

- Organisations can be classified according to their **Economic Sector or Size, or structure**. The organisation classification decides which information system is relevant and how it regulated.
- The first classification is by **economic sector**:
  - **Private sector**: commercial, for profit business organization or household
  - **Public sector**: government owned, state local and federal.
  - **Third sector (ngo: non government organisation)**: not profit organisation, voluntary, community and charity. Service for disadvantage eg: Sammy salvos and red cross.
- **Economic sector** can also be classified into the type of production
  - **Primary**: producers of natural resources in environment **eg**: farming, mining and forestry
  - **Secondary**: manufactures. They generally take natural resources and do something with it/add value. Manufacturing, processing and construction **eg**: steel factory fish processing
  - **Tertiary**: service industries (providing service rather than from primary source): **eg**: healthcare, retail, healthcare, transport
  - **Quaternary**: Information based. Professional and intellectually highly skilled specialist. Some mechanism to get to information. **EG**: Research & development, Education, and IT
- The second classification is by **size**. We need to know this so we can know which information system is suitable
  - Micro organisation: <5 people
  - Small organisation: <20
  - Medium organisation: 21-199
  - Large organisation: >200
- The third classification is **structure characteristics (generic all need)**:
- **Line Organisation**: Is where top management has complete control and chain of command is clear and simple. Advantages:
  - Simple & easy to establish
  - Authority and responsibility clearly defined
  - High level of discipline (cant skip levels)
  - Prompt decision making since manger meet up
  - Better scope of supervision
- **Line and staff organisation**: combines line organisation + with staff departments that support and advise line department.
  - Difference between line and staff organisation and line organisation is that there are multiple layers of management within line and staff organisation.
- Disadvantages of line and staff organisation:
  - May be confusion or conflict on decision between line and staff

- Communication is downwards only (advisor need to take it down in terms of implementing ideas.)
- Does not ensure effective performance because advise is not directive
- There are different types of organisation structure:
- **Hierarchical Organisation (traditional):**
  - Pyramid shape, often tall, with employees at various levels
  - Top middle low managers often for functional areas
  - Roles are clearly defined & most important decisions are made by senior management
  - Maybe uncommunicative between departments and unresponsive to change
- **Flat organisation (Like pyramid but LOTS AT FIRST LEVEL):**
  - Fewer layers between top management and workers
  - Lower levels are invited to make decisions
  - Faster response changing conditions
  - More interactions among levels of staff
  - Typically with small organisation – tend to be more complex as they grow (can't keep tabs). So they may go to others
- Functional organisation (usually a hierarchical)
  - Where company is divided into separate units based on role & business activity
  - Common functions: production, marketing, accounting, research, distribution, and development and HR
- Advantages of functional:
  - Reinforces specialist skills & resources
  - Reduces duplication & scare resources
  - Facilitates communication within department
- Disadvantages of functional:
  - Poor communication across functional areas
  - Limited view of organisation goals (of fiance goal we care about only fiancé)
- When to use functional?
  - Business environment is stable and predictable
  - Small and medium in size
  - Quality is maintained thorough routine task
- Divisional Organisation (may be hierarchical): divided Self contained units
  - Separated by: products or services
  - Geographic location (perth brance,
  - Customer (insurance companies. HBF one type of customer base then they added home and content and travel insurance for different insurance)

**\*SEE HOW ITS NOT FUNCTIONAL**

- Advantages of divisional organisation:
  - Independencies and resources within the division are coordinated towards overall outcome
- Disadvantages of divisional organisation:
  - Heavy duplication of resources, skills, and expertise as each division has its own functions
- When to use divisional organisation?
  - Large in size
  - Business environment is dynamic and always in flux
  - Multiple products and customer types exist
- Matrix organisation: 1 formal boss. (So all departments (line manager:IT) bring together to solve 1 problem. Ie accountant department, Hr, legal, IT)
  - Brought together as a team to solve a problem/develop project
  - Report day to day performance to manager, across departmental boundaries
  - Report overall performance to line manager
- Advantages matrix organisation:
  - Independencies between functional departments are managed well
  - Skill diversification and training across functions is easier
- Disadvantages of matrix organisation:
  - Difficult to manage and control coordination
  - Employees may face unclear roles and inconstant job demands
- When we use matrix organisation:
  - Very large
  - Business environment is uncertain and unpredictable (cross fertilisation of ideas and innovations)
  - High level of technological interdependency across functions exist (lots of system support)
  - The goal is product specialization and innovation (fix something or solve problem innovate a product. Expertise from different areas)

**\*IT USES LOTS OF MATRIX**

- Team organisation: (it uses)
  - Project based no real line manager like matrix
  - Self managing
  - Adaptive and responsive
  - Shared leadership and planning
- Organisation culture:
  - The way of doing things understood within the organisation
  - Shared norms, ritual and stories (what is you do to get promotion) assumptions, and values (what is appropriate way to do something. Ie: Don't go beyond your boss in decision making)

○ Can be classified In various different ways  
&&&&&&&CHECK POWER POINT 18 FOR IMAGE

- The main types of organisation culture includes:
    - **Hierarchy:** a traditional, stable, mature bureaucracy values steadiness and efficiency
    - **Clan:** extended family, friendly, cooperative values harmony and teamwork
    - **Adhocracy:** Innovative, risk taking and entrepreneurial, values flexibility + creativity
    - **Marketing:** competitive, see environment as a threat , values control, productivity and advantage
  
  - Culture may effect
    - How organisation reacts to competition (ie does it say oh no or does it fight)
    - Whether organisation is risk taking or risk adverse
    - whether it is an earlier adopter of technology or laggard
- +add organisation culture

Staff: supporting the organisation ie: legal assistance. Line: is people in the organisation