



CHAPTER 7

Organizational Structures

Chapter 7

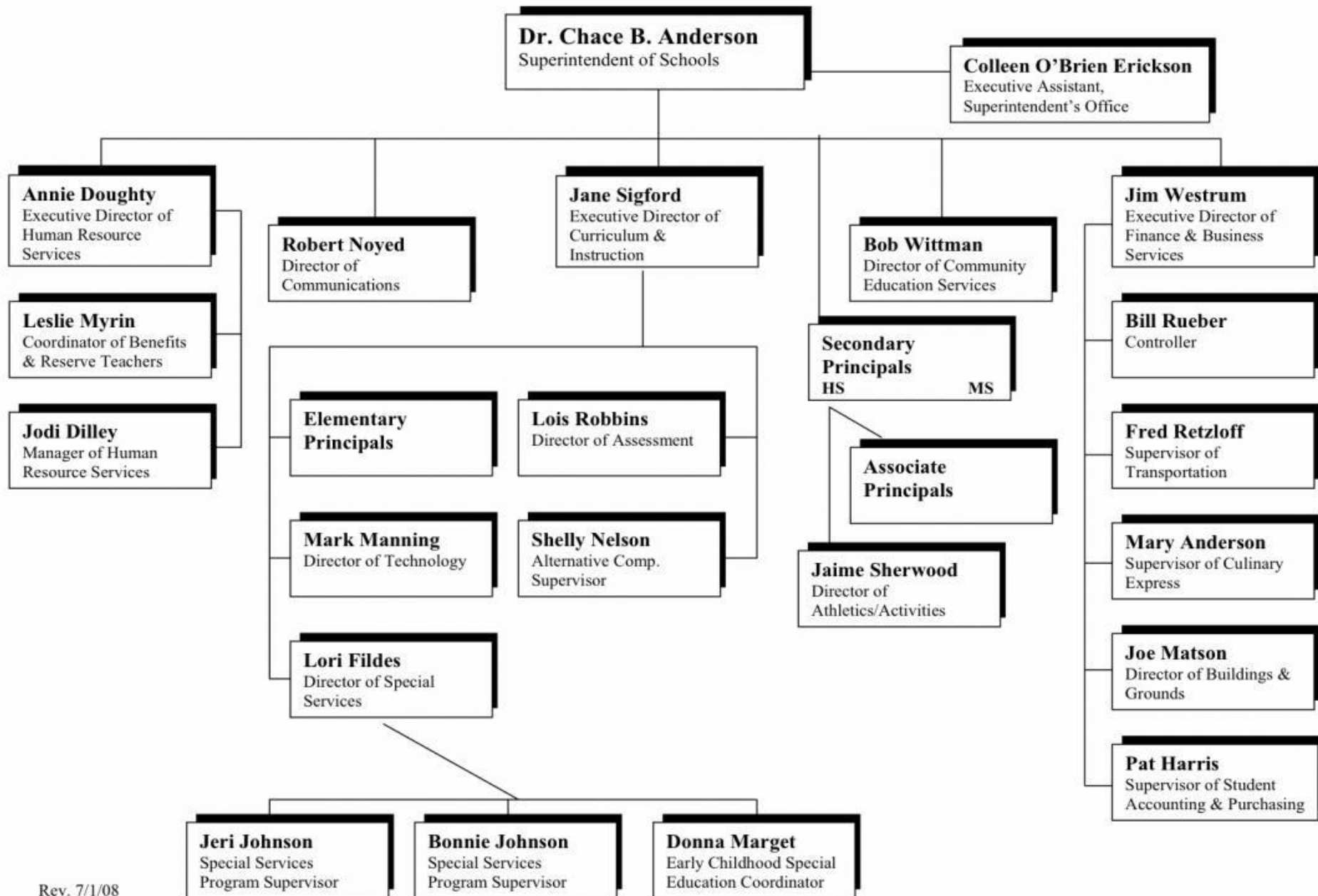
■ Why It's Important

- Understanding business organization and management is key to knowing how a company is run.

Chapter 7: **Managerial Structures**

- A **management plan** divides a company into different departments run by different managers.
- Companies use an **organizational chart** to show how the business is structured and who is in charge of whom.

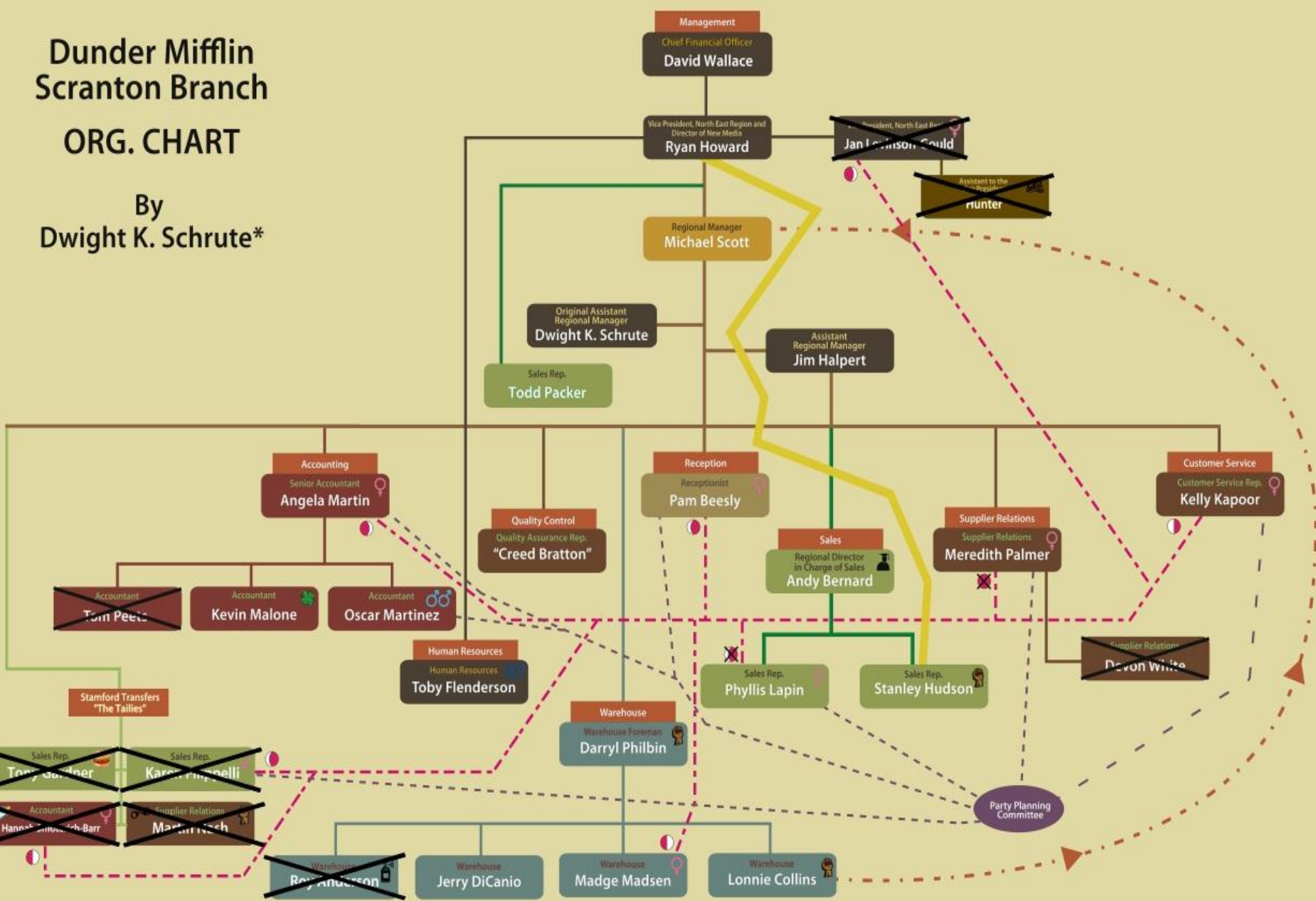
WAYZATA PUBLIC SCHOOLS – ADMINISTRATIVE TEAM – 2008-2009



Dunder Mifflin Scranton Branch

ORG. CHART

By
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MENSTRUATION LEGEND	
	1ST WEEK
	2ND WEEK
	3RD WEEK
	4TH WEEK
	POST MENOPAUSAL
	POST MENOPAUSAL

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Chapter 7: **Managerial Structures**

- One way to organize management is called **line authority**.
 - Managers at the top of the organization are in charge of those beneath them.
- **Centralized organization** puts authority in one place, with top management.
- **Decentralized organization** gives authority to a number of different managers to run their own departments.

Chapter 7: **Formal Structure**

- Formal structures are usually departmentalized.
- **Departmentalization** divides responsibility among specific units, or departments.

Chapter 7: **Informal Structure**

- Smaller businesses can be run more informally.
- If a business does not need a big marketing or distribution network, it does not need a lot of managers.

Chapter 7: Quick Review #1

- How does a centralized organization differ from a decentralized organization?
- Give an example of departmentalization.

Chapter 7: **Levels of Management**

- Most businesses have three levels of managers:
 - Top-level managers
 - **Top-level managers** are responsible for setting goals and planning for the future.
 - Middle managers
 - **Middle managers** carry out the decisions of top management.
 - Operational managers
 - **Operational managers** are responsible for the daily operations of the business.

Graphic Organizer

Levels of Management

TOP LEVEL MANAGERS

- Set goals
- Plan for the future

MIDDLE MANAGERS

- Carry out the decisions of top management
- Plan and control operations

OPERATIONAL MANAGERS

- Oversee daily operations
- Supervise workers to meet deadlines

Chapter 7: **Quick Review #2**

- What are three levels of management?
- Which of the three levels is most involved in the day-to-day supervision of employees?

Chapter 7: **Planning**

- A good manager has four different functions:
 - Planning
 - Organizing
 - Leading
 - Controlling

C.L.O.P.

Chapter 7: **Planning**

- Long-range planning involves top-level management deciding how the company should perform.
- As part of the planning process, management must answer the following key questions:
 - What must be done?
 - Who will do it?
 - How will the work be grouped?
 - Who supervises whom?
 - Who makes decisions about the work to be done?

Chapter 7: **Planning**

- The key questions of the planning process are applied and answered when you get together with your management team.

Chapter 7: **Organization**

- To organize a business plan you need to assign managers different tasks and coordinate their activities.
- Each manager needs to organize his or her department and know what the other managers are doing.
- You need to determine who makes decisions and who answers to whom.

Chapter 7: **Leading**

- Good management also requires good leadership.
- You have to create a vision of your company to inspire your employees.
- You need to set standards so your managers know their goals.
- You need to communicate with them to provide guidance and resolve conflicts.
- You especially want to encourage your employees.
- Most companies offer incentives such as pay raises and promotions.

Chapter 7: **Controlling**

- Controlling means keeping the company on track and making sure all goals are met.
- You have to keep track of the budget, the schedule, and the quality of the product.
- You also have to monitor your employees and review their performance.
- Controlling also involves monitoring customer satisfaction.

Chapter 7: Management Functions



- Managers carry out four different functions.
- Which function involves coordinating resources?

Chapter 7: Quick Review #3

- What are the four functions of management?
- What is a manager's objective in leading?

Chapter 7:

Is Being a Manager for You?

- Most managers begin their careers as company employees. They're promoted after they have gained experience and have shown certain leadership qualities.
- Managerial qualities include:
 1. Ability to perform varied activities
 2. Ability to work under pressure
 3. Effective communication
 4. Interpersonal skills
 5. Ability to gather and use information

Chapter 7:

Advantages to Being a Manager

- Managers usually earn more money than employees in non-management jobs.
- Being a manager has prestige.
- Because managers are leaders, they have more influence than other employees on how the company is run.
- Managers also have greater control over their time and how they will spend it.

Chapter 7:

Disadvantages to Being a Manager

- Managers get the blame when things go wrong, even if another employee caused the problem.
- When managers make mistakes, they can be more costly than other employees' mistakes because their decisions affect many workers.
- Some managers feel their relationship with lower-level employees is different than their relationship with fellow managers.

Chapter 7: Quick Review #4

- What are five qualities or skills a manager should have?
- What are the advantages and disadvantages of being a manager?