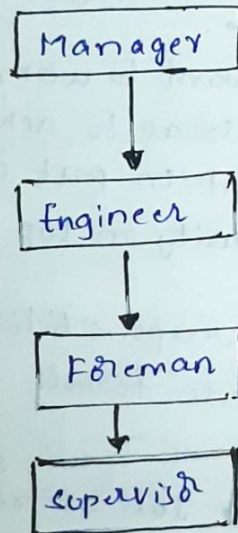


ASSIGNMENT - II

(i) Write about types of organizations!

* Line organization:-

- Where efforts of large number of people have to be controlled and discipline is of prime importance line type of organization structure will serve the purpose.
- However, in present conditions this type of structure has lost the applicability. In line structure ten lines of instruction, directing is vertical. This means in this type boss is always right and his orders are to be obeyed at any cost.



Merits:-

- Simplicity:- Line organization is very simple to establish and can be easily understood by the employees.
- Discipline:- Since each position is subject to control by its immediate superior position, often the maintenance of discipline is easy. Unity of command and unity of direction foster discipline among the people of organization.
- Coordination:- The hierarchy in management helps in achieving effective coordination.
- Economical:- Line organization is easy to operate and less expensive.
- Unity of Command:- In line organization every person is under the command of one boss only.

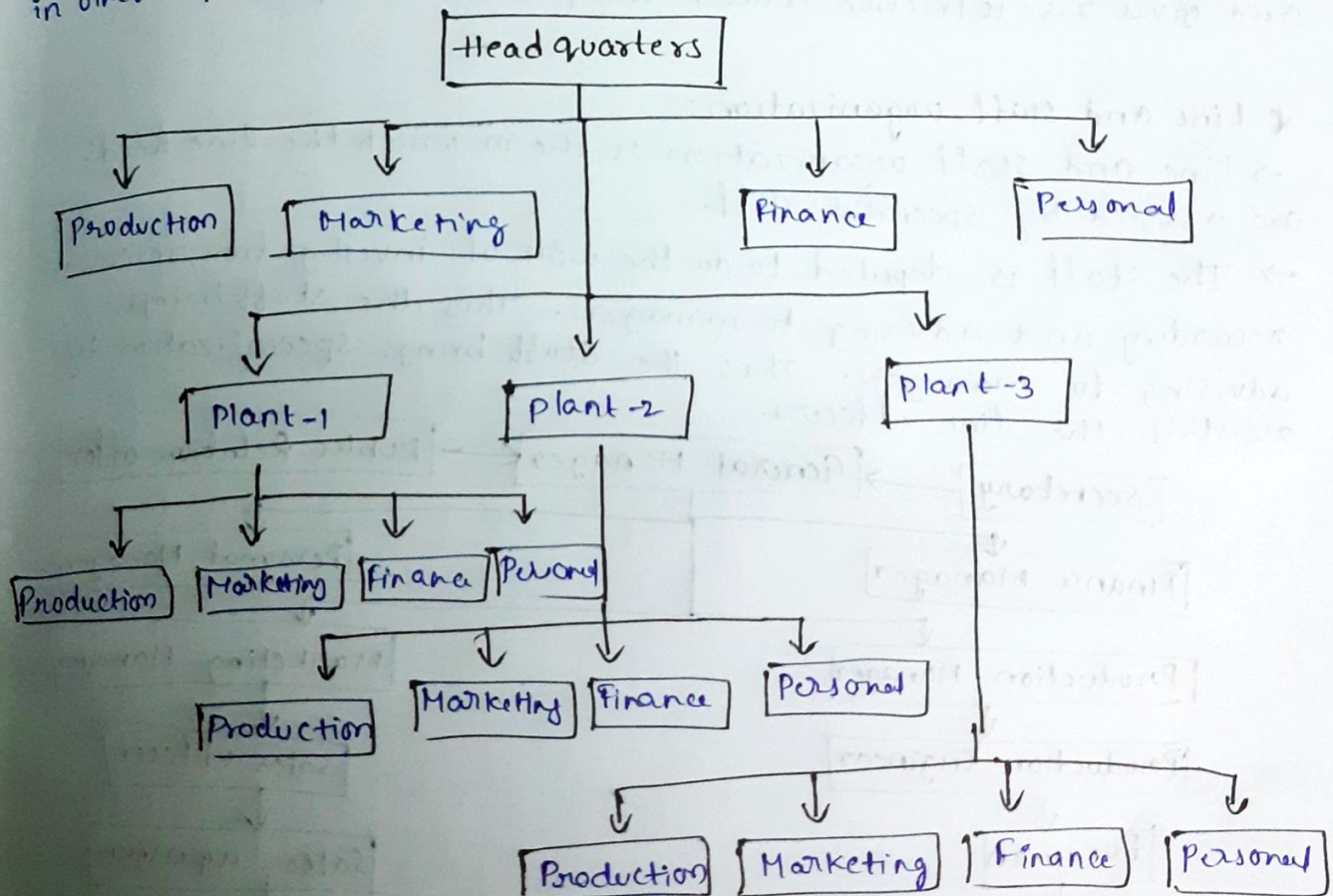
Demerits:-

- Undue reliance: The success of the enterprise depends upon the caliber and ability of few departmental heads, loss of one or two capable men may put the organization in difficulties.
- overload of work:- Departmental heads are overloaded with various routine jobs hence they cannot spare time for important managerial functions like planning, development, budgeting etc.

* Functional organization:-

→ This structure most widely used, in the medium and large organizations having limited number of products.

→ This was introduced by F.W. Taylor and is logical extension of the division of labour covers department as well as men. In this authority is delegated to an individual or department to control specified processes, policies or other matter relating to activities under taken by person in other departments.



* Merits:-

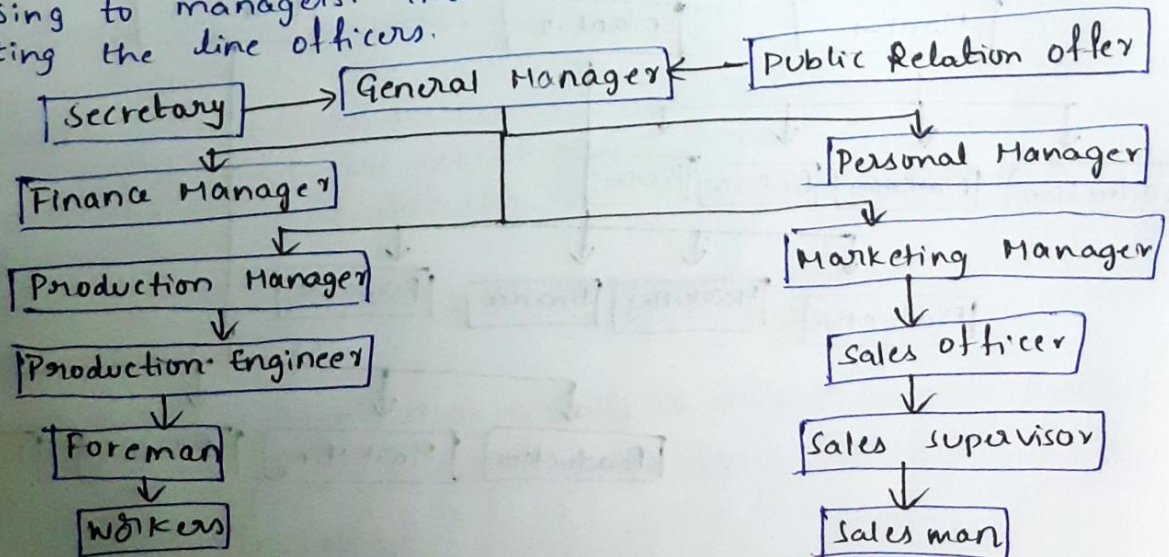
- Separation of work: In functional organization, work has been separated from routine work. The specialist has been given the authority and responsibility for supervision and administration pertaining to their field of specialization unnecessary overloading of responsibilities is thus avoided.
- Reduction in prime cost: Since for every operation expert guidance is there, wastage of material is reduced and thus helps to reduce prime cost.

* Demerits:-

- Indiscipline: Since the workers receive instructions from number of specialist it leads to confusion to whom they should follow. Therefore, it is difficult to maintain discipline.
- Overlapping of authority: The sphere of authority tends to overlap and gives rise to friction between the persons of equal rank.

* Line and staff organization:

- Line and staff organization is the in which the line heads are assisted by specialist staff.
- The staff is deputed to do the work of investigation, research, recording and advising to managers. Thus the staff brings specialization by assisting the line officers.



* Merits:

- Planned specialization: The line and staff structure is based upon the principle of specialization. The line managers are responsible for operations contributing directly to the achievement of organizational objectives whereas staff people are there to provide expert advice on the matters of their concerns.
- Quality decisions: Decisions come after careful consideration and thought each expert gives his advice in the area of his specialization which is reflected in the decisions.

* Demerits:-

- Expensive: The overhead cost of the product increases because of high salaried specialized staff.

(2) Discuss about Managerial objectives.

* Managerial objectives:-

- An objective is a desired goal - a target or aim. Managerial objectives refer to the goals the managers would like to pursue with the resources available at their disposal.
- Many organisations identify their objectives from the mission statement, which outlines what the organization wants to achieve.
- The managerial objectives govern the focus the efforts of the organization, departments & individual employees.

Most common objectives:-

a) Making and improving profits:

- Every business organization pursues this goal, because it is essential to get profit for survival. Profits constitute the reward for taking risks. The production and marketing strategies are aimed at making profit.
- Increase in profit is an indication of improvement in the business activity. So organizations want to improve their profits from year to year.

b) providing value for shareholders:

→ It is necessary to keep the shareholders satisfied, both in terms of payment of dividends and enhancing the market value of their shares.

c) Financing growth and diversification:

→ Growth implies an increase in size & value. Diversification refers to spreading investments over several products & projects. Organization strive hard to grow and also diversify over a period of time.

d) Morale and Motivation:

→ Morale is the mental attitude of a person & a group especially as regards confidence, discipline, and so on.

Motivation refers to stimulating the interest of person in an activity. Business organization try to keep up the morale and motivation of the employees in the organization.

(e) Breaking-even:

→ Newly formed organizations may aim to break-even in the first year. Break-even is also called 'No profit or No loss' point. When the firm meets its total costs through the total revenues it is said to breakeven.

(f) Being a Market Leader:-

→ A market leader is an organization that tries to sell more products than all of its rivals or perhaps all its rivals combined. As the market leader, one can also achieve max profits in view of the large-scale economics.

(g) caring for society:

→ Most of the successful organization believe that they should share their progress with the unprivileged sections of the society. With this view, they integrate their business objectives with social responsibility.