

Organising

-Organising – The Process

-Organisation Structure

-Significance of Organisation Structure

-Forms of Organisation

Introduction

term organisation is given a variety of interpretations. In any case, there are two broad ways in which the term is used.

In the first sense, organisation is understood as a dynamic process and a managerial activity which is necessary for bringing people together and tying them together in the pursuit of common objectives. When used in the other sense, organisation refers to the structure of relationships among positions and jobs which is built up for the realisation of common objectives.

What is organization?

Organisation is the process of establishing relationship among the members of the enterprise

The relationships are created in terms of authority and responsibility. To organise is to harmonise or arrange in a logical and orderly manner.

Organising – The Process

The various steps involved in this process are:

1. Determination of Objectives

Determination of objectives will consist in deciding as to why the proposed organisation is to be set up and, therefore, what will be the nature of the work to be accomplished through the organisation.

Enumeration of Objectives

Each job should be properly classified and grouped. This will enable the people to know what is expected of them as members of the group and will help in avoiding duplication of efforts. For example, the work of an industrial concern may be divided into the following major functions –

production, financing, personnel, sales...etc.

Classification of Activities

To classify activities according to similarities and common purposes and functions and taking the human and material resources into account.

4. Assignment of Duties

Specific job assignments are made to different subordinates for ensuring a certainty of work performance. Each individual should be given a specific job to do according to his ability and made responsible for that. He should also be given the adequate authority to do the job assigned to him.

5. Delegation of Authority

Since many individuals work in the same organisation, it is the responsibility of management to lay down structure of relationship in the organisation. •

This will help in the smooth working of the enterprise by facilitating delegation of responsibility and authority.

Organisation Structure

An organisation structure shows the authority and responsibility relationships between the

various positions in the organisation by showing who reports to whom.

structure of an organisation is generally shown on an organisation chart. It shows the authority and responsibility relationships between various positions in the organisation while designing the organisation structure, should be given to the principles of sound organisation.

Significance of Organisation Structure

1. Properly designed organisation can help improve teamwork and productivity by providing a framework within which the people can work together most effectively.
2. Organisation structure determines the location of decision-making in the organisation.
3. Sound organisation structure stimulates creative thinking and initiative among organisational members by providing well defined patterns of authority.
4. A sound organisation structure facilitates growth of enterprise by increasing its capacity to handle increased level of authority.
5. Organisation structure provides the pattern of communication and coordination. what his role is and how it relates to
6. The organisation structure helps a member what is his role and what is related to other roles.

Forms of Organisation

1. Line organisation
2. Line and staff organisation
3. Functional organisation
4. Committee organisation

.1. Line Organisation

It is also known as "Military", "traditional", "Scalar" or "Hierarchical" form of organisation. The line organisation represents the structure in a direct vertical relationship through which authority flows.

2. Line and Staff Organisation

specialists are attached to line managers to advise them on important matters. These specialists stand ready with their speciality to serve line managers as and when their services are called for, to collect information and to give help which will enable the line officials to carry out their activities better. The staff officers do not have any power of command in the organisation as they are employed to provide expert advice to the line officers. The combination of line organisation with this expert staff constitutes the type of organisation known as line and staff organisation.

Functional Organisation

difficulty of the line organisation in securing suitable chief executive was overcome by F.W.Taylor who formulated the Functional type of organisation. As the name implies, the whole task of management and direction of subordinates should be divided according to the type of work involved.

Committee Organisation

According to Hicks, "A committee is a group of people who meet by plan to discuss or make a decision for a particular subject."

Committee organisation as a method of managerial control has very little practical importance, because it is managed by a senior member of the committee only. But the **committee organisations** are widely used for the purpose of discharging advisory functions of the management.

Committees are usually relatively formal bodies with a definite structure. They have their own organisation.

planning



Definition of “planning” -

Types of plans -

Steps in planning process •



plan is to produce a scheme for future action, to bring about specified results at a specified cost, in a specified period of time.

Definition of “planning”

Management thinkers have defined the term, basically, in two ways:

1. **Based on *futurity***: *“Planning is a trap laid down to capture the future” (Allen).*

2. **As a *thinking function***: – “Planning is deciding in advance what to do, how to do it, when to do it and who is to do it.”

“Koontz and O’Donnell.”

Types of plans

Plans commit individuals, departments, organisations, and the resources of each to specific actions for the future.

Three major types of plans can help managers achieve their organisation's goals: **strategic, tactical, and operational.**





Operational plans lead to the •
achievement of **tactical plans**,
which in turn lead to the
attainment of **strategic plans**.

In addition to these three types of
plans, managers should also
develop a contingency plan in case
their original plans **fail**

Operational plans

Operational plans focus on the specific results expected from departments, work groups, and individuals are the operational goals. These goals are precise and measurable.

Examples:

(a) Process 150 sales applications each week

(b) Publish 20 books

An **operational plan** is one that a manager uses to accomplish his or her job responsibilities.

Supervisors, team leaders, and facilitators develop operational plans to support **tactical plans**.





Operational plans can be a **single-use plan** or an **ongoing plan**

a) ***Single-use plans***: These plans apply to activities that do not recur or repeat.

(b) ***Continuing or ongoing plans***: These are usually made once and retain their value over a period of years as well as they may under revisions and updates.

2. Tactical Plans

A tactical plan is concerned with **what** the lower level units within each **division** must do, **how** they must do it, and **who** is in charge at each level.

Tactics are the means needed to activate a strategy and make it work. They are considered **short-term goals**.

3. Strategic Plans

A strategic plan is **an outline** of steps designed with the goals of the entire organisation as a **whole** in mind, rather than with the goals of **specific** divisions or departments.

Strategic plans look ahead over the next two, three, five, or even more years to move the organization from where it **currently is** to where it **wants to be**.

4. Contingency plans:

a “keeping all options open” approach at all times - that’s where contingency planning comes in.

Contingency planning involves identifying alternative courses of action that can be implemented if and when the original plan proves inadequate because of changing circumstances.

Steps in the Planning Process

1. Establishing objectives: .1

The first step in the planning process is to .2
identify the goals of the organisation. The objectives must clearly indicate **what** is to be achieved, **where** action should take place, **who** is to perform it, **how** it is to be undertaken and **when** is it to be accomplished.

In other words, managers must provide clear .3
guidelines for organisational efforts.

2. *Developing premises:* •

*After setting objectives, it is necessary to outline
planning premises.* •

Premises are assumptions about the environment in
which plans are made and implemented. •



3. *Evaluating alternatives and selection:*

After establishing the objectives and planning premises, the alternative courses of action have to be considered.





4. *Formulating derivative plans:*

After selecting the best course of action, the management has to formulate the secondary plans to support the basic plan. The plans derived for various departments, units, activities, etc., in a detailed manner are known as 'derivative plans'.



5. Securing cooperation and participation:

The successful implementation of a plan depends, to a large extent, on the whole-hearted cooperation of the employees.

Participation enables employees to give their best to plans. They are also motivated to carry out the plan to the best of their ability.



6. Providing for follow-up:

Plans have to be reviewed continually to ensure their relevance and effectiveness.

Plans have to be revised. Without such a regular follow-up, plans may become out-of-date and useless.

Continuous evaluation of plans also helps to develop plans in future and avoiding mistakes.

Further Readings

Books

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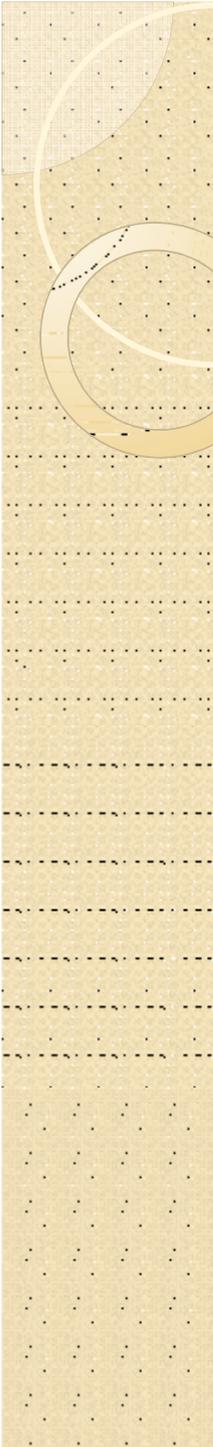
policy

Types of policies

Decision-making

Decision-making process

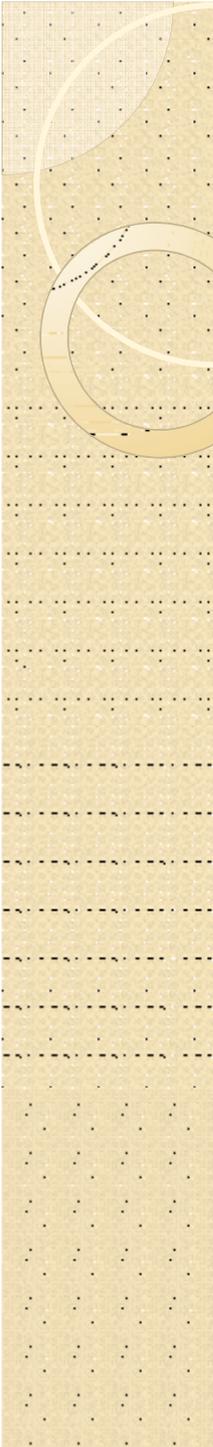




Policy

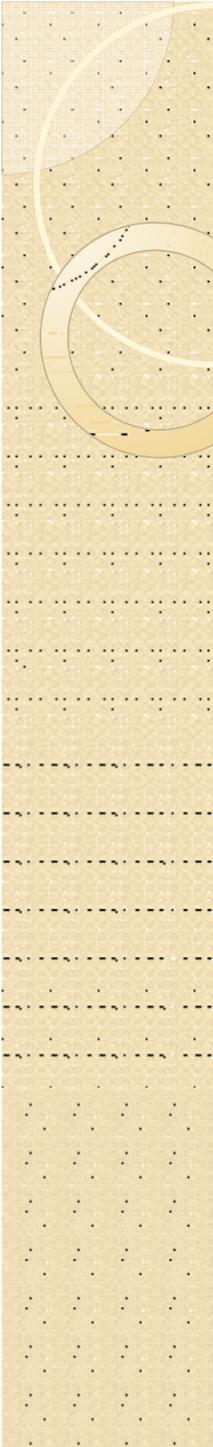
It is a deliberate system of principles to guide decisions and achieve rational outcomes.

The term may apply to government, private sector organizations and groups, as well as individuals.



Policy or policy study may also refer to the process of making important organizational decisions.

Policies can be understood as political, managerial, functional and administrative mechanisms arranged to reach explicit goals.

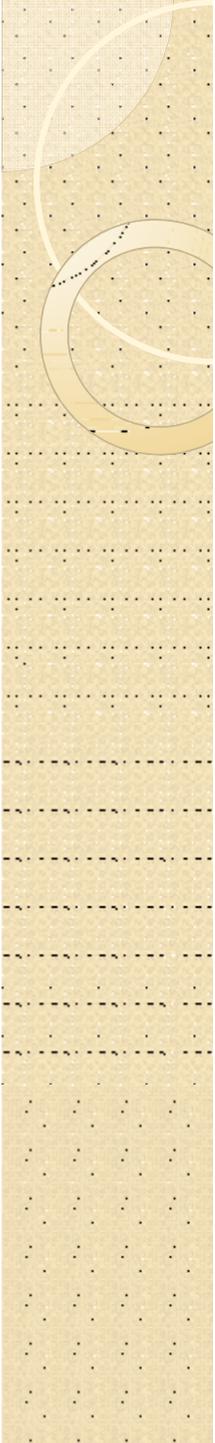


Types of policies

The following is a sample of several different types of policies broken down by their effect on members of the organization:

Distributive policies

Distributive policies extend goods and services to members of an organization, as well as distributing the costs of the goods/services among the members of the organization.



Regulatory policies

They, also, called mandates. They limit the discretion of individuals and agencies, or otherwise compel certain types of behavior.

For example:

A speed limit.

Constituent policies

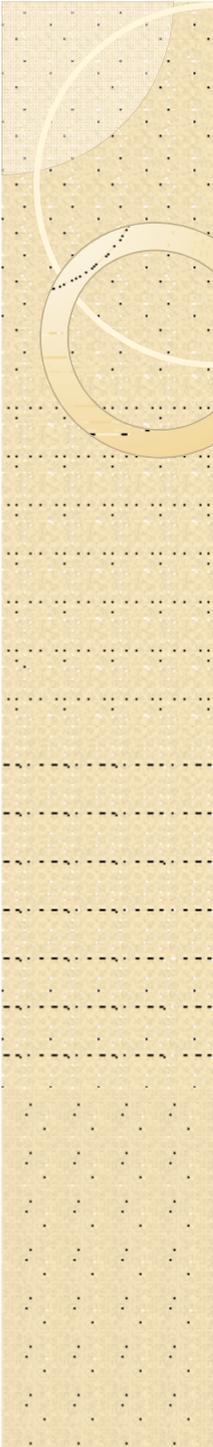
They create executive power entities, or deal with laws.



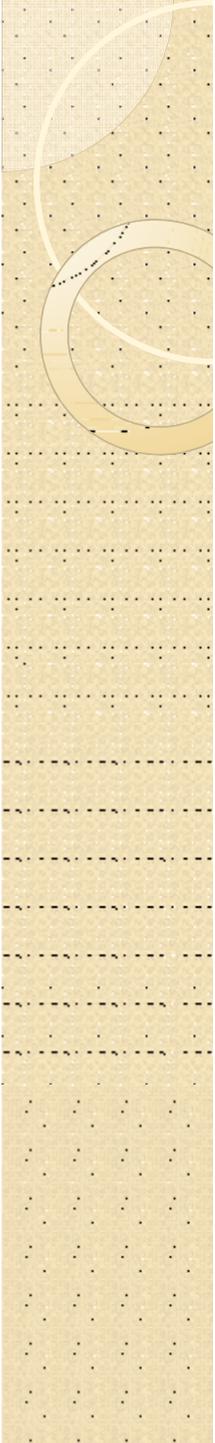
Miscellaneous policies

Policies are dynamic, they are not just static lists of goals or laws. Policy blueprints have to be implemented, often with unexpected results.





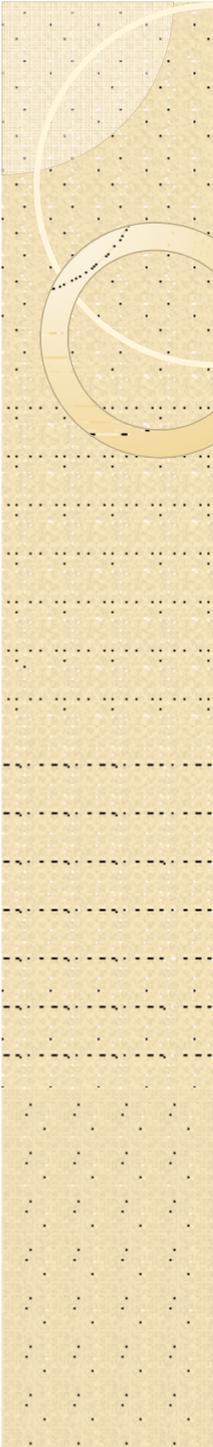
When we speak about a company or organization's policy on a particular topic. For example, the equal opportunity policy of a company shows that the company aims to treat all its staff equally.



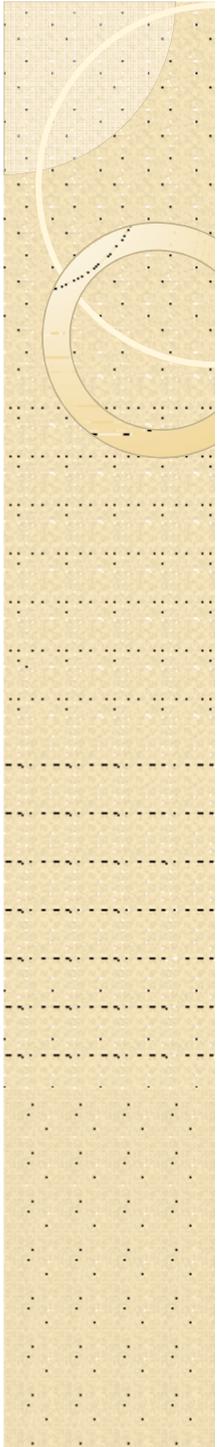
Decision-making

Individuals in organizations make decisions. That is, they make choices from among two or more alternatives. Decision-making is almost universally defined as choosing between alternatives

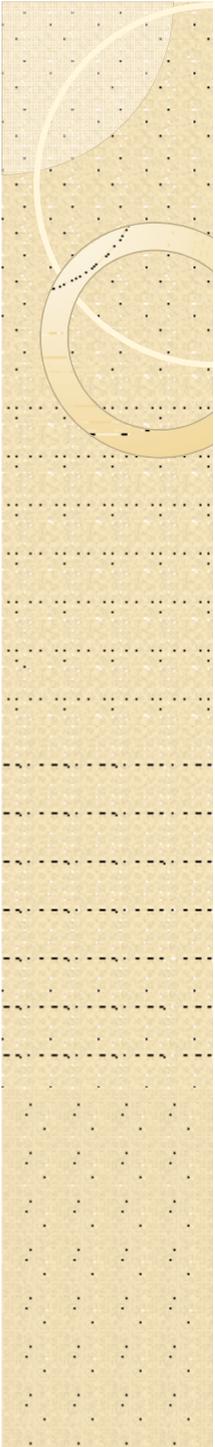
decisions a manager faces can range from very simple, routine matters for which the manager has an established decision rule (programmed decisions) to new and complex decisions that require creative solutions (non-programmed decisions).



word "decision" is derived from the Latin words "de ciso" which means, "cutting away" or to come to a conclusion. A decision is the selection of a course of action. According to Felex M Lopez, "a decision represents a judgement; a final resolution of a conflict of needs, means or goals."



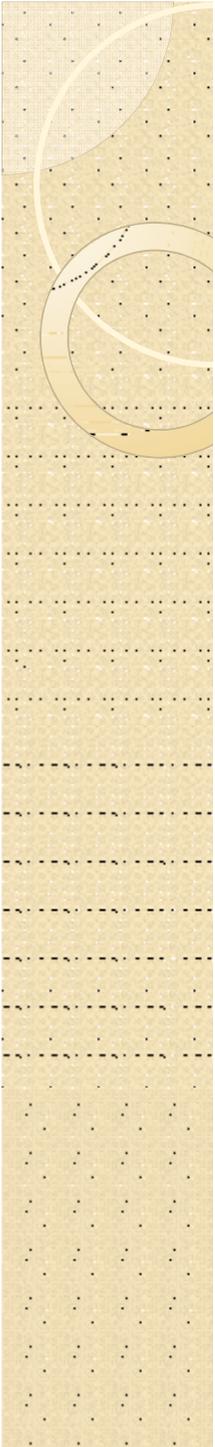
Thus, decision-making is the process by which the decision-maker tries to jump over the obstacles placed between his current position and the desired future position.



Decision-making Process

First Step:

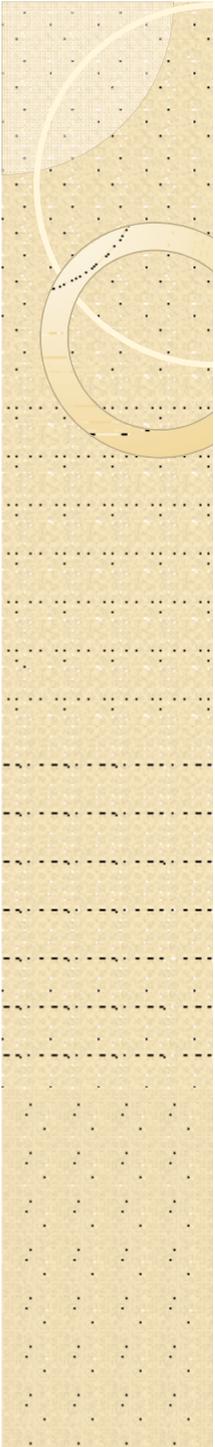
The first step is recognition of the problem. The manager must become aware that a problem exists and that it is important enough for managerial action.



The second step

In the decision-making process is gathering information relevant to the problem. A successful manager must try to solve the problem.

The manager must pull together sufficient information about why the problem occurred. This involves conducting a thorough diagnosis.



Third Step:

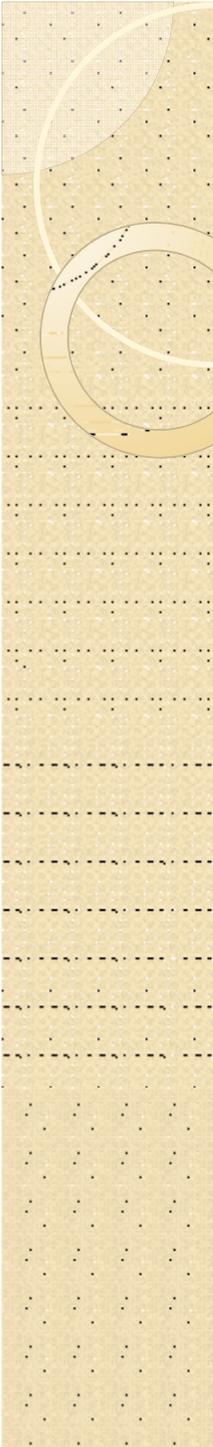
The third step is listing and evaluating alternative courses of action.

To develop alternative solutions as well as to focus on the problem.

Fourth Step:

Next, the manager selects the alternative that best meets the decision objective.





Final Step:

Finally, the solution is implemented. The manager must seek feedback regarding the effectiveness of the implanted solutions. Feedback allows managers to become aware of the recent problems associated with the solution.

In this lecture the following points will be discussed:

Who is a manager?

Roles of a manager.

Functions of a manager.



Who is a Manager?

A Manager is the person responsible for **planning** and **directing** the work of a group of individuals, **monitoring** their work, and **taking corrective** action when necessary.

Managers may **direct** workers **directly** or **indirectly** by directing several supervisors who direct the workers.



Roles of a Manager

To achieve results, they shift gears and restructure and reorganise things continually.

The diverse roles played by managers have been summarised by Henry Mintzberg in the late 1960s, under three broad headings:

Roles of a Manager

Interpersonal roles:

*The interpersonal roles help the manager keep the organisation **running smoothly**.*

Managers play the **figurehead** role when they perform **duties** include **greeting** the visitors, **attending** social functions involving their subordinates (like weddings, funerals), handing out certificates to workers showing promise etc. The leadership motivating and disciplining employees.

Roles of a Manager

2. *Informational roles:* •

Mintzberg mentioned that **receiving** and **communicating** information are perhaps the most important aspects of a manager's job. •

In order to make the **right decisions**, managers need **information** from various sources. Managers also perform the **spokesperson** role when they represent the organisation to outsiders.

Roles of a manager

3. *Decisional roles:*

*There are **four** decision roles that the manager adopts .*

*A) In the role **entrepreneur**, the manager tries to improve the unit. He initiates planned changes to adapt to environmental challenges.*

*B) As **handlers**, managers respond situations that are beyond their control such as strikes, shortages of materials, complaints.*

Roles of Managers

c) In the role of **a resource allocator**, managers are responsible for allocating human, physical and monetary resources.

As **negotiators**, managers also carry out negotiations with other units or their own units to gain advantages.

Functions of a Manager

More popular and widely accepted is the classification given by *Henry Fayol*.

According to him, the managerial functions may be broadly classified into **five** categories: **planning, organizing, directing, staffing and controlling**.

1. planning

Planning is the process of making decisions about future. It is the process of determining enterprise objectives and selecting future courses of actions necessary for their accomplishment.

It is the process **of what** is to be done, **when** and **where** it is to be done, **how** it is to be done and by **whom**.

It enables managers to **measure progress** toward the **objectives**.

Planning is a fundamental function of management and all other functions of management are influenced by the planning process.

2. organising

Organising is concerned with the **arrangement** of an organisation's resources : people, materials, technology and finance in order to achieve enterprise objectives.

Thus, organising refers to certain **dynamic** aspects: **What** tasks are to be done? **Who** is to do them? **How** the tasks are to be grouped? **Who** is to report to **whom**? **Where** the decisions have to be made?

3. staffing

*Staffing is the function of **employing** suitable persons for the enterprise.*

*It may be defined as **an activity** where people are **selected, trained, developed** and **motivated**.*



4. Directing

*The function of **guiding** and **supervising** the activities of the subordinates.*

This work involves four important elements

(a) Leadership: *Leadership is the process of **influencing** the actions of a person or a group to attain **desired objectives***



(b) Motivation:

*Motivation is the work a manager performs to **encourage** people to **take required action.***

*It is the process of **stimulating** people to take **desired courses** of **action.***



(c) Communication:

transfer of Communication is the information and understanding from one person to another.

It is a way of reaching others with ideas, facts, and thoughts.

(d) Supervision:

managers have to watch and control the activities.

controlling

*The objective of controlling is to **ensure** that actions contribute to goal accomplishment.*

It helps in keeping the organisational activities on the right path and with plans and goals.

In controlling, performances are **observed, measured compared with what had been **planned**.**