

A multidivisional structure, often referred to as an M-form, is an organizational configuration where a company is divided into semi-autonomous divisions, each responsible for its own operations and performance. Furthermore, the complexity of managing diverse divisions across multiple industries and countries can strain the capabilities of corporate headquarters, leading to potential inefficiencies and communication breakdowns. Moreover, the semi-autonomous nature of divisions can lead to siloed operations, where divisions may prioritize their own goals over the overall corporate strategy, resulting in a lack of cohesion and synergy. The key advantage of a multidivisional structure lies in its ability to enhance strategic and operational efficiency by decentralizing decision-making, thereby allowing divisions to respond more swiftly to local market conditions and industry-specific challenges. One significant drawback is the potential for increased administrative costs due to duplication of functions and resources across divisions. This structure is particularly prevalent in large corporations that operate across diverse industries and geographical regions. Additionally, this structure can lead to improved accountability and performance measurement, as each division can be evaluated as a separate profit center. It also presents several disadvantages.