

### 1.1.1 Communication

Communication was defined by Luthans as exchanging information with employees, and completing paperwork.

## 1.2 ORGANISATIONAL STRUCTURE

The organisational structure of a company is defined as the structure that helps of allocate, divide and coordinate tasks to the people that have the best performance in a particular category. An organisational chart is a very efficient way to display how this information is laid out.

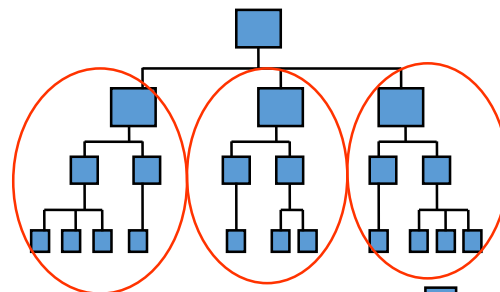
### 1.2.1 Work Specialisation

Work specialisation is defined as dividing tasks and allocating them to the person that will give the best results, rather than teaching everyone everything, and getting mediocre results in all areas.

### 1.2.2 Departmentalisation

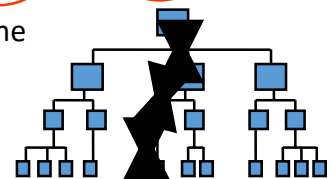
Departmentalisation is defined as creating departments to allocate tasks to. E.g.;

- ❖ **Function**
- ❖ **Product or Service**
- ❖ **Geography or Territory**
- ❖ **Process**
- ❖ **Customer**



### 1.2.3 Chain of Command

The chain of command is defined as a line of authority that extends from the top of the organisation, to the employees and the bottom. This helps clarify who reports to whom.



### 1.2.4 Centralisation and Decentralisation

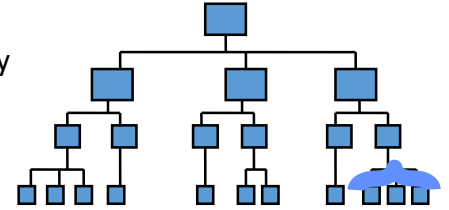
- ❖ **Centralisation:** Where decisions are made from a specific point in the organization.
- ❖ **Decentralisation:** Where decision discretion is pushed to lower level employees.

### 1.2.5 Formalisation

Formalisation is defined as a standard set by culture, duties, and job descriptions in the organisation. This cannot be seen on a chart, as it is applied to everyone in the organization. An example of formalization is McDonald's fries. These are cooked in a specified way as per the rules of the organization.

### 1.2.6 Span of Control

The number of subordinates a manager can efficiently and successfully manage.

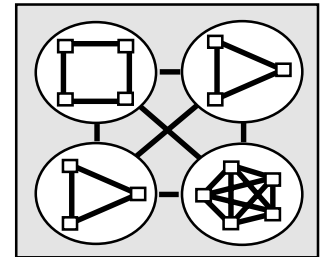


## 1.3 TYPES OF STRUCTURES

There are two types of structures within an organization. These are; Organic and Mechanistic structures. Each have their own advantages and disadvantages, but are better applied in different organization scenarios.

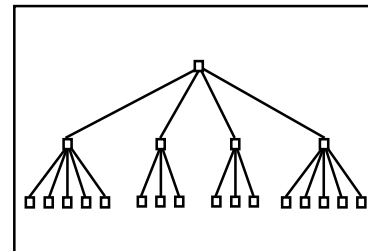
### 1.3.1 Organic Structures

Organic structures are best used in small organizations that rely on democracy to make decisions. There is typically no chain of command, or flowing effect of hierarchy. Each person reports to each other.



### 1.3.2 Mechanistic Structures

Mechanistic structures are best used in large organizations need clear levels of management and structure. This is because each employee within the organisation has a different role, with some being more important than others. This means that some people must be at a higher level than others to maintain hierarchy, and senior members.



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