

Lesson 3 – Organizing

EN5106 – Fundamentals of Management & Entrepreneurship

Level III - Semester 5

Intended Learning Outcomes

At the end of this lesson, you will be able to:

- Define the concept of organizing
- Identify basic functions of organizing
- Illustrate different types of departmentalization
- Identify basic principles of organizing

The Concept of Organizing



Define the Concept of Organizing

Organizing is *the deployment of organizational resources to achieve strategic goals*

The deployment of resources is reflected in the organization's division of labor into specific departments and jobs, formal lines of authority, and mechanisms for coordinating diverse organizational tasks

Basic Functions of Organizing

Organizing involves three (03) basic functions:

- Job Designing
- Departmentalization
- Coordination (Vertical and Horizontal Coordination)

Basic Functions of Organizing.....

Job designing is *the act of determining tasks and responsibilities of a job.*

- **Job simplification** - grouping limited and highly related tasks so the jobholder has only a small number of narrow activities to perform
- **Job rotation** - systematically shifting workers through similar jobs periodically
- **Job enlargement** - giving more tasks to employee to broaden the scope of the job (horizontal loading)
- **Job enrichment** - increase both the number of tasks and increasing the control that the employee has over the tasks (vertical loading)

Basic Functions of Organizing.....

Departmentalization is *clustering of jobs into units, departments, or divisions*

Simple Organizational Structure

Functional Departmentalization

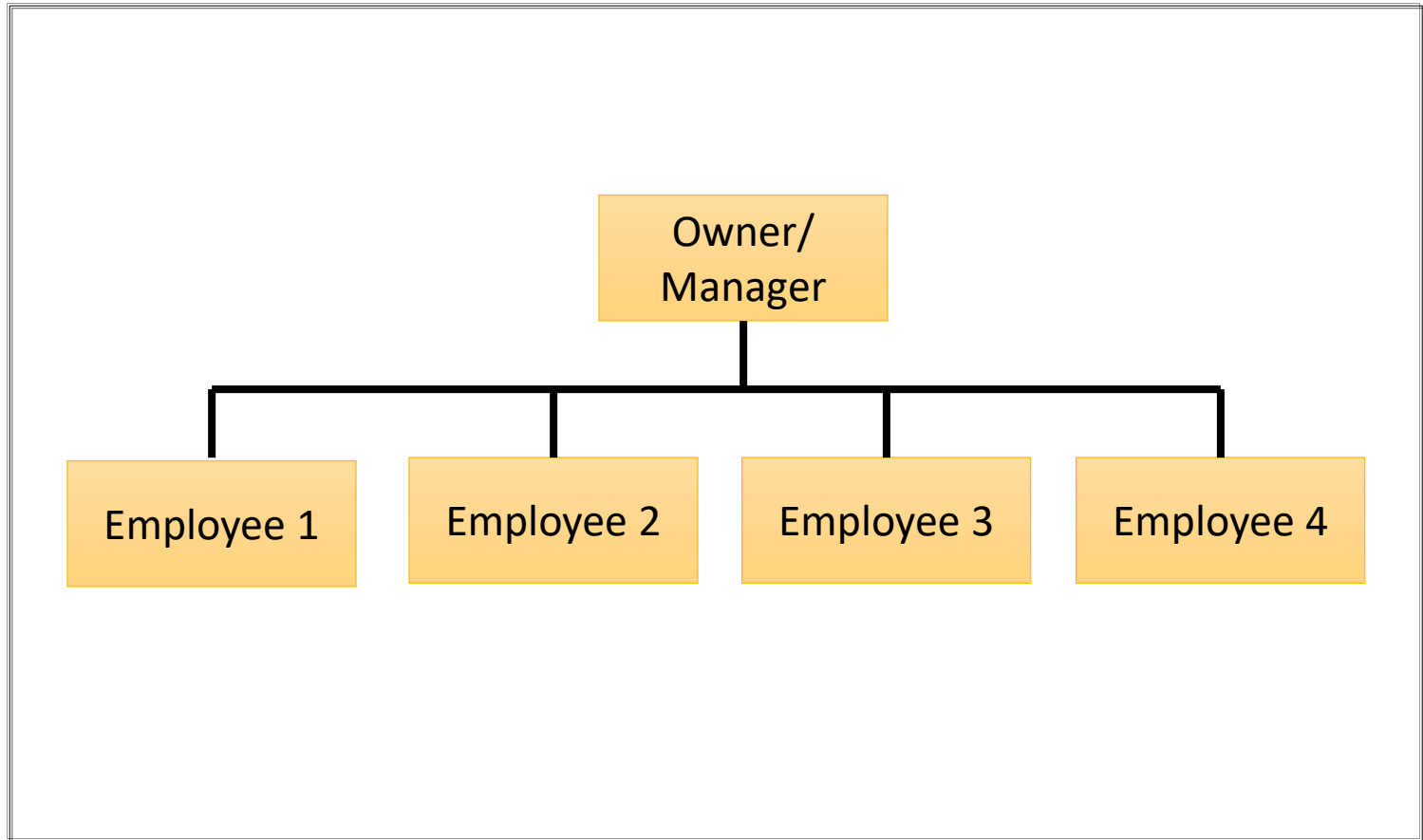
Product Departmentalization

Customer Departmentalization

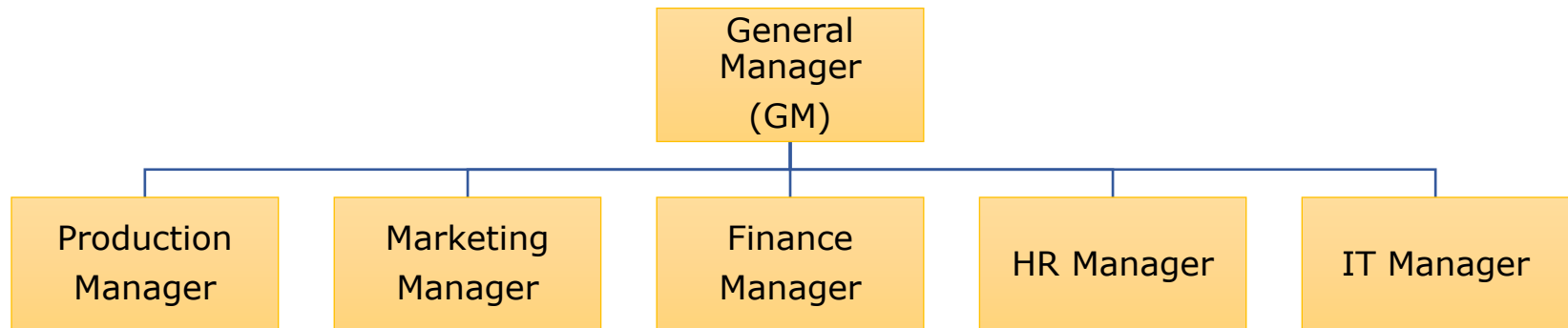
Geographical Departmentalization

Matrix Departmentalization

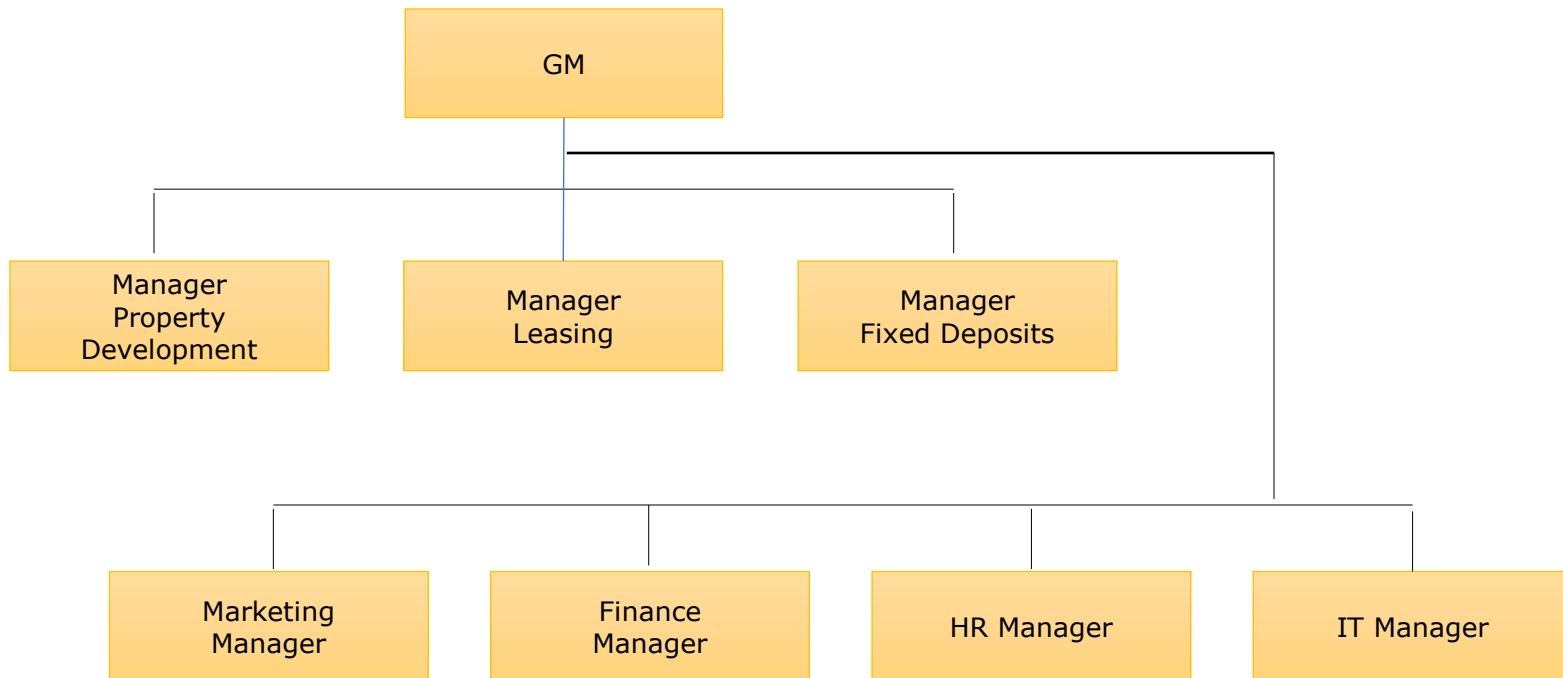
Simple Organizational Structure



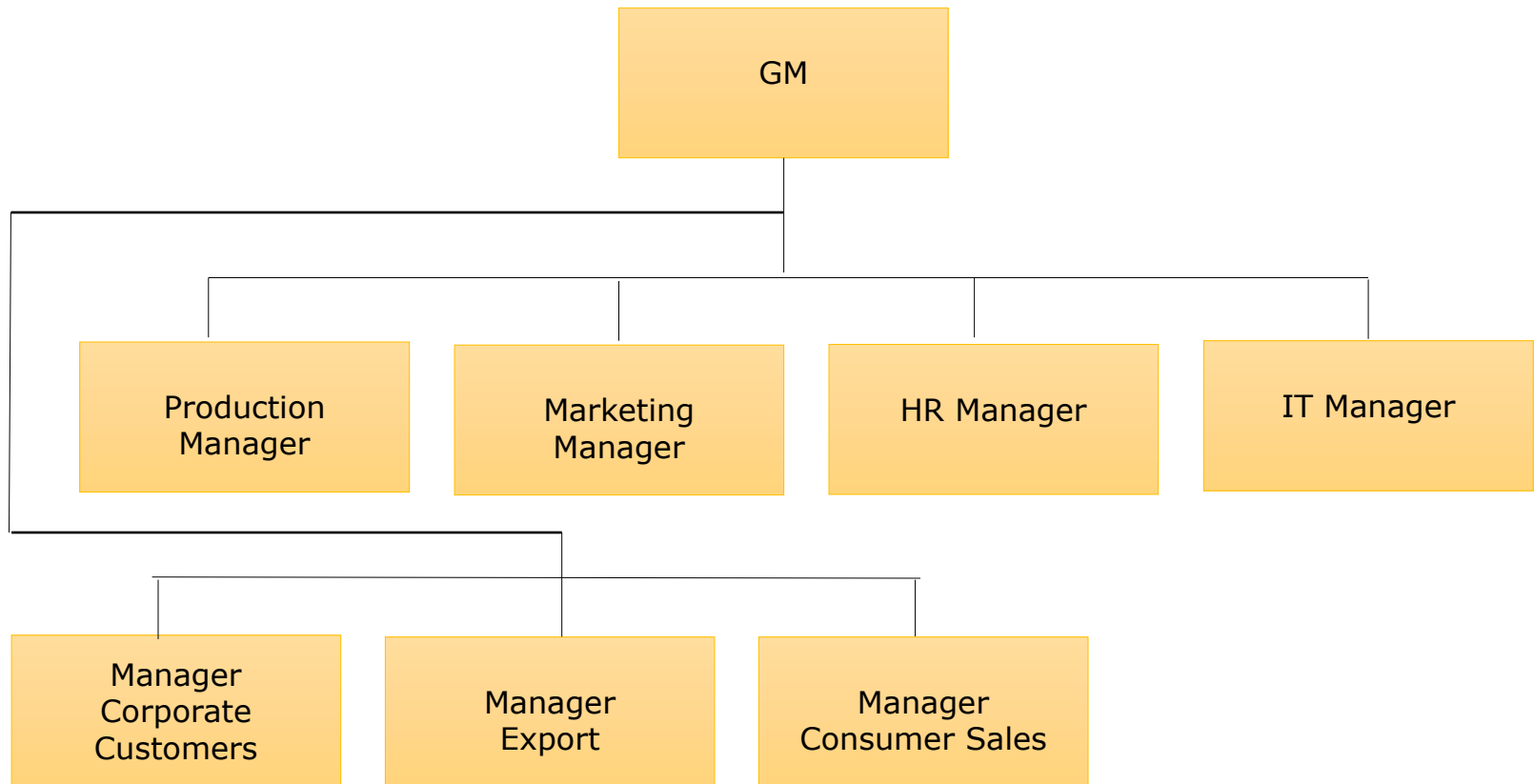
Functional Departmentalization



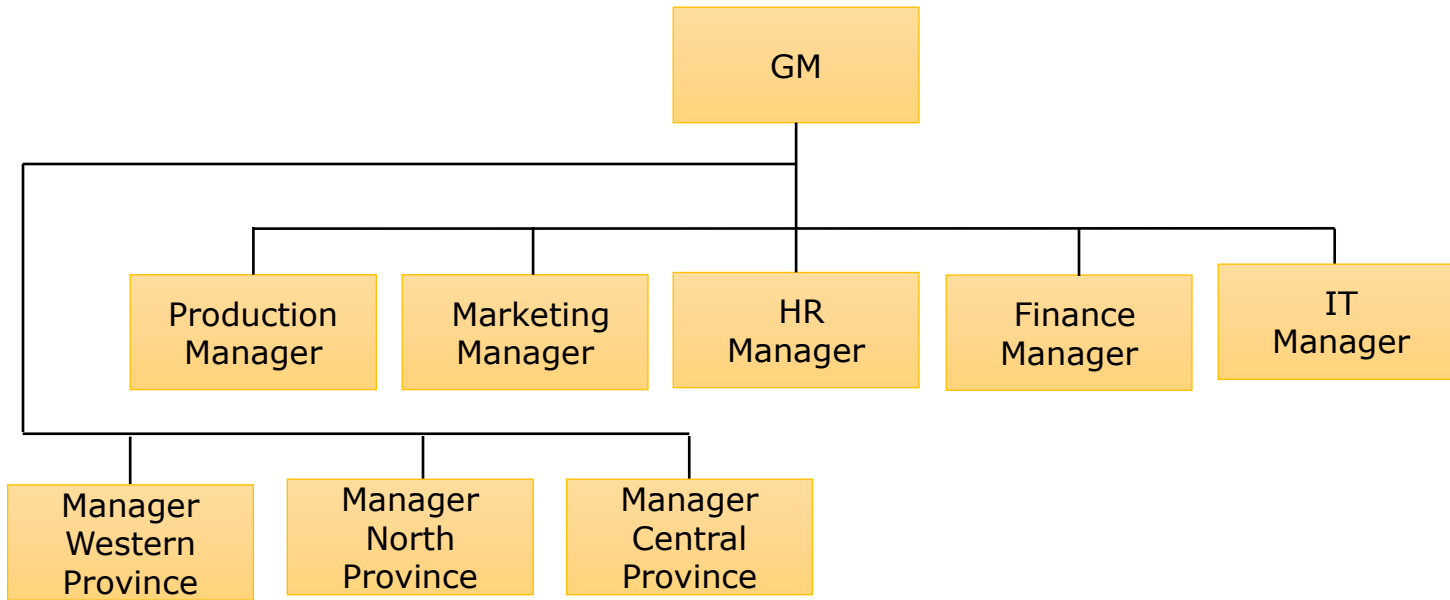
Product Departmentalization



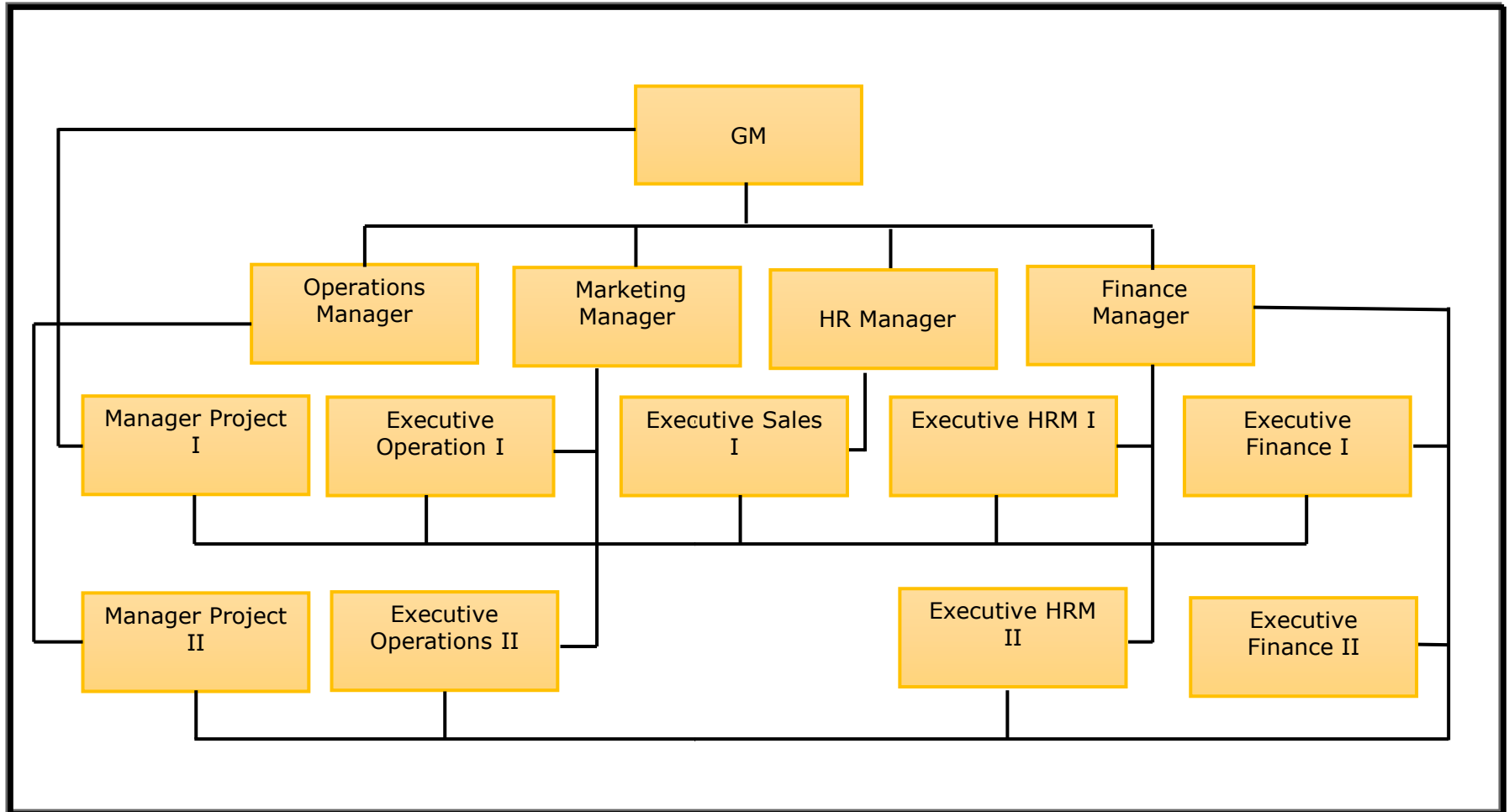
Customer Departmentalization



Geographic Departmentalization

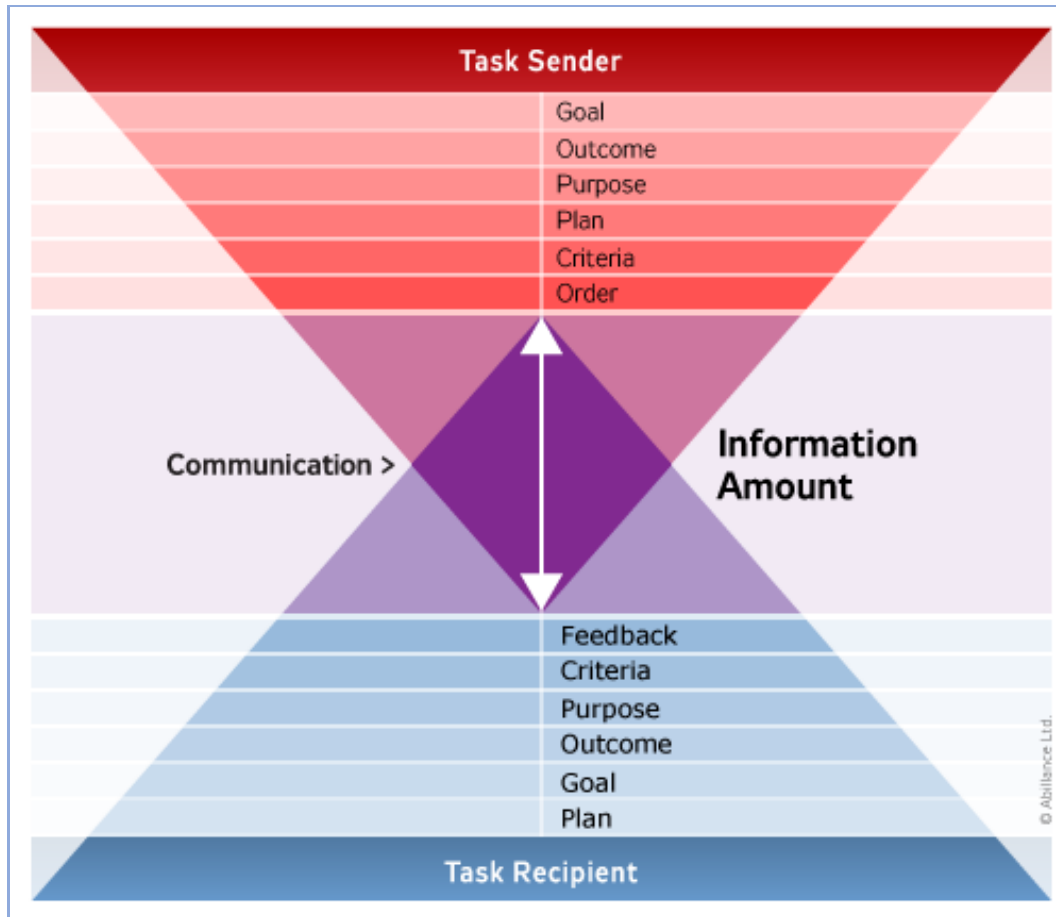


Matrix Departmentalization



Vertical Coordination

Organizations need to establish a relationship between operational core and the management of the organization



Horizontal Coordination

Clustering of jobs as well as objectives of an organization results in collection of entities rather than a unified whole



Basic Principles of Organizing

Span of Control - a number of subordinates that a given superior can effectively control

Chain of Command - states that all the positions in an organization should be linked to the top position of the organization through the successive layers

Basic Principles of Organizing.....

Unity of Command - each person within an organization must have only one clear reporting relationship to only one boss

Scalar Principle - a clear and unbroken line of authority that extends from the lowest to the highest position in the organization

Basic Principles of Organizing.....

Delegation: Act of assigning a portion of managers job to the immediate lower level through granting authority, assigning responsibility and establishing accountability for the assigned portion of job

Basic Principles of Organizing.....

Authority: refers to legitimate power that exists to exert influence within a certain boundary

It is the right to make decisions, carry out actions, and direct others from the position

Basic Principles of Organizing.....

Line Authority: is the authority exercised by positions which are directly responsible for achieving organization's basic purpose/major goals

Staff Authority: is the authority assigned to the positions who are not directly responsible for the basic purpose/major goals of an organizations and play mainly advisory role to line positions within the organization

Basic Principles of Organizing.....

Responsibility: is the obligation to carry out duties and achieve goals related to the job assigned by the superior

Accountability: refers to the requirement to provide satisfactory reasons for significant deviations from duties or expected results

Basic Principles of Organizing.....

Decentralization: means bringing the authority from the top to the possible lowest level

Delegation: essentially brings the authority from the superior to his/her immediate lower level

Basic Principles of Organizing.....

Empowerment: is giving the certain authority to operational employees over their tasks with the sufficient training and resource to exercise the authority given

Questions and Answers ??//

Thank you very much!