

What is happening to organisational structures?

1. Read the case study on page 211
2. In your pairs, write 3 points/comments/thoughts for the 'think about' questions.



Defining organisational structure

Sole traders, with no employees, do not need a structure – they do all the work themselves.

As businesses grow, the need for structure and more formal organisation becomes necessary

The internal, formal framework of a business that shows the way in which management is organised and linked together and how authority is passed through the organisation.



Organisation Charts

Visual representations of the functions or departments and job roles in a business

They display...

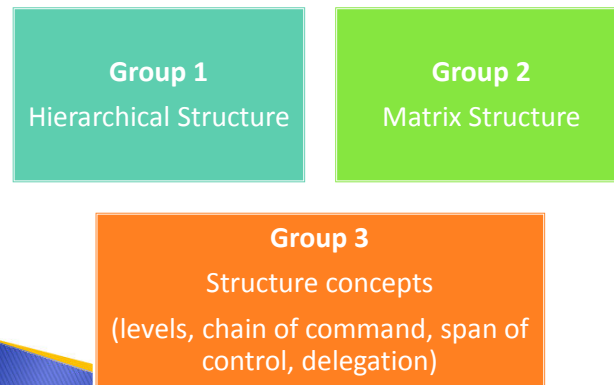
- Who has responsibility for decision-making
- Formal relationships between people and departments
- How authority and accountability is passed through the hierarchy
- The number of subordinates reporting to each manager
- Formal channels of communication

Create an organisational chart using the job roles provided.



Investigative Work

Create a poster to explain the following...

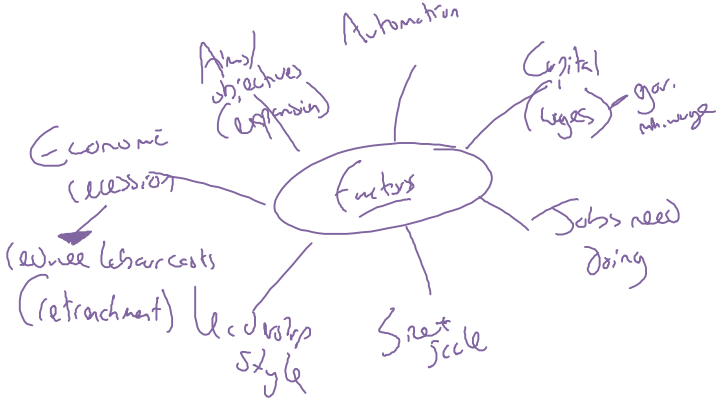


Additional features

- ▶ **Chain of command** – the route through which authority is passed down an organisation.
- ▶ **Span of control** – the number of subordinate workers reporting directly to a manager (or the number of subordinates under a manager’s responsibility)
- ▶ **Delegation** – passing authority down a hierarchy
- ▶ **Centralisation** – keeping all important decision-making power at the top of the hierarchy
- ▶ **Decentralisation** – empowering subordinates by giving them decision-making responsibilities



Factors Influencing Structure



Flat Hierarchies - Delayering

The removal of unnecessary layers of management to reduce the levels in the structure. Has become easier with communications technology advancements.

- ▶ Benefits? Drawbacks? x3 each (page 219)

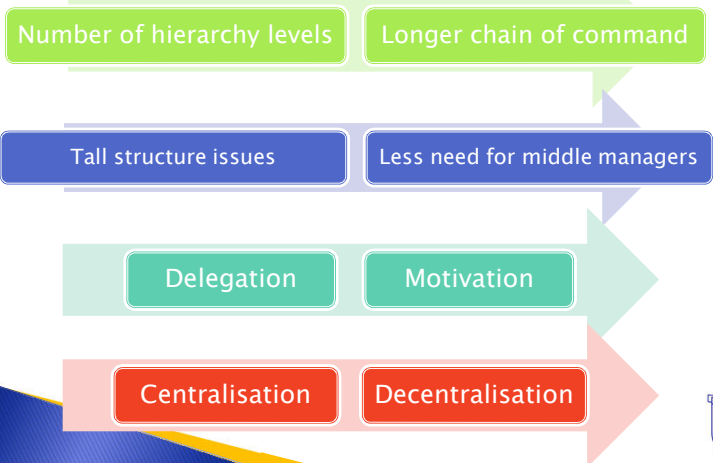
De-layering: do firms need middle managers?
 Wednesday, October 05, 2011
 by Tom White

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Middle managers have had a tough couple of decades. Many large firms sought to cut costs by removing levels of **hierarchy** from their **organisational structure**. Often it was the **middle management** ranks that felt the squeeze the hardest. Academics praised 'flatter' organisations and people like David Brent (from comedy TV series The Office) became the butt of jokes.



Links between Organisational Principles

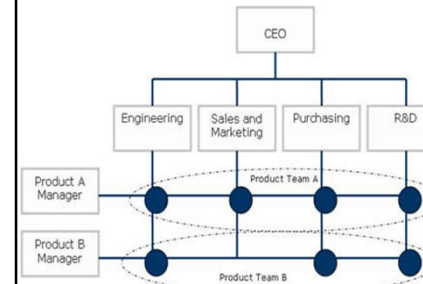


Informal organisations

- ▶ The network of personal and social relations that develop between people within an organisation
- ▶ 'it's not what you know, it's who you know'
- ▶ An individual's effectiveness can be influenced by employees around them – good managers will choose teams carefully
- ▶ If I were to split your class into 3 **productive** groups, what combinations would work best?



Matrix Structure Features



- ▶ Less control from the top – missed org. objectives
- ▶ Could cause conflict as managers 'lose' authority

- ▶ Teams of specialists
- ▶ Authority lies in expertise, not position
- ▶ Task orientated – focus on the good of the project, not the department
- ▶ Gets rid of bureaucracy – better comms.
- ▶ Leads to more innovation and creativity

