

- Because organizational structure sends a message about what is important to a organization it is often useful to establish an organizational locus for key initiatives
- With regard to spans of control, the complexity of the functions being performed is the primary determinant of the number of positions that can be effectively supervised
- As a general rule, responsibility for performing an activity should be assigned at the lowest point in an organization for which there is enough work to constitute an economic unit of production
- Management systems should support and be compatible with structure; for example, if a highly decentralized structure is adopted, there should be stringent management controls and an effective early warning system to keep unit managers apprised of potential problems
- Structure and systems should not be overly complex; both should reflect the management style of key administrators
- Roles and responsibility of key administrators should be clearly defined, and accountabilities should be clearly established.

Systems, Procedures And Culture Must Be Considered When Designing Organizational Structure

It should also be remembered that organizational structure cannot be evaluated simply by looking at boxes on an organizational chart. Systems, procedures, and culture all affect what type of organizational structure should be put in place. For example, before a decentralized administrative structure can be effectively implemented, systems and procedures must be in place to monitor performance and hold managers of decentralized units accountable for achieving desired results. Likewise, spans of control are determined in part by the effectiveness with which expectations are communicated and performance monitored. (When asked what is the appropriate span of control for mid-managers Peter Drucker once replied, It all depends. A ratio of one to seventy is appropriate for an orchestra leader because all the people supervised *have the same score.*) When evaluating organizational structure therefore it is extremely important to consider all the factors that affect organization and to consider what non-organizational changes might be implemented both to improve operations and to reduce management and supervisory needs.