4.1. ORGANIZATIONAL STRUCTURE AND DESIGN

Organizational structure

Formal and informal relationships between people in an organization (including units, hierarchy, processes, communication systems, etc.).

Organizational design

Process through which managers build, assess and modify the formal organizational structure in order to develop the tasks necessary to effectively and efficiently achieve organizational goals, thus optimizing the structure’s fit with organizational and HR strategies.

4.2. TYPES OF ORGANIZATIONAL STRUCTURES

Bureaucratic (hierarchical) organizational structure

- Traditional, pyramid-shaped structure.
- Top-down approach (‘command-and-control’) to management.
- Strong hierarchy and high centralization.
- Many management levels.
- Functional division of labour, high work specialization and narrow job descriptions.
- Hierarchical career paths within one function.
- Rigid boundaries separate functional units.
- Key focus on efficiency of operations.
- Works best in predictable and stable environments.
4.2. TYPES OF ORGANIZATIONAL STRUCTURES

Organic (flat) organizational structure
- Few management levels.
- De-centralized approach to management.
- Divided into units or teams focused on different products, services or customers.
- Emphasis on self-managed and cross-functional teams.
- Permeable boundaries between units.
- Cross-functional and horizontal career paths.
- Broad job descriptions and high employee empowerment.
- Key focus on effectiveness and customer responsiveness.
- Works best in rapidly changing environments.

Example of organic (flat) organization


Boundaryless organizational structure
- Based on relationships with customers, suppliers, and/or competitors, either to pool organizational resources for mutual benefit or to encourage cooperation in an uncertain environment.
- Can include outsourcing, subcontracting, franchising, joint ventures, alliances of different types, etc.
- Boundaries between the organization and its suppliers, customers or competitors are broken down.
- Includes many characteristics of flat organizations.
- Emphasis on cross-organizational teams.
- Key focus on flexibility and change.
- Especially recommended for situations of need to: (i) improve product/service cost or quality, (ii) overcome entry barriers to foreign markets, (iii) share risks of developing new technologies.

Example of boundaryless organization


4.3. JOB DESIGN

Job design
- The process of organizing work into the specific tasks required to perform a broader task.

Job design variables
- Amount and type of task division and specialization: low vs. high, unskilled vs. highly skilled.
- Types of job supervision: strict, consultative, participative.
- Job formalization (normalization): emphasis on using of rules and procedures to standardize tasks’ execution and guide behaviour.
- Amount and type of training required.
- Amount and type of indoctrination (socialization) required.
- Coordination and control mechanisms: mutual adaptation, direct supervision, process normalization, skill normalization, output normalization.

Job characteristics theory
- Employees will be more motivated to work and be satisfied with their jobs, and achieve better work performance (personal and work outcomes), to the extent that their jobs contain certain core characteristics, which activate a number of critical psychological states.
- Strength of relationships between core job characteristics and personal and work outcomes is determined by intensity of employee growth need.
4.3. JOB DESIGN

**Job characteristics theory**

Core Job Characteristics

- **Climate variety.** Degree to which the job requires the person to do different things and involves the use of different skills and abilities.
- **Task identity.** Degree to which a person can do the job from beginning to end with a visible outcome.
- **Task significance.** Degree to which the job has a significant impact on others – both inside and outside the organization.
- **Autonomy.** Amount of freedom, independence, and discretion the employee has in areas such as the work planning, making decisions, and determining how to do the job.
- **Feedback.** Degree to which the job provides the employee with clear and direct information about job outcomes and performance.

**Critical psychological states**

- **Experienced meaningfulness.** Extent to which the employee experiences the work as important, valuable, and worthwhile.
- **Experienced responsibility.** Degree to which the employee feels personally responsible and accountable for the result of the work.
- **Knowledge of the results.** Degree to which the employee understands on a regular basis how effectively he or she is performing the job.

**Job (re)design interventions**

- **Work simplification.** Breaking down work into simple, repetitive tasks.
- **Job enlargement** (horizontal loading). Expanding a job’s tasks and duties.
- **Job rotation.** Moving workers among different narrowly defined tasks without disrupting the flow of work.
- **Job enrichment** (vertical loading). Putting specialized tasks back together so that one person is responsible for producing a whole product or service. Expands both horizontal and vertical dimensions of a job, makes the job more interesting (and challenging), increases responsibilities and gives more opportunities for autonomy and feedback.
- **Team-based work.** Giving a team, rather than an individual, a whole and meaningful piece of work to do. Team members are empowered to decide among themselves how to accomplish the work.

**Organizational design, job design and employee motivation**

**Routine work**

- Maximum consistency: under-optimized, over-controlled
- CLASSICAL, CONSISTENT: PERFORMANCE: ABSOLUTE SATISFACTION
- RESPONSES TO OUTSTRETCHED BUT ANNOYED DUE TO WORK LIMITATIONS
- BUREAUCRATIC STRUCTURE

**Enriched work**

- Maximum inconsistency: too demanding, job and organizational performance deep satisfaction
- RESPONSIVE: TO FILL BUT OVERFLOWING DUE TO TOWARDS PROFITABLE ORGANIZATION
- ORGANIC STRUCTURE

Job analysis

- The systematic process of collecting information that is useful to make decisions about jobs.
- Identifies the tasks, duties and responsibilities of a particular job.
- Performed by a job analyst (HR specialist, manager, or incumbent).

Tasks, duties and responsibilities

- A task is a basic element of work that is a logical and necessary step in performing the duty of a job (e.g., completing a travel authorization form).
- A duty consists of one or more tasks that constitute a significant activity performed in a job (e.g., keeping track of travel expenses).
- A responsibility describes the major purpose or reason for the job's existence, and is usually the result of combining several duties (e.g., managing the departmental budget).

Methods of gathering job analysis information

- Interviews. The interviewer (usually a member of the HR department) interviews a representative sample of job incumbents using a structured interview.
- Observation. An individual observes the job incumbent actually performing the job and records the amount of time spent on each activity. The job's essential characteristics are captured by the job analyst by studying the diaries kept over a representative period of time.
- Questionnaires. The job incumbent fills out a questionnaire that asks some questions about the job's knowledge and skills (K&S) requirements, tasks, duties and responsibilities.

Uses of job analysis

- Compliance with government regulations (e.g., regarding non-discrimination in the workplace).
- Support for HR activities:
  - Recruitment. Helping build a higher-quality pool of job applicants (e.g., by accurately describing the job and thus better screening applicants).
  - Selection. Improving the evaluation of candidates (e.g., by deciding what kind of tests need to be performed: personality, technical skills, etc.).
  - Performance appraisal. Helping establish standards to judge employee performance, for purposes of promotion, rewards, layoffs, etc.
  - Training and career development. Determining training needs (e.g., by comparing required K&S with actual ones and identifying K&S gaps).
  - Compensation. Helping determine pay structure, by comparing relative worth of jobs' contributions to company performance.

Steps for conducting a job analysis

1. Determine the desired uses of the job analysis.
2. Select the jobs to be analysed (e.g., rapidly changing jobs, entry level jobs, jobs in a particular unit/department).
3. Gather the job information (within budget constraints).
4. Verify the accuracy of the job information (both the incumbent and the immediate supervisor should review the information).
5. Document the job analysis by writing a job description.

Job description

- Summary statement of the information collected in the job analysis process.
- Written document that identifies, describes and defines a job in terms of its tasks, duties, responsibilities, working conditions, specifications, and necessary qualifications.

Specific vs. general job descriptions

- General job description. Inclusion of only the most generic duties, responsibilities, and skills. Emphasis on innovation, flexibility, and loose work planning. Fits best with flat and boundaryless structures, and dynamic environments.
4.5. JOB DESCRIPTION

Basic elements of a job description

- Identification information. Job title, location, and source of job analysis information; who wrote the job description; the dates of the job analysis and the verification of the job description.

- Job summary. Short statement that summarizes the job's duties, responsibilities, and place in the organizational structure.

- Job duties and responsibilities. Explanation of what is done on the job, how it is done, and why it is done. Usually only the three to five most important duties/responsibilities are mentioned (each statement beginning with an action verb).

- Job specifications. List of the worker characteristics (K&S) needed to perform the job successfully.

4.6. STAFF PLANNING

Staff planning

Set of plans and processes aimed at:

- defining the appropriate number of employees (and their qualifications) needed at the different organizational units and job categories, and consequently

- properly balancing labour demand and supply.

Steps of a staff planning process

1. Build a detailed database of employees' demographic data, K&S data, and performance assessment data.
2. Conduct a forecast of the most likely future evolution of the above data.
3. Assess the impact of organizational strategy on different units' evolution and possible changes.
4. Assess the impact of different units' evolution and possible changes in staff needs and job requirements at these units (e.g., job obsolescence, new job creation, changes in tasks, etc.).
5. Develop different options, considering (short and long-term) financial, organizational and political consequences (e.g., layoffs, outplacement, early retirements, new hirings, internal transfers, job redesign, etc.).
6. Dialogue and negotiation with the affected employees and other stakeholders (e.g., trade unions).
7. Choice and implementation of specific action plans.

Simplified example of predicting labour demand for a hotel chain with 25 hotels, expanding to 32 hotels