

Chapter-5 Organising

(A) Meaning and definition :-

(Qm Meaning) Organising is the process of identifying & grouping of work to be performed, defining and delegating of authority & responsibility & establishing relationship, in order to enable workers to work effectively together to achieve goals of the concern.

(Qm Definition) Henry Fayol:- "To organise a business, is to provide it with everything useful to its functions :- raw materials, tools, capital & the personnel."

(B) Steps in organising:-

- ① Specialisation & division of work: - analysing & segregation process.
 - ② Departmentalisation: - Grouping activities of similar nature under a dept.
 - ③ Assignment of duties: - Allocating work to employees, based on skills, potential
 - ④ Establishing of reporting relationship: - creating a leader, from whom employee receives orders & report once work is done.
- The process of organising must be logical & ordered manner.

Monday
8/9/2025

(C) →

Importance of organisation :-

- (a) Benefits of specialisation
- (b) Clarity in working relationship optimum utilisation of resources
- (c) Adaptation to changes
- (d) Effective administration
- (e) Expansion & growth
- (f) Development of personnel.

(b) mention any 4 points to

explain why organising is important, significant & needed?

(D) → (i) Definition of organisation structure :-(2m)

↳ The Hayman, "organisation is a framework within which various efforts are co-ordinated and related to each other."

(ii) Two types of ORGANISATION STRUCTURE ARE:-

- (A) Functional structure → managing structure
- (B) Divisional structure

(A) Functional structure: (★) Various dptt. are created based on the major functions.

(B) Divisional structure: has a divisional structure.

- (A) Functional Structure: (★) various departments are created based on the major function performed by them. (★) every department has a division and contains departmental managers. (★) headed by one executive.
- (★) simplest form, where jobs of similar nature are grouped.
- (★) suitable for large scale activities.

② Advantages / Benefits :-

- (a) Specialisation of particular field
- (b) Better control and coordination
- (c) Increases managerial and operational efficiency
- (d) Limited set of training
- (e) Repetition of work is not necessary

(3) Disadvantages:-

- (a) Limited interaction among other departments
- (b) Inflexibility / Indifference of opinions.
- (c) Internal conflicts
- (d) Problems in co-ordinations among other divisions.

(b) Divisional structure :-

- ★ building the organization according to the major product to be manufactured.
- ★ grouping of activities based on product to be produced.
- ★ Top-level has extensive authority over divisional heads.
- ★ Divisional heads are responsible for profit loss of their dept.
- ★ Suitable for firm which is engaged in production of diff. product lines.

(2) Advantages :-

- a) Product specialization.
- b) Performance of each unit can be measured.
- c) Faster decision making.
- d) Every unit performs as an independent unit.
- e) New units / divisions can be added / implemented.

(3) Disadvantages :-

- a) Conflicts, if one unit requests more funds / resources.
- ★ Duplication of products leads to increase in price.
- c) Suitable only for large organizations
- d) difficult to manage various divisions

(b) (iv)

Divisional structure :- ~~It~~ dividing the organisation according to the major product to be manufactured.

★ Grouping of activities based on product to be produced.
Top-level has extensive authority over divisional heads.

★ Divisional heads are responsible for profit loss of their dept.
★ Suitable for firm which is engaged in production of diff. product lines.

② Advantages :-

- (a) Product specialisation.
- (b) Performance of each unit can be measured.
- (c) Faster decision making.
- (d) Every unit performs as an independent unit.
- (e) New units / divisions can be added / dismantled.

(2) Disadvantages :-

- (a) Conflicts, if one unit requests more funds / resources.
- (b) Duplication of products + leads to increase in price.
- (c) Suitable only for large organisations.
- (d) difficult to manage various divisions.

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(E) (i) Formal organisation: (★) a structure of well-defined jobs & positions, displays meaning of definite measures of accountability, responsibility & authority, rules - & m - procedures etc.. as set up by top level management.

define
- & m - { ★ Chester Barnard :- "organisation is formal only when two or more persons are consciously co-ordinating to achieve common objectives."

→ Features :- (9m)

- (a) specifies various job relationships. ^{position}
- (b) lays down rules & procedure.
- (c) designed by top management.
- (d) emphasis more on work to be performed.
- (e) co-ordinated, integrated & inter-linked

★ Advantages

- (a) Efficient management.
- (b) smooth functioning.
- (c) easy responsibility fixing.
- (d) rules help in achieving goals.
- (e) stability of organization increases.

★ Disadvantages

- (a) lack of co-operation & co-ordination.
- (b) rules can't be followed all time.
- (c) efforts of various dept. must be equal.
- (d) smooth functioning is difficult.
- (e) no space for recognition of employee's skills.

(i) Informal organisation :- (*) which is not based on formal authority, arises from personal & social relations of people.

(ii) Keith Davis :- "An organisation refers to type of relationship between people of organisation based on personal attitude, likes, dislikes etc."

→ Features :-

- (a) result of interaction among employees of Formal organisation.
- (b) Does not have a specific form. It is complex.
- (c) Emerges spontaneously.
- (d) rules are laid based on group norms.
- (e) Independent channels of communication among various dept.

★ Advantages

- (a) Faster spread of information & quick feedback.
- (b) Everyone could express their own opinions & suggestions.
- (c) Try to fulfill most of objectives of the organisation.

★ Disadvantages

- (a) Lack of systematic manner of dealing with things
- (b) less efficiency in efficient manner of completing activities.
- (c) Employees have more freedom / liberty of actions.

(E)

- (*) Delegation :- meaning :- It is a process in which supervisor gives his subordinates the authority to discharge the work assigned to him.
- (*) F.O. Meire :- "Delegation means assigning the work to others and to give them authority to do it."

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(i) Elements of delegation

- (A) Authority :- the power to command the employees to perform the task. It flows from supervisor to subordinates. Subordinates must abide all the laws, rules and regulations of the firm.
- (B) Responsibility :- delegation of employee to complete the task assigned to him at former upwards. Employee must execute the task with utmost sincerity and responsibility.
- (C) Accountability :- being answerable to final results. It can never be delegated. Must carry out the task with responsibility and give its outcome report to their supervisor.

(iii) a)

Importance of delegation :-

- (a) Effective management
- (b) Employee development
- (c) Motivation of employees
- (d) Facilitation of growth
- (e) Better co-ordination
- (f) Basis of hierarchy of management.

Importance of delegation :-

(i) "Centralisation of authority which leads to the growth of business and at the top, small management is "Centralisation".

(ii) "Centralisation of authority

leads to better control and coordination".

It is systematic and complete delegation of authority at different levels.

Central point in organisation function."

(g) Decentralisation :- means dispersal of authority to lower levels of management.

(g) (i) "Decentralisation is fundamental phase of delegation".

"Everything which goes to increase importance of sub-unit is decentralisation & everything that reduces it is centralisation".

(ii) Importance of decentralisation :-

- (a) Develops initiative among employees
- (b) Develops talent for future
- (c) Quick decision making
- (d) Facilitates growth
- (e) Better control
- (f) Selects of top management.

20/9/2025

Chapter - 6
Staffing

● Introduction:-