Organizational Structure & Behavior

Defining organizational structure

- How the different components and functions of an organization are organized
- How the different components and functions of an organization are inter-related and connected so that the organization's goals can be achieved
Importance of organizational structure

- Has a major impact on
  - flow of information and resources within the organization
  - communication and coordination among managers
  - decision-making
  - effectiveness
  - efficiency

Organizational structure in the public sector

- Taxpayer funding a major influence on public sector organizational structure
- All public sector recreation structures require statutory (legislative) authorization
  - The authorizing legislation will specify general features of organizational structure
  - Operational features will vary from agency to agency
Forms of statutory authorization for public sector recreation agencies

- Special recreation and park laws
- Special district laws & referenda
- Enabling laws
- Home rule laws & referenda
- Municipal government
  - Strong mayor - city council vs. City manager - city council

Organizational structure in the nonprofit sector

- “Nonprofit” is inaccurate: These organizations may generate significant “surplus revenue” (a.k.a. profit) so long as it is invested in the organization and not distributed to shareholders or other investors.
  - “Invested in the organization”: Spent on operating costs, program costs, facility costs, personnel costs, etc.
- Nonprofit agencies are usually mission-driven: They exist to promote some aspect of the public good and/or to serve a specific target population
  - “Target population” may be defined by factors like membership, residence, need
Organizational structure in the nonprofit sector

- The distinctive structural feature of nonprofit organizations:
  - They have governing boards that oversee administrative and operational staff.
- Other required features:
  - Articles of incorporation or other founding document
  - Bylaws

Organizational structure in the nonprofit sector

- Many more types of nonprofit organizations than often realized, with more than 20 different types including
  - 501(c)(3) — religious, charitable, or educational and existing for public benefit
  - 501(c)(4) — civic leagues, social welfare organizations, local employee associations
  - 501(c)(6) — business leagues, chambers of commerce, real estate boards, boards of trade
  - 501(c)(7) — social clubs organized for recreation and other purposes benefiting their members
**501(c)**

- Non profits are organized under Section 501(c) of the tax code administered by the IRS
- All nonprofits under Section 501(c) are exempt from paying federal and usually state taxes
  - If exempt from state taxes, also exempt from local taxes
- 501(c)(3) nonprofits offer the right to deduct contributions from donors’ taxable income
  - 501(c)(3) status requires that organizations not engage in partisan political activity such as endorsing candidates, contributing to campaigns, or lobbying for any legislation or administration regulations

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**Organizational structure in the commercial sector**

- Sole proprietorship
- General partnership
  - Limited partnership
- Corporation
  - C corporation
  - S corporation
- LLC & LLP
Organizational behavior

- The effects on behavior within organizations of
  - individual characteristics
  - group characteristics and structure
  - organizational structure
- By understanding these effects, managers can
  - predict how people will behave in specific circumstances
  - manage in ways that encourage desired behaviors and discourage undesired ones
Behaviors managers want to control

- Commonly divided into five broad categories
  - **Productivity** — goal achievement, how well people do their jobs (including effectiveness and efficiency)
  - **Absenteeism** — unanticipated or unscheduled absences from work
  - **Turnover** — voluntary or involuntary exit from the organization
  - **Organizational citizenship** — willingness to do more than meet basic expectations, attitudes, cooperation, stepping up to do more
  - **Job satisfaction** — extent to which employees believe they are being fairly rewarded for their efforts, rewards being both economic and non-economic

Dependent & independent variables in OB

- **Dependent variables**: The five categories of behavior just listed — productivity, absenteeism, turnover, organizational citizenship & job satisfaction
- **Independent variables**: Factors that shape or influence these behaviors, including specific management actions
Individual-level variables in OB

• Basic individual characteristics — part of the employee, what he/she brings along with her/himself
  ‣ Not all basic individual characteristics are open to influence through management action
• Following four individual characteristics have important effects on job-related behaviors and can be influenced by management action:
  ‣ Perceptions & process of perceiving
  ‣ Learning
  ‣ Decision-making abilities
  ‣ Motivation

Group-level variables in OB

• Group-level behavior is more than the sum of its parts
  ‣ By pooling individual KSAs, groups may perform collectively at higher levels than could be achieved by their members working as individuals.
• Among group-level factors open to management action:
  ‣ dynamics of group behavior
  ‣ group purpose, duration, stakeholders
  ‣ intra- & inter-group communications
  ‣ leadership & leadership style
  ‣ authority, power & group politics
  ‣ intra- & inter-group relations / interactions
  ‣ intra- & inter-group cooperation / conflict
Organizational-level variables in OB

- Organizational structure
  - hierarchical / team
  - tall / flat
  - functional / operational
- Organizational culture

Formal organizational structure

- How job tasks are formally divided, grouped, and coordinated
- Elements of formal organizational structure (some of this mentioned in earlier classes):
  - Work specialization
  - Departmentalization
  - Chain of command
  - Span of control
  - Centralization
  - Formalization
Formal organizational structure

• “defines how job tasks are formally divided, grouped, and coordinated” (Robbins, 1997, p. 192)

• Elements of formal organizational structure (some of this mentioned in earlier classes):
  ‣ Work specialization
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  ‣ Formalization

Formal organizational structures

• Simple (flat)
• Bureaucratic (hierarchical, tall)
• Team-based
• Matrix
Simple Design Chart

- Chief executive officer
  - Director of programs for people with disabilities
  - Director of youth programs
  - Director of adult programs

Bureaucratic Design Chart

- Administrator
  - Director of buildings and grounds
    - Manager - maintenance and operations
  - Director of recreation
    - Manager - landscaping
  - Director of enterprises
    - Manager - outdoor programs and facilities
  - Director of finance
    - Manager - tennis center
  - Director of marketing and registration
    - Manager - golf
    - Accountant
    - Coordinator - public relations
    - Coordinator - environmental education programs
    - Supervisor - youth programs
    - Supervisor - tennis programs
Group vs. Team Design Chart

Group

- Group leader
  - Marketing
  - Maintenance
  - Registration
  - Sports
  - Outdoor programs

Team

- Landscaping
- Recreation
- Common goal
- Marketing
- Volunteers
- Special events

Matrix Design Chart

- Marketing (1)
- Registration (1)
- Maintenance (2)
- Sports (3)
- Outdoor programs and facilities (2)

Director of recreation
Organizational Culture

• Organizational culture is the informal structure in an organization.
• It includes norms, values, beliefs, and expectations that bind employees together and differentiate one organization from another.

Organizational Culture (continued)

• Three levels of organizational culture, from very tangible to more ephemeral:
  ‣ Artifacts
  ‣ Espoused beliefs
  ‣ Underlying assumptions
Working With Boards

- Boards are governing bodies within an organization.
- Many managers in parks and recreation will work with boards (and work for boards).
- Three main types of boards:
  - Independent
  - Semi-independent
  - Advisory

Board Structure

- Qualifications and elections
- Size of the board
- Terms and limits
- Board governance