



# LESSON 1

# Company structure

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# Introduction

- ▶ Company structures define how businesses organize their internal systems, delineating roles, responsibilities, and communication pathways. Understanding these structures is vital for effective management and operational efficiency

# Primary Types Of Organizational Structures:

- ▶ 1. Functional Structure
  - ▶ In a functional structure, the organization is divided into specialized units based on specific functions such as marketing, production, human resources, etc
- ▶ 2. Divisional Structure
  - ▶ This structure organizes teams based on products, geographical markets, or customer segments
- ▶ 3. Matrix Structure
  - ▶ A matrix structure blends functional and divisional approaches, where employees report to multiple managers—typically both a functional manager and a project manager.
- ▶ 4. Flat Structure
  - ▶ Characterized by few or no levels of management between staff and executives, flat structures promote direct communication and empower employees by reducing hierarchical barriers

# Organizational Levels

- **Top Management:** Senior executives responsible for strategic decisions.
  - CEO (Chief Executive Officer)
  - CFO (Chief Financial Officer)
  - COO (Chief Operating Officer)
- **Middle Management:** Managers who implement policies and oversee departments.
  - Department Manager
  - Regional Manager
- **Lower Management & Employees:** Operational staff responsible for daily tasks.
  - Team Leader
  - Supervisor
  - Staff/Employees

# Types of Organizational Structures

- ▶ **Hierarchical Structure** – A traditional pyramid structure with clear authority levels.
- **Flat Structure** – Fewer management levels, promoting more collaboration.
- **Matrix Structure** – Employees report to multiple managers, often used in project-based organizations.
- **Divisional Structure** – Organized by product, region, or market.

# Key Vocabulary

- ▶ **Hierarchy** – The ranking system within a company.
  - **Department** – A division within a company (e.g., HR, Marketing, Finance).
  - **Supervisor** – A person who oversees a team.
  - **Board of Directors** – A group that makes high-level company decisions.
  - **Stakeholders** – Individuals or groups affected by a company's actions.
  - **Subsidiary** – A company controlled by a larger parent company.
  - **Chain of Command** – The flow of authority from top to bottom.

# References

- ▶ Sweeney's *English for Business Communication* (2019)