

# University of Oum El Bouaghi

## Department of Mathematics and Computer Science

**Module:** Information System

2nd Year Computer Science License

### Solution for tutorial 2: Company Structures

**Exercise 01:** Complete the text below:

1. Faced with the turbulence of the economic and technological environment and the globalization of competition, companies are reorganizing. More than ever, the question is: how to become more **competitive**?
2. The structure of a company is represented in the form of a **diagram**, which shows: the distribution of **tasks**, the various (**services**) **positions**, and the **hierarchical** level of each.
3. Each company needs to ask: which **structure** to choose? To make its choice, it must consider its **activities**, history, and **size**. It must take different **criteria** into account.
4. There are many types of structures, for example:
  - The **hierarchical** structure where orders follow the hierarchical line,
  - The **functional** structure which relies on specialization of functions,
  - The **hierarchical-functional** structure which combines the two previous types,
  - The **divisional** structure where the division is done by activities, products, markets,
  - The **matrix** structure which combines both **functional** and **divisional** structures,
  - The **hierarchical** structure is based on the principle of unity of command: each employee reports to only one superior. It was directly modeled after military hierarchy. This structure is simple but rigid.
  - The **functional** structure, advocated by Taylor, supports the principle of having **multiple** superiors for the same employee: authority is divided by function, which can create coordination difficulties.

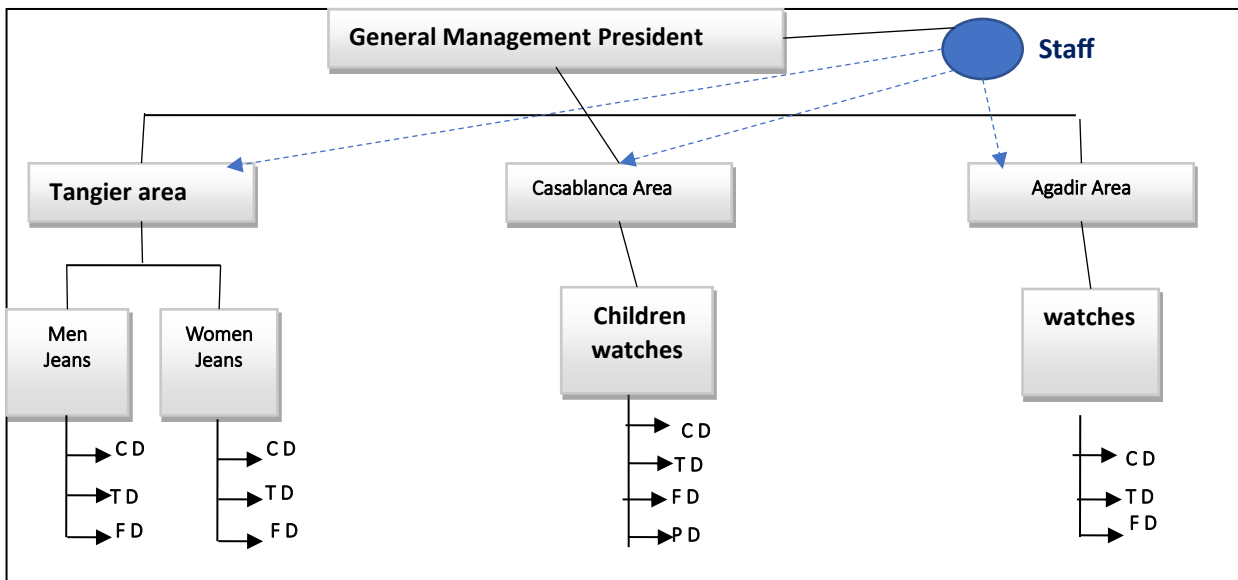
- The **hierarchical-functional** structure leads to sharing authority between operational managers who command and **functional** managers who advise.
- The **matrix** structure is well-suited for change. It is based on the principle that each employee reports simultaneously to a product manager and a functional manager.

### **Exercise 02:** Observe this structure

#### **Answers:**

1. What type is this structure? (Hierarchical)
2. What is the disadvantage of this structure? (Duplication of the Personal Service)
3. Can we improve this structure and how? (Yes) by using a single Personal service for the three services (Technical, Sales, and Social)
4. What is the type of the improved structure and what is its disadvantage? (Functional Structure, Risk of conflict within the Personal Service).
5. The Technical department of this organization is linked with a staff service to provide necessary advice for manufacturing.
  - Place this staff service.
  - What is the type of this new structure? (Hierarchical-functional)

### **Exercise 03**



1. It is a **divisional** structure by **zone** and by **products**.
2. Basic principles:
  - Unity of command at the level of each division.
3. Advantages:
  - Simple to understand
  - Autonomy of divisions.
4. Disadvantage:
  - Heavy personal costs.