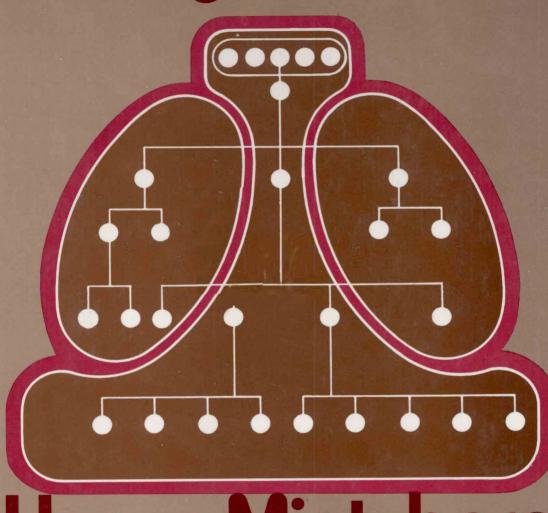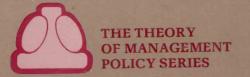# The Structuring of Organizations

Henry Mintzberg

THE
STRUCTURING
OF
ORGANIZATIONS
A Synthesis of the Research

Henry Mintzberg

McGill University

The Theory of Management Policy Series
Henry Mintzberg, Editor

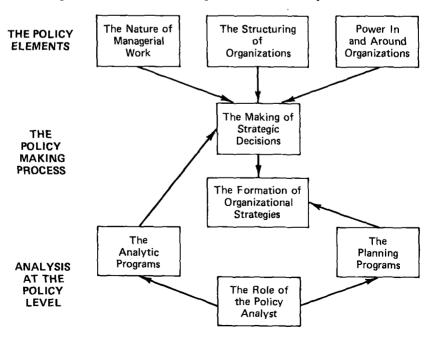*Printed in the United States of America*

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Foreword

The Theory of Management Policy Series

Management Policy has long been the stepchild of the management school. It had to be taught—the issues it dealt with were too important to ignore— yet it never quite attained the status of other fields, such as management science, organizational behavior, and marketing. The reason for this seems quite clear. While the other fields were developing substantial theoretical content throughout the 1960s and 1970s, Management Policy—having shed its long-standing "principles" orientation—was focusing its attention on the teaching of cases. Theory—systematic knowledge—was, and often remains, unwelcome in the Policy course.

I had the good fortune to study for a doctorate in Policy at a management school (the MIT Sloan School) that had no Policy area, not even a Policy professor. That enabled me to explore the field from a different perspective. Cases had no special place at MIT. Theory had. So my exploration became a search for Policy theory—specifically descriptive theory based on empirical research. And that search convinced me of one thing: that there in fact existed a large and relevant body of such theory, sufficient to put the field on a solid theoretical foundation. But that theory was to be found in no one place—no one textbook, for example; indeed a great deal of it was not recognized as Policy-related theory per se. In other words, the field lacked synthesis, even compendium—the bringing together of the useful theoretical materials. So by the time I completed my Ph.D. at the Sloan School in 1968, I had made up my mind to write a book called *The Theory of Management Policy*.

These ten years have been spent paying the price of that decision. What began as files on each chapter quickly became boxes, and then the boxes began to overflow, in some cases two and even three times. Convinced that the field needed a thorough publication, I let the chapters run to their natural lengths. In two cases, that came to over 400 pages of text! Hence this series.

The original outline of *The Theory of Management Policy* called for eleven chapters, eight of which are shown on the accompanying figure. Two (not shown) were introductory. The first, entitled "The Study of Management Policy," traced the development of the field, from its principles and case study traditions to contemporary approaches based on grand planning, eclectic and descriptive theory. This chapter concluded that the field should be built on descriptive theory, that this theory should be based on inductive research of the policy making process and be supported by research in underlying fields such as cognitive psychology, organizational sociology, and political science, and that the policy–making research should be rich in real–world description and not obsessed with rigor. The second chapter, "An Underlying Theory for Management Policy," combined the general systems theory of Ludwig von Bertalanffy with the decision theory of Herbert Simon to develop a framework in which to integrate the different topics of Management Policy. These two chapters actually exist as chapters, and may one day see the light of day in a single synthesized book. In the meantime, parts of them have been published as "Policy as a Field of Man-

agement Theory" (in the *Academy of Management Review* of January, 1977), a paper that outlines my general views on the field.

Five chapters made up the core of the book—the descriptive theory. These will form this series, as it is presently conceived. The first three—the "policy elements"—were designed to synthesize the empirical research on three topics (generally considered in "organization theory") that I believe underlie the study of policy making—managerial work, organizational structure, and organizational power. *The Nature of Managerial Work*, based on my own doctoral research as well as related empirical literature, was published in 1973 and will be reproduced in this series. The current volume, *The Structuring of Organizations: A Synthesis of the Research*, is the original Chapter 3 having run a little long. And the next book to appear in the series, *Power In and Around Organizations*, is Chapter 5 having run even longer. Currently in draft form, the power volume should follow this one by about eighteen months. Both are based on the studies of large bodies of (mostly empirical) literature.

The two chapters on the "policy-making process" were intended to focus on the central core of the field of Management Policy. *The Making of Strategic Decisions* currently exists as a (not unreasonably) large Chapter 6; it will be expanded into a (not unreasonably) small volume three. Like the volume on managerial work, it combines a synthesis of the empirical litera-ture with our own research, carried out at McGill University (and published in article form as "The Structure of 'Unstructured' Decision Processes," together with Duru Raisinghani and André Théorêt, in the *Administrative Science Quarterly* of June, 1976). This fourth volume considers the question of how organizations actually make single strategic decisions. The fifth volume, *The Formation of Organization Strategies*, is designed to look at how organizations combine such decisions over time to form strategies. This is the one book in the series that does not yet exist (although it has begun to take shape in two articles, "Strategy Making in Three Modes" published in the *California Management Review* in the winter of 1973, and "Patterns in Strategy Formation" published in the May, 1978 issue of *Man-agement Science*). Here again, the empirical literature will be combined with our own research, except that in both cases the dimensions are much larger—four boxes of published materials coupled with the results of almost a decade of research. An appropriate publication date would seem to be 1984.

The prescriptive section of *The Theory of Management Policy*—three chapters on "analysis at the policy level" and a fourth on the future for Management Policy—remains a project on a dim horizon. A number of shorter items have been published on policy analysis (such as *Impediments to the Use of Management Information*, a 1975 monograph by the National Association of Accountants and the Society of Industrial Accountants of

Canada, "The Planning Dilemma" with James S. Hekimian in the May, 1968 issue of the *Management Review*, and especially "Beyond Implementation: An Analysis of the Resistance to Policy Analysis" in the proceedings of the 1978 Conference of the International Federation of Operational Research Societies). Perhaps these will one day be drawn together into a sixth volume on policy analysis, but more likely that volume will focus on the broader issue of organizational effectiveness.

And what of *The Theory of Management Policy?* In the not too distant future, I hope to draw the central concepts of all the books and articles into a single volume, a textbook along the lines of the original conception.

A few words about the title of the series are in order. "The" is meant to signify "the body" of theory in Management Policy, not "the one" theory of Management Policy. In fact, if one central theme runs through the series, it is an attempt to synthesize by seeking reconciliation among conflicting theories. The approach is essentially a contingency one—not which theory is correct, but under what conditions does each apply. Not planning versus muddling through, but when planning, when muddling through; not maximizing versus satisfying, but where maximizing, where satisfying.

"Theory" signifies that the series seeks to build conceptual frameworks. Theories are useful because they shortcut the need to store masses of data. One need not remember all the details one has learned about a phenomenon. Instead, one stores a theory, an abstraction that explains many of them. The level of that abstraction can vary widely. These volumes seek to present theory that is "middle range." In this sense, the series seeks to position itself between—and in so doing to reject both—Policy's case study tradition, which never sought to develop conceptual interpretation of its lower-range (concrete) descriptions, and Policy's principles tradition, whose high-range abstractions lost touch with the descriptive reality.

The attempt throughout this series is also to present theory that is "grounded"—that is rooted in data, that grows inductively out of systematic investigation of how organizations behave. I am firmly convinced that the best route to more effective policy making is better knowledge in the mind of the practitioner of the world he or she actually faces. This means that I take my role as researcher and writer to be the generation and dissemination of the best *descriptive* theory possible. I believe it is the job of the practitioner—line manager, staff analyst, consultant (including myself when in that role)—to prescribe, to find better approaches to policy making. In other words, I believe that the best prescription comes from the application of conceptual knowledge about a phenomenon *in a specific and familiar context.* To me, good descriptive theory in the right hands *is* a prescriptive tool, perhaps the most powerful one we have.

I use the word "Management," instead of the more common "Business," as the adjective for Policy to indicate that this series is about all kinds

of organizations—to draw on the examples of this volume, not only automobile companies, banks, and consulting firms, but also cultural centers, penitentiaries, and space agencies. It is the focus on process rather than content—strategy making rather than strategies, the flow of power rather than the resulting goals—that enables us to take this broad perspective.

Finally the word "Policy," one that has been used in all kinds of ways. A government "policy" can range from having to use black ink on Form E5 to refusing aid to nonalligned nations. Here the word is used strictly as a label for a field of study—that one concerned with the management of the total organization, with particular emphasis on its decisional behavior. (I prefer Management Policy to Strategic Management—a term proposed in some quarters of the field—because the latter seems to me to have a narrower and more prescriptive orientation.)

I shall save specific acknowledgements for each of the volumes, with one exception. I began work on *The Theory of Management Policy* when I first taught the MBA Policy course at McGill University in 1968, doing the original detailed draft of its outline for my first students in that course. Over the years, nearly a thousand McGill MBAs have worked through various versions of this work, most of them too long. These students can take some solace in the fact that this series has benefited enormously from their inputs. Specifically, using the theory as the basis to study Montreal organizations, the students have—as will be evident in the pages that follow—applied, elaborated, modified, and rejected various parts of the theory, thereby grounding and enriching it as no other inputs could possibly have. I owe these students a large thank you. I can only hope that they learned something along the way.

HENRY MINTZBERG

To Tutyi
... beyond Adhocracy
        (but still in the studio)

Preface

The Structuring of Organizations

I write first of all for myself. That is how I learn. As noted in the preceding Foreword to the Series, I wrote this book because I was interested in how organizations form their strategies, and thought I first had to learn how they structure themselves. So I set out to collect as much of the relevant literature as I practically could, and then to develop it into an explanation of the structuring of organizations.

That proved to be no easy task. Linearity is what makes all writing so difficult. This book contains about 175,000 words laid end to end in a single linear sequence. But the world is not linear, especially the world of organizational structuring. It intermingles all kinds of complex flows—parallel, circular, reciprocal.

I began with two full boxes, containing over 200 articles and book extracts. Were this to have been a traditional "textbook," I would simply have reviewed the literature, grouping the articles in some sort of clusters ("schools of thought"), and then recounting what each had to say, without a great deal of attention to the inconsistencies. But my intention was not to write a textbook—at least not in the usual sense of the term—nor to review the literature. I was here to answer a question: how do organizations structure themselves? And so I had to extract whatever bits and pieces seemed useful in each article and book, and then weld them all together into a single integrated answer. In other words, it was *synthesis* I was after, specifically synthesis of the literature that describes what organizations really do—the literature based on empirical research.

And so I read and piled up index cards, until they seemed to stand about a foot high. And then I tried to put them all together into one outline —into that single linear sequence. No task has ever frustrated me more, as those who ventured into my basement during those dark months can testify. (No small part of that frustration can be traced to the considerable body of research that unnecessarily complicates an already complex subject—arm's length studies that confuse vague perceptions of vague dimensions with the real world of structuring, and that mix organizations in ways that defy understanding of their context.) But gradually it all came together, into one outline of almost 200 pages. Not bad for what was supposed to be a chapter of another book!

In retrospect, I felt I had been working on a giant jigsaw puzzle, with many missing pieces. Some of the pieces I had seemed to fit in obvious places, and once enough of them were placed, an image began to appear in my mind. Thereafter, each new piece in place clarified that image. By the time I finished, I felt I had found a logical place for all the pieces available to me. In fact, the image had become so sharp that I felt confident in describing some of the missing pieces. (And in describing related images: in writing about structuring, as the reader will see, I learned a great deal about strategy formation, organizational democracy and alienation, and a number of other related topics. Structure seems to be at the root of many of the question we raise about organizations.) And so while no task has ever caused me more frustration, no result will likely ever give me more satisfaction. The image may be too sharp—the real world is not as clean as that one portrayed in this book. But that is how it came out. Besides, who wants a theory that hedges!

The reading and 200-page outline were essentially done alone in about six months of full-time work (if I can trust my poor memory). That was the hard part. All that remained was the writing, preparation of diagrams, insertion of quotations, preparation of bibliography, rewriting, typing, editing, circulating of rough draft, new reading (ninety-two more articles), rewriting, retyping, re-rewriting, and re-retyping, before the manuscript was ready for the publisher (and thereafter the permissions, review of copy editing, reading of galley proofs and then page proofs, and the preparation of index). That took a mere twenty-four months (plus twelve more in production). And it involved all kinds of other people, some of whom I would like to thank by name.

Half of the work was done in Aix-en-Provence, France, where I spent an extended sabbatical. Aix is no place to write a book. One of the truly delightful cities of the world—partly surrounded by rugged mountains, with the Alps a couple of hours up above, the sea an hour down below, Italy three hours off to the left and Spain six hours to the right—Aix does not make writing easy. For all those distractions and two wonderful years in

Aix, I must thank Maurice Saias and his "équipe" at the Centre d'Etude et de Recherche sur les Organisations et la Gestion of the Université d'Aix-Marseille, as well as the dean back home, Stan Shapiro, whose support and tolerance through these past years have been magnificent.

Between a computer in Montreal and a professor in Aix-en-Provence, joined by two mail systems that did not always work as the bureaucratic machines they were designed to be, sat Donna Jensen. That the twenty-nine hours of tape and two hundred odd scotch-taped quotations got typed at all was a feat; that they got typed quickly and accurately is a tribute to Donna's talent. Donna's mistake when she left McGill for better things was to leave her phone number behind. She agreed to do the minor corrections, and found herself virtually retyping the manuscript two full times. So Donna spent many long evenings at home over the typewriter, never complained (at least not to me), and finished the manuscript in record time. And I am forever grateful.

The support staff in Aix was Sylvia Niquet, who helped in a great many small ways, and later in Montreal was Nina Gregg who looked after permissions, while Cynthia Mulherin kept the more regular work flowing efficiently. Esther Koehn of Prentice-Hall recently joined this team as Prentice-Hall's pleasant and efficient production editor.

A number of colleagues, friends, and others provided many useful comments. My brother Leon went through the first draft very carefully, and cleaned up a lot of problems. Roger Gosselin gave a good deal of his time and help. Others who have influenced parts of the book constructively with their comments include Jim Waters, Don Armstrong, Maurice Boisvert, John Hunt, Derek Channon, Rosemary Stewart, Pierre Romelaer, Rich Livesley, as well as Gerry Susman, Craig Lundberg, and Herb Simon who commented on the first draft at the request of Prentice-Hall. Herb Simon should also be singled out as the one individual who in his own writings set up the conceptual framework without which this book could not have been written. And then I must thank Mattio Diorio pour le symbolisme des cinqs, Carson Eoyang for the suggestion of the sixth, and Bye Wynn for the short refresher course in geometry (though I still prefer hexagon).

Finally to Yvette, to whom this book is dedicated, and to Susie and Lisa, who still manage me (and still interrupt my writing in the basement), go my inadequate words of gratitude for a rich and loving home life which influences a book like this in so many profound but unexplainable ways.

HENRY MINTZBERG

I like to think of this book, not as an American snack, nor a Swedish smör-gasbord, but a French banquet. What I mean is that it cannot be consumed on the run, nor can its many dishes be sampled at random. They are meant to be taken in the specific order presented. To reiterate a point stressed in its Preface, this book is not a review of the literature but a synthesis of its research findings.

The book has been written for all those interested in the structuring of organizations—managers who do it, specialists who advise them on it, professors who research it, and students who wish to understand it. I have tried to write the book in the belief that even the most difficult point can be made comprehensible for the novice without losing any of its richness for the expert. That of course does not mean that all readers have the same tastes and appetites. To cater to these differences is the purpose of this note.

First a brief review. This banquet consists of twenty-two chapters, in four sections. The first section is the introduction—the hors d'oeuvres—comprising Chapters 1 through 3, the first on five basic mechanisms for coordinating work in organizations, the second on five basic parts of organizations, the third on five fundamental systems of flows in organizations.

These three chapters are followed by the "analysis" of the book—consisting of Chapters 4 through 16—divided into two sections. Here the phenomenon of organizational structuring is taken apart, one element at a time. In effect, the reader is exposed to all of the tastes that make up a ban-

quet on organizational structuring. Chapters 4 through 11 discuss each of nine design parameters of organizational design. The first four of these—job specialization (Chapter 4), behavior formalization (Chapter 5), training and indoctrination (Chapter 6), and unit grouping (Chapter 7)—are classic dishes served more or less in the classical manner. Unit size (usually called "span of control"), discussed in Chapter 8, is a classic dish too, but its manner of preparation is contemporary. Here the flavor of the synthesis can first be detected. Chapter 9 serves up planning and control systems in a new, light sauce, while Chapter 10 on the liaison devices will be new to anyone who has not already been to Jay Galbraith's banquet. And Chapter 11 offers that heavy dish called decentralization in a new, but necessarily rather thick sauce. Chapters 12 through 16, making up the third section of the book, then discuss the contingency factors, those conditions of the organization that most obviously influence its choice of design parameters. Chapter 12, on the effective structuring or organizations, serves as an important transition from the design parameters to the contingency factors, while the next four chapters discuss, respectively, the influence on structure of an organization's age and size, its technical system, its environment, and its power system. New flavors are mixed with old throughout this section.

The pièces de resistance of this banquet are found in the fourth section —the synthesis—comprising Chapters 17 through 22. Here all of the tastes of the early dishes are blended into five new ones, called "structural configurations"—Simple Structure, Machine Bureaucracy, Professional Bureaucracy, Divisionalized Form, and Adhocracy. In a sense, the first sixteen chapters prepare the palate for the last six, which are the real reasons for this banquet. Chapters 17 through 21 discuss each of these configurations, while Chapter 22—the "digestif"—takes a final look at some of their interrelationships.

Some people arrive at a meal hungrier than others, while some already familiar with the cuisine wish to save their appetites for the new dishes, hoping only to sample the classic ones to see how the chef prepares them. But no one should start without the hors d'oeuvres or end without the digestif. Moreover, those who proceed too quickly to the pièces de resistance risk burning their tongues on spicy dishes and so spoiling what could have been a good meal. And so I would suggest the following to the reader already familiar with the cuisine of organizational structuring.

Chapters 1 and 2 should be read in full since they set the framework for all that follows. So too should most of Chapters 17 to 21 since they constitute the essence of this book, the synthesis. Specifically, that synthesis is contained in the first two sections of each of these chapters, on the "description of the basic structure" and its "conditions." The last section of each of these chapters, on "some issues associated with" the structural configuration, can be considered as a dressing to be taken according to taste. And

the short Chapter 22 serves as the digestif I believe necessary to ensure complete digestion of this large meal.

As for the chapters between the introduction and the synthesis, I would suggest that the reader already familiar with the literature read Chapters 11 and 12 in full, focus on whatever material he or she finds new in Chapters 8, 9, 10 and 13 through 16, and scan the rest of the book. **Note that scanning has been facilitated throughout by the use of bold face type (like this) for key sentences that, taken all together, serve to summarize all of the major points of the book.** As a bare minimum for the knowledgeable person in the field, the reading of all of these key sentences of the first sixteen chapters will provide a sense of the line of argument and the related vocabulary necessary to appreciate the last six chapters. Turning the pages, in order to read all these sentences, will also expose these readers to the diagrams, which have been made numerous in order to help explain this most nonlinear of phenomena, and enable these readers to explore the paragraphs around new and unexpected points. Those readers new to the field will not, however, get enough from these key sentences alone. For them, these sentences serve rather to highlight key points (no other summary being included in the book), perhaps enabling some to put aside their yellow[^i] markers.

So there you have it. Bon appétit!

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