



Formal Organizational Structure

Formal organizational structure (also used the term **organizational structure**) is an officially codified hierarchical arrangement of relationships between different jobs within the organizational units and relationships between departments within the organization (shown by Organigram). It includes hierarchical relationships and solves the mutual competence, bonds and responsibility. It is necessary for the management of bigger number of people and therefore no formal organizational structure can do no organization, because it unites different business activities, processes and people and it formalizes their relationships to achieve common objectives of the organization. There is no optimal organizational structure. There are only organizational structures that optimize use by the management and staff to achieve organization's goals.

The **formal organizational structure** is the type of a social network. Depending on the type and size, there are different typologies of formal organizational structure.

The formal organizational structure includes:

- › Functional organizational structure
- › Line organizational structure
- › Matrix organizational structure
- › Staff-linear organizational structure

Related terms and methods:

- › Job
- › Job analysis
- › Job description
- › Job specification
- › Manager
- › Organizational unit
- › Organigram
- › Strategic business units (SBUs)

Related management field:

- › Human Resources Management
- › Organizing