PME UNIT - 3 Notes

Unit 3: Organisation Structure and Staffing

1. What is an Organisation? (p. 118)

- Social unit/human grouping deliberately structured for specific goals.

- Rational coordination of activities for common explicit purpose via division of labor, function, hierarchy, authority.

- Process of identifying/grouping work, defining/delegating resp & auth, establishing relationships for effectiveness.

- Pattern of relating large numbers of people (beyond intimate contact) for agreed purposes (conscious planning, coordination, structuring).

- Examples: Corporations, armies, schools, hospitals. Not: tribes, families (lack conscious structuring/coord).

Characteristics of an Organisation (p. 118)

- Purpose/Goal(s) (Planning task).

- Clear concept of major duties/activities for purpose.

- Classification of activities into jobs.

- Establishment of relationships for coordination (Division of Labor, Delegation).

- *Organisational Configuration:* Group of orgs sharing common characteristics profile.

Typology of Organisations (p. 118)

- Orgs have unique characteristic combinations, hard to classify. Grouping needed for generalization.

- Blau & Scott (p. 118): Criterion - *cui bono* (who benefits).
    1. Benefit Owners (Business orgs).
    2. Benefit Members (Unions, cooperatives, clubs).
    3. Benefit Clients (Insurance, schools).
    4. Benefit Whole Society (Govt depts, armed services, police).

2. PROCESS OF ORGANISING (p. 119)

- Designing the organisation structure.

- Involves **Differentiation** (departmentalization/segmentation by homogeneity) & **Integration** (unity of effort among depts).

- Seven-step procedure:

1. **Consideration of Objectives:** First step. Objectives determine activities & type of org ("structure follows strategy").
2. **Deciding Organisational Boundaries:** What to do inside/outside (make vs buy), strategic alliances, interaction with environment.
3. **Grouping of Activities into Departments:** Group related/similar activities (e.g., production, marketing, finance, personnel). Diverse activities may be grouped if related (e.g., transport with production).
4. **Deciding which Departments will be Key Departments:** Essential activities demand key attention ("decibel system" avoidance). Placed under higher management. Importance varies with objectives/distinctiveness.
5. **Determining Levels at which Various Types of Decisions are to be Made:** How much decentralization/centralization. Impacts control, coordination, morale, decision quality/speed.
6. **Determining the Span of Management:** Number of subordinates reporting directly. Influences structure height (narrow span -> tall) vs. flatness (wide span -> flat). (See Span of Management section).
7. **Setting up a Coordination Mechanism:** Needed due to departmentalization. Effective integration is key. Prevents goals becoming submerged, reduces conflict.

- Other structural features (limited managerial influence): Power, informal organisation, organisational politics.

3. PRINCIPLES OF ORGANISING (p. 121)

- Accepted principles for sound, efficient structure (E.F.L. Brech).
- **Objectives:** Structure geared to clear enterprise objectives.
- **Specialisation:** Effective org promotes specialisation; group activities by function, assign by specialisation.
- **Span of Control (p. 121):** Limit # persons supervised effectively (~6 suggested).
- **Management by Exception (p. 121):** Only complex problems referred to higher levels; routine to subordinates. Saves exec time.
- **Scalar Principle (p. 121):** "Chain of Command". Clear line of authority from chief executive down.
- **Unity of Command (p. 121):** One superior per subordinate. Avoids uneasiness, disorder, indiscipline.
- **Delegation (p. 121):** Proper authority delegated to lower levels, equal to responsibility.
- **Responsibility (p. 122):** Superior responsible for subordinates' acts. Cannot avoid by delegating authority.
- **Authority (p. 122):** Tool for accomplishing objectives; clearly defined, equal to responsibility.
- **Efficiency (p. 122):** Structure enables efficient functioning, lowest cost for objectives.
- **Simplicity (p. 122):** Structure as simple as possible, minimum levels. Reduces comm/coord difficulty.

- **Flexibility (p. 122):** Adaptable to change, permits correction of deficiencies.
- **Balance (p. 122):** Reasonable balance (dept size, cent/decent, span/chain, human/tech/fin factors).
- **Unity of Direction (p. 122):** One objective/plan for a group of activities with same objective. Facilitates unification/coord.
- **Personal Ability (p. 122):** Need proper selection, placement, training. Ensure optimum human resource use.

4. SPAN OF MANAGEMENT (p. 122)

- **Meaning & Importance (p. 122):** Also Span of Control, Supervision, Authority, Responsibility. # subordinates reporting directly.
- **Importance:**
  - Affects efficient manager utilisation & effective subordinate performance (guidance/control).
  - Relationship with organisation structure: Narrow span -> "tall" structure (many levels, Fig. 7.1 p123). Wide span -> "flat" structure (fewer levels).

Fig. 7.1   Decreasing the span of management increases the number of levels
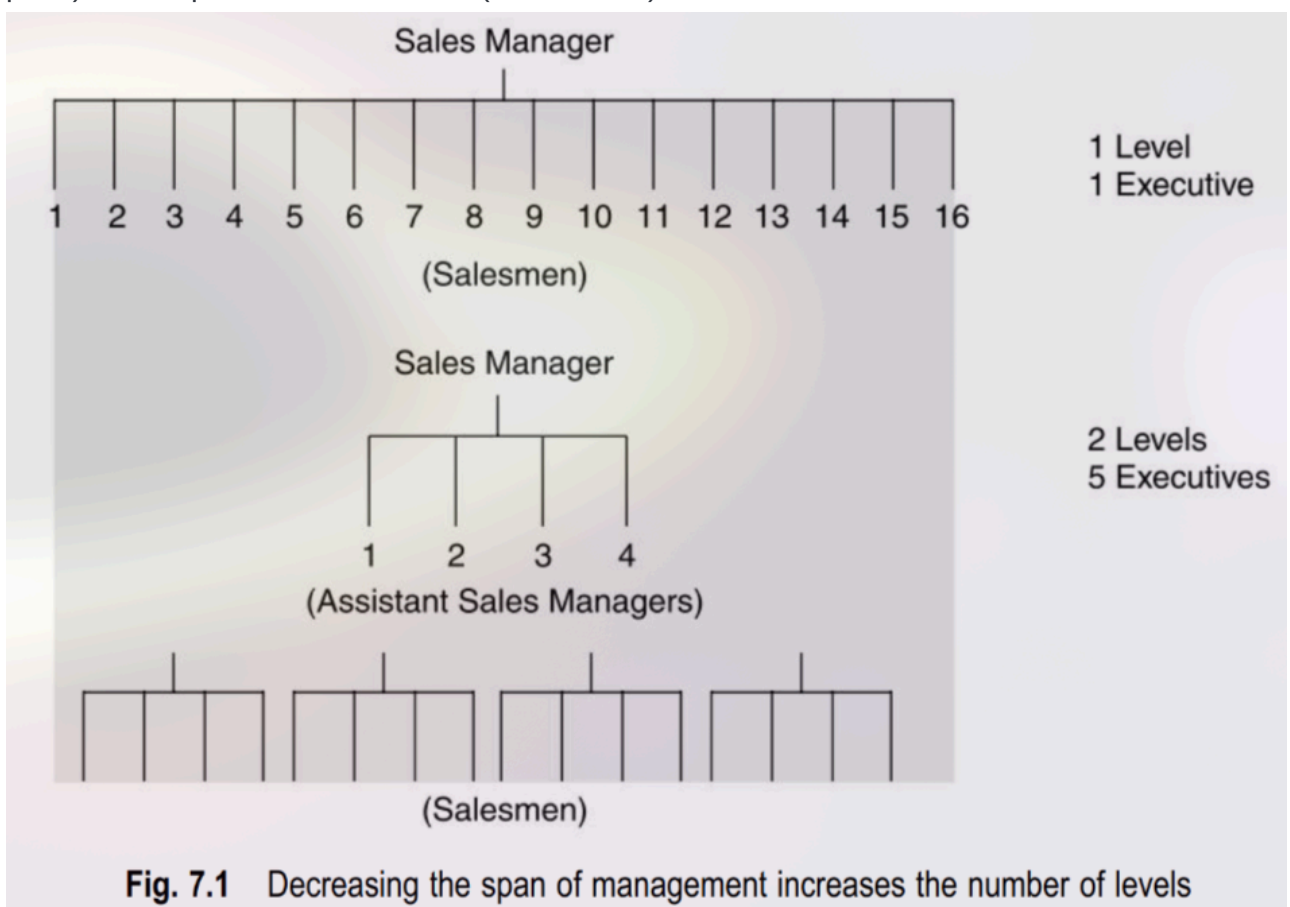
- **What is an Appropriate Span? (p. 123):** No standard ideal number. Traditional (Urwick, Hamilton) suggest small (5-6). Others (Worthy, Dale) suggest larger (20+ median 8).
- **Graicunas (p. 124):** Limiting factor is # relationships, not just people. Types: Direct 1:1, Direct Group, Cross-relationships. Formulas show dramatic increase in relationships with added subordinates. (Formulas on p124). Less useful in practice (ignores frequency, importance, other factors).

- **Factors Governing the Span (Contingency Approach) (p. 125):** Appropriate span depends on situation.
  1. **Ability of the Manager:** Knowledge, time, energy, personality.
  2. **Ability of the Employees:** Competence, skill, motivation (less attention needed for able staff).
  3. **Type of Work:** Similar jobs -> larger span. Different jobs -> smaller span. Routinized work -> larger span (Woodward).
  4. **Well-defined Authority and Responsibility:** Clear roles/policies -> less need for guidance -> larger span.
  5. **Geographic Location:** Clustered -> larger span. Dispersed -> smaller span.
  6. **Sophisticated Information and Control System (p. 126):** Reduces need for close supervision -> larger span.
  7. **Level of Management (p. 126):** Span varies (Super mgr 50, General 10-12, Middle 50, Supervisory 100 suggested - Fisch).
  8. **Economic Considerations (p. 126):** Balance costs (more mgrs in tall structure vs. inefficiency in wide span).

5. Departmentalisation (p. 126)

- Horizontal differentiation into segments/departments. Step in building structure. Aim: division of labor, specialization.
- Bases fall into two categories (March & Simon): Process & Purpose.

PROCESS DEPARTMENATALISATION (p. 126) (Internally oriented)

- **Business or Organisational Functions (p. 126):** Group by major function (Prod, Fin, Mktg).
  - *Advantages:* Simple (small orgs), promotes expertise, economies of scale.
  - *Drawbacks (p. 127):* Fosters sub-goal loyalties/conflicts, poor training ground, unsuitable for large/complex/uncertain env, conflicting customer views, complex procedures, difficult cost judgment.
- **Technology (p. 127):** Group by discrete stages/technologies in process (e.g., crushing, refining). Uses special equipment.
  - *Advantages (p. 128):* Facilitates use of heavy/costly equipment, follows specialization, suitable for process-based products.
  - *Drawbacks (p. 128):* Less worker responsibility for whole product, poor managerial development, sequential tech -> breakdown in one slows others, difficult performance comparison, needs extra top mgmt for inter-dept co-op.

PURPOSE DEPARTMENTALISATION (p. 128) (Externally oriented)

- Easier coordination, appropriate for rapidly changing/unpredictable situations.
- **Products (p. 128):** Separate, self-contained dept for each major product (incl. Mfg, Engg, Mktg etc.). Logical when products differ.

- *Advantages (p. 129):* Continuous attention to product, enables performance comparison/resource investment, motivates heads, clear evaluation.
- *Drawbacks (p. 129):* Duplication of staff/facilities, department may drift from overall goal.

- **Customers (p. 129):** Group by customer types (e.g., military, industrial, consumer).
  - *Advantages (p. 129):* Ensures full attention to major customer groups.
  - *Drawbacks (p. 129):* Under-utilisation of resources/facilities, duplication.

- **Regions, Territory or Location (p. 129):** Group by geographical location (e.g., Northern Railways).
  - *Advantages (p. 129):* Motivates regional heads, adapts to local needs, develops middle execs, utilizes locational factors.
  - *Drawbacks (p. 130):* Duplication of activities (can centralize), regional units may focus on short-run competition vs. overall org interest.

- **Time (p. 130):** Group by timing of performance (e.g., shifts). Found in production.

- **Combined Base (p. 130):** Different bases at different organisational levels (e.g., product at primary, territory at intermediate, function at ultimate - **Fig. 7.2 p131**).

Fig. 7.2   A combined base organisation

- **Matrix Organisation (p. 130):**
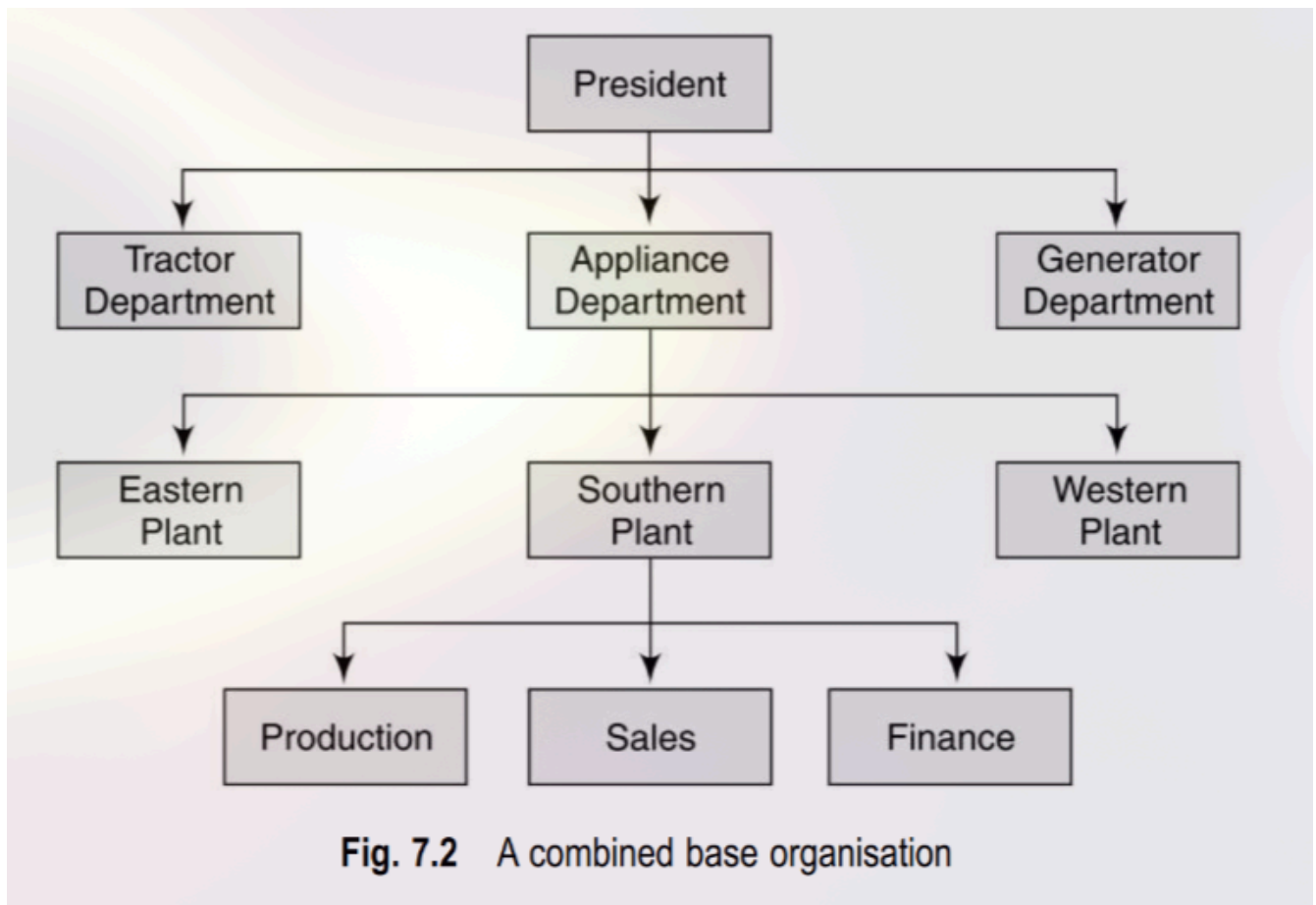
Fig. 7.3   A typical matrix organisation
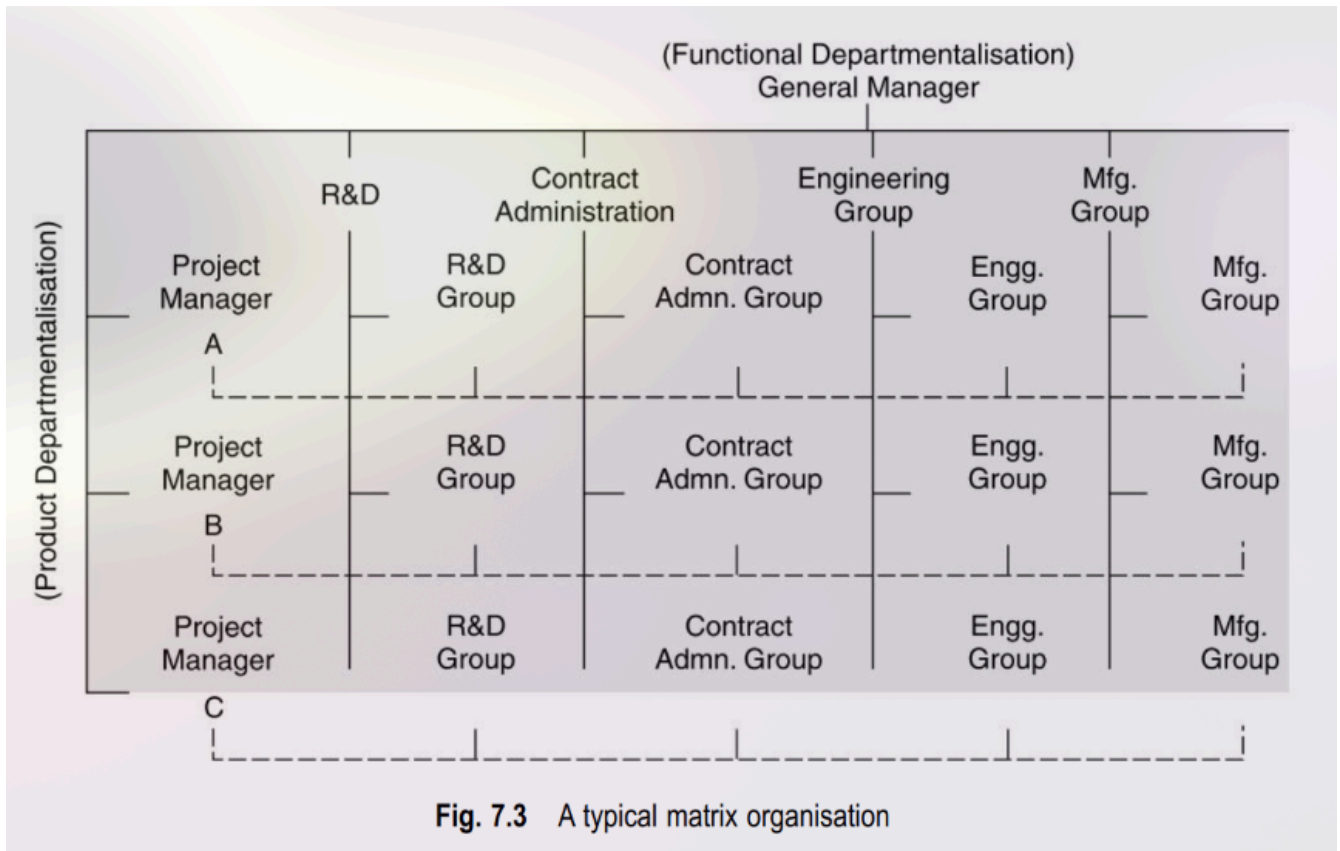
Functional & Product (or Customer/Territory) exist *simultaneously* (**Fig. 7.3 p131**). Permanent functional depts, temporary project teams. Members report *administratively* to functional mgr, *technically/for project* to project mgr.
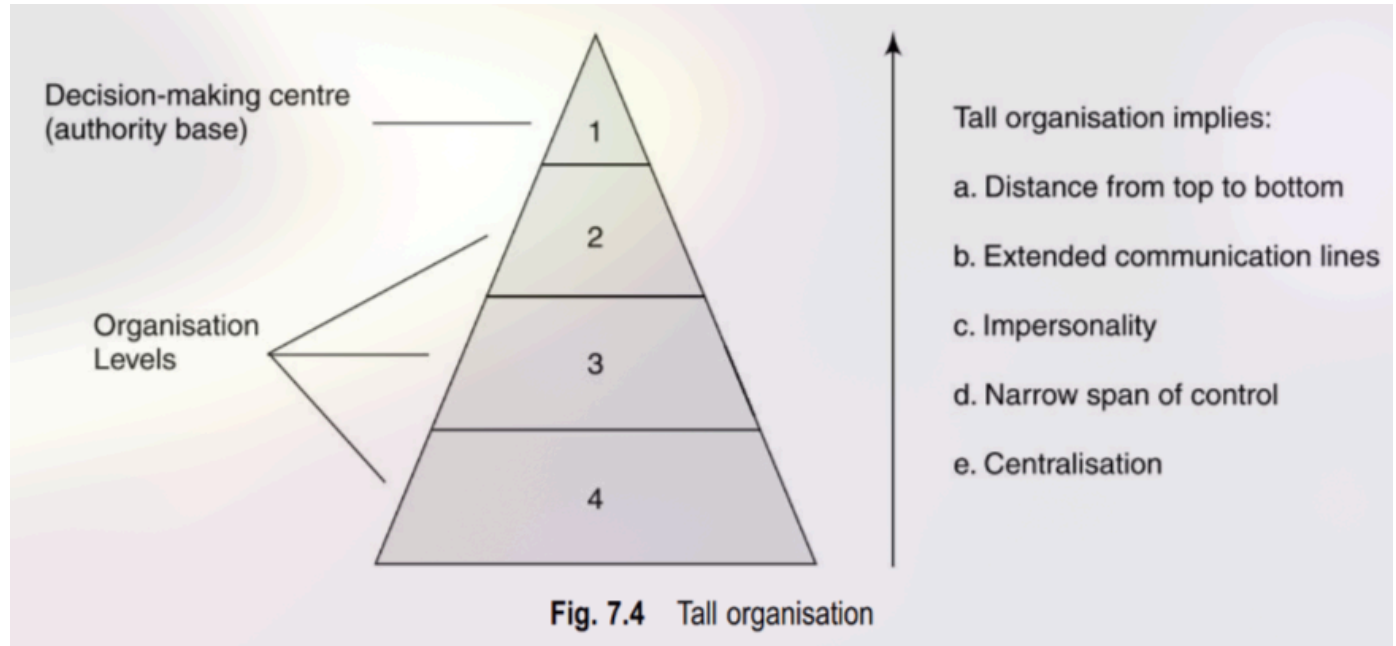
  - *Advantages (p. 131-132):* Combines necessary inputs (reduces comm/coord), flexibility (innovate around customer needs), optimizes total project, clear accountability, promotes employee growth, functional home when project ends.

  - *Drawbacks (p. 132):* Violates unity of command (two bosses), fosters interpersonal conflict, lowers loyalty (pay, obsolescence fear), resistance from some professionals (autonomy).

  - *Suggestions (p. 132):* Challenging career system, dual hierarchy, competitive pay/rewards, different appraisal, interpersonal skills training, appropriate project culture.

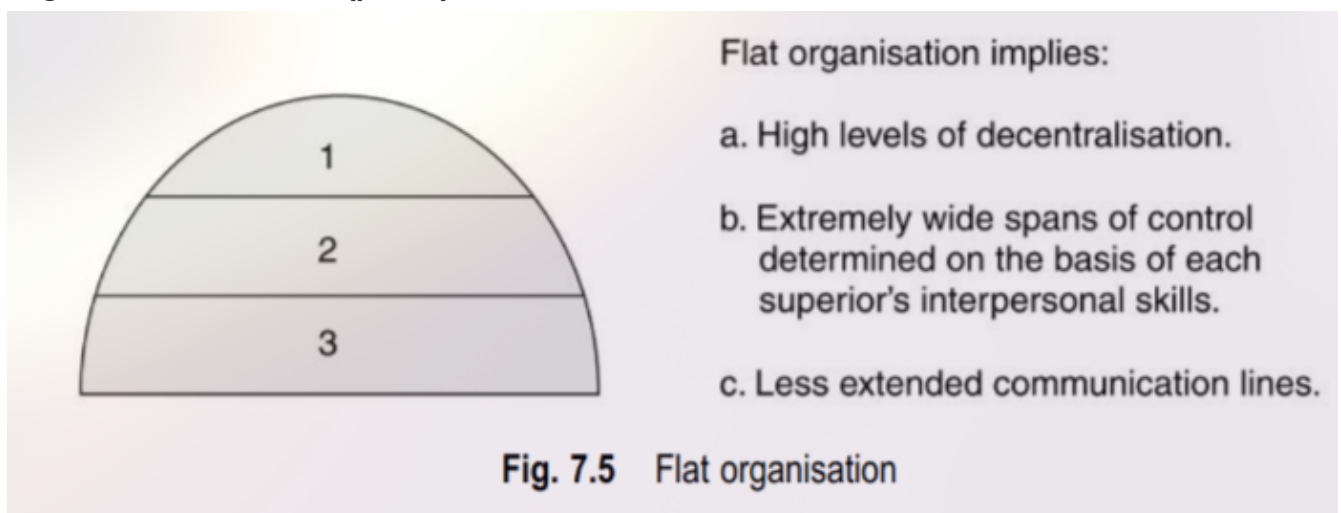## 6. Organisation Structure (p. 133)

- More or less permanent arrangement of horizontal (departments) and vertical (levels) parts. Authority flows downward.

- Enables: undertaking activities (by dept'n), coordinating activities, defining boundaries/interfaces, info processing ("adaptive-coping cycle").

- **Organisation Chart (p. 134):** Depicts *apparent* formal structure (snapshot). Shows authority flow, resp, comm, hierarchy. Reveals deficiencies (e.g., reporting lines). Types: Vertical (top-down), Horizontal (left-right), Circular (central exec, concentric circles - **Exhibit 7.1 p134**).

  - *Advantages (p. 135):* Acquaints with company makeup (size, dept'n, coord), reveals span, reveals deficiencies (e.g., 2 bosses), reveals balance.

- - *Limitations (p. 135):* Doesn't show degree of resp/auth, people infer status/power, doesn't show informal relations/channels, fosters superior/inferior mindset.
- **Organisation Manuals (p. 135):** Promote structure understanding via job descriptions (beyond titles/charts). Include mission, objectives/policies, auth/resp, relationships, performance measures, committees.

7. Mechanistic and Organic Structures (p. 135)

Decision-making centre (authority base)

Organisation Levels

1
2
3
4

Tall organisation implies:

a. Distance from top to bottom

b. Extended communication lines

c. Impersonality

d. Narrow span of control

e. Centralisation

Fig. 7.4 Tall organisation

- Two broad types (Burns & Stalker) based on complexity, formalisation, centralisation. Polarity.
- **Mechanistic or Classical (p. 135):** Pyramid-shaped (**Fig. 7.4 p136**). Centralised authority, job departmentalization, hierarchy, narrow span, intense division of labour.
  - *Merits (p. 136):* Clear, well-defined work setting.
  - *Demerits (p. 136):* Individuals lose sight of overall purpose, task/auth/info reduced at lower levels (lack accomplishment), difficult to change tasks, centralized decision-making (alienation), mostly downward comm, insistence on loyalty/obedience, many innovation stages.
- **Organic or Behavioural (p. 136):**

1
2
3

Flat organisation implies:

a. High levels of decentralisation.

b. Extremely wide spans of control determined on the basis of each superior's interpersonal skills.

c. Less extended communication lines.

Fig. 7.5 Flat organisation

- Wider span, fewer layers ("flat" form, **Fig. 7.5 p137**), general supervision, more decentralisation, less specialisation/hierarchy. Grouped by social needs.

- *Merits (p. 137):* Flexible (roles change quickly), comm in all directions (info/advice), decentralized decision-making, commitment to task > loyalty/obedience, authority flows to expert (ad hoc focal point), failure felt personally, innovation central.
- *Demerit (p. 137):* Uncertainty about roles due to changing tasks (exhausting for some).

8. WHAT TYPE OF STRUCTURE IS BEST? (Contingency View) (p. 137)

- No single best structure. Depends on specific situation. Research (Sears-Roebuck, Porter/Lawler) inconclusive on tall vs flat universal superiority.

- Situational factors determine appropriate structure:
  1. **Environment (p. 137):** Stable env -> Mech/Formal best. Changing env -> Organic/Informal best (Lawrence & Lorsch).
  2. **Culture and history (p. 138):** Shapes acceptable practices, influences decentralization (e.g., US vs. Germany).
  3. **Task (p. 138):** Organisation's purpose/role (business, govt, university, temple) influences structure.
  4. **Technology (p. 138):** (Unit, Mass, Process). Woodward found more complex tech -> taller structure, more managers/levels. Mass tech -> large span first-line mgrs. Unit/Process -> skilled jobs, small groups.
  5. **Strategy (p. 138):** Strategy change -> structure change (Chandler). Diversification -> need for decentralised divisions to respond quickly to markets.
  6. **Size (p. 139):** Size increase -> formality increase (Pugh-Hickson).
  7. **Span of Control (p. 139):** Directly influences shape (narrow -> tall, big -> flat).
  8. **Form (p. 139):** Cooperative, private company, govt agency structure differs.
  9. **Availability of Finance and Personnel (p. 139):** Budget, skill availability constrain structure.
  10. **Managerial Characteristics (p. 139):** Top management values (belief in people) influence structure (direction/control vs. freedom of action).
  11. **Employee Characteristics (p. 139):** Skills, motivation, needs (highly skilled/motivated -> behavioral; unskilled/poorly motivated -> classical).
- **Collateral Organisations (p. 139):** Managers need both mechanistic (for routine) and organic (for non-routine) approaches. Collateral org is an *ad hoc* mode of functioning (task force, same people as formal org) that operates *in tandem/parallel* with formal structure for non-routine problems. Does *not displace* formal structure mode. Key is linking its output to formal org.

9. EMERGING ORGANISATION STRUCTURES (p. 140)

- Organic structures insufficient for globalized, volatile env (needs fluid, empowered, innovative orgs). Response: Network & Virtual orgs.
- **Network Organisations (p. 140):** Modular, comprises vendors, customers, competitors in partnerships/alliances (client-server functions in supply chain). Blurring boundaries. Coordination via

cross-functional teams. Decision rights pushed down to knowledge workers. Control by market mechanisms.

- *Advantage (p. 141):* Suited for volatile env, quick response.
- *Disadvantage (p. 141):* Poorly defined accountability, resource duplication.

- **Virtual Organisations (p. 141):** Enabled by electronic communication (connectivity). Networks service providers/contractors. Outsources infrastructure, retains core competence. No fixed office.
  - *Key Attributes (p. 141):* Technology (networks), Opportunism (temporary alliances), No Borders (coop blurs lines), Trust, Excellence (partners contribute best).
  - *Primary Benefits (p. 141):* Cost savings (office space, commute), Focus on core competence (outsourcing), Use synchronous tech (audio/video conf).
  - *Limitations (p. 141):* Increased emails, miss coworker interaction (career fear), "off hours" conference calls, e-mail lacks emotional pitch/body language.

10. Authority Delegation and Decentralisation (p. 153)

- Underlying concept of management.
- **Formal Authority (p. 154):** Formal right of superior to command/compel (Fayol).
- **Functions of Authority (Simon - p. 154):** Enforces obedience (sanctions), secures expertise (specialist placement), permits centralisation/coordination.
- **Source of Formal Authority (p. 154):** Two major views:
  - **Classical View (Formal/Traditional/Legalistic) (p. 154):** Originates at top, flows downward. Subordinate accepts because legitimate (Weber's bases: tradition, rationality-legality, charisma).
  - **Human Relations View (Barnard-Simon/Acceptance) (p. 154):** Originates in subordinate's willingness to accept it ("area of acceptance"). Not real if not accepted. Classical view is normative. Majority writers hold Classical view despite Human Relations arguments (managers use power, influence, leadership - Ch 17).

11. POWER (p. 155)

- Ability/potential to influence/cause change in behavior/attitude.
- Five types (French & Raven - p. 155): Reward, Coercive, Referent, Expert, Legitimate.
- Legitimate power = Authority. Other types become authority if formalised by org.
- Effective manager needs appropriate type of power.

## 12. LINE, STAFF AND FUNCTIONAL AUTHORITY (p. 159)

- Three types of authority.
- **Line Authority (p. 159):** Direct command over subordinate. Standard chain of command (top to bottom).
- **Staff Authority (p. 159):** Merely advisory ("authority of ideas"). Information flows upward.

- **Levels of Staff Authority (p. 159):**

Fig. 8.1   Levels of authority of a staff man
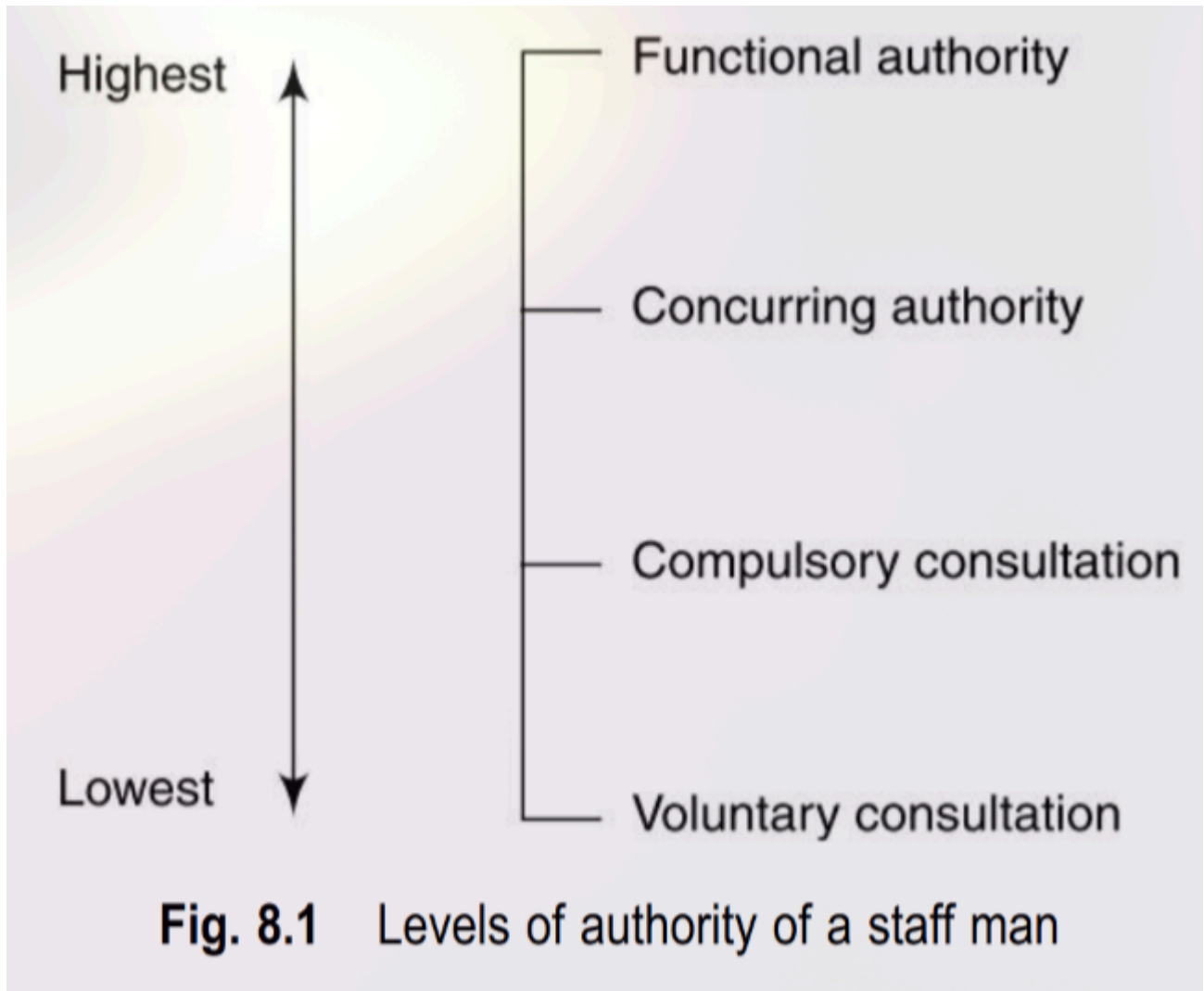
Voluntary Consultation, Compulsory Consultation, Concurring Authority, Functional Authority (**Fig. 8.1 p159**).

- **Functional Authority (p. 159):** Highest level. Direct orders to people *outside* formal chain on specific matters (often given to staff experts). Violates unity of command (accountable to 2+ superiors). Proliferation causes confusion/disorder. Limit to one organisational level (**Fig. 8.2 p160**).

Fig. 8.2   The limitation of functional authority to one organisational level
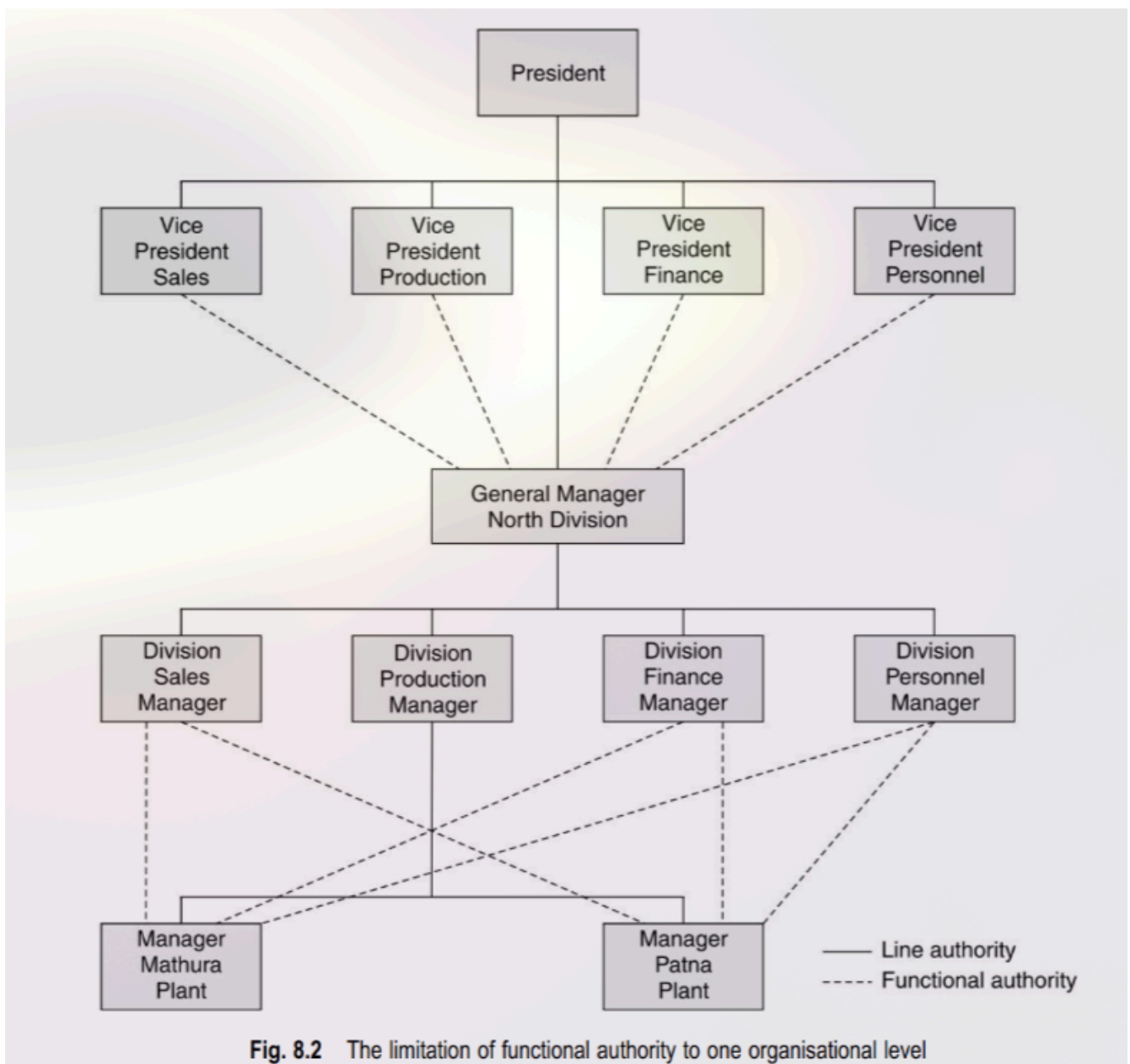
13. Line and Staff Conflict (p. 161)

- Common issue.
- *Line complaints:* Staff encroaches, advice unhelpful/academic, staff gets credit, staff narrow view.
- *Staff complaints:* Line ignorant/resistant, distrust/sabotage, staff lacks authority to act, line preferential treatment.
- *Reducing Conflict (p. 161):* Better understanding (educate line, staff "sell before tell", professional-client relation), reducing status symbol visibility.

14. DELEGATION OF AUTHORITY (p. 161)

- **Meaning:** Assigning work to subordinates + giving necessary authority for decisions in that area. Downward pushing of authority. Manager retains overall authority (not surrendered). Authority often inherent in position (Follett).
- **Advantages of Effective Delegation (p. 162):** Relieves manager workload ("scut work"), leads to better decisions (subordinates closer to facts), speeds up decision-making, trains subordinates & builds morale, serves as compensation, helps create formal organisation structure (key).

- **Barriers to Effective Delegation (p. 163):**
  - *Manager's side:* Fear of power loss, "I can do it better" fallacy, lack of confidence in subs, fear of being exposed (inefficiency), difficulty in briefing, inability to establish proper controls.
  - *Subordinate's side:* Fear of criticism for mistakes, lack of ability/info/resources, belief authority inconsistent with purpose, no positive personal gains, outside "area of acceptance" (Simon).

- **Guidelines for Effective Delegation (p. 164):** Delegate non-top-priority tasks, clear task/scope, assign proportionate authority, clear limits/deadlines, positive incentives, train subs, climate of trust, one superior accountability, avoid overlaps/splits (Overlapping, Splitting, Splintered auth), manage time.

15. DECENTRALISATION OF AUTHORITY (p. 164)

- **Meaning:** How much decision-making authority distributed to lower levels vs. centralized at top. Relative concept (not absolute).

- **Dale's criteria (p. 165):** Extent greater if: more decisions lower, decisions more important, more areas lower, fewer people consulted/less checking.

- **Fayol (p. 165):** Increase sub role importance = decentralization; decrease = centralisation.

- **Distinction between Delegation and Decentralisation (p. 165):**
  - Delegation: A *process* (individual to individual). Superior remains responsible. Essential.
  - Decentralisation: The *end result* of systematic delegation throughout org. Superior relieved (subordinate liable). Optional policy.

- **Trade-offs of Centralisation and Decentralisation (p. 165-166):** Advantages of one are limitations of the other.
  - *Advantages of Decentralisation (p. 166):* Reduces comm/red tape, quicker/better decisions, capitalizes on human element (autonomy, motivation), competitive climate, develops employees, facilitates diversification (Chandler).
  - *Advantages of Centralisation (p. 166):* Better coordination, no duplication, decisions consider entire org, strong central leadership (crisis).

- **How Much Decentralisation? (Contingency View) (p. 167):** Not *if* but *how much*. Not unmixed blessing (disintegration risk). Depends on situational factors (similar to structure contingency): Size, History/Age, Top Mgmt Philosophy, Subordinate Abilities, Strategy/Environment (Chandler), Nature of Management Function.

16. Informal Organisation (p. 192)

- Natural/spontaneous structure from social interaction/association. Management has no hand in origin/evolution.

- **Distinction Between Formal and Informal Organisation (p. 192 - Table):**
  - *Formal:* Prescribed, conscious coord, common objective (prod/profit focus), defined shape (pyramid), clear ranks/titles, simple comm (charted), written reward/punish, enduring, grows

large.

- *Informal:* Natural/spontaneous, social tendency, individual/group satisfaction focus, shapeless (sociograms), implicit ranks, intricate comm (grapevine), unwritten reward/punish (social esteem), not enduring (sentiments), remains small (personal relations).

- **BENEFITS OF INFORMAL ORGANISATION TO ITS MEMBERS (p. 193):** Sense of Belonging (self-image), Safety Valve for Emotional Problems, Aid on the Job (help, cover up, efficiency), Breeding Ground for Innovation/Originality (experiment), Important Channel of Communication (Grapevine - quick, potentially distorted), Social Control (norms, expected conformity).

- **BENEFITS OF INFORMAL ORGANISATION TO MANAGEMENT (p. 194):** Often Efficient Means for Team Work (R&D networks), Self-policing (less supervision needed), Highlights Deficiencies (outdated systems/procedures), Gives Manager Feedback (understand employees, interpret mgmt, grapevine tactics).

17. Staffing (Intro p. 203)

- Involves Manpower Planning, Recruitment, Selection.

Manpower Planning (p. 203)

- Right # people, right place/time, for economically useful work. Vital for labor costs (avoid shortages/surpluses). Personnel dept function.

- Process:

  - Decisions on *Right Kind* of People: Requires Job Analysis, Job Descriptions, Job Specifications.

  - **Job Analysis (p. 204):** Process to describe job (methods, conditions, relation, skills/knowledge/exp reqs, standards, hazards). Shift to Competency-based (worker-focused). Purpose: what is *actually* done. Sources: Observation, Interviews (shop workers), Questionnaires (clerical), Manuals, Performance.

  - **Job Description (p. 204):** Results of Job Analysis. Written duties, responsibilities, authority lines. May miss subtle/informal aspects. Role Analysis Technique (Dayal) helps clarify.

  - **Job Specification (Man Specification) (p. 205):** Minimum acceptable human qualities/abilities needed for job. Based on Job Description. Used for hiring criteria.

- Decisions on *Right Number* of People:

  - **Short-term Manpower Planning (p. 205):** (<2 yrs) Match existing individuals/jobs. Fix anomalies (weak/strong incumbents). Plan for unexpected vacancies.

  - **Long-term Manpower Planning (p. 205):** (2-5 yrs) Forecast demand/supply. Difficult for longer periods.

Fig. 11.1 Demand Supply Comparison and Action Plans
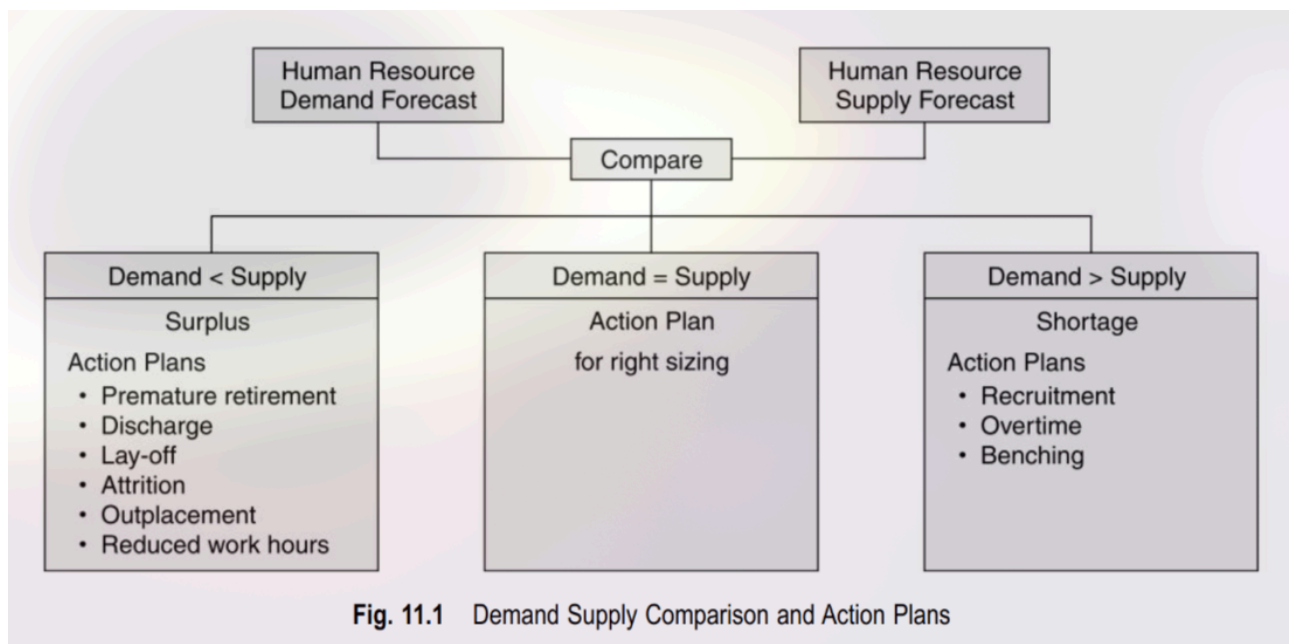
- Forecasting #: Start with sales forecast -> production schedule -> dept output -> manpower needs (avg productivity, productivity changes, reserve policy).

- Compare Demand & Supply (p. 206): Results: Supply=Demand, Supply<Demand (deficit), Supply>Demand (surplus).

- **Action Plans (p. 206):** Eliminate discrepancies (**Fig. 11.1 p206**). Surplus: Derecruitment (retire, discharge, layoff), Attrition, Outplacement, Reduced hours. Shortage: Recruitment, Overtime, Benching. Equal: Right sizing.

18. RECRUITMENT (p. 207)

- Identifying/stimulating prospective candidates to apply (Attracting people). Plan needed (qty, qual, time). Complexity/cost vary (size, personnel type).

- **Sources (p. 207):**

  - Internal: Present employees.

  - External (p. 207-208): Re-employ former, Friends/relatives (recommend), Applicants at gate (walk-ins), College/tech institutions, Employment exchanges (govt office), Advertising (papers), Labour unions (recommend).

- **Evaluation of Alternative Sources (p. 208):** Weigh cost, flexibility, quality, effect on workforce. Measures: Time lag, Recruitment ratio, Employee attitude studies, Correlation (source vs. success), Turnover/grievance/discipline data (by source), Gross cost per hire.

- **Internal vs External Sources (p. 208):** Internal desirable when adequate qualified internal staff exist / mgmt wants employee development. External needed when internal staff too old / need new ideas ("new blood").

- **Advantages/Disadvantages of Internal Recruitment (p. 208-209):**

  - *Adv:* Security, loyalty, less induction, encourages lower ranks, reduced turnover, motivates efficiency, intact contacts, better relations.

- *Disadv:* Limited choice, favouritism/nepotism ("inbreeding"), new blood lacking, unsuitable for new lines (training cost).
- **Advantages/Disadvantages of External Recruitment (p. 209):**
  - *Adv:* New blood (outlook, ideas), wide choice (rich/varied exp).
  - *Disadv:* Internal morale low, loss of security/disloyalty, greater turnover, deteriorated relations (unrest).

19. SELECTION (p. 209)

- Comparing candidate qualifications vs. job requirements, eliminating unsuitable ones.
- **Importance (p. 209):** Employees best suited -> job satisfaction, max wages. Reduced turnover. Increased overall efficiency. Good employer-employee relations.


Relevant Diagrams/Figures to Include:

- **Fig. 7.1 (p. 123):** Decreasing the span of management increases the number of levels (Tall vs. Flat structure impact).

Fig. 7.1 Decreasing the span of management increases the number of levels
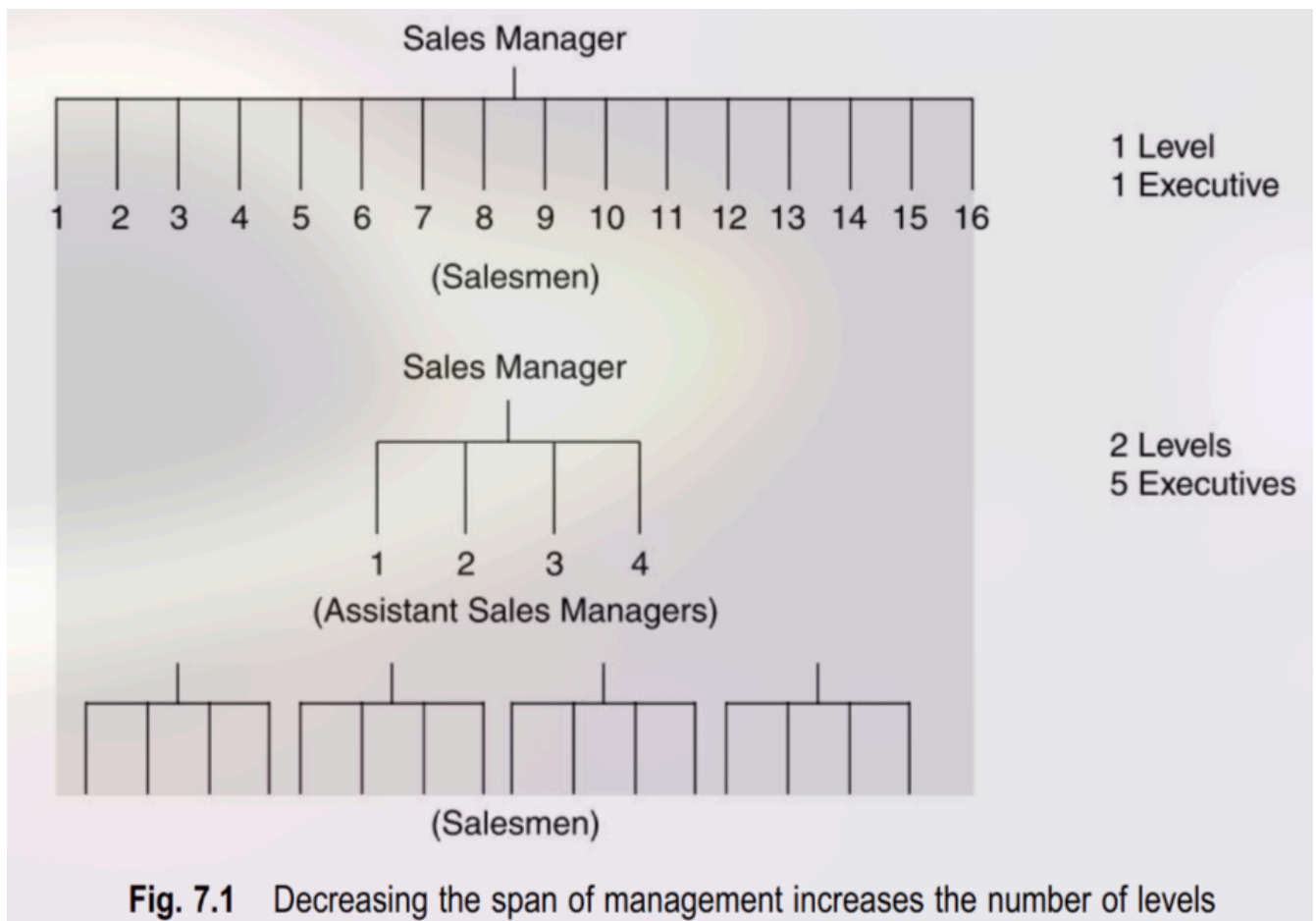
- **Fig. 7.2 (p. 131):** A combined base organisation structure example.

Fig. 7.2 A combined base organisation
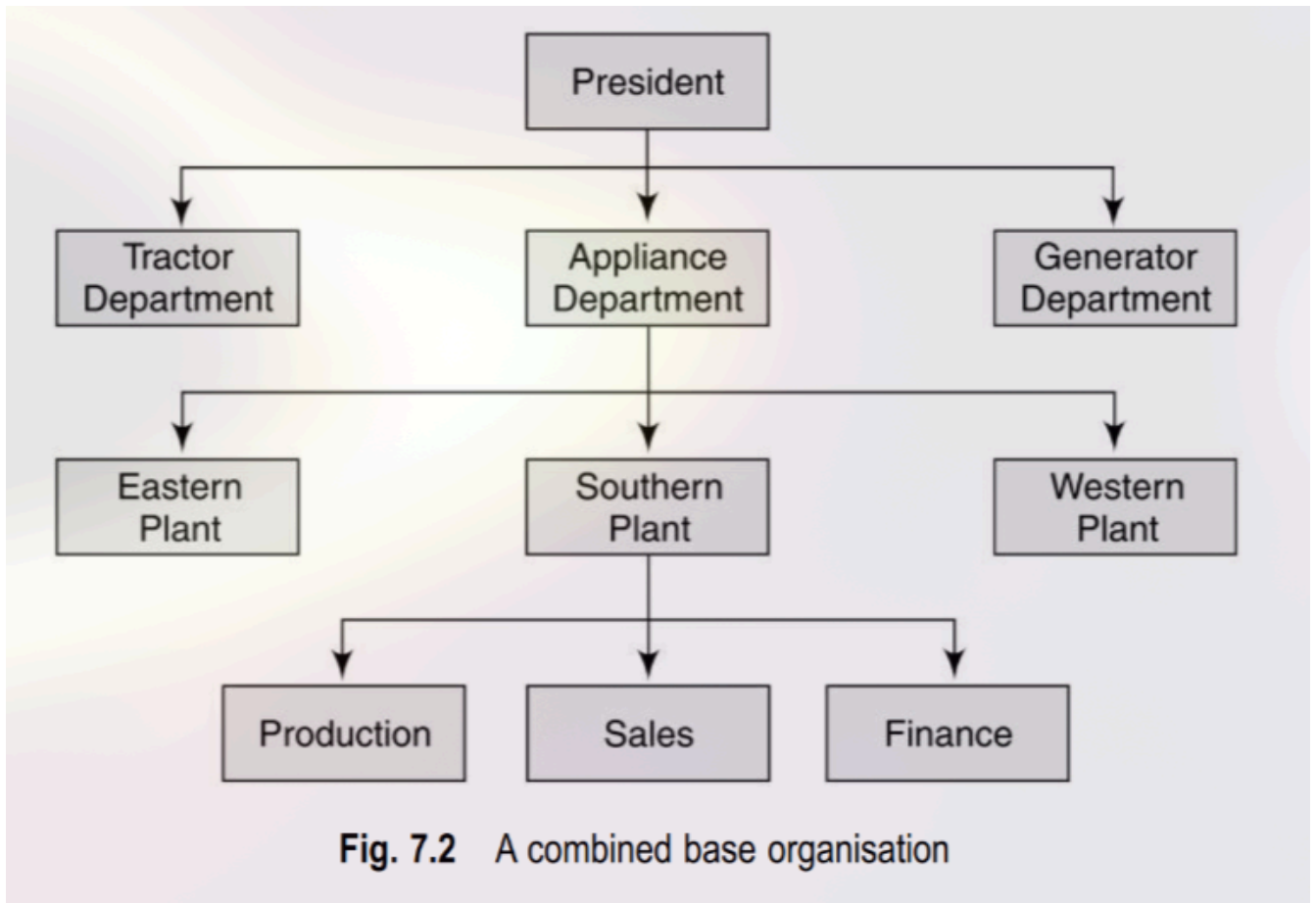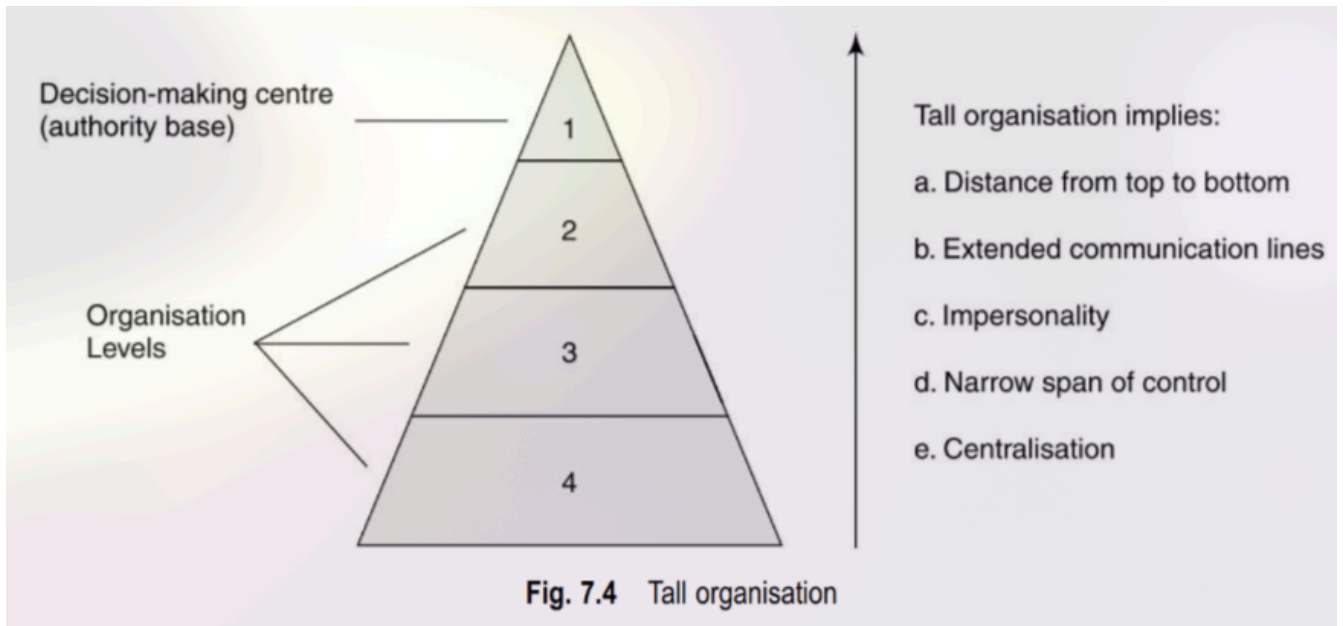
- **Fig. 7.3 (p. 131):** A typical matrix organisation structure example.

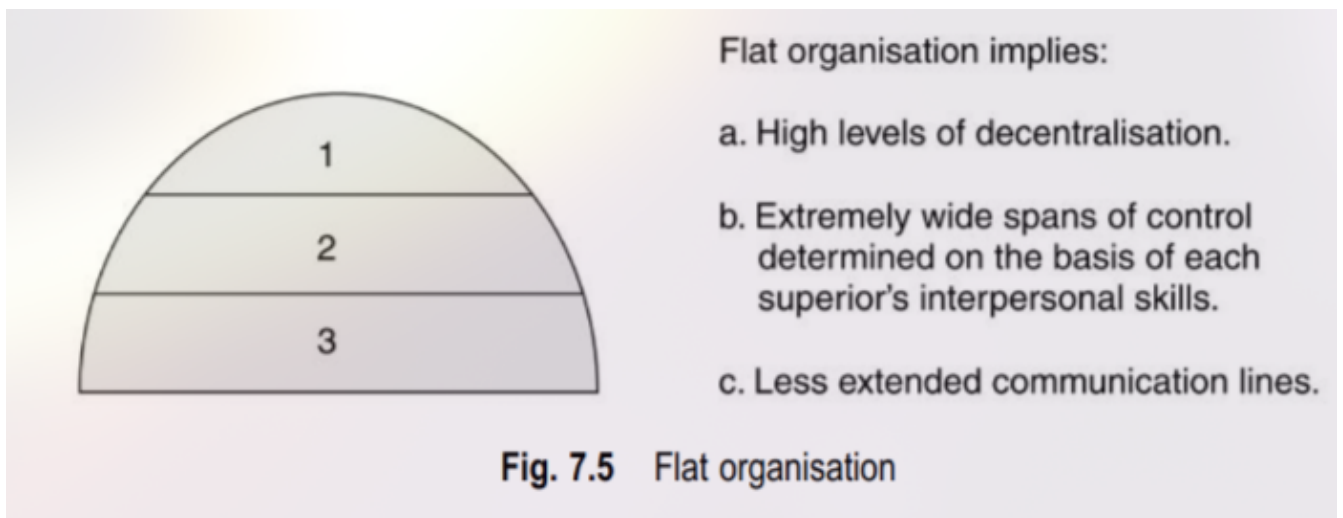**Fig. 7.3** A typical matrix organisation
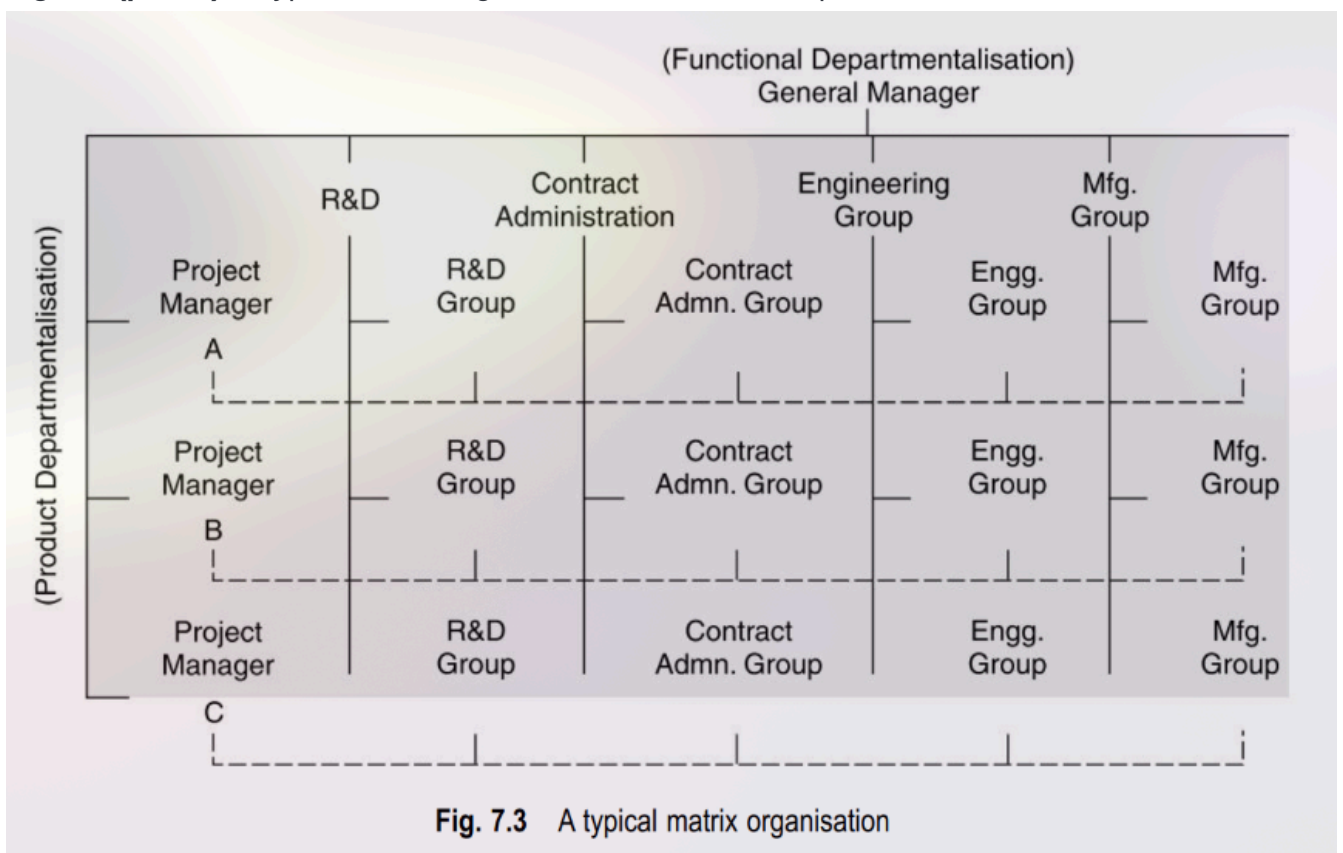
- **Exhibit 7.1 (p. 134):** Senco S/A: Promoting UNCONVENTIONAL Circular ORGANISATION CHART.

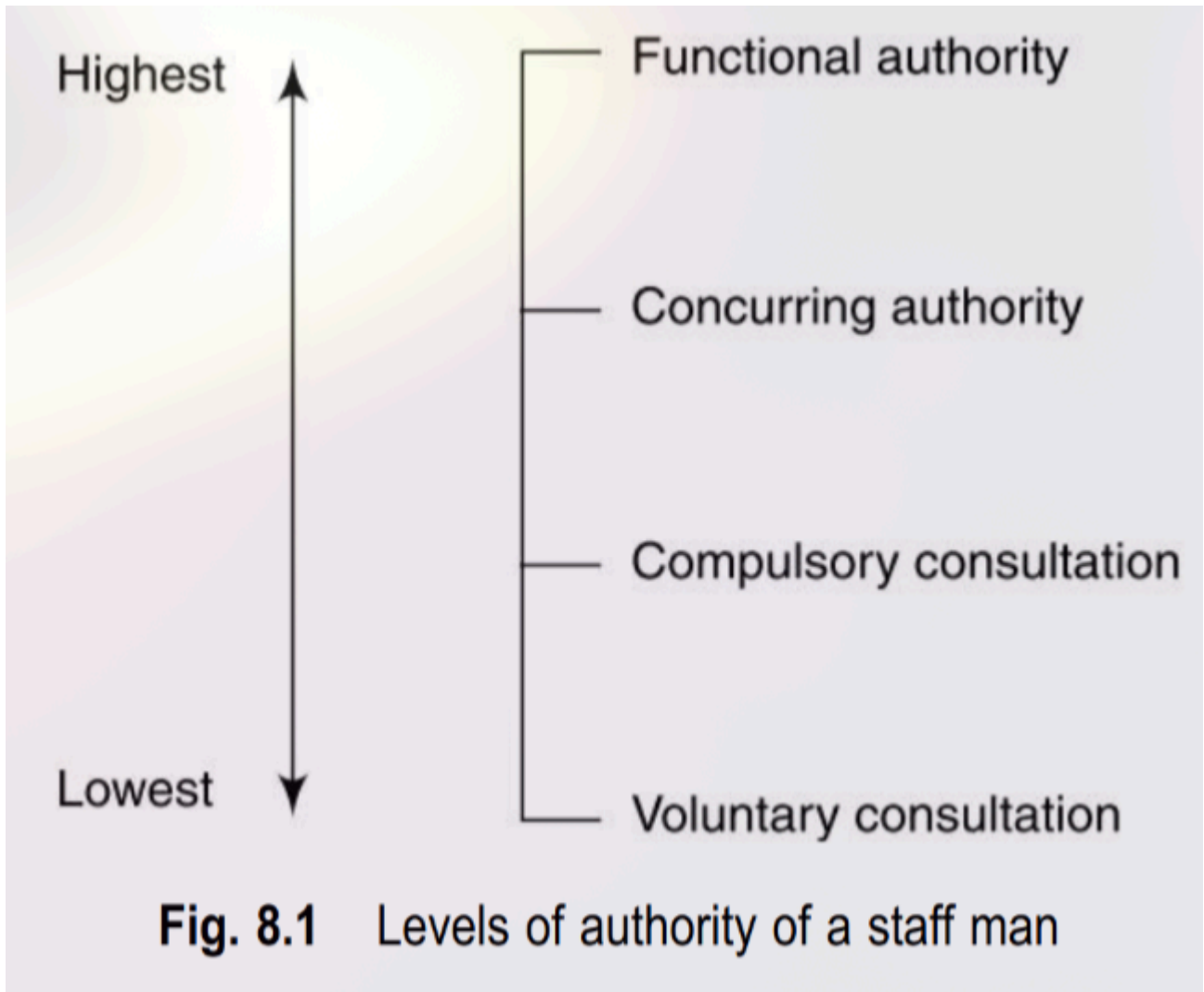- **Fig. 7.4 (p. 136):** Tall organisation (Mechanistic) implies features.

Decision-making centre (authority base)

Organisation Levels

Tall organisation implies:

a. Distance from top to bottom

b. Extended communication lines

c. Impersonality

d. Narrow span of control

e. Centralisation

Fig. 7.4 Tall organisation

- **Fig. 7.5 (p. 137):** Flat organisation (Organic) implies features.

Flat organisation implies:

a. High levels of decentralisation.

b. Extremely wide spans of control determined on the basis of each superior's interpersonal skills.

c. Less extended communication lines.

Fig. 7.5 Flat organisation

- **Fig. 8.1 (p. 159):** Levels of authority of a staff man.

Highest → Functional authority

Concurring authority

Compulsory consultation

Lowest → Voluntary consultation

Fig. 8.1   Levels of authority of a staff man

- **Fig. 8.2 (p. 160):** The limitation of functional authority to one organisational level.
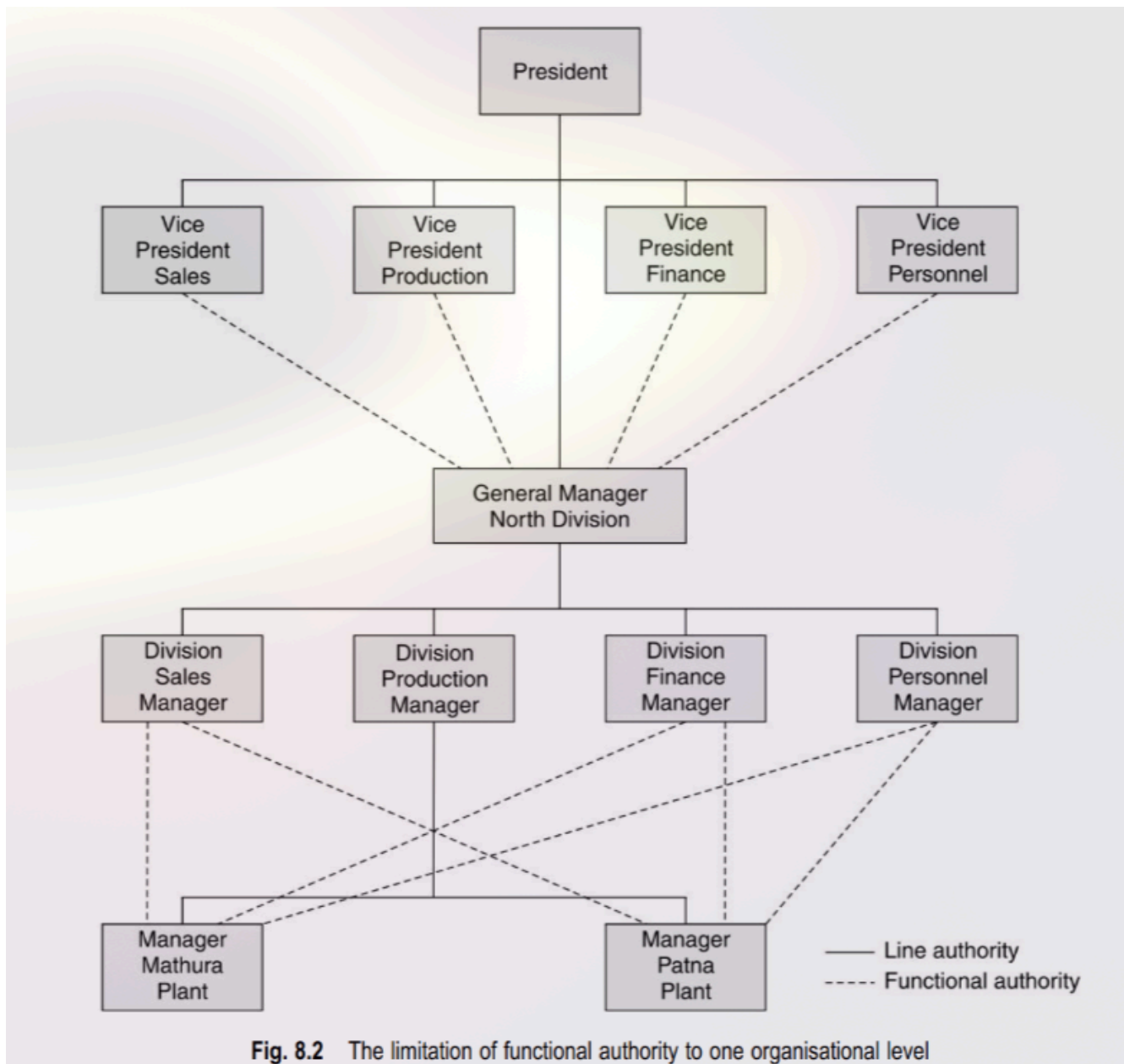

Fig. 8.2 The limitation of functional authority to one organisational level

- **Fig. 11.1 (p. 206):** Demand Supply Comparison and Action Plans (Manpower Planning).
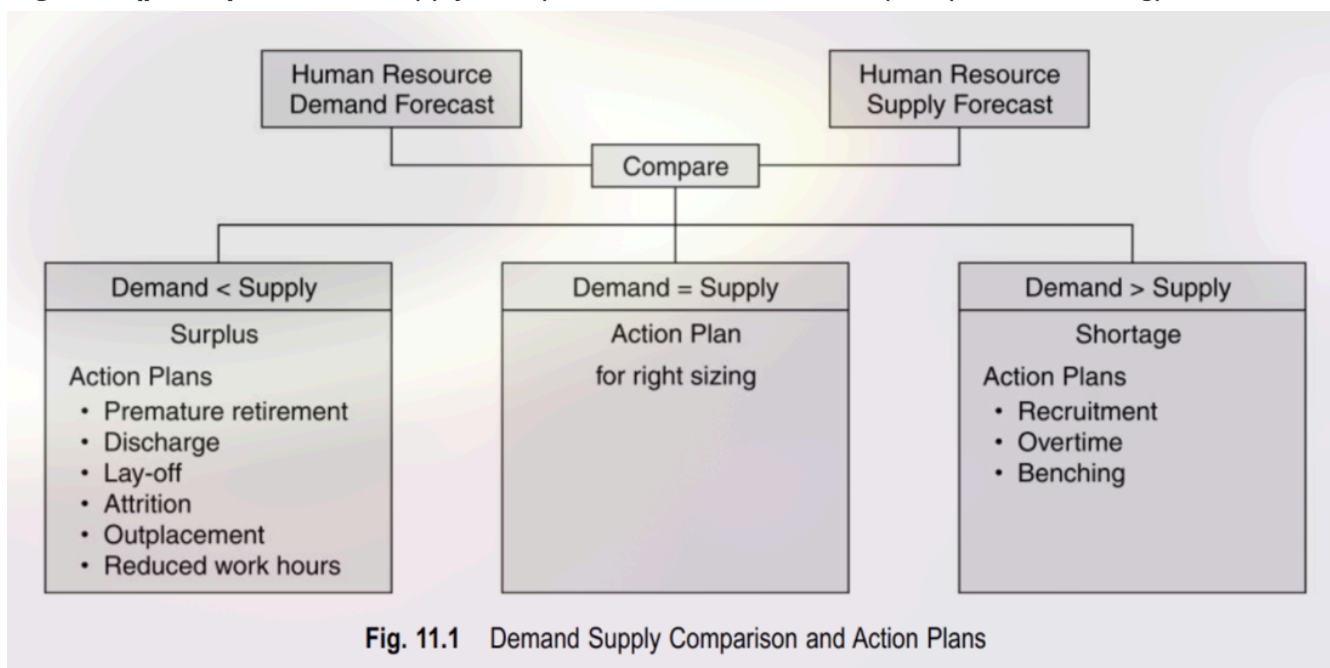

Fig. 11.1 Demand Supply Comparison and Action Plans