



## Teacher guide

### Organisation structure

#### Where does the lesson fit?

This session would serve as an introduction to organisational structure in a People or Human Resources module.



#### **Suggested resources & activities** related to organisation structure and British Gas

- Full British Gas case study
- Organisation Structure PowerPoint
- Roles of Managers lesson resources
- British Gas crossword
- British Gas word search

#### **Suggested timings for the session**

5 mins	Starter e.g. British Gas word search
5 mins	Use the Organisation Structure PowerPoint to discuss the topic
5 mins	Read the case study
10 mins	Questions
20 mins	Task . creating an organisation chart
15 mins	What have you learned?

#### **Answers to questions**

1. What is flat organisation structure?

A flat organisation is one with:

- Few layers
- Large spans of control

2. Explain how British Gas divides up its business activities.

British Gas divides up its business activities by:

- Products (gas and electricity)
- Services (maintenance and repairs)
- Functions e.g. customer services, marketing etc.



## **THE TIMES 100**

### **BUSINESS CASE STUDIES**

3. Explain what is meant by a matrix structure. Give an example of where this might be used at British Gas.

A matrix structure uses more than one line of communication, often operating with employees working in project teams. Teams are made of up employees with a range of skills from different areas of the business. Matrix teams tend to be fairly short term, being disbanded once the project is completed.

4. Evaluate whether a tall (hierarchical) structure is best for large organisations like British Gas.

On the one hand:

- As firms grow, they tend to become taller as more workers are taken on and different levels of authority are developed
- Tall structures allow for a high level of control
- Tall structures provide greater opportunities for promotion, which can be motivating for employees

However:

- Tall structures can lead to poor vertical communication as there are so many intermediaries for information to pass through
- Skilled and motivated workers may feel stifled within a tall organisation
- The many layers of managers can increase the payroll costs of an organisation

### **What have you learned?**

Expected learning would include:

- Businesses structure their workforce in a number of ways . product/services, location and functions
- Functions include customer service, marketing, operations, finance, HR and IT
- Organisations, except for very small ones, have employees working at different levels of responsibility
- Tall organisations have lots of layers and small spans of control
- Flat organisations have few layers and large spans of control
- The span of control is the number of workers one manager is directly responsible for
- The chain of command is the line down which instructions are passed
- Tall organisations can lead to poor communication
- Flat organisations can be motivating for workers if they are empowered through delegation
- Matrix structures involve the use of project teams with workers from different areas of the business coming together to complete short term projects.