Optimizing Organizational Structure: Strategies for Improving Efficiency and Effectiveness

1. Introduction to Organizational Structure

In basic terms, an organizational structure characterizes a framework facilitating and regulating the transaction of work destinies inside an organization, which manifests throughout the various levels of the system, from company-wide levels to single word assignments. Such structure therefore significantly determines an organization's ability to operate effectively and efficiently and to achieve success. This includes stipulating the specific job roles within the organization and identifying what employees need to report to, as well as determining who should report to them, thereby providing a foundational structure that will guide their workflow.

The presence of organizational structure can be found throughout history, as human tribes began to emerge about two million years ago. Military structures began to take shape over the next few thousand years, signaling the initial formal organizations. As the years passed, organizations developed and transformed their structure to meet increasing demands. Now, in an era defined by rapid technological advancements and the globalization of world economies, organizations must adapt or die. Interest in enhancing the organizational structure is central to efficient and effective management. The way an organization is structured has implications for virtually every aspect of its operations and hence impacts the effectiveness and efficiency of the people and departments employed in carrying out its activities. This has practical implications for managers and stakeholders, who can play a role in planning and executing these changes.

1.1. Definition and Importance

1.1 Organizational Structure: Definition and Importance

The definition of organizational structure is fundamentally a descriptive one. By understanding the actual shape and composition of the organization, oversight of individual and shared responsibilities becomes easier, aiding in the establishment of communication protocols and the determination of workflow routes. Organizational structure also defines the hierarchical order of the organization, mapping out the relationships between the various personnel in the increasingly consolidated pyramid of established and emerging positions. Managers and directors can then feel greater confidence that their information is being accurately relayed through uniformly followed channels, and that delegations are being acted upon in an acceptably efficient manner, at least as it pertains to the chain of command.

Contributing to organization-wide performance is, of course, a strategic approach to structuring, whereby this verbalized system reflects the actual operational practices and norms characterizing the effective operation of the entire enterprise. Indeed, the aim is to encourage organizational members to adhere to the prescribed roles and responsibilities that lead to this level of performance when collective activities are pooled. Consequently, an organization with an unclear and diminished sense of structure may produce confusion and undermine performance levels. An absence of structure can foster a less effective working environment, inhibit employee morale, and undermine the collaborative spirit that propels organizational effectiveness. Organizational directives that lead to the reorientation of an organization usually have structural impacts. Managers and directors talk about the structure of the new concentric structures within the organization, emphasizing the stigmatized word 'structure' to highlight the fact that we now operate on the leading edge of organizational effectiveness.

1.2. Historical Evolution

Early twentieth-century business structures were initially simple in nature. During the 1930s, most large-scale enterprises were essentially unities of command or seemingly hierarchical in their design. In the strictly hierarchical organization, popularly represented as an org chart, messages flow up a line of command and advice, decisions, and orders flow down. Attention was directed to the manner in which complexity and hierarchy increased as output, or the number of employees, of an enterprise grew. Just as when organisms grow larger in complexity, they require more complex physical structures, so too coming to the attention of theorists were the structural properties of firms as their size grew. Some of the more notable drivers of change guiding the thinking of business scholars were identified as shifting societal values, consumer needs and wants, and technology, suggesting that sound organizational design depended on how well the enterprise was able to adapt to the many changes occurring within the environment.

The single command organization persisted for almost 70 years beyond the 1932 publication in organizational theory. During the era beginning in the 1980s, a belief by management, operations, coordination, and similar researchers was that work teams not only improved the job but also the physical health of employees engaged in them. Studies pointed to the potential power and effectiveness of team-based organizations, emphasizing the unique social and self-monitoring mechanisms that would cause team members to work hard, function collegially, and ultimately maximize the wealth of the enterprise to stakeholders. Indeed, team worth as representing the fundamental property of the organization came into vogue. Once again, the management community appeared to be renewing its trust in the greater worth of the collective. Somewhat of a modern intervention was in evidence with many of the basic tenets of pre-1932 organizations becoming vogue. Required was clearly not only new technologies or strategies to move the organization from that of an individual command model, but also influential leadership, control, and allocation methods to keep them running effectively. It is noted that the IT boom and unpredicted widescale downsizing of the economy proved to be significant spoilers for the teaming technique, with more failure than success stories appearing in the popular business press on its risks and returns.

2. Common Organizational Structures

There are many well-documented types of organizational structures in business today, though a myriad of hybrid types and unconventional styles also may range therein. Some of the more common types of structures include the following: 1. Functional Structure: This is one of the most commonly identified structures. It tends to separate the organization into different departments based on the specialized sets of tasks that are to be completed. This has the advantage of allowing these areas to become good at developing expertise and efficiency in their single task or set of tasks. 2. Divisional Structure: This structure aims to organize the different departments based on the services, product lines, or global or regional markets or geographic locations they may be targeting. While allowing more flexibility, the divisional structure also allows the business to focus more individually on types of customers and/or products. 3. Matrix: The matrix, or team-based, structure incorporates aspects of both the functional and divisional structure with some cross-functional, business-wide interdisciplinary teams. This is designed to help facilitate better cooperation between the departments and parts of the organization and draw attention to the activities and behaviors of the organization as a whole. The organization also needs to take into account what kind of business climate they are working in or what type of audience their products are presenting to. An appropriate structure helps to achieve better efficiency and more effective operations, and some organizational structures are more conducive to adopting an optimized framework than others.

2.1. Functional Structure

A functional structure is an organizational design that groups employees according to specialized functions. Most often, these functions are determined by the company's business process. Standard functional groups often include marketing, finance, operations, and human resources. The primary goal of a functional structure is to enhance efficiency by fostering a division of labor based on employee expertise.

The main advantage of a functional structure that groups employees by specialized functions is the appeal of division of labor and an overall increase in operational efficiency. Dividing labor based on expertise and talent leads to the development of skilled specialists in an area. This increases job satisfaction and morale for skilled employees. An additional advantage of this method of organizing employees concerns decision making. Clear delineation of responsibilities increases the speed and efficiency of the decision-making process because there are fewer people involved in the decision-making process. Thus, implementing change is facilitated. However, a disadvantage of grouping based on functions is that communication integration can be very difficult in an organization where many employees focus exclusively on their area. This can lead to interdepartmental competition, barriers, or power struggles.

Many large corporations utilize a functional structure to group employees. Big companies often have strong brand names with established products and processes. However, dividing work in business units can result in redundancy. The internal culture of functional organizations often focuses on efficiency and profit. Top managers are generally concerned with revenues and expenses. A recommendation for functional organizations would center on improving communication, integration, and employee satisfaction. Overly separating too many employees into narrow job descriptions can lead to boredom, stress, and lack of motivation. Managers must listen carefully to employees' ideas and complaints as even small problems can affect large company trends. In a functional structure, it is important for functional area managers to take a close look at the organizational culture, as they are responsible for both maintaining the organization's traditions and creating change to meet future demands.

2.2. Divisional Structure

In contrast to the traditional bureaucratic approach, the recent past has seen the formation of new organizational models, mainly in private sector organizations. Several organizational evolutions are mentioned here as repercussions of internal and trend changes. A divisional organizational structure groups employees based on product, service, or geographic location. This allows an organization to quickly respond to changes in its market or customer environment. A divisional structure is commonly used by companies that operate in a diverse environment, as they have a wide range of products and/or service lines. This type of structure is also useful where companies require the flexibility and autonomy to respond efficiently to changes that could be made to the distinct resources and core competencies associated with distinct product or service lines. Moreover, a divisional-based structure is frequently used by large firms that operate across diverse parts of a country or internationally. Product divisional-based organizational structures function as a large number of distinct companies with operations that center on distinct product lines. They usually have their own management and standing structure with diverse resources, core competencies, objectives, and management values. As a consequence, each of the separate divisional operations could adopt a diverse functional and corporate organizational strategy that better promises to satisfy and interpret the business environment. To be effective, a divisional organizational structure usually requires management to delegate greater responsibility and control over main value-generating activities at a product or regional level. They usually have their own financial goals and objectives based on their strategic positioning. In terms of a range of different outputs, this has implications for the motivation and accountability of divisional management and employees lower down the organizational structure. These might include sales, profits, or growth in that particular product or region. Divisional organizations are intended to facilitate greater innovation of new products and value-generating activities. These are closer to the customer and business environments, and the structure allows them to develop separately, avoiding the bureaucracy associated with more traditional hierarchical structures. In practice, many divisional organizations find the management of resources and the pooling of functional activities inefficient and end up duplicating resources across the organization. If a range of products is making competing products for the same customer group, competition and lack of synergy could result. A further problem is that divisional organizations tend to assimilate functions that require a high level of inter-functional coordination.

2.3. Matrix Structure

The matrix structure is a hybrid organizational design that combines the functional and divisional elements into an organization that performs both cross-functional teams and a set of divisions. The emphasis on this type of structure is that it is a multiple command structure where a team member reports to two or more supervisors. The structure is a good simulation of a complex environment, requiring high flexibility and adaptability. The employees should have good communication with other departments or divisions too. This will enable the exchange of experience, help in problem-solving, and decision-making will be shared.

The use of the matrix structure can be seen in a company that divides work into two teams. The first one is the Technical and Specialist Development Group. The other one is Technical Management and Development. This shows that the use of the matrix relates to technical development too. The use of the matrix-type structure in an organization can increase flexibility and readiness in an attempt to allocate organizational resources. Thus, the organization of the matrix being used facilitates the cooperation between the elements of functional departments or divisions.

The matrix design sets up a dynamic workplace that is geared to change, and communication can be more fluid and upward. Teamwork focused on efficiency and problem-solving; in order to undergo it well, the matrix requires the company to properly allocate roles, responsibilities, and authority so as not to create inter-department conflicts. The matrix is a structure that accommodates the fabric of modern business, which issues more potential for conflict, ambiguity of things such as reporting relationships, and responsibility and authority. In the following sections, some strategies can be applied to overcome the challenges of the matrix.

3. Challenges in Traditional Organizational Structures

One of the major challenges organizations in diverse industry verticals are facing these days is to align their traditional organizational structure in the face of an advancing and dynamic global business environment. Traditional organizational structures are bureaucratic, procedural, rigid, and slow to adapt to the changing business environment. They are tall with clear lines of authority and reporting relationships. Oftentimes, employees develop a mindset that calls for working only within their departments or functions. In most cases, what an employee is doing is known only to him and his immediate boss. These organizations lack the ability to communicate, and so employees are unaware of what others are doing in the organization. This situation affects the organization’s ability to respond more quickly to challenges and changes in the external environment as well as innovation.

The decision-making process in a traditional organization is slow and unresponsive to the needs of the customers and the environment because of strict channels of communication. For a decision to be made, information must flow through channels of communication, and barriers tend to slow down this flow. In a volatile, competitive, and risky business environment, there is an increasing need for organizations to be more flexible in terms of the changes required from within to survive, grow, and remain relevant. Many organizations are still using this old structure, and practicing it is a consequence of not being able to adapt to the current business environment. Organizational structures that oppress or limit the creativity, potential, and engagement of employees will become extinct in the future. In the rapidly changing environment, companies need to be able to be innovative, quick to adapt, and open to new ways of accomplishing tasks in order to meet the increasingly high demands of customers. The bureaucratic nature of traditional organizational structures kills innovation and the ability of employees, resulting in poor customer service and complaints about services. Change has become very essential if organizations want to survive and stay ahead in the business world in terms of customer satisfaction and loyalty. Preferences have undergone a considerable change as a result of increasing technological improvements and overall socio-economic well-being, causing contemporary customers to have an infinite amount of options and high demands. Given these circumstances, how can managers change the organizational structure to meet the contemporary needs of customers?

3.1. Communication Barriers

Hierarchical layers create barriers between departments or teams. They assign and transfer decisions further up and across the organization, meaning individuals become power-focused rather than profit-focused. This can mean that vital information is lost, causing inaccuracy. The distortion message is a common form of the broken communication chain, where the illegible, unsure, or jargon-filled message can be interpreted differently by each department. Another example could be the connection between passive and emotive forms of language, such as the overuse of capitalized words versus sentence case. Indiscriminate use of both or either form can reduce the ability for the receiver to see or read it. The use of emotive forms for reports should, therefore, be limited and only sealed. This is because too many emotive statements reduce their power and can decrease reader clarity, again leading to misinterpretations.

Information overload is a common problem in an organization, too, leading to misinterpretations. Too much language jargon that is familiar and simplistic but vague can cause confusion and loss of direction. Making sure all staff are up to date with current projects, not just old product production rates, is important, as well as buying into promoting a community branding image of the organization, but it won't solve communication issues if the staff are not able to communicate efficiently among themselves. Open lines of communication should be made within an organization for a positive and collective working team, making the most out of this resource available. Cultural differences also play a role in verbal communication in an organization. A delay in the processing of the rules that govern meetings, for example, could lead to frustration and lack of commitment. Such issues are becoming more prevalent, and there are ways in which technology can be at the forefront of business advances and help improve their communication problems via team meetings, video conferences, chat rooms, and other media.

An example is in Cape Verde in Western Africa, where it was not the gadgets or machines used that affected performance, but they affected communication, slowing down processing. An organization's structure depends on the obstacles it overcomes to foster communication and team spirit in achieving objectives. In organizations, scheduling meetings with communication barriers and rescheduling them, or paying fees for additional phone calls, end up becoming a waste of valuable time and a decrease in corporate efficiency.

3.2. Decision-Making Delays

Under the traditional organizational structure and operational model adopted by most enterprises, decision-making often becomes hierarchical, elongating the decision cycle. Consequently, potential alterations in customer demand or market conditions will not be actively addressed. As companies improve in efficiency and offer extra value to customers, most decisions are not extremely important; nevertheless, they have to be made. These bottlenecks in decision-making may hinder improvements in organizational performance and hinder the generation of dynamic capabilities and innovative processes. Further evidence of this commitment comes from the positive correlation between corporate performance and the decision cycle, as well as the improvements obtained from reducing the time taken in decision-making. In today's business environment, competitive advantage is linked to strategic decision-making more than any other type of managerial behavior. The compression of time and subsequent flexibility are necessary conditions for rapid strategic decision-making.

Enterprise example studies have shown that the decision delay is relatively easy to determine. The study has divided top managers from various companies into three groups, namely leaders, middles, and lagers, to discuss who is responsible for procurement orders, class inspectors, and quality control. It was observed that the conclusion drawn by the diverse groups of managers, all of whom held important positions in companies employing around 5,000 people, differed greatly, reflecting the inconsistency in the decision-making of most of these essential business incidents and testifying to how typical the problem remains. There are numerous companies that have tried to increase efficiency by making authoritative decisions, which typically incur delays that can only succeed when the decision-making process is streamlined. This refers once more to the relevance and scarcity of decisions and reveals the significance of decision-making in the senior management decision-making process. The organized delayer will delay the implementation process for three months. Senior vice presidents are dismissed or compelled to make decisions in 30 seconds.

4. Emerging Trends in Organizational Design

There are a number of emerging trends in organizational design that reveal how companies are adapting to the contemporary challenges of doing business. For instance, network organizations are based on a web of external partnerships, using resources developed elsewhere, rather than doing everything inside the company. Today's complex environment means that even big companies are becoming more permeable, communicating and coordinating with, rather than directing, business partners who sell the company's products and services. This design for 'connectedness' allows companies to be more responsible to their markets and also more innovative. Holacracy is a fairly new concept in emerging organizational designs. It is intended, and often motivated, to deal with the workplace's changing pace. It emphasizes entrepreneurship, the making of autonomous decisions, and self-managed teams through structure. An empowered employee at all levels of the organization is one of the characteristics of a democratic organization that is also identified as successful.

These trends can add value, such as enhanced agility, speed to market, and distribution channels that companies can access if all the partners within a company's network are sharing resources and collaborating to deliver customer value. There is new research that supports the value of these more permeable organizations, identifying them as better positioned to adapt to changing market climates. There are, however, challenges. If all players are to stay true to the strategy and actions that will deliver customer value, accountability and control are challenges in network and holocratic designs. Another new design think piece, focusing more on technology, claims a 'map' of roles enables companies' long-term agility. All of these values are at the heart of the Adaptive Design Logic capabilities. The point of this survey is to get a picture of what is emerging as valuable approaches to the question 'how to be radically competitive.' Organizational design is nothing if not about being competitive. In getting a grip on organizational design, this more connectedness strategy supports the view of the central importance of this design logic.

4.1. Network Organizations

A network organization is one that leverages relationships by sourcing externally those activities that are assumed by traditional business models to reside internally. One major advantage of network organizations is strategic: partnering with numerous firms provides operational agility since it allows an organization to switch its sources for any major value-creating activity at will. It could increase an organization's innovation and ability to cross negatively correlated experiences. Finally, it allows an organization to optimize its economic competence achieved by expanding its operations as they grow.

Recent successes: Who claimed to be a networked organization? Amazon, eBay, Apple, and Google. Amazon is an example of a truly efficient network organization. It uses many collaborators to distribute the products from recording labels and book publishing companies straight to the consumer without employing many people itself. While eBay mostly focuses on transactions, Apple focuses on hardware, and Google focuses on software. For managing accountabilities, it plans only to manage its direct contractual partners who are then held responsible for their collaborative activities. Rather than relying on power and control, a network organization relies on a complex communication and trust architecture among its participants. This section offers some practical suggestions for business leaders considering whether to become a network organization. It is important to adopt an open systems view. The organization should not strive to build but should opt for inter-organizational networks. A wide array of inter-firm partnerships can interconnect, and ad hoc change creation and adaptation can occur. Partnering top management demonstrates and communicates the benefits. Some professional organizations play roles in networking evidence, and such a body could create knowledge management systems that would help managers in their efforts to show the value of such networks.

4.2. Holacracy

One response to heightened emphasis on resilience involves the organizational design approach known as holacracy. A growing number of organizations utilize holacracy as their model of governance, including retailers, entrepreneurs, and radical management teams. Dubbed an integrative, foundational organization, holacracy has proponents in the business and academic worlds. This autonomous approach is known for discarding management hierarchy in favor of self-managing teams. Absent of C-level managers, holacratic corporations maintain uniquely flat structures with a focus on devolving to those teams the work of moving the corporation forward while putting in place the people and policies necessary for real autonomy. While some might consider this model to be too ambiguous or the changes too difficult, other organizations have successfully implemented the tenets of holacracy and recommend it. Once garnered, the organization becomes more responsive, provides better service, and anticipates problems in time to respond or even solve those problems.

How does democratic governance happen? Contributors provide many of the answers. Through classification of the tenets of a holacracy constitution and its narrative environment, the book serves as a field guide for organizations and commentators. New ways of thinking about adaptive change, working relationships, and communication extend into a discussion of the role of leadership within a holacratic structure. Advances in the practice of governance — from the development, identification, coordination, decision-making, prioritization, and alignment of the work inside an organization to the distribution of personal and collective responsibility — are identified. Those advances have also changed the culture and support systems of the organization. Although myriad obstacles exist for transition to holacracy, those that survived it present compelling evidence in favor of the model.

5. Strategies for Fixing Organizational Structure

It is of the utmost importance for organizations to not only recognize where they need to change, but to make the necessary moves toward progress. This requires conducting a careful analysis of the current situation and identifying the appropriate actions moving forward. A structural audit can flag specific areas of concern, and then highlight the necessary options, such as fine-tuning divisions or departments, eliminating unnecessary layers of management, or even revisiting the introduction of teams or groups. Such a report can therefore identify weak points in the prevailing configuration and provide an evidence base so that any interpretation can be made. Decisions can thus be made so that the delivery mechanisms are better tailored to strategic requirements, rather than decisions being made based on the shape of the firm that happens to exist at that time.

Adopting agile principles can also help to introduce increased flexibility and consciously embed responsiveness into the organizational setup. Improving operations should create a step change in the organization's performance by both streamlining processes within and integrating where appropriate. Efficiency focuses primarily on driving down unit costs for an integrated, efficient, yet resilient operation. Survivability optimization aims to maximize long-term organizational continuity. Dependable, finely cultivated communication loops from operations that gather data to centralized locations are therefore key to ensuring control. By engaging in efficiency-based strategies, organizations can reduce spending and drive operational gains, shifting focus from technical inefficiencies to taking responsibility for business results and growth. Care needs to be taken in these areas as policy shifts can lead to dilutions in the quality or deceleration of operational improvement activity. Monitoring all processes regularly allows free communication to be developed, allowing improvements to maintain a strong operational edge. A balance should be attempted through a combination of streamlined efficiency-based strategy while simultaneously strengthening the external-facing processes and thereby reducing the resources consumed in continuous improvement.

5.1. Conducting a Structure Audit

The review of the practices and principles in the prior sections of the chapter has provided some of the criteria for designing and redesigning organizational structures and has also provided the context for seeking such improvements. The next step in our journey into organizational design, then, should be to examine tools and methods for conducting a structure investigation.

5.1 Conducting a Structure Audit The first step in making the transition from the traditional functional hierarchy to a market-facing or customer-focused design is to get a clear and dispassionate understanding of the current structure. This involves an objective characterization of the organization, without undue emphasis on current role holders, who may have been specifically selected for the old design. Such a diagnostic investigation is also likely to lead to some very rich conversations about future possibilities, as well as provoking some deep thought on the part of key decision makers about who they, or the organization, are—or could be. When evaluating the current stochastic structure, it would be foolish to ignore the perceptions of those who have to work in it or whose work is affected by it. These key stakeholders should be involved in an audit of current activities, structures, systems, and processes.

When conducting a structure audit, a number of questions need to be addressed: Who should be involved? What information needs to be collected? When is the best time to carry out the audit? And what kind of analysis should occur? To address these questions, this section will present a step-by-step outline for conducting a structure audit. The section will also present a number of examples featuring the audit process.

5.2. Implementing Agile Principles

The second approach focuses on how organizations can become more effective and efficient. One approach is to implement agile principles. An agile organization is one that can change direction in response to customer needs and market conditions. The adoption of agile ways of working allows organizations to become more flexible and adaptive. The principles do not require an agile project management methodology to be implemented; rather, it is possible for organizations to adopt these principles. Agility can mean different things to different organizations and people. There are many ways to be agile, and agile ideas are open to extreme forms. Some of the variations include sense and respond, innovation, and efficiency.

Within an agile organization, the core tenets are iterative development processes with rapid short cycles; adaptive planning, which focuses on a project's ability to re-plan and re-scope, frequently changing direction; and continuous task, process, and product evaluation and improvement, resulting in a nimble work culture. A key component of the agile mindset is that the development processes often include aspects of delegating project management responsibilities to the developers themselves. Furthermore, agility as an idea can exist at a personal, team, project, or even organizational level. As a personal or team-level mental skill, being agile is all about nimbleness—the ability to think and switch direction quickly. Small tent iterations and adaptive planning were borrowed from agile project management methodologies. Some organizations use agile project management methodologies and have agile values. Others may not use agile project management methodologies but are agile. With the implementation of small tent iterations, there are numerous benefits. Agile organizations are faster because they seek to develop feedback loops with direct users or customers through early and continuous delivery of adaptive planning and frequent and continuous task, process, and product evaluations and improvements. The organization also tends to create customer value faster at the organizational level, reducing known and unknown risks.

6. Case Studies of Successful Organizational Restructuring

Alternate Approaches to Organizational Restructuring: Case Studies of Success

1. Google's Reorganization
A little over two years after Google officially became Alphabet, the company announced one of its most significant organizational restructuring efforts to date. Google announced that it would spin off its testing operations and moonshot projects into new businesses under the Alphabet umbrella. In the new Alphabet, Google CEO Sundar Pichai is free to focus on the lucrative businesses. The decision was widely interpreted as a move by the leaders of parent company Alphabet Inc. to reassert their control over the web companies they founded eighteen years ago. The truth, however, is somewhat more complex. While the changes do give the leaders freer rein to pursue their futuristic dreams, the company is also trying to inject more rigor and focus into everyone's work—even in the biggest, most established businesses. Restructuring allows these businesses to grow, in part by adding their own experiment-heavy enterprise. But it also helps them streamline, getting the most out of supposedly frivolous spending on things like data centers and office space.

2. IBM's Shifting Agile Methods

In response to both market change and elements of industry 4.0, IBM has transformed itself, targeting markets and service offerings that focus on digitalization. IBM's approach has not been to evolve by building off core capabilities. The company is now a cognitive computing and cloud-based company that aims to work with clients in no fewer than five key areas: Watson, blockchain, IoT, security, and digital services. Through acquisitions and repositioning, over 1,000 new startups reside on various platforms. These changes do not bypass the need to address the underlying thorny issue of workforce change and how IBM organizes itself. As new talent arrives, and as existing staff of the future create frictions with the status quo, IBM has made the announcement that, as part of this transformation, it intends to more formally shift to agile delivery methods in an increasing number of contexts. For this paper, then, I expect IBM moving forward to provide a continually unfolding tale of evolving research attention. As such, I am only providing interim additions up to the point of submitting and will track this narrative further.

6.1. Google's Alphabet Restructure

Sergey Brin and Larry Page restructured Google into Alphabet in 2015. The restructure created a clearer and more efficient way to execute Google's business strategy. Google's business is selling search and advertising. Over time, it has diversified its business line. Google owns the Android platform, which has a large share in the smartphone market. The company's annual report outlines four strategic goals for Google's future: 1) to enhance the revenues of its core products, 2) to grow its new products, 3) to build products that will be found in the future, and 4) to diversify into different fields.

By creating Alphabet and spinning out businesses into separate divisions of the company, Alphabet's executives could focus on a rapidly growing but mature and innovative Google business while creating new businesses that are run separately from Google. The two classes of investment stock that Alphabet's board has issued have some voting rights, but the founders' retained stock retains the major control of the firm. The reason for the reorganization is not given in regulatory filings, but activities over time suggest that Alphabet will use the dollars it saves on bureaucratic inefficiencies to grow its new businesses. The reorganization also has symbolic significance. It shows that the tech giant is prepared to adapt to a fast-changing technology market, which is imperative for survival in the technology industry.

We have seen that Google's initial purposes for restructuring were to grow major assets and businesses, expand future options, and eliminate wasted resources. For Google, the restructuring was of critical importance. It had the potential to increase the net present value of future cash flows. The unbundling reorganization allowed Alphabet to save money on corporate overheads. For each operating asset, the potential reduction was probably small, but taken altogether, the monetary impact would have been significant. Comprehensive reorganization initiatives can significantly boost the share price in the long run, and the cash saved can be used to boost shareholder value. Bottom-tier business units are under pressure: they cannot access the same resources and capabilities as the top-tier technology business. Nothing has improved for them to date. Their stock prices have essentially remained unaltered from last year.

6.2. IBM's Shift to Agile

IBM's Shift to Agile

The decision of IBM to shift from rigid to agile practices is seen as a case study in contemporary organizational restructuring. Acknowledging the need for greater responsiveness in today's marketplace, increasingly shaped by an evolving digital environment, the team at IBM realized that agility bore the potential to elevate long-term efficiency and effectiveness. In order to better address the changing needs of its customers, IBM shifted to a new operating culture inside the organization. Ensuring collaboration across the board and cross-collaboration among different divisions, it emphasized emergent structures based on the needs of services. The company also turned to iteration and prototypes to interact with clients, showing their services before they could possibly be 'production ready.' IBM distributed the decision rights as well as teams across the entire geographic locations and reimagined its governance model to open decision rights and cutting governance by a third.

IBM found a substantial increase in its productivity and the agility at which it designed, developed, and responded to ideas. The agile practices helped the company innovate in its service designs and led to greater collaboration and even higher employee engagement. The shift to agile required a great transformation, not only in processes and systems but also in the way people's behaviors and attitudes transformed from 'command and control' to 'empower and enable.' It was also a risky proposition, difficult to manage, and proved to be fairly disruptive at its worst. Added to these, IBM had to continually experiment and learn to adapt to its own needs and issues.

7. Conclusion

Organizations have been setting new norms and standards for organizational structuring practices over the past decades. A new breed of organizational structures has been established to accommodate evolving business landscapes and sharpen competitive positioning. This paper contributes to the organizational design and structuring literature by summarizing and bringing new attention to emerging norms, factors, and practices related to optimizing organizational structures. Overall, the findings emphasize the importance of continuous adaptability and strategic alignment with business models, internal attributes, and skill sets to achieve business goals. We also encourage researchers and practitioners to anticipate future shifts and have a proactive mindset towards identifying and triggering structural changes. This requires a continuous learning process to adapt organizational forms and operations to current internal and external business dynamics. Looking at the future of organizational structures, we foresee emerging trends such as structures embracing capabilities rather than limiting people, technology, and innovation pivotal to structure design choices, and HR ecosystems that aspire to increase productivity and workforce satisfaction. Forward-looking HR professionals could develop solutions anticipating these shifts in organizational structuring based on validated case studies. Instead of concentrating resources toward adaptive short-term fixes, HR professionals should anticipate structural evolution as a proactive managerial responsibility designed to optimize organizational designs for improved organizational effectiveness. To optimize organizational structures, organizational designers should align their structure with viable business models, anticipate and embrace the consequences generated by organizational changes, and never settle for an organizational form that is not continuously challenging and learning from ever-changing external and internal dynamics. Such constant attunement brings competitive advantage in the long term.