

DESIGNING ORGANISATIONAL STRUCTURES

Organization

“Organization means the determination and assignment of duties to people, and also the establishment and the maintenance of authority relationships among these grouped activities it is the structural frame work with in which the various efforts are coordinated and related to each other”.

Definitions:

“Organization are collectivises of people that have been established for the pursuit of relatively specific objectives on a more or less continuous basis”. _William Scott

“Organization is the form of every human association for the attainment of a common purpose”. _Mooney and Reilly

“Organization involves the grouping of activities necessary to accomplish goals and plans assignment and these activities to appropriate departments and positions to appropriate departments and positions for authority delegation and coordination” _Koontz and O'Donnell

BASIC CONCEPTS RELATED TO ORGANISATION

Elements of Organization

- 1) Division of Work:** - Objectives of organization are determined then total efforts & necessary must be classified & grouped. There should not be over lapping or duplication of work. Every one in the organization will do a purposeful work for attainment of objectives for that manager has to visualize the objectives. Division of total work is necessary so that these should not be extra burden on a single person. The enterprise can be divide according to function such as production, selling, finance, advertisement, etc.
- 2) Authority:** - In organization there is superior subordinate relationship. Every superior needs authority. In absence of authority directing becomes difficult. The subordinates have several responsibilities in organisation. There is authority and responsibility structure so that various positions are created.
- 3) Establishment of Relationship:** - In every organization structure there are different types of relationships. Such relationship may be administrative or operative, vertical, horizontal, formal & informal. Some will be working on the same authority level but most often at different levels of authority. This relationship is established for carrying the work smoothly. Relationship denotes the rules for team work in orderly sequence for attainment of objectives.

CHARACTERISTICS OF ORGANIZATIONAL

1. Organisation is a group of people, small or large
2. The group works under an executive leadership.
3. Organisation is a tool of management.
4. It leads to division of work and responsibilities
5. It defines and fixes the duties and responsibilities of employees.

6. It establishes a relationship between authority and responsibility and controls the efforts of the group.

IMPORTANCE OF ORGANIZING FUNCTION

1. **Specialization** - Organizational structure is a network of relationships in which the work is divided into units and departments. This division of work is helping in bringing specialization in various activities of concern.
2. **Well defined jobs** - Organizational structure helps in putting right men on right job which can be done by selecting people for various departments according to their qualifications, skill and experience. This is helping in defining the jobs properly which clarifies the role of every person.
3. **Clarifies authority** - Organizational structure helps in clarifying the role positions to every manager (status quo). This can be done by clarifying the powers to every manager and the way he has to exercise those powers should be clarified so that misuse of powers do not take place. Well defined jobs and responsibilities attached helps in bringing efficiency into managers working. This helps in increasing productivity.
4. **Co-ordination** - Organization is a means of creating co-ordination among different departments of the enterprise. It creates clear cut relationships among positions and ensure mutual co-operation among individuals. Harmony of work is brought by higher level managers exercising their authority over interconnected activities of lower level manager.

Authority responsibility relationships can be fruitful only when there is a formal relationship between the two. For smooth running of an organization, the co-ordination between authority- responsibility is very important. There should be co-ordination between different relationships. Clarity should be made for having an ultimate responsibility attached to every authority. There is a saying, "Authority without responsibility leads to ineffective behaviour and responsibility without authority makes person ineffective." Therefore, co-ordination of authority- responsibility is very important.

5. **Effective administration** - The organization structure is helpful in defining the jobs positions. The roles to be performed by different managers are clarified. Specialization is achieved through division of work. This all leads to efficient and effective administration.
6. **Growth and diversification** - A company's growth is totally dependant on how efficiently and smoothly a concern works. Efficiency can be brought about by clarifying the role positions to the managers, co-ordination between authority and responsibility and concentrating on specialization. In addition to this, a company can diversify if its potential

grow. This is possible only when the organization structure is well-defined. This is possible through a set of formal structure.

7. **Sense of security** - Organizational structure clarifies the job positions. The roles assigned to every manager is clear. Co-ordination is possible. Therefore, clarity of powers helps automatically in increasing mental satisfaction and thereby a sense of security in a concern. This is very important for job- satisfaction.
8. **Scope for new changes** - Where the roles and activities to be performed are clear and every person gets independence in his working, this provides enough space to a manager to develop his talents and flourish his knowledge. A manager gets ready for taking independent decisions which can be a road or path to adoption of new techniques of production. This scope for bringing new changes into the running of an enterprise is possible only through a set of organizational structure.