

# Organizational Structure: An Overview

Marsha Florio marshaflorio@gmail.com

March 27, 2025

# Agenda

- Purpose and function
- Contemporary organization structures
- Shifting your organizational structure
- Your organization's structure overview and analysis



Organizational charts are visual representations of the structure within an organization.



Organizational structure is the method by which work flows through an organization.



An organizational structure defines how job titles, roles, and responsibilities are assigned within a company.



It helps determine who reports to whom, and who makes decisions about what.

# Importance of a Visual Chart



Shows work responsibilities and reporting relationships



Establishes and improves lines of communication



Reduces cross-departmental confusion



Creates a visual employee directory



Helps identify gaps in skills or personnel as well as opportunities for expansion

# **Tradition Structure**

- Tends to be more formalized—with employees grouped by function (such as finance or operations), region or product line.
- Hierarchical representing a top-down approach where authority flows from the highest management level down to subordinate groups.

#### **Benefits:**

Clear chain of command and authority.

Defined roles and responsibilities.

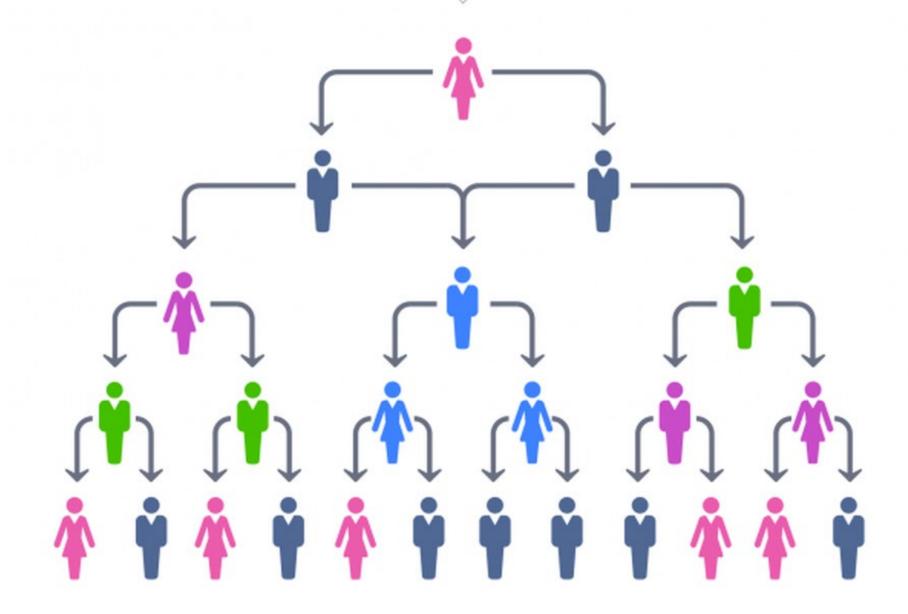
Strong discipline and focus on individual accountability.

#### **Challenges:**

Can be slow in decision-making due to multiple levels of approval.

Risk of communication silos, where departments or teams may not collaborate effectively.

#### HIERARCHICAL ORGANIZATIONS



# **Functional Structure**

- The organization is divided into smaller groups based on specialized functional areas, such as IT, finance, or marketing.
- The benefits and importance of functional structure include quick decision making as the members of the group are able to interconnect effortlessly with each other.
- This can be a very efficient structure, allowing for economies of scale because specialists work for the whole organization.

#### **Benefits:**

Specialization allows departments to focus on their areas of expertise.

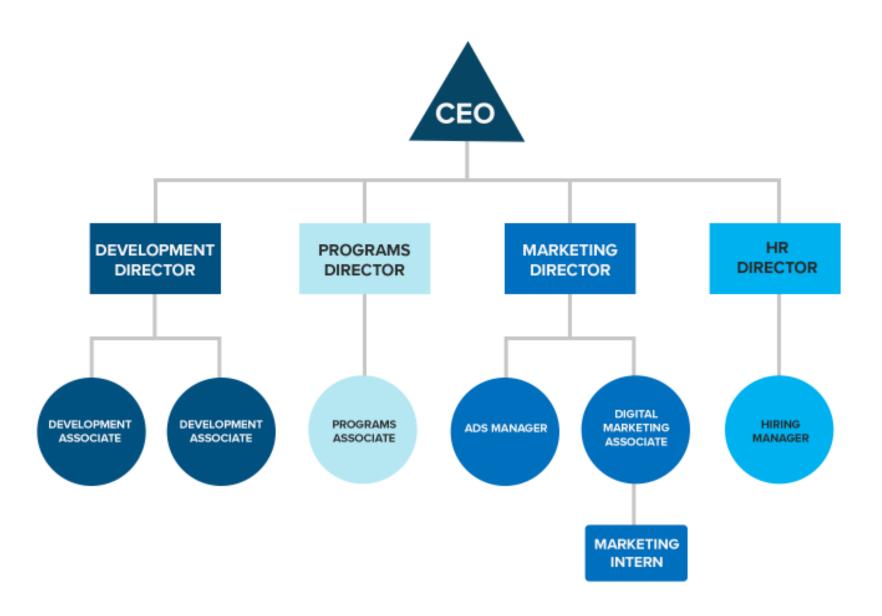
Efficiency in operations and expertise within functional areas.

#### **Challenges:**

Limited cross-departmental communication and collaboration.

Can result in silos and difficulties in aligning with company-wide goals.

#### **FUNCTIONAL ORG CHART**



## **Divisional Structure**

- Type of organizational structure that groups each organizational function into a division. These divisions can correspond to either products or geographies.
- Each division contains all the necessary resources and functions within it to support that product line or geography
- A division is self-oriented and includes groups of functionalities that execute to make a product. It plans to operate and enter like a distinct revenue or business center.

## **Divisional Structure**

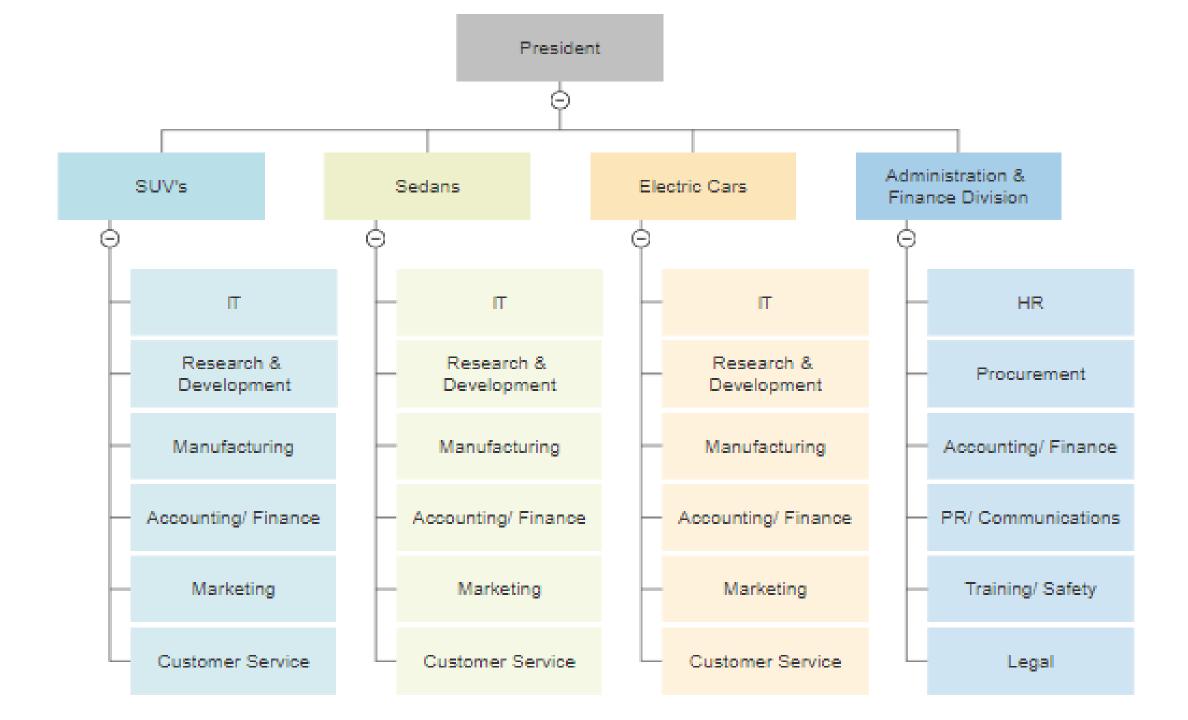
#### Benefits:

Flexibility for each division to operate independently and make decisions quickly.

Encourages innovation within each division.

#### Challenges

Duplication of resources across divisions can lead to inefficiencies. Risk of divisions focusing too narrowly on their goals and losing sight of company-wide objectives.



# Flat Structure

- Designed with the idea that knowledgeable and well-trained workers will be more productive when they are directly involved in the decision-making process of the organization, rather than being supervised by many management layers
- Minimizes the levels of management and hierarchy, with few or no middle managers – employees often have more autonomy and direct access to upper management.

#### Benefits:

Promotes a more collaborative and less formal culture.

Faster decision-making due to fewer hierarchical layers.

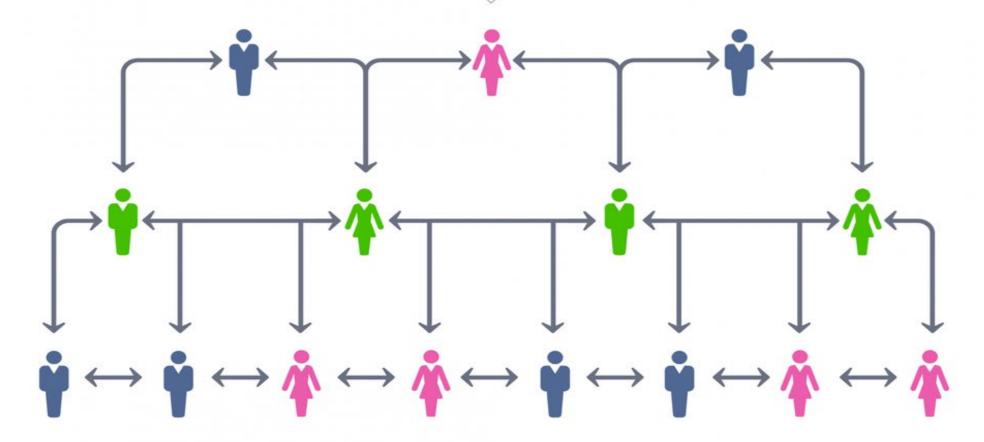
#### Challenges:

Lack of clear hierarchy can lead to confusion over authority.

Difficult to manage a large number of employees without middle management.

Difficult to implement in larger organizations.

#### FLATTER ORGANIZATIONS



## **Matrix Structure**

- The matrix structure is a type of organizational structure in which individuals are grouped by two different operational perspectives simultaneously.
- The roles and duties incline to be considerably more complex and bonds employees by both function as well as the product.
- Typically used in large multinational companies. Allows for the benefits of functional and divisional structures to exist in one organization.

#### **Benefits:**

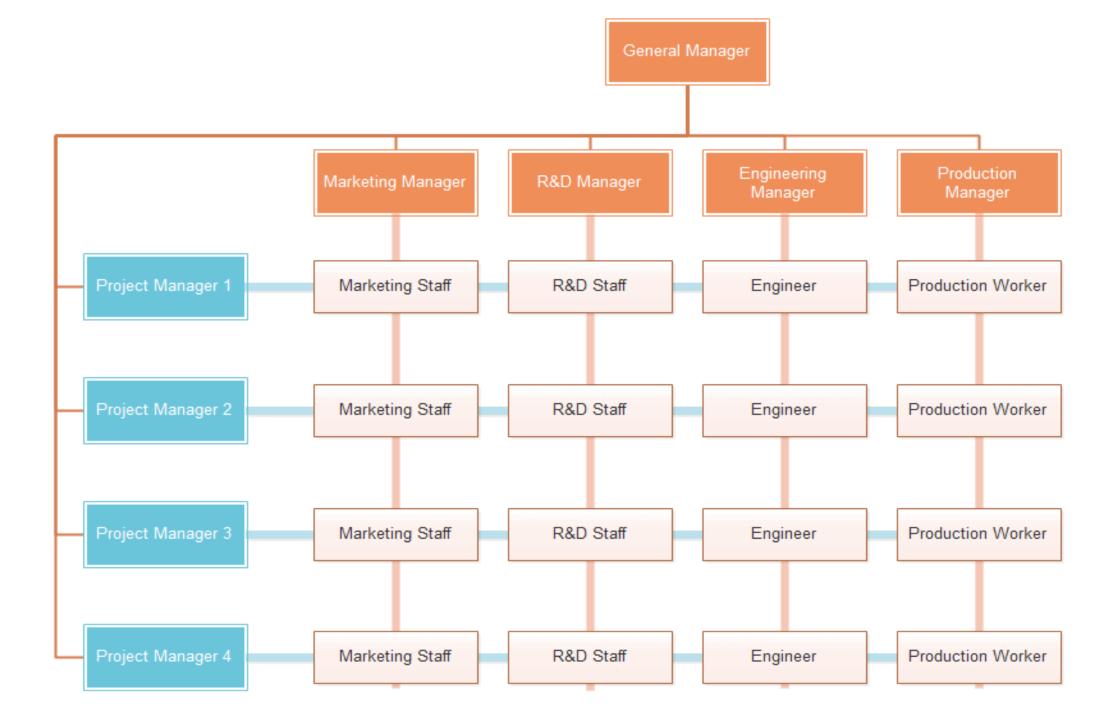
Increased flexibility and communication between departments.

Can foster innovation by bringing together cross-functional teams.

#### **Challenges:**

Confusion or conflict over dual reporting lines.

Can be difficult to balance priorities between functional and project managers.



# What Triggers Organizational Redesign

#### Changes in the environment

- ointernal or external
- legislative changes impacting organization
- new technology platform

#### You've launched a new strategy

o redesign and structure to successfully achieve new strategic goals

#### Your current design is not fit for purpose

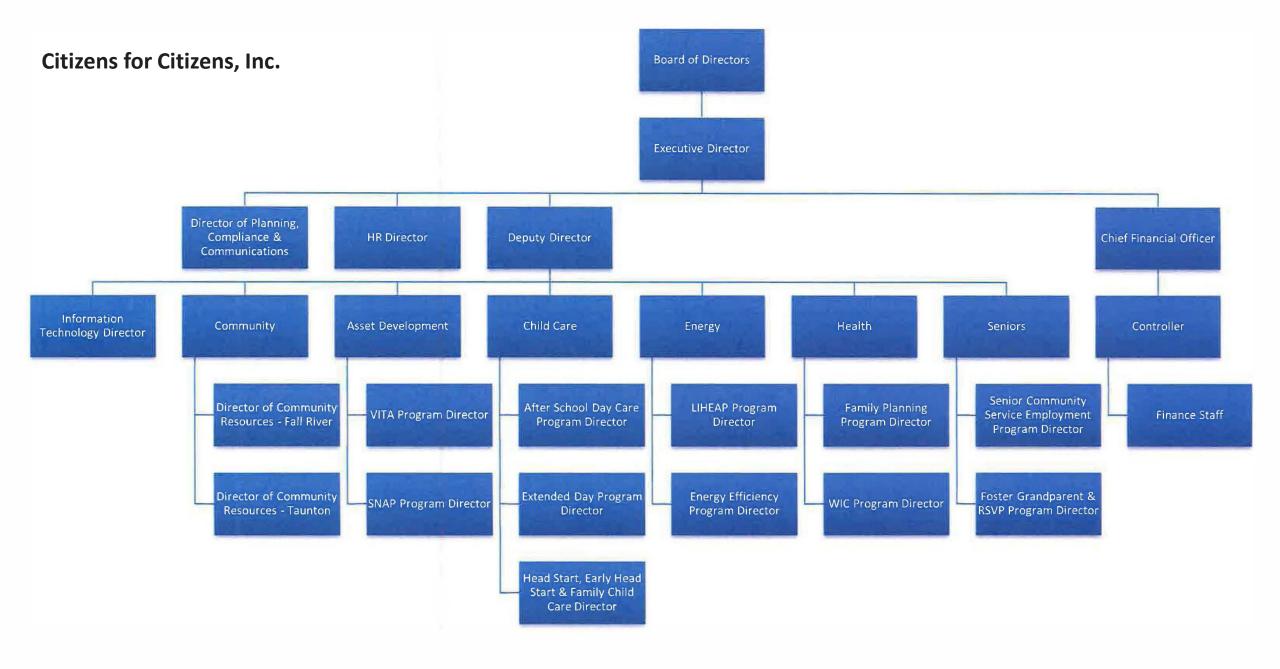
- organizational design needs to change to meet client/community needs
- prioritize mission and values in organizational structure, ensuring that the design supports both operational effectiveness and core social impact goals.

# Key Considerations for Successful Redesign

#### Structure should follow strategy

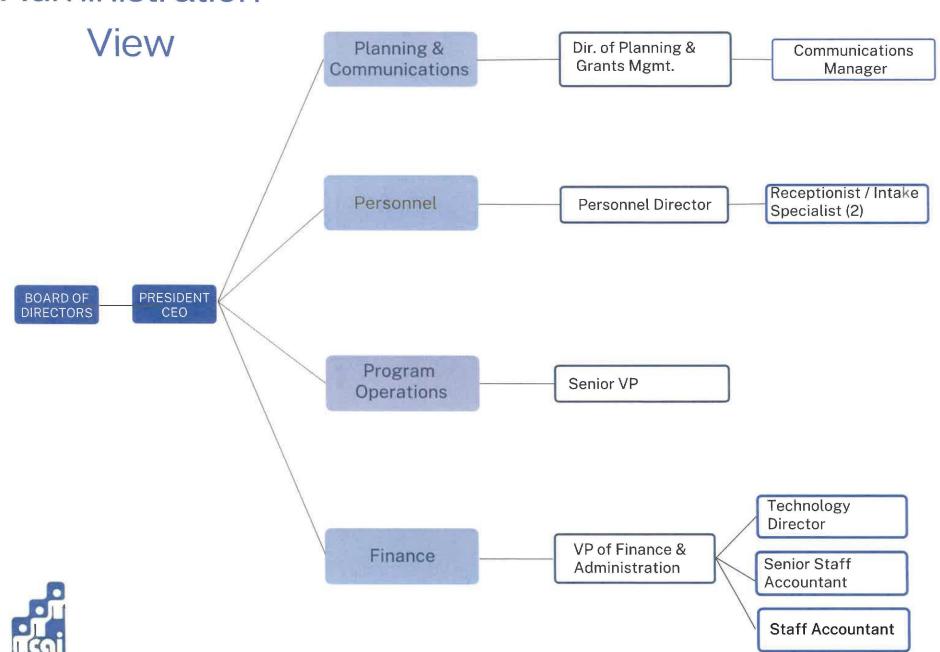
- organizational alignment means configuring all the organization's assets in the service of your stated strategy and making sure there is no confusion about what each part of the organization does to bring it to life.
- Focus on roles first, <u>then</u> on people
- Do not spend too much time focusing on current deficiencies
  - be clear, at the outset, about what the redesign is intended to achieve and how it is linked to organizational goals and strategies.

# **Current Organizational Structures**



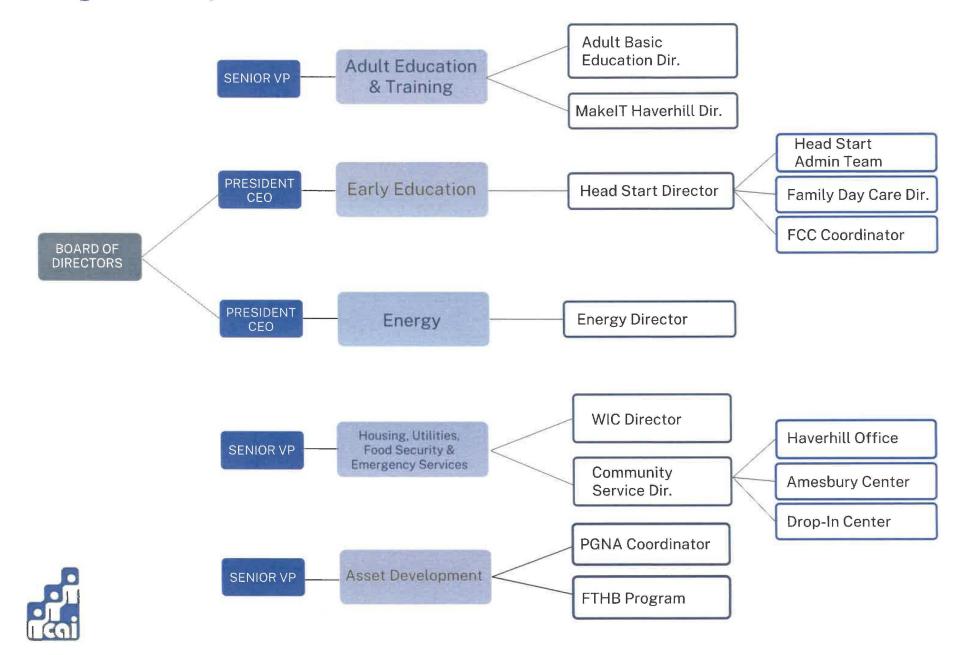
#### Administration

#### Community Action, Inc. (CAI)



#### **Program Operation View**

#### Community Action, Inc. (CAI)



#### COMMUNITY TEAMWORK, INC. 07/01/2023 Community Teamwork, Inc. (CTI) CTIBOARD DIRECTORS CHIEF EXECUTIVE OFFICER CHIEF EXECUTIVE ASSISTANT DIRECTOR OF CHIEF PLANNING REAL ESTATE CHIEF CHIEF OPERATIONS / RESOURCES FINANCIAL PROGRAM DEVELOPMENT SPECIAL OFFICER OFFICER OFFICER OFFICER ASSISTANT TO CEO **Subsidiary Corporations** DIRECTOR OF CONTRACTED MERRIMACK DIVERSITY, RENTAL GROUND COMMUNITY VALLEY HOUSING EQUITY, AND PROPERTY DEVELOPMENT HOUSING INC. SERVICES INCLUSION MANAGEMENT CORP REAL ESTATE DEVELOPMENT DIRECTOR DIRECTOR FISCAL HEAD START HOUSING & **ENERGY &** OFFICE CHILD & FAMIL COMMUNITY POLICY HOMELESS COMMUNITY SERVICES CORDINATOR COUNCIL WOMEN & FAMILY CHILD HUMAN DIRECTOR OF HOMELESSNESS EARLY FINANCIAL IINFANT DIRECTOR OF PLANNING & CARE & RESIDENTIA NTREPRENEURSHIP VOLUNTEE FINANCE & **FACILITIES** RESOURCES COMMUNICATIONS **CENTRAL INTAKE** LEARNING **EDUCATION** RESOURCE PREVENTION & CHILDREN SCHOOL AGE ACCOUNTING DEVELOPMENT QUALITY SERVICES CENTER PROGRAMS CENTER AND MARKETING OME OWNERSH PROGRAM OFFICE IMPROVEMENT **PROGRAMS** (WIC) HEAD START 8 YOUTH SYSTEMS REVENUE FACILITIES FAMILY CHILD REHOUSING & CLIENT HOUSING CONSUMER NUTRITION SECTION 8 LEASED FUEL PERSONNEL OPPORTUNITY MICRO LOANS REP PAYEE CORPS ASSESSMENT MANAGEMENT MANAGEMENT STABILIZATION EDUCATION CTR ASSISTANCE PROGRAMS REPORTING START CENTER **PROGRAMS** LOWELL

GRANTS &

PLANNING

COLLABORATIVE

PRE-SCHOOL

ACADEMY

FOOD SERVICES

CFCE

SCHOOL AGE

**TRANSPORTATIO** 

DESKTOP

SUPPORT

ACCOUNTING

PURCHASING

PAYROLL

MAINTENANCE

SOCIAL MEDIA

HOMELESS

YOUTH

SERVICES

YOUTHBUILD

MRVP

FAMILY SELF-

VASH

Snomass Inspections Program reps Information Sysytems HomeBASE

FAMILY

EMERGENCY

SHELTER

HOMELESS

INDIVIDUALS

COUNSELING

FARMERS' MARKET

CLIENT SERVICES

HEALTH INITIATIVE

FINANCIAL LITERACY

VITA

SECURE JOBS

RAFT

HOME MOD LOANS

PROGRAM

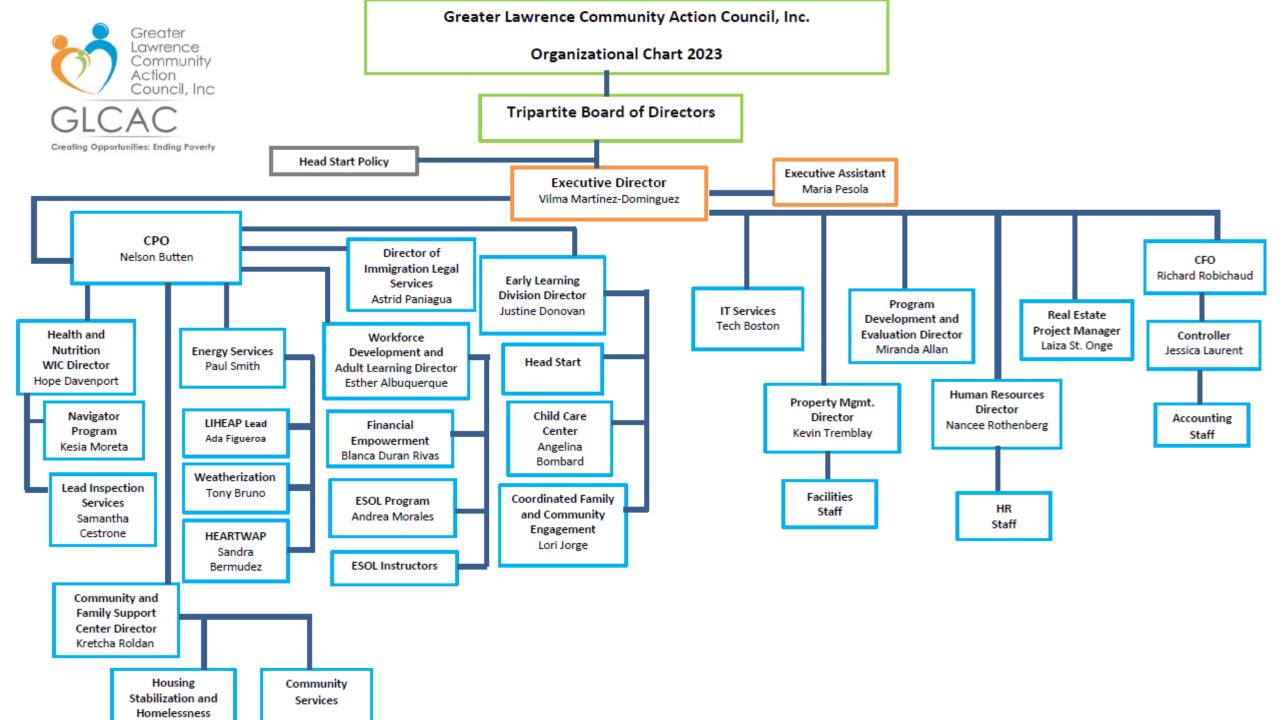
WAP

HEARTWAP

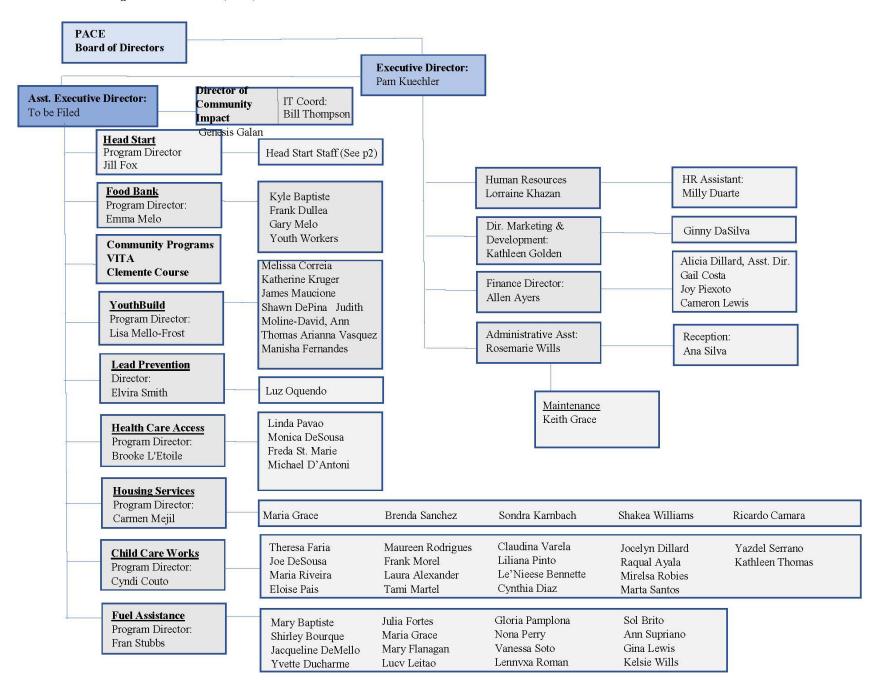
MILL CITY

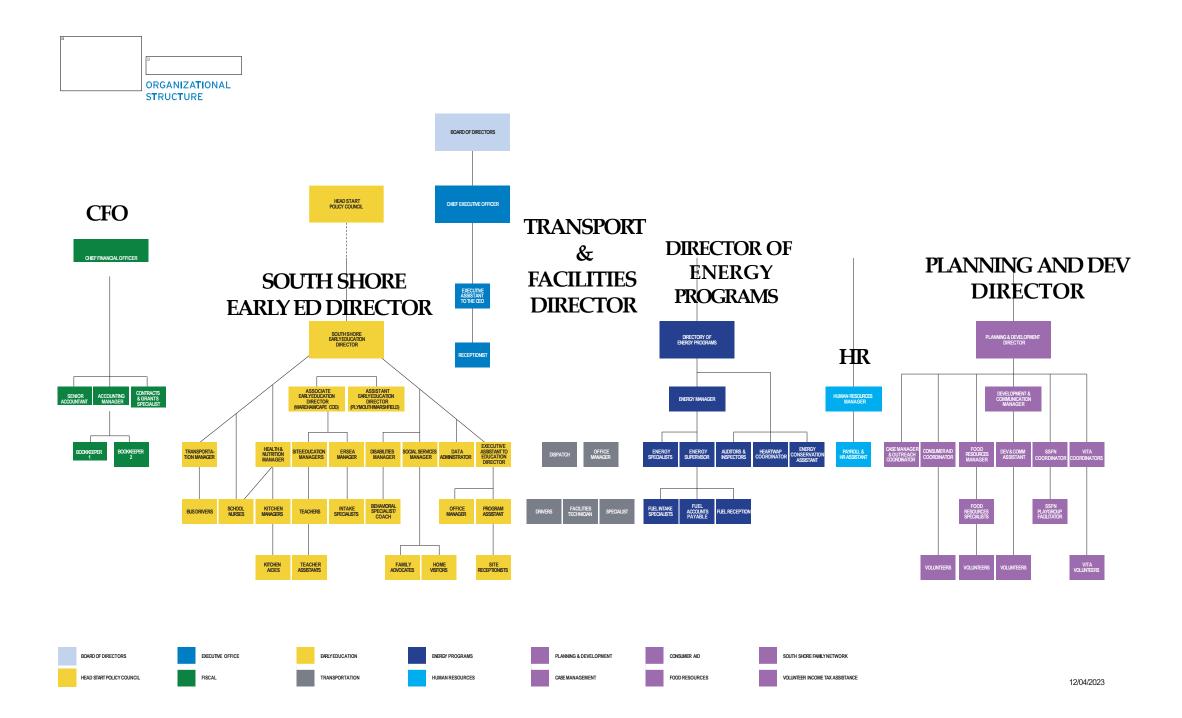
MENTORS

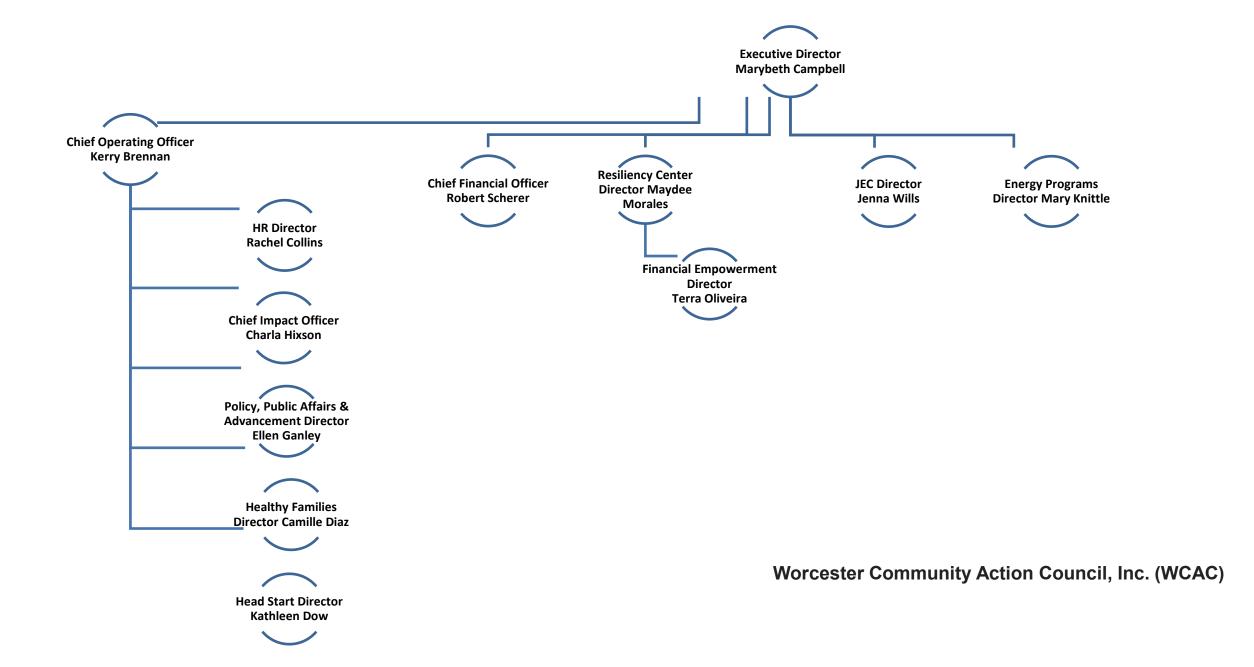
SPINDLE CITY



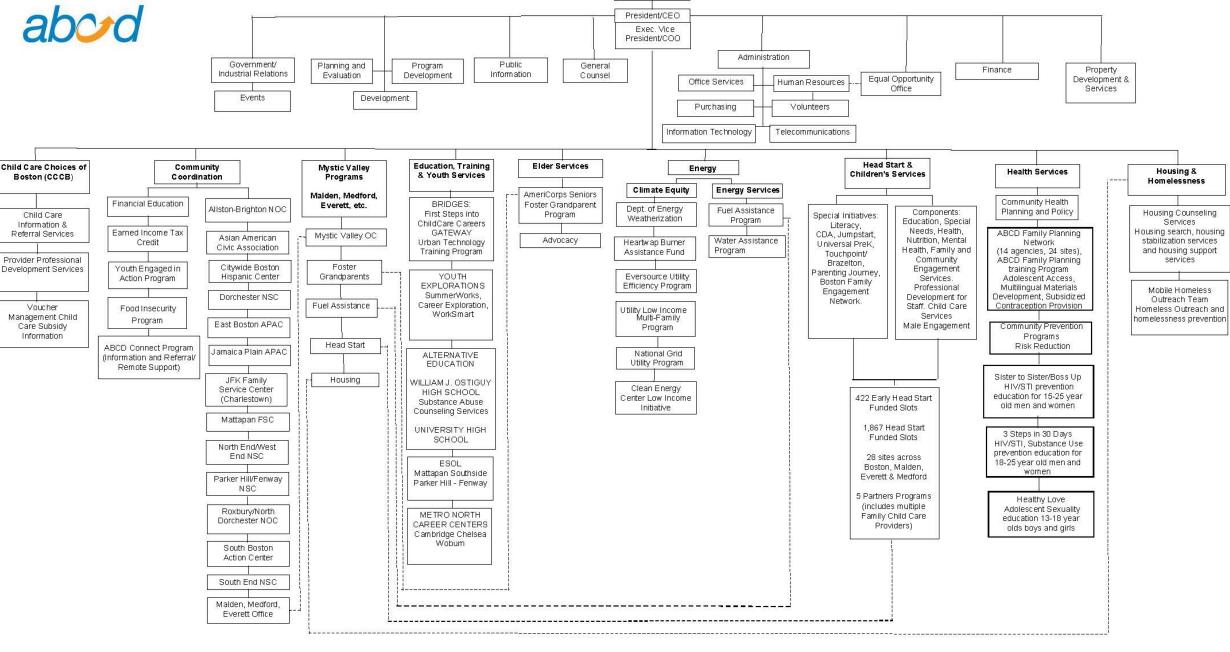
PACE Organization Chart (2021) 6-15-2021











Board of Directors

Receptionist/Admin Assistant

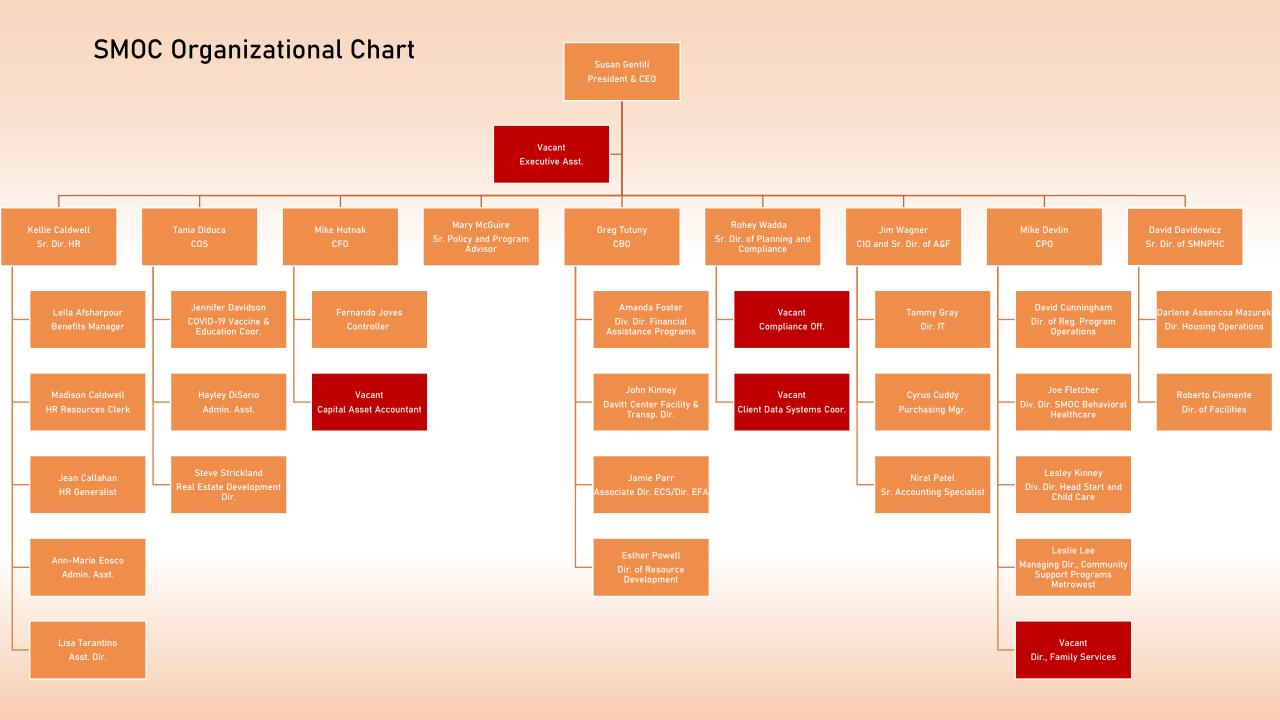
Olga Suazo

Ana Zelaya

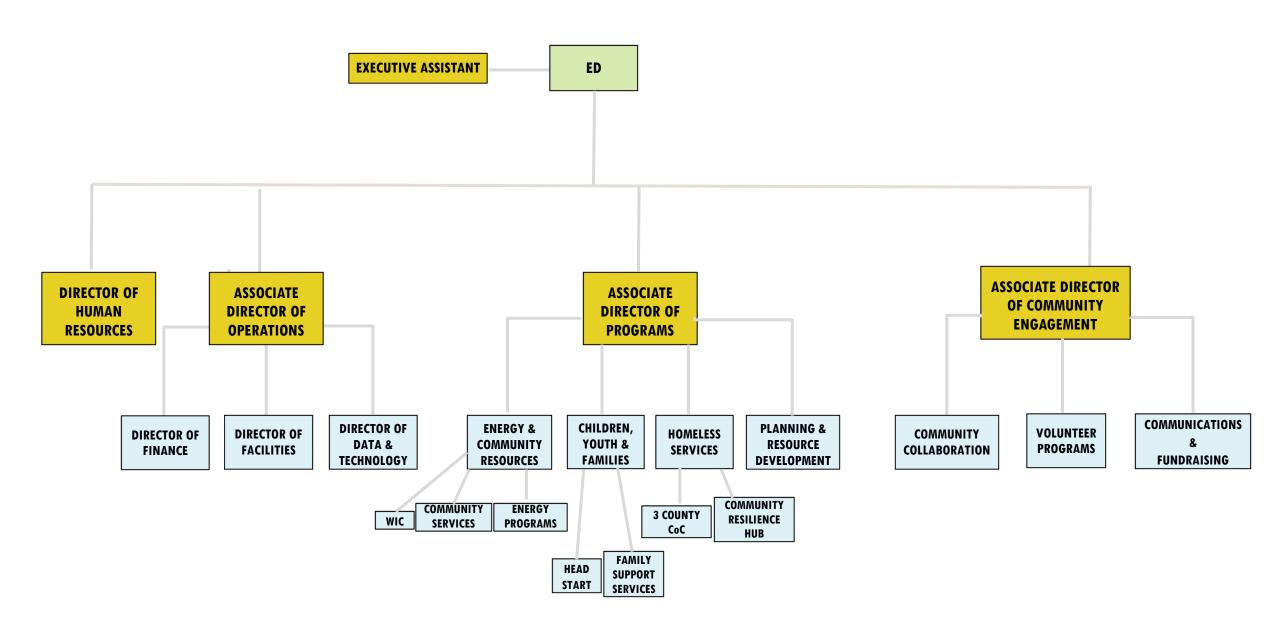
Advocates

Assist. Teacher(s)

Assist. Teacher(s)



#### **Community Action Pioneer Valley (CAPV)**



# Re-design Considerations

# Which of these questions can you answer about your current org structure?

- What works well? What areas are less efficient?
- Gaps in the current structure?
- Areas that need more focus/expansion/re-configuration?
- Does this design best serve your organization's strategy, mission, goals?

#### After reviewing charts of other agencies:

- Structure/positions/configuration they would like to add to their own?
- Questions they have for other agencies on design.

# Moving Forward with Re-design

#### Consider the impact

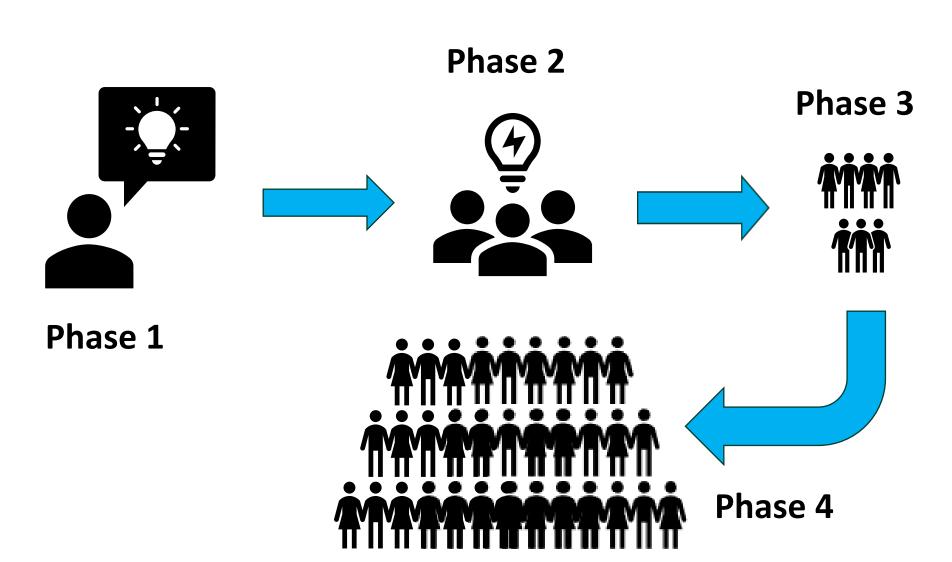
#### Create a collaborative plan of action

- There are several tools to help you to do this, such as SWOT analysis, focus groups and surveys, internal audits, etc.
- Doing this will also enable you to gain buy-in from people across the organization and ensure that it suits the purposes of both the organization and employees.

#### Communicate and provide support

 Good organizational restructuring involves not only changing the systems by which people work, but also supporting people to adapt successfully.

# Moving Forward with Re-design: A Phased Process



# **Direct Reports - Considerations**

- ■Ideal number seven, plus or minus a few.
- Complexity of the work
- Employee skill and experience
- The nature of the work being done. The more precise the work needs to be, the fewer direct reports a manager should have.
- Managerial experience