

## Lesson5: Jobs & Departments – Types of Organizational Structures

Based on *English for Business Studies* by Ian Mackenzie

### Understanding Organizational Structure (10 minutes)

#### Text: How Organizations Are Structured ?

**Organizations, which** are groups of people working together, need structure to function effectively. **Organizational structure** is the system **that** shows how activities are directed and how roles, power, and responsibilities are assigned. The two main types are **hierarchical structure** and **line structure**.

A **hierarchical structure, which** is the most common type, arranges positions in levels **that** form a pyramid. The CEO sits at the top, **where** the most authority exists. Below the CEO are senior managers, **who** report directly to the CEO. Middle managers, **that** supervise teams, report to senior managers.

A **line structure, that** is simpler and more direct, has a clear chain of command **along which** authority flows vertically. Each employee has one supervisor **to whom** they report. Line structures, **which** are common in small companies, allow quick decision-making **because** the path is short.

Departments, **that** handle specific functions, report through the chain of command. The **HR department, which** recruits staff, reports to the CEO. The **marketing department, that** promotes products, reports to a senior manager. The **finance department, whose** budget controls spending, reports to the CFO.

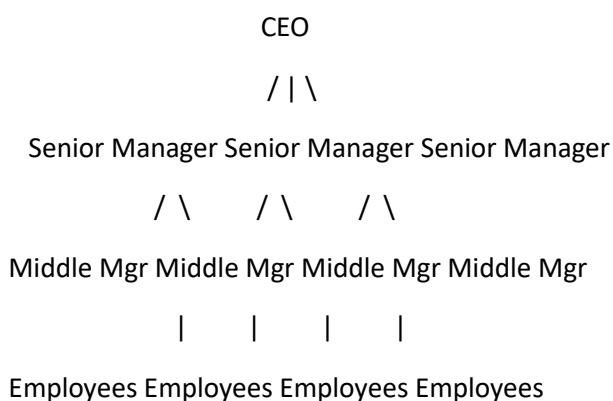
- **Organizational Structure**

**Definition:** Organizational structure is the formal system that shows how roles, powers, and responsibilities are assigned, controlled, and coordinated within an organization. It determines how information flows between levels.

#### 1. Type 1: Hierarchical Structure (Pyramid Structure)

An organizational structure that arranges positions in multiple levels forming a pyramid shape, with Top Management at the top, Middle Management in the middle, and Operational Employees at the bottom .

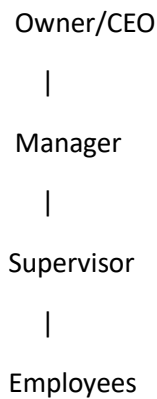
#### Diagram:



#### 2. Type 2: Line Structure (Simple Structure)

An organizational structure that has a direct vertical flow of authority from top to bottom, with each employee reporting to only one supervisor

**Diagram:**



**Comparison table : Hierarchical VS Line Structure**

Feature	Hierarchical Structure	Line Structure
Definition	Multiple levels forming a pyramid	Direct vertical authority flow
Complexity	Complex with many layers	Simple with few layers
Decision-making	Slow (many approvals needed)	Fast (fewer approvals)
Cost	High (many managers)	Low (few managers)
Communication	Formal, through layers	Direct, informal
Specialization	High (specialized departments)	Low (general roles)
Best size	Large companies (100+ employees)	Small companies (<50 employees)
Example	Multinational corporation	Local shop, startup

**Essential Business Vocabulary with Definitions**

Term	Definition	Example Sentence
Organization	A group of people that works together for a common purpose (e.g., business, nonprofit)	<i>The organization, which has 500 employees, operates in Algeria.</i>
Department	A separate unit that handles a specific function within an organization	<i>The marketing department, that creates advertisements, promotes products.</i>
Job title	The name that describes a person's position and level in a company	<i>Her job title is Marketing Manager, which means she leads the marketing team.</i>
CEO (Chief Executive Officer)	The highest-ranking executive who is responsible for making major corporate decisions	<i>The CEO, who leads the company, reports to the board of directors.</i>
Manager	A person who is in charge of a department or team and makes decisions	<i>The department manager, that oversees operations, hires new staff.</i>
Supervisor	A person who watches over workers to ensure they do their jobs correctly	<i>The supervisor, who monitors productivity, reports to the manager.</i>
Employee	A person who works for a company in exchange for wages/salary	<i>Employees, that work hard, receive bonuses.</i>
Hierarchy	The levels of authority that exist in an organization (from top to bottom)	<i>The hierarchy, which shows who reports to whom, is clearly defined.</i>
Chain of command	The official line along which authority flows from top to bottom	<i>The chain of command, that shows reporting relationships, starts with the CEO.</i>
Reporting line	The path that shows who reports to whom in an organization	<i>Your reporting line goes from assistant to supervisor to manager.</i>
Span of control	The number of employees that a manager supervises directly	<i>A wide span of control, which means many subordinates, can cause problems.</i>

