lyon, 2018)

# Activity

Think of an organisation you know/work for.

1. Is the decision making centralised or decentralised?
2. Can your boss decide things/do they have to refer up to head office?
3. What are the advantages of each approach?



# Advantages of Centralisation

## Advantages of centralisation

- the easier implementation of a common policy for the organisation as a whole;
- providing a consistent strategy across the organisation;
- preventing sub-units becoming too independent;
- making for easier co-ordination and management control;
- improved economies of scale and a reduction in overhead costs;
- greater use of specialisation, including better facilities and equipment;
- improved decision-making which might otherwise be slower and a result of compromise because of diffused authority.

(Lynch, 2006)

# Advantages of Decentralisation

## **Advantage of decentralisation**

- enables decisions to be made closer to the operational level of work;
- increased responsiveness to local circumstances;
- improved level of personal customer service;
- more in keeping with developments in flatter and more flexible structures;
- support services, such as administration, are more likely to be effective if provided as close as possible to the activities they are intended to serve;
- provides opportunities for training and development in management;
- usually, it has an encouraging effect on the motivation and morale of staff.

(Lynch, 2006)

# Consequences of badly designed structure

- Low motivation and morale
- Late and inappropriate decisions
- Conflict and lack of co-ordination
- Poor response to new opportunities and external change
- Rising costs

Video link

<https://youtu.be/32WjO7liHpl>



# Structure and Organisational Behaviour

- Structuring the organisation involves balancing a series of trade-offs.
- In analysing the effectiveness of structure, consideration should be given to both:
  - the formal and technological requirements and principles of design – **ORGANISATION**
  - social factors and the needs and demands of the human part of the organisation – **PEOPLE**



# Examples of the connection between purpose and organisation design

| Purpose                                                                         | Implications for organisation design                                                                                                                                  |
|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ■ 'Ideas factory' such as an advertising or promotions agency                   | ■ Loose, fluid structure with limited formalised relationships. As it grows in size, however, more formal structures are usually inevitable                           |
| ■ Multinational company in branded goods                                        | ■ Major linkage and resource issues that need carefully co-ordinated structures, e.g. on common suppliers or common supermarket customers for separate product ranges |
| ■ Government civil service                                                      | ■ Strict controls on procedures and authorisations. Strong formal structures to handle major policy directions and legal issues                                       |
| ■ Non-profit-making charity with a strong sense of mission                      | ■ Reliance on voluntary members and their voluntary contributions may require a flexible organisation with responsibility devolved to individuals                     |
| ■ Major service company such as a retail bank or electricity generating company | ■ Formal structures but supported by some flexibility so that variations in demand can be met quickly                                                                 |
| ■ Small business attempting to survive and grow                                 | ■ Informal, willingness to undertake several business functions such as selling or production, depending on the short-term circumstances                              |
| ■ Health service with strong professional service ethics, standards and quality | ■ Formalised structure that reflects the seniority and professional status of those involved while delivering the crucial complex service provisions                  |
| ■ Holding company with subsidiaries involved in diverse markets                 | ■ Small centralised headquarters acting largely as a banker, with the main strategic management being undertaken in individual companies                              |

(Lynch, 2006)

# The changing face of the workplace

## What's new?

What factors might impact  
organisational structures in  
the future?

e.g. how is the workplace  
changing?



# The changing face of the workplace

## 7 'habits of the new organisation':

- Flexible and free-flowing
- Non-hierarchical
- Based on participation
- Creative and entrepreneurial
- Based around networks
- Driven by corporate goals
- Utilising technology as a key resource



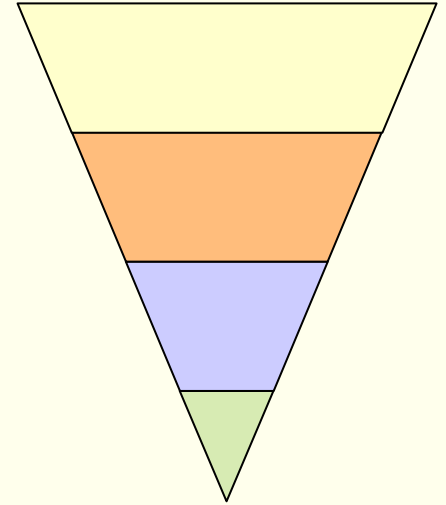
(Birkinshaw, 2001)

# Core-ring organisation



(Birkinshaw, 2001)

# The inverted organisation



- These place customers at the summit and top management at the base.
- Involve the devolution of power and delegation to the empowered, self-managing workers near the top of the inverted pyramid.
- The line hierarchy becomes a support structure.

# Flexible working arrangements

- Part-time working
- Term-time working
- Compressed hours
- Flexitime
- Staggered hours
- Time off in lieu
- Shift swapping
- Self-rostering
- Job sharing
- Annual hours
- Working from home
- Career breaks

[Hilton Team Members Embark on Life-Changing Experiences Through Thrive Sabbatical & Reset](#)

# Recap



**Today we have discussed:**

- A variety of different organisational structures
- Centralised vs Decentralised decision making
- How structures might need to change in the future

# Reference List

Birkinshaw, J. (2001) *The Structures behind Global Companies*, in Pickford, J. (ed.) *Mastering Management 2.0*, Financial Times Prentice Hall, p.76.

Burton, R.M. and Obel, B. (2018) .The science of organizational design: Fit between structure and coordination., *Journal of organization design (Aarhus)*, 7(1), pp.1–13.

Drucker P. F. (2007) *The Practice of Management, Classic Drucker collection*, Butterworth-Heinemann.

Lynch, R. (2006) *Corporate Strategy*, 4<sup>th</sup> edn, p. 582, Financial Times Prentice Hall.

Lyon, A. (2018) *Centralization vs Decentralization*. Available at: <https://www.youtube.com/watch?v=jviFsd4hhfE> (Accessed: 13<sup>th</sup> February 2026).

Litterer, J. A. (1973) *The Analysis of Organizations*, 2<sup>nd</sup> edn., John Wiley & Sons, p.339.

Mullins, L.J. (2007) *Management and Organisational Behaviour*. 8<sup>th</sup> edn., Pearson Education, p.76.

Nadler, D. (1997) *Competing by Design: The Power of Organizational Architecture*. 2<sup>nd</sup> edn. Oxford University Press.