

FUNCTIONAL ORGANISATION



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DEPARTMENTATION BASED ON PRODUCTS

- Under this method, for each main product, a separate self contained department is created under the charge of a manager who may also be made responsible for producing a profit of a given magnitude.
- Within each department, all the needed manufacturing, engineering, marketing, manpower and other facilities are assembled.
- Product departmentation is the logical pattern to follow when each product requires raw materials, manufacturing technology and marketing methods that are markedly different from those used by other products in the organization.
- Examples:
- Hindustan Lever: manufacturing Detergents, toiletries, chemicals and Agro based products

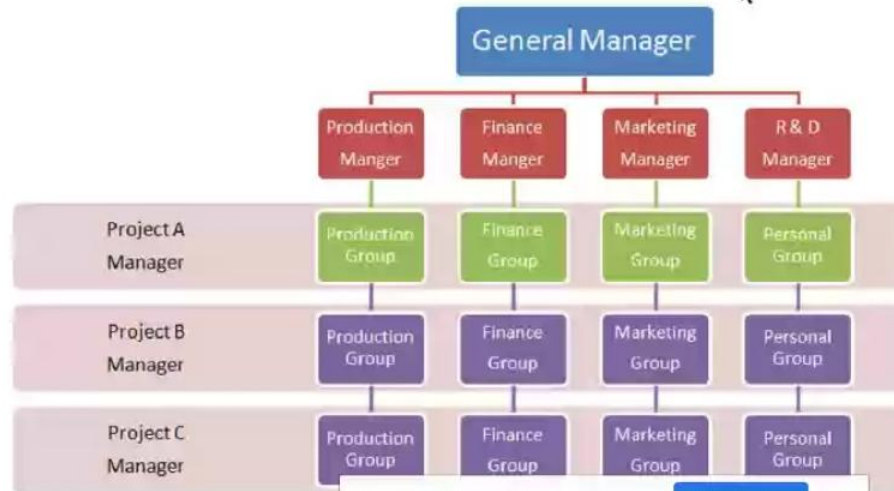


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MATRIX ORGANISATION



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Products

- This form is suitable for large company manufacturing a variety of products. Under this method, under each major product a separate semi-autonomous department is created. One manager is made responsible for its activities and made a profit Centre. Product departmentalization is the logical pattern to follow when each product requires raw materials, manufacturing technology, and marketing methods that are markedly different from those of other products.

Customers

- ▶ This departmentalization is based on the nature of customers it services, an electronic firm may have separate department for military, industrial, consumer customers. A big automobile servicing enterprise may have separate department for servicing cars, heavy vehicles and scooters.

Regions or territory

- ▶ When several production or marketing units of an organization are geographically dispersed in various location, it is logical to departmentalize those units into separate geographical basis.
- ▶ Indian railways, food corporation of India are departmentalized geographically.

Process

- ▶ On the basis of several discrete stages in the process or technologies involved in the manufacture of a product. For example cotton textile mill may have separate department ginning, spinning,, weaving, dyeing and printing, and packaging and sales.



You



Combined base



- ▶ It is quite typical to find an organization following a different base of departmentalization at different organization level. For example product as the base at(tractor dept, appliance dept, generator dept, etc) at the primary level(immediately below the chief executive officer). "territory as the base at intermediate level and function as the base at the lowest level.
- ▶ In Matrix organization two types of departmentalization functional and product exist simultaneously.
- ▶ Project manager selects his team from various functional departments, he will have control over the team.

ORGANISATION STRUCTURE

- ▶ An organization structure is a permanent arrangement depicting the various parts which covers the entire organisations.
- ▶ The horizontal parts depicts the various departments, the vertical parts shows the number of levels from top to bottom.



You



