

TOPIC Q – ORGANIZATIONAL STRUCTURE

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Key focus:

Students will be introduced to the main features of an organisational structure, with the aid of an organisation chart. They will learn the features of centralised and decentralised structures, the advantages and disadvantages for managers and subordinates of delegation.

Specific Learning Outcomes for this topic:

Q1	Use a simple organisation chart to explain the following features of organisational structure: hierarchy, chain of command, span of control and layering.
Q2	Analyse the advantages and disadvantages of centralised and decentralised organisation structures
Q3	Analyse the advantages and disadvantages of delegation for both managers and subordinates.

Previous Learning:

Organizational structure refers to the framework that defines how tasks are divided, grouped, and coordinated within an organization. It determines the reporting relationships and the flow of communication. Organizational structure impacts how work is organized, how decisions are made, and how information flows within the organization.

1. Simple Organization Chart

A simple organization chart typically consists of boxes representing different positions or roles within the organization, connected by lines that indicate reporting relationships. It visually represents the hierarchy, chain of command, span of control, and the concept of layering.

- **Hierarchy:** The hierarchy is represented by the vertical arrangement of boxes, with higher positions at the top and lower positions at the bottom. It shows the levels of authority and responsibility within the organization.
- **Chain of Command:** The chain of command is represented by the lines connecting the boxes, indicating the flow of authority from top to bottom. It shows who reports to whom and the order in which decisions are made.
- **Span of Control:** The span of control refers to the number of subordinates that a manager directly supervises. In a simple organization chart, a wide span of control is represented by fewer levels of management and more subordinates reporting to each manager.
- **Delaying:** Delaying refers to the process of reducing the number of levels in the organizational hierarchy. It is often done to increase efficiency, reduce costs, and improve communication. In a simple organization chart, delaying is represented by removing or consolidating some of the middle management layers.

2. Centralized vs. Decentralized Organizational Structures

- **Centralized Structure:** In a centralized structure, decision-making authority is concentrated at the top of the organization. Advantages include consistent decision-making, clear accountability, and cost savings. Disadvantages include slower decision-making, reduced employee empowerment, and limited responsiveness to local needs.
- **Decentralized Structure:** In a decentralized structure, decision-making authority is delegated to lower levels of the organization. Advantages include faster decision-making, increased employee empowerment, and better responsiveness to local needs. Disadvantages include potential inconsistency in decision-making, reduced control, and coordination challenges.

3. Advantages and Disadvantages of Delegation

- **Advantages for Managers:** Delegation allows managers to focus on higher-level tasks, develop their subordinates' skills, and improve overall efficiency. It also fosters a sense of ownership and responsibility among subordinates.
- **Advantages for Subordinates:** Delegation provides opportunities for subordinates to develop new skills, gain experience, and take on more challenging tasks. It can lead to increased job satisfaction and motivation.
- **Disadvantages for Managers:** Delegation can be time-consuming initially, as managers need to invest time in training and supervising their subordinates.

There is also a risk of subordinates making mistakes, which can reflect poorly on the manager.

- **Disadvantages for Subordinates:** Delegation can lead to increased pressure and stress for subordinates, especially if they feel overwhelmed or under-supported. It can also create confusion or conflict if expectations are not clear.

In conclusion, organizational structure plays a critical role in shaping how work is organized and how decisions are made within an organization. Understanding the key features and considerations of organizational structure can help managers design and manage their organizations more effectively.

QH1 – SCHOOL ORGANISATION STRUCTURE TO BE PROVIDED BY THE TEACHER

QH2 – FEATURES OF ORGANISATION STRUCTURES

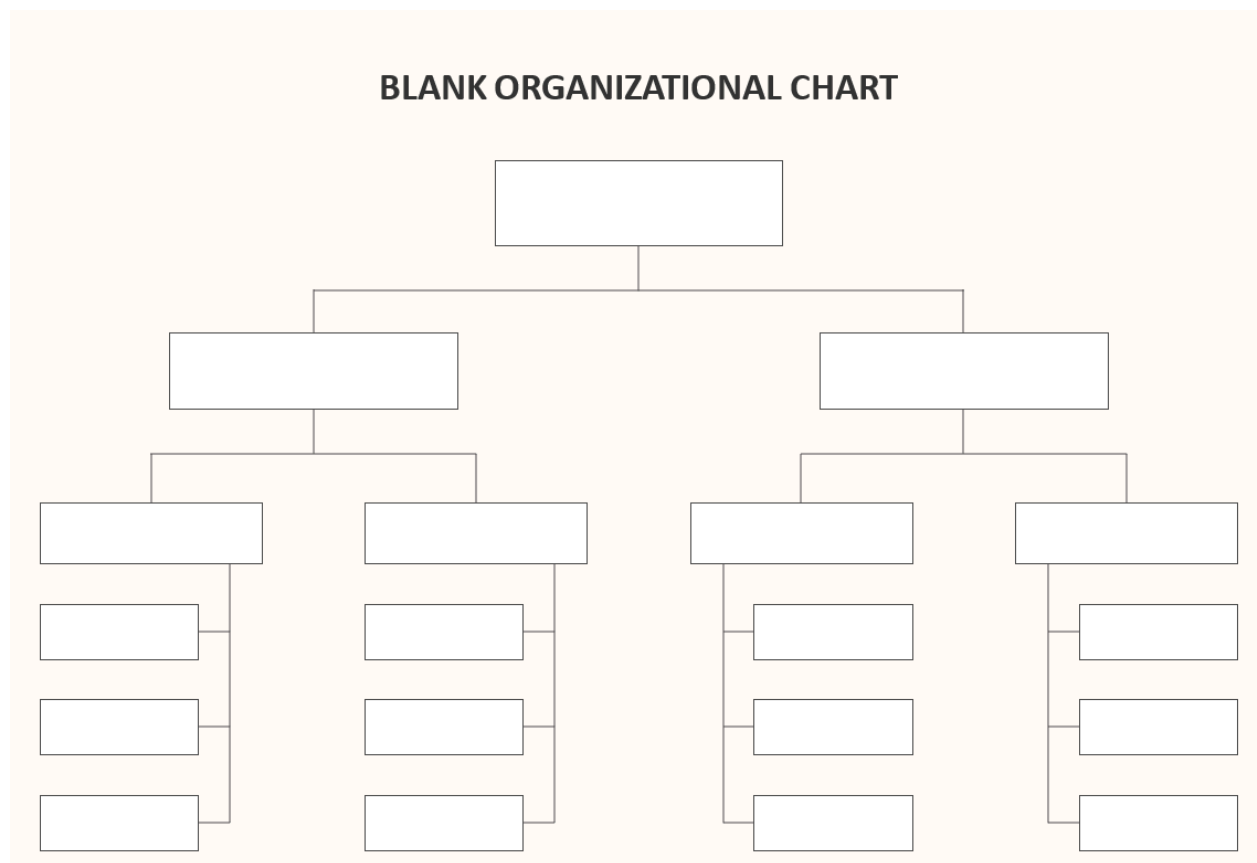
Questions

1. Use the organisation chart on the first page to explain the meaning of the following terms:
 - a. Hierarchy
 - b. Chain of command
 - c. Span of control
2. What is the size of the span of control of each marketing manager?
3. The CEO has a wider span of control than the Director of Marketing. True or false? Explain your answer.
4. How might this organisation use delayering to reduce to become a flatter structure?
5. What are the main differences between centralised and decentralised organisation structures?

Introduction:

Today, we will explore the organization structure of a good school in Peshawar, Pakistan. Organizational structure refers to the way in which a school arranges its staff and activities to meet its objectives.

Organization Chart:



Hierarchy: Hierarchy refers to the levels of authority within an organization. In the organizational chart, you can see the different levels of management, such as the Board of Governors, Principal, Vice Principals, Department Heads, Teachers, and Support Staff. Each level represents a different level of authority and responsibility.

Chain of Command: Chain of command refers to the line of authority and communication within an organization. In the organizational chart, the chain of command can be seen from the top (Board of Governors) to the bottom (Support Staff). This shows how decisions and communication flow through the organization.

Span of Control: Span of control refers to the number of subordinates that a manager or supervisor directly oversees. In the organizational chart, you can determine the span of control by looking at how many employees report directly to each manager. For example, if each Department Head oversees 10 teachers, their span of control is 10.

Based on the organizational chart, you can then answer the questions:

The **size of the span of control of each** marketing manager would depend on the number of subordinates they are responsible for managing. You can determine this by looking at how many employees report directly to each marketing manager.

The CEO typically has a **wider span of control than the** Director of Marketing. This is because the CEO is responsible for overseeing the entire organization, which may include multiple departments and functions. In contrast, the Director of Marketing is responsible for a specific area (marketing), which may have fewer subordinates.

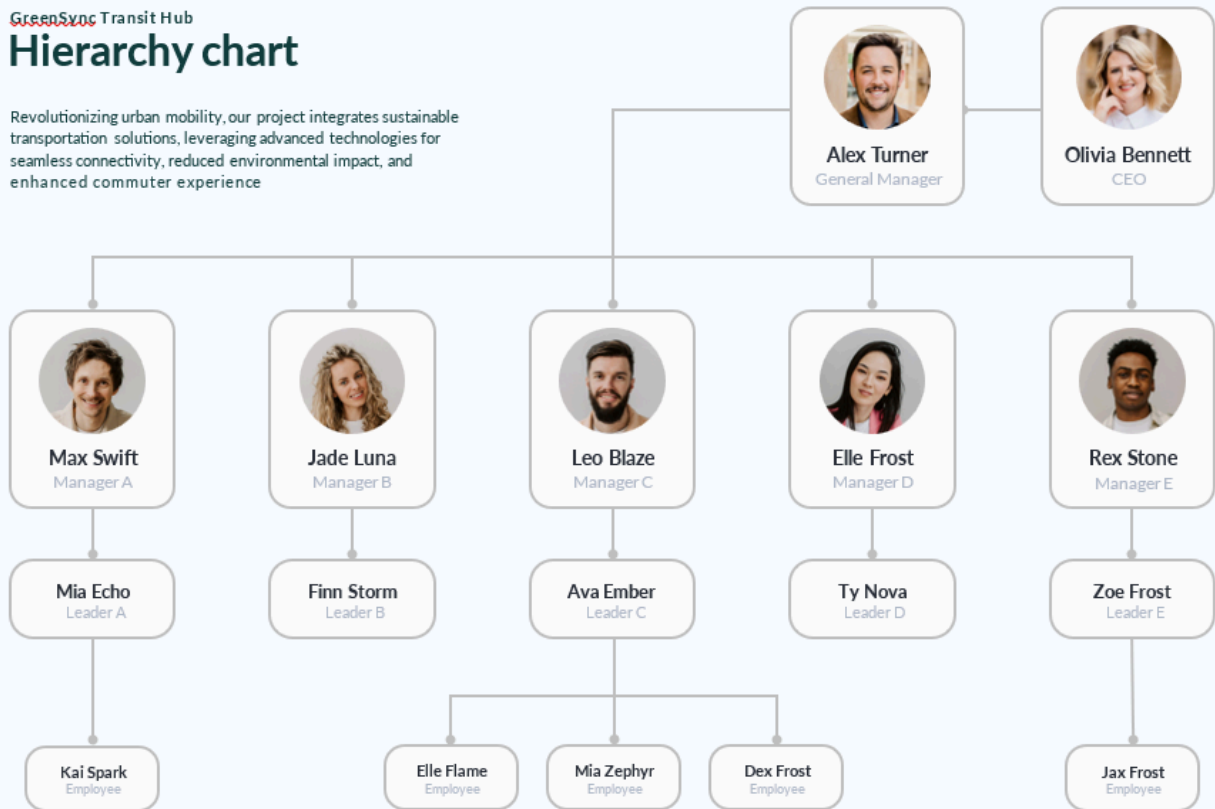
The organization **could use delayering to reduce the number** of management levels and create a flatter structure. This could involve eliminating intermediate levels of management, such as Assistant Principals or Deputy Heads, and merging departments to reduce duplication of roles.

The main differences between centralized and decentralized organization structures are:

- **Centralized Organization:** Decision-making authority is concentrated at the top of the hierarchy, with senior management making most decisions. This can lead to faster decision-making but may result in less flexibility and innovation.
- **Decentralized Organization:** Decision-making authority is delegated to lower levels of the hierarchy, allowing for greater flexibility and responsiveness to local needs. However, it can also result in inconsistency in policies and a loss of control over key decisions.

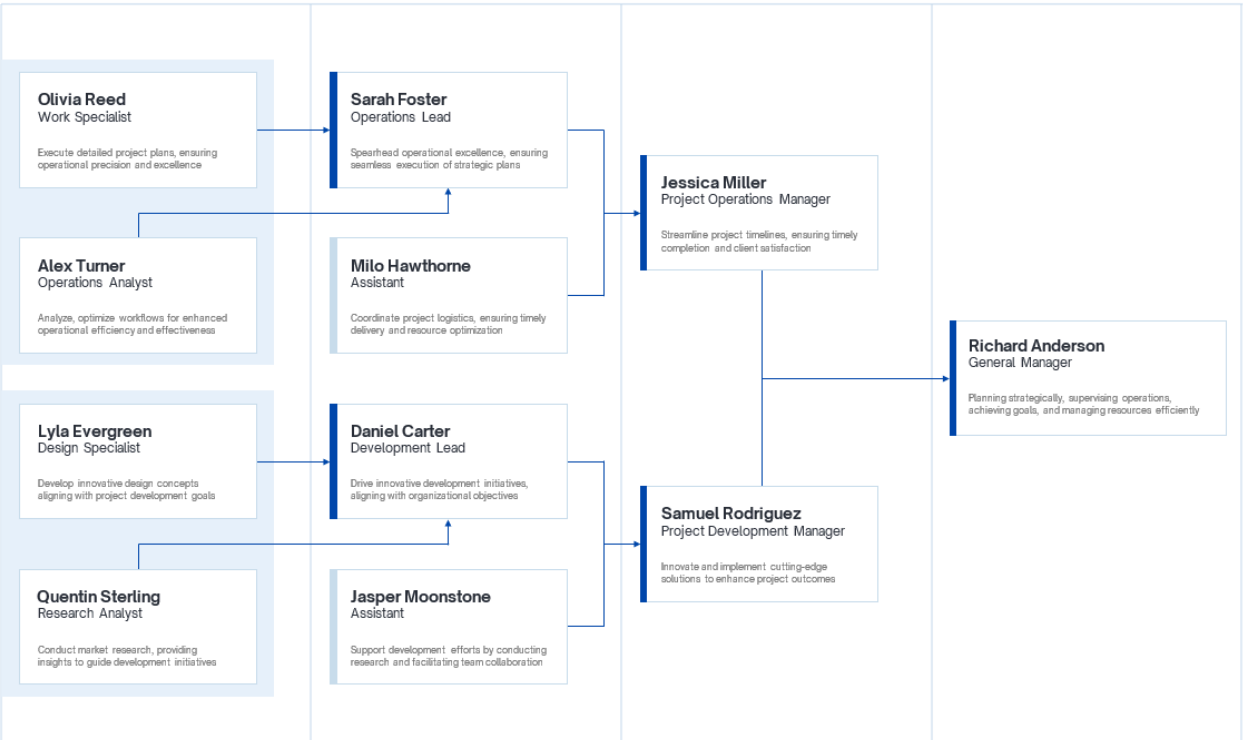
Hierarchy chart

Revolutionizing urban mobility, our project integrates sustainable transportation solutions, leveraging advanced technologies for seamless connectivity, reduced environmental impact, and enhanced commuter experience



Chain of command

Chain of command establishes hierarchical structure, ensuring efficient communication, decision-making, and accountability within an organization



BOARD OF DIRECTORS



Isaac Newton
CEO & President



Marie Curie
Chief Human Resource Officer

SVP Personal
Management

SVP Human
Resources

SVP Training

SVP Crew Planning



Thomas Edison
Chief Financial Officer

SVP Finance

SVP Accounting

SVP Financial
Control

SVP Purchasing



Ada Lovelace
Chief Commercial Officer

SVP Cargo

SVP Ground
Operations

SVP Regional

SVP Planning



Blaise Pascal
Chief Technology Officer

SVP Investment
Manager

SVP Corporate
Development

SVP International
Relation

SVP Training



Lise Meitner
Chief Marketing Officer

SVP Corporate
Marketing

SVP Corporate
Communication

SVP Production

SVP Marketing
and Sales

BUSINESS ORGANIZATIONAL CHART

