



Figure 23. Area-based Global Structure

ations. Since each area division develops its own product specialists, some duplication of staff across divisions is a likely outcome. This structure may also foster area autonomy, posing obstacles to the creation of truly global strategies.

Mixed Structures

Mixed organization structures are common in global enterprises. Frequently, they are the adventitious consequence of piecemeal adaptations to new international strategies. In particular, an international division may be slowly dismantled as certain product divisions take on global responsibilities while others remain domestic or certain areas are transferred to area

divisions while other areas are not. Efforts to obtain the advantages of product lines while retaining their disadvantages. For example, some product lines are retained to provide area expertise while other product lines are transferred to product divisions. Or some product lines are transferred to product divisions while other product lines remain in product divisions.

We have observed that each of the structures described suffers from weaknesses, because the basis of line operations means that the expertise is provided at lower levels in line operations.

In the early 1960s, Westinghouse had a few minority joint ventures and a few manufacturing subsidiaries abroad. At the end of that decade, it had a global strategy brought about a reorganization of its product structure. To fill the gap created by the dissolution of its international "world-regions" staff group to coordinate the region, identify new business opportunities. Although this shift to a global strategy corporation to strengthen foreign operations suffered from an uneven global strategy and a lack of coordination among divisions in the same country. In short, the structure did not provide geographical competence to the divisions. Convinced that the 1980s will demand management structures that Westinghouse decided to establish a global dimension of the matrix is a global strategy. The division is now overlaid with a second dimension organization headed by an executive who reports to product-group executives. This structure has area managers, who in turn direct product and country managers, and product and area executives at the

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