

# Btec business. organisational structure in different types of business

[Business](#), [Organization](#)



The main purpose of an organisational structure is to help everyone know who does what. To have an efficient and properly functioning business, each employee in that business needs to know that there are people to handle each kind of task. At the same time, an organisational structure essentially makes sure that people aren't running up against each other or arguing as everyone will be doing their own little bit. Another purpose of a structure with clearly defined roles, functions, scopes of authority and systems is that it will help make sure your people are working together to accomplish everything the business must do. Additionally, an organisational structure is to establish lines of control and communication.

#### Benefits of a clear organisation structure(2)

An organisational structure is the framework that helps employees achieve their goals and do their jobs but a very clear organisation structure will make it a lot easier for the employees of a business to complete their job since they'll know exactly what they need to do and also who they report to if anything goes wrong. Also, a clear organisational structure could reduce the percentage of redundancy by eliminating extra and unproductive processes.

#### Organisational Chart(3)

An organisational chart is a diagram that shows the structure of an organization in terms of relations among personnel or departments. An organisational chart also represents lines of authority and responsibility. Generally, an organisational chart is a horizontal or vertical tree that contains geometric shapes to represent staff or divisions. The purpose of the

organisational chart is to demonstrate to the members of staff the distribution of power within the company, showing them their contractual position, who's their boss and who's their subordinates. The chart will show the domain of every employee. Employees require it so they know who to go to should conflicts arise or major problems and employers require it to view their organisation and to meet progress and workforce management objectives.

#### Organisational Structures(4)

There are four main types of organisational structures that a business may have. One of those is the tall organisational structure. In its simplest form a tall organisational structure has many levels of management and supervision. There is a " long chain of command" running from the top of the organisation for example a Chief Executive down to the bottom of the organisation a shop floor worker. The diagram on the right neatly captures the concept of a tall structure.

#### Flat

In contrast to a tall organisation, a flat organisation will have relatively few layers or just one layer of management. This means that the " Chain of Command" from top to bottom is short and the " p of control is wide". Due to the small number of management layers, flat organisations are often small organisations.

#### Hierarchical

In a hierarchical organisation employees are ranked at various levels within the organisation, each level is one above the other. At each stage in the chain, one person has a number of workers directly under them, within their span of control. A tall hierarchical organisation has many levels and a flat hierarchical organisation will only have a few.

Along with those organisation structures, other businesses have other different structures to choose from. These structures include structuring your business in terms of products or by the type of customer or by functions which is structuring the business in terms of different roles and jobs

#### Functional Areas(5)

Functional areas are the specialist areas of activity within an organisation. The main purpose of functional areas is to ensure that all important business activities are carried out efficiently. This is essential if the business is to achieve its aims and objectives. The main functional areas that can be found in a business are finance, marketing, production, sales, customer service and human resources.

#### Finance

In finance the chief accountant supervises the work of the accounts department. The managers of an organisation need to be constantly aware of the financial state of the business and likely financial impact of decisions that they make.

Finance functions include:

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- \* Producing invoices, checking payments are received and chasing up overdue payments
- \* Recording money received
- \* Producing cash flow forecasts regular financial reports for senior managers
- \* Advising senior managers on sources of finance for capital expenditure
- \* Monitoring department budgets to check managers are not overspending

### Human resources

Human resource managers are responsible for all aspects of people management in an organisation.

Human resources functions include:

- \* Advertising job vacancies
- \* Arranging staff training and encouraging continuous professional development
- \* Checking health and safety and keeping accident records
- \* Notifying staff of promotion opportunities

### Customer services

Customer service is concerned with looking after customers at all stages of their relationship with a company. Customer services functions include:

- \* Answering customer enquiries about products and services
- \* Solving customer problems
- \* Analysing records of customer complaints to resolve problem areas
- \* Providing after-sales service, including replacing damaged goods,

Arranging for repairs or for spare parts to be obtained and fitted

## Marketing

The marketing function is responsible for identifying, anticipating and satisfying customer requirements. Market involves carrying out market research to find out which types of customers make up a particular market, what they want, where they want it, how they like it and at what price.

Marketing functions include:

- \* Producing and distributing publicity materials, such as catalogues or brochures
- \* Promoting products and services through a variety of advertising and promotional methods like TV, online, or sponsorship
- \* Analysing market research responses and advising senior managers of the results and implications
- \* Designing, updating and promoting the company website

## Sales

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The sales function is responsible for getting customers to buy what the company produces. While the role of marketing is to find out what customers want and then to provide the right mix of price, product, promotion and place, the role of sales is to get customers to buy what the business produces.

Sales Functions include:

- \* Keeping customer records up to date
- \* Responding to customer enquires
- \* Selling the product or service to customers, either over the telephone or face to face
- \* Negotiating discounts or financial terms for business customers

Production

Production organises who makes the goods and how and when they are made. Production managers will decide how goods will be produced-that is the methods of production. They also need to create schedules for when employees will carry out particular tasks

Production functions include:

- \* Planning production schedules to maximise machine capacity and staff levels
- \* Storing and checking the stocks of raw materials

- \* Ordering (often buying) stocks of raw materials approved suppliers
- \* Carrying out repairs to machinery and equipment as required

Below are the functions for Centrica and Martin House Hospice

Functions

Centrica

Martin House Hospice

Finance

Centrica are a plc so they have to keep records of money earned and post them onto their websites so they can try to get more shareholders investing into their business

The trustees at Martin House have to closely monitor their budget and fundraising team to make sure that their raising enough money since they have such a large amount of money

Human resources

On Centrica's website they have a section where they have information about the jobs available in the UK for Centrica to try and recruit more workers.

The office staff will try to recruit new workers and volunteers

Customer Services



Centrica provide after sale services, including replacing damaged goods, solving customer problems

The customer services is the most important function for Martin House because their dealing with children with life limiting illnesses so they have to respond very quickly to any requests or queries from the children

### Marketing

Centrica have to constantly keep updating, promoting the company website and also post the share price online.

They don't focus much on marketing because they're a not for profit business but they produce and distribute newsletters in attempt to gather more volunteers.

### Sales

Centrica sell their products through the phone and also services by going to customer's houses and fixing their boilers in order to have sales

Martin House make their sales through fundraising events and donations

### Production

In terms of production, Centrica don't buy raw materials they source them their selves and store them too.

The admin staff at Martin House will have to deal with the production long with the children need and want

## Centrica

The structure of the business Centrica is a flat structure as it starts with the chief executive then separates into managers of Centrica's companies. This works well because there will be greater communication since there's only a few bosses.

Following the main organisational structure, Centrica is then structured in terms of types of customers. For example British Gas is split into residential energy supply, energy services and business energy services and supply

The same is done with all the other product groups except for Centrica storage because Centrica doesn't have customers it just processes and stores energy. On the other hand, Direct Energy and Centrica energy are structured in a similar way to British Gas with a flat structure consisting of the types of customers at the bottom. Images of how Direct Energy and Centrica energy are structured are below.

Finally, Centrica is then divided into geographical areas for the call centres. For example British Gas's call centres would consist of a call centre manager then below the manager would be 14 teams with 12-15 workers per team.

## Martin House Hospice

Martin House is structured in a fairly simple way. They are structured by functional area and type of customer in order to keep themselves organised.

The Martin House functional structure includes:

- \* A care team
  
- \* A cook team
  
- \* An admin staff,
  
- \* A care staff,
  
- \* Volunteers,
  
- \* Office staff,
  
- \* A Fundraising team
  
- \* Doctors
  
- \* Social workers and many more

Martin House are also structured in types of customer. Within Martin House they have a teenage unit where they have personnel who only deal with teenagers and then they have a separate who deal with the normal children unit.