

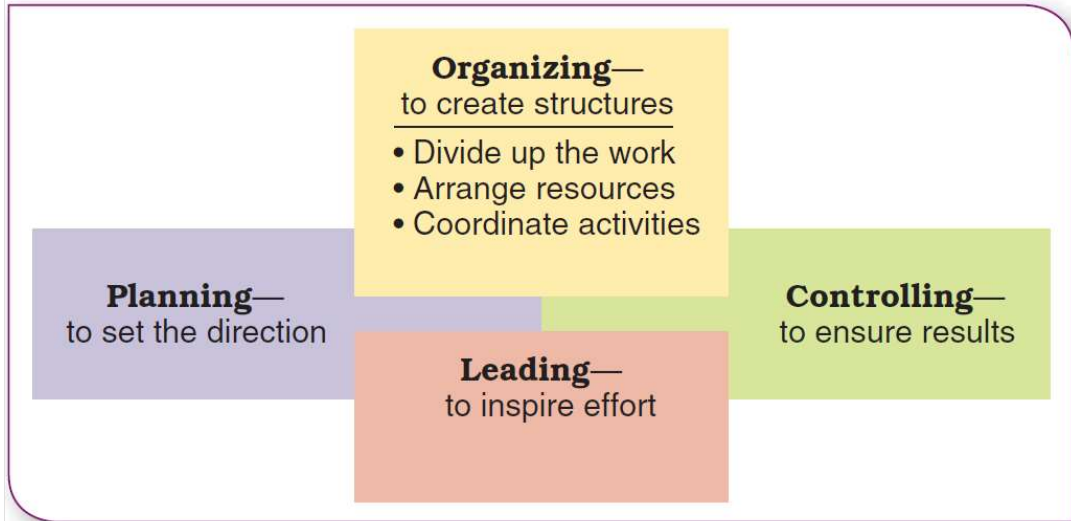
## What is an organization?

- **An organization:** people working together to achieve a common purpose ⇔ together, members perform tasks > the sum of their individual results
- **Firm** = business or commercial organization
- **Organizing:** the process of arranging people and other resources to work together to accomplish the common purpose. An essential function of management is to create a “division of labor” and then “coordinate the divided tasks” to achieve the common purpose
- **Division of work (labor)** = slicing the production of goods and services in separated tasks and functions. Taylorisation
- **Coordination of division of tasks:** making different people and things work together, so that the common purpose is achieved

## Organizational requirements

- **Structure** : roles and functions, responsibilities, relationships between people and sub divided units
  - Responsibility = the ability to act and decide without supervision
  - Role = a function to be executed; things you should do and perform as specified ⇔ marketing, accounting, finance, HRM ....
- **Processes** : descriptions of acts and flows, such as planning, decision making, evaluations, budget procedures
- **Organizational culture** : shared values, beliefs, rites, routines which harmonize behaviors of the members of the organization
- **Centralization** : central decision-making and planning, concentrated in one location, at the top of the command chain (structure)
- **Decentralization** : dispersed decision making and planning , closer to local conditions and lower in the command chain ⇔ local autonomy

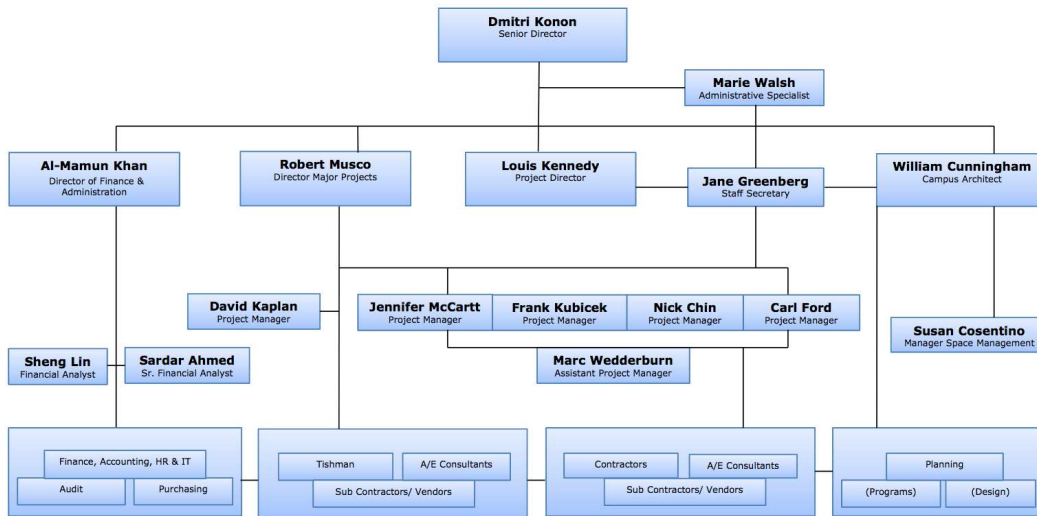
## ➤ Organizing in relationship with the other management functions



## Goal setting : organizational performance ?

- **Productivity:** quantity & quality of work performance/resource utilization
- **Efficiency:** Goal achievement without waste of resources
- **Global Efficiency:** producing goods or services with a minimum of waste, lowest expense and no unnecessary effort, leading to the highest ratio of (output/input) on a worldwide basis. A high degree of centralization contributes to a high global efficiency of a MNC.
- **Local responsiveness:** the willingness of multinational firms to make adjustments to their products, services, and ways of conducting business at the local level, taking into consideration local culture, needs, opportunities and constraints. Decentralization contributes to a higher degree of local responsiveness

➤ **Organization chart** : the arrangement of work positions and hierarchy



➤ **Formal structure**: the official structure of the organization.

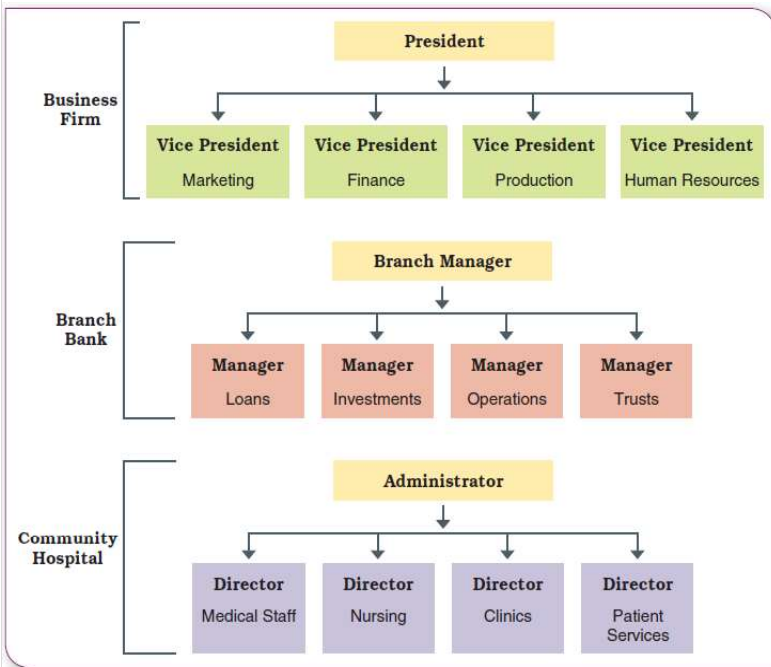
- Division of work ⇔ Positions and titles show work responsibilities
- Supervisory relationships ⇔ Lines show who reports to whom
- Communication channels ⇔ Lines show formal communication flows
- Major subunits
- Levels of management ⇔ Vertical layers of management are shown

➤ **Informal structure**: unofficial relationships among employees

- People meeting for coffee
- Work groups
- Friendship cliques
- The cantina talks
- Office neighboring

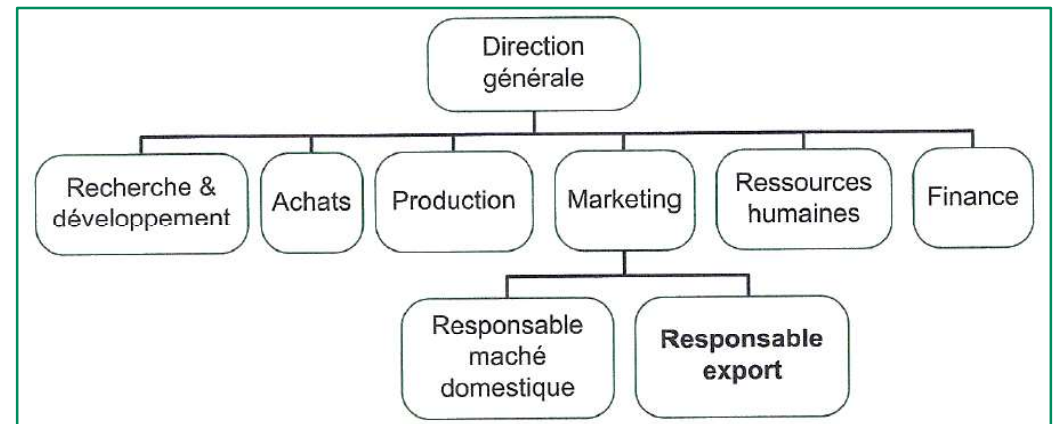
➤ **Structures fonctionnelles**

Les employés avec des tâches similaires sont regroupées dans des unités de travail formelles.



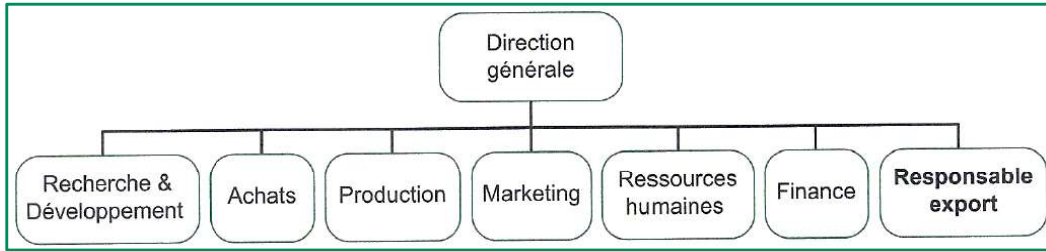
➤ **Structure fonctionnelle avec service export au sein de la fonction marketing /ventes**

- Stade d'internationalisation selon les ventes à l'étranger :  
- de 5% ⇔ export sporadique, par hasard, non-structuré



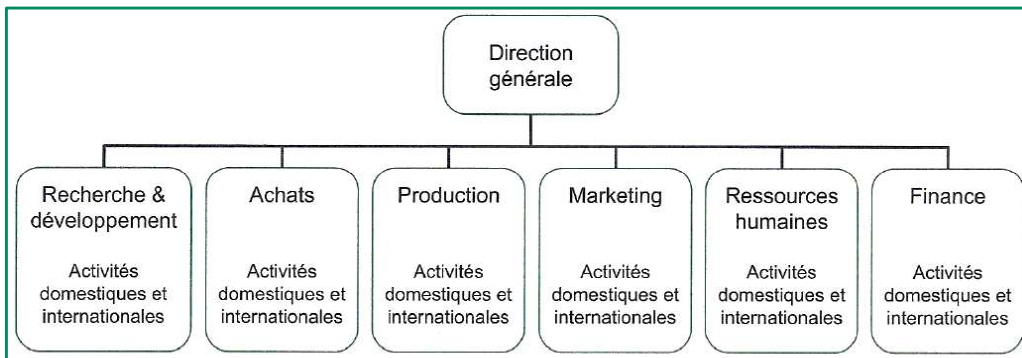
### ➤ Structure fonctionnelle avec une “fonction export”

- Stade d'internationalisation selon les ventes à l'étranger : 5 – 25 % : export régulier ;



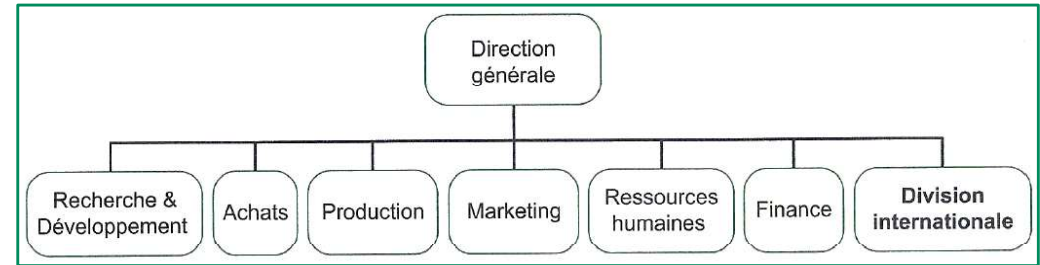
### ➤ Structure fonctionnelle avec integration de la fonction internationale au sein des fonctions

- Stade d'internationalisation selon les ventes à l'étranger : 25 à 33% ⇔ l'entreprise se structure à l'international, en partant du pays d'origine
- Un seul DAS



### ➤ Structure fonctionnelle avec une “Division internationale”

- Stade d'internationalisation selon les ventes à l'étranger : 25 à 33% ⇔ l'entreprise se structure à l'international, en partant du pays d'origine



- Un seul DAS
- Un responsable de l'ensemble des activités menées à l'étranger
- (+) Cumul de l'expérience & réactivité internationale
- (-) Tensions/conflits des équipes « nationales »: ressources, manque de prise en compte de la dimension internationale par les autres équipes

### ➤ Structures fonctionnelle mondiale

Une mondialisation de la structure fonctionnelle internationale intégrée

Worldwide centralisation of decisions, planning, control at the level of key functions prod, marketing, finance, HRM, ...

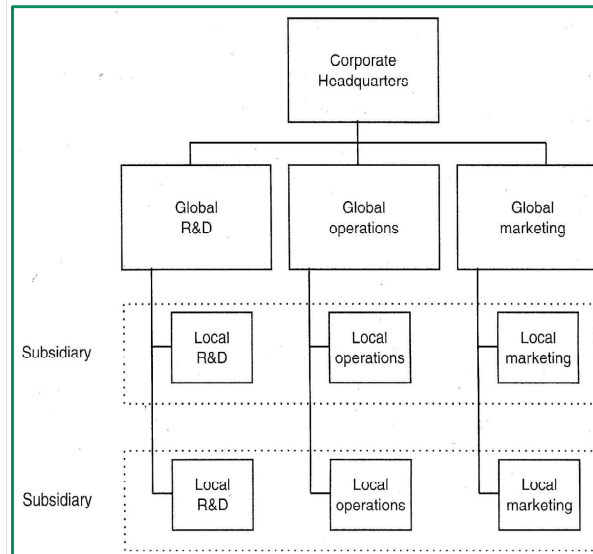
- Top-down
- Single business
- Standard products
- Large economies of scale

#### Advantage

- High global efficiency,

#### Disadvantage

- Low local responsiveness
- Decisions far from reality
- Self centered function managers
- No cross functional coordination

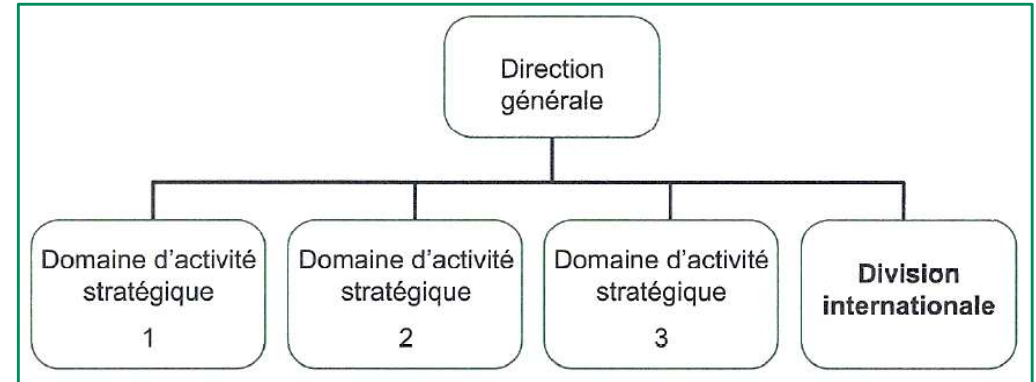


- **Structures divisionnelles** regroupe des personnes travaillant sur le même produit, dans la même zone géographique ou avec des clients similaires (comptes-clés)

Type	Focus	Example
Product	Good or service produced	<pre>           General Manager          /             \         /                 \        Grocery products  Drugs and toiletries           </pre>
Geographical	Location of activity	<pre>           President          /             \         /                 \        Asian division  European division           </pre>
Customer	Customer or client serviced	<pre>           Agency Administrator          /             \         /                 \        Problem youth  Senior citizens           </pre>

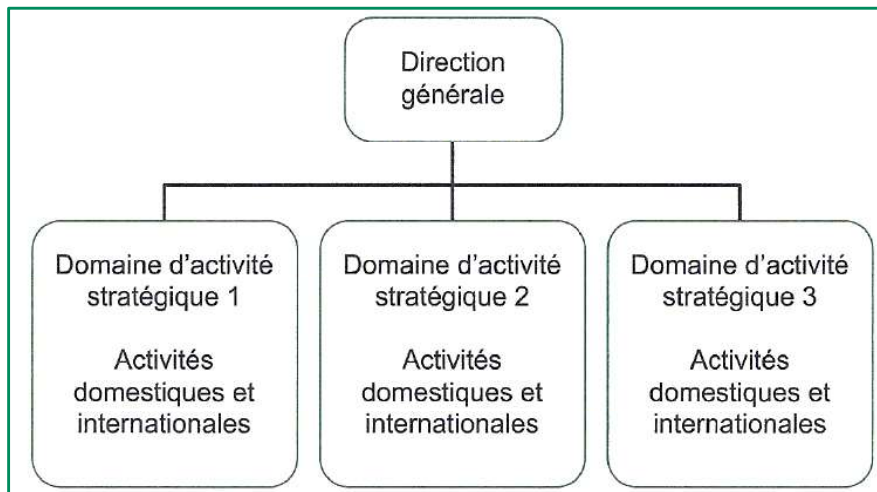
### ➤ Structure Divisionnelle avec une “Division internationale”

- Structure par produit/activité/DAS
- Stade d'internationalisation selon les ventes à l'étranger : 25 à 33% ⇔ l'entreprise se structure à l'international, en partant du pays d'origine
- Structure différenciée ⇔ La division internationale au service des DAS



### ➤ Structure Divisionnelle avec une “Division internationale”

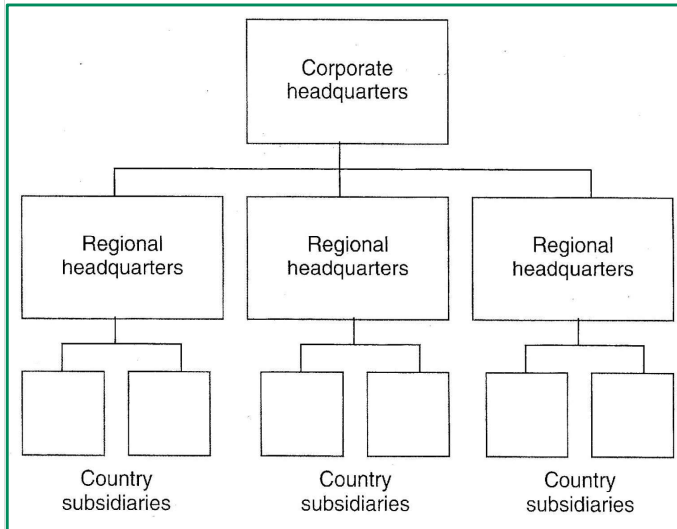
- Structure par produit/activité/DAS ⇔ plusieurs DAS
- Structure intégrée ⇔ Chaque DAS s'occupe de son internationalisation ⇔ production, ventes, sous-traitance, R&D



### ➤ Structure divisionnelle par region : “Structure géographique”

- Structure par région d'activité : Asie, Amérique, Europe de l'Ouest....
- Stade d'internationalisation selon les ventes à l'étranger : 33 à 60% ⇔ l'entreprise se structure à l'international, en s'implantant à l'étranger avec des centres de décision
- Sièges régionaux (Regional Headquarters)
- Holding Pays (ex: Holding Chine, qui regroupe toutes activités d'une entreprise sur la Chine)

## ➤ Structure géographique mondiale



Worldwide decentralization of decision making at the level of subsidiaries abroad. Intermediate RHQ or country holdings

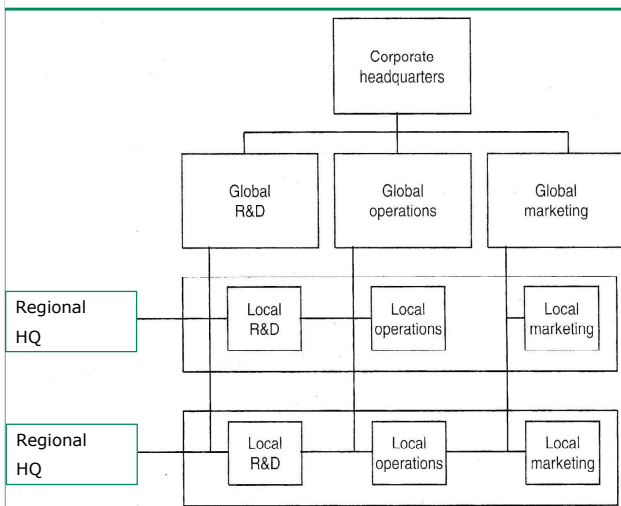
### Advantage

- High local responsiveness
- Adaptation to local customers, requirements

### Disadvantage

- Dispersion, duplication
- No economies of scales harming global efficiency
- Difficult to serve global clients

## The global matrix organization



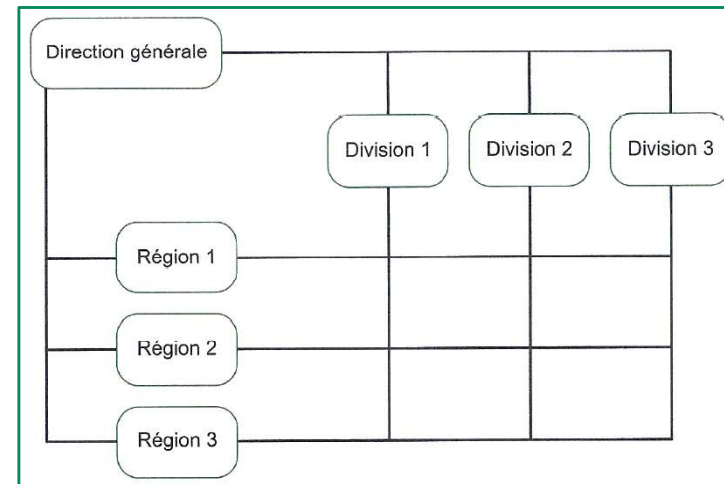
Global functions at HQ (marketing, production ...); regional managers abroad have equal responsibilities. Subsidiary managers have 2 bosses to which they report.

### Advantage

- High local responsiveness together with global efficiency.
- Think global (vertical responsibilities) and act local (horizontal responsibilities).

### Disadvantage

- 2 bosses => ambiguity and dilution of responsibilities, power struggle
- Double hierarchy = costs



## ➤ Structure matricielle mondiale

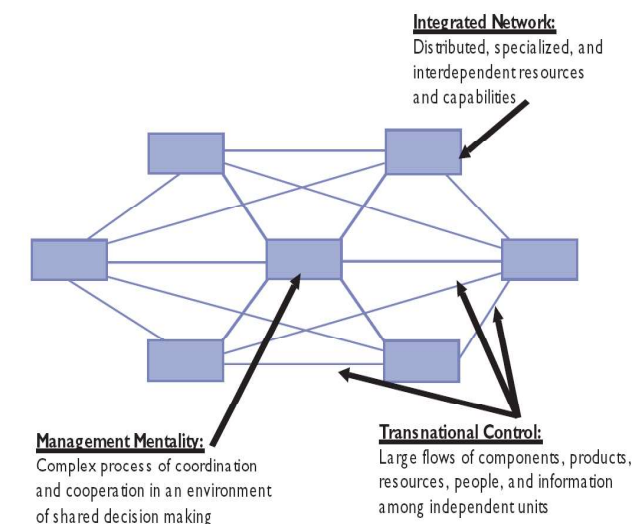
- Géographique x DAS
- Géographique x fonctions
- Fonctions x DAS
- Structures tri-dimensionnelles

(+) Spécialisation par fonction, division et/ou région géographique

(+) Facilite la réalisation de tâches complexes

(-) Nécessité de mettre en place des procédures de coordination spécifiques

## Le réseau global ou transnational



- Central HQs
- Network of outsourcers
- Use information of technologies to link with outside units
- Large flows of products, resources, people between units and countries

### Advantage

- Few employees for ordering MNCs
- Outsourcing reduces costs

### Disadvantage

- Complex coordination
- Loss of control
- Dependence on outsourcers