

3.2 Organisational Structures

Key Words

What is it?



An organisation structure is how people and departments are organised within a business.

An organisation chart is a way of displaying the organisation structure. They show how responsibilities in an organisation are divided up among different departments and people.

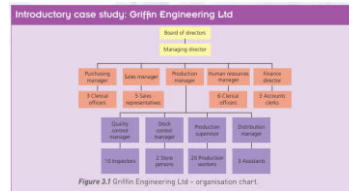
Tall

Advantages:

- The span of control of managers is likely to be narrower than in flat structures, meaning that he or she does not have too many people to look after.
- There will be plenty of opportunities for workers to gain promotion that will motivate them.

Disadvantages:

- They are expensive. Managers are paid more than the workforce and lots of Layers means lots of managers.



Subordinates – The person a worker is responsible to is their line manager. The workers who someone is responsible for are known as their subordinates.

Span of Control – The span of control refers to the number of subordinates a manager is responsible for. The sales manager has a span of control of five subordinates – they are the line manager for the five sales representatives who are their subordinates in that department.

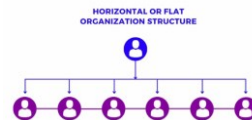
Flat

Advantages:

- Communication from top to bottom might be quicker than in tall structures because there are not as many layers.
- It is likely that fewer mistakes in communication will occur because messages do not have to be passed through so many layers.
- The wider spans of control of managers will mean that they must delegate work and share authority. This will make the workers feel trusted and may encourage them to work harder.

Disadvantages:

- If the span of control is too wide then the manager may find it difficult to manage the team effectively.



Delegation – Delegation is the act of giving another person a specific responsibility for doing something. The line manager will have been delegated responsibility by their line manager. This means that they will have been given authority to make certain decisions and to carry out specific responsibilities. For example, the production manager may have delegated responsibility to the quality control manager for how the quality of production will be monitored.

Chain of Command

There is a chain of command with those at the top of the hierarchy being able to send instructions to those lower down. The managing director of Griffin Engineering Ltd has more authority than the production manager, who is on a lower layer of the organisation. The managing director could send an order to the quality control manager through the production manager. This would represent the line of communication through which the order was made.

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Quizlet



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