Organizing

Management operates through various functions, often classified as planning, organizing, staffing, leading/directing, controlling/monitoring, and motivating. Organizing, much like planning is a process that must be meticulously designed and executed. The organizing function creates the pattern of relationships among workers and makes optimal use of resources to enable the accomplishment of business plans and objectives.

The end result of the organizing process is the organizational structure, which refers to the type of framework a company uses to distinguish power and authority, roles and responsibilities, and the manner in which information flows through the organization. Having a suitable organizational structure will allow a company to implement proper operating procedures and decision-making processes that will aid the organization in accomplishing its goals.

**Characteristics / Features of a good Organization:**

1. Principle of Objectives: The objectives of each department are to be effectively determined taking into consideration the overall objectives of the organization. Therefore accomplishment of overall objectives can be achieved by formulating unity of objectives of the different functions of the organization.
2. Effective delegation of authority: There should be proper delegation of authority from top level to the lower level of the organization and the authority must be defined in clear terms. Every employee of the organization must know what his exact authority is and how much authority he can delegate to his subordinates.
3. Determination of managerial levels: Creating too many levels in the organization increases the problems of communicating and integrating the different activities. Hence effort should be made to keep the number of organizational levels as minimum as possible.
4. Unity of direction: There should be scientific organization structure of an entity where each subordinate knows his authority and responsibility. Also whatever instruction he receives should come from one superior. In other words, unity of command reduces conflict of the employee and responsibility of any employee of the organization can be verified and measured.
5. Efficiency: An organization should be structured in such a way so that resources can be fully utilized at minimum cost and efforts. Hence achieving maximum economy for utilizing resources increases the efficiency of the organization.
6. Principle of balance: A proper balance should be maintained between different functions of the organization through coordination and cooperation so that overall objectives can be achieved.
7. Cooperation and coordination: There should be whole-hearted coordination and cooperation among different departments and functions. Coordination is the essence of management.
8. Continuity: Organization structure and its principles are to be formulated in such a way so that it can be modified if the situation so demands. Hence the principles of organization should be flexible and should be performed on a continuous basis.
9. Span of control: Span of control refers to the number of subordinates under direct supervision and control of a superior. Span of control depends upon many factors and it should not be to narrow or too wide so that effective supervision and control on the employees can be made.
10. Specialization: All the employees of the organization should be assigned such type of work where he has expertise. Principle of specialization in an organization states that right person must be given the right job which helps to get the desired results.
11. Simplicity and economy: Division of work in an organization must be simple and all the employees must understand the scalar chain of authority and responsibility. This ensures maximum output can be achieved at minimum cost

**Types or Forms of Organizational Structure:**

**Line Organization Structure**

It is the simplest and oldest form of organizational structure. Line authority refers to the direct authority of a manager over his subordinates. The line of authority flows vertically from top most executive to the lowest subordinate throughout the organization. Managers have direct authority over their respective subordinates through the chain of command. Authority flows directly from top to bottom through various managerial positions. It is simple form of organization. Only one form of authority that is line authority exists in this form of organization. The authority-responsibility relationship is clearly established. All managers in line organization have full authority to decide things and act with respect to their related functions. in line organization department are created for basic activities and departmental heads are responsible for all activities performed in the department.

**Merits of line organization:**

1. It is very simple to establish.

2. It clearly defines the authority, responsibility and accountability of a job

3. It can be easily adapted to the requirement of the organization.

4. Managers have exclusive authority over their unit so they can easily make changes in the functioning of the unit when required

5. There is definite authority at every level so that everyone can take decisions quickly.

6. Every employee knows to whom he/she is responsible and from whom they receive their orders.

7. It confirms scalar principle of organization where one subordinate receives the orders from single superior.

8. All activities relating to single department are managed by one individual.

9. There is clear cut definition of authority and identification of responsibility, relationships and so on.

**Demerits of line organization**

1. The line executives are generalists and not specialists.

2. The top level managers are overloaded with work.

3. There is concentration of authority at top level only. If top level managers are not capable there may be failure.

4. All managers and supervisors handle their job on their own ways independently with grow the line organization my find it difficult to maintain effective coordination between different departments and units.

5. There is only one way communication i.e. from top to bottom

6. It is not suitable for large organization

7. There is possibility of nepotism and favoritism.

8. There is replacement problem during absenteeism of top authority

9. It can be autocratic.

**Line and staff organization structure**

In this type of organization structure two type of authority relationship exists. They are staff and line authority. Staff authorities’ means authority to advice, support and serve the line managers. All managerial functions are practiced by line authority with the help of specialized skill of staff authority. It is modification of line organization and is more complex than it. Staff managers and line managers are distinguished on the basis of their role. There is more specialization and division of work. However conflict may arise between line and staff authority.

**Merits of line and staff organization structure:**

1. The line executives are generalists and staff executives are specialists and they work together with coordination

2. The top level managers are not overloaded with work. Staff specialists give relief in critical matters.

3. There is no concentration of authority at top level only. Even if top level managers are not capable there is no failure because staff managers can help to overcome the problematic issues through proper decisions and specialization..

4. All problems are handled with care and are tries to solve with the help of staff specialists..

5. There is two way communications i.e. from top to bottom and bottom to top. There can be feedback and suggestion with orders too.

6. There is better decision taking and improvement in efficiency.

7. It is suitable for large organization

8. There is better utilization of personnel skills and knowledge.

**Demerits of line and staff organization**

1. It is difficult to establish and is costly too.

2. There is possibility of conflict between the line managers and staff managers. Line managers may ignore staff’s advice and complain that staff doesn’t give right type of advice. Staff managers can complain that their advice is not properly implemented.3. The allocation of authority and responsibility between the line and staff official I generally not clearly defined.

4. Line managers may be too much dependant upon the staff authority. Staff authority however is not accountable for the result. Sometimes when staff authority do no perform well there may be failure

5. There is wide difference between the approach of line managers and staff managers.

6. There can be reduction of initiative power o line authority.

**Difference between line organization & line and staff organization**

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| **Line Organization** | **Line & Staff Organization** |
| 1. Line authority is the direct authority which flows from the top level to the lower level throughout the organization. It is the authority which is highest at the top and decreases at each stage through the downward scalar chain. | 1. Under this structure, both line and staff employees are recruited to perform the various functions of the organization. Staff officers provide assistance and the line officers execute it. |
| 1. The principle of unity of command is strictly followed i.e. each employee will take instruction from one superior | 1. The principle of unity of command is only applicable for line staff. |
| 1. The area of authority and responsibility is clearly defined and a line officer will supervise a limited number of employees | 1. Span of supervision is strictly followed only in case of line organization |
| 1. Under this organization there is strict supervision and control over the activities of the employees | 1. Strict supervision and control is applicable to a great extent |
| 1. A simple method of organization structure | 1. A complex method of organization structure |
| 1. This form of organization is simple and popular | 1. This form has got its popularity in many organizations due to its many advantages |
| 1. Line officers of a particular department cannot command the subordinates of other department | 1. Staff officers can assist the line officers of all the departments |
| 1. It is suitable for small enterprises | 1. It is suitable for medium and big enterprise |