

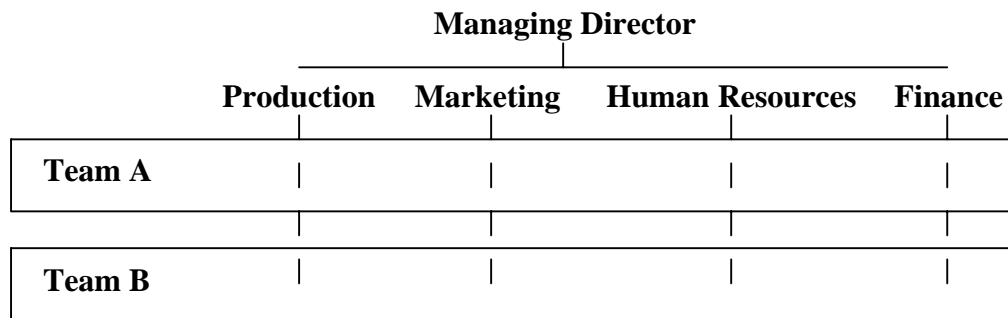
- employees can see clear paths of communication (and promotion?)
- structure generates loyalty to the department/division and thus can be a focus for motivation

Disadvantages

- vertical communication may be quick and effective, but horizontal communication can be slow and weak
- too much loyalty to the department/division can cause inter-departmental rivalries that affect group performance negatively

2. The **matrix structure**

Employees from appropriate levels are brought together for specific projects;



et cetera

Advantages

- the setting up of teams under a project manager for each task allows a clear focus on the responsibility that has been delegated
- staff involved can be highly motivated by their involvement in specific and challenging tasks
- this 'task orientation' makes the organisation more responsive to changes in the market or production technologies

Disadvantages

- employees could have divided loyalties between their line manager and their project manager
- each team could require expensive support staff

3. The **entrepreneurial structure**

In small, dynamic businesses, often in very fast moving industries, senior managers (often also the owners of the business) keep most of the decision making process amongst themselves; there is little need for formal hierarchy. Much use is made of contracted specialist labour for project work (eg design or marketing consultants) and flexible workforces (**part-time and limited contract workers**). The number of permanent **core workers** is kept to a minimum. Charles Handy talks of the **shamrock organisation**.

