

Process of Organization:

1. **Determination of objectives, strategies, plans and policies:** Objectives should be clear and precise, because the entire organization is to be built around the objectives of the enterprises.
2. **Determination of activities:** Determine activities needed to execute these plans and policies and accomplish the objectives. The work load is broken into component activities that are to be performed by all the employees. The activities are so split to determine the job which can be performed by an individual.
3. **Separation and grouping of activities:** To attain the benefits of specialization and division of labour, every company, will separate its activities on the basis of primary functions like finance, engineering, purchasing, production, sales and industrial relations. All the similar or directly related activities are grouped together in the form of departments.
4. **Delegation of authority:** Authority is necessary for the performance of the job and therefore authority is delegated to the subordinates for enabling them to carry out their work smoothly and efficiently.
5. **Delegation of responsibility:** Responsibility may be described as the obligation and accountability for the performance of

delegated duties. A superior is always accountable for the acts of his subordinate. Therefore, responsibility always flows from subordinates to superiors.

6. Providing physical facilities and proper environment: Physical facilities means provide machinery, tools equipments, infrastructure etc, environment means provide proper lighting, ventilation, heating, cooling arrangement at the work place, reasonable hours of work, safety devices, job security etc

Principles of Organization:

1. Principle of unity of objectives: An organization structure is effective if it enables individuals to contribute to entire objectives.
2. Principle of co-ordination: The aim of the objective can be achieved if proper co-ordination exists for different activities
3. Principles of organizational efficiency: An organization is efficient if it is structured to aid the accomplishment of enterprise objective with a minimum of unwanted consequences or costs.
4. Span of management principle: In each managerial position, there is a limit to the number of persons an individual can effectively manage but the exact number will depend on the impact of underlying variables.
5. Scalar principle: The clearer the line of authority from the ultimate management position in an enterprise to every subordinate position, the clearer will be the responsibility for decision making the more effective will be organization communication.
6. Principle of delegation by results expected: Authority delegated to all individual managers should be adequate enough to ensure their ability to accomplish the results expected.
7. Principle of responsibility: The responsibility of subordinates to their superiors for performance is absolute, and superiors can not escape responsibility for the organization activity of their

subordinates.

8. Principle of parity of authority and responsibility: The responsibility for actions can not be greater than that implied by the authority delegated, not should it be less.
9. Principle of unity command: The more complete an individual's reporting relationships to a single superior, the smaller the problem of conflicting instructions and the greater the feeling of personal responsibility for results.
10. Authority level principle: Maintenance of intended delegation requires that decisions within the authority of individual managers should be made by them and not be referred upward in the organization structure.
11. Principle of balance: The application of principles or technique must be balanced to ensure the overall effectiveness of the structure in meeting enterprise objectives.
12. Principle of flexibility: the more that provisions are made for building flexibility into an organization structure can fulfill its purpose.
13. Principle of leadership facilitation: The more an organization structure and its delegations of authority enable managers to design and maintain an environment for performance, the more they will help the leadership abilities of those managers.