

Track 9 Unit 2 C 3 Exercises b. and c.

Part 1

Organisation is essential for any business, whether it is a sole trader or a multinational giant. Without some sort of organisation the business would be unable to function. However, there are many different ways in which an organisation can be structured, and this depends on the size of the company, the type of business, the aims and objectives, and so on.

Typically, small businesses have less formal structures, because communication is easier and everyone is clear about their role and responsibilities. These informal structures cannot be shown on an organisation chart. But larger organisations require more formal structures which show who does what, who is in authority, and how information is communicated. These formal structures can take different forms, which can be shown as diagrams.

Track 10 Part 2

A tree diagram shows each level of the organisation, and also the connections to other levels. It is set out like a family tree diagram, and as well as showing the hierarchy of the organisation it can also show the name and job title of all the people in the organisation.

The organisation can also be shown as a pyramid, with a small number of people at the top with greater authority, and more people at the bottom with less authority. Some pyramids are tall and thin, indicating that there are many levels of responsibility. Other pyramids, showing organisations that have fewer layers, are wide and flat. The flatter the pyramid, the more authority is spread across each level of the organisation.

An organisation may also be shown as a circle diagram, with the levels as rings spreading out from the centre. So for example, the CEO will be at the centre, and then the directors in the first ring, followed by managers, and then the workers outside that. Although there is still a hierarchy in the organisation, the circle diagram does not show it as verticalⁱ, with a top and a bottom.

An organisation can also be shown as a matrix, in which the relationship between parts of the organisation are shown in a non-hierarchicalⁱⁱ way. So the matrix diagram could show the various functions carried out in different departments, and how they are connected. The matrix is sometimes called a cat's cradleⁱⁱⁱ structure.