

Structure for Entrepreneurship

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Structure for Entrepreneurship

- ▶ Components of structure
- ▶ Types of structure
- ▶ Entrepreneurial structure and cycling
- ▶ Alternative structures

Components of Structure

- ▶ Specialization
- ▶ Shape
- ▶ Distribution of power
- ▶ Departmentalization

- ▶ Specialization
- ▶ a particular area of knowledge or the process of becoming an expert in a particular area
- ▶ Example: Specialization involves focusing on a specific skill, activity, or production process, such as a South American company harvesting bananas, to become the leader or expert.
- ▶ <https://www.youtube.com/watch?v=TAFfDOFqm3c>

- ▶ Shape
- ▶ The six types of organizational structures are **functional, hierarchical, divisional, flat, network and matrix structures.**
- ▶ <https://www.youtube.com/watch?v=xuGh-jzupzc>

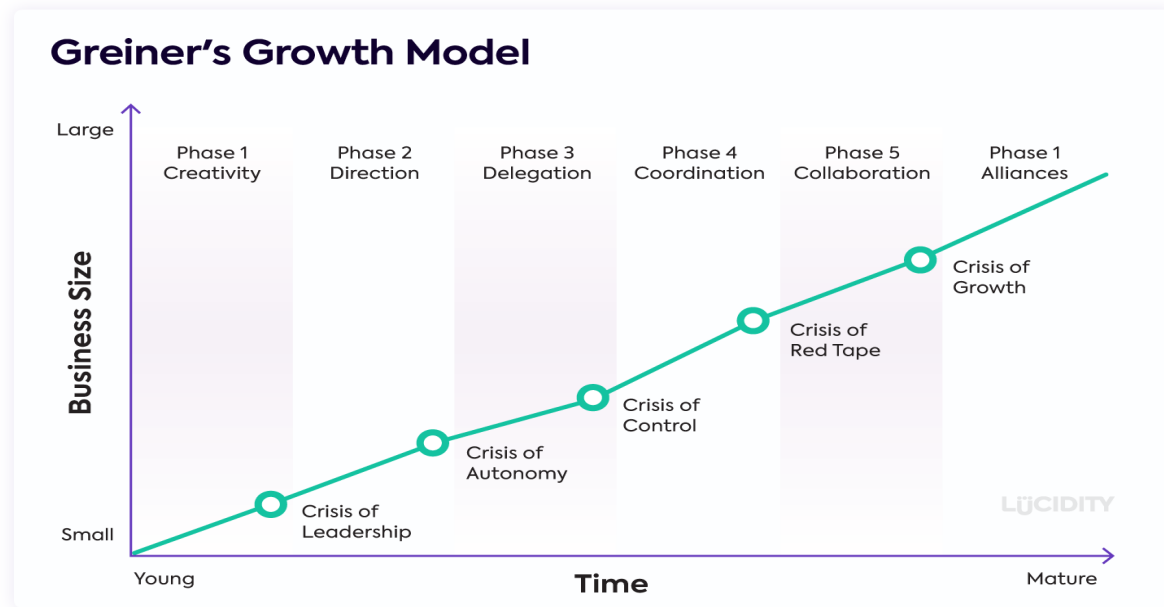
- ▶ Distribution of power
- ▶ **It is not possible to have an organization where all power is equally shared.** There needs to be someone at the head of an organization, because in the end, decisions have to be made. Someone has to gather all information and make a well-informed decision to move the organization ahead.

- ▶ Departmentalization
- ▶ Departmentalization is an organizational structure that separates people into groups, or departments, based on a particular set of criteria. These departments have their own leadership and work together to complete tasks. With large or complicated projects, multiple departments may work together.
- ▶ <https://www.youtube.com/watch?v=1le3YDJkoLU>

Type of Structure

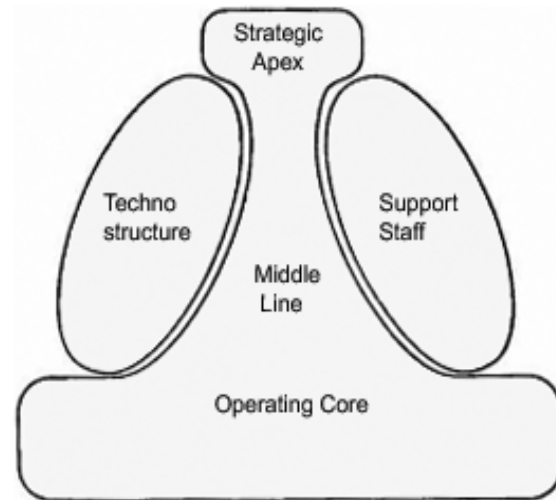
- ▶ Greiner Model
- ▶ Mintzberg Model
- ▶ Chandler Study
- ▶ Miller Model

- ▶ Greiner Model
- ▶ Greiner's Growth Model is a framework that shows the different phases a company goes through to achieve growth and the different types of crisis that may occur during those milestones.



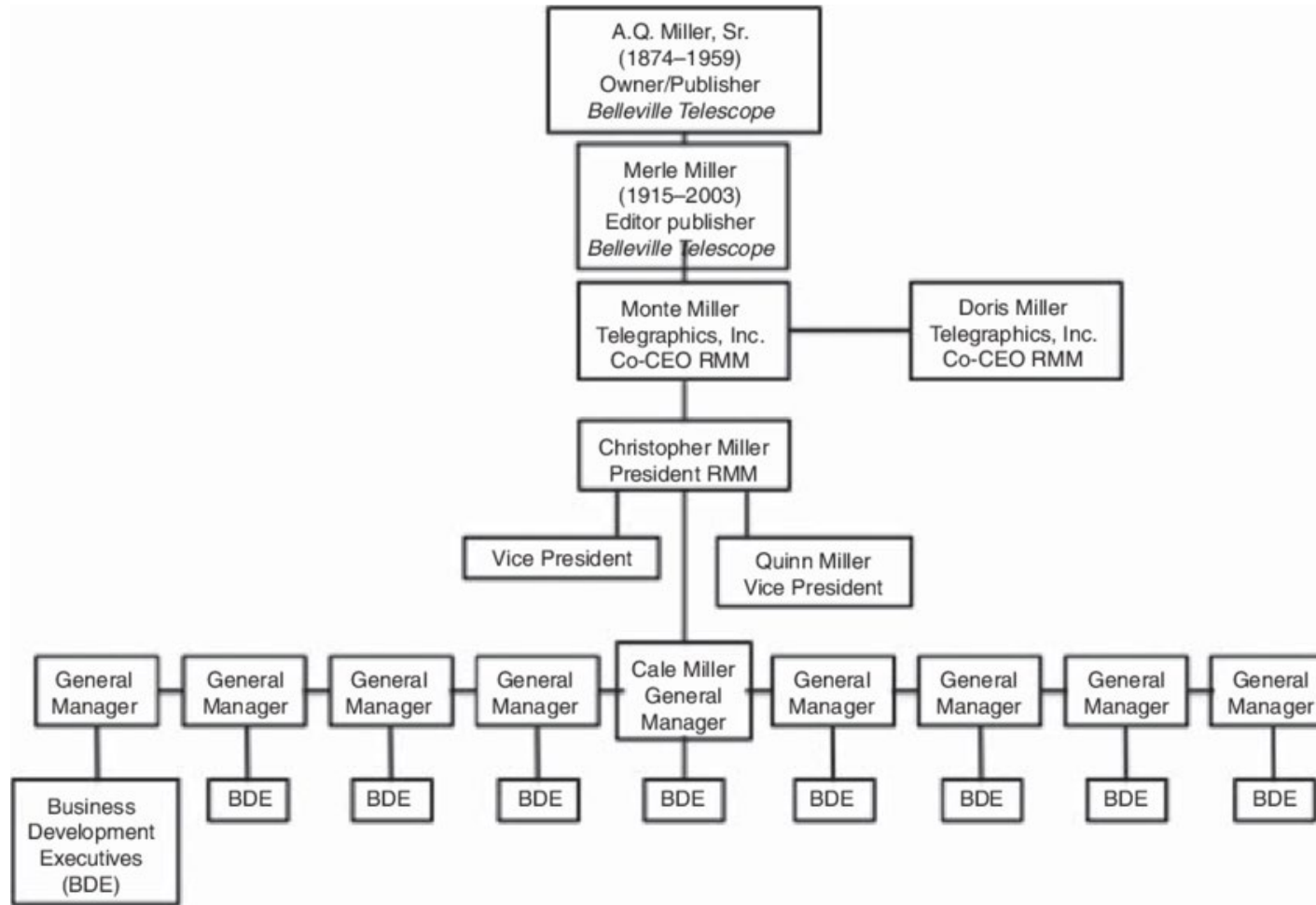
- Mintzberg Model

The simple structure is **centralized and often autocratic, with power emanating from the strategic apex**. Typically, control is exerted by the chief executive or small, influential executive team.



- ▶ Chandler Study
- ▶ According to Chandler, **organizations pass through three stages of development, moving from a unit structure, to a functional structure, and then to a multidivisional structure.** At first, organizations are small. There is usually a single location, a single product, and a single entrepreneurial decision maker.

Miller Model

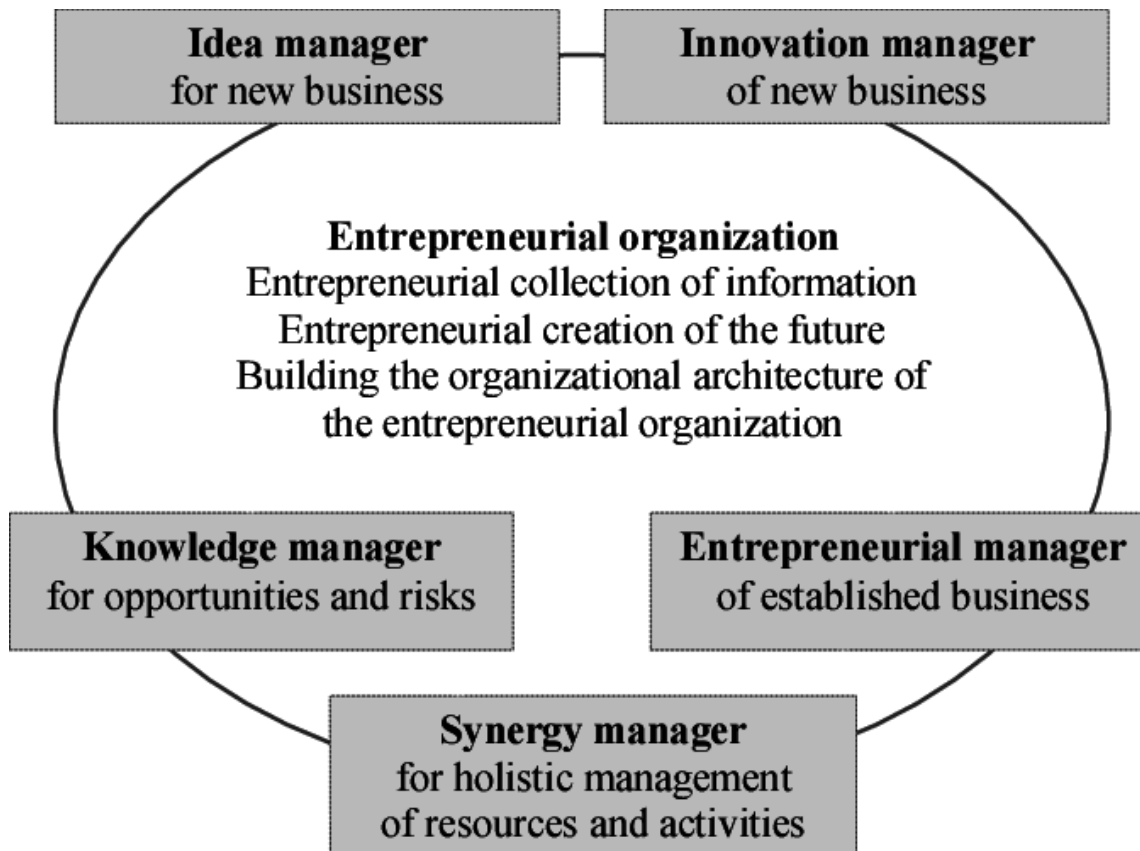


Entrepreneurial Structure and Cycling

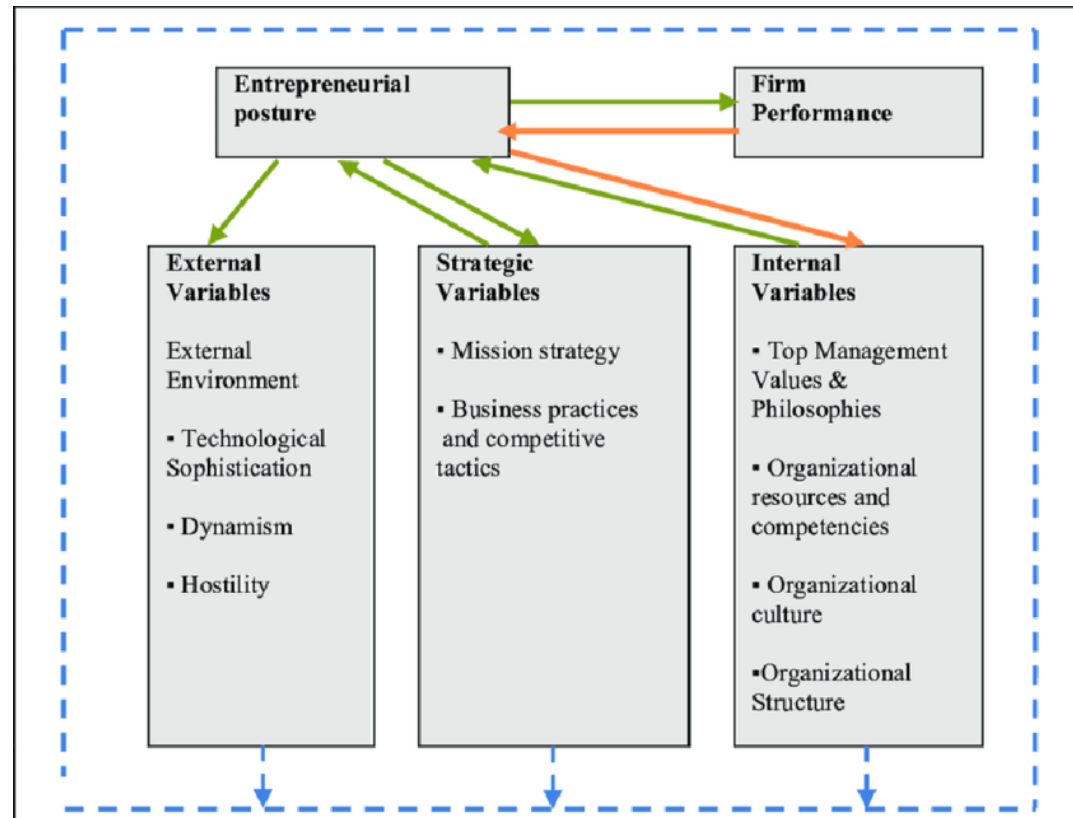
- ▶ Entrepreneurial Model
- ▶ Covin and Slevin Model
- ▶ Cycling

Entrepreneurial Model

Entrepreneurial organizations are structures that promote the emergence and development of ideas from all members of the firm. To be functional, such an organization must have specific features that allow alternative views to emerge.



Covin and Slevin Model



Cycling



Alternative Structures

- ▶ Reject conventional thinking
- ▶ No fixed authority
- ▶ High levels of commitment
- ▶ Direct lines of communication
- ▶ W.L. Gore Model - unmanagement
- ▶ Semco Model
- ▶ Tropman and Morningstar Model

- ▶ W.L. Gore Model - unmanagement
- ▶ W.L. Gore named the structure of his 'unmanaged' company a 'lattice'. This structure is part of Gore's unmanaged and unstructured company design. The organizational design provides direct communication person to person without intermediaries. There is no assigned authority and no bosses. New employees are assigned a sponsor and often can end up with several sponsors as they move through their initial training. The leadership style is called 'followership' and objectives are set by those who must accomplish them. Employees make commitments to accomplish tasks and functions.

- ▶ Semco Model
- ▶ The structure of semco is **flat and concentric circles**, that mean low level of hierarchy. There are just three levels as shown in following figure. In centre counsellors including Ricardo Semler , in second circle partners and that last concentric circle coordinators and associates are included.

PARTICIPATORY MANAGEMENT



SEMCO
PARTNERS

FUNCTIONAL
STRUCTURE



MATRIX STRUCTURE



LATTICE STRUCTURE



Counsellors

Partners

Associates &
Co-ordinates

- ▶ Tropman and Morningstar Model
- ▶ With no bosses, no titles and **no structural hierarchy**, Morning Star's prime principle is that all interactions should be voluntary. Each colleague enters the enterprise with the same set of rights as any other colleague. Not a single colleague can force another colleague to do something they don't want to do

Structure

- ▶ Can be a facilitator of entrepreneurship
- ▶ Gives employees power and authority
- ▶ Can accommodate a larger volume of entrepreneurial initiatives
- ▶ Does not work in isolation

Thanks you