

# ISM101 – Information Systems Management

## *Knowledge Check #1*

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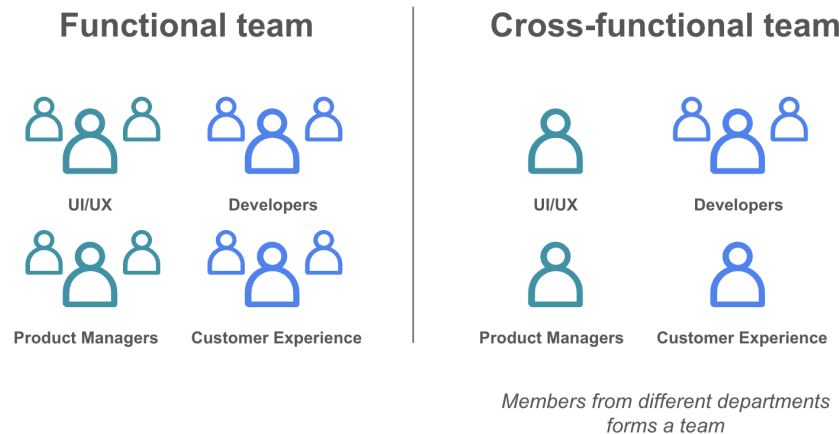
1. Who Compare and contrast the hierarchical and flat organizational structures. What are the advantages and disadvantages of each, and in what contexts might each be most effective?

A: While in hierarchical structure the company is organized as a pyramid with clearly defined roles, responsibilities, and lines of authority, flat structures have minimal levels of hierarchy, often with a wide span of control, where employees have more autonomy and decision-making power. This type of organization allows Decision-making to flow from the top down, with senior management setting strategic goals, which are then implemented by middle and lower management. As an advantage, it also facilitates accountability at each level, ensuring that performance is aligned with company objectives, clear path to promotion can boost employee motivation, how in this kind of organization structure is specialized, each department or team focuses on specific tasks, leading to expertise in specialized areas. However, multiple layers of approval, may take longer to make a decision, can increase company silos, Employees at lower levels may feel disconnected from decision-making processes. in flat organizational structures, where decision-making is more decentralized, fewer layers allow quick decisions, more autonomy, once the employees may have more decision-making power and responsibility. On the other hand the roles can be a bit confusing, employees may be unclear about their specific responsibilities or authority, lack of specialization can limit expertise and focus.

In summary, Hierarchical structures are best for large, established organizations where clear roles and control are needed. Flat structures are ideal for smaller, innovative teams where flexibility, quick decisions, and employee autonomy are valued.

2. Explain the concept of cross-functional teams and provide an example of a real-world project where a cross-functional team could be highly beneficial. What challenges might such a team face, and how could they be mitigated?

A: A cross-functional team is a group of people with different functional expertise working toward a common goal. Cross-functional teams in IT combine people with different skills and experiences.



A cross-functional team increases efficiency, strengthens communication, and promotes employee development, leading to better overall performance and alignment within the organization. On the other side, once the members come from different departments, the communication can be difficult. Adapting to a new way of working can be difficult for some team members (resistance to change), conflicting priorities can come up once members often have different priorities (e.g. development team focus on technical debts and Product and Design focus on adding features). From the beginning includes input from all departments involved, regular meetings to review progress and adjust priorities can help keep the team aligned and focused on common objectives. Clear communication and constant alignment to put everyone on the same page can help the Cross-functional team work well together.

3. In the context of functional business units, discuss the potential conflicts that can arise between departments with different priorities. Provide strategies for resolving these conflicts and ensuring effective collaboration.

In functional business units the company is split into areas or departments and the employees are grouped by areas of expertise (e.g., marketing, finance, HR). In the context of functional business units can generate potential conflicts between the departments as examples:

**Resource allocation:** The marketing department may require a significant budget for campaigns, while the finance department is focused on cost-cutting and controlling spending.

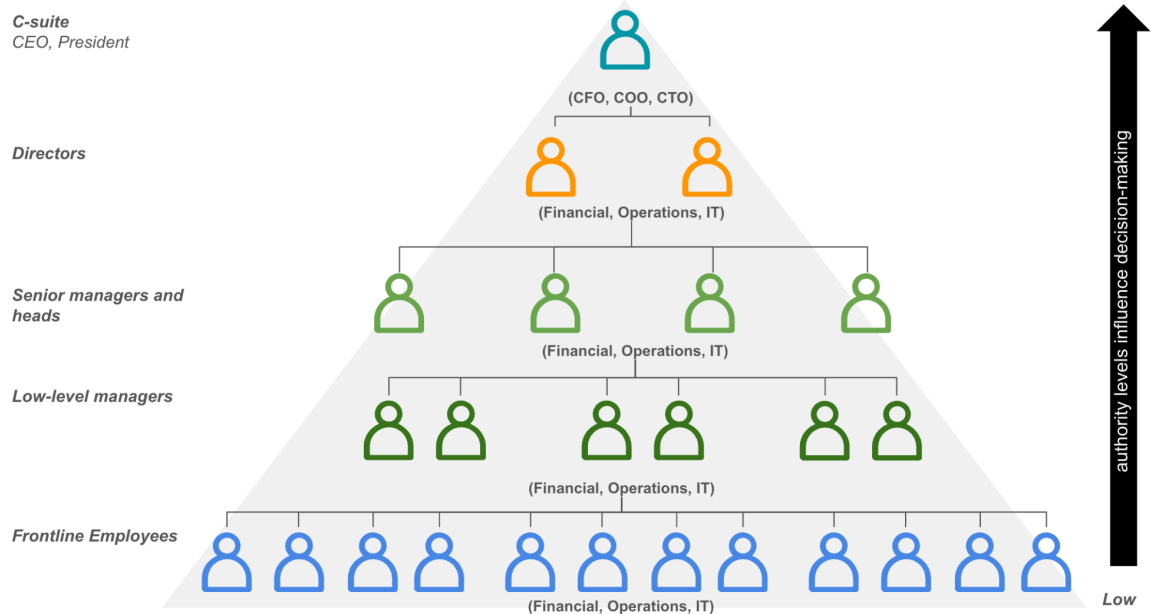
**Competing Priorities:** The business department might push for rapid product updates to meet customer demands, while the product development team prioritizes long-term strategic planning and product stability.

**Differing Performance Metrics:** The IT department focuses on uptime and security, while the customer support team prioritizes user satisfaction and response time;

**Strategies for resolving:** Resource Allocation Based on Prioritization and company goals, instead of departments demands alone, where the priorities are decided based on the organization goals and needs. The KPI are defined based on the company goals rather than department.

4. Describe the levels of hierarchy in a typical business unit hierarchy. How do reporting relationships and authority levels influence decision-making within an organization? Use examples to illustrate your points.

**Reporting relationships and authority in a typical business unit hierarchy structure**



5. How does role alignment with organizational objectives contribute to the success of an organization? Provide examples of how well-aligned roles can help a company achieve its goals, and what can happen when roles are misaligned.

A: In most large companies, success is measured through Key Performance Indicators (KPIs) aligned with the company's objectives. These KPIs are typically cascaded from the top down. At the highest levels (C-suite and VPs), strategic goals and company directions are set. Department directors then define success KPIs for their areas, while department heads design projects and initiatives to achieve these goals. At the operational level, managers and

frontline employees handle project phases, ensuring that each step aligns with the company's needs. Role alignment with organizational objectives is essential for the success of any company. It ensures that employees at all levels are working towards common goals, enhancing productivity, collaboration, and more. When roles are aligned, resources are used efficiently, and teams are motivated to achieve the company's strategic objectives. However, when roles are misaligned, it can lead to confusion, inefficiency, poor performance, and a negative impact on company culture. Thus, aligning roles with organizational goals is a critical factor in achieving long-term success.