

Organizing and Staffing

- ▶ What is Organizing
- ▶ Purpose of Organizing
- ▶ Importance and process of organization
- ▶ Types of organization
- ▶ Organizational Structure
- ▶ Span of control

What is organizing?

- ▶ Arranging and structuring work to accomplish organizational goals

Purpose of Organizing

- ▶ Divides work to be done into specific jobs and departments
- ▶ Assigns tasks and responsibilities associated with individual jobs
- ▶ Coordinates diverse organizational tasks
- ▶ Clusters jobs into units
- ▶ Establishes relationships among individuals, groups, and departments
- ▶ Establishes formal lines of authority
- ▶ Allocates and deploys organizational resources

Organizational Structure

- ▶ It is a formal arrangement of jobs within organization
- ▶ We can illustrate the organizational structure by using “**organizational chart**”
- ▶ When managers create or change the structure, they’re engaged in “**organizational design**”

Common Elements of Organization

- ▶ Common Purpose
- ▶ Coordinated Effort
- ▶ Division of Labor
- ▶ Hierarchy of Authority
- ▶ Span of Control
- ▶ Authority, Responsibility, & Delegation
- ▶ Centralization v.s. Decentralization of Authority



Proposed by Edgar Schien,
professor in organizational
development



Most
authorities
agree on

Common Purpose

- ▶ The means for unifying members
- ▶ The *common purpose* unifies employees or members and give everyone an understanding of organization's reason for being
- ▶ An organization without purpose soon begin to drift and become disorganized

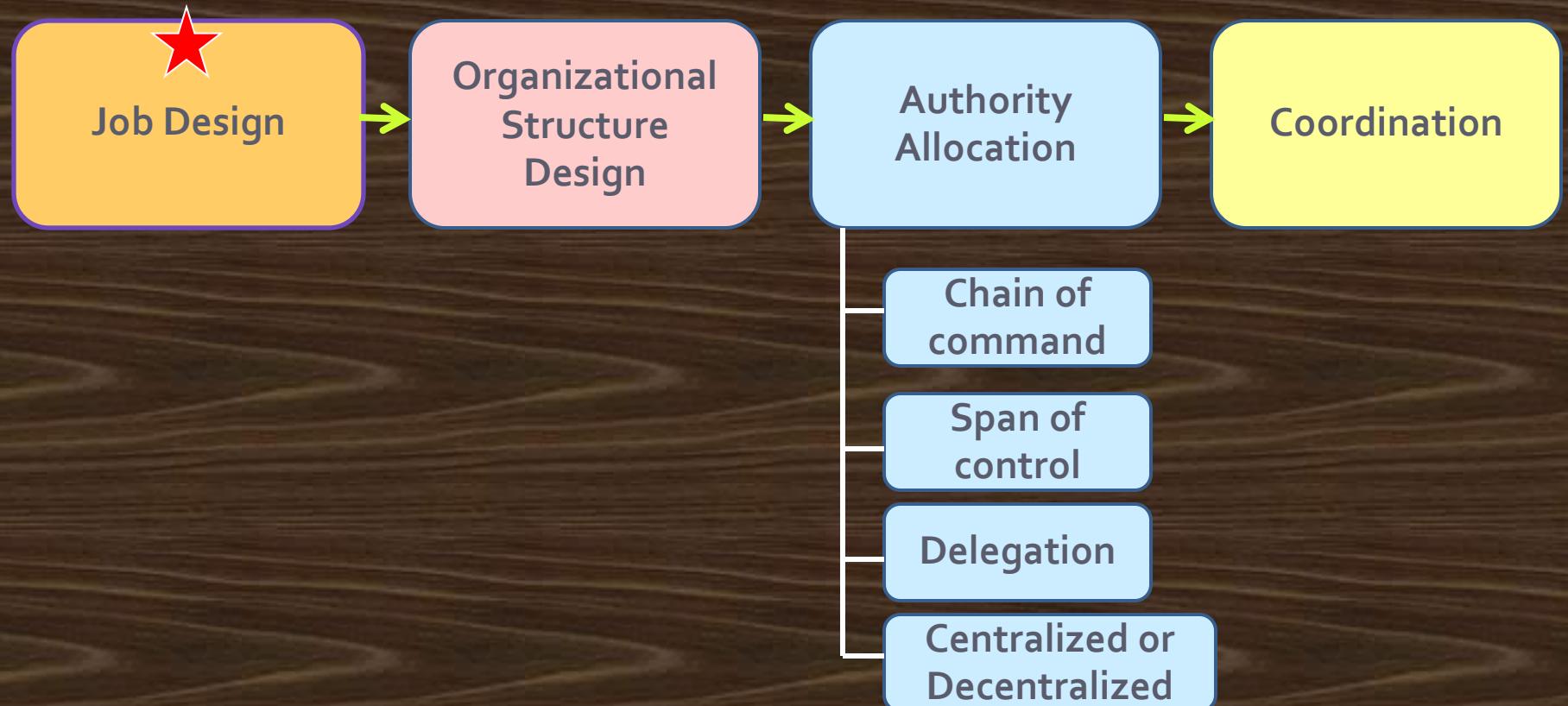
Coordinated Effort

- ▶ Working together for common purpose
- ▶ The common purpose is realized through *coordinated effort*, the coordination of individual efforts into a group or organization-wide effort
- ▶ Individuals can make a difference, however, they cannot do everything by themselves

Division of Labor

- ▶ Work specialization for greater efficiency
- ▶ *Division of labor* is the arrangement of having discrete parts of a task done by different people
- ▶ With division of labor, an organization can parcel out the entire complex work effort to be performed by specialists, resulting in greater efficiency

Organizing Process



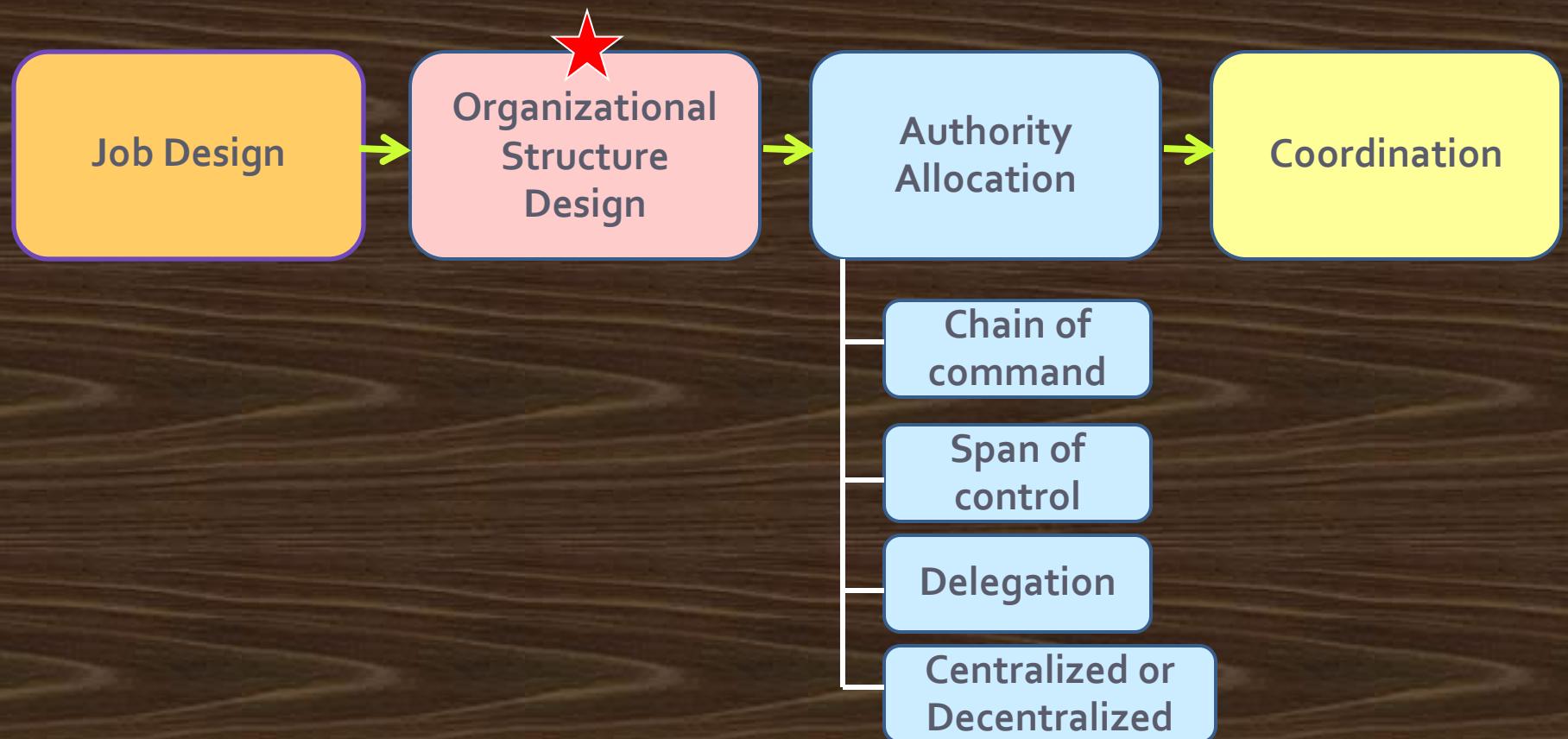
Job Design

- ▶ The number, kind, and variety of tasks that individual workers perform in doing their jobs.
 - **Job Specialization:** a job composed of a small part of a larger task or process

Alternatives to Job Design

- **Job Rotation:** periodically moving workers from specialized job to another to give them more variety and opportunity to use different skills
- **Job Enlargement:** increasing the number of tasks that a worker performs within one particular job
- **Job Enrichment:** increasing the number of tasks in a particular job **and giving workers the authority and control to make meaningful decisions about their work**

Organizing Process



8 Types of Organizational Arrangement

- ▶ Simple Structure
- ▶ Functional Structure
- ▶ Divisional Structure
- ▶ Conglomerate Structure
- ▶ Hybrid Structure
- ▶ Matrix Structure
- ▶ Team-Based Structure
- ▶ Network Structure

1. Simple Structure

- ▶ For a small firm
- ▶ An organization with a *simple structure* has authority centralized in a single person, a flat person, a flat hierarchy, few rules, and low work specialization

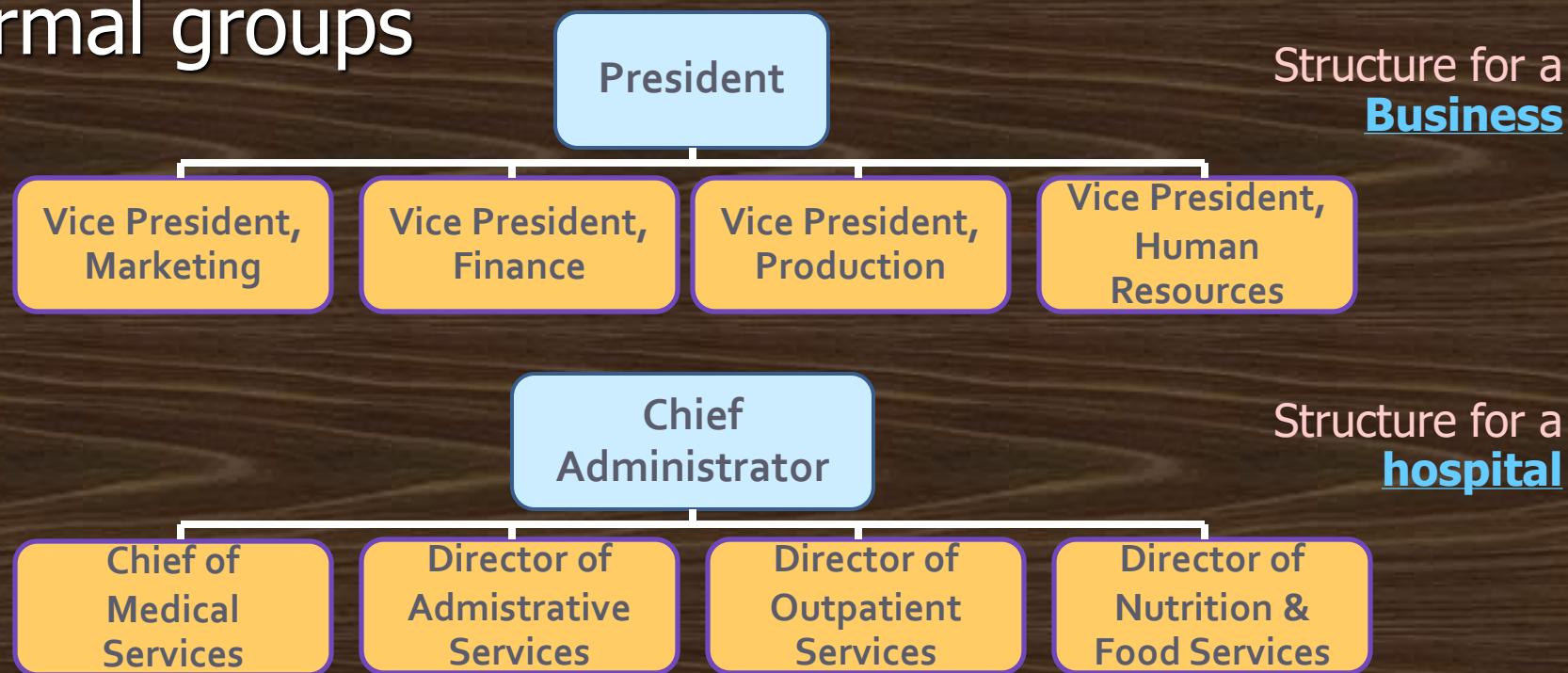


Simple structure: an example

There is only one hierarchical level of management beneath the owner

2. Functional Structure

- ▶ Grouping by similar work specialty
- ▶ In a *functional structure*, people with similar occupational specialties are put together in formal groups



3. Divisional Structure

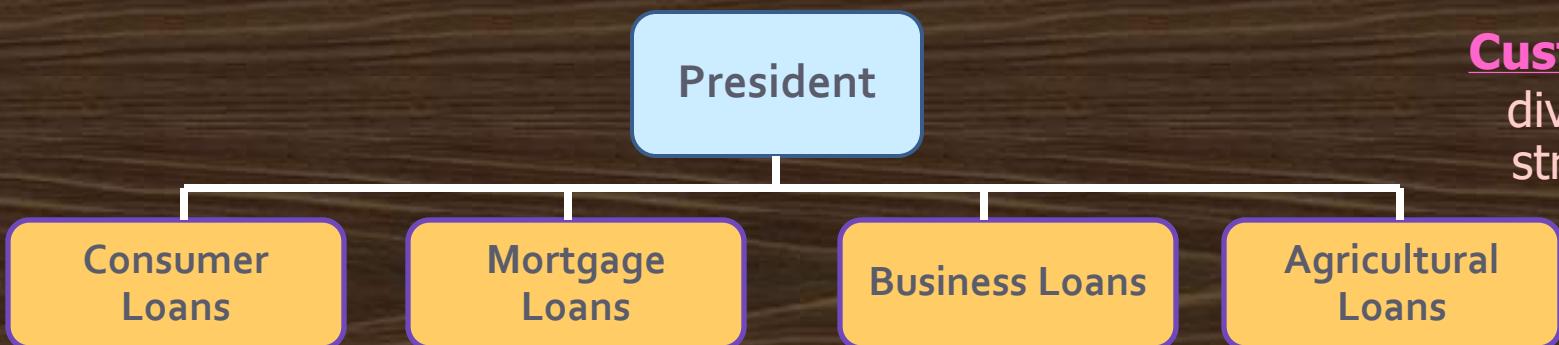
- ▶ Grouping by similarity of purpose
- ▶ In a *divisional structure*, people with diverse occupational specialties are put together in formal groups by similar products or services, customers or clients, or geographic regions

Divisional Structure

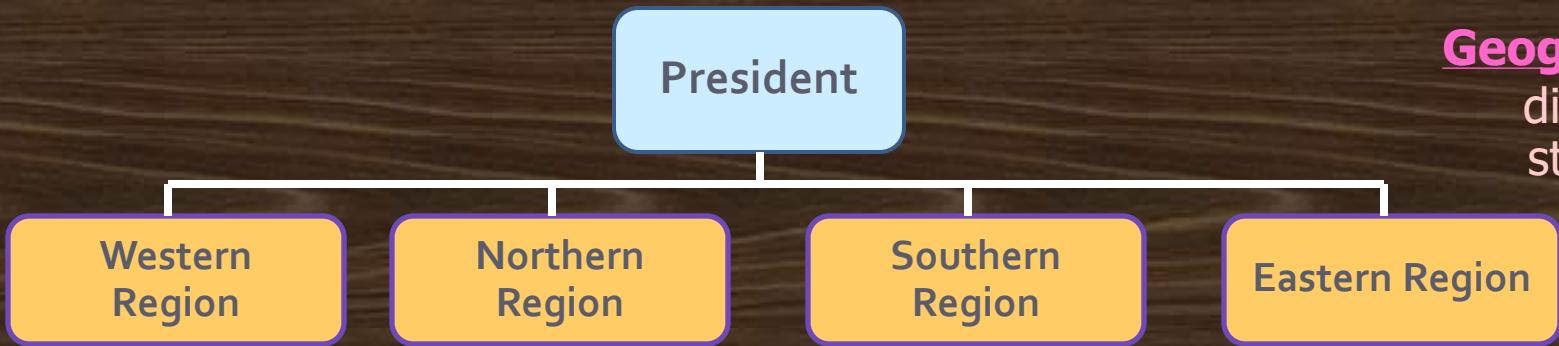
Product
divisional
structure



Customer
divisional
structure



Geographic
divisional
structure



4. Conglomerate Structure

- ▶ Grouping by industry
- ▶ The *conglomerate structure* groups divisions or business units around similar businesses or industries



President

Healthcare

Electronics

Fire & Security

Plastics &
Adhesives

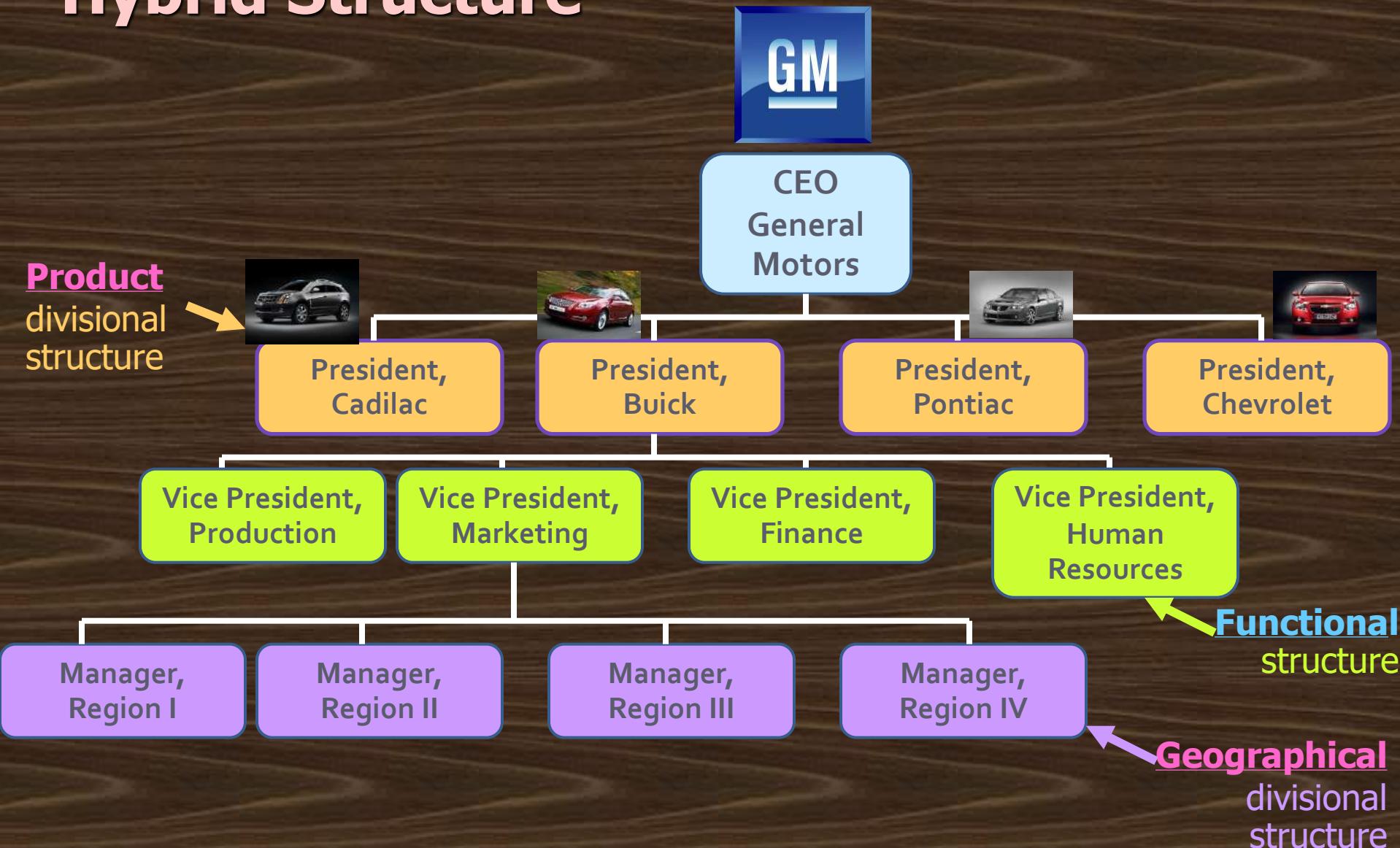
Engineered
Products &
Services

This resemble the structure of **Tyco International**, a global manufacturing company

5. Hybrid Structure

- ▶ Functional & divisional used within the same organization
- ▶ In a *hybrid structure*, an organization uses functional and divisional structures in different parts of the same organization

Hybrid Structure



6. Matrix Structure

- ▶ A grid of functional & divisional for 2 chains of command
- ▶ In a *matrix structure*, an organization combines functional and divisional chains of commands in a grid so that there are 2 command structures—vertical and horizontal

Matrix Structure

An example of an arrangement that Ford might use



Functional
Structure

Project
Structure



Project Manager, Taurus



Project Manager, Mustang



Project Manager, Explorer



Project Manager, Expedition



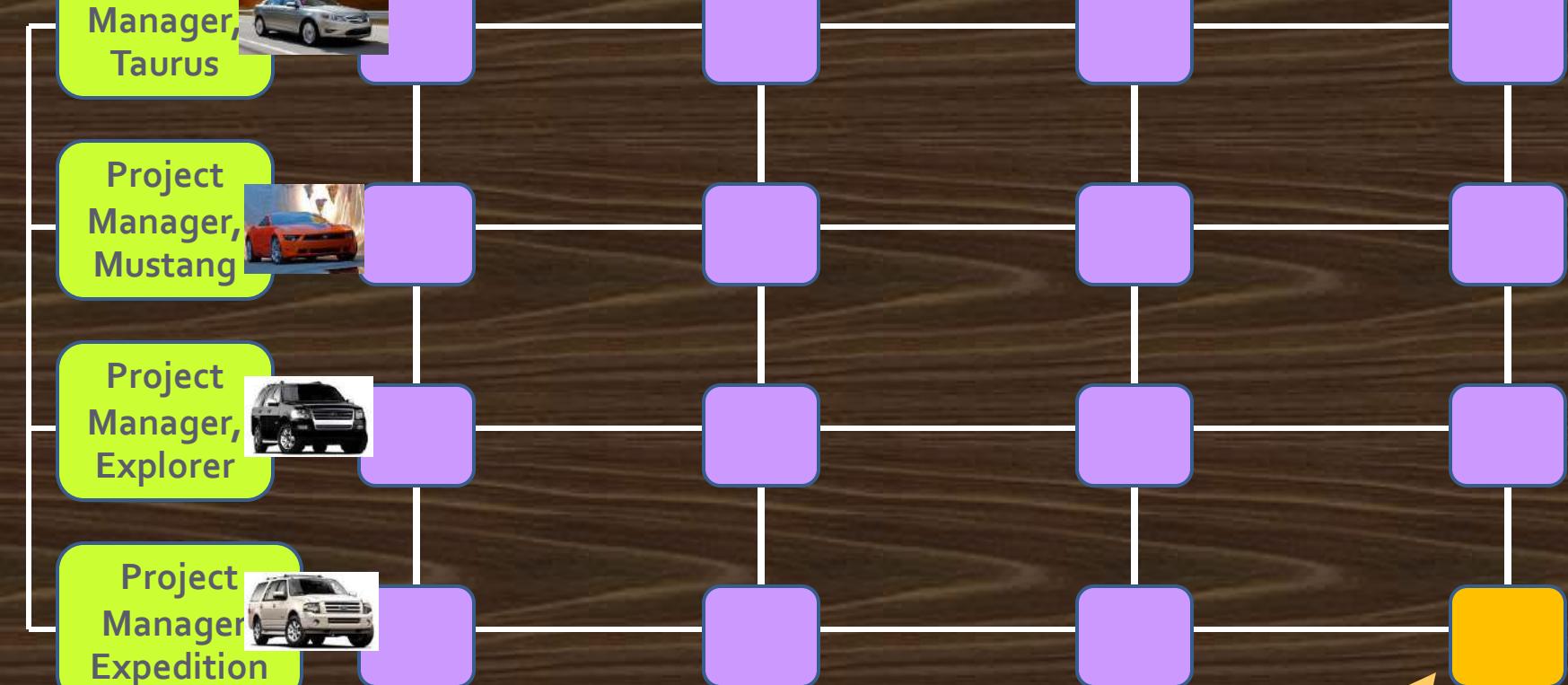
President

Vice President, Finance

Vice President, Production

Vice President, Engineering

Vice President, Marketing

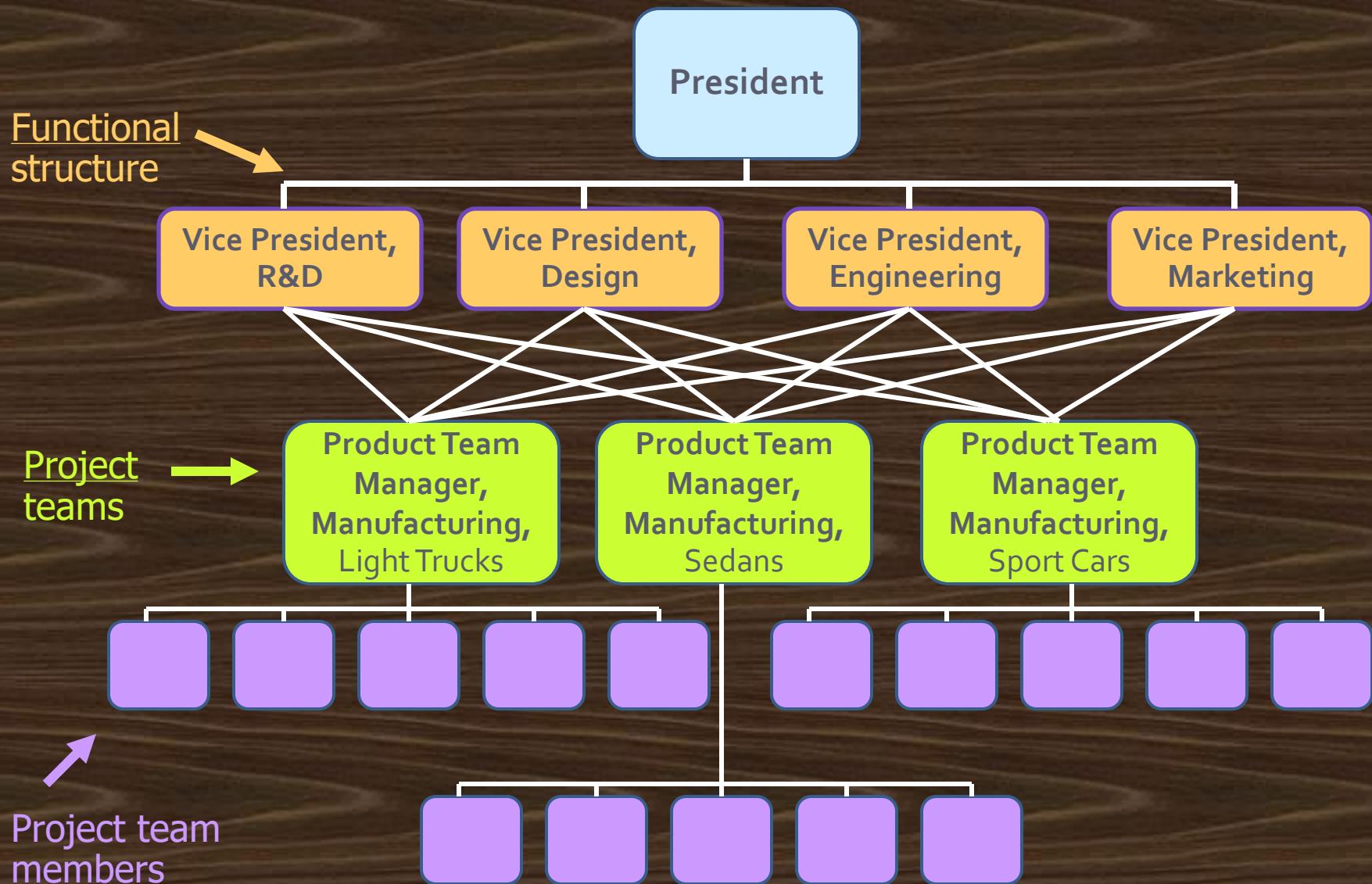


Subordinate reports to both VP of Marketing (above) and Project Manager for Expedition

7. Team-Based Structure

- ▶ Eliminating functional barriers to solve problems
- ▶ In a *team-based structure*, teams or workgroups, either temporary or permanent, are used to improve horizontal relations and solve problems throughout the organization
- ▶ When managers from different functional divisions are brought together in teams —known as **cross functional teams**—to solve particular problems, the barriers between the divisions break down.

Team-based structure

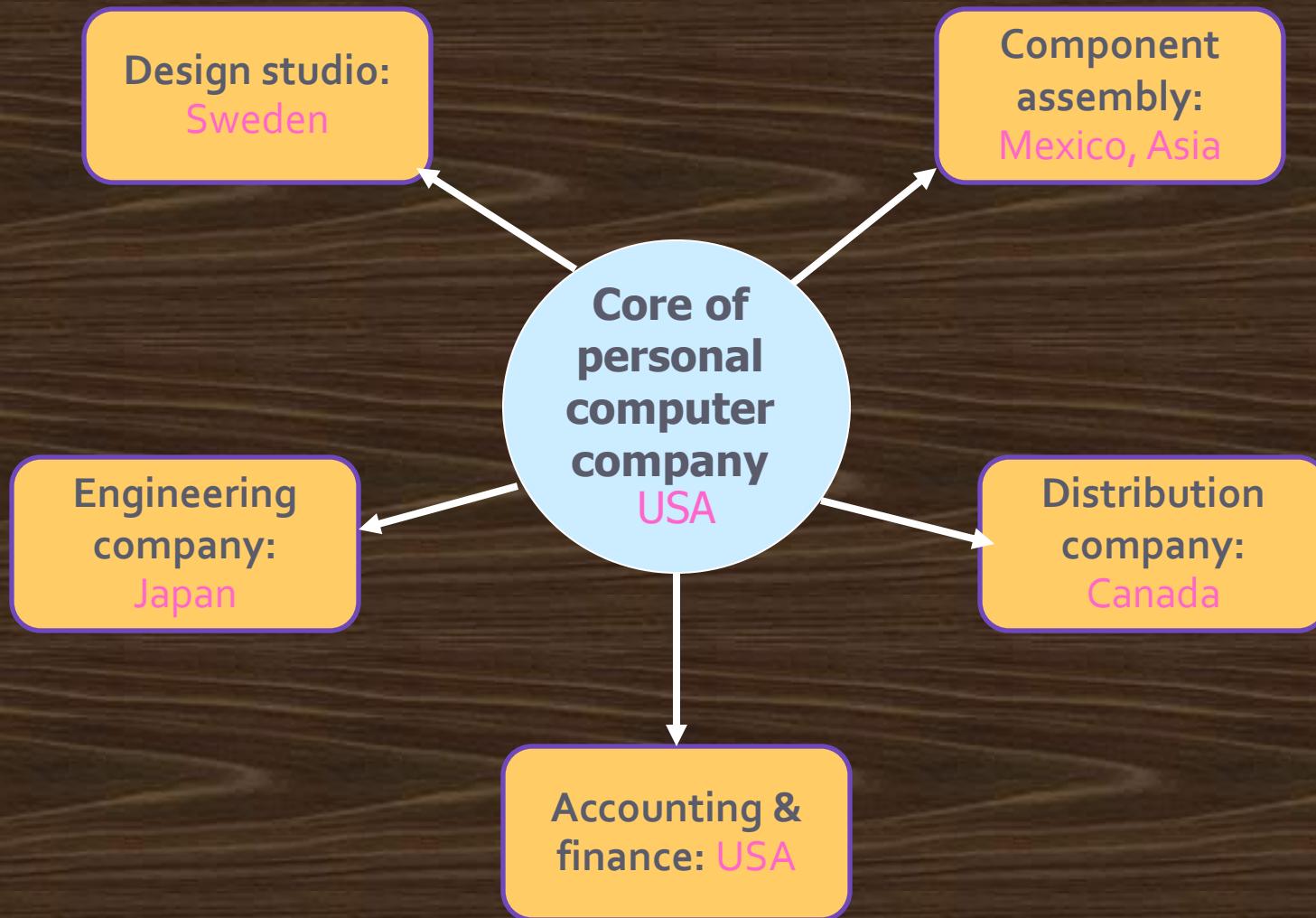


8. Network Structure

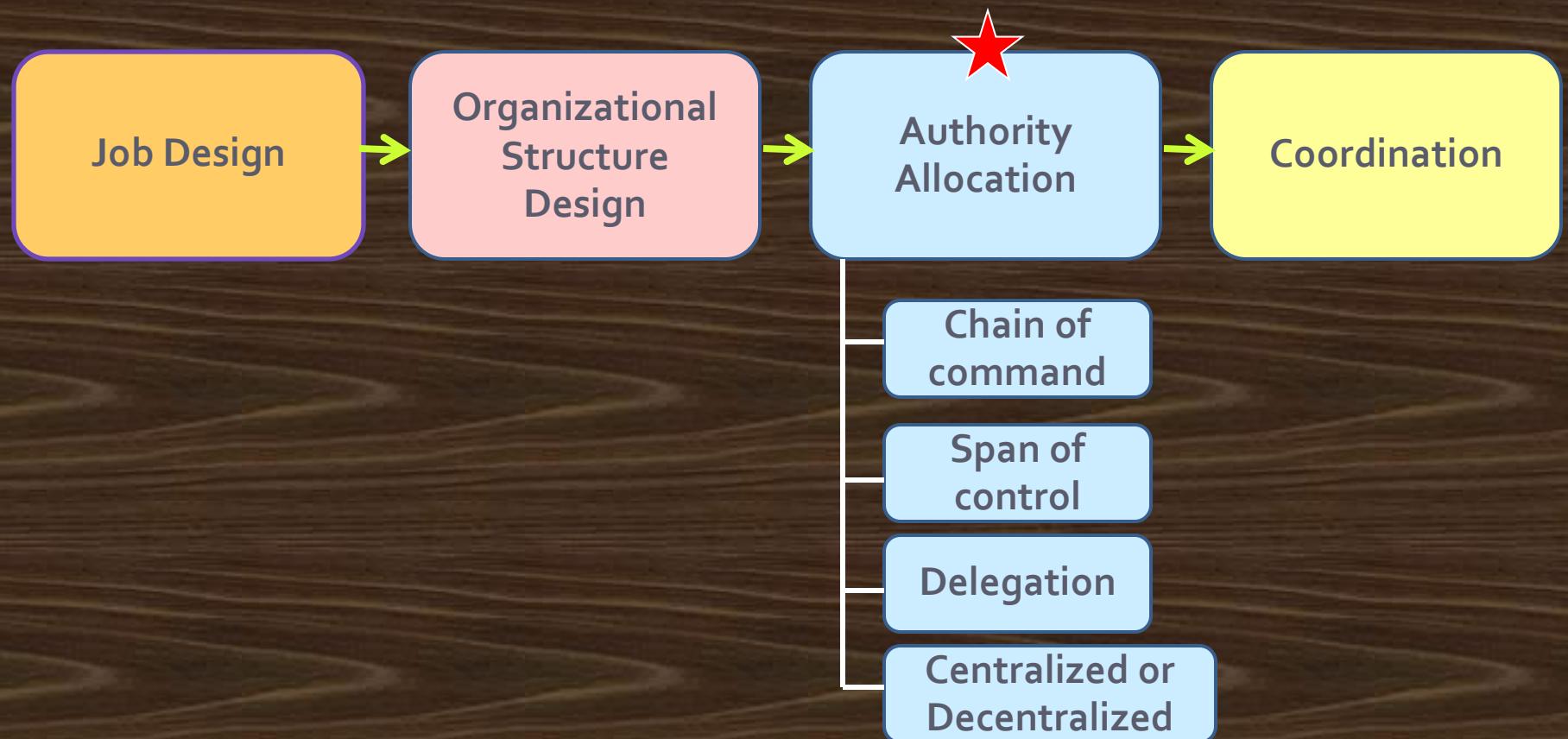
- ▶ Connecting a central core to outside firms by computer connections
- ▶ The *network structure* is the organization has a central core that is linked to outside independent firms by computer connections, which are used to operate as if all were a single organization
- ▶ Corporations using this structure are sometimes called *virtual corporations*

Network structure

Example of a personal computer company



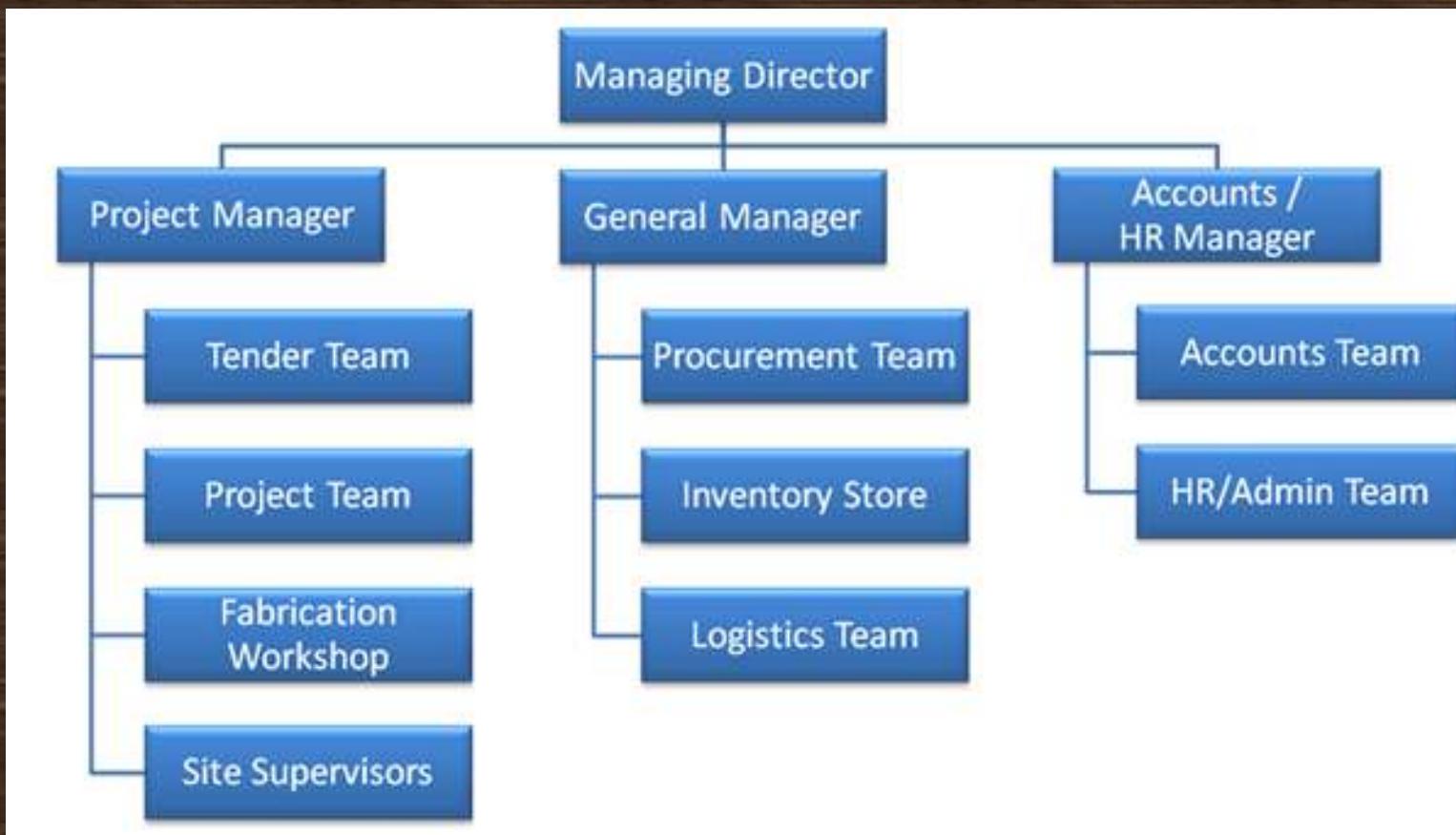
Organizing Process



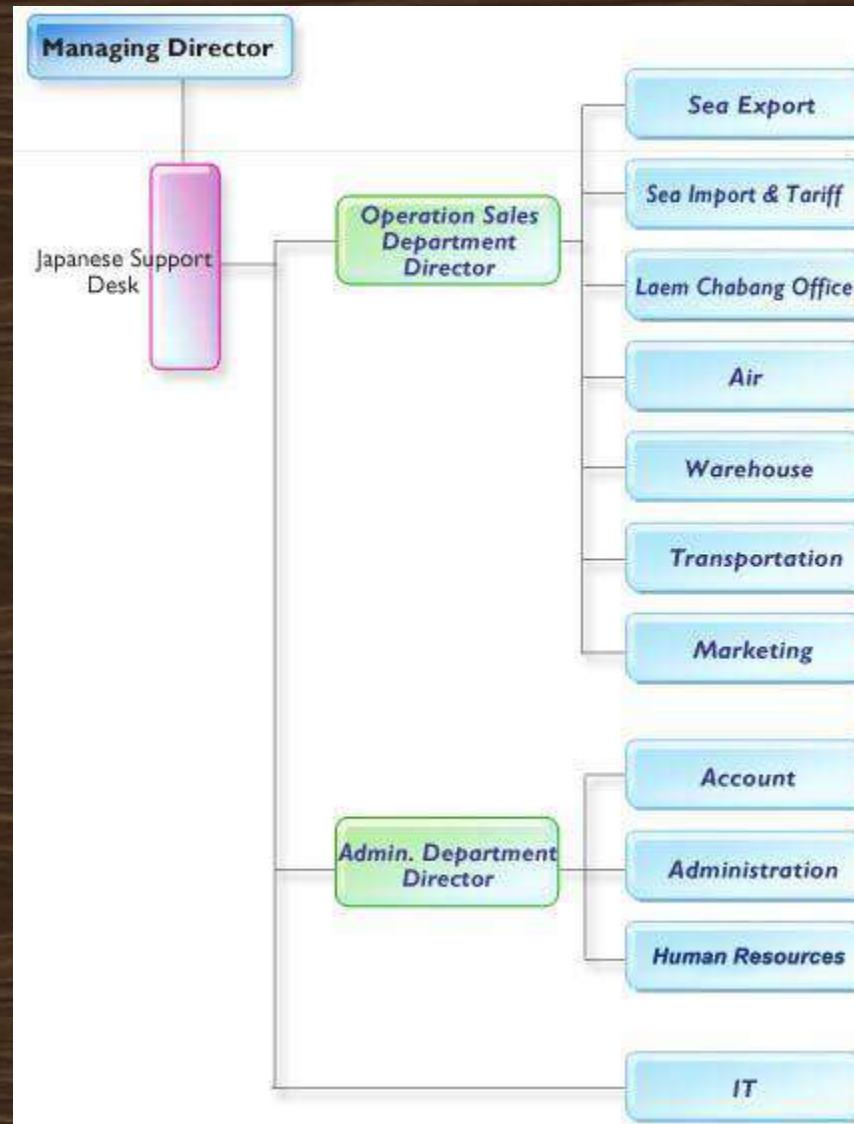
• Hierarchy of Authority

- ▶ Or the *Chain of Command*
- ▶ It is a control mechanism for making sure the right people do the right things at the right time
- ▶ Without tiers or ranks of authority, a lone manager would have to confer with everyone in his/her domain, making it difficult to get things done

Example



MEIKO TRANS (THAILAND) CO., LTD



• **Span of Control:**

Narrow (or Tall) v.s. Wide (or Flat)

- ▶ or **span of management**, refers to the number of people reporting directly to a given manager
- ▶ There are 2 kinds of spans of control:
 - **Narrow** (or tall): manager has limited number of people reporting — more managers are required, managers can communicate quickly to subordinates and control them easily
 - **Wide** (or flat): manager has several people reporting— less managers are required = more efficient in terms of cost, the message reaches more employees faster, faster decision making

- **Authority, Responsibility, & Delegation:** Line vs. Staff Position

- ▶ *Authority* refers to the rights inherent in a managerial position to make decisions, give orders, and utilize resources
- ▶ Authority means *accountability*—managers must report and justify work results to the managers above them
- ▶ Being accountable means you have the responsibility for performing assigned tasks

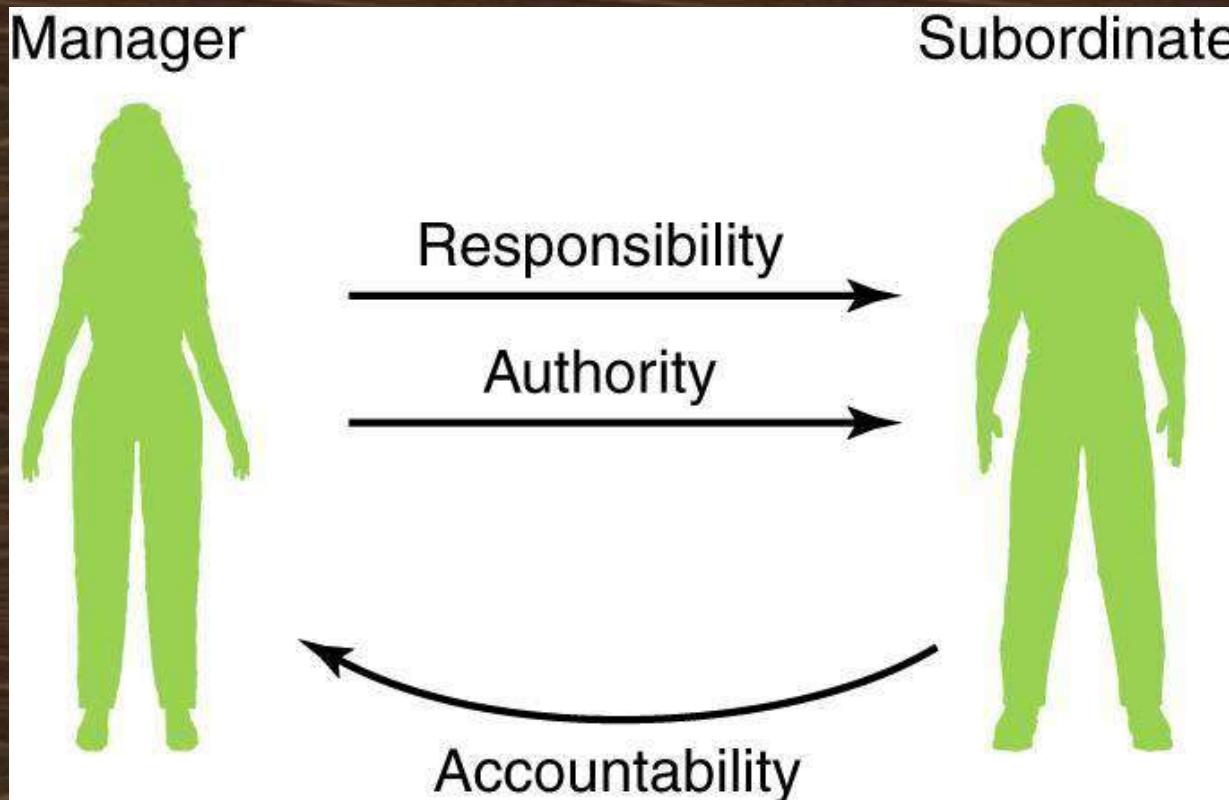
Authority, Responsibility, & Delegation: Line vs. Staff Position

- ▶ *Responsibility* is the obligation you have to perform the tasks assigned to you
- ▶ **Example:** a car assembly-line worker has little authority but also little responsibility: just install those windshields over and over. Manager, however, has greater responsibilities
- ▶ With more authority comes more responsibility

Authority, Responsibility, & Delegation: Line vs. Staff Position

- ▶ *Delegation* is the process of assigning managerial authority and responsibility to managers and employees lower in the hierarchy
- ▶ To be more efficient, most managers are expected to delegate as much of their work as possible

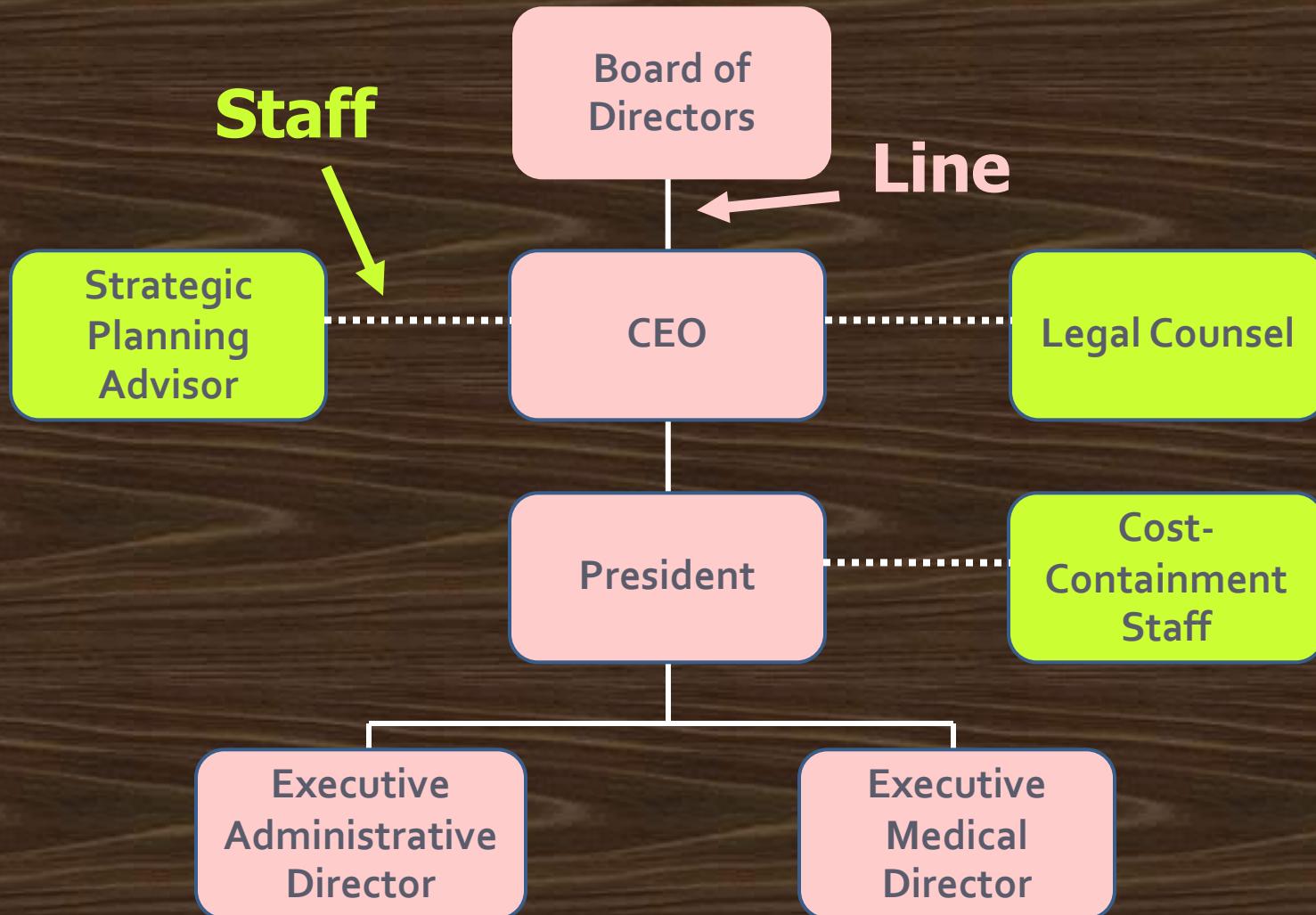
Delegation: *Responsibility, Authority, and Accountability*



Authority, Responsibility, & Delegation: Line vs. Staff Position

- ▶ Regarding authority and responsibility, the organization chart distinguishes between 2 positions:
 - **Line position:** Line managers have authority to *make decisions* and *usually have people reporting to them* (are indicated by solid line)
 - **Staff position:** Staff personnel have authority function; they *provide advice, recommendations, and research to the line managers* (are indicated by dotted line)

Line and Staff



• Centralization vs. Decentralization of Authority

- ▶ With *centralized authority*, important decisions are made by high-level managers
 - ▶ Very small companies tend to be the most centralized, however, Kmart and McDonald are using this kind of authority
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- ▶ Advantages:
 - Less duplication of work (fewer employees perform the same task; rather, the task is often performed by a department of specialists)
 - Procedures are uniform and thus easier to control



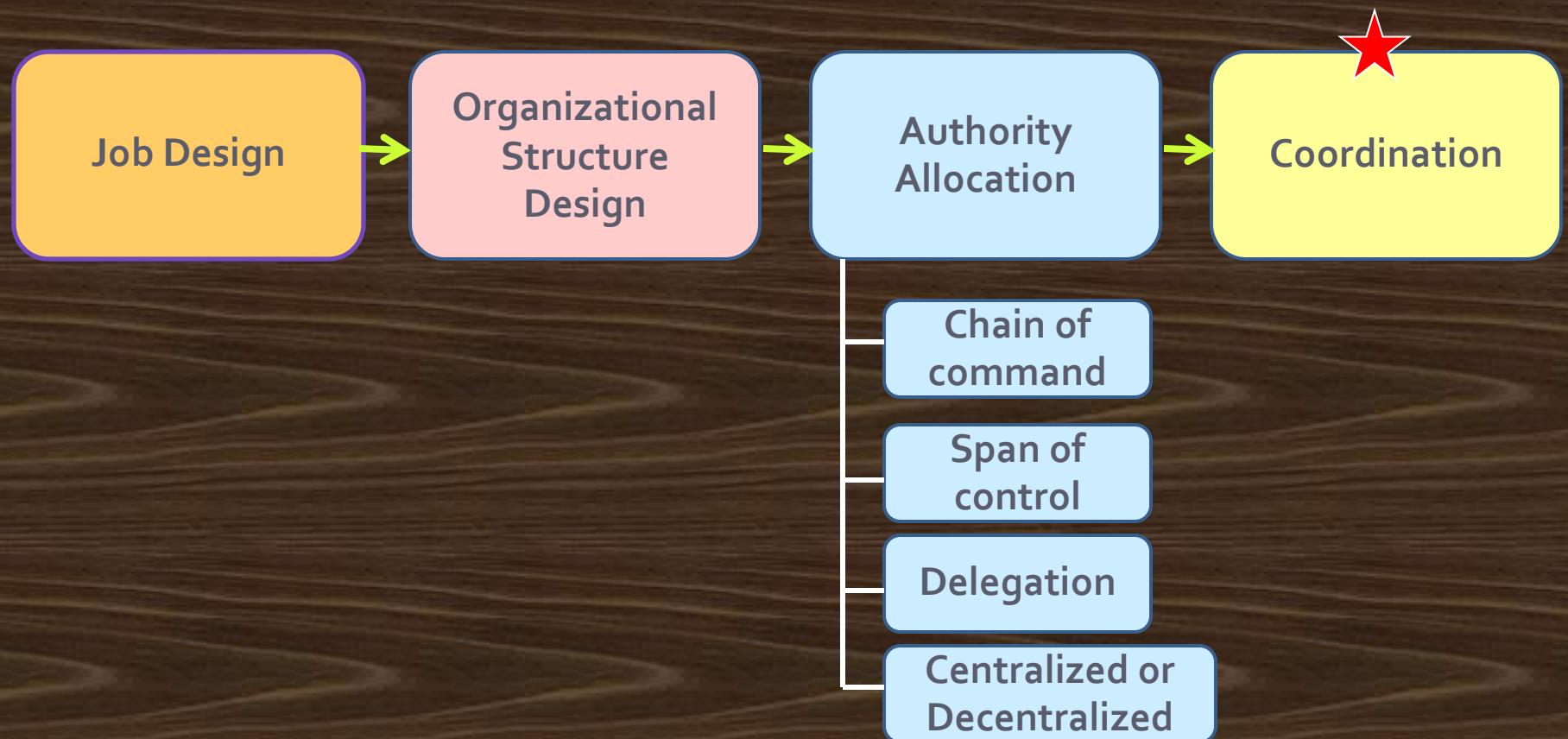
Centralization vs. Decentralization of Authority

- ▶ With *decentralized authority*, important decisions are made by middle-level and supervisory-level managers
 - ▶ Here, obviously, power has been delegated throughout the organization. General Motors and Sears are using this kind of authority
-
- ▶ Advantages:
 - Managers are encouraged to solve their own problems rather than to buck the decision to a higher level
 - Decisions are made more quickly, which increases the organization's flexibility and efficiency



Sears

Organizing Process



Coordination

Important Elements:

- ▶ Coordinator
- ▶ Roles & Responsibility
- ▶ Rules & Regulations

THANK YOU