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# OPTIMIZING ORGANIZATIONAL STRUCTURES FOR ENHANCED BUSINESS VALUE: A COMPARATIVE ANALYSIS

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# **ABSTRACT**

Management economics is a subfield of economics that investigates how economic principles may be used to provide direction for decision-making inside organisations. The purpose of this research was to determine three things: (1) the manner in which decision-making power is distributed within companies; (2) the types of organisational structures that are used by businesses; and (3) the factors that influence the kind of structure that an organisation would choose. Research was carried out at a desk, and a small number of companies were examined from the perspective of a case study. Disney, Amazon, Netflix, and Genesis Healthcare were the four businesses that were chosen for this opportunity. The results of the information synthesis revealed that the three factors—the size of the firm, the products it sells (including the number of items it supplies), and the characteristics of its clientele—were essential in determining the kind of organisational structure that was selected. In a practical sense, this research will be beneficial to businesses since it will provide them with an understanding of how their structure will be impacted and it will also provide advice on how to use managerial economics in connection to organisational structure. It has been shown via the findings that the size of the firm and the products or services that it provides are two significant factors that should be taken into consideration when selecting the most appropriate organisational structure. The latter, on the other hand, seems to be of more significance than the previously mentioned.

**Keywords:** Business, organizational structure

#### INTRODUCTION

A significant amount of time has passed since the establishment of the field of management economics. On the other hand, due to the fact that it encompasses a vast variety of topics, the discipline is always evolving as it expands and covers more area. In the field of management

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economics, there are several definitions that are presented. For instance, Wilkinson defines management economics as "the application of economic theory and methods to business decision-making." This is something that management economics is all about. It is evident from the definition that management economics encompasses a broad range of topics. Each and every decision that a firm makes is the primary emphasis of this aspect of management. The field of management economics is intricately tied to a variety of economic theories and concepts, including the theory of the enterprise, theories of pricing, theories of supply and demand, and theories about market positioning, structure, and competition. Management economics include decision sciences as well as other related fields. Several areas of overlap include optimisation, statistical forecasting, numerical analysis, risk and uncertainty assessment, and discounting approaches. Here are some examples of these topics. There is a connection between each of these duties and the process of making choices in several business-related sectors, such as marketing, operations, production, finance, management of human resources, and corporate accounting. The field of management economics is considered to be fairly extensive as a consequence of this.

Despite the size and complexity of the field, as well as the ever-changing business and economic environments, there are still a great number of problems that have not been addressed. The rapid development of technology has brought to light the importance of management economics in finding the most efficient method of incorporating various technologies into the processes of an organisation. The decisions that each organisation makes are one of a kind. The objective of managerial economics is not to provide a decisionmaking model that is universally applicable to all businesses. This is due to the fact that every company has a unique combination of internal and external factors that have an impact on the decision-making processes and the ultimate decisions that need to be made within the context of their growth. The objective of management economics, on the other hand, is to provide a framework or perspective that will assist businesses in comprehending the specific environment in which they operate and in determining the most effective course of action that will eventually be to their advantage. Among the most important current issues in management economics is the topic of pricing techniques. Because of the increasingly competitive nature of the business environment, companies are discovering that they need to develop pricing strategies that are more complex in order to strike a balance between their operational expenditures and maximize their profits.

This study will focus on the organisational structure of the firm as its primary subject of discussion. The components that have an impact on the architecture of an organisation, the manner in which enterprises establish their corporate hierarchy, and the allocation of decision-making power are all included in this category. The structure of an organisation has a direct bearing on the success of the organisation. The market is dynamic and always shifting, which means that businesses are constantly faced with the need to make decisions. Additionally, rapid and astute decision-making is required with regard to these options. As a consequence of this, the structure of an organisation is beneficial to decision-making, which

is a key component of managerial economics. In light of this, the purpose of the current investigation is to provide answers to the following research questions:

- 1. What kinds of organisational structures are used by businesses?
- 2. How is the organization's decision-making authority divided?
- 3. What elements influence the kind of structure the company will use?

One of the factors that impacts their selection is the fact that these companies are well-known. Additionally, as a consequence of this, their organisational structure is probably better recorded than it would be for organisations that are not as well-known. Due to the fact that this will be desk research, the primary sources of information about the organisations that have been chosen will be journal articles, books, and other online sources. In order to determine the present organisational structure, we are going to undertake a comprehensive study of these facts in order to determine how management economics may be used. The significance of this research lies in the fact that the organisational structure of a company is an essential factor in determining its levels of long-term success. In the field of management economics, the study of how firms make decisions is referred to as organisational structures, which are simply networks of decision-making power. The ideas of management economics may be used to investigate the ways in which the structure of an organisation influences decision-making, which in turn influences revenue, sales, long-term growth, and sustainability. By examining the process by which organisations are established, this may be accomplished.

# MANAGERIAL ECONOMICS AND ORGANIZATIONAL STRUCTURE

When it comes to the hierarchy and structure of an organisation, the size of the company is a significant factor. The larger a firm grows, whether measured in terms of its assets, workers, products, or geographic reach, the more likely it is that its organisational structure will result in an increase in complexity. At the executive level, the organisation as a whole is required to produce synergy in order to ensure that all of its many operational and business divisions are running at optimum efficiency within the limitations of the enterprise structure. This is the reason why this is the case. As a consequence of this, the organisation has to make certain that the contributions made by each of its business divisions are centred on growing total output at the strategic level rather than at the operational level. Managers make judgements on the hierarchy of the company based on management economics as a primary source of guidance. Brickley et al. state that the three main pillars of the field of management economics are the company's incentive and reward programmes, employee and business unit performance reviews, and the allocation of decision-making authority within the organisation. This is in reference to the fact that management economics is concerned with the design of organisations. Because of the extensive frameworks that are required for their operations, huge businesses need a variety of organisational designs that are more difficult than those

they already have. With this in mind, managerial economics will take into consideration the size of the company while simultaneously maximising the structure and design of the organisation.

#### **OBJECTIVES**

- 1. To study Corporate Structures for Economic Benefit
- 2. To study optimizing organizational structures for enhanced business value

#### RESEARCH METHODOLOGY

The purpose of this research is to conduct a comprehensive comparative analysis in order to investigate the impact that various organisational structures have on stock prices. The study focuses on traditional hierarchical systems, as well as matrix organisations, flat or agile structures, and other organisational forms. This research's objective is to give views on how businesses could strategically adjust their organisational structures in order to maximise commercial value. Taking into consideration factors such as flexibility, creativity, and overall productivity, the study will attempt to provide these viewpoints. The research methodology consists of a quantitative analysis of performance data, case studies of businesses that use a variety of organisational structures, and a thorough analysis of the body of literature that is currently available. The purpose of this study is to determine the correlations that exist between the structural design of an organisation and the major performance indicators by conducting an analysis of the benefits and drawbacks associated with each organisational structure. A particular emphasis will be focused on aspects like as the adaptability of the organisation, the effectiveness of communication, and the contentment of the workforce. For the purpose of the comparative research, real-world examples of companies that have successfully increased the value of their structures via structural optimisation will be provided. For the goal of providing organisational leaders with helpful ideas, the objective of this research is to offer them with the opportunity to make well-informed decisions when it comes to the creation or reorganisation of their organisational frameworks. When companies are aware of the benefits and drawbacks associated with the different organisational structures, they are better able to match their organisational design with their strategic goals. At some point in the future, this will result in an organisational climate that is more competitive and focused on values.

An analysis of a case study based on desk research will be the focus of this study. We will use a selection method known as convenience sampling to choose the companies that will be the focus of our investigation. Within the context of managerial economics, we will conduct an analysis of the organisational structures of some of these companies. For the purpose of further investigation, four companies will be selected. Among the companies that are included in Table 1 are Genesis Healthcare, Amazon, Disney, and Netflix products.

Table 1. An overview of the selected firms' attributes, including their assets, sales, profits, workforce, and geographic reach of activities

|                       | Assets (in billion \$) | Revenues (in billion \$) | Profits (in billion \$) | Employees | Geographical scope      |
|-----------------------|------------------------|--------------------------|-------------------------|-----------|-------------------------|
| Disney                | 201.549                | 69.388                   | -2.864                  | 223,000   | Global                  |
| Amazon                | 321.2                  | 386.064                  | 21.331                  | 1,335,000 | Global                  |
| Netflix               | 39.28                  | 25                       | 2.761                   | 12,135    | Global                  |
| Genesis<br>Healthcare | 4.662                  | 4.565                    | 0.014                   | 68,700    | United States,<br>China |

# **Disney's Organizational Structure**

There is little question that Disney is one of the most significant entertainment businesses in the world. The company was established in 1923 by Walt Disney and Roy Disney, and since then, it has expanded into an international conglomerate since its inception. In the year 2020, the firm is expected to have assets of around 200 billion dollars and revenues of approximately 70 billion dollars. It is abundantly obvious that the notions of management economics are reflected in the organisational structure of this global firm. A product organisation structure serves as the basis for Disney's organisational structure, which is especially built after that structure. According to what was said before, this form of organisation is differentiated by business divisions that are focused on various products that the firm creates. There are two primary business segments that make up Disney's global operations. Disney Media & Entertainment Distribution is the division that is responsible for handling all of the media and entertainment material that is distributed across the world. The remaining section of the division is comprised of no more than three pieces. All of the motion picture entertainment activities of the firm, including its theatres and film production facilities, are under the supervision of the Walt Disney Studios. Disney General Entertainment is only concerned with the television content that the corporation produces. ESPN and the Sports Content unit place a significant amount of focus on live sports programming respectively. The Disney Parks, Experiences, and Products division is the second business section that the firm operates. The following categories are included in this section: publishing, amusement parks, cruise lines, and consumer goods, including merchandise. As a consequence of this, the structure of the company is a representation of the significance of its products to the company.

There is a clear indication that managerial economics has a significant impact on Disney's organisational structure. The organisational structure of the company has been modified to

accommodate the distribution of new items as well as the creation of new products. When seen from the point of view of managerial economics, Disney's organisational structure was developed with care for the company's size, reach, and product initiatives. As was said earlier, the size of a business is a factor that is taken into consideration when discussing the organisational structure that the firm will use. In managerial economics, it is said that the size of an organisation is the primary factor that determines its structure. When it comes to scale, Disney is without a doubt one of the most significant corporations in the whole globe. In addition, Disney has acquired a significant number of independent businesses throughout the course of its history. However, despite being a part of Disney, these divisions operate in a manner that is mostly independent. Therefore, it is possible for every subsidiary to have an internal organisational structure that is intended to perform effectively and compete in the specific operational environment in which it works. It is clear that managerial economics was taken into consideration while selecting this structure.

Instead of being based on the company's size, Disney's management structure is based on the products it sells. The firm has achieved a really worldwide reach via the establishment of a number of international operations and acquisitions. It is common for subsidiaries that produce content to provide content that is adapted to the specifics of their local location. The programming that is created by Marvel Studios, which is a separate company that concentrates on the comic book brand, will not be the same as the programming that is produced by Star India, which is a subsidiary of Disney that operates many channels in India. In a manner similar to the way that several ESPN channels focus on various sports, Disney theme parks provide services that are distinct from those offered by the company's cruise ship lines. In addition, the subsidiaries' provision of products and services is relatively independent of the parent company. Consequently, it is theoretically natural that the organisational structure of the firm would be centred on the items that it offers. This decision serves as an excellent example of how management economics may have an impact on the design and structure of an organisation. According to Brickley et al., the primary emphasis of managerial economics in organisational structure is in the areas of decision-making rights, incentive systems, and performance evaluation. When it comes to Disney, the power to make choices about products and services is generally delegated to the business divisions that are subsidiaries of the parent company. This is due to the fact that there are an excessive number of commodities and services that are accessible to an excessive number of distinct sorts of customers and markets, making it impossible for centralised administration to be beneficial. In the case of the Shanghai Disney Resort, for example, the decision to add or remove a particular ride or attraction would not be sufficient to warrant the involvement of the executives in the C-suite. This means that the organisational structure of Disney is centred around the company's goods.

# **Amazon's Organizational Structure**

Amazon is one of the top five biggest information technology corporations in the world, vying with companies such as Apple, Google, Microsoft, and Facebook when it comes to

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market share. Amazon has been a dominant force in the sector of information technology since its founding in 1994. The corporation has assets that are more than \$300 billion at the present time, and as of the year 2020, the company's sales were greater than \$386 billion. Both Disney and Amazon are examples of global corporations that have a large number of subsidiaries. On the other hand, the structure of the organisation is markedly unlike to that of Disney. The fact that the two companies create and sell items that are quite distinct from one another is the key motivating factor behind this situation. Amazon is a company that provides services related to cloud computing, e-commerce, digital streaming, and artificial intelligence. It is the corporation's e-commerce division, however, that generates the most important income for the organisation. Both via its physical shops and through its online marketplace, Amazon sells things (and also offers services related to logistics and delivery). As a result, the actual items themselves constitute the core focus of the company's operations. As a consequence of this, the company is structured into three divisions, which are referred to as North America, International, and AWS (Amazon Web Services), as stated in the annual general report of the company. Due to this, the organisational structure of the corporation places great emphasis on geographical location.

The organisational structure of Amazon is a clear example of how managerial economics ideas and principles are used. There is evidence that the corporation employs a regional organisational structure, as shown by the three parts. North America and International are the two categories that are used to categorise the company's physical business operations, which include e-commerce business activities. The worldwide market is further subdivided into the aforementioned areas and nations in which Amazon does business. This allows Amazon to successfully optimise its supply chain and logistical networks, which in turn ensures that its items are accessible to the greatest number of people possible. Additionally, owing to the fact that various nations have varied rules and regulations, it is advantageous for Amazon to have an organisational structure that takes into consideration regional variances. Amazon Web Services is the third business division that Amazon operates. Amazon Web Services (AWS) is essentially a virtual service and is focused with the supply of cloud computing services, in contrast to its physical business offerings. There is a high probability that Amazon Web Services (AWS) services cannot be administered using a geographical organisational structure because of the characteristics of internet services. Consequently, it is divided according to its functions rather than according to its geographical location. As a result, the choice to employ a geographical organisational structure for its physical business and a functional structure for its cloud computing services is not only rational, but it is also the result of a managerial economics viewpoint.

# **Netflix's Organizational Structure**

Netflix is the most well-known in the world when it comes to the video-on-demand industry. The streaming services that Netflix provides for films and television shows are available to customers directly. Netflix had physical storefronts and sold and leased DVDs when it was initially formed in 1997. Also, it offered streaming services. The company, however, shifted

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its attention to streaming as soon as streaming services were accessible. It is now producing content that is tailored exclusively for its platform, in addition to releasing information that is intended for entertainment purposes. By the year 2020, Netflix had accumulated assets of more than \$39 billion and had earned an income of \$25 billion. The functionality of Netflix's organisational structure is the primary goal of the streaming service. According to the proxy statement that Netflix issued in 2021 during its annual general meeting of shareholders, the company's executives are organised according to the business role that they do. The firm is comprised of eight executives: the chief operating officer (and product officer), the chief marketing officer, the chief communications officer, the chief content officer, the chief legal officer, the chief talent officer, and the chief finance officer.

Additionally, there are two co-chief executive officers. In spite of the fact that the two companies operate in the same industry for the most part, there are still fundamental differences in their organisational structures when compared to Disney's. This is a clear example of the use of managerial economics, as shown by the comparison between Disney and Netflix. The key contrast between the two companies is whether or not they have subsidiaries, or in the case of Netflix, whether or not they do not have subsidiaries. The creation and distribution of Disney's products are the responsibility of a large number of firms. These companies are located in a variety of countries across the world. As a result of these challenges that are peculiar to the area, the organisation is compelled to provide its regional leaders extra discretion and decision-making authority. For example, Disney's Star India is committed to developing content for the Indian market, and the executives of the company are in the best position to understand the traditions that are prevalent in the country. For this reason, the only way to enhance the effectiveness of Disney's organisational structure is to construct it around the company's products. On the other hand, Netflix does not have any subsidiaries of its own. It is the responsibility of the company to produce content and then distribute it directly to consumers who have paid for subscriptions. In addition, Disney provides a wide variety of product categories, while Netflix only provides a single category. To put it another way, it would be ludicrous for Netflix to develop an organisational structure that is based on the services and products it provides.

Netflix has an organisational structure that is function-oriented, which is necessary in light of the aforementioned. It is possible for the company to be structured in such a way that several divisions are responsible for managing various aspects of the business, such as legal (which requires consideration of both local and foreign regulations), talent (which is concerned with people resources), finances, operations, marketing, communications, and content. In order to arrive at the decision to implement the structure, Netflix conducted an exhaustive analysis of its operating environment. In light of this, it provides an excellent case study of the manner in which the corporation used principles from managerial economics to the organisational structure of its corporate structure.

# Genesis Healthcare Inc.'s Organizational Structure

In the United States, Genesis Healthcare Inc. is recognised as one of the most significant providers of healthcare services. Since it was established in 1985, the organisation has seen significant growth and transformation, eventually reaching a total of 357 skilled nursing facilities and 24 assisted living and senior care facilities. During the year 2019, the company's revenues were \$4.9 billion. The products and services Genesis provides are "provided by the staff of our skilled nursing facilities, assisted/senior living communities, integrated and thirdparty rehabilitation therapy business, and other ancillary services, and [they] focus primarily on the medical and physical issues facing elderly patients." According to Genesis' organisational structure, the client is the major emphasis of the company. This kind of organisational architecture places an emphasis on consumer groups in order to deliver comparable services to customers who have needs that are equivalent to one another. It may be compared to an organisational structure that is centred on the items available. The fundamental difference, on the other hand, is that the former focuses on combining customers who need similar services in order to facilitate and expedite the supply of such services, whilst the latter is more concerned with optimising the process of product production. There are three categories that comprise the organisational framework of Genesis.

These categories include inpatient services, rehabilitation therapy services, and all other services. Under the umbrella of inpatient care, further categories include assisted living and senior living homes, as well as skilled nursing institutions. The first provides high-acuity medical care with a particular emphasis on senior patients, whilst the latter assists senior customers with housing, food, activities, security, and cleaning in addition to providing assistance with daily living activities. The rehabilitation therapy industry area provides a variety of services, some of which include speech therapy, physical therapy, occupational therapy, and respiratory therapy. The rehabilitation services provided by Genesis are available at more than 1,200 sites around the country. The focus of the other services business category is on activities that are associated with healthcare, such as physician services, staffing services, consulting services, and other activities linked to healthcare. Furthermore, this makes it very evident that the organisational structure of the firm is centred on the requirements of its customers.

It is very obvious that the organisational structure of Genesis Healthcare is organised according to the principles of management economics. In this particular scenario, the structure of the organisation is established by placing the services that are offered to clients at the forefront of significance. In accordance with the annual general report, Genesis employs a team of medical professionals from a variety of fields to offer medical care. Instead of focusing on the requirements of the business, decisions are made with the consumer's best interests in mind throughout the process. The multidisciplinary teams that deal with patients are given the ability to make decisions, rather than the administrators who are responsible for making decisions. In addition, the organisation caters to patients who are old, those who need assisted living, and those who want rehabilitation services. It is thus easier and more efficient

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for the organisation to adopt a customer-oriented organisational model than it would be with a different approach. This is because the organisation only offers a limited range of services so that it can better serve its customers. When the company focuses on a certain clientele and tailors its services to match the requirements of that clientele, it is easier for the firm to operate. Regarding the use of managerial economics inside the framework of an organisational structure, this option serves as an outstanding instance.

#### **DATA ANALYSIS**

There is a clear reflection of management economics ideas in the organisational designs of the four enterprises, which results in an increase in the production and efficiency of the businesses. As a result of its product-oriented organisational structure, Disney is in a position to produce content that is distinctive to the local or national markets that it serves. The creation of Disneyland Paris and Hong Kong Disneyland are two notable examples of Disney's advancement in the entertainment industry to date. It has long been a point of contention that Disney's resorts located in other countries are culturally imperialist. Its theme parks were subject to criticism for attempting to impose American culture on the natives, which often led to clashes between the two groups. As an illustration of this, Disneyland Paris is a prominent example. It was required of the employees at the theme park that they speak English, despite the fact that the resort was located in France. Considering the significance that French society places on the freedom of expression and the individual, the regulations that control how one should dress and how one should look were not well welcomed. As an additional point of interest, the working conditions were not even close to achieving the standards that are expected in the United States. The theme park in Paris had a low level of profitability and a significant number of worker strikes as a result. When Disney attempted to build a theme park in Hong Kong a few years later, the company employed management economics concepts to evaluate the local way of life in an effort to avoid upsetting any cultural sensitivities. This was done in an effort to prevent offending any locals.

According to Disney, for example, the Chinese idea of feng shui, which is highly esteemed in terms of spatial arrangement, was adopted by the company. In addition to the provision of regional cuisine, the park included a variety of cultural and numerological motifs, such as avoiding the number four, donning red, and using stones as a symbol of stability. One of the best examples of how management economics can be put into practice is found in the design of Hong Kong Disneyland. Because Disney is primarily concerned with the production of goods, and because different customers are drawn to different kinds of products, it is reasonable to assume that the corporation would learn from its mistakes and develop products that are suitable for the market it is trying to reach.

Table 2. An overview of the management economics method used in the creation of Disneyland Paris and Disneyland Hong Kong

|                       | Disneyland Paris                             | Hong Kong Disneyland              |  |
|-----------------------|--|-----------------------------------|--|
| Food                  | Fast-food/American food                      | Local Chinese cuisine             |  |
| Employees<br>Language | Only English/Mandatory                       | Mandarin or English               |  |
| Employee dress        | American regulations/perspective             | Preference for local attire       |  |
| Theme park design     | Facilitates American culture and conventions | Facilitates Local Chinese culture |  |

The use of management economics has also resulted in advantages at Amazon. Due to the fact that the bulk of Amazon's business is based on the delivery and trade of physical things, the organisational structure of the firm is primarily centred on geography. One of the topics that management economics covers is cost estimation. The purpose of management economics is to optimise profits while avoiding expenses related to providing services. The logistical services that Amazon provides have been becoming better over the course of the last 10 years as a result of this. During the year 2013, the company made the decision to outsource transportation to companies such as UPS and FedEx, and it would no longer be responsible for any of the product delivery. As of present now, however, the corporation has more than fifty Boeing 767 cargo aircraft, more than six thousand shipping containers, around twenty thousand automobiles that are leased for last-mile logistics, more than one hundred forty million square feet of storage space, and more than fifty hubs for the distribution and sorting of products. All of these investments are the result of the decision made in management economics to reduce expenses as much as possible. Amazon's regionally oriented organisational structure is beneficial to business operations since it allows the company to manage its delivery services according to the country and region in which they are provided.

Management economics may be utilised to create new and innovative methods to earn a profit, and Netflix has a pretty brilliant organisational structure that demonstrates how this can be done. Netflix is a streaming service that is offered directly to consumers and is made possible by subscriptions. Because the company does not have to deal with conventional distributors such as network television stations or firms like as Sony, Paramount, MGM, and others, it is able to significantly reduce the pricing of its products. The presentation of this tactic may be seen in Figure 1. Netflix basically has practically zero marginal costs because the expenses associated with adding a single new user to their platform are so little and insignificant that they are almost insignificant. Due to the fact that Netflix's expenditures in relation to its users stay relatively consistent, a higher share of the company's income is given

to the development of content. In light of this, each and every department within Netflix—talent, production, and content—is optimised to achieve the highest possible level of productivity in the production of this sort of programming. Because of this approach, the company's operational processes are simplified, which is beneficial to the company.

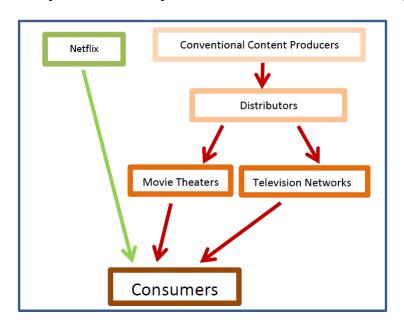


Figure 1. The financial advantages of Netflix's direct-to-consumer business strategy.

Additionally, the organisational structure of Genesis Healthcare is a clear example of the use of management economics concepts. In accordance with a customer-oriented organisational structure, Genesis is organised that revolves around a number of different consumer groups. When it comes to providing medical services, Genesis is aware that it caters to a certain demographic of patients, namely senior citizens. In addition, Genesis provides services to a subset of this population that consists of senior patients who are in need of rehabilitation care, assisted living services, and skilled nursing facilities. As a consequence of this, the organisational structure of the company has been developed to provide the most effective service to this clientele. One of the benefits of the structure is that it makes it easier for the organisation to expand and grow. This is because each new location can be set up in a relatively straightforward manner. Additionally, Genesis is able to communicate with its target market in a more straightforward manner.

## ANALYZATIONAL STRUCTURE COMPARISON

In the course of this study, four different firms were investigated in great depth in order to determine the extent to which managerial economics concepts were used in the formation of the organisational structures and decision-making hierarchies. The organisational structures of the four companies are summarised in Table 2, which may be found below.

**Table 3. Comparing the Organisational Structures of the Companies.** 

|                       | Organizational Structure                          | Reasons   |
|-----------------------|---|---|
| Disney                | Product organizational structure                  | Numerous subsidiaries catering to different markets and countries A diverse number of products                            |
| Amazon                | Geographical and product organizational structure | Primary business is physical(logistics, deliveries) AWS is online, hence no geographical boundaries.                      |
| Neflix                | Function-oriented organizational structure        | One category of products  |
| Genesis<br>Healthcare | Customer-focused organizational structure         | Medical services depend on the customer It is easier for the firm to adopt a structure that facilitates service provision |

#### **CONCLUSIONS**

Genesis Healthcare, Amazon, Disney, and Netflix are the four companies that are being analysed in this particular scenario involving business. It has been shown via the findings that the size of the firm and the products or services that it provides are two significant factors that should be taken into consideration when selecting the most appropriate organisational structure. The latter, on the other hand, seems to be of more significance than the previously mentioned. An organisational structure that is centred on items is utilised by Disney, whilst Amazon's structure is based on geographical architecture. In addition, the company structure of Genesis Healthcare is organised on the client, while the structure of Netflix is centred around the functions. There are significant implications for practice that can be drawn from the current research. In order to get at their present status, the organisations that are being examined have been growing and developing over the course of many decades. It is possible for new and small businesses to get valuable insights from the organisational structure, which may help them become more successful and efficient companies.

When it came to the research, there were two primary problems. In the first place, there was a lack of information about the complex internal operations of the companies. A significant amount of the material was obtained from the filings and annual general reports that the organisation submitted to the Securities and Exchange Commission. On the other hand, there is a limited amount of material that can be found outside of these writings on the specific factors that led to the selection of certain organisational structures. The second disadvantage is that there were just a few businesses that were put under the microscope. Within the scope of the investigation, only four companies and their respective organisational structures were investigated. Consequently, thus, one idea for future research would be to include a greater number of organisations in order to improve the application of managerial economics principles and to discover trends in the organisational structures of corporations. Furthermore, in order to get data that is both more relevant and up-to-date for analysis, it is recommended that future research take into consideration the possibility of conducting qualitative investigations at the corporate level that are more in-depth.

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