

2.2_Closure

In the first half of the 20 th century, many organizations were controlled in strict hierarchies.	In this type of structure there might be many layers of management. There is one person at the top, the managing director or Chief Executive Officer (CEO). Information and instructions are passed down through the layers. Typically, the company is divided into functional areas such as sales, marketing, finance, etc. Each area has a manager in charge of a group of workers. This arrangement is often accompanied by a division of labour at the lower levels. This means that each job is divided into clearly defined segments which can be carried out with little skill or training.
However, there are a number of problems with large, traditional hierarchies.	First of all, communication is often poor. Messages have to travel down from the top, and information from the bottom may never reach the top at all. Secondly, these systems often do not encourage people to take responsibility for the quality of their work or to use their initiative. Finally, companies with these structures may find it difficult to adapt quickly to a changing business environment.
As a result, some companies have moved towards flatter hierarchies, as recommended by Tom Peters in his book <i>Thriving on Chaos</i> (1987).	In other words, they 'delayed', getting rid of people in the middle levels of management. In addition, many companies adopted a team approach, with several people working together on a task.
However, different types of companies may need different types of organization.	For example, a traditional hierarchical structure is particularly appropriate for large government bureaucracies, where things need to happen according to fixed rules. This structure also suits big transport companies where, for safety purposes, people need to be trained to work according to strict standards. As Charles Handy pointed out in his book <i>Inside Organizations: 21 Ideas for Managers</i> (1999), in this kind of structure everyone has a precise job description. There are rules and procedures, and clear lines of management so everyone knows what should happen and there are no surprises.

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There are other possible ways in which organizations can be structured.	For instance, according to Handy, in a 'club' structure, one individual leads a small group of perhaps 20 people. The leader chooses people who share her beliefs and values, and so the organization reflects the leader's personality. It is just like a club. The leader is like a spider at the centre of its web. There is a high level of trust, and communication is easy because everyone shares similar ideas. Communication lines are very short so these organizations can react quickly to change or new opportunities. However, if the leader is weak or leaves, the organization can disintegrate. This type of structure can be seen in new businesses or the art world or in politics.
In a 'task' structure several people work together as a team, using their different skills.	There is little hierarchy, but a lot of cooperation and discussion. Leadership of the teams can change from task to task. This structure is suitable for advertising agencies or product development, where there is a problem to solve. However, it is less useful for simple jobs because teams can be expensive and time-consuming.
Finally, a 'person' structure can be found where there is a group of people who are experts in their field.	They usually work individually, rather than as a team. However, the experts also need administrators to help them. The administrators – often called secretaries or clerks – do not have any control over the professionals, and so an organization with a person structure may be quite difficult to manage. This type of organization – often called a practice – is often used by groups of doctors or lawyers.
To conclude, today there are various ways in which an organization can be structured.	The type of structure depends on the work being done so, in reality, organizations rarely have just one structure. Most are a mixture of two or more types.