

Difference Between Tall and Flat Structure

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Key Difference - Tall vs Flat Structure

The key difference between tall and flat structure is that **tall structure is an organizational structure with many levels of hierarchy** whereas **flat structure is an organizational structure with a limited number of levels of hierarchy.** Organizational structure should be carefully chosen in order to ensure effective and timely <u>decision-making</u> as well as smooth operations. The decision as to whether which type of organization structure to use also partially depends on the nature of the industry and market.

What is a Tall Structure?

Tall structure is an organizational structure with many levels of hierarchy. This type of structure is also referred to as 'traditional' or 'mechanistic' structure. Tall structure is equipped with a narrow span of control, which is the number of employees that report to a manager. Many public sector organizations, which are bureaucratic in nature, use a tall structure to manage organizations.

High control, ease of supervision of the work of subordinates, and the prevalence of clear lines of responsibilities and authorities are core advantages of the tall structure. However, the speed of decision-making is slow in a tall structure since there are many layers of management, which may cause communication issues and delays. Coupled with the same, the rigidness of this structure is criticized for not being suitable from a customer perspective for modern fast evolving businesses. As a result, a tall structure is more appropriate for companies that require less innovation and for ones that are highly regulated in nature.

If the organization wants to widen the span of control, removing certain levels of management can be considered by allocating more responsibilities for selected levels. This is called as '**delayering**' and results in lower staff costs and faster decision-making.

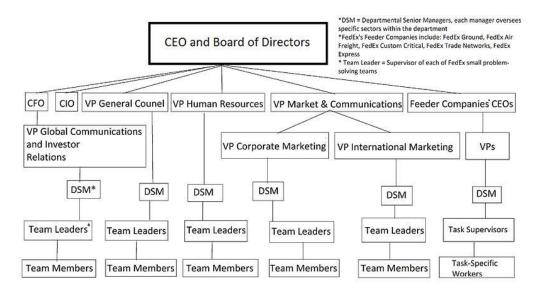


Figure 01: The span of control is narrow in the tall structure

What is a Flat Structure?

Flat structure is an organizational structure with a limited number of levels of hierarchy. Also referred to as **orginstic structure**, this has a wide span of control. Flat structure has gained much popularity during the recent years since this is a flexible alternative to tall structure.

Since the number of employees reporting to one manager is high, more work is <u>delegated</u> to subordinates which in turn increase their responsibility and motivation; providing a sense of <u>autonomy</u>. Decision-making is swift with a flat structure and is highly responsive to the changes in the market. On the contrary, flat structure is not without limitations. The workload for managers may be excessive in a flat structure due to the high number of employees and issues of direct supervision can arise. From the perspective of the subordinates, there are fewer opportunities for promotion.

In the modern business environment, companies should be lean and prepared to respond to the changes in the market fast. Considering this, flat structures are more suitable to adopt, which is a reason why they are gaining fast popularity.

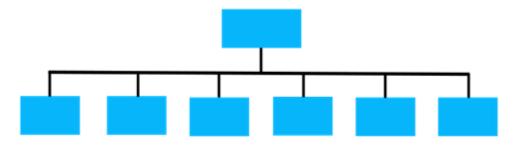


Figure 02: The flat structure has a wide span of control.

What is the difference between Tall and Flat Structure?

Tall vs Flat Structure	
Tall structure is an organizational structure with many levels of hierarchy.	Flat structure is an organizational structure with a limited number of levels of hierarchy.
Span of Control	
A narrow span of control is seen in a tall structure.	In a flat structure, the span of control is wide.
Structure	
More time is taken to make decisions in a tall structure since there are many levels of personnel to consider.	Speed of decision making high in flat structures due to the wide span of control.
Costs	
Cost of managing a tall structure is costly since there are more layers of staff	Costs related to a flat structure are low, relatively, compared to a tall structure.
Opportunity	

Limited opportunities are available for promotion in a flat structure.

Summary - Tall vs Flat Structure

The difference between tall structure and flat structure mainly depends on the number of layers in the organizational hierarchy and the span of control. Both structures are subjected to their own merits and demerits, thus maintaining a structure with an average number of layers will help organizations to get benefits from both structures. Having mentioned that, the structure that should be used widely depends on the nature of the product offering, industry and customers.

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