**Organizational Structure**

**What is ‘Organizational Structure’**

Organizational structure is a system that consists of explicit and implicit institutional rules and policies designed to outline how various work roles and responsibilities are delegated, controlled and coordinated. Organizational structure also determines how information flows from level to level within the company. For example, in a centralized structure, decisions flow from the top down, while in a decentralized structure, the decisions are made at various different levels.

**BREAKING DOWN ‘Organizational Structure’**

Organizational structure, stated simply, defines a specific hierarchy within an organization, and businesses of all shapes and sizes use it heavily. A successful organizational structure defines each employee’s job and how it fits within the overall system. This structuring provides a company with a visual representation of how it’s shaped and how it can best move forward in achieving its goals. Organizational structures are normally illustrated in some sort of chart or diagram.

**Common Types of Organizational Structures**

At its highest level, an organizational structure is either centralized or decentralized. Traditionally, organizations have been structured with centralized leadership and a defined chain of command. The military, for example, is an organization famous for its highly centralized structure, with a long and specific hierarchy of superiors and subordinates. However, there has been a rise in decentralized organizations, as is the case with many technology startups. This allows the companies to remain fast, agile and adaptable, with almost every employee receiving a high level of personal agency.

Some types of common organizational structures are implemented in NGO’s generally. Organizations have various structures. These structures are indicative of:

- How an organization functions and is managed.

- How information flows and is processed within an organization.

- How flexible or responsive the organization is.

**1. Tall Hierarchical Structures:** Most organizations are hierarchical. Such organizations are distinguished by several features:

- Relatively few managers control the organization.

- Few units or staff are under each manager’s control.

- Managers are appointed on merit and expected to be in control of the full range of management functions (including disciplining, and encouraging cooperation and compliance).

- Management style is likely to be “directive.”

- The organizational structure resembles a pyramid.

**2. Flat structures** have been a recent response to the downsizing of businesses in order to increase efficiency and profitability. Are these appropriate structures in an NGO environment? Using the language of advocates of formal structures, flat structures imply wider spans of control. Given the use of volunteers the principle may be valid. There are also arguments for this structure being most appropriate to the learning and development of staff.

**3.** **Team Structure:** Team structures differ from hierarchical structures in several ways. A team structure attempts to link the formal and informal group relations that influence a worker. This type of organization emphasizes interpersonal relations as a determinant of conduct and performance. Some of the features of this type of organizational structure include:

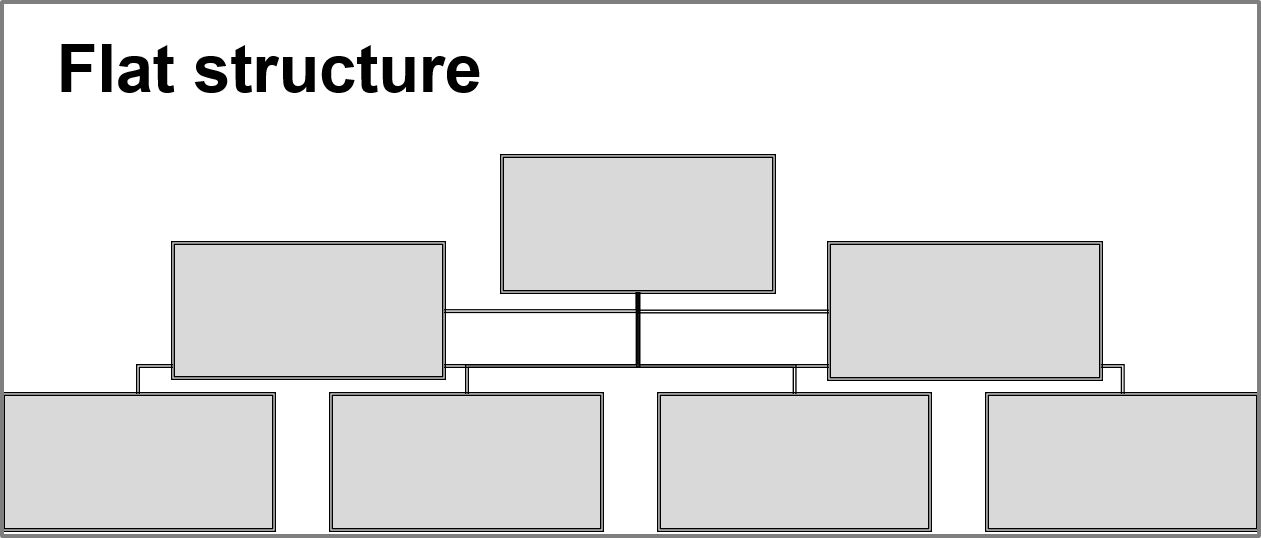
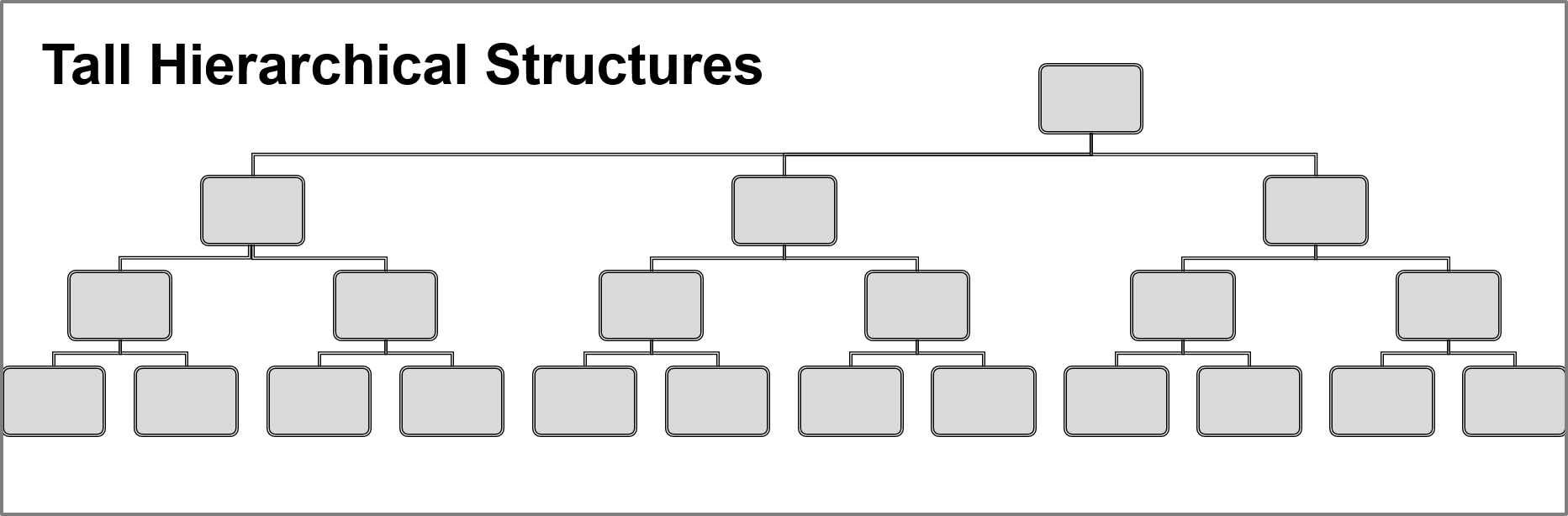
- Managers who serve more as facilitators and group leaders than final decision-makers.

- Managers whose primary responsibility is setting objectives and evaluating performance.

- Work styles which are more participatory and interactive.

- Focus on tasks, accomplishment of shared objectives, and accountability to the team.

- Use of temporary teams or task forces to deal with issues or cross-cutting initiatives



***Job descriptions***

**For the Board Members/Managers**, a job description clarifies placement of a position in the structure. This placement is usually made, after due consideration to ensure that levels of authority, roles, responsibilities, and reporting, the staff person or incumbent can be effective and efficient, while contributing to the achievement of organizational goals and objectives, in the particular job.

For the **stuff/active member**, a job description clarifies his or her duties, tasks, roles, and responsibilities. It spells out the skills, qualifications, and even personal qualities that the staff member should possess.

**Managing Members and Volunteers**

One of the challenges for a manager is knowing how to “manage” members and volunteers. Although they can be an asset to any organization and fulfill important roles, they are not really staff with specific job descriptions, supervisory relationships, and levels of authority. It is important that you and your Board define the roles of members and/or volunteers clearly, and develop specific structures or activities to attend to their needs, keep them involved and motivated, and receive their inputs or feedback.