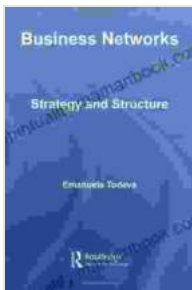


# Strategy and Structure: Routledge Studies in Business Organizations and Networks

Strategy and structure are two of the most important concepts in organizational theory. Strategy refers to the long-term plan that a company develops to achieve its goals, while structure refers to the way that a company is organized. These two concepts are closely related, as the structure of a company can have a major impact on its ability to implement its strategy. Many popular business books cover strategy or structure, but few address both.



## Business Networks: Strategy and Structure (Routledge Studies in Business Organizations and Networks Book

37) by Emanuela Todeva

★★★★☆ 4.5 out of 5

Language : English  
File size : 6581 KB  
Text-to-Speech : Enabled  
Screen Reader : Supported  
Enhanced typesetting : Enabled  
Word Wise : Enabled  
Print length : 442 pages



This book explores the relationship between strategy and structure in organizations, focusing on the way that strategy shapes structure and how structure in turn influences strategy. The book draws on a wide range of research to provide a comprehensive overview of this important topic.

## **The Relationship Between Strategy and Structure**

The relationship between strategy and structure is complex and dynamic. On the one hand, strategy can shape structure. For example, a company that adopts a cost leadership strategy may need to implement a centralized structure in order to achieve the necessary economies of scale. On the other hand, structure can also influence strategy. For example, a company with a decentralized structure may be more likely to adopt a decentralized strategy.

The relationship between strategy and structure is also reciprocal. In other words, strategy can shape structure and structure can shape strategy. This reciprocal relationship is one of the key reasons why it is so important to understand the relationship between these two concepts.

## **The Impact of Strategy on Structure**

Strategy can have a major impact on structure. The following are some of the ways that strategy can shape structure:

- **Centralization versus decentralization.** A company's strategy can influence the degree to which it is centralized or decentralized. A centralized company has a single, central authority that makes all of the major decisions. A decentralized company, on the other hand, has multiple decision-making centers that are spread throughout the organization.
- **Formalization.** A company's strategy can also influence the degree to which it is formalized. A formal company has a clear set of rules and procedures that govern the way that work is done. An informal

company, on the other hand, has a more flexible set of rules and procedures.

- **Span of control.** A company's strategy can also influence the span of control of its managers. Span of control refers to the number of subordinates that a manager has. A wide span of control gives managers more authority and responsibility, while a narrow span of control gives managers less authority and responsibility.

## **The Impact of Structure on Strategy**

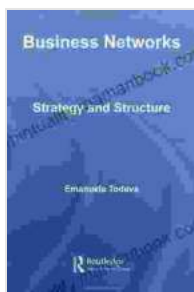
Structure can also have a major impact on strategy. The following are some of the ways that structure can influence strategy:

- **Strategic flexibility.** A company's structure can affect its ability to be strategically flexible. A flexible structure allows a company to adapt quickly to changes in the environment. A rigid structure, on the other hand, makes it more difficult for a company to adapt to change.
- **Innovation.** A company's structure can also affect its ability to innovate. A structure that encourages innovation is one that is characterized by open communication, collaboration, and risk-taking. A structure that discourages innovation is one that is characterized by closed communication, competition, and risk aversion.
- **Organizational performance.** A company's structure can also affect its overall performance. A structure that is aligned with the company's strategy is more likely to lead to high performance than a structure that is not aligned with the company's strategy.

Strategy and structure are two of the most important concepts in organizational theory. The relationship between these two concepts is

complex and dynamic. Strategy can shape structure and structure can shape strategy. It is important for managers to understand the relationship between strategy and structure in order to make informed decisions about how to organize their companies.

This book provides a comprehensive overview of the relationship between strategy and structure. The book draws on a wide range of research to provide a detailed understanding of this important topic. The book is essential reading for anyone who wants to understand the relationship between strategy and structure and how it can impact organizational performance.



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