



Chapter 5 The Structure of Organizing

Learning Objectives

- 1) The meaning of Organizing**
- 2) Importance of Organizing**
- 3) Formal and Informal Organizations**
- 4) Work Specialization**
- 5) Chain of Command**
- 6) Centralization and Decentralization**
- 7) Guidelines for Effective organizing:**

1)The meaning of Organizing

Organizing is the process by which the work is arranged and allocated among organizational members so that the goal of the organization can be effectively achieved.

It is the detailed arrangement of work and working conditions in order to perform the assigned activities in an effective manner. The whole work is divided into manageable components in order to facilitate the achievement of objectives or goals.

1)The meaning of Organizing

Organizing consists of two elements:

- a) Components (parts) as people, tasks, resources, authority, responsibility, procedures and goals.
- b) Relationships by which all these components are tied together.

Each organization has its own **external and internal environments** that define the **nature of the relationships according to its specific needs**. Organizing is the function that managers undertake to design, structure, and arrange the components of an Organization's internal environment to facilitate attainment of organizational goals.

1)The meaning of Organizing

Organizing leads to the process of organization structure. It is defined as (1) the set of formal tasks assigned to individuals and departments; (2) formal reporting relationships, including lines of authority, decision responsibility, number of hierarchical levels, and span of managers' control; and (3) the design of systems to ensure effective coordination of employees across departments.

Organization chart, is the visual representation of an organization. It is assigned to every organization.

2) Importance of Organizing

Organization is important because it **allows individuals and groups to perform tasks more efficiently**. It **helps people find information and items faster**, and it **allows groups to work together without wasting time**.

Comprehensive approach to organizing helps the management in many ways and this enables them to gain the following **advantages**:

2) Importance of Organizing

1.**Specialization** - Organizational structure is a network of relationships in which the work is divided into units and departments. This division of work helps in bringing specialization.

2.**Well defined jobs** - Organizational structure helps in putting the right person on right job which can be done by selecting people according to their qualifications, skill and experience.

2) Importance of Organizing

3. Clarifies authority - Organizational structure helps in clarifying the role positions to every manager. This can be done by clarifying the powers to every manager and the way he has to exercise those powers.

4. Co-ordination - Organization is a means of creating co-ordination among different departments of the enterprise.

2) Importance of Organizing

5. Effective administration - The organization structure is helpful in defining the jobs positions. The roles to be performed by different managers are clarified. Specialization is achieved through division of work. This all leads to efficient and effective administration.

6. Sense of security - Organizational structure clarifies the job positions. The roles assigned to every manager are clear. Therefore, clarity of powers helps to increase mental satisfaction and thereby a sense of security in a concern.

2) Importance of Organizing

7.Scope for new changes - Where the roles and activities to be performed are clear and every person gets independence in his working, this provides enough space to a manager to develop his talents and increase his knowledge, i.e to make new changes.

3) Formal and Informal Organizations

Formal Organizations are organizations in which the job of each member is clearly defined, whose **authority, responsibility and accountability** are fixed.

It is a **structure** that comes into existence when two or more people come together for a common purpose, and there is a **legal & formal relationship** between them.

The basic **objective** of the establishment of an organization is the attainment of the organization's goal. For this purpose, work is assigned, and authorities are delegated to each member and the concept of division of labor is assigned on the basis of their capabilities.

3)Formal and Informal Organizations

Informal Organizations It is a network of interpersonal relationship when people interact with each other.

It is formed within the formal organization. It is a system of interpersonal relationships between individuals working in an organization.

In an informal organization, there are no defined channels of communication, and so members can interact with other members freely.

4) Work Specialization

Work specialization is the degree to which organizational tasks are subdivided into separate jobs. Employees within each department perform only the tasks relevant to their specialized function. Jobs tend to be small, but they can be performed efficiently. **Work specialization is sometimes called division of labor.**

5) Chain of Command

It is the clear and distinct lines of authority, which needs to be established among all positions in an organization. The chain of command actually has two components. The first, called **unity of command**, suggests that **each person within an organization must have a clear reporting relationship to only one manager**. The second, called the **scalar principle**, suggests that there must be a clear and unbroken line of authority that extends from the lowest to the highest position in the organization.

6) Centralization and Decentralization

Centralization and decentralization related to the **hierarchical level** at which decisions are made. **Centralization is the degree to which decision making takes place at upper levels of the organization.** Centralization means that decision authority is located near **the top of the organization.**

On the other hand **decentralization** indicates that **decision authority is pushed downward to lower organization levels.** Decentralization is the degree to which **lower-level managers actually make decisions.** Centralization-decentralization process is a matter of degree. No organization is completely centralized or completely decentralized.

7) Guidelines for Effective organizing:

1. Each person in the organization should report to only one boss.
2. The lines of authority should be clearly stated and should run from the top to the bottom of the organization.
3. The responsibility and authority of each supervisor should be established clearly.
4. The number of levels of authority should be as few as possible.
5. The senior managers are responsible for the acts of their subordinates.

7) Guidelines for Effective organizing:

6. Specialization should be applied wherever possible.
7. The line function and the staff function should be kept separate.
8. The span of control should be reasonable and well established.
9. The organization should be simple and flexible.



Thank you...,
