

COMPARING AND CHOOSING ORGANIZATIONAL STRUCTURES: A MULTICRITERIA METHODOLOGY

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Abstract: To the extent an organizational structure is the outcome of an intentional and rational choice, such a choice is complex. A relevant aspect of such a complexity is the number of different and usually conflicting criteria employed by the decision maker. The application of traditional and pragmatic approaches implies the choice of one type of organizational structure through multiple assessing criteria. A multicriteria choice is involved even in a purely scientific approach: different organization theories suggest different criteria. The standard decision theory, based on the maximization of some utility function, cannot deal with multicriteriality. The task can be fulfilled in a rigorous and formal way by outranking methods, which are a branch of operations research. With an application to the problem of choosing the organizational structure, a tutorial example of outranking methods is discussed, addressing the larger theoretical framework where they can be placed and developed in management science.

Keywords: behavioral decision theory, optimization, organizational structure, outranking methods.