

## UNIT III

### Organizing

Allen defines the term as the process of “identifying and grouping of the work to be performed, defining and delegating responsibility and authority and establishing relationship for the purpose of enabling people to work most effectively together in accomplishing their objectives”

#### Thus Organizing is

- The identification and classification of required activities,
- The grouping of activities necessary to attain objectives,
- The assignment of each grouping to a manager with the authority necessary to supervise it, and
- The provision of coordination horizontally and vertically in the organization structure.

#### NATURE OF ORGANIZATION

**Division of work or specialization:** The entire philosophy of organization depends on the concept of specialization and division of work. In specialization, various activities are assigned to different people who are specialists in that area.

**Orientation towards goals:** Every organization has its own purposes and objectives. Organizing is the function employed to achieve the overall goals of the organization.

**Composition of individuals and groups:** Individuals form a group and the groups form an organization. Individuals are grouped into departments and their work is coordinated and directed towards organizational goals.

**Differentiated functions:** The organization divides the entire work and assigns the tasks to individuals; each one has to perform a different task and tasks of one individual must be coordinated with the tasks of others.

**Continuous process:** An organization is a group of people with defined relationship to each other. These relationships do not come to end after completing a task. Organization is a never-ending process.

#### PURPOSE OF ORGANIZING

1. Divides work to be done into specific jobs and departments
2. Assigns tasks and responsibilities associated with individual jobs
3. Coordinates diverse organizational tasks
4. Clusters jobs into units

5. Establishes relationships among individuals, groups, and departments
6. Establishes formal lines of authority
7. Allocates and deploys organizational resource

## **CLASSIFICATION OF ORGANIZATION**

Organizations are basically classified on the basis of relationships. There are two types of organizations formed on the basis of relationships in an organization

**1. Formal Organization** - This is one which refers to a structure of well defined jobs each bearing a measure of authority and responsibility. It is a conscious determination by which people accomplish goals by adhering to the norms laid down by the structure. This kind of organization is an arbitrary set up in which each person is responsible for his performance. Formal organization has a formal set up to achieve pre-determined goals.

### **Benefits to the Formal Organization:**

1. Blend with formal system
2. Lighten management workload
3. Fill gaps in management abilities

**2. Informal Organization** - It refers to a network of personal and social relationships which spontaneously originates within the formal set up. Informal organizations develop relationships which are built on likes, dislikes, feelings and emotions. Therefore, the network of social groups based on friendships can be called as informal organizations. It emerges from the formal organization and it is not based on any rules and regulations as in case of formal organization.

### **Benefits of Informal Organization:**

1. They perpetuate the cultural and social values that the group holds dear,
2. They provide social status and satisfaction that may not be obtained from the formal organization,
3. They promote communication among members,
4. They provide social control by influencing and regulating behavior inside and outside the group.

## ORGANIZATIONAL STRUCTURE

Organization Structure is the formal arrangement of jobs within an organization. The framework in which the organization defines how tasks are divided, resources are deployed, and departments are coordinated.

### **The formal structure of an organisation is two-dimensional**

1. Horizontal (Departmentalization)
2. Vertical

**The horizontal dimension** depicts differentiation of the total organizational jobs into different departments. **The vertical dimension** refers to the hierarchy of authority relationship with number of levels from the top to bottom

### **Organisation Chart**

The usual way of depicting a formal organization is by means of an organization chart. It is a snapshot of an organisation at a particular point in time which shows the flow of authority, responsibility and communication among various departments which are located at different levels of hierarchy. Forms of organizational chart are: **Vertical and horizontal.**

### **Types of Organization Structures**

1. Mechanistic or Tall Structure
2. Organic or Flat Structure

**Mechanistic or Classical Organisation Structure** is usually pyramid-shaped.

### **Tall Organizational Structure**

Large, complex organizations often require a taller hierarchy. In its simplest form, a tall structure results in one long chain of command similar to the military. As an organization grows, the number of management levels increases and the structure grows taller. In a tall structure, managers form many ranks and each has a small area of control.

Although tall structures have more management levels than flat structures, there is no definitive number that draws a line between the two.

### **Flat Organizational Structure**

Flat structures have fewer management levels, with each level controlling a broad area or group. Flat organizations focus on empowering employees rather than adhering to the chain of command. By encouraging autonomy and self-direction, flat structures attempt to tap into employees' creative talents and to solve problems by collaboration.

## Organizational Hierarchies



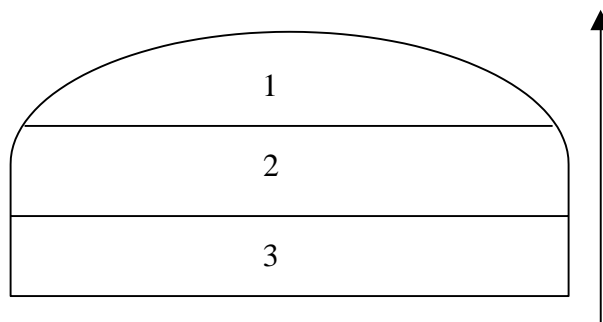
### Merits of Tall structure

- Clear and well defined work setting to its employees
- Individual attention to the employees

### Demerits of Tall structure:

- Individuals does not dare to know how his job fits into the entire picture
- Task, authority and information are arranged according to their levels. people at lowerlevels are required to use very little skill and do not experience any sense of accomplishments.
- people at lower levels resist changes
- Communication is mostly downward

### Organic or Flat Structure



**Merits:**

- It is Flexible.
- Communication takes place in all directions
- Decision making is not centralized
- Task, authority and information flow to the person who has the greatest expertise to deal with the problem

**Demerits:**

- Uncertainty in roles as the tasks keep on changing

**DEPARTMENTALISATION**

**Departmentalization** refers to the process of grouping activities into departments. Division of labour creates specialists who need coordination. This coordination is facilitated by grouping specialists together in departments.

The process of classifying an organization on the basis of departments or similar activities, to facilitate planning and control.

**TYPES/ BASES OF DEPARTMENTALISATION**

There are several bases for departmentalization, each of which is suitable for particular corporate sizes, strategies and purpose.

**1. Functional Departmentalization**

Grouping jobs by functions performed. The activities are grouped on the basis of functions which are to be performed. Each department is headed by one responsible person who is directly responsible to the General Manager



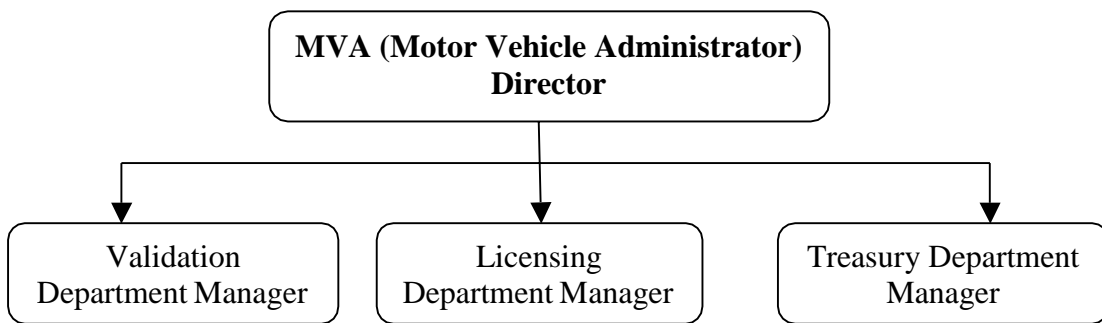
**2. Product Departmentalization**

This form is eminently suited for a large organisation manufacturing a variety of products. Under this method, for each major product, a separate semi-autonomous department is created and is put under the charge of a manager who may be responsible for producing a profit of a given magnitude.



**3. Process Departmentalization**

Departmentalization is here done on the basis of several stages in the process or technologies involved in the manufacture of a product. Thus a concern engaged in the production of vegetable oil may have separate departments for crushing, refining, and finishing.



**4. Customer Departmentalization**

Grouping jobs by type of customer and needs. An enterprise may be divided into a number of departments on the basis of the customers that it services.

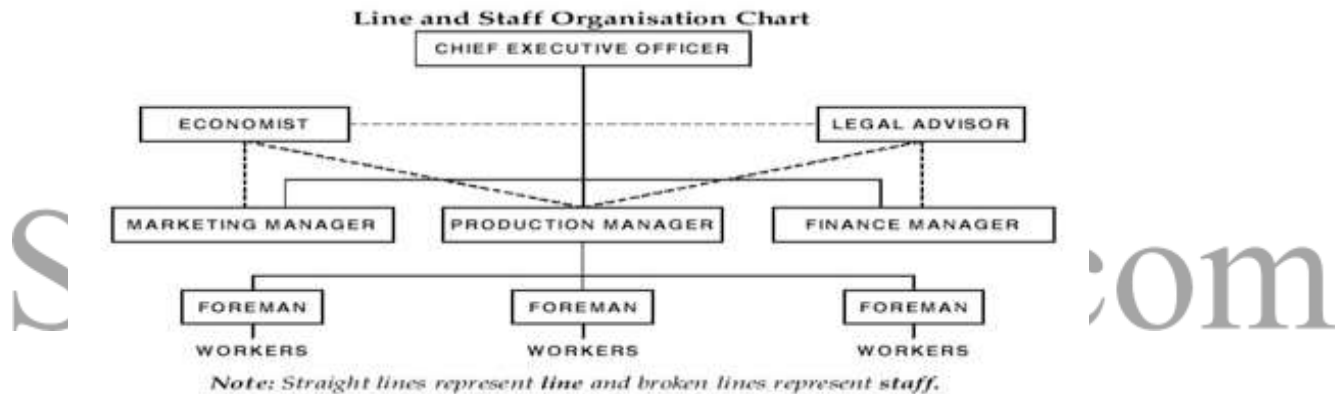


## LINE & STAFF AUTHORITY

**Line organization** is the oldest and simplest method of administrative organization. According to this type of organization, the authority flows from top to bottom in a concern. The line of command is carried out from top to bottom. This is the reason for calling this organization as scalar organization which means scalar chain of command is a part and parcel of this type of administrative organization.

### Staff organization

Staff organization is a modification of line organization and it is more complex than line organization. The power of command always remains with the line executives and staff supervisors guide, advice and council the line executives.



### **Features of Line and Staff Organization**

1. Line and Staff Organization is a compromise of line organization. It is more complex than line concern.
2. Division of work and specialization takes place in line and staff organization.
3. The whole organization is divided into different functional areas to which staff specialists are attached.
4. Efficiency can be achieved through the features of specialization.
5. Power of command remains with the line executive and staff serves only as counselors.

## **DELEGATION OF AUTHORITY**

The assignment of authority to another person to carry out specific duties is called delegation of Authority.

In the Louis. A .Allen, "if the manager requires his subordinates to perform the work, he must entrust him with part of his rights and powers which he otherwise would have to exercise himself to get that work done"

### **Elements of Delegation**

1.           **Authority** - Authority must be well- defined. Authority is the right to give commands, orders and get the things done. The top level management has greatest authority. Delegating the authority to someone else doesn't imply escaping from accountability.
2.           **Responsibility** - is the duty of the person to complete the task assigned to him. A person who is given the responsibility should ensure that he accomplishes the tasks assigned to him. Responsibility flows from bottom to top. The person held responsible for a job is answerable for it.
3.           **Accountability** - means giving explanations for any variance in the actual performance from the expectations set. Accountability can not be delegated.

### **Advantages of Effective Delegation**

- It relieves the manager of his heavy workload
- It leads to better decision
- It speeds up decision making
- It helps train subordinates and builds morale
- It serves as compensation to those employees who face the prospect of limited advancement.
- It helps create a formal Organisation Structure

## **CENTRALIZATION AND DECENTRALIZATION**

### **Centralization**

Centralization is the degree to which decision making is concentrated at a single point in the organization. Organizations in which top managers make all the decisions and lower-level employees simply carry out those orders

#### **Advantages of Centralization:**

- Coordination of activities of subordinates is better achieved
- No duplication of efforts or resources
- Decisions take into account the interest of the entire organisation
- Strong central leadership develops which may be required in crisis

### **Decentralization**

The degree to which lower-level employees provide input or actually make decisions is called Decentralization. There will be Employee Empowerment which Increases the decision-making discretion of employees.

#### **Advantages of Decentralization**

- It reduces problem of communication and Red tape
- It permits quicker and better decision making
- Employees are able to exercise more autonomy
- It leads to competitive climate within the organisation
- It ensures the development of employees
- It facilitates diversification of products, activities and market

## **JOB DESIGN**

Job design follows job analysis i.e. it is the next step after job analysis. It aims at outlining and organising tasks, duties and responsibilities into a single unit of work for the achievement of certain objectives. It also outlines the methods and relationships that are essential for the success of a certain job. In simpler terms it refers to the what, how much, how many and the order of the tasks for a job/s. Job design essentially involves integrating job responsibilities or content and certain qualifications that are required to perform the same.

### **Human Resource Planning (HRP)**

Human Resource Planning (HRP) is the process of forecasting the future human resource requirements of the organization and determining as to how the existing human resource capacity of the organization can be utilized to fulfill these requirements. It, thus, focuses on the basic economic concept of demand and supply in context to the human resource capacity of the organization. It is the HRP process which helps the management of the organization in meeting the future demand of human resource in the organization with the supply of the appropriate people in appropriate numbers at the appropriate time and place.

## **RECRUITMENT**

Recruitment refers to the process of identifying, attracting, interviewing, selecting, hiring and onboarding employees. In other words, it involves everything from the identification of a staffing need to filling it. Depending on the size of an organization, recruitment is the responsibility of a range of workers. Larger organizations may have entire teams of recruiters, while others only a single recruiter. In small outfits, the hiring manager may be responsible for recruiting. In addition, many organizations outsource recruiting to outside firms. Companies almost always recruit candidates for new positions via advertisements, job boards, social media sites, and others.

## **SELECTION**

Selection is the process of choosing from among the candidates, from within the organization or from the outside organization the most suitable person for the current position or for future positions. Selection involves a series of steps by which the candidates are screened for choosing the most suitable persons for vacant posts.

## **TRAINING AND DEVELOPMENT:**

Training and Development is a structured program with different methods designed by professionals in particular job. It has become most common and continuous task in any organisation for updating skills and knowledge of employees in accordance with changing environment. Optimisation of cost with available resources has become pressing need for every organisation which will be possible only by way of improving efficiency and productivity of employees.

## **PERFORMANCE MANAGEMENT**

Performance management is the process of ensuring that a set of activities and outputs meets an organization's goals in an effective and efficient manner. Performance management can focus on the performance of an organization, a department, an employee, or the processes in place to manage particular tasks.

## **CAREER PLANNING AND DEVELOPMENT**

Career is the sequence of positions occupied by a person during the course of a lifetime. Twenty years ago, career development programs were designed to assist employees in advancing their work lives, to provide the information and assessment needed to help realize career goals.

## **DIRECTING**

Directing refers to a process or technique of instructing, guiding, inspiring, counselling, overseeing and leading people towards the accomplishment of organizational goals. It is a continuous managerial process that goes on throughout the life of the [organization](#).

### **Principles of Directing**

#### *1. Maximum Individual Contribution*

One of the main principles of directing is the contribution of individuals. [Management](#) should adopt such directing policies that motivate the employees to contribute their maximum potential for the attainment of organizational goals.

## *2. Unity of Command*

This principle states that a subordinate should receive instructions from only one superior at a time. If he receives instructions from more than one superiors at the same time, it will create confusion, conflict, and disorder in the organization and also he will not be able to prioritize his work.

## *3. Appropriate Direction Technique*

Among the principles of directing, this one states that appropriate direction techniques should be used to supervise, lead, communicate and motivate the employees based on their needs, capabilities, attitudes and other situational variables.

## *4. Managerial Communication*

According to this principle, it should be seen that the instructions are clearly conveyed to the employees and it should be ensured that they have understood the same meaning as was intended to be communicated.

## *5. Use of Informal Organization*

Within every formal organization, there exists an informal group or organization. The manager should identify those groups and use them to communicate information. There should be a free flow of information among the seniors and the subordinates as an effective exchange of information are really important for the growth of an organization.

## *6. Leadership*

Managers should possess a good leadership quality to influence the subordinates and make them work according to their wish. It is one of the important principles of directing.

## *7. Follow Through*

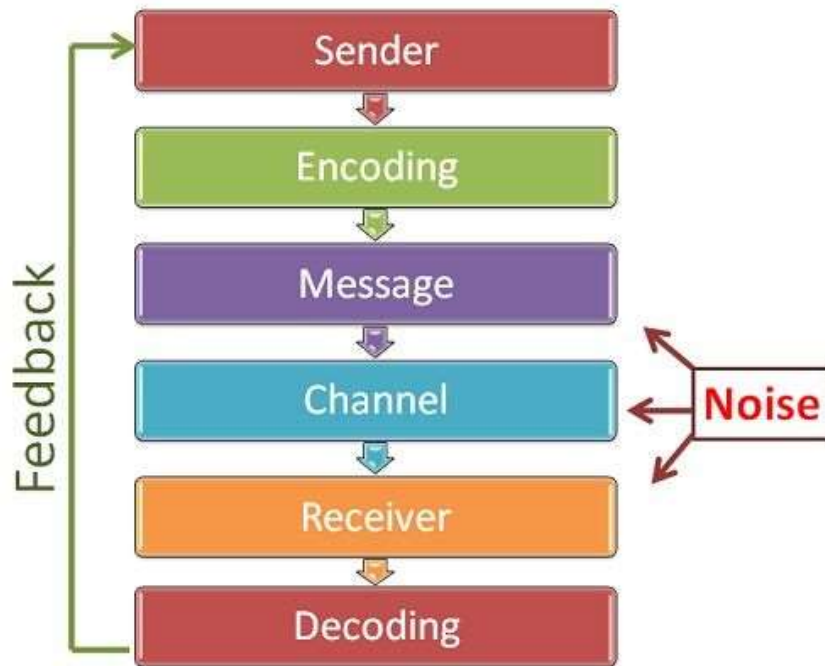
As per this principle, managers are required to monitor the extent to which the policies, procedures, and instructions are followed by the subordinates. If there is any problem in implementation, then the suitable modifications can be made.

## COMMUNICATION PROCES

**Definition:** The **Communication** is a two-way process wherein the message in the form of ideas, thoughts, feelings, opinions is transmitted between two or more persons with the intent of creating a **shared understanding**.

### Communication Process

The communication is a dynamic process that begins with the conceptualizing of ideas by the sender who then transmits the message through a channel to the receiver, who in turn gives the feedback in the form of some message or signal within the given time frame. Thus, there are Seven major elements of communication process:



1. **Sender:** The sender or the communicator is the person who initiates the conversation and has conceptualized the idea that he intends to convey it to others.
2. **Encoding:** The sender begins with the encoding process wherein he uses certain words or non-verbal methods such as symbols, signs, body gestures, etc. to translate the information into a message.

3.           **Message:** Once the encoding is finished, the sender gets the message that he intends to convey. The message can be written, oral, symbolic or non-verbal such as body gestures, silence, sighs, sounds, etc. or any other signal that triggers the response of a receiver.
4.           **Communication Channel:** The Sender chooses the medium through which he wants to convey his message to the recipient. It must be selected carefully in order to make the message effective and correctly interpreted by the recipient. Oral, virtual, written, sound, gesture, etc. are some of the commonly used communication mediums.
5.           **Receiver:** The receiver is the person for whom the message is intended or targeted. The degree to which the receiver decodes the message depends on his knowledge of the subject matter, experience, trust and relationship with the sender.
6.           **Decoding:** Here, the receiver interprets the sender's message and tries to understand it in the best possible manner. An effective communication occurs only if the receiver understands the message in exactly the same way as it was intended by the sender.
7.           **Feedback:** The Feedback is the final step of the process that ensures the receiver has received the message and interpreted it correctly as it was intended by the sender. It increases the effectiveness of the communication as it permits the sender to know the efficacy of his message.

### **Effective communication:**

A great rule of thumb for effective business communication is to keep in mind **the 7 Cs of communication**. Your communications should be:

- **Clear:** express your goals and the objectives of the message in a **straightforward way**.
- **Concise:** avoid filler words and make sure each sentence is informative and **to the point**.
- **Concrete:** if necessary, don't hesitate to provide **examples** or concrete details.
- **Correct:** think about your **audience:** who are they, what do they know? Will they understand your message?
- **Coherent:** make use of logical connectors and **structure your ideas**.
- **Complete:** don't overlook any **crucial information** (venue, call to action, deadline...).
- **Courteous:** remain warm and **friendly**. Avoid pointed tones or rudeness