

Chapter 7: Organization and management

Key terms

1. Organisational structure: refers to the levels of management and division of responsibilities within an organisation.
2. Chain of command: is the structure in an organisation which allows instructions to be passed down from senior management to lower levels of management.
3. Span of control: is the number of subordinates working directly under a manager.
4. Line managers: have direct responsibility over people below them in the hierarchy of an organisation.
5. Staff managers: are specialists who provide support, information and assistance to line managers.
6. Delegation: means giving a subordinate the authority to perform particular tasks.
7. Leadership styles: are the different approaches to dealing with people when in a position of authority-autocratic, laissez-faire or democratic.
8. Autocratic leadership: is where the manager expects to be in charge of the business and to have their orders followed.
9. Democratic leadership: gets other employees involved in the decision-making process.
10. Laissez-faire leadership: makes the broad objectives of the business known to employees, but then they are left to make their own decisions and organise their own work.
11. Trade union: is a group of workers who have joined together to ensure their interests are protected.
12. Closed shop: all employees must be a member of the same trade union.

1. Organization chart

: refers to the level of management / division of responsibility within an organisation.

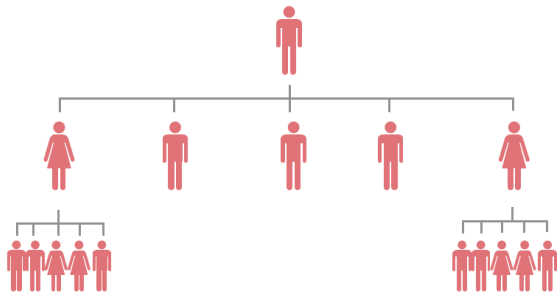
Advantages of an organisation chart

1. Employees know the communication channel which is used to reach them with the messages and instruction.
2. Every employee can see their own position in the company.
3. It represents the links and relationships between different departments in the company.

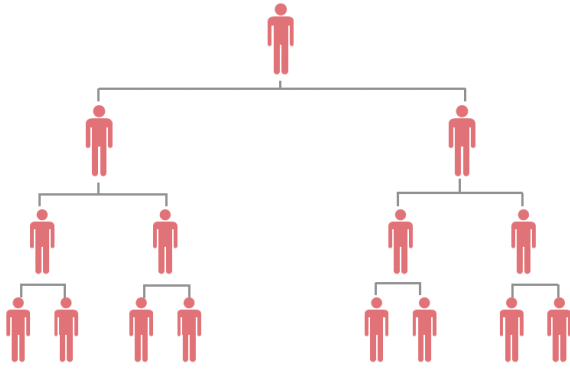
2. Chain of command and span of control

- **Span of control:** is the number of subordinates working directly under manager.
- **Chain of command (Line of authority) :** is the structure in an organisation which allows instructions to be passed down from senior management to lower levels of management.

Business A : Short chains of command / Wide span of control



Business B : Long chains of command / Narrow span of control



Advantages and Disadvantages of short chains of command

Advantages	Disadvantages
<ol style="list-style-type: none"> 1. Communication is quicker and more accurate. 2. Top managers are less remote from employees then it can increase morale to employees. 3. Spans of control will be wider. Each manager is responsible for more subordinates. 	<ol style="list-style-type: none"> 1. Managers may lose control because of lots of subordinates. 2. If subordinates are poorly trained, they could make many mistakes.

3. The role of management

3.1 Planning : Planning resources relating to future goals and targets.

3.2 Organising : Manager must delegate task to others.

3.3 Coordinating : Managers will try to make sure that all departments in the organisation work closely together in order to achieve the goal of business.

3.4 Commanding : The task of management is more concerned with guiding, leading and supervising people than just telling them what to do.

3.5 Controlling : Managers must try to measure and evaluate the work of all individuals.

4. Delegation

: means giving a subordinate the authority to perform particular tasks.

: A reduction in direct control once tasks are done by workers and increasing trust of workers by supervisors and managers.

<u>Advantages of delegation to managers</u>	<u>Advantages of delegation to subordinates</u>
1. Managers do not have to do everything by themselves.	1. Employees feel more important to company.
2. Managers can assess performance of staff from the tasks delegated.	2. Delegation allows workers to be trained.
	3. The works are more interesting.

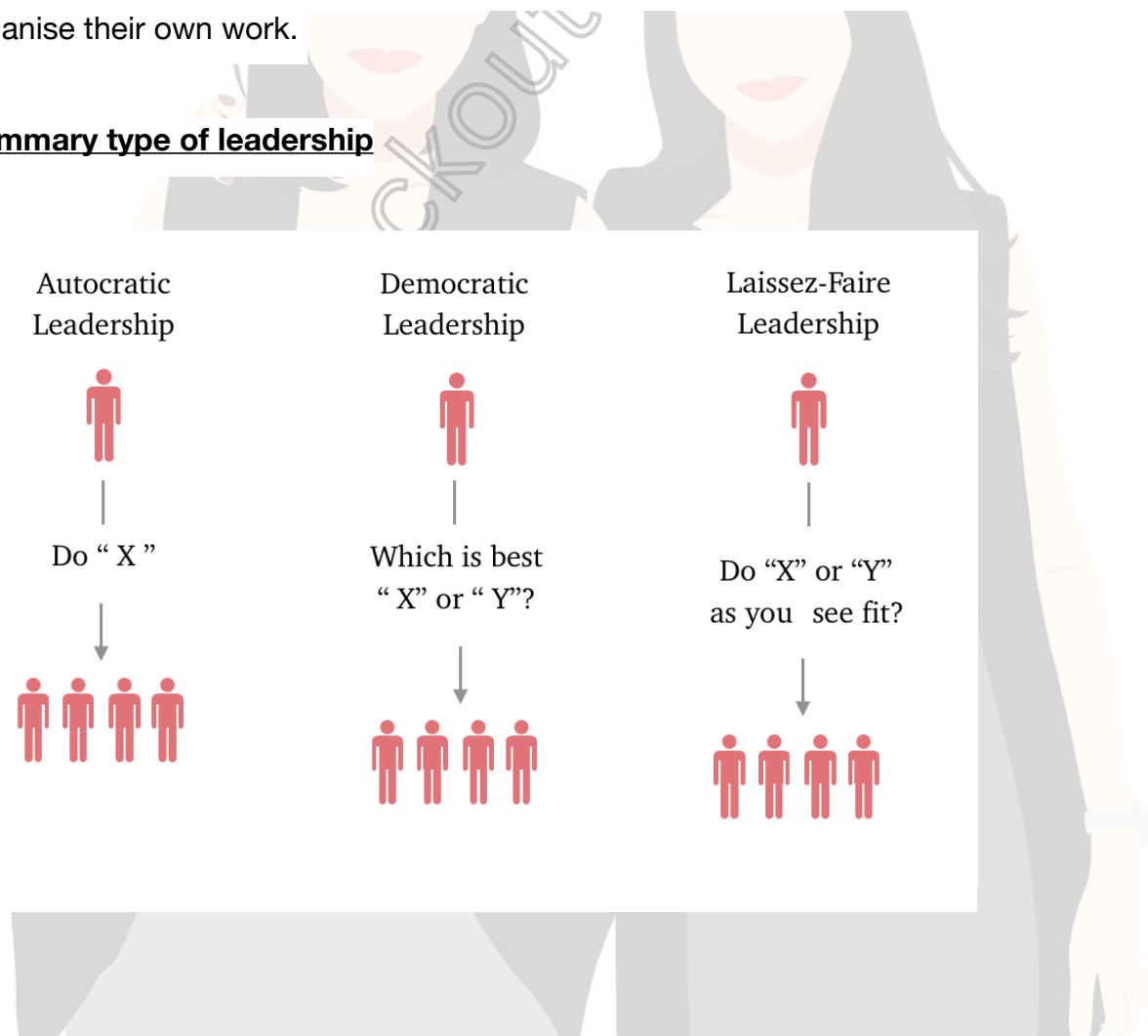
5. **The main of leadership**

5.1 Autocratic leadership: Communication is mainly one way, downward or top-down. Managers expect to be the leader and employees will follow the orders.

5.2 Democratic leadership: Communication is two ways, downward or top-down and upward or bottom-up. Employees involved in the decision-making process.

5.3 Laissez-faire leadership: Employees are left to make their own decisions and organise their own work.

Summary type of leadership



To choose type of leadership: It depends on the situation and business goal.

6. Trade Union

: A group / workers who have joined together to ensure that their interests are protected.

Why do workers join a trade union?

Advantages	Disadvantages
<ol style="list-style-type: none">1. Improving conditions of employment (Rate of payment, holiday, Working hours)2. Improving welfare for members (Health, safety)3. Improving benefits for members who are not working because of sickness or retirement	<ol style="list-style-type: none">1. Cost of membership fee to members2. Trade unions may be required members to take industrial action and they have risk of being unemployed.