

Organizing

Introduction

- ▶ It is a managerial job.
- ▶ It specifies how work or duties shall be divided among the departments in the company.
- ▶ It specifies orderly communication between various levels of responsibilities.
- ▶ It defines their authority and responsibility in a formal manner.

Definition

- ▶ “Organization is a system of consciously coordinate activity of two or more persons.”
- ▶ “A collective entity of people who continuously engaged in same activity on a sustained basis to achieve an objective or objectives.”
- ▶ Organizing is a process of co-coordinating employee’s activities in an orderly manner.

Elements of Organization

- ▶ The organization structure has under gone changes according to the changes in the business.
- ▶ However business recognizes the need for best organizational structure.
- ▶ So that they can function smoothly & from that the elements of organization are established.

Elements of Organization

- ▶ Three elements or primary task of organization.
 - 1. Division of Work: –
 - Determined then total efforts & necessary must be classified & grouped.
 - There should not be over lapping or duplication of work.
 - Every one in the organization will do a purposeful work for attainment of objectives.
 - Division of total work is necessary so that these should not be extra burden on a single person.

Elements of Organization

- 2. Authority: –

In organization there is superior subordinate relationship.

Every superior needs authority. In absence of authority directing becomes difficult.

There is authority and responsibility structure so that various positions are created.

Elements of Organization

- 3. Establishment of Relationship: –

In every organization structure there are different types of relationships.

Some will be working on the same authority level but most often at different levels of authority.

This relationship is established for carrying the work smoothly.

Relationship denotes the rules for team work in orderly sequence for attainment of objectives.

Features of Organizational Structure

- ▶ Organisation is man made. It consists of people, who have their own needs, goals & values.
- ▶ It is goal oriented & purposeful. Its goals or objectives may be different.
- ▶ It has its own identity, distinct from people associated with it.
- ▶ It is harmonized & managed by a specific group of people.
- ▶ It is characterized by co-operative human nature. It involves skills in using of resources & technology.

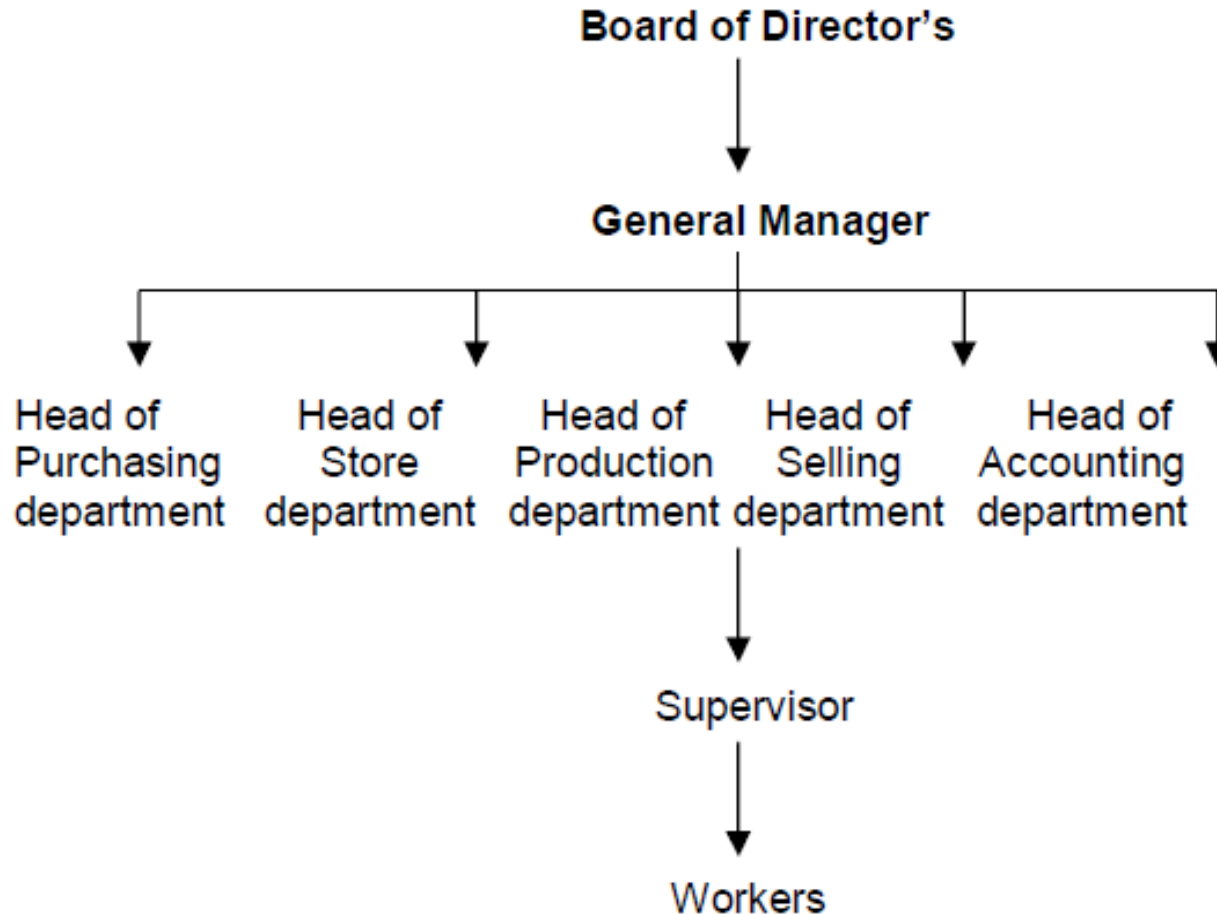
Types of Organization

- ▶ Line Organization

This is the oldest & simplest type of formal organization in which authority flows downward from highest level to the lowest level of the management.

Line Organization

Structure:



Line Organization

▶ Advantages:

- It is very simple to understand & easy to follow up:
Every one working in this type is well aware of his own position. He knows his relationship with his supervisor as well as his subordinate. It helps in maintaining good discipline.
- Quick decision & prompt actions:
Since every one knows the extent & limit of his authority as well as his responsibility, it helps to take decision in time.

Line Organization

▶ Advantages:

- Fixed responsibility:

The area of responsibility is fixed with each individual. This makes a person to alert in performing his responsibilities & help in higher efficiency.

- Flexibility:

Line organization can be easily expanded as per the changes in the external environment or internal conditions.

Line Organization

- ▶ Advantages:
 - Simple to work.
 - Economical and effective.
 - It also allows quick decisions and efficient coordination.
 - It prompts unity of command.
 - The responsibility for the performance of task is fixed. Therefore, there is accountability of delegate task.
 - There is excellent discipline in a line organization due to unified control and undivided loyalties.

Line Organization

- ▶ Advantages:
 - The overall cost of running the organization is low due to the non-involvement of staff personnel.
 - It is a stable form of the organization.

Line Organization

▶ Limitation

- Such organizations usually suffer from a lack of expert advice. If the line manager has trouble making a decision, there is no expert staff that he can turn to.
- A line organization is usually rigid and inflexible. In fact, such organizations maintain discipline so rigorously that they can rarely change.
- These organizations are based on the autocratic system of management.

Line Organization

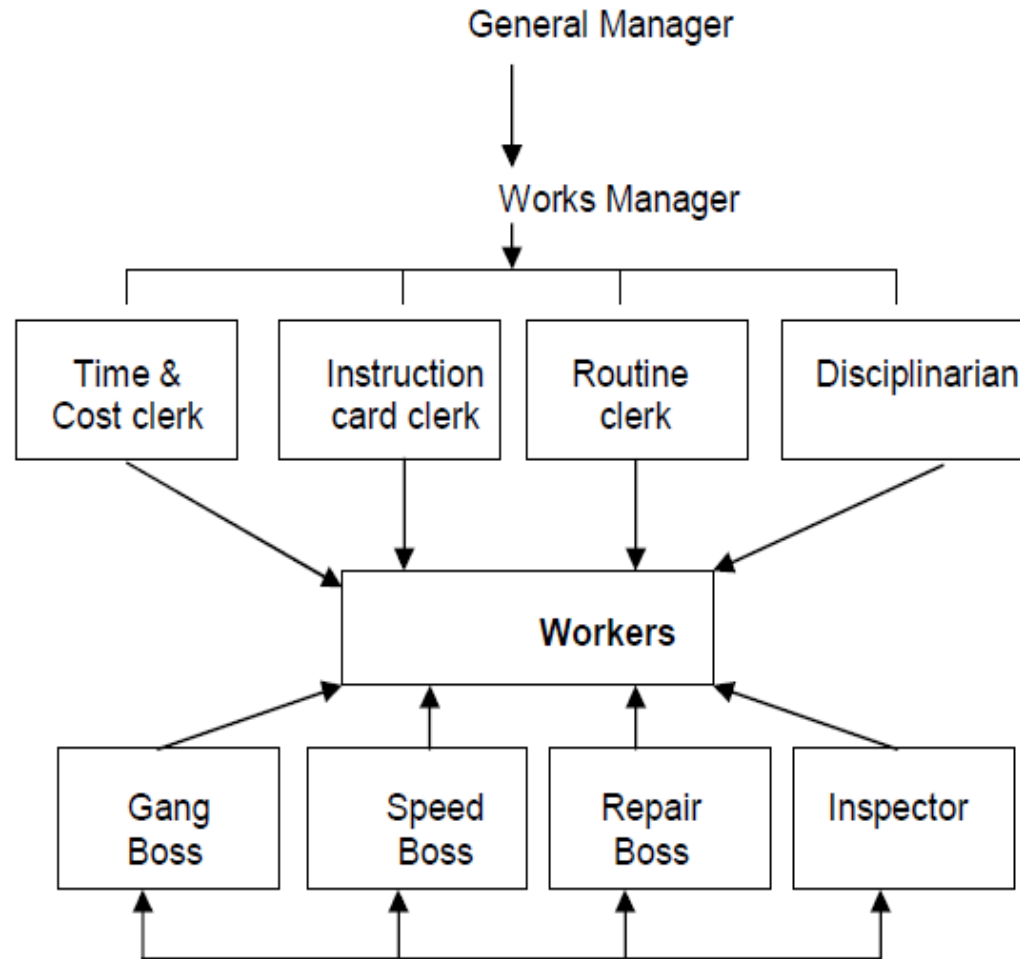
▶ Limitation

- The division of work is not based on any scientific plan but on the whims of the manager.
- Since there is utmost concentration of authority in the hands of the top management, the section heads will lose their initiative.
- As the success of the system mainly depends upon the ability of one or two persons, the whole organization shall upset and collapse if they leave the enterprise. Hence, this is unstable.

Functional organization

- ▶ A functional organization is a common type of organizational structure in which the organization is divided into smaller groups based on specialized functional areas, such as IT, finance, or marketing.

Functional organization



Functional organization

▶ Advantages:

- Better division of labour takes place which results in specialization of function and it's consequent benefit.
- Benefits of expert's knowledge
- Greater efficiency is achieved because of every function performing a limited number of functions.
- Specialization compiled with standardization facilitates maximum production and economical costs.

Functional organization

▶ Advantages

- Large production possible.
- Expert knowledge of functional manager facilitates better control and supervision.

Functional organization

▶ Disadvantages:

- The functional system is quite complicated to put into operation, especially when it is carried out at low levels. Therefore, co-ordination becomes difficult.
- Disciplinary control becomes weak as a worker is commanded not by one person but a large number of people. Thus, there is no unity of command.
- Because of multiple authority, it is difficult to fix responsibility.

Functional organization

▶ Disadvantages

- There may be conflicts among the supervisory staff of equal ranks. They may not agree on certain issues.
- Maintenance of specialist's staff of the highest order is expensive for a concern.

Line and Staff Organization

- ▶ Line and staff organization is a modification of line organization and it is more complex than line organization.
- ▶ Specialized and supportive activities are attached to the line of command by appointing staff supervisors and staff specialists who are attached to the line authority.

Line and Staff Organization

- ▶ Line personnel are related to production & staff carries on research planning, establishment of standards, recording of performance, legal advisor, etc.
- ▶ In this way not only everyday work can be smoothly perform but by side improvement can also takes place.

Line and Staff Organization

- ▶ Advantages

- It reduces the burden of higher executives.

Line and Staff Organization

Line and Staff Organization