

## Chart of difference between Functional and Divisional structure

Points of differences	Functional structure	Divisional Structure
<b>Formation</b>	The structure is formed according to the specialized work/ function.	The divisional structure is formed on the basis of product.
<b>Cost</b>	This type of structure is economical.	Divisional structure is not economical because different departments required different types of resources to produce the products.
<b>Development of Managers</b>	There is less chance for the overall development of the managers because they are doing only a single specialized function.	By performing multitasks they can get more chance of development.
<b>Suitability</b>	This type of structure is suitable for all types of organizations. Or in single product manufacturing units.	Divisional structure is suitable only for multiproduct business units.
<b>Specialization</b>	This structure brings <b>Functional specialization.</b>	It mainly emphasis on <b>Product specialization.</b>
<b>Example</b>	The <b>HR department, Production department, Marketing department of any organization.</b>	<b>MC Donald's</b> one of the biggest leading fast-food chains in the world. The overall business is divided into independent separate subunits performing their tasks according to the operational needs.
<b>Autonomy/Right</b>	In a functional structure, Managers are having very less autonomy of taking decisions. They depend on the higher authority.	<b>Divisional</b> managers are independent and can make the decision independently.