

Unit 1

The Nature of

ORGANIZATION

BSc CSIT VII Sem

Er. Ganesh Thapa, MBA

Outlines


- Concept of organization.
- Types of Organizations
- Organizational goals – concept, purposes, types and Features
- Goal formulation – processes, approaches and problems.
- Goal succession and displacement.
- Changing perspectives of organization.

Organization - Meaning

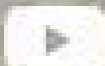
What is an Organization? | Elements, Process, importance of Organization

What is an Organization?

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Organization – Meaning

- An organization is a collection of people working together to achieve a common purpose.
- It is formed under certain rules and regulations.
- Organizations may be formed in every sector.
- All organizations develop deliberate structure so that people can do their work easily and effectively.
- People are assigned duties, authorities, and responsibilities in an organization.
- An organization is the product of society.

Organization – Meaning

- In the context of management, it means formal arrangement of work amongst members of the institution with clear identification of authority and responsibility so that organizational goals can be achieved optimally
- Organization is simply people working together for a common goal.

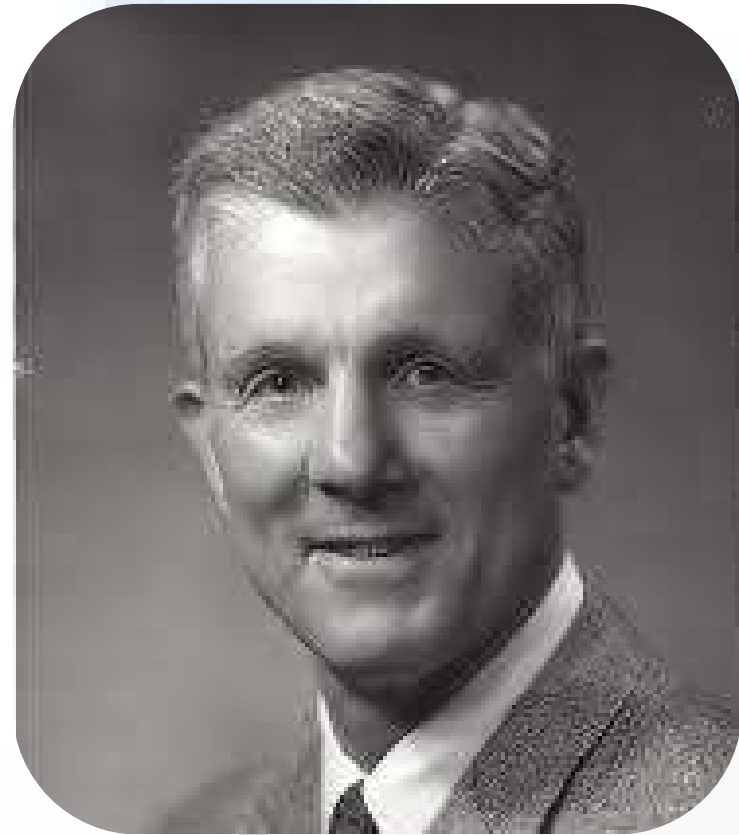


AUTHORITY & REPONSIBILITY

HOW DO THEY COMPARE?

Definition of organization.

Different authors have defined 'organization' as follows:



Organization is "the process of identifying and grouping the work to be performed, defining and delegating responsibility and authority, and establishing relationships for the purpose of enabling people to work most effectively together in accomplishing objectives." — Louis A. Allen

According to Robbins and Coulter, "An organization is a deliberate arrangement of people to accomplish some specific purpose."



Definition of organization.

Different authors have defined 'organization' as follows:



Organization defines the part which each member of an enterprise is expected to perform and the relations between such members, to the end that their concerted endeavour shall be most effective for the purpose of the enterprise. — Alwin Brown

Organization is a "process of defining the essential relationships among people, tasks and activities in such a way that all the organisation's resources are integrated and coordinated to accomplish its objectives efficiently and effectively.— Pearce and Richard B. Robinson"



Concept of organization (Three views)



As a group of
People

As a
Structure


As a Process

Organization - Meaning

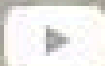
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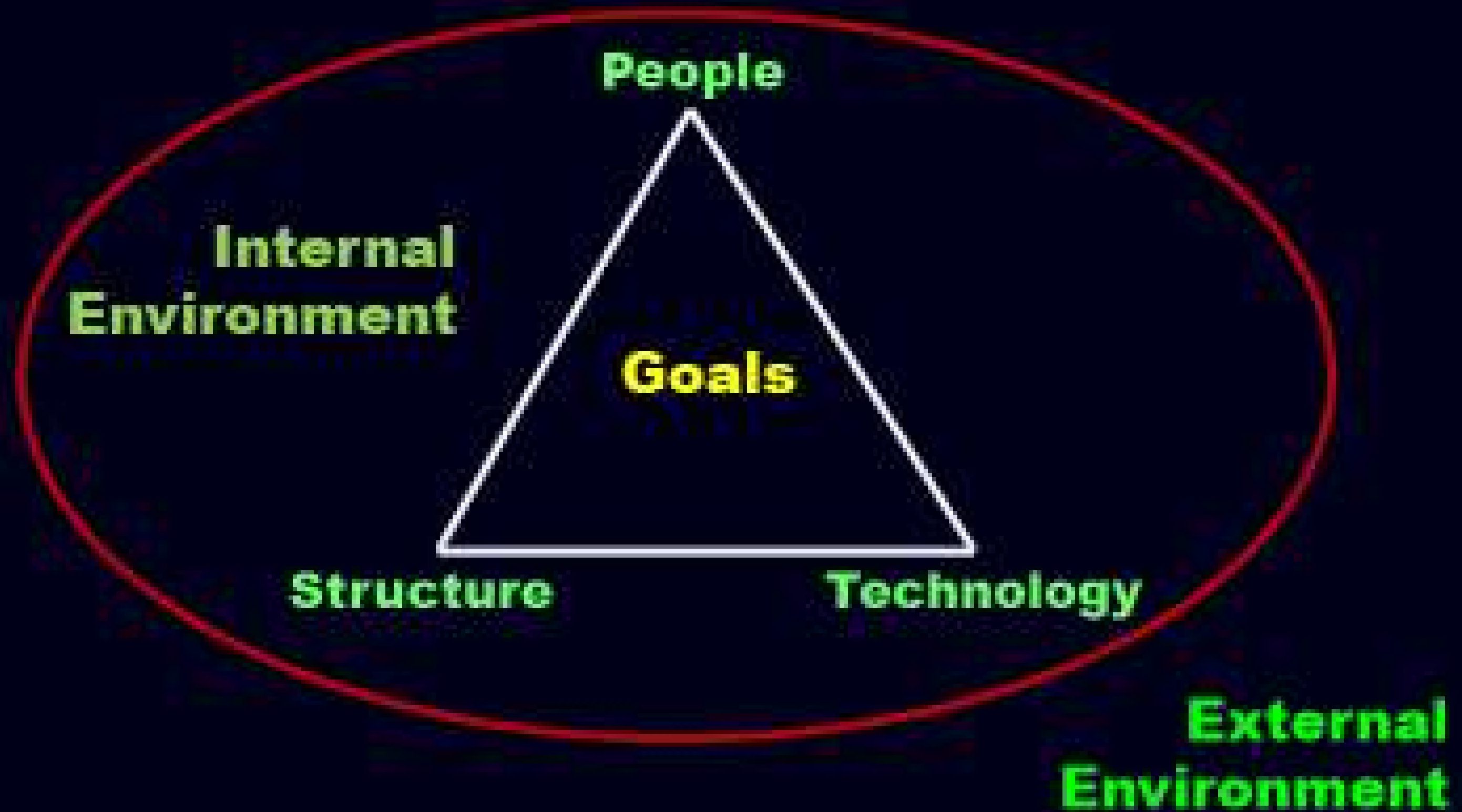
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Characteristics of organization.



Characteristics of organization.

- Collection of people
- Effective coordination
- Hierarchy of authority
- Division of work
- Common Goal
- Environmental influence
- Continuity
- Use of technology
- Goal oriented
- Structure




Organization - Meaning

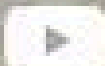
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Process of Organization Formation

- Step 1: Determination of organizational goals and classification of firm's activities.
- Step 2: Grouping of the activities into workable departments.
- Step 3: Assignment of authority and responsibility on the departmental executives for undertaking the delegated tasks.
- Step 4: Developing relationship amidst superior and subordinate, within the unit or department and creating specific lines of supervision
- Step 5: Framing policies and assigning physical facilities for proper coordination between the superior and subordinate.



Organizational Goals

Concept of Organizational Goal

- A goal is a statement of a desired future an organization/individual wishes to achieve.
- It describes what the organization is trying to accomplish.
- An organizational goal is a desired state of affairs that organization attempts to realize.
- It provides a way of assuring that an organization will get where it wants to go.



Why is It Important to Set Goals?

Soundtrack compliments of Dan-O at <http://danosongs.com>

5 Key purposes of organizational goals



Purpose of Organizational Goal

- To provide guidance and direction
- To promote unity through good planning
- To serve as source of motivation
- to create accountability
- To provide an effective mechanism for decision making, evaluation and control
- To provide distinct image to the organization by ensuring its growth and adoptability

Types of Organizational Goals

- On the basis of level- Mission, Strategic goals, tactical goals, operational goals
- On the basis of time – long term goals, medium term goals, short term goals.
- On the basis of area – Production goals, HR goals, Marketing goals, financial goals
- On the basis of nature –Survival goals, Profit goals, Growth goals, Market share goals, Productivity goals, Social responsibility goals

Features of effective organizational goals



- They *must be outcome oriented* instead of actions.
- The goals *must provide the manager with a sufficient challenge to make his job interesting*, but not so complex that it cannot be feasibly attained within the deadline.
- *Properly communicated and clarified goal* to all concerned organizational employees is very essential to maintain efficiency.
- The *time duration must be clearly specified* to formulate plans accordingly.

Features of effective organizational goals

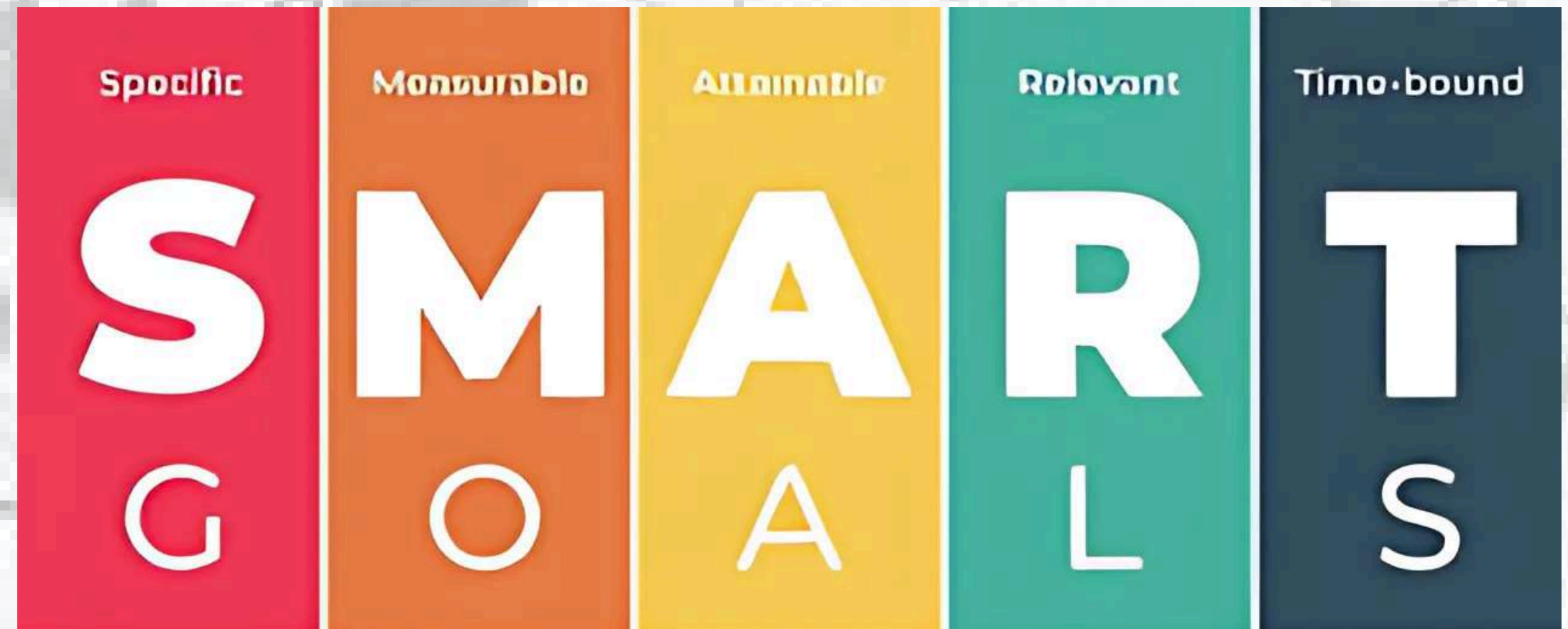
S – Specific

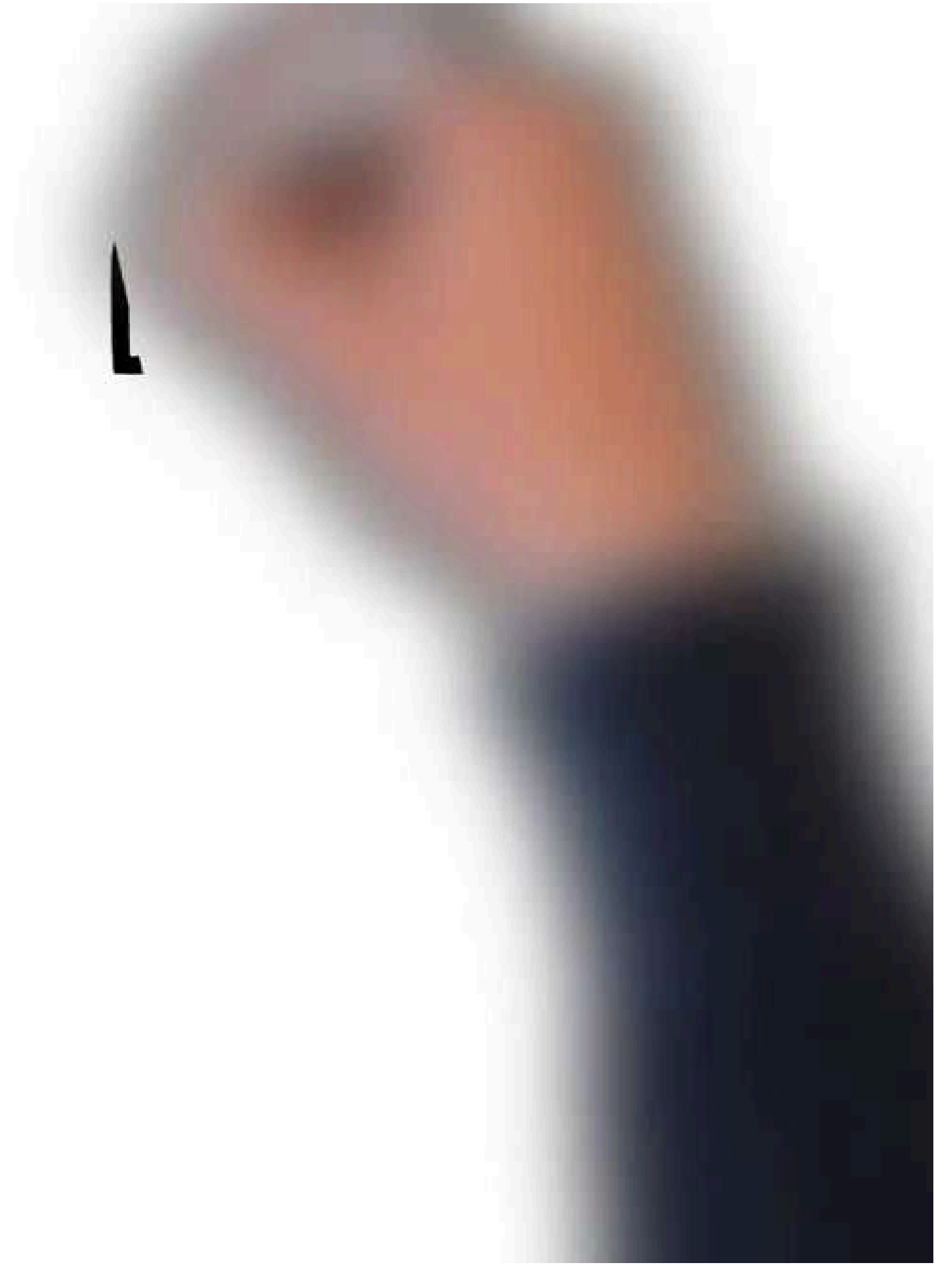
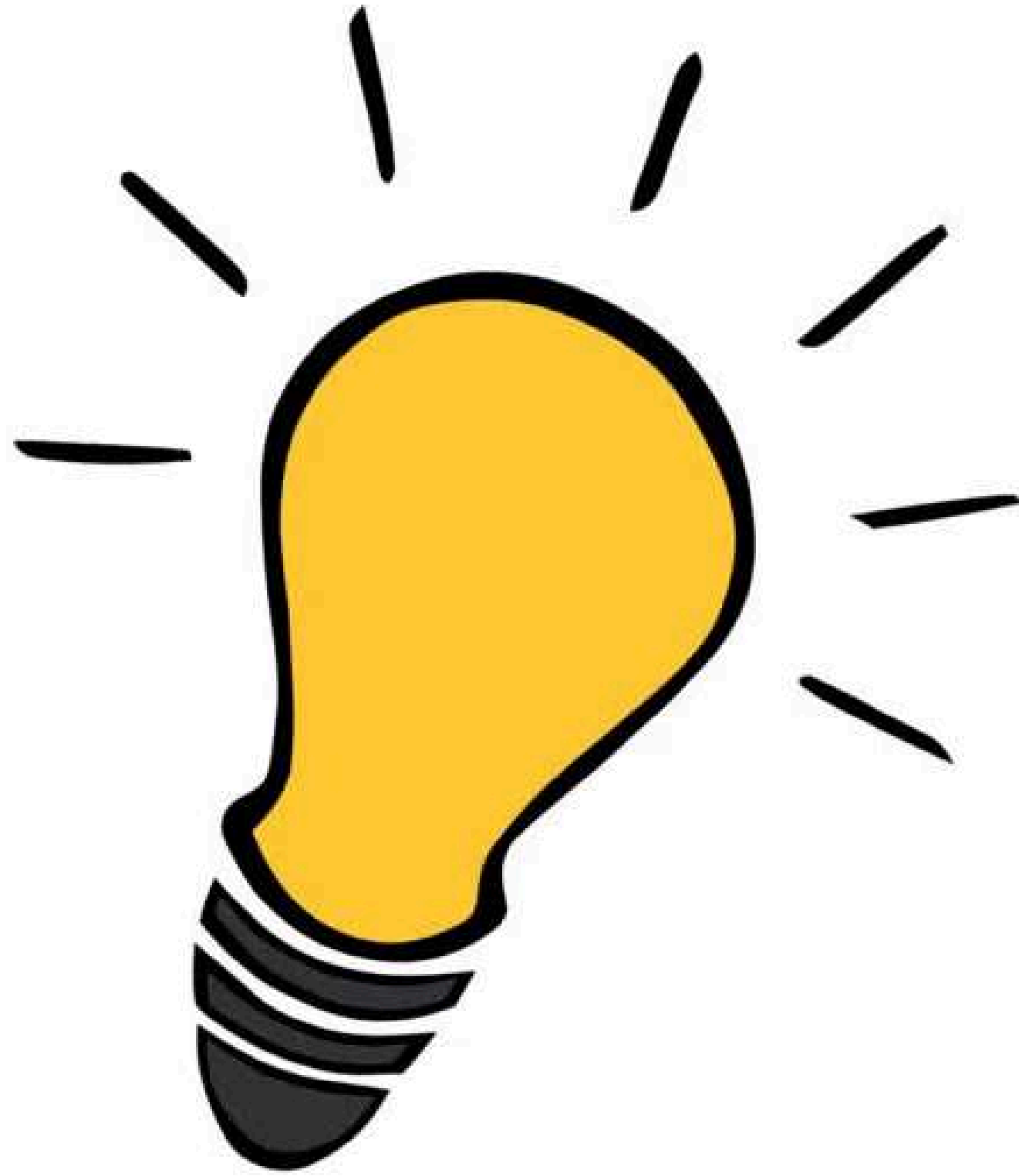
M– Measurable

A– Attainable

R–Realistic/Relevant

Time Bound





Classroom task

**With reference to the video, set an example of SMART
Goal and explain how it is SMART?**

Goal Formulation: Approaches, Process, Problems

**What is
Goal Formulation?**



Goal Formulation

- Organizational goal serve as the foundation for all management decisions and serve as the standard against which actual work accomplishments can be measured. They are critical to the success of any organization.
- The process of setting such goals for the organization is known as goal formulation.

Process of Goal Formulation



Process of Goal Formulation

Step 1: To review the organization's mission before setting the goal

- The organization's mission is its overarching goal
- Top management establishes objectives in order to achieve the organization's mission
- The mission of the organization should be addressed in organizational goals.

Process of Goal Formulation....

Step 2: Evaluate available resources

- Human, physical, financial, and informational resources can all be used to achieve goals; yet, goals cannot be attained without proper exploitation of these resources.



Process of Goal Formulation..

Step 3: Determine the goals

- At first a group in which the involvement of all the level of managers from top, middle and lower level are assigned.
- Brainstorming on potential goals: .
- After the rigorous analysis of environmental factors and its impacts, potential goals are formulated and listed.

Process of Goal Formulation..

Step 4: Write down and communicating the goals

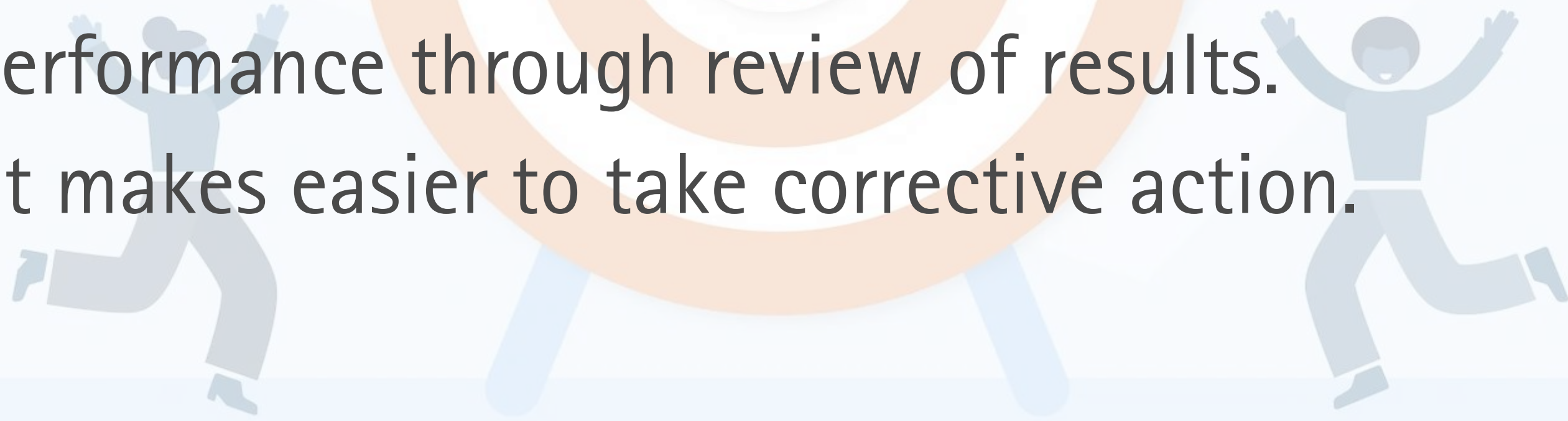
- The management should write down the goals and communicate them to all relevant people in the organization which aids in the effective implementation of the goals.



Process of Goal Formulation...

Step 5: Review of results

- It is necessary to ensure whether goals are being met or not?
- We can identify differences between goals and actual performance through review of results.
- It makes easier to take corrective action.



Approaches of Goal Formulation

There are three different approaches to goal formulation:

- Top Down Approach
- Bottom Up approach
- Management By objectives



Approaches of Goal Formulation..

Top-Down Approach:

- Top-level managers establish the overall goals, departmental goals, and subordinate goals using a top-down strategy.
- With the assistance of experts and BODs, they may develop goals, but they are ultimately responsible for them.
- Without the input of middle and operating level managers, they set goals. The managers at lower levels are then informed of the developed goals and asked to carry them out.
- This may speed up goal formulation, but due to the possibility of inaccurate environmental scanning, it also leads to poorer effectiveness.

Approaches of Goal Formulation..

Bottom-Up Approach:

- In this approach, operational units and divisions' goals are defined by lower-level management.
- Lower-level managers present departmental managers with their goals.
- They submit the goals for top management's approval after making any necessary revisions.
- The top managers revise the goals before they are finalized. It is presumptive that effective goal setting requires the assistance of managers at lower levels. Employee involvement motivates them to successfully accomplish company goals.

Approaches of Goal Formulation..

MBO Approach:

- The MBO technique is a recent development in goal-setting methods.
- This strategy states that all managers and employees should collectively create goals.
- The MBO approach's primary goal is to place the correct emphasis on employee participation.
- The core of this strategy is the mutual defining of objectives between each level of management.
- It claims that participation from managers at all levels gives workers a sense of ownership over established goals.

Approaches of Goal Formulation..

MBO Approach:



Problems of Goal Formulation

- To make goals effective, decision-makers should be properly informed about the approaches, principles, strategies, and procedures of goal formulation.
- In real practice, managers may face several problems while setting goals. Some are mentioned below:



Problems

- Unattainable Goals
- Lack of Intellectual Capacity
- Resource Constraints
- Environmental Uncertainty
- Reluctant to Change



Overcoming the Problems

- Understanding the purposes of goals and plans:
- Communication and Participation
- Consistency, revision, and updating
- An effective reward system:

PROBLEM

Goal Succession and Displacement



Goal Succession:

- Goal succession refers to the situation where the new or modified goals are incorporated or substituted for the existing one in such a manner that they do not change the spirit of the existing goals.
- When new goals are added to existing goals of the organization, goal succession is said to have taken place.
- Goal succession is the act of conscious and intentional modification of an existing goal.



Goal Succession:

Goal succession can take the following forms:

- Add New Goals to the Existing Goals:
- Replace Existing Goals with New Goals:
 - Existing goals cannot be achieved and, therefore, new goals have to be added so that organizations can survive in the competitive environment.
 - Existing goals have become irrelevant in the light of changing environmental conditions.
 - Existing goals have been achieved and, therefore, new goals have to be framed
- Enlarge Scope of Existing Goals: The goals remain the same but their scope is widened to cover a larger segment of market and expand the business.

Goal Displacement:

- Goal displacement means moving away from the intended goal.
- Goal displacement is the act of unintentional change in the original goal into the new goal.
- When organizations over-emphasize the rules and regulations to achieve the goals, members start placing so much importance to the rules that the rules become an end rather than means to achieve the end. This results in goal displacement.
- The activities of the organization become centered around the procedures and there appears distortion in organization's functioning. This distortion reflects achieving goals other than those that the organization originally intended to achieve.

Goal Displacement:

Some of the reasons that result in goal displacement are as follows:

- When goals are non-attainable.
- When employees lack confidence to work.
- When route to achieving goals is strict rules and regulations.
- When managers are incompetent to achieve the goals.
- When individuals subordinate organizational goals to individual goals.

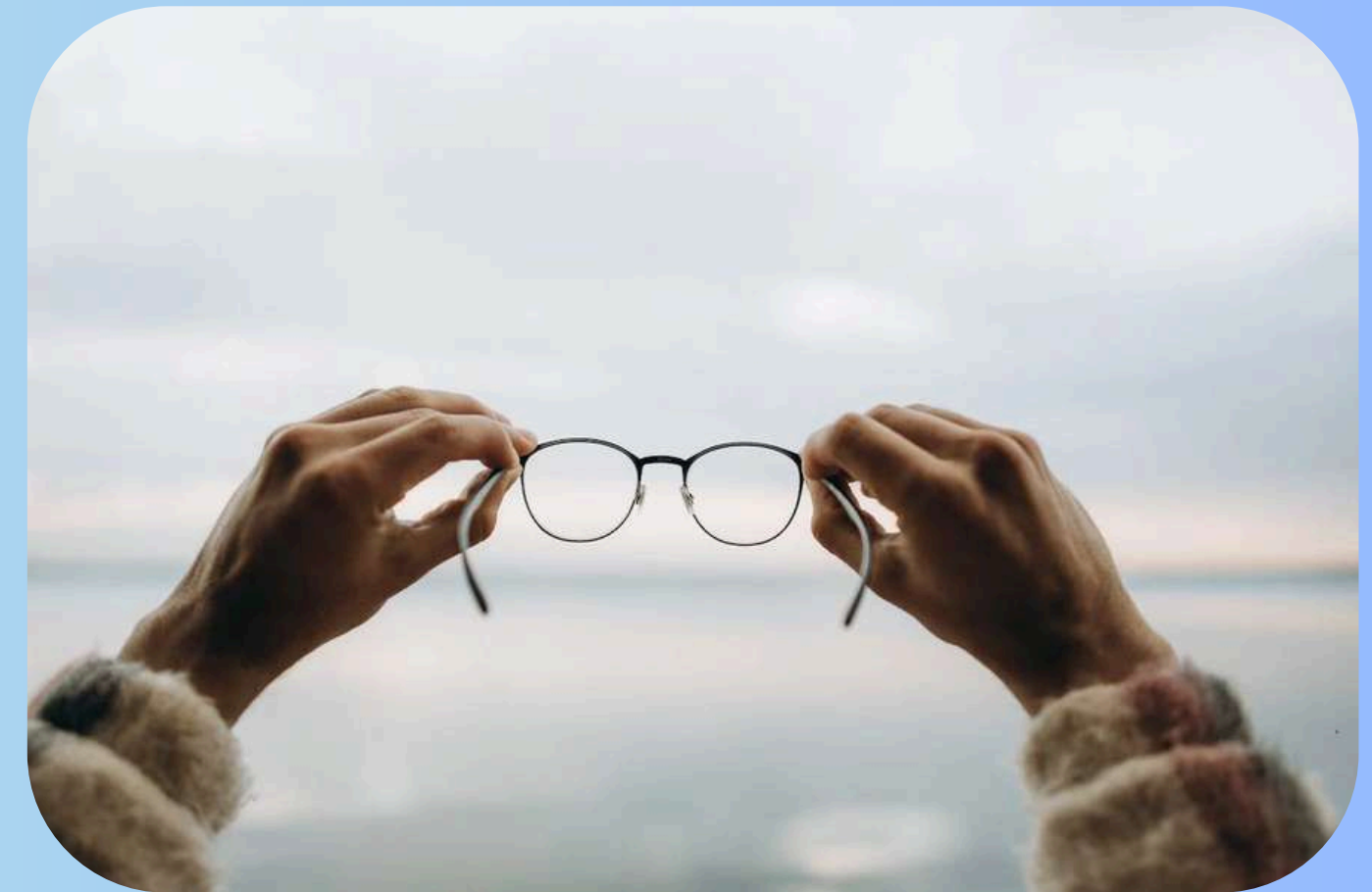
Changing Perspective of Organization



Changing Perspective of Organization

Contemporary organizing trends include:

- Embracing Diversity, Equity, and Inclusion (DEI)
- Prioritizing Remote Work and Flexible Work Arrangements
- Shifting Towards Flatter Structures and Collaboration
- Investing in Employee Well-being and Empowerment:
- Adapting to Technological Advancements
Focusing on Customer Experience



Challenging Perspective of modern organizations

- Globalization and Competitive Landscape:
 - Intensified Competition:
 - Complex Supply Chains:
 - Regulatory and Political Risks:
- Technological Advancements and Digital Transformation
 - •Adapting to Technology:
 - •Data-Driven Decision Making:
 - •Change Management:
- Workforce and Employee Expectations:
- Innovation and Change:
- Diversity, Equity, and Inclusion (DEI):

Changing Perspective of Organization

Contemporary organizing trends include:

- Fewer levels of management
- Shorter chains of command

Organizations are being "streamlined" by cutting unnecessary levels of management. Flatter structures are viewed as a competitive advantage

- Less unity of command

Organizations are using more cross-functional teams, task forces, and horizontal structures

Changing Perspective of Organization

Contemporary organizing trends include:

- Wider spans of control
 - Many organizations are shifting to wider spans of control as levels of management are eliminated
 - Managers have responsibility for a larger number of subordinates who operate with less direct supervision
- More delegation and empowerment
 - Managers are delegating more and finding more ways to empower people at all levels
 - The manager assigns responsibility, grants authority to act, and creates accountability

Changing Perspective of Organization

Contemporary organizing trends include:

- Decentralization with centralization
 - Delegation, empowerment, and horizontal structures contribute to more decentralization in organizations
 - Advances in information technology allow for the retention of centralized control
- Reduced use of staff
 - Organizations are seeking increased operating efficiency by employing fewer staff personnel and smaller staff units
 - Contingent workers are hired for a set amount of time or for a specific project

Changing Perspective of Organization

Contemporary organizing trends include:

- **Ethics and social responsibility:** Honesty, justice, equality, dignity, diversity, and individual rights are respected by modern organizations.
- **Technology** is playing Vital role in order to solve a problem, improve an existing problem solution, achieve a goal, handle an applied input/output relation, or perform a specific function within organization.
- **Globalization:** The area of organization has expanded all over the globe. Expansion of the market, facilities in foreign trade, low cost, availability of resources, favorable international laws and rules, etc. ' have encouraged globalization

Changing Perspective of Organization

Contemporary organizing trends include:

- **Learning organization:** A learning organization is one in which people at all levels increase their knowledge and capacity, either individually or collectively. It is based on experimentation and learning from experience. It learns and innovates quickly enough to survive in a rapidly changing environment.
- **Workforce diversity:** Increasing workforce diversity means that the organizations are becoming more heterogeneous mix of gender, age, ethnicity, and sexual orientation

Assignment 2 Part 1 : Practical Task

1. Think of an organization which you have known or visit website of any organization you want to know about.
2. Write its objectives (vision, mission and goals).
3. What are the different activities performed by that organization?
4. Identified its different units/ Departments.
5. Find how authority and responsibility are divided in that organization.

Assignment 2 Part II Chapter End Questions

Long Questions:

1. Define organizations with its characteristics. Discuss briefly on changing perspective of modern organizations.
2. Explain the process of goal formulation. What different problems manager might face during the process and also suggest some ways to overcome them.

Short Answer Questions.

4. Define Organizational goal and explain its features.
5. Differentiate between goal succession and goal displacement along with their reasons.

Submission Deadline