

# 1

## Chapter

# Enterprise Organizations





## Learning Objectives

1. Understand the concepts of organization, enterprise, company, and corporation.
2. Know different categories of enterprise organizations.
3. Learn the organizational structure of a company.

### Text A



### Lead-in

**Discuss the following questions with your partners before reading.**

1. Can you list some well-known companies in China? And what are their main businesses?
2. Can you list some departments of a company? Take a well-known company in China as an example.

## The Organizational Structure of a Company

*Aurora Garcia*

To understand the concept of the organizational structure of a company is all about defining what functions each of the people who work in it performs. What does he or she do, who does he or she report to, and who does he or she rule, ...

### What is the organizational structure of a company?

The functional organization of each person in a company refers to the organizational characteristics of the company.

The shape of this structure will depend on the size of the company. The larger the size is, the more specialization it has, and there is a more hierarchical system.

Above all, when a company is very large, there is a greater need to define the functions performed by each member of the structure. And the larger the company, the less centralization of tasks. That is greater specialization.

In a small company, it is likely that a single person performs the tasks that several different departments in a large company do. As I have already commented, the greater the specialization, the better it will be.

In this sense, knowing who belongs to each department and in what hierarchical situation it is, will be fundamental in order to carry out the organization chart of the company.

**Organigram: The graphical representation**

The organigram is the visual scheme that graphically represents the functions of each employee. We will quickly see which department he or she belongs to, the hierarchical organization, etc. It allows us to get an idea of the formal structure of a company or an entity. Employees and their positions are represented in rectangles, images (their own photographs), or other icons.

There are different types of organization charts, which according to their classification show us in their content the scheme of the staff. If their distribution is vertical, they will show the hierarchy from top to bottom, in horizontal from left to right, etc.

**How to make the organizational structure of a company?**

We must organize employees as in a family tree. The “parents” will represent in the organizational hierarchy of the company, a superior position and will command over their “children”. The “siblings” of the same department will have very similar functions within the same department.

To make an organizational structure of a company, we must divide it into departments, define the person responsible for each one, and then add the people who are part of each section. Visually the organization and where we place each name will depend on the hierarchy that occupies each member.

It is advisable to use figures or colors to differentiate departments and even hierarchies. And, if the company is very large, we can also add photographs of each employee to identify them, as well as additional information of position, contact, etc.

**Organizational structure of a large or small company**

The big difference we will find in the organizational structure of a company as its size increases is the specialization and diversification of tasks and departments.

The departments that normally exist in all companies are as follows:

### *Sales*

A sales department is the direct link between a company's product or service and its customers. Having a strong sales team is crucial to the success of a company. A highly trained sales professional pitches to the individual customer and learns the ins and outs of their needs.

### *Production*

The production department is responsible for converting raw materials and other inputs into finished goods or services, which is only possible if the purchasing department does its jobs. In the processes of production, the department works to improve the efficiency of the production or assembly line so that it can meet the output targets set by company management and ensure finished products offer consumers the best value and quality.

### *Human resources*

A human resources (HR) department is the division of a company that is responsible for effectively managing a company's human resources, which are its employees. There are six modules of human resource management, that is human resource planning, recruitment and allocation, training and development, salary and benefits management, performance management, and employee relations.

### *Marketing*

The marketing department of any company is responsible for promoting the products, ideas, and mission of the company, finding new customers, and reminding existing customers that the company is in business.

### *Logistics*

The logistics management is that part of the supply chain which plans, implements, and controls the forward and reverse flow and storage of goods, services, and related information between the point of origin and the point of consumption in order to meet customers' requirements.

### *Administration*

The administration department is responsible for the general running of the organization. It is mandated to provide administrative and logistical assistance for all departments of the organization.

*Finance*

The finance department in an organization oversees financial planning and management activities, including budgeting and forecasting, reporting and compliance, and creation of value.

If the company is very small, it is likely that the same department will take on several tasks from the previous point. On the other hand, if a company is very large, it is likely that there are, for example, two sales departments, each of which has an area of business.

Each department in a company executes a specific task. Better operation and correct performance of business can be achieved only by coordination of its different departments. Therefore, the choice of a structure will have a huge impact upon the success of the business.

(Retrieved from uSell CRM website.)



## Notes

**corporation:** 股份有限公司。It is sometimes used to describe a large business, and a true corporation is a company that has gone through the process of incorporating. When a company is incorporated, it states its formal name as "Company XYZ, Inc." Legally speaking, the term "corporation" has significance. You can't add "Inc." or call yourself a corporation in legal documents if you haven't officially incorporated. Typically, you file articles of incorporation that state your business purpose, anticipated activities, directors, shareholders, investment plans, and a physical address. In the U.S., a company is not necessarily a corporation, though all corporations can be classified as companies via a variety of structures.

**enterprise and company:** 企业 and 公司。A new project or a company established by an entrepreneur to address the needs of people and generate revenue is an example of an enterprise. A company is a legal entity formed by a group of individuals to engage in and operate a business for profit. A company may be organized in various ways for tax and financial liability purposes depending on the corporate law of its jurisdiction. While a company is typically an organization engaged in an economic activity for the purpose of earning profits for the stakeholders, an enterprise may not be a formal company in many instances. There are educational and community enterprises that do not fit into the definition of a company as they are not set up for the sole purpose of making profits. Enterprise has become common in the context of IT these days with "enterprise class" and "enterprise solutions" being commonly used phrases.

**human resources (HR):** 人力资源。It is the division of a business that is charged with finding, screening, recruiting, and training job applicants, as well as administering employee-benefit programs. HR plays a key role in helping companies deal with a fast-

changing business environment and a greater demand for quality employees in the 21st century. John R. Commons, an American institutional economist, first coined the term "human resource" in his book *The Distribution of Wealth*, published in 1893. However, it was not until the 19th century that HR departments were formerly developed and tasked with addressing misunderstandings between employees and their employers.

**organization:** 组织; 机构; 团队。It is a group of people who work together for a common purpose of managing economic, social, or political activities. A family living together can be an example of an organization. A group of friends gathering together to plan and execute a community event can also be an example of an organization. Most organizations lack a for-profit goal. Numerous legal types of organizations exist. They include military forces, charities, educational institutions, political groups, and non-governmental entities.



## Words and Expressions

administration	行政
centralization	集中化
diversification	多样化; 多元化
finance	财务; 财政
hierarchical	层级化的; 等级的
horizontal	横向的; 水平的
logistics	后勤; 物流
marketing	市场营销; 市场推广
module	模块; 组件
organigram	组织结构图; 构造示意图
production	生产
purchasing	采购
sales	销售
specialization	专业化
vertical	纵向的; 垂直的



## Exercises

**I. Match the words in the left column with the definitions in the right column.**

**1.** sibling

**A.** the practical organization that is needed to do sth. complicated successfully and efficiently that involves a lot of people or equipment

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|-------------------|---|
| 2. hierarchy      | <b>B.</b> the range of activities connected with organizing and supervising the way that an organization or institution functions |
| 3. logistics      | <b>C.</b> one's brother or sister   |
| 4. icon           | <b>D.</b> creating a system in which one central group of people gives instructions to regional groups                            |
| 5. specialization | <b>E.</b> sth. important as a symbol of a particular thing  |
| 6. administration | <b>F.</b> a system of organizing people into different ranks or levels of importance, for example in society or in a company      |
| 7. module         | <b>G.</b> a part of a machine, especially a computer, which performs a particular function  |
| 8. centralization | <b>H.</b> concentrating on a particular field of an area  |

**II. Choose the right meaning for the bold word or phrase in each sentence.**

- The functional organization of each person in a company refers to the organizational **characteristics** of the company.
  - characterization
  - nature
  - features
  - characters
- Knowing who belongs to each department and in what hierarchical situation it is, will be **fundamental** in order to carry out the organization chart of the company.
  - basic
  - primary
  - preliminary
  - initial
- The organigram is the **visual** scheme that graphically represents the functions of each employee.
  - sighted
  - sightseeing
  - symbolic
  - visible
- There are different types of organization charts, which according to their classification show us in their content the **scheme** of the staff.
  - schema
  - arrangement



- III. Determine whether the following statements are true (T) or false (F) according to the text, and find reasons for your answers.**

1. The shape of a company's structure will depend on its size.
2. If a company is larger, there will be less specialization of its employees' tasks.
3. Employees and their positions are represented in rectangles, images (their own photographs), or other icons.



4. All companies have the same type of the organization chart.
5. The “parents” will represent in the organizational hierarchy of the company, an inferior position and will command over their “children”.
6. If the distribution is horizontal, the hierarchy will be from top to bottom, in vertical from left to right, etc.
7. In a small company, it is likely that a single person performs the tasks that several different departments in a large company do.
8. It is inadvisable to use figures or colors to differentiate departments and even hierarchies.

**IV. Translate the following English sentences into Chinese.**

1. The shape of this structure will depend on the size of the company. The larger the size is, the more specialization it has.

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2. When a company is very large, there is a greater need to define the functions performed by each member of the structure.

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3. The “siblings” of the same department will have very similar functions within the same department.

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4. To make an organizational structure of a company, we must divide it into departments, define the person responsible for each one, and then add the people who are part of each section.

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5. Visually the organization and where we place each name will depend on the hierarchy that occupies each member.

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**V. Translate the following Chinese sentences into English using the words and phrases in the brackets.**

1. 一般来说,企业有三种法律组织形式:独资企业、合伙企业和公司。(enterprise organization)

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2. 独资企业是指仅一个业主拥有的非合作形式的企业。在独资企业中,所有者权益仅反映在一个单独的资本账户上。(proprietorship)

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3. 合伙企业是由两个或多个合伙人共同经营、共享利润的合作企业。在合伙企业中,合伙人要分别设立资本账户。(partnership)

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4. 独资企业和合伙企业的业主对企业的债务负完全责任,这意味着业主的个人资产要对企业债权人的债务承担偿还责任。(business creditor)

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5. 公司是指在不同法律条例下特许经营的独立法人实体。公司的所有权被分成等额的股份,拥有这些股份的个人或组织被称为股东。(corporation)

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## Text B



### Lead-in

**Discuss the following questions with your partners before reading.**

1. Do you know something about a unicorn? Share some ideas with your partners.
2. Do you know some unicorns in China? Introduce one to your partners.