**Topic 4.1 Organisational Structure: Activity**





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| **Key Term:** | **Definition:** |
| **Organisation** | The way in which a business is structured for it to achieve its objectives. |
| **Organisation Chart** | A diagram which shows the internal structure of an organisation. |
| **Hierarchy** | Structure of different levels of authority in a business organisation, one on top of the other. |
| **Line Manager** | Employee who is responsible for overseeing the work of others further down the hierarchy of an organisation. |
| **Function** | Tasks or jobs. Organisation by function means that a business is organised according to tasks that have to be completed, such as production and finance. |
| **Authority** | The right to decide what to do in a situation and take command of it to be able to make decisions without referring to anyone else. |
| **Subordinate** | Workers in the hierarchy who work under the control of a more senior worker. |
| **Chain of Command** | The path (or chain) down which orders (or commands) are passed. In a company, this goes from the board of directors down to other workers in the organisation. |
| **Span of Control** | The number of people who report directly to another worker in an organisation. |

**Organisation, Organisation Chart and Hierarchy:**

1. What are THREE purposes of an ‘**Organisation Chart**’?
2. How will an ‘**Organisation Chart**’ help a business achieve its objectives?
3. Looking at the table above, how many layers are there in the ‘**Hierarchy**’?
4. Give ONE advantage AND disadvantage of having lots of layers in the ‘**Hierarchy**’?

**Line Manager, Subordinate and Authority:**

1. Using an example from the table above, explain the relationship between a ‘**Line Manager**’ and a ‘**Subordinate**’.
2. Using an example from the table above, explain what it means by the term ‘**Authority**’.

**Functions:**

1. What are the different ‘**Functions**’ in the table above?
2. Explain what each of these ‘**Functions**’ do.

**Chain of Command and Span of Control:**

1. Looking at the table above, explain the ‘**Chain of Command**’ of this business.
2. Looking at the table above, explain the ‘**Span of Control**’ for this business.