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Functional Structure:

Just like the other business structures, a functional structure is a type of a structure that organizes different enterprises or organizations into departments depending on their area's of expertise.

Functional Units:

These departments served as functional units and are overseen by functional managers or most commonly by the department heads, which most commonly report the to the organization higher level management, depending on the status of their functional areas

Departments In Functional Organization Structure:

There are different departments that can be included in the functional organization structures. Some of these are given below.

- Production Department
- Human Resources Department
- Information Technology Department
- Marketing Department
- Legal Department

Departments In Large Organizations :

In large corporations, the departments are stratified into different geographical areas.

Departments In Small Organizations:

In smaller corporations, the departments may simply occupy different areas of the same office building.

Key Features Of Functional Structure:

Functional Structure consists of three key features.

- Department head reports to the senior management.
- There exists top-to-down hierarchical structure.
- Employee are specialized in certain tasks.

Advantages Or Benefits Of Functional Structure:

The companies having functional structure have commonly these three advantages.

- Stable Work Environment
- Build For The Efficiency Of An Organization.
- Increases The People Strength.

Stable Work Environment:

A functional structure organization offers a stable environment where an employees can clearly understand the scope of their job and what is expected

of them.

Build For Organizational Efficiency:

Organizations are managed in such a way that a conflict in one department will not necessarily lead to a bottleneck throughout the company.

Taps Into People Strength:

A functional structure places the employee where they are needed the most and doesn't burden them with the over task.

Common Disadvantages Of Functional Structure:

Organizations following functional structure mainly have these three disadvantages.

- Competition Between Departments.
- Common Chances Are Missed For Innovation.
- Potential For Silos.

Potential For Silos:

Employee may feel invested in an overall business if they don't interact with members of other departments and understand how their work fuses together.

Competition Between Departments:

In a state when departments are clearly defined and tasked with specified goals , there can be a risk of competition getting in a way of inter-department collaboration.

Missed Chances For Innovation:

In some situations, it is best to venture outside of a department's hive mind in order to generate marketing campaigns or supply-chains models. When employees get siloed into specialized departments, they can miss the chance to glean wisdom from colleagues in a different sector of the company.

More On Functional Structure:

This type of organizational structures organizes a company into different departments based on the areas of expertise. For example, lawyer work in the legal department and marketers work in the marketing department.