

Chapter 7: Organization and Management

What is organizational structure?

- Organizational structure refers to the **levels of management and division of responsibilities** within an organization. This structure is often presented in the form of an organization chart
- Chain of command is the structure in an organization which allows instructions to be passed down from senior management to lower levels of management

Advantages of an organization chart

- The chart shows how all employees are linked
 - All employees are aware of the appropriate channels of communication
 - Employees are aware of the authoritative figures and of their position
 - It shows the links and relationship between different departments within the organization
 - Gives employees a sense of belonging
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- A span of control is the number of subordinates working directly under the manager

Advantages of short chain of command

- Communications are quicker and more accurate
- Top managers are less remote from the lower levels in the hierarchy
- Span of control is wider-which encourages managers to delegate and employees may obtain more job satisfaction from being able to make their own decisions

Management

- Line managers have direct responsibility over people below them in the hierarchy of an organization
- Staff managers are specialists who provide support, information and assistance to line managers

The role management

- **Planning**- planning for the future of the organization involves setting aims or targets. These aims or targets will give the organization a sense of direction or purpose. There will be a common feeling in the organization of having something to work towards.
- **Organizing**- a manager cannot do everything. Tasks must be delegated to others in the organization these people must have the resources to be able to do these tasks successfully. It is therefore the manager's responsibility to organize people and resources effectively.
- **Coordinating**- coordinating means bring together. A manager may be very good at planning and organizing but may have failed to bring people in the organization together. A good manager will therefore make sure all departments in the organization work together to achieve the plans originally set by the manager.

- **Commanding**-the tasks of management is more concerned with guiding, leading and supervising. Managers also have to ensure that all supervisors and workers are keeping targets deadlines. Instructions and guidance must be provided by managers and it is also their responsibility to make sure that the tasks are carried out by people below them in the organization
- **Controlling**- This is the never ending task of management. Managers must try to measure and evaluate the work of all individuals and groups to make sure that they are on target. There is little point in planning and organizing if managers fail to check that the original aims are being met. If certain groups are failing to meet their targets, then managers may have to take some corrective action.

Without clear and effective managers, a business will lack:

- A sense of control and direction
- Coordination between departments, leading to wastage of effort
- Control of employees
- Organization of resources, leading to low output and sales

Delegation

- Delegation means giving a subordinate the authority to perform particular tasks.

Advantages to managers

- Managers are less likely to make mistakes if some tasks are being performed by their subordinates
- Managers can measure the success of their staff more easily.

Advantages to subordinates

- The work becomes more interesting and rewarding
- Employees feel more important and believes that trust is being put in them to perform a job well
- Delegation helps to train workers and they can then make progress in the organization. It gives them career opportunities

Why might a manager not delegate?

- Some managers are reluctant to delegate as they may be afraid that the subordinates may fail to do the job and managers want to control everything themselves. There is a risk that the subordinate might do a better job than the manager which could make the manager feel insecure

- Delegation must mean a reduction in direct control by supervisors and managers once tasks are done by workers, and increasing trust of the workers by supervisors and managers.

Delegation

- Makes work more interesting
- Give authority to others to perform tasks and make decisions
- Staff development increases job satisfaction
- Subordinate feels trusted
- Some managers are reluctant to delegate
- Manager loses some control over subordinates
- Allows managers to give time to other issues

Effective managers

Tasks

- Planning
- Organization and delegation
- Coordination of departments
- Command and guidance
- Control and assessment

Effective managers

Qualities

- Intelligence
- Self-confidence
- Determination
- Initiative
- Good communication skills
- Enthusiasm

Why is it important to have good managers?

- Motivate employees
- Guidance
- Inspiration
- Keep costs under control
- Increase profitability

Leadership

- Leadership styles are the different approaches to dealing with people when in a position of authority
- Autocratic leadership is whereby the managers expects to be in charge of the business and have their orders followed
- Democratic leadership gets other employees involved in the decision making process
- Laissez- faire makes the broad objectives of the business known to employees but their they are left to make their own decisions and organize their work

Trade unions

- A trade union is a group of workers who have joined together to ensure their interests are protected
- Closed shop- all employees must be a member of the same trade union

Benefits of joining a trade union

- Representation in grievances with management
- Strength in numbers
- Improved working conditions
- Services such as insurance and social facilities
- Possible influence on government decisions
- Employment if there is a closed shop
- Improved conditions of employment
- Advice if unfairly treated
- Improved pay
- Improved communications between employees and management
- Advice if dismissed unfairly

Disadvantages

- Costs
- May be required to take actions even if they don't agree

Trade unions aim to:

- Influence government decisions
- Improve communications between workers and managers