

Organizing

An entrepreneur organizes various factors of production like land, labour, capital, machinery, etc. for channelizing them into productive activities. The product finally reaches consumers through various agencies. Business activities are divided into various functions; these functions are assigned to different individuals.

Various individual efforts must lead to the achievement of common business goals. Organization is the structural framework of duties and responsibilities required of personnel in performing various functions with a view to achieve business goals through organization. Management tries to combine various business activities to accomplish predetermined goals.

Meaning

Organizing can be defined as identifying and grouping different activities in the organization and bringing together the physical, financial and human resources to establish most productive relations for the achievement of specific goal of the organization.

Importance of Organizing

1. Efficient Administration

It brings together various departments by grouping similar and related jobs under a single specialization. This establishes coordination between different departments, which leads to unification of effort and harmony in work.

It governs the working of the various departments by defining activities and their authority relationships in the organizational structure. It creates the mechanism for management to direct and control the various activities in the enterprise.

2. Resource Optimization

Organizing ensures effective role-job-fit for every employee in the organization. It helps in avoiding confusion and delays, as well as duplication of work and overlapping of effort.

3. Benefits Specialization

It is the process of organizing groups and sub-divides the various activities and jobs based on the concept of division of labor. This helps in the completion of maximum work in minimum time ensuring the benefit of specialization.

4. Promotes Effective Communication

Organizing is an important means of creating coordination and communication among the various departments of the organization. Different jobs and positions are interrelated by structural relationship. It specifies the channel and mode of communication among different members.

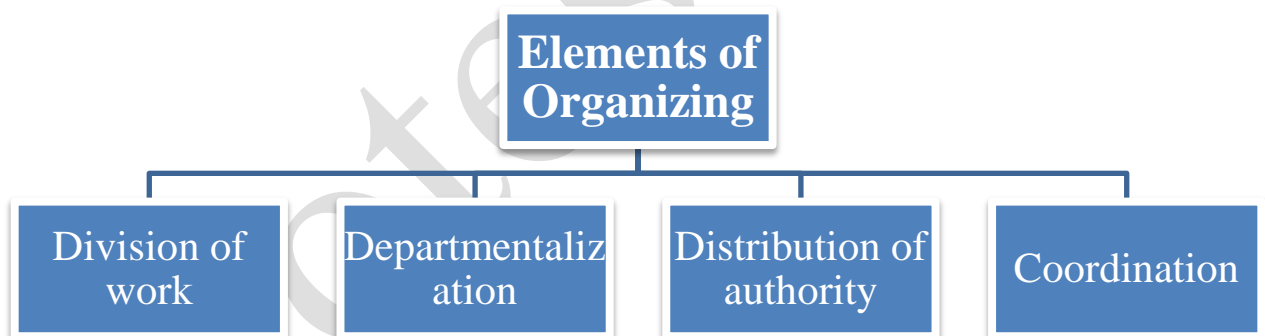
5. Creates Transparency

The jobs and activities performed by the employees are clearly defined on the written document called **job description** which details out what exactly has to be done in every job. Organizing fixes the authority-responsibility among employees. This brings in clarity and transparency in the organization.

6. Expansion and Growth

When resources are optimally utilized and there exists a proper division of work among departments and employees, management can multiply its strength and undertake more activities. Organizations can easily meet the challenges and can expand their activities in a planned manner.

Elements of Organizing



Division of work

Organization deals with the whole task of business. The total work of the enterprise is divided into activities and functions. Various activities are assigned to different persons for their efficient accomplishment. This brings in division of labour. It is not that one person cannot carry out many functions but specialization in different activities is necessary to improve one's efficiency. Organization helps in dividing the work into related activities so that they are assigned to different individuals.



The principle of '**Division of Work**' means to divide a given activity or work into small pieces or parts so that each part is handled with great ease and efficiency.

This principle states that every work should be divided into the smallest possible part and each such part is to be performed by an individual person (laborer). Instead of assigning the whole work to an individual, it's better to assign one task to one person. Before assigning the task to anyone it must be assured that he possesses the required knowledge, skill, capability and will to perform the task effectively and efficiently. If the same task is performed by a person again and again he gains specialization in that task and can perform with greater ease and minimizes wastage of resources and time.

Fayol has emphasized on this issue because specialization and minimization of wastage is a key to success for each and every organization. He was of the view that every work should be divided into the smallest possible part and then is to be assigned to an individual to gain success and specialization. This principle also guarantees specialization, efficiency and maximum production with minimum time and least efforts.

Positive impacts of division of work are:

- Specialization
- Minimization of wastage
- Improved efficiency

Departmentalization

Departmentalization refers to the process of grouping activities into departments. Division of labour creates specialists who need coordination. This coordination is facilitated by grouping specialists together in departments.

Departmentalization is the process of grouping the activities of an enterprise into several units for the purpose of administration at all levels.

The administrative units so created may be designated as departments, divisions, units, branches, sections, etc.

The process of organizing consists of dividing and grouping of the works to be done in an enterprise and assigning different duties and responsibilities to different people.

Dividing the work naturally means the identification of individual activities which have to be undertaken for the attainment of the organizational objectives. But once the various activities have been identified, it is necessary to group them together on some logical basis so that a team can be organized.

Departmentation can provide a necessary degree of specialization of executive activity for efficient performance. It can simplify the tasks of management within a workable span. It also provides a basis on which the top managers can co-ordinate and control the activities of the departmental units.

Different approaches of departmentalization are:

- Functional – departmentalization by common skills and work tasks
- Divisional – departmentalization by common product, program, or geographical location
- Matrix – a complex combination of functional and divisional
- Team – departmentalization by teams of people brought together to accomplish specific tasks
- Network – independent departments providing functions for a central core breaker

Advantages of departmentalization are:

1. Specialization
2. Feeling of Autonomy:
3. Expansion
4. Fixation of Responsibility
5. Upliftment of Managerial Skill
6. Facility in Appraisal
7. Administrative Control