

# Departments in organisations



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The infrastructure of an organisation can vary greatly depending on its size; the larger the organisation, the greater the need for specialisation within its infrastructure. Departments will also vary depending upon the role of the business in regards to the day to day operations of the company.

I have chosen to identify and analyse Vodafone Group Plc as this organization is the world's leading telecommunications company dealing with a mobile customer base of 315 million people. The Group has ownership interests in 31 countries across 5 continents and is the corporate brain behind a vast organisation which continues to grow each year.

As shown in the organisational charts provided, I have limited the organisational analysis to the Group's fundamental departments and its UK subsidiary company Vodafone UK. This has been done to simplify the structure so that a clear understanding can be shown, and to show a clear context between the company operatives within Vodafone UK, and the Group CEO. I will begin by explaining the role of each primary department present in Vodafone Group as shown in the provided organisational chart.

### **Group Human Resources**

The HR department primarily exists to manage manpower within an organisation and is the central theme in the development policy of employees. The key functions of the modern day HR department within a large organisation such as Vodafone Group would include;

- \* Recruitment & Selection

- \* Training and Development

- \* Performance Evaluation and Management
  
- \* Promotions/Transfers
  
- \* Redundancy
  
- \* Industrial and Employee Relations
  
- \* Record keeping of all personal data.
  
- \* Compensation, pensions, bonuses etc
  
- \* Career development
  
- \* Performance Appraisal

### **Group Business Development**

The Business Development department specialises in a broad range of activities aimed at generating new business. The 'biz dev' department will utilize marketing and sales techniques aimed at generating new customers or penetrating new or existing markets. In Vodafone Group's case this department would be responsible furthering the company's international presence in researching the optimal areas and international markets in which to expand. This department will assess marketing opportunities and target markets, generate ideas and business strategies, and will try to generate new business for an organisation by creating possible business models.

### **Group Strategy & Business Improvement**

The Business Improvement department aims to generate business strategies which will enable Vodafone Group to achieve its long-term objectives and

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goals. The department will identify the organisations objective, develop policies and plans (in the form of programs/projects), and will monitor their implementation. Examples include Vodafone Group's ' Employee wellbeing framework' and ' Business Principals' which will be discussed in detail later.

### **Group Legal**

The legal department handles most legal issues which arise within an organisation, from drafting waiver forms to dealing with law suits from customers or other organisations. Small businesses may often retain a single lawyer or team of lawyers where as large organisations such as Vodafone Group will keep a whole department in order to deal with the vast work load and to protect the organisation from making any costly mistakes which may result in a lawsuit.

### **External Affairs**

The External Affairs department are in charge of the organisation's external presence and communications strategy. This could cover events, media, promotions and the majority of external entities which represent the organisation.

### **Global Technology**

The Group Technology department exists to serve the purpose of researching, creating and utilising new state of the art telecommunication technologies in order to give Vodafone Group the most competitive products possible.

## **Global Marketing**

The Marketing department specialises in acquired knowledge and application of knowledge in regards to the selling of a product to its potential or current consumer. The Marketing department is responsible for identifying the wants and needs of the organisation's current or potential customers, acquiring market research and identifying target markets, as well as devising marketing strategies and implementing those strategies via communication tools.

Organisational Chart #1

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Organisational Chart #2

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## **Delegation**

In Figure 1 I have created an organisation chart for Vodafone Group, and using this chart as a reference we will come to further understand how organisations are structured and why they are structured in this way. Due to the size and volume of information present for such a large organisation, I have chosen to identify the contrast present between the Group CEO Vittorio Colao and a customer service operative working with in Vodafone UK.

Vodafone Group is a public limited company (PLC), which means that the company is owned by shareholders. A shareholder is an entity who invests in company stock or shares in return for a share of ownership in the business.

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We have already looked in some depth at various departments within an organisation such as Vodafone Group and can assume that the successful running of such a business requires the expertise of specialised individuals who will generally not be found amongst the company shareholders. It is this requirement for expertise which leads the company shareholders to elect and delegate authority to an experienced board of specialised directors, to run the company in the interests of its shareholders.

To delegate authority in business is to give a subordinate a level of authority in order to make decisions, to allocate necessary resources and to see certain tasks or activities completed in alignment with the completion of organisational objectives. This process of delegation is what forms an organisational structure as every department in a business requires specialised management and workers to complete specialised tasks. The structure used for Vodafone Group is a very common structure among large organisations and is known as the Functional Structure. This is where authority strictly flows from top to bottom and down into specialised departments (or in Vodafone Group's case) to regional/national directors:

- \* from top management (Group CEO) to departmental managers.

- \* from top management (Group CEA) to regional subsidiary directors (e. g. Europe CEO)

- \* from regional managers to subsidiary managers (UK CEO)

- \* from subsidiary managers to branch managers

- \* from branch managers to team leaders

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\* from team leaders to customer service operatives

All roles are completed as superiors delegate work to their subordinates with exact details as to what is expected of them and how it should be done.

Delegation of authority ensures the systematic completion of tasks in an organisation, and the completion of such tasks is dependant upon the issuing of responsibility.

Responsibility is delegated along with authority and a work force must be aware of its individual responsibilities to complete the tasks being asked of them. Authority may be delegated down through an organisation, but when a superior delegates responsibility to a subordinate, it is absolute. It is the definition of a subordinate's responsibility which defines his individual role and what he can and cannot be held accountable for. It is vital in an organisation for managers to train their work force to be fully aware of their responsibilities as this is what gives Vodafone Group its specialised functional structure.

In contrast to the delegation of authority where top management possesses the highest authority, the most responsible employees tend to be low in the organisational structure.

\* Top management (CEOs) devise long term corporate objectives for the company and make it the responsibility of middle management (departmental or branch managers) to see these results achieved.

\* Middle management fulfils this role through creating practical means in which to shape and train the operatives (e. g. customer services representatives) in order to reach these results.

\* It is the operatives who are held most responsible, as their roles entail little or no delegation of authority and a huge responsibility of achieving company objectives.

### **Centralisation & Decentralisation**

The Starfish and the Spider (Ori Brafman and Rod A. Beckstrom) suggests a metaphor in which to describe these two principals when applied to the management of organisations. We will call a centralised organisation the spider and a decentralised organisation the starfish. If you were to cut off a spiders head, it would die and the body would cease to function. A starfish however has no head. If you were to remove a leg then a new one would grow in its place; the amputated leg fully capable of growing 4 new legs and becoming a self sufficient entity.

Centralisation and decentralisation are terms which refer to the extent to which authority is delegated in a company. Centralised companies, like the spider, operate from top management retaining authority and responsibility in order to achieve control in company operations. Decentralised companies possess a higher level of authority within their structural elements, allowing for greater independence through the delegation of the company's decision making and operational responsibilities. These disciplines are not limited to being applied to an organisation as a whole; specific departments can



become centralised or decentralised in order to best serve the organisational objectives.

### **Centralisation vs Decentralisation**

It is uncommon to find two organisations which contrast to a large degree in terms of centralised and decentralised structures. It is becoming increasingly common for departments to be treated individually in order to best satisfy their requirements as no two departments are the same and may demand unique. It is argued that as you descend vertically down an organisational structure, departmental staff become increasingly specialised in their individual roles, creating the argument that workers who are more experienced in their individual working environments may be more effective in conducting decision making and self management; that an empowered work force is a productive work force which can react quickly to shifts in business needs, changes which could take senior management time to identify and remedy.

Vodafone Group PLC utilises several degrees of centralisation throughout its organisational structure in order to achieve optimal results. Vodafone Group requires a strong element of decentralisation in the management of its joint ventures and subsidiary companies all over the world as to meet the demand of different global cultures. Each international subsidiary has a more experienced understanding of its own environment and customer base, and is delegated appropriate authority in order to make the appropriate decisions.

The SAS (Special Air Service) is a Special Forces regiment of the British Army, and a relevant (somewhat extreme) example of the effectiveness of a decentralised organisational structure. The SAS utilizes a substantially highly trained work force in order to create a hugely self sufficient entity which can react and self manage itself free from any chain of command. In addition to all required roles being satisfied with in a single squad, specialist training with in the SAS allows for any role to be filled by any member of the squad should a soldier become incapacitated including leadership. The environment, in which the SAS works, requires a squad to function independently from a chain of command in order to adapt to new situations quickly and efficiently.

The Royal Mail is Britain's national postal service and can be used to draw a contrast to show advantages/disadvantages in the two principals of delegation. The Royal Mail works with in the private sector and holds the responsibilities of effectively running the postal requirements of the United Kingdom. With this organisational role comes great responsibility for efficiency of service, which can best be achieved through standardisation obtained through a centralised business structure. Royal Mail delivers over 75 million items on average per working day and only through a centralised structure can a company maintain a sufficiently rigid structure to accommodate such a large operation effectively. In contrast to the SAS where a level of flexibility is required in order to react to any internal or external changes, the Royal Mail demands a set structure in order to operate such a large operation efficiently and responsibly.

**Formal & Informal communication**

Communication is a hugely important organisational tool in which business ideas, information and plans are voiced in a company. In order for an organisation to be successful, excellent internal communication channels must be present in order for organisations to operate efficiently.

Communication within an organisation tends to be directed both horizontally and vertically. Communication flowing from top to bottom tends to be in the form of formal communications; policies and procedures from senior management aimed at keeping its work force working in line with achieving organisational objectives and working within company policy. Progress reports, complaints and requests are communicated back to senior management from lower level functionaries, providing feedback on the effectiveness of applied organisational objectives and policies. Vertical communication between departments exists in order for departments to collaborate together in order to share knowledge enabling them to achieve the best possible results.

**Formal**

Formal communications can be defined as “ a presentation or written piece that strictly adheres to rules, conventions, and ceremony, and is free of colloquial expressions.” Large organisations demand a greater requirement for formal forms of communication as a larger organisation requires clear channels of communication in order to be communicated with effectively. Examples of formal forms of communication which would be found with in an organisation as large as Vodafone would include:

\* Conferences

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- \* Formal interviews
  
- \* Departmental meetings
  
- \* Formal telephone calls
  
- \* Internal publications
  
- \* Company intranets/bulletin boards

As formal information is considered ‘official’ it carries greater weight and is easier obeyed by recipients. Formal information is written for the most part and this allows for a greater ease of understanding, as well as being recordable and easily traced or reproduced if required. Formal communication also promotes an easy method of mass communication as information is quickly transmitted without any direct feedback, which may be found in more informal forms of communication. This allows for senior management to prioritise and focus their efforts where they are most needed.

### **Informal**

Informal communication refers to any communication which does not follow the conventions of formal communication. A common definition would be “a casual discussion, verbal exchange, note, or memorandum that may adhere less strictly to rules and conventions”. Informal communication is often used within departments or is directed horizontally across a hierarchical organisation structure, between employees who share similar roles or equal responsibility. Informal communication exists to motivate staff by communicating with one another in a format which promotes friendship and

understanding amongst workers. Informal communication allows for freedom of speech in which creativity can be utilised and openly voiced between employees. Informal forms of communication could include:

- \* Verbal discussions
- \* Informal phone calls
- \* Emails
- \* Informal meetings
- \* Text/instant messaging

Informal communication works in contrast to its formal counterpart. Although communication is less official and perhaps less likely to be obeyed or understood, it can be less intimidating and open as to allow for more personal ideas and opinions. Freedom of speech allows for instant feedback to be given which allows for plans or information to be criticised if necessary. Informal communication tends to be opinionated and can be offensive to other employees or information could be incorrect and mislead other workers.

Both forms considered, a balanced mix of both formats of communication can usually be deemed as the most appropriate use of both formats.

Organisational requirements and important rules and policies are best voiced through formal means so that they may be best understood and carry the authority to be followed. Informal communication is optimally used bringing

employees together, in establishing understanding and friendships in order to strengthen a work force through communicative bonds.