

# ORGANISING

## Contents as per **CBSE** syllabus

- **Organising- Meaning & Importance,**
- **Organising Process,**
- **Structure of organisation & Types,**
- **Delegation- Concept, elements & Importance,**
- **Decentralisation- Concept, Importance.**



# MEANING

- **Initial** implementation of **plans**,
- **Clarifying jobs & working relationship**,
- **Effectively** deploying **resources**,
- Attainment of identified and desired results,
- Refers to **arranging** everything in **orderly form** & making most **efficient** use of resources.



### 1). Identifying & Dividing the work :

- Duplication can be avoided,
- Work burden can be shared.

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## Steps in the process of organising

### 2). Departmentalisation :

- Activities similar in nature are grouped together,
- Facilitate specialisation,
- Divided into small & manageable activities.

### 3). Assignment of duties :

- For effective performance,
- Proper match is made b/w Nature of job & ability of an individual,
- Assigned to those who are best fitted to perform.

### 4). Establishing authority & Reporting relationship :

- Who has to take orders,
- Whom he is Accountable,
- Create a hierarchal structure,
- coordination among various department.



### Benifits of specialisation :

- **Systematic allocation** of specific jobs to specific workers,
- **Repetitive performance** of a task on a regular basis,
- **Gain experience** leads to specialisation.

### Development of Personnel :

- Stimulates **creativity** amongst managers,
- Allows the manager to develop **new methods, opportunity** to innovate.

### Clarity in working relationship :

- Clarifies lines of **communication**.
- Removes **ambiguity** in transfer of **information & instruction**,
- Creates **hierarchical order**.

## IMPORTANCE

### Effective administration :

- **Clear description** of jobs & related duties,
- Enables **proper execution** of work,
- Becomes **easy** & brings effectiveness.

### Optimum utilisation of resources :

- **Avoid overlapping & duplication** of work,
- Preventing **confusion**,
- **Minimising the wastage** of resources & efforts.

### Adaptation of change :

- **Modify & revise** inter relationships among managerial levels,
- **Stability** to the enterprise,
- Continue to **survive & grow** inspite of changes.

### Expansion & growth :-

- **Diversification** of an enterprise,
- Deviate from existing norms and taking up new challenges.

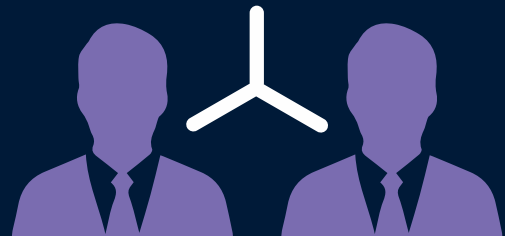
# ORGANISATIONAL STRUCTURE

- It is the **framework** within which managerial & operating task are performed,
- Specifies the **relationship** between people, work & resources,
- **Span of management** gives shape,
- Ensure **smooth flow of communication & better control** over the **operations** of business.

## SPAN OF MANAGEMENT



Refers to the **number of subordinates** that can be effectively **managed** by superior.



# TYPES OF ORGANISING STRUCTURE

## 1). Functional Structure

- Grouping of jobs of similar nature.

### Advantages

- Occupational specialisation - Promotes efficiency in utilisation of manpower,
- Promotes control & coordination,
- Increasing operational efficiency,
- Minimal duplication of efforts,
- Easy training of employees,
- Different functions gets due attention.

### Disadvantages

- Less emphasis on overall objective & more interest on department goals,
- Problem in coordination exchanged across different departments,
- Conflict of Interest,
- Inflexibility, narrow perspective.

### Suitability :-

Size of the organisation is Large, has diversified activities, requires high degree of specialisation.



## 2). Divisional Structure

- **Comprises of separate business units or division.**

### Advantages

- **Product specialisation**- Development of varied skills,
- **Divisional heads are accountable,**
- **Promotes Flexibility & initiative, faster decision making,**
- **Facilities expansion & growth,**
- **New division can be added without interruption.**

### Disadvantages

- **Conflict** may arise among divisions,
- **Each division with separate set of functions increases cost,**
- **Manager may gain power & assert his independence ignores organisational interests.**

### Suitability :-

Where a **large variety of products** manufactured organisation grows & needs to **add more employees, Create more departments.**

# Comparison between functional & divisional

## Functional

- Formation is based on **functions**,
- **Functional** specialisation,
- **Difficult** to fix on a department,
- Difficult, as each **functional manager** has to report to the top management,
- Functions are **not duplicated** hence **economical**,
- **Difficult** for a **multi-product** company.



## Divisional

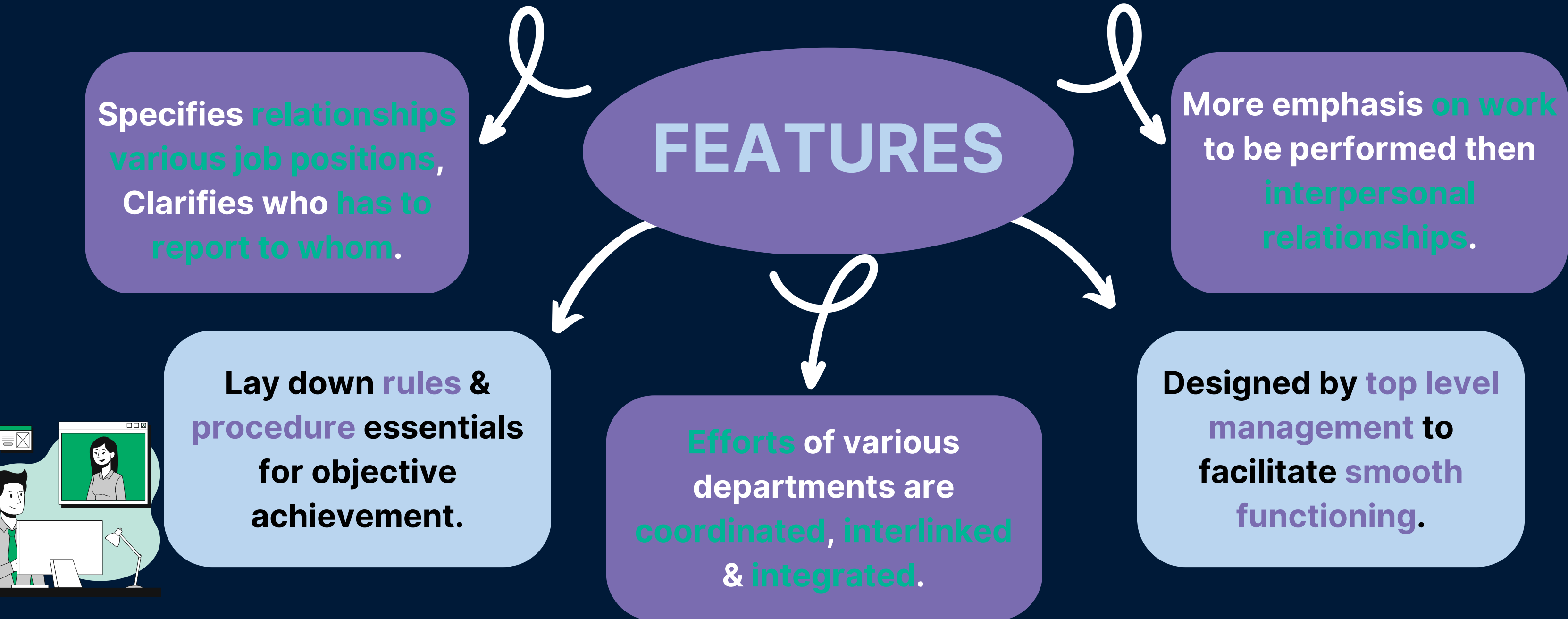
- Formation is based on **product lines** and is supported by functions,
- **Product** specialisation,
- **Easy** to fix responsibility for performance,
- **Easier, autonomy** as well as the chance to perform **multiple functions** helps in **managerial development**,
- **Duplication** of resources in various departments, hence **costly**,
- **Easy**, because all functions related to a particular product are **integrated** in one department.





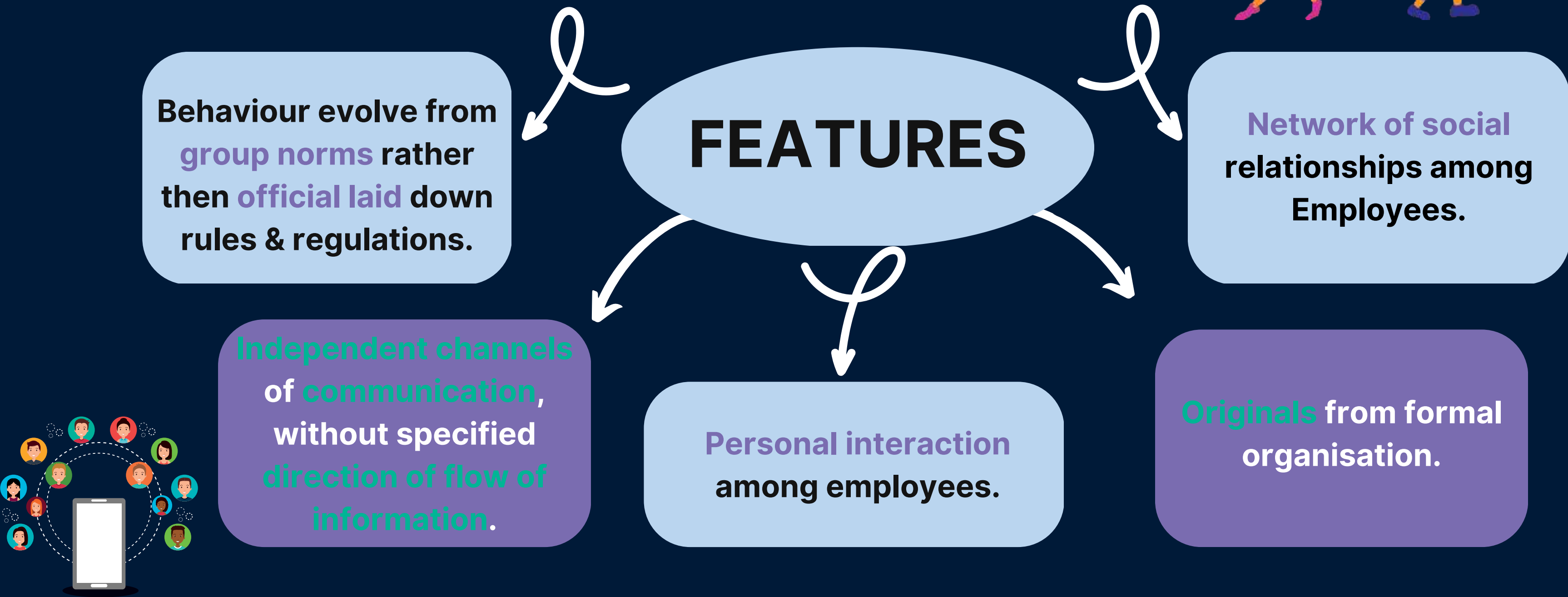
# FORMAL ORGANISATION

- Refers to the organisational structure which is designed by the management to **accomplish a particular task**.
- Specifies **clearly boundaries of authority & responsibility**,
- **Systematic coordination** among various activities.



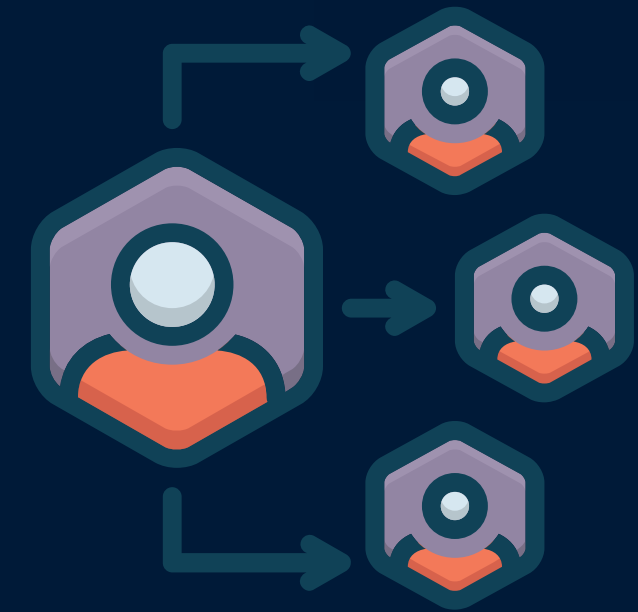
# INFORMAL ORGANISATION

- Network of **social relationships** among employees,
- People interact **beyond their official** defined rules,
- **No written rules, no fixed line** of communication.



# DELEGATION

- Refers to the **downward transfer** of authority from a **superior to subordinate**,
- Enables manager to **use his time** on **high prior** activities,
- **Manager** shall still be **accountable** for the performance of the assigned tasks.



## Elements of Delegation

### Authority

- Rights of **an individual** to command his subordinates,
- **Scalar chain** which links the **various job positions & levels**,
- Right to **take decisions**,
- Authority flows from **top to bottom**.

### Responsibility

- **Obligation** of a sub-ordinate to properly perform the assigned task,
- Flows **upwards**,
- Authority > Responsibility - **Misuse**,
- Authority < Responsibility - **Ineffective**.

### Accountability

- Being **answerable** for the **final outcome**,
- Flow **upwards**,
- Authority been **delegated**, Responsibility **accepted**, one **can't deny** accountability.



# IMPORTANCE

## 1. Effective Management

- Empowering employees, Function more effectively,
- Get time to concentrate on important matters.



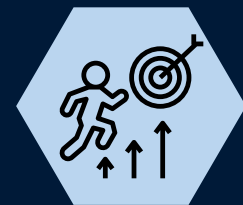
## 2. Employees Development

- Utilise their talent, develop those skills,
- Improve their career prospects.



## 3. Motivation of employees

- Psychological benefit,
- Builds self-esteem & improves employee confidence.



## 4. Facilitation of growth

- Providing a ready workforce to take up leading position in new ventures,
- Trained & Experienced employees.

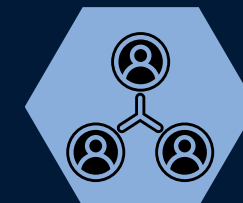
## 5. Basis of management

- Establishes superior - subordinate relationships,
- Flow of authority determines who has to report whom.



## 6. Better coordination

- Avoiding overlapping of duties & duplication of efforts,
- Clarity in reporting relationship.



# DECENTRALISATION



- Delegation of authority throughout **all the levels**,
- Decision making authority is pushed down the chain of command.

## CENTRALISATION :-

- When decision - making authority is retained by **higher level** management.
- An organisation can never be completely centralised or decentralised,
- There is need for a balance between these co- existing forces.





# IMPORTANCE

## 1. DEVELOPS INITIATIVE AMONG SUBORDINATES :

- Promote **self- reliance & Confidence** amongst the **subordinates**,
- Helps to identify executives potential to become **dynamic leaders**.

## 2. DEVELOP MANAGERIAL TALENT FOR THE FUTURE :

- **Gain experience** by handling **assignments independently**,
- Chance to **prove** their **abilities** to fill up **more challenging** positions.
- Means of **management education**.

## 3. QUICK DECISION MAKING :

- **No requirement** for **approval** from **many levels**, procces is much **faster**,
- **Less chances** of information getting **distorted**.



## 4. RELIEF TO TOP MANAGEMENT :

- **Diminishes** the amount of **direct supervision**,
- Leaves the top management with **more time**.

## 5. FACILITATES GROWTH :

- **Awards** greater economy to **lower level**,
- Foster a sense of competition amongst **departments**.

## 6. BETTER CONTROL :

- Departments can be held **accountable** for their **result**,
- **Feedback** from **all levels** helps to analyse variances & **improve operations**.



## DELEGATION

1. **Compulsory Act**, because **no individual** can perform all task on his own.
2. **Less freedom** to take own decisions.
3. **Narrow scope, limited** to superior and his subordinates.
4. **Process followed to share tasks.**
5. **Lessen** the burden of manager.

## DECENTRALISATION

1. **Optional policy decision** done at the discretion of the top management.
2. **Greater freedom** of action.
3. **Wide scope** extension of delegation to the lowest level of management.
4. **Result of the policy** of top management.
5. **Increase the role of subordinates** by giving them **more autonomy**.

