

flow through its five parts. This is followed by a discussion of the conditions of the configuration—the factors of age, size, technical system, environment, and power typically associated with it. (All these conclusions are summarized in Table 12-1.) Here, also, we seek to identify well-known examples of each configuration, and to note some common hybrids it forms with other configurations. Finally, each chapter closes with a discussion of some of the more important social issues associated with the configuration. It is here that I take the liberty usually accorded an author of explicitly injecting my own opinions into the concluding section of his work.

One last point before we begin. Parts of this section have an air of conclusiveness about them, as if the five configurations are perfectly distinct and encompass all of organizational reality. That is not true, as we shall see in a sixth and concluding chapter. Until then, the reader would do well to proceed under the assumption that every sentence in this section is an overstatement (including this one!). There are times when we need to caricature, or stereotype, reality in order to sharpen differences and so to better understand it. Thus, the case for each configuration is overstated to make it clearer, not to suggest that every organization—indeed any organization—exactly fits a single configuration. Each configuration is a *pure* type (what Weber called an “ideal” type), a theoretically consistent combination of the situational and design parameters. Together the five may be thought of as bounding a pentagon within which real organizations may be found. In fact, our brief concluding chapter presents such a pentagon, showing within its boundaries the hybrids of the configurations and the transitions between them. But we can comprehend the inside of a space only by identifying its boundaries. So let us proceed with our discussion of the configurations.

THE SIMPLE STRUCTURE

Prime Coordinating Mechanism:	Direct supervision
Key Part of Organization:	Strategic apex
Main Design Parameters:	Centralization, organic structure
Situational Factors:	Young, small; nonsophisticated technical system; simple, dynamic environment; possible extreme hostility or strong power needs of top manager; not fashionable

Consider an automobile dealership with a flamboyant owner, a brand-new government department, a middle-sized retail store, a corporation run by an aggressive entrepreneur, a government headed by an autocratic politician, a school system in a state of crisis. In most ways, these are vastly different organizations. But the evidence suggests that they share a number of basic structural characteristics. We call the configuration of these characteristics the *Simple Structure*.

Description of the Basic Structure

The Simple Structure is characterized, above all, by what is not—elaborated. Typically, it has little or no technostucture, few support staffers, a loose division of labor, minimal differentiation among its units, and a small managerial hierarchy. Little of its behavior is formalized, and it

makes minimal use of planning, training, and the liaison devices. It is, above all, organic. In a sense, Simple Structure is nonstructure: it avoids using all the formal devices of structure, and it minimizes its dependence on staff specialists. The latter are typically hired on contract when needed, rather than encompassed permanently within the organization.

Coordination in the Simple Structure is effected largely by direct supervision. Specifically, power over all important decisions tends to be centralized in the hands of the chief executive officer. Thus, the strategic apex emerges as the key part of the structure; indeed, the structure often consists of little more than a one-person strategic apex and an organic operating core. The chief executive tends to have a wide span of control; in fact, it is not uncommon for everyone else to report to him. Grouping into units—if it exists at all—more often than not is on a loose functional basis, with the coordination between units left to the chief executive. Likewise, communication flows informally in this structure, most of it between the chief executive and everyone else. Thus, a group of McGill MBA students commented in their study of a small manufacturer of pumps, "It is not unusual to see the president of the company engaged in casual conversation with a machine shop mechanic. These types of specialties enable the president to be informed of a machine breakdown even before the shop superintendent is advised."¹ The work flow too tends to be flexible, with the jobs of the operating core being relatively unspecialized and interchangeable.

Decision making is likewise flexible, with the centralization of power allowing for rapid response. Strategy formulation is, of course, the sole responsibility of the chief executive. The process tends to be highly intuitive and nonanalytical, often thriving on uncertainty and oriented to the aggressive search for opportunities. It is not surprising, therefore, that the resulting strategy—seldom made explicit—reflects the chief executive's implicit vision of the place of the organization in its environment. In fact, that strategy is often a direct extrapolation of his personal beliefs, an extension of his own personality.

Handling disturbances and innovating in an entrepreneurial way are perhaps the most important aspects of the chief executive's work. But considerable attention is also given to leadership—a reflection of the importance of direct supervision—and to monitoring for information to keep himself well informed. In contrast, the more formal aspects of managerial work—figurehead duties, for example—are of less significance, as are the need to disseminate information and allocate resources internally, since power and information remain in the strategic apex of the Simple Structure.

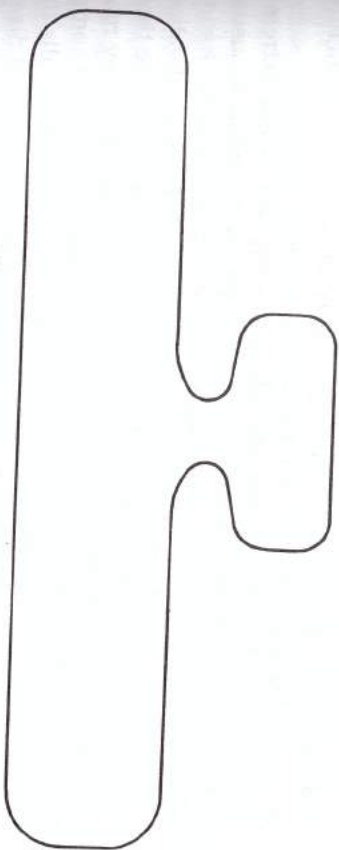


Figure 8-1. The Simple Structure

Figure 8-1 shows the Simple Structure symbolically, in terms of our logo, with a wide span of control at the strategic apex, no staff units, and an insignificant middle line.

Conditions of the Simple Structure

Above all, the environment of the Simple Structure tends to be at one and the same time simple and dynamic. A simple environment can be comprehended by a single individual, and so enables decision making to be controlled by that individual. A dynamic environment means organic structure: Because its future state cannot be predicted, the organization cannot effect coordination by standardization. Another condition common to Simple Structures is a technical system that is both nonsophisticated and nonregulating. Sophisticated ones require elaborate staff support structures, to which power over technical decisions must be delegated, and regulating ones call for bureaucratization of the operating core.

Among the conditions giving rise to variants of the Simple Structure, perhaps the most important is stage of development. The *new organization* tends to adopt the Simple Structure, no matter what its environment or technical system, because it has not had the time to elaborate it administratively structure. It is forced to rely on leadership to get things going. Thus, we can conclude that **most organizations pass through the Simple Structure in their formative years.**

Many small organizations, however, remain with the Simple Structure beyond this period. For them, informal communication is convenient and effective. Moreover, their small size may mean less repetition of work in the operating core, which means less standardization. Of course, some organizations are so small that they can rely on mutual adjustment for coordination, almost in the absence of direct supervision by leaders. They

¹From a paper submitted to the author in Management Policy 701, McGill University, 1970, by S. Genest and S. Darkanzanli.

constitute a hybrid we can call the *simplest structure*, a Simple Structure with the open lateral communication channels of the Adhocracy.

Another variant—the crisis organization—appears when extreme hostility forces an organization to centralize, no matter what its usual structure. The need for fast, coordinated response puts power in the hands of the chief executive and serves to reduce the degree of bureaucratization as well. (Of course, highly elaborated organizations do not eliminate their technostructures and middle lines when faced with a crisis. But they may temporarily set aside their power over decision making.) James D. Thompson (1967) describes a special case of crisis organization, what he calls the *synthetic organization*. This is temporary, set up to deal with a natural disaster. The situation is new, and the environment is extremely hostile, hence the emphasis on leadership. (Of course, permanent organizations that specialize in disaster work, such as the Red Cross, would be expected to develop standardized procedures and so to use a more bureaucratic form of structure.)

Personal needs for power produce another variant, which we call the *autocratic organization*. When a chief executive hoards power and avoids the formalization of behavior as an infringement on his right to rule by fiat, he will, in effect, design a Simple Structure for his organization. The same result is produced in the *charismatic organization*, when the leader gains power not because he hoards it but because his followers lavish it upon him. Culture seems to figure prominently in both these examples of Simple Structure. The less industrialized societies, perhaps because they lack the educated work forces needed to man the administrative staff jobs of bureaucratic structures, seem more prone to build their organizations around strong leaders who coordinate by direct supervision. The forces of autocracy or charisma can sometimes drive even very large organizations of developed societies toward the Simple Structure, as in the Ford Motor Company in the late years of its founder.

Another factor that encourages use of the Simple Structure is owner-management, since this precludes outside control, which encourages bureaucratization. The classic case of the owner-managed organization is, of course, the *entrepreneurial firm*. In fact, the *entrepreneurial firm* seems to be the best overall illustration of the Simple Structure, combining almost all of its characteristics—both structural and situational—into a tight gestalt. The classic entrepreneurial firm is aggressive and innovative, continually searching for the risky environments where the bureaucracies fear to tread. But it is also careful to remain in market niches that the entrepreneur can fully comprehend. In other words, it seeks out environments that are both dynamic and simple. Similarly, the entrepreneurial firm is careful to remain with a simple, nonregulating technical system, one that allows its structure to remain organic and centralized. The firm is usually small, so that it can remain organic and the entrepreneur can retain

tight control. Often, it is also young, in part because the attrition rate among entrepreneurial firms is high, in part because those that survive tend to switch to a more bureaucratic configuration as they age. The entrepreneur tends to be autocratic and sometimes charismatic as well; typically, he has founded his own firm because he could not tolerate the controls imposed upon him by the bureaucracies in which he has worked. Inside the organization, all revolves around the entrepreneur. Its goals are his goals, its strategy his vision of its place in the world. Most entrepreneurs loath bureaucratic procedures—and the technostructures that come with them—as impositions on their flexibility. So their unpredictable maneuvering keeps their structures lean, flexible, and organic.

Some Issues Associated with Simple Structure

In the Simple Structure, decisions concerning strategy and operations are together centralized in the office of the chief executive. Centralization has the important advantage of ensuring that strategic response reflects full knowledge of the operating core. It also favors flexibility and adaptability in strategic response: only one person need act. But centralization can also cause confusion between strategic and operating issues. The chief executive can get so enmeshed in operating problems that he loses sight of strategic considerations. Alternatively, he may become so enthusiastic about strategic opportunities that the more routine operations wither for lack of attention and eventually pull down the whole organization. Both problems occur frequently in entrepreneurial firms.

The Simple Structure is also the riskiest of the configurations, hanging on the health and whims of one individual. One heart attack can literally wipe out the organization's prime coordinating mechanism.

Like all the configurations, restricted to its appropriate situation, the Simple Structure usually functions effectively. Its flexibility is well suited to simple, dynamic environments, to extremely hostile ones (at least for a time), and to young and small organizations. But lacking a developed administration, the Simple Structure becomes a liability outside its narrow range of conditions. Its organic state impedes it from producing the standardized outputs required of an environment that has stabilized or an organization grown large, and its centralized nature renders it ineffective in dealing with an environment that has become complex. Unfortunately, however, when structural changes must come, the only person with the power to make them—the chief executive himself—often resists. The great strength of the Simple Structure—its flexibility—becomes its chief liability.

One great advantage of Simple Structure is its sense of mission. Many people enjoy working in a small, intimate organization, where its

leader—often charismatic—knows where he is taking it. As a result, the organization tends to grow rapidly, the world being, so to speak, at its feet. Employees can develop a solid identification with such an organization. **But other people perceive the Simple Structure as highly restrictive.** Because one person calls all the shots, they feel not like the participants on an exciting journey, but like cattle being led to market for someone else's benefit.

As a matter of fact, the broadening of democratic norms beyond the political sphere into that of organizations has rendered the Simple Structure unfashionable in contemporary society. Increasingly, it is being described as paternalistic, sometimes autocratic, and is accused of distributing organizational power inappropriately. Certainly, our description identifies Simple Structure as the property of one individual, whether in fact or in effect. There are no countervailing powers in this configuration, which means that the chief executive can easily abuse his authority.

There have been Simple Structures as long as there have been organizations. Indeed, this was probably the only structure known to those who first discovered the benefits of coordinating their activities in some formal way. But in some sense, Simple Structure had its heyday in the era of the great American trusts of the late nineteenth century, when powerful entrepreneurs personally controlled huge empires. Since then, at least in Western society, the Simple Structure has been on the decline. Between 1895 and 1950, according to one study (cited in Pugh et al., 1963-64:296), the proportion of entrepreneurs in American industry has declined sharply, whereas that of "bureaucrats" in particular and administrators in general has increased continuously.

Today, many view the Simple Structure as an anachronism in societies that call themselves democratic. Yet it remains a prevalent and important configuration, and will, in fact, continue to be so as long as new organizations are created, some organizations prefer to remain small and informal while others require strong leadership despite larger size, society prizes entrepreneurship, and many organizations face temporary environments that are extremely hostile or more permanent ones that are both simple and dynamic.

THE MACHINE BUREAUCRACY

Prime Coordinating Mechanism:	Standardization of work processes
Key Part of Organization:	Technostructure
Main Design Parameters:	Behavior formalization, vertical and horizontal job specialization, usually functional grouping, large operating-unit size, vertical centralization and limited horizontal decentralization, action planning
Situational Factors:	Old, large; regulating, nonautomated technical system; simple, stable environment; external control; not fashionable

A national post office, a security agency, a steel company, a custodial prison, an airline, a giant automobile company: all these organizations appear to have a number of structural characteristics in common. Above all, their operating work is routine, the greatest part of it rather simple and repetitive; as a result, their work processes are highly standardized. These characteristics give rise to the *Machine Bureaucracies* of our society, the structures fine-tuned to run as integrated, regulated machines.

This is the structure closest to the one Max Weber first described, with standardized responsibilities, qualifications, communication channels, and work rules, as well as a clearly defined hierarchy of authority. It