

Basic Design Dimensions

Additional length requires more linkages to minimize the potential for misunderstanding and miscommunications.

Horizontal integration mechanisms provide the communication and coordination that are necessary for links across jobs and departments in the organization. The need for horizontal integration mechanisms increases as the complexity of the organization increases. The horizontal linkages are built into the design of the organization by including liaison roles, task forces, integrator positions, and teams.

A liaison role is created when a person in one department or area of the organization has the responsibility for coordinating with another department (e.g., liaison between the engineering and production departments). Task forces are temporary committees composed of representatives from multiple departments who assemble to address a specific problem affecting these departments.¹⁵

A stronger device for integration is to develop a person or department designed to be an integrator. In most organizations, the integrator has a good deal of responsibility but not much authority. Such an individual must have the ability to get people together to resolve differences within the perspective of organizational goals.¹⁶

The strongest method of horizontal integration is through teams. Horizontal teams cut across existing lines of organizational structure to create new entities that make organizational decisions. An example of this may occur in product development with the formation of a team that includes marketing, research, design, and production personnel. Ford used such a cross-functional team to develop the Taurus automobile, which was designed to regain market share in the United States. The information exchanged by such a product development team should lead to a product that is acceptable to a wider range of organizational groups, as well as to customers.¹⁷

The use of these linkage mechanisms varies from one organization to another, as well as within areas of the same organization. In general, the flatter the organization, the more necessary are horizontal integration mechanisms. The Science feature examines tacit coordination as an integration mechanism for onshore and offshore business processes.

Differentiation, then, is the process of dividing work in the organization, and integration is the process of coordinating work in the organization. From a structural perspective, every manager and organization looks for the best combination of differentiation and integration for accomplishing the goals of the organization. There are many ways to approach this process. One way is to establish a desired level of each structural dimension on a high to low continuum and then develop a structure that meets the desired configuration. These structural dimensions include the following:¹⁸

- 1. Formalization.** The degree to which an employee's role is defined by formal documentation (procedures, job descriptions, manuals, and regulations).
- 2. Centralization.** The extent to which decision-making authority has been delegated to lower levels of an organization. An organization is centralized if the decisions are made at the top of the organization and decentralized if decision making is pushed down to lower levels.
- 3. Specialization.** The degree to which organizational tasks are subdivided into separate jobs. The division of labor and the degree to which formal job descriptions spell out job requirements indicate the level of specialization in the organization.

2 Discuss six basic design dimensions of an organization.

formalization

The degree to which the organization has official rules, regulations, and procedures.

centralization

The degree to which decisions are made at the top of the organization.

specialization

The degree to which jobs are narrowly defined and depend on unique expertise.