

UNIT III ORGANISING 9 Nature and purpose of organizing- Organization structure- Line and staff authority- Departmentation Span of control- Centralization and decentralization- Delegation of authority- Staffing- Selection and Recruitment- Career development- Career stages- Training- Performance appraisal



ORGANISING

WHAT IS ORGANISING ?

According to **Theo Haimann**,

"Organising is the process of defining and grouping the activities of the enterprise and establishing the authority relationships among them."

In simpler words,

Organising is something you do before you do something, so that when you do it, is not all mixed up

HOW DOES NASA ORGANIZE A PARTY?



THEY PLANET



IMPORTANCE OF ORGANISING

(1) Benefits of Specialisation:

Under organising all the activities are subdivided into various works or jobs. For all the sub works, competent people are appointed who become experts by doing a particular job time and again. In this way, maximum work is accomplished in the minimum span of time and the organisation gets the benefit of specialisation.

(3) Optimum Utilisation of Resources:

Under the process of organising the entire work is divided into various small activities. There is a different employee performing every different job.

(4) Adaptation to Change:

Organising process makes the organisation capable of adapting to any change connected with the post of the employees. This becomes possible only because of the fact that there is a clear scalar chain of authority for the manager's right from the top to the lower level.

It doesn't matter how many resources you have.



If you don't know how to use them,
it will never be enough.

CHANGE IS GOOD



DEAL WITH IT

(7) Expansion and Growth:

The process of organising allows the employees the freedom to take decisions which helps them to grow. They are always ready to face new challenges. This situation can help in the development of the enterprise. This helps in increasing the earning capacity of the enterprise which in turn helps its development.

(6) Development of Personnel:

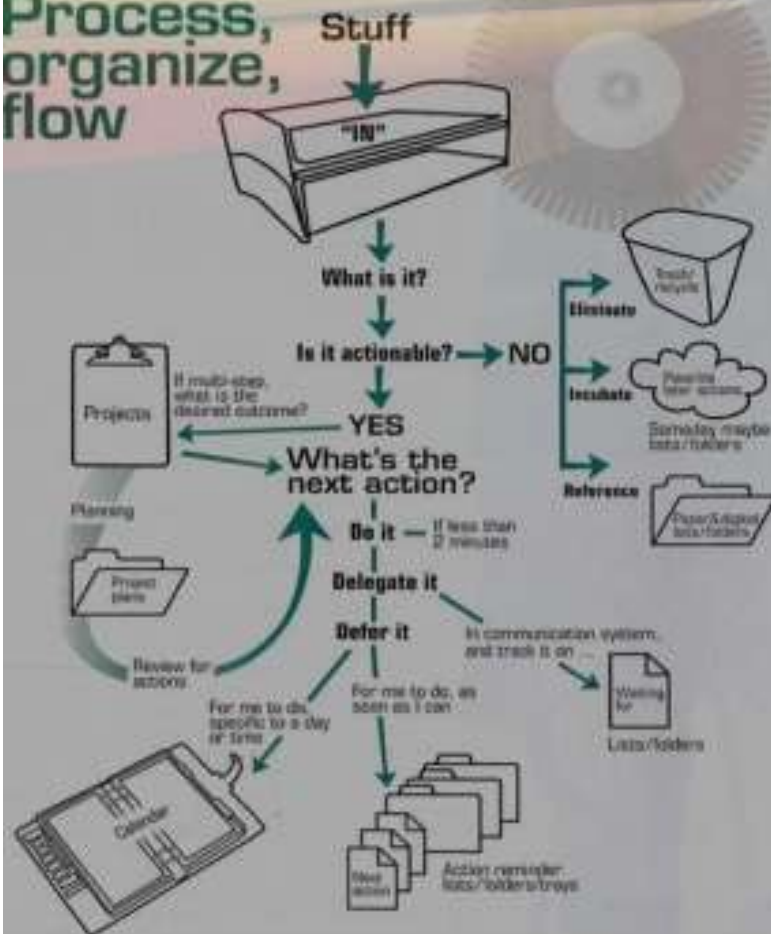
Under the process of organising, delegation of authority is practiced. This is done not because of the limited capacity of any individual, but also to discover new techniques of work.

It provides opportunities of taking decisions to the subordinates. By taking advantage of this situation, they try to find out the latest techniques and implement them. Consequently, it helps them to grow and develop.

5. Co-ordination and effective administration:

In the organising function, the similar and related jobs are grouped under one department which leads to unification of efforts and harmony in work. The organising function establishes relation between different departments keeping in mind the co-ordination among different departments. By bringing clarity in working relationship administrative efficiency improves.

Process,
organize,
flow




STEPS IN THE PROCESS OF ORGANISING

STEP 1. IDENTIFICATION AND DIVISION OF WORK

The organising function begins with the division of total work into smaller units. Each unit of total work is called a job.

And an individual in the organisation is assigned one job only. The division of work into smaller jobs leads to specialization because jobs are assigned to individuals according to their qualifications and capabilities. The division of work leads to systematic working. For example, in a bank every individual is assigned a job. One cashier accepts cash, one cashier makes payments, one person issues cheque books, one person receives cheques, etc. With division of work into jobs the banks work very smoothly and systematically.

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STEP 2. GROUPING THE JOBS AND DEPARTMENTALISATION:

- After dividing the work in smaller jobs, related and similar jobs are grouped together and put under one department. The departmentation or grouping of jobs can be done by the organisation in different ways. But the most common two ways are:
 - **a) Functional departmentation:**
 - **b) Divisional departmentation:**

Functional departmentation:

- jobs related to common function are grouped under one department
- . For example, all the jobs related to production are grouped under production department; jobs related to sales are grouped under sales department and so on.



b) Divisional departmentation:

- When an organisation is producing more than one type of products then they prefer divisional departmentation.
- Under this jobs related to one product are grouped under one department
- For example, if an organisation is producing cosmetics, textile and medicines then jobs related to production, sale and marketing of cosmetics are grouped under one department, jobs related to textile under one and so on



STEP3. ASSIGNMENT OF DUTIES:

- After dividing the organisation into specialised departments each individual working in different departments is assigned a duty matching to his skill and qualifications
- Employees are assigned duties by giving them a document called job description.
- This document clearly defines the contents and responsibilities related to the job.

STEP 4.DELEGATION OF AUTHORITY:

- When some work is assigned to someone then he must be given some authority to do that work effectively.
- Assigning work and delegation goes parallel to each other. Assigning work without proper authority is meaningless.

STEP 5.COORDINATING ACTIVITIES

- All activities in organization are distinct but they are interdependent so their must be coordination among the departments.
- Success of the organization is fully dependent on better coordination between the different divisions and managers.

FORMAL ORGANISATION:

- When the managers are carrying on an organising process, then as a result of the organising process an organisational structure is created to achieve systematic working and efficient utilization of resources. This type of structure is known as formal organisational structure. Formal organisational structure clearly spells out the job to be performed by each individual, the authority, responsibility assigned to every individual, the superior- subordinate relationship and the designation of every individual in the organisation. This structure is created intentionally by the managers for achievement of organisational goal.

WHAT IS INFORMAL ORGANIZATION?

- The informal organization is the interlocking social structure that governs how people work together in practice. It is the aggregate of behaviors, interactions, norms, and personal/professional connections through which work gets done and relationships are built among people. It consists of a dynamic set of personal relationships, social networks, communities of common interest, and emotional sources of motivation. The informal organization evolves organically in response to changes in the work environment, the flux of people through its porous boundaries, and the complex social dynamics of its members.

FEATURES OF INFORMAL ORGANISATION:

- (1) Informal organisational structure gets created automatically without any intended efforts of managers.
- (2) Informal organisational structure is formed by the employees to get psychological satisfaction.
- (3) Informal organisational structure does not follow any fixed path of flow of authority or communication.
- (4) Source of information cannot be known under informal structure as any person can communicate with anyone in the organisation.
- (5) The existence of informal organisational structure depends on the formal organisation structure.

BASIS FOR COMPARISON	FORMAL ORGANIZATION	INFORMAL ORGANIZATION
Meaning	An organization type in which the job of each member is clearly defined, whose authority, responsibility and accountability are fixed is formal organization.	An organization formed within the formal organization as a network of interpersonal relationship, when people interact with each other, is known as informal communication.
Creation	Deliberately by top management.	Spontaneously by members.
Purpose	To fulfill, the ultimate objective of the organization.	To satisfy their social and psychological needs.
Nature	Stable, it continues for a long time.	Not stable
Communication	Official communication	Grapevine
Control mechanism	Rules and Regulations	Norms, values and beliefs
Focus on	Work performance	Interpersonal relationship
Authority	Members are bound by hierarchical structure.	All members are equal.
Size	Large	Small