

How Westfield uses its organisational design to encourage a learning organisation?

Westfield's organisational design has been the focus of both management and business support.

Strategic Management	Business Support
Asset Management	Business Maintenance
Asset Development	Business Development
Asset Monitoring	Business Development

How Westfield's strategy and environment have influenced its structure

Environment

- Dynamic Business Environment
- Consumer Demand and Preferences
- Accessible demographic, social and economic factors for retail industrial shopping center.
- Local investment needs
- Maintaining urban and suburban retail centers globally

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Product - groups employees based on major product areas in the organisation (e.g. all footwear shops, all grocery stores)

Customer - groups employees based on customer's needs and preferences (e.g. wholesale, government)

Geographic - groups employees based on location served (e.g. Australia, South, USA)

Process - groups employees based on the basis of work or customer flow (e.g. buying, payment)

These forms are all inefficient as the same processes would be repeated by many different employees all over the world.

How can Westfield use its organisational design to encourage a learning organisation?

With Westfield's organisational design in place,

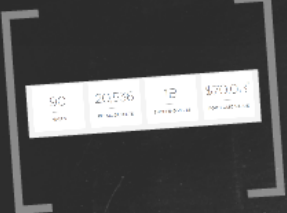
Can Westfield not only create but foster a learning organisation within its business?

If yes, what are the key characteristics of a learning organisation?

Discussion Question #3

What is the most important aspect of the learning organisation?

- Organisational design
- Information sharing
- Leadership
- Organisational culture



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References:

Robbins, S., DeCenzo, R., Coulter, M. and Welsch, H. (2014), *Management: The Essentials 2nd Edition*, Pearson, France

Westfield Labs (2014), Retrieved April 18th, 2014, from <http://corp.westfield.com/about/>

Senge, P.M. (1995), *The Fifth Discipline: The art and practice of the learning organization*, Performance + Instruction, 30(5), 37-37.

Does Westfield have an Organic or Mechanic organisational structure? Why?

Organic

- Strategy must be relatively fluid to adapt to consumer needs within different locations.
- Must be able to adapt to the dynamic environment.

Mechanic

- Formalised communication
- Centralised decision authority
- Rigid hierarchical relationships

Discussion Question #2

Does Westfield have an Organic or Mechanic organisational structure? Why?

Westfield's Organisational Structure

- Business support divisions: Asset management, R, research, legal and finance division
- Corporate affairs division
- Retail divisions: Wholesale
- Business development team
- Business development group

Case Overview

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- Westfield Group largest retail property group in the world
- Handle every aspect of managing a retail property - designing and constructing to leasing
- Main source of revenue - rental income
- Maximising revenue generated by retailers is key to Westfield's success.

Case Overview

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- Retail is a dynamic industry
- There is a continuously evolving mix of retail stores in Westfield complexes
- Growth of online shopping and social media presents challenges - Westfield's Labs Division

Discussion Question #1

Departmentalisation comes in many forms other than functional. What other forms of Departmentalisation could The Westfield Group employ? Why are these efficient?

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Principles of organisational design that Westfield has used to develop its organisational structure

DEPARTMENTALISATION

WORK SPECIALISATION

CENTRALISATION - DECENTRALISATION

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Westfield's Organisational Structure

- two families of divisions: asset management and business support
- asset management division:
 - development, design and construction division
 - leasing and national shop openings division
 - property and facilities management division
- centre management and customer service division
- marketing division
- sales division
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How Westfield's strategy and environment have influenced its structure

Strategy

- Strategy influences business structure and accounts for environmental aspects
- Divided into core functions
- Specific goals of each 'unit' or unit achieved.
- Competitive advantage (the core business)
- Provide consumers with a center that meets their needs.

Learning organisation introduction

"The basic meaning of a 'learning organisation' is a organisation that is continually expanding its capacity to create its future." (Senge, 1996, pp. 14)

Therefore, the success of a learning organisation can be measured on its ability to...

- Its employees to concentrate on business ventures throughout the entire business, at whatever level of functions. (Senge (Robbins, 2014)



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"Evolution and change are the words for shopping centre success."

- Frank Lowy, Chairman

What are the two main families Westfield's group their divisions under?

- a) asset support and business management
- b) asset management and business support
- c) asset development and business maintenance
- d) asset monitoring and business development

How Westfield uses its organisational design to encourage a learning organisation?

Westfield uses divisional facilities in the form of asset management and business support

Westfield Labs	Business Support
Asset Management	Business Support
Development	Business Support
Marketing	Business Support
Finance	Business Support
Human Resources	Business Support
Legal	Business Support
IT	Business Support
Research and Development	Business Support
Customer Service	Business Support
Operations	Business Support
Supply Chain	Business Support
Procurement	Business Support
Health and Safety	Business Support
Environment	Business Support
Community Relations	Business Support
Public Affairs	Business Support
Investor Relations	Business Support
Corporate Governance	Business Support
Compliance	Business Support
Anti-Corruption	Business Support
Whistleblower	Business Support
Business Improvement	Business Support

How Westfield's strategy and environment have influenced its structure

Environment

- Dynamic Business Environment
- Consumer Need and Preference
- Access for demographic, social and economic factors for each individual shopping center.
- Local cooperative trends
- Maintaining union and cohesion with all centers globally

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How can Westfield use its organisational design to encourage a learning organisation?

With Westfield's organisational design in mind...

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Westfield's Organisational Structure

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- corporate affairs division
- retail industry division
- business development team
- business improvement group

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Robbins, S., DeCenzo, D., Coulter, M. and Woods, M. (2014), *Management: The Essentials* 2nd Edition, Pearson: Prentice Hall, NSW.

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