

COMPANY ORGANISATION, TYPES OF COMPANIES, JOB DESCRIPTION



- What did you want to be when you were a child?
- Do you have a dream job? What is it?
- Would you rather report to someone or have someone report to you?
- What organisations have you already worked for?
- What organisation would you like to work for and why?
- What is the most common organisational company structure?
- What is the organisational structure in your company/institution?
- How and why do organisational structures differ?
- What does the organisational structure of a company show?
- How would you describe your job and job responsibilities?
- Where, in the organisational structure, does your job belong?



COMPANY ORGANISATION

Companies can be made up of three key groups of people - **shareholders**, who provide the capital and own the company, the **management** and the **workforce**. In large corporations, operations are split into **divisions** or **departments**, which are overseen by a **board of directors**.



In a traditional **hierarchical** company, the board of directors typically provides strategic direction. The board consists mainly of **non-executive** directors who represent the interest of the shareholders. The board is **headed** by the **Chairperson** (UK)/ **President** (US) and is responsible for **policy** decisions and strategies. It will usually **appoint** a **Managing Director** (UK)/ **Chief Executive Officer** (US) who has an overall responsibility for the running of the business. **Senior/ Line managers** or company officers head the various departments within the company, for example **Finance**, **Legal Affairs**, **Human Resource (HR)**, or **Public Relations (PR)**.

Every organisation has its own organisational structure. An organisational structure is a system that **outlines** how certain activities are **directed** in order to achieve the **goals** of an organisation. These activities can include **rules**, **roles**, and **responsibilities**. A successful organisational structure defines each employee's job and how it fits within the overall system. Put simply, the organisational structure **lays out** what duties each person has so the company can meet its **objectives**. Having an organisational structure in place allows companies to remain efficient and focused. The organisational structure also **determines** how information flows between levels within the company. For example, in a **centralised structure**, decisions flow from the top down, while in a **decentralised structure**, decision-making power is distributed among various levels of the organisation.

Traditionally, organisations have been structured with centralised **leadership** and a well-defined **chain of command**, with very clear responsibilities for each role, and a clear distinction between **subordinates** and **superiors**. However, there has been a rise in decentralised organisations, as is the case with many technology startups. This allows companies to remain fast, **agile**, and **adaptable**, with almost every employee receiving a high level of **engagement**.

Large companies can have over 200 business **units** and brands that function in sometimes very different industries and they often operate **autonomously**. Even in decentralised companies, there are still usually **built-in** hierarchies, such as the chief operating officer **operating** at a higher level than an entry-level **associate**. However, teams are **empowered** to make their own decisions and come to the best conclusion without necessarily getting "**approval**" from higher up in the organisation.



TYPES OF COMPANIES

A company is a **legal entity** formed by an individual or a group of individuals to engage in and run a business **enterprise**. There are many different types of companies (UK) / corporations (US), which can be **classified** for example according to their size, forms of business, the sector – **private** or **public**, or whether they are **profit-making** or **non-profit-making**. Regarding the size, there are three main categories, and they share some common characteristics irrespective of their field.

The three main types of business size classifications are **small and mid-size enterprises** (SMEs), and **large enterprises**. Small and medium-sized enterprises represent 99% of all businesses in the EU. The definition of an SME is important for access to finance and EU support programmes targeted specifically at these enterprises. The main factors determining whether an enterprise is an SME are: staff **headcount** and either **turnover** or **balance sheet** total. Small enterprises have fewer than 50 employees and the annual turnover less than 10 million euros. For mid-size enterprises the figures are fewer than 250 employees and the annual turnover less than 50 million euros. These ceilings apply to the figures for individual firms only. A firm that is part of a larger group may need to include staff headcount/turnover/balance sheet data from that group too..

The most common forms of business are **sole traders** (UK)/ **sole proprietorships** (US), **partnerships**, and **corporations**. A **sole trader** is the easiest way of **establishing** and **dismantling** a business due to minimal government **regulation**. It is run by one business owner who has all the decision-making power in the company, but also all the **liability** and who pays personal **income tax** on profits earned from the business. In addition, any business-related expenses will come directly out of their personal finances, since personal and business finances will be **intermingled**.

A **partnership** is a formal arrangement in which two or more parties manage and operate a business and share its profits. There are several types of partnership arrangements, e.g. **general partnership**, **limited partnership** or **limited liability partnership**. In a general partnership, all partners share liabilities and profits equally, while in others, partners can have **limited liability**. Professionals like doctors, architects, and lawyers often form a limited liability partnership. This arrangement limits partners' personal liability so that, for example, if one partner is sued for **malpractice**, the **assets** of other partners are not at risk. Limited partnerships are a hybrid of general partnerships and limited liability partnerships. At least one partner must be a general partner, with full personal liability for the partnership's debts. At least one other is a **sleeping partner** (UK)/ **silent partner** (US) whose liability is limited to the amount invested. This sleeping partner generally does not participate in the management or day-to-day operation of the partnership.

A **corporation** is a legal entity that is separate and **distinct** from its owners. Under the law, corporations possess many of the same rights and responsibilities as individuals. They are, however, more complex and **costly** than most other business structures. An important element of a corporation is limited liability, which means that its shareholders are not personally responsible for the company's debts. The vast majority of corporations have a goal of generating profit for their shareholders. However, some corporations, such as **charities**, are non-profit-making.

Limited company structures are codified in many nations, though the regulations governing them can differ widely from one nation to the next. For example, in the United Kingdom, there are two types of limited liability companies - **private limited (Ltd.)** and **public limited companies (PLC)**.

Private limited companies are not permitted to offer shares to the public. They are, however, the most popular structures for a small business. Public limited companies may offer shares to the public to raise capital. When a company goes public, this is known as **flotation** or **Initial Public Offering (IPO)**.

When a business wants to increase its market share or geographical reach at a low cost, it may **franchise** its product and brand name. A franchise is a **joint venture** between a **franchisor** and a **franchisee**. The

franchisor is the original business. It sells the right to use its name and idea. The franchisee buys this right to sell the franchisor's goods or services under an existing business model and **trademark**.

JOB DESCRIPTION – EXAMPLES

A job description is a statement that outlines the specifics of a particular job or position with a company. It goes into detail about the responsibilities and conditions of the job.

Joe works in **advertising** and is **in charge of** creating marketing communication that persuades the **target audience** to purchase a product or service. He loves his work as it can be **rewarding** and **stimulating**. He needs to **demonstrate** originality and creativity as lots of new ideas must be produced. **In-depth** understanding of common marketing and advertising best practices is essential as well. No two days are the same, so Joe needs to be **versatile**. His work may **range** from contacting companies for a new advertising campaign to giving client presentations, so **effective** communication skills are required. Joe has **hands-on** experience with the productive work of the **agency**. Teamwork is essential in this industry, so strong **rapport** among colleagues is highly valued.

Amanda is a researcher and works in **research and development (R&D)**, which involves putting ideas into practice. She often works with a team of other researchers and committees to plan research objectives and test parameters. She identifies research methods, variables, data collection techniques and analysis methods. She interprets the data, produces reports discussing research findings and provides recommendations at the end of the project. To be successive she must prove **exceptional** problem-solving and **investigative** skills. Her work might be very exciting and the **sense of achievement** astonishing.

Tom is a sales representative, which can be very stressful as well as **demanding**. He needs to meet sales targets every month. However, he enjoys a great amount of **flexibility** as he organises his working time himself and does not have to **commute** to work every day. He is provided with **perks** such as a company car, a cell phone and a computer. When he is not seeing clients, he can work from home. He usually works **long hours** – about 60 hours a week but he says that advantages **outweigh** disadvantages. Tom's job is a **commision** based. He receives a basic salary and a commision, which depends on how much he sells. Thus, he is highly motivated to perform well and improve his sales performance.

Lea works as a secretary, also known as a **personal assistant (PA)** or **administrative assistant**. She is responsible for performing administrative tasks in the office. To be successful as a secretary, she must be able to **multitask**. Her work includes for example typing, **formatting**, and **editing** reports, documents, and presentations, entering data, maintaining databases, and **keeping records**. Lea is responsible for answering phone calls, responding to emails, **scheduling** appointments, **liaising** with internal departments and making travel arrangements. Her **duties** might also **entail** organising events and arranging refreshments, if required. Copying, scanning documents as well as taking notes during meetings are secretarial responsibilities. Lea must often **exhibit** excellent **interpersonal** and organisational skills and work autonomously to provide **customised** administrative support.



Listening activity

Listen to part of an episode from the BBC programme *50 Things That Made the Modern Economy* by Tim Harford about Limited Liability Company and complete the gaps with the words you hear.

Nicholas Murray Butler was one of the thinkers of his age. Philosopher, Nobel Peace Prize winner, president of Columbia University. In 1911, someone asked Butler to name the most important invention of the industrial era. Steam perhaps? Electricity? No, he said. They would both be reduced to comparative impotence without something else. Something he called the greatest single discovery of modern times. That something - the limited liability corporation.

It seems odd to say the corporation was "discovered". But it didn't just appear from nowhere. The word "incorporate" means take on 1) **bodily form** - not a physical body, but a legal one. In the law's eyes, a corporation is something different from the people who own it, or run it, or work for it. And that's a concept lawmakers had to dream up. Without laws saying that a corporation can do certain things - like 2) **own assets**, or 3) **enter into contracts** - the word would be meaningless.

The legal ingredients that 4) **comprise** a corporation came together in a form we would recognise in England, on New Year's Eve, in 1600. Back then, creating a corporation didn't simply involve filing in some routine forms - you needed a royal charter. And you couldn't 5) **incorporate** with the general aim of doing business and making profits - a corporation's charter specifically said what it was allowed to do, and often also 6) **stipulated** that nobody else was allowed to do it.

The legal body created that New Year's Eve was 7) **charged with handling** all of England's shipping trade east of the Cape of Good Hope. Its 8) **shareholders** were 218 merchants. Crucially - and unusually - the charter 9) **granted** those merchants limited liability for the company's actions. Why was that so important? Because otherwise, investors were 10) **personally liable** for everything the business did. If you 11) **partnered** in a business that 12) **ran up debts** it couldn't pay, its 13) **debtors** could come after you - not just for the 14) **value of your investment**, but for everything you owned. That's worth thinking about: whose business might you be willing to invest in, if you knew that it could lose you your home, and even 15) **land** you in prison? Perhaps a close family member's? At a push, a trusted friend's? Someone you knew well enough and saw often enough to notice if they were behaving 16) **suspiciously**.

The way we invest today - buying 17) **shares** in companies whose managers we will never meet - would be unthinkable. And that would 18) **severely** limit the amount of capital a business 19) **venture** could raise.

(based on <https://www.bbc.co.uk/programmes/p058qrk3>)



Video activity

1. Watch the Ted talk and answer the questions below.

1. What are machines able to do based on machine learning?

They are able to learn from data, mimic part of what humans can do, and (assess credit risk, diagnose diseases).

2. What was the first task done by machines?

It was assessing credit risks from loan applications.

3. What are the limits of using machines?

Machines are not able to deal with novel situations.

4. What possibly will be done by machines in the future?

Machines will grade essays, conduct audits, read boilerplate from legal contracts, diagnose diseases.

5. Which tasks will not be substituted by machines?

Machines will not be able to deal with different and new litigations, with complex tax structuring, developing business strategies and creating marketing campaigns.

2. Watch the Ted talk again and complete the summary of the talk.

According to the research from 2013, almost 50 % of jobs will be 1) **automated by machines**. Machine learning allows machines to 2) **learn from data** and 3) **mimic** part of what humans can do. The Kaggle company cooperates with a high number of experts to tackle problems for 4) **industry** and 5) **academia**. One of the first tasks machines performed was 6) **assessing credit risks** from loan applications. With the right data machines will be able to 7) **outperform humans** at tasks such as diagnosing diseases. One of the disadvantages of machines is that they are not able to deal with 8) **novel** situations, which gives a 9) **fundamental limit** on the human tasks that machines will automate. The future of a job depends on how much the job is 10) **reducible to frequent**, high-volume tasks or not. In the future the machines will not only grade essays and diagnose diseases but they will also 11) **conduct the audits** and read boilerplate from 12) **legal contracts**. Although lawyers and accountants will be needed for complex 13) **tax structuring** and pathbreaking 14) **litigation**, machines will 15) **shrink their ranks**. However, it will still be people not machines who will be creating the 16) **copy** behind the 17) **marketing campaigns** and developing business strategies.

based on

https://www.ted.com/talks/anthony_goldbloom_the_jobs_we_ll_lose_to_machines_and_the_ones_we_won_t/transcript?referrer=playlist-what_happens_when_the_robots_take_our_jobs&autoplay=true



Glossary



Revision time:

Wordwall set – [Company organisation](#) – Drag and drop words into the spaces where they belong

Wordwall set – [Types of companies](#) - Match the expressions with their definitions

Wordwall set - [Legal entities](#)- Drag and drop each item into its correct group

Wordwall set - [Job description - synonyms](#) – Tap the matching answer to eliminate it. Repeat until all answers are gone.

Wordwall set - [Miscellaneous](#) – Moles appear one at a time. Hit only the correct ones to win.

Quizlet set - [Companies and Jobs](#) - Practise vocabulary on flashcards – translate from Czech to English

Sources:

1. Intelligent Business - coursebook, Louise Pile, Longman, 2005
2. <https://www.investopedia.com/terms/o/organizational-structure.asp>, accessed by 15 January
3. <https://www.indeed.com> - accessed 15 January, 24 January, 26 January 2023
4. Business Vocabulary in Use. CUP. 2006

picture:

<https://www.dreamstime.com/stock-images-corporate-structure-org-chart-representing-typical-corporation-power-authority-flowing-shareholders-image32795104>

Useful websites:

<https://www.investopedia.com>

<https://dictionary.cambridge.org/>

Business Proficiency

Definitions:

Company organisation
Adaptable - able or willing to change in order to suit different conditions
Agile - able to deal with new situations or changes quickly and successfully
Appoint – to choose someone officially for a job, responsibility
Approval – official permission
Associate - an associate is a person who has a position in a job or type of work that is just below the top position

Autonomously - independent and having the power to make your own decisions
Board of directors - the governing body of a company, elected by shareholders
Built-in - included, made, or designed as part of something
Centralised structure - where business decisions are made at the top of the business or in a head office and distributed down the chain of command
Chain of command – a system in an organisation by which instructions are passed from one person to another
Chairperson/ President – a person in charge of a meeting, organisation
Decentralised structure - where a business allows decisions to be made by managers and subordinates further down the chain
Determine – to decide what will happen
Direct – to tell the people the direction in which they must drive
Division/ department - a part of a company that deals with a particular area
Empower - to give someone official authority or the freedom to do something
Engagement - the act of being involved with something
Finance – the management of money
Head – to be in charge of an organisation, group, etc.
Hierarchical – arranged according to people’s level of importance
Human Resources (HR) – the department within an organisation responsible for managing its employees
Lay out - to explain something clearly, usually in writing
Leadership - the set of characteristics that make a good leader
Legal affairs – the department providing legal counsel to the Board and to its other departments
Line manager – the person who is directly responsible for managing the work of someone else in a company or business, and who is one level above that person
Management – the group of people responsible for controlling and organising a company
Managing Director/ Chief Executive Officer – a person in charge of a company
Non-executive - someone who has a non-executive position in a company or organisation gives advice but is not responsible for making decisions or ensuring that decisions are carried out
Objective/ goal - something that you plan to do or achieve
Operate - to (cause to) work, be in action or have an effect
Outline – to give the main facts about something
Policy - a set of ideas or a plan of what to do in particular situations that has been agreed by a business organisation, a government
Public Relations (PR) – refers to managing how others see and feel about a company
Responsibility - a duty to take care of something
Role - the position or purpose that someone or something has in a situation, organisation, society, or relationship
Rule – an accepted instruction that states the way things should be done
Senior Managers – managers at the highest level of a company or organisation responsible for strategizing the department’s direction and planning their department’s goals
Shareholder - any person, company, or institution that owns shares in a company’s stock
Subordinate - a person with a lower or less important position
Superior - a person higher in rank or social position than others
Unit - a group of people working together, especially for a particular purpose
Workforce – the group of people who work in a company

Types of companies
Assets - something valuable belonging to a person or organisation that can be used for the payment of debts
Balance sheet - a statement of the assets, liabilities, and capital of a business or other organisation at a particular point in time
Charity - an organisation whose purpose is to give money, food, or help to those who need it
Classify - to divide things or people into groups according to their type
Corporation - a large company or group of companies authorised to act as a single entity and recognized as such in law
Costly - expensive

Dismantle - to get rid of a system or organisation, usually over a period of time
Distinct - clearly noticeable; that certainly exists
Enterprise - a business or company
Establish - to start a company or organisation that will continue for a long time
Flotation/ initial public offering - an occasion when a company's shares are sold to the public for the first time
Franchise - an arrangement in which a company sells another business the right to sell its products or services in return for payment
Franchisee - a business that has bought the right to sell the products and services of another company
Franchisor/ franchiser - a person or a company that sells the right to open stores and sell products or services using its brand, expertise, and intellectual property
General partnership - a business made up of two or more partners, each obligated for the business's debts, liabilities, and assets
Headcount - a total number of people employed in a particular organisation
Income tax - a tax imposed on individuals or entities (taxpayers) in respect of the income or profits earned by them
Intermingle - to become mixed together
Joint venture - a business entity created by two or more parties, generally characterised by shared ownership, shared returns and risks
Large enterprises - entities that employs a great number of people and has a sizable annual revenue
Legal entity – an individual, company, or organisation that has legal rights and obligations
Liability - the fact that someone is legally responsible for something
Limited liability - the condition by which shareholders are legally responsible for the debts of a company only to the extent of the nominal value of their shares
Limited partnership - a business entity with at least one general partner, who has unlimited personal liability, and one limited partner, whose liability is limited to their investment in the company
Limited liability partnership - a partnership in which some or all partners (depending on the jurisdiction) have limited liabilities
Malpractice - improper, illegal, or negligent professional behaviour
Non-profit organisation - a group organised for purposes other than generating profit
Partnership - a legal arrangement that allows two or more people to share responsibility for a business
Private limited company - a type of company whose shares are not traded on a stock market and may only be sold if other shareholders agree
Private sector - the part of the national economy that is not under direct state control
Profit organisation - an entity whose primary goal is to earn income
Public limited company - a business that has opened its shares up to the public
Public sector - the part of an economy that is controlled by the state
Regulation - an official rule or the act of controlling something
Silent/ sleeping partner - an investor who becomes a member of a partnership by virtue of capital contribution, but plays an inactive role in daily operations and management of the business
Small and mid-size enterprises - businesses that maintain revenues, assets or a number of employees below a certain threshold; each country has its own definition
Sole trader/sole proprietorship - a person who is the exclusive owner of a business, entitled to keep all profits after tax has been paid but liable for all losses
Turnover - the amount of money that a company gets from sales during a particular period

Job description
Advertising - the business of trying to persuade people to buy products or services
Agency - a business or organisation providing a particular service on behalf of another business, person, or group
Commission - a payment given to someone when they sell something, which is directly related to the amount they sell
Commute - travel some distance between one's home and place of work on a regular basis
Customised - modified to suit a particular individual or task
Demanding - requiring much skill or effort

Demonstrate - give a practical exhibition and explanation of a skill
Duty - a task or action that one is required to perform as part of one's job
Edit - to make changes to a text
Effective - successful in producing a desired or intended result
Entail - involve (something) as a necessary or inevitable part
Exceptional - unusual; not typical
Exhibit - manifest clearly a quality or a type of behaviour
Flexibility - willingness to change or compromise
Format - plan or arrange in a specified form
Hands-on - involving or offering active participation rather than theory
In charge of - in control or with overall responsibility
In-depth - comprehensive and thorough
Interpersonal - relating to relationships or communication between people
Investigative - involving examining facts, events, problems, etc.
Keep records - organise and store all the documents, files, invoices for future reference
Liaise - cooperate on a matter of mutual concern
Long hours - a period of time doing something, especially work, that is longer than is usual
Multitask - deal with more than one task at the same time
Outweigh - to have more influence or importance than something else
Perks - something extra an employee gets in addition to their salary
Personal assistant/ administrative assistant - a person who does office work and works exclusively for one particular person
Range - vary or extend between specified limits
Rapport - agreement or sympathy between people or groups
Research and development – the department directed towards the innovation, introduction, and improvement of products and processes
Rewarding - providing satisfaction; gratifying
Sense of achievement - something accomplished, especially by superior ability, special effort, great courage, etc.
Stimulating - encouraging or arousing interest or enthusiasm
Target audience - a particular group at which a product is aimed
Versatile - able to adapt or be adapted to many different functions or activities

Listening and video
Academia – the environment or community concerned with the pursuit of research, education, and scholarship
Accountant - someone who keeps or examine the records of money received, paid and owed by a company or a person
Assess – evaluate or estimate
Assets - anything that has current or future economic value to a business
Bodily form - present in a physical body
Boilerplate - standardised text, documents, that can be reused in new contexts or applications without significant changes to the original
Charge - demand (an amount) as a price for a service
Comprise - consist of; be made up of
Conduct - organise and carry out
Contract - a written or spoken agreement, especially one concerning employment, sales, or tenancy, that is intended to be enforceable by law
Copy - the text of an advertisement
Credit - the ability of a customer to obtain goods or services before payment, based on the trust that payment will be made in the future
Debtor - a person, country, or organisation that owes money
Expert - a person who is very knowledgeable about or skilful in a particular area
Fundamental - basic, essential
Grant - agree to give or allow (something requested) to

Handle - manage (a situation or problem)
Incorporate - take in or contain (something) as part of a whole; include
Industry - a group of productive enterprises or organisations that produce or supply goods, services, or sources of income
Land - to arrive in an unpleasant situation or place
Liable - responsible by law
Litigation - the process of taking legal action
Loan - a borrowed sum of money that is expected to be paid back with interest
Mimic - imitate someone or their actions or words
Novel - new and not resembling something formerly known or used
Outperform - to accomplish something in a better or more impressive way than someone else
Rank - give (someone or something) a place within a grading system
Reducible – capable of being simplified
Severely - to an undesirably great or intense degree
Share - one of the equal parts into which a company's capital is divided, entitling the holder to a proportion of the profits
Shareholder - owner of part of a company
Shrink - become or make smaller in size or amount
Stipulate - demand or specify (a requirement), typically as part of an agreement
Suspiciously - in a way that makes you think someone is guilty of something wrong or illegal
Tackle - to try to deal with something or someone
Tax - a mandatory payment or charge collected by local, state, and national governments to cover the costs of general government services, goods, and activities
Venture - a business enterprise in which something is risked in the hope of profit