

ORGANISATIONAL DESIGN

Classical Structural Theory

Weber · Mintzberg · Chandler · Woodward

PAPER 01 / 04

A Furtherance reference compendium on the intellectual traditions behind organisational design, leadership, execution, and culture.

IN THIS PAPER

This paper opens the Organisational Design series in Furtherance's reference library. It sets out the classical account of structure – the formal architecture of authority, specialisation and coordination – through four figures who defined it. The question it answers: where does organisational structure come from, and what determines its shape?

Structure is the most visible artefact of an organisation, and the first thing operators reach for when something breaks. The classical tradition treats it as a design problem with discoverable principles: how work is divided, how authority flows, and how the resulting parts are held together.

The four figures here trace a single arc. Weber gives us the ideal – one best form, rationally justified. Mintzberg turns that ideal into a taxonomy of forms. Chandler shows structure moving in response to strategy. Woodward ends the certainty: her evidence says there is no single best structure at all, only fit to circumstance. That collision is the doorway to the rest of the series.

Max Weber 1864–1920

Sociology · political economy · the theory of authority

CORE THESIS

Bureaucracy is the most technically efficient way to organise large-scale activity. Its power rests not on the person in charge but on **rational-legal authority** – obedience owed to impersonal rules and offices rather than to individuals. Precisely because it is impersonal and rule-bound, the bureaucratic machine is, in Weber's account, calculable, stable and superior to the charismatic or traditional alternatives it replaced.

FRAMEWORK

Characteristic of bureaucracy	Description
Division of labour	Fixed, specialised competencies for each office
Hierarchy of authority	Offices ordered in a clear chain of super- and subordination
Formal rules	Written, general procedures governing conduct and decisions
Impersonality	Cases handled by rule, without favour or emotion
Merit and career	Appointment by qualification; salaried, tenured advancement
Written records	The file as the organisation's institutional memory

Beneath the form sits Weber's typology of legitimate domination – the source of the right to command:

Type of authority	Basis of legitimacy
Traditional	Sanctity of long-standing custom (“it has always been so”)
Charismatic	Personal devotion to an exceptional individual
Rational-legal	Belief in the legality of enacted rules and the right of office-holders to command

METHODOLOGY

Comparative-historical sociology. Weber worked through the **ideal type** – a deliberately purified construct, never found intact in reality, used as a yardstick against which actual organisations can be measured and compared.

SIGNIFICANCE AND CRITIQUE

Weber founded the modern study of organisation, and every later structural theory argues either with him or from him. The critique is equally foundational. Merton, Gouldner and Crozier documented bureaucracy's **dysfunctions** – goal displacement, rigidity, the trained incapacity of rule-followers – and Weber himself feared the “iron cage” of rationalised life. Efficient on its own terms; corrosive of judgement, adaptability and meaning on others.

Henry Mintzberg b. 1939

Management and organisation theory · McGill University

CORE THESIS

Structure is not one thing but a small family of **configurations**. Each arises from the interplay of a dominant coordinating mechanism, a dominant organisational part, and a coherent set of design parameters. Effective organisations are those whose parameters hang together as a recognisable, internally consistent type.

FRAMEWORK

Coordination is achieved by one of a handful of mechanisms:

Coordinating mechanism	How coordination is achieved
Mutual adjustment	Informal communication between workers
Direct supervision	One person instructs and monitors others
Standardisation of work	Work processes specified in advance
Standardisation of outputs	Results and specifications defined; means left open
Standardisation of skills	Training embeds the coordination in the worker

These combine with a dominant organisational part to yield the classic configurations:

Configuration	Dominant part	Prime coordinating mechanism
Simple structure	Strategic apex	Direct supervision
Machine bureaucracy	Technostructure	Standardisation of work
Professional bureaucracy	Operating core	Standardisation of skills
Divisionalised form	Middle line	Standardisation of outputs
Adhocracy	Support staff / core	Mutual adjustment

METHODOLOGY

Synthesis of a vast empirical literature into an integrated typology, complemented by Mintzberg's own structured observation of managerial work. His method is descriptive and inductive – he names what exists rather than prescribing what ought to.

SIGNIFICANCE AND CRITIQUE

The configurations remain the field's common vocabulary for talking about form. The critique is that a typology is not a theory: it classifies well but predicts weakly, the pure types are rarely found intact, and the framework says little about how organisations move between forms as they grow or age.

Alfred D. Chandler Jr. 1918–2007

Business history · Harvard Business School

CORE THESIS

Structure follows strategy. As American firms pursued growth through geographic expansion and product diversification, the functional structure buckled under the administrative load, and a new form – the multidivisional (M-form) organisation – emerged to carry it. Coordination once left to the market was drawn inside the firm and run by a salaried managerial hierarchy: the “visible hand”.

FRAMEWORK

Dimension	Functional (U-form)	Multidivisional (M-form)
Grouping	By function (production, sales, finance)	By product, market or region
Coordination	Centralised at the top	Divisions run operations; centre sets strategy
Best suited to	Single line of business	Diversified, multi-market firms
Weakness exposed	Overloads the top as scope grows	Duplication; centre–division tension

METHODOLOGY

Comparative business history built on deep archival case studies of the firms that pioneered the M-form – DuPont, General Motors, Standard Oil of New Jersey and Sears.

SIGNIFICANCE AND CRITIQUE

Chandler created the strategy–structure debate and, with it, business history as a discipline. Later scholars qualified the thesis in both directions: structure also shapes strategy, since the form a firm already has constrains the moves it can imagine. The findings are also bound to their context – large, capital-intensive US industrials of a particular era.

Joan Woodward 1916–1971

Industrial sociology · the South Essex studies

CORE THESIS

There is **no one best way to organise**. Woodward's field data showed that the structure associated with high performance varied systematically with the firm's **production technology**. The successful firms in each technology band shared a structural signature; the strays under-performed. Effectiveness was a matter of fit, not of conformity to a universal ideal.

FRAMEWORK

Technology category	Example	Structural signature of success
Unit / small-batch	Bespoke equipment, prototypes	Flat, organic, short chains of command
Large-batch / mass	Assembly-line manufacturing	Tall, formal, wide supervisory spans
Process	Continuous chemicals, refining	Tall by levels but small work groups; organic tone

METHODOLOGY

An empirical survey of roughly one hundred manufacturing firms in South Essex – one of the first attempts to correlate structural variables with commercial success across a real population of organisations.

SIGNIFICANCE AND CRITIQUE

Woodward launched the technology-contingency stream and set the empirical standard for structural research. The limits are those of her sample: the findings are manufacturing-bound, “technology” is defined broadly, and the relationships are correlational rather than causal.

Synthesis

Theorist	Determinant of structure	Method	Standing critique
Weber	Rational-legal authority	Ideal types; historical comparison	Dysfunction; the iron cage
Mintzberg	Coordination + dominant part	Literature synthesis; observation	Typology, not prediction
Chandler	Growth strategy	Comparative business history	Structure also shapes strategy
Woodward	Production technology	Field survey of ~100 firms	Manufacturing-bound; correlational

FOR THE OPERATOR

Classical structural theory hands the operator a working vocabulary – specialisation, hierarchy, standardisation, divisionalisation – and one durable lesson. Weber's instinct for a single best form collides with Woodward's evidence that the right structure depends on circumstance. That unresolved tension is exactly what the next paper takes up: if there is no one best way, on what does the right way depend?