

Organisational Structure

I. Missing words

An organisational structure is the way that a business is arranged in order to carry out its activities. This structure can be shown in an organizational chart and shows:

- 1 The roles of each individual in the organisation
- 2 The lines of communication that exist within a business (_____)
- 3 The number of employees that individuals are directly responsible for (_____)
- 4 The number of layers of authority within the business (_____)

Organisations often have departmental structures. This could be based upon products, regions or countries. For most organisations it is based on the key _____ of business; such as marketing, finance, human resources, operations management and IT.

HINT: words from functions, span of control, chain of command, levels of hierarchy.

2. True or false?

- 2.1 Organisations with many layers of hierarchy are said to be 'tall'.
- 2.2 The wider the span of control, the more motivated subordinates will be
- 2.3 Delegation is a good way to make sure that junior staff have meaningful jobs to do
- 2.4 The longer the chain of command, the better the communication in a business

3. Explain why:

- 3.1 A management decision to remove a layer of hierarchy may cause problems for a firm in the short term.

- 3.2 Moving to a more decentralised approach can improve staff motivation.

- 3.3 A narrow span of control may prove to be effective.

4. Identify the word formed by the first letter of each of the following terms?

4.1 The passing of authority (but not responsibility) down the organizational structure

4.2 Individuals such as Richard Branson who start their own businesses

4.3 Power assigned to an individual

4.4 The number of layers of authority within an organization

4.5 The number of subordinates directly responsible to a manager