

Unit 6: Organizing

Organizing is related to designing and assigning jobs for individuals to work more effectively and efficiently.

Organizing refers to grouping of jobs, allocating jobs in divisions and units, assigning people to work, delegation of authority and responsibility to achieve a common goal.

According to Allen, Organizing refers to, "The process of identifying and grouping the work to be performed, defining and delegating responsibility and authority and establishing a pattern of relationship for the purpose of enable people to work most effectively together in accomplishing objectives."

Organizing is more related to structuring relations between people, jobs and organization through designing jobs, grouping them into manageable units and determines job related responsibility of individuals.

Importance of organizing as management function:

The following are the importance of organizing:

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 job:** Organizational structure helps in putting right man on right job which can be done by selecting people for various department according to their qualification, skill and experience This is helping in defining the jobs properly which clarified the role of every person.
3. **Clarifies authority:** Organizational structure helps in clarifying the role positions to every manager. This can be done by clarifying the power to every managers and the way he has to exercise those power should be clarified so that misuse of power do not take place.
4. **Coordination:** Organization is the means of creating coordination among different departments of the enterprise. It creates clear cut relationships among positions and ensures mutual cooperation between individuals and groups.
5. **Effective administration:** The organization structure is helpful in defining the job positions. The roles to be performed by different managers are classified. Specialization is achieved through division of work. This all leads to effective and efficient administration.
6. **Growth and diversification:** Organizing helps in determining the effective and efficient framework, which facilitates coordination between authority and responsibility and concentrating on specialization. This enables the organization in capacity building and increases their level of activities.
7. **Scope of new changes:** As the role of each individuals and groups are clear, along with their authority and responsibility, they can take decisions independently to adopt in changing environment. This may bring new changes into the running of an organization.

Principles of Organizing

Organizing is one of the major functions of management. It is performed by all managers and it is a continuous process. The principle of organizing has to do with the grouping of organizational activities into various units and dividing responsibility and authority accordingly. Some of the widely practiced principles are as follows:

1. **Objective:** An objective is an end or goal to be achieved. The goals and objectives must be clearly defined for the entire organization for each department and even for each position in the

organization structure. Once the objectives have been clearly defined, organizing function become easier.

2. **Specialization or division of Labor:** The concept of division of work is based on the principle of specialization and efficiency. Specialization helps to break down overall task of organization and divide it into the smaller component parts. Greater output can be obtained when each person concentrates on doing the thing for which he/she is best qualified.
3. **Span of control:** Span of control represents a numerical limit of subordinates to be supervised or controlled by a manager. It is believed that organizational efficiency is increased by limiting the span of control at any point in the hierarchy to a small number.
4. **Scalar Chain:** The chain of supervisors ranging from the top management to the lowest rank managers should be clearly defined. The chain of command should be short and clear which makes decision making and communication more effective.
5. **Unity of Command:** In organizing activities, it is better when an employee receives orders from only one supervisor. Direction from several superiors may result in confusion, chaos, conflict and indiscipline.
6. **Delegation of authority:** Proper authority should be delegated at all level of management. The authority delegated should be equal to responsibility so as to enable each manager to accomplish the task assigned to him/her.
7. **Responsibility:** Once authority is given, managers have to be responsible for their actions. They are also responsible for the action of their subordinates.
8. **Efficiency:** The organization structure should enable to function efficiently and accomplish organizational goals/ objectives with the lowest possible cost. Hence it should ensure optimum utilization of all resources.
9. **Simplicity:** The organization should be kept as simple as possible. A complex organization means difficulty of communication and coordination.
10. **Flexibility:** Since, external environment always changes, it is necessary to cope up with the changing environment. Organizational structure should be flexible enough to cope up with the changes in the external environment.
11. **Balance:** There should be a reasonable balance in the size of various departments and between centralization and decentralization. Imbalances create problem to achieve its goals for an organization in an effective and efficient way.
12. **Unity of Direction:** There should be one objective and one plan for a group of activities having the same objective. A boss with many objectives will create chaos. Thus unity of direction facilitates verification and coordination of activities.
13. **Staffing:** Staffing principle focuses on employing, rewarding and developing people in the organization to motivate them in order to work in the direction to achieve organizational goals.

Approaches to Organizing

The Approaches to organizing have considerable influence on organizing thought and practice. Some of these approaches are as follows:

1. Classical Approach:

F.W. Taylor, Henry Fayol, and Max Weber, were major contributors to the classic approach to organizational design. Though, their prescriptions and approaches to organizing are different, they all advocate "universal principles" of organizing. They attempt to specify the "one best way" to organizing.

F.W. Taylor believed that the key to organizing is to scientifically design the job. Taylor's ideas on organizing are as follows:

- a. Scientific approach to work by determining optimal workload laid by breaking down the job into smaller components.

- b. Incentive for reward by designing incentive system in which the workers receive more pay for more output.
- c. Separation of planning from performance by dividing work between management and workers. Management should undertake planning, standard setting, and supervising activities. Workers, on the other-hand, should concentrate on physical and operational aspects of the jobs.

Max Weber is remembered for his work on bureaucracy. The bureaucratic organization has to the following components.

- a. Hierarchy: Jobs are highly specialized and arranged in a hierarchy.
- b. Rules and regulations: All tasks are performed according to predetermined rules and procedures.
- c. Authority levels: Each job has some jurisdiction. Employees exercise authority in performing their jobs.
- d. Impersonality: Impersonality in performing the task is extremely important. The supervisors must maintain social distance from subordinates.
- e. Technical qualification and career orientation: Employment and promotion are based on technical qualification and achievement. Therefore, seniority is the main factor in promotion.

Similarly, Henry Fayol main principles of organizing are:

- a. Unity of command
- b. Scalar chain
- c. Authority and responsibility
- d. Unity of Direction

His assumptions were that, good management is able to motivate workers to perform according to management guidelines and expectation. If worker fail to produce the fault lies with management. Thus, he developed fourteen principles to make manger aware of their responsibilities and better at executing them.

2. Behavioral Approach:

Behavioral approach to organizing focuses on employee behavior. It points out the people deserve to be the central focus of any organized activity. This approach believes that successful management depends largely on manager's ability to understand and work with people, who have a variety of backgrounds, needs, perceptions, and aspirations. Thus, while scientific management concentrated on physical aspects of the job, behavioral approach concentrated on the social aspects of the job.

The following persons are the major contributors in the development of behavioral approach:

- a. Elton Mayo's human relations approach highlighted the "people side" of an organization .His studies found that the social context of work, including group norms and interpersonal relation is very important for organizing work activities.
- b. Douglas McGregor's Theory X and Theory Y reflect two extreme beliefs sets that, different managers have about their workers.
- c. The researchers at the Tavistock Institute of Technology in England developed the socio-technical systems approach. Similarly, John Woodward developed the task-technology approach. These approaches explain the consequences of different types of technical and organizational forms for job satisfaction and workgroup behavior. These approaches integrate the two important sub-systems the technical (task) subsystem and the social subsystem.
- d. Chris Argyris propose the Personality and Organization Theory. He argued that each individual has some potential, which can be realized give the right environment. He suggested that to

achieve a balance between structures and people's needs, there should be flexible roles, open communication, and reliance on self-direction.

- e. David McClelland, Fred Fiedler, and Frederic Herzberg provided managers with still greater insights into employee behavior through their motivation and leadership theories.

The behavioral approach has thus, contribute a wealth of important ideas on people-management aspect of an organization. This approach makes it clear that people are the key to organizing and productivity.

3. Systems and Contingency Approaches

Systems and contingency approaches have some common viewpoints on organizing. Both the approaches are concerned with the interrelationships among organizational elements and between organization and the environmental element. The systems approach is valuable to managers as it helps them to conceptualize the flow and interaction of various elements of the organization.

The contingency approach to organizing is logical. Organizations obviously differ in size, objective, and environmental uncertainty. Similarly, employees of these organizations differ in values, attitudes, needs, and experiences. So it is not wise to talk about universally applicable approaches that work in all situations. The Following variables are mainly considered by the contingency approach.

- a. **Technology:** Technology is important to all types of organizations. It is a means by which raw material are transferred into outputs. Selection of technology and its best use are the deciding factors for effectiveness.
- b. **Environment:** Environment has influence on organization's structure and performance. In fact, environmental factors determine the structure.
- c. **Size:** Size affects organizational designs in very complex ways. Large organizations have complex structures. The smaller ones have more flexible structures.
- d. **Strategic Choice:** Strategy is the determinant of structure. Structures are needed to implement the strategy. Management should decide what the organization is to do before deciding on the structure.

Process of Structuring and Organizations

Organization structure is defined as a framework of task and authority relationships. In other words, it is a system of tasks, reporting, and authority relationships within which the organization does its work. The processes of structuring an organization are as follows:

- a. **Study of Jobs:** The first step in the process of organizing structure involves study of jobs and elements to perform activities.
- b. **Grouping of Jobs (Departmentalization):** Once a number of jobs are identified, it is necessary to group them according to the functional requirement. Some jobs may belong to production department, while the others may belong to marketing department. Thus, grouping of jobs can be made on functional, process or product basis.
- c. **Division of Labor:** Once jobs are grouped, they are performed with the help of labor. The division of labor helps to maximize outputs and machines. In the process of division of labor, large tasks are divided into smaller packages and assigned to labor according to their skill and training.
- d. **Deciding on organization design:** Organizations follow different structures. Some organizations follow a mechanic design whereas others follow a organic design. A mechanically designed organization will be more rigid, hierarchic and rely on rules and regulation. On the contrary, an organic organizational structure is highly adaptive, flexible, and participative in nature. What type of design is selected also depends on contingency factors such as size, technology and degree of environmental uncertainty.

- e. Coordination of activities: Although activities are grouped and work is divided accordingly, it is essential to establish coordination of these activities. The role of a leader or supervisor is vital to coordinate activities. Both inter and intra departmental coordination is essential for the completion of given tasks and finally to achieve organizational activities.

Departmentalization-Meaning

{Divide (an organization or its work) into departments }

Departmentalization is the process by which jobs are grouped and allocated in different departments to different groups according to the need of the organization. In this process jobs are grouped according to some logical arrangement on the basis of functions, products or geographical requirements.

According to S. A. Shrekar, "Departmentalization is the process of analyzing, dividing and arranging work or activities into manageable portion for individuals, section and departments."

The importance of departmentalization can be explained from the following points:

1. It provides the advantages of specialization of work.
2. It helps in fixing the responsibility and consequently (as a result) accountability for the results.
3. It facilitates the development of managers.
4. Managerial performance of the managers can be appraised more objectively through departmentalization.
5. It gives the feeling of autonomy which provides the satisfaction and motivation leading to higher efficiency of operations.
6. It facilitates (make easy) administrative and financial control.

Method of Departmentalization

Departmentalization is required in organizations employing a large number of employees. There are several bases for departmentalization each of which is suitable for particular corporate -size, strategies and purposes. They are as follows:

1. Departmentalization by Function: A function is a group of people, working together, who possess similar skills or use the same kind of knowledge, tools, or techniques, to perform their jobs. Employees who perform similar kinds of work are grouped together into one function unit is called department. In the functional organization jobs are specialized and grouped according to the business functions like production, marketing, finance, personnel, accounting etc.

Advantages:

- It encourages professional identity and clarifies career paths among managers. Since, managers work in special division, they develop specific expertise by specializing in the activities of the departments.
- In this structure, there is possibility of direct supervision. Since managers are experts in functional areas, employees approach them with common problems and issues.
- Under the structure, it is easy to develop a pool qualified managers to take future responsibility.
- The chief executive will remain familiar and in direct and frequent contact with functional managers to deal with different issues and problems.

Disadvantages:

- Since all employees focus on a single unit's goal, they may be less concerned about the organizational goals. In other words, different units work less on common goals that is more important than their conflicting departmental or individual goals.
- Divisional managers are more concerned with their routine activities rather than total issues of the firm.

2. **Departmentalization by Product:** These types of departmentalization are eminently (to a notable degree: very) suited to large enterprise manufacturing a variety of products. Under this method products or product lines form the basis of departmentalization. All functions relating to one product or product line are brought together under one department or division. Each division looks after the production, marketing, finance and personnel functions of one product. These types of departmentalization are suitable for organizations having diversified and large product line or service. It is also suitable when the product lines differ greatly with respect to marketing expertise, production technology and customers.

Advantages:

- It would be easy to group all jobs for a product that facilitate coordination and integration within a product department.
- Managers of concerned product department can make prompt decision.
- Divisional performance can be controlled and evaluated without much difficulty.
- Healthy competition among the division of resources can enhance effectiveness.

Disadvantages:

- People working in one department care only one product and regard less about problems of rest of the organization.
 - One department specialist concentrates only on in his or her department, but not in other departments even if s/he knows the problems of other departments.
 - When organization employs different specialists in different departments, the operation costs will rise.
 - Because of too many divisions, such structure may create complexity.
3. **Departmentalization by Customer/Client:** Under this structure, work activities are organized around specific customers. The main focus of this form of departmentalization is to serve different types of clients or customers effectively. Therefore, emphasis is given to customers' types and needs. E.g. a commercial bank may divide its loan department into a number of sections each specializing in loans to traders, industrialists, agriculturist etc.

Advantages:

- Mainly concentrates on business areas such as product or services or clients.
- This structure is a building block structure, because it accommodates growth relatively easily. Related products or clients can be added without additional need for learning.
- Easy to measure performance of staff on the basis of product or client.
- It helps managers to concentrate on different strategies to expand its customers.
- Since all functions relating to specific client or customer should be made by a single department it encourages general management development for managing concerned client.

Disadvantages:

- The main problem with this structure is that it duplicates and under uses resources. Under this type of structure the divisional specialists relating to sales, manufacturing and distributing are spread throughout the various units.
 - It tends to reduce cooperation across groups. Because specialists are organized just to maximize their benefits, there will be problem in acquiring resources among different managers in a multidivisional structure.
 - With this structure, there will be too many divisions and therefore, complexity will rise. With the rise in the number of departments chances of cooperation will be low.
4. Departmentalization by Territory: Departmentalization can also be done on the basis of territory or geographic locations. It is useful to a large scale enterprise whose activities are widely geographically dispersed. Banks, insurance companies, etc. generally adopt this type of Departmentalization. Under this type of departmentalization activities are grouped into regions, zones, branches etc.

Advantages:

- This structure facilitates to serve unique customers and is locally responsive.
- In-depth knowledge of specific region/country.
- Increases accountability by region.
- Facilitates regional integration, unification and coordination of activities.

Disadvantages:

- Often difficult for cross-regional coordination.
 - Duplication of resources and functions across region.
 - Since operation is located in different parts of the world, operation cost will be high for staffing.
5. Departmentation by process: This method of Departmentation is implemented in such organization, where production activities need some distinct processes. Specially, this method is used in large scale manufacturing concern such as textiles, cements, chemicals, medicines etc.

Advantages:

- Authorities, duties and responsibilities are clearly defined.
- Efficiency and effectiveness can be achieved in resource use.
- Able to adapt in dynamic environment.

Disadvantages:

- Mostly suitable for manufacturing organization.
 - Duplication of effort leads to inefficiency and high cost
 - There is lack of coordination among processes.
6. Departmentation by Time: Departmentation can also be done on the basis of time. For the organization having the nature of providing 24 hours services, it becomes suitable to establish different departments on the basis of time. Generally, hospitals, hotels, telecommunication, electricity and other public utility companies which work around the clock are made departments on the basis of time, such as day ,evening and night shift.

Advantages:

- Optimum utilization of available resources becomes possible.
- Those employees who cannot work in day time can get opportunity to work in evening or night time and vice-versa.
- Because of its flexibility, it can respond easily to environment.

Disadvantages:

- Large volumes of activities are needed.
- Complexity may arise in determining the work schedule for workers, because most of the workers prefer to work in day time rather than other shifts. This also leads to de-motivation towards work.
- Since, payment for overtime services is needed, cost of production increase.
- Lack of coordination among departments.

Concepts of Authority, Responsibility and Accountability

Authority: Authority is the right to give order and the power to exact obedience. (Henri Fayol)

Similarly, Authority is the right to act or command others to act towards the attainment of organizational goals. (S.P. Robbins)

Features:

1. It is the right to give orders and make decision.
2. It is provided by position by organization.
3. It flows from top to bottom.
4. It can be delegated to subordinates.

Responsibility: It is an obligation of individual to perform assigned duties to the best of his ability under the direction of his executive leaders. (Davis)

Features:

1. It is obligation to perform assigned jobs.
2. It arises from delegation of authority.
3. It flows upward.
4. Responsibility should equals authority.
5. Responsibility cannot be delegated.

Accountability: It is the obligation of an individual to report formally to his superior about the work he has to done to discharge the responsibility. (Mc. Farland)

It is the obligation to carry out responsibility and exercise authority in terms of performance standards established. (L Allen)

Features:

1. It is answerability for satisfactory performance of assigned jobs.
2. It arises both from authority and responsibility.
3. It flows upward.
4. It cannot be delegated.

Delegation of Authority

(Responsibility-Obligation, Authority-Power, Accountability-answerable)

Delegation of authority is one vital organization process. It is inevitable along with the expansion and growth of the business organization. Delegation means assigning of duty or task with necessary authority by superior to subordinates.

In other words, Delegation is the transfer of authority to subordinates to enable them to make decisions and use resources.

According to Griffin.” Delegation is the process by which a manager assigns a portion of his or her total work load to others”

Features of Delegation of Authority:

1. Assigning responsibility: It creates obligation on the part of the receiver to perform the assigned duty.
2. Granting authority: It grants sufficient authority to accomplish the giver assignment.
3. Creation of accountability: Accountability is a system making people answerable towards those who delegate them authority in the management hierarchy. Thus, delegation of authority creates the accountability towards the superior.

Advantages of Delegation of Authority:

1. It provides managers the opportunity to seek and accept increased responsibility from higher-level management.
2. It reduces the workload to top management. It can concentrate on important and strategic issues.
3. It causes employees to accept accountability and exercise judgment.
4. It leads to better decisions, because the decision maker is close to place of action and has a clearer view of facts.
5. It is an important method of developing managers and staffs in decision making. This also creates in them a sense of accountability.

Principles of Delegation of Authority

1. Parity of Authority and Responsibility: There must be balance between authority delegated and responsibility created. Since responsibility without authority makes managers ineffective and authority without responsibility makes managers irresponsible in their acts.
2. Unity of command: There must be one boss for one sub-ordinate.
3. Scalar Chain: Authority should be delegated from top to bottom.
4. Result oriented: Authority should be delegated to accomplish expected goals.
5. Absolute Responsibility: Responsibility cannot be delegated. Superior from whom the authority is delegated is also responsible for the act of the subordinates to whom the authority is delegated.
6. Management by exception: Except the major or exceptional matters, all the decision making under the converge of authority should be taken by the subordinates to whom the authority is delegated.
7. Acceptance: Subordinates should show willingness to accept authority and consider one-self responsible and accountable for it.

Barriers of Delegation of Authority:

1. Employees may try to avoid or not to accept additional responsibilities.
2. The delegation process is hindered because some managers lack confidence and trust in lower-level employees.

3. The fear of competition from lower level is also a barrier to effective delegation. Some managers fear that their subordinates do better job than what they do.
4. Employees may be reluctant (unwilling) to accept additional responsibility, as there are no extra monetary gains for such additional work.

Centralization

When top-management retains power and authority without delegating to the subordinates in planning and decision making matters, it is called centralization.

According to Griffen: "centralization is the process of systematically retaining power in the hands of higher level managers."

Advantages of Centralization:

Terry and Franklin (2005) mention the following advantages of centralized structure:

1. Chief executives enjoy power and prestige.
2. Uniformity of policies, practices and decisions are fostered.
3. Duplication of functions is minimized.
4. A strong coordinated team of top management is developed.
5. Full utilization of the main office facilities is realized.

Disadvantages of Centralization:

1. Work load to the top management.
2. Rising inequality in the distribution of authority.
3. Less opportunity for development for middle and lower level managers.
4. Close supervision de-motivate educated and trained managers.

Decentralization

It means the decentralization of power of decision making to the level where the work is to be performed. In other words, It is the systematic distribution of authority to the lowest levels of the organization.

According to Koontz and Weihrich: "Decentralization a the tendency to disperse decision-making authority in an organized structure"

Advantages of Decentralization:

1. Encourage other managers to make decision and take authority and responsibility.
2. Motivates employees at work.
3. Develops skills of managers and ensures their growth.
4. Coordination of activities can be increased.
5. Facilitates product diversification.

Disadvantages of decentralization:

1. Difficult to have uniform policy and procedures.
2. Loss of power in certain cases by the top management
3. Chances of misuse when managers are not skilled and qualified.
4. Increase cost in training and development of new managers.
5. Not Practical without proper mechanisms of planning and controlling.

Reasons for decentralization

1. To delegate power and authority.
2. To deal with environmental complexity and uncertainty.
3. To encourages participation.
4. To attract qualified people in organization.

Difference between Delegation and Decentralization.

Basis	Delegation	Decentralization
Meaning	Managers delegate some of their function and authority to their subordinates.	Right to take decisions is shared by top management and other level of management.
Scope	Scope of delegation is limited as superior delegates the powers to the subordinates on individual bases.	Scope is wide as the decision making is shared by the subordinates also.
Responsibility	Responsibility remains of the managers and cannot be delegated	Responsibility is also delegated to subordinates.
Freedom of Work	Freedom is not given to the subordinates as they have to work as per the instructions of their superiors.	Freedom to work can be maintained by subordinates as they are free to take decision and to implement it.
Nature	It is a routine function	It is an important decision of an enterprise.
Need on purpose	Delegation is important in all concerns whether big or small. No enterprises can work without	Decentralization becomes more important in large concerns and it depends upon the decision made by the enterprise, it is not

	delegation.	compulsory.
Grant of Authority	The authority is granted by one individual to another.	It is a systematic act which takes place at all levels and at all functions in a concern.
Grant of Responsibility	Responsibility cannot be delegated	Authority with responsibility is delegated to subordinates.
Degree	Degree of delegation varies from concern to concern and department to department.	Decentralization is total by nature. It spreads throughout the organization i.e. at all levels and all functions
Process	Delegation is a process which explains superior subordinates relationship	It is an outcome which explains relationship between top management and all other departments.
Essentiality	Delegation is essential of all kinds of concerns	Decentralization is a decisions function by nature.
Significance	Delegation is essential for creating the organization	Decentralization is an optional policy at the discretion of top management.
Withdrawal	Delegated authority can be taken back.	It is considered as a general policy of top management and is applicable to all departments.
Freedom of Action	Very little freedom to the subordinates	Considerable freedom

Decentralization can be called as extension of delegation. When delegation of authority is done to the fullest possible extent, it gives use to decentralization.

Coordination of activities

Coordination is the process of integration of work of different departments of the organization to accomplish goals.

According to Griffin:” coordination is the process of linking activities of the various departments of the organizations”

Purpose of coordination: Coordination is very important for effective management in an organization. The main reasons for coordination are:

1. To increase efficiency and effectiveness.
2. To improve human relation.
3. To implement organizational planning.
4. To facilitate and enhance team building.

Forms of Organization Structure:

Organizational structure refers to the hierarchical arrangement of various position in an organisation. It is a basic framework within which the decision making behavior of an executive takes place. Thus, a structure reflects each organization's specific situation.

The forms of organization structure are as follows:

- I. **Line Structure:** It is the oldest and simple form of organization structure. It is also known as scalar or military type of structure. In this structure authority is passed down from top management to middle managers in the process for discharging the given responsibility and from them it goes down to supervisors and then workers. In this structure each person has one superior to whom he/she reports and looks for instructions. Thus, a single specific chain of command exists.

Advantages:

1. It is Simple and Clear structure.
2. Quick decision making can be ascertained on this structure.
3. Good coordination.(It has effective communication and feedback system)
4. It ensures Unified control and discipline.
5. This structure is less costly and thus helps in maintaining efficiency.
6. It is flexible and can easily cope with changing environment.

Disadvantages:

1. Lack of specialization.
2. Only useful in small organization and big organization where strong discipline need to be maintained.
3. Centralization of authority at the top level may lead to autocratic behavior.
4. Chances of nepotism and favoritism

5. Key managers suffer from Work Load
 6. One way communication.
 7. Since line managers are busy on conducting operational activities which limits the scope of specialization.
- II. Line and Staff Structure: Line and Staff structure comprises a combination of both line employees (actual managers who are directly responsible for the performance and people) and staff employees (who are functional experts and advises to line staff). In the line and staff structure, these experts help line managers by providing their functional expertise.

Advantages:

1. Use of experts facilitates decision making and specialization.
2. Fewer burden to line managers.
3. Improvement in operational efficiency.

Disadvantages:

1. Chances of Conflict.
2. Increases cost.
3. Difficulty in adopting creative ideas.
4. Heavy inclination on staff specialist may decrease the effectiveness of line managers.

- III. Committee Structure: A committee organization refers to the structure where authority and responsibility are jointly held by a group of individual rather than by single managers.

-Almost all big organization has committee structure.

-Formed for better communication and coordination.

Advantages:

1. People accept group decision.
2. Motivation and commitment.
3. Participatory in nature.(autonomy to participate)
4. Dealing with complex problems.

Disadvantages:

1. Slower in making decision.
 2. Expensive
 3. Difficult in maintaining secrecy.
 4. High risk of one man show.(domination of aggressive person)
- IV. Functional Structure: FW Taylor originally developed the concept of functional structure. Under this structure, the entire work of the organization is divided into major functions. Every function is placed under the charge of a specialist and the subordinates are accountable to different functional specialist for the performance of different function.

Advantages:

1. The Use of specialist Skill facilitates work specialization.
2. Specialist managers increase efficiency by controlling wastage and uniform decisions.
3. Work is divided on the basis of functional specialization, which reduces the overburden of work to managers.
4. Training and development opportunities become available for the employees.
5. Command authority can be ascertained by the specialist.

Disadvantages:

1. Due to lack of clearly defined authority conflict may appear between foreman and superior.
 2. It lacks unity of command. One worker has to obey orders of several bosses and has to be responsible to all.
 3. Delay in decision making.
 4. There is no provision of formal relationship among the functional specialist which may lack mutual coordination among them.
- V. Matrix Structure: Matrix organization is also called project organization, grid organization or multiple command system. In this structure, functional and departmental forms overlap. Matrix design features a multiple command structure in which one individual may have any number of superior including one functional and one or more project managers.
- essential for :- rapid change in environment, face uncertainties
 - high information-processing requirement.
 - financial and HR constraints.
- Advantages:
1. Efficient use of resources.
 2. Flexibility
 3. Improve in decision quality.
 4. Opportunities for personal development.

Disadvantages:

1. Delay in decision making.
2. Power struggle.
3. Lack of accountability.
4. Lack of commitment.

Emerging concept of Organizing:

1. Team Structure: Team is considered today as the most effective means to organize work activities. Team members are allowed to make decision on selection of inputs, scheduling and allocating tasks among members training and development, performance evaluation and controlling. The team based environment enhances performance reduces stress and promotes the climate of creativity and innovation in the organization.
2. Virtual Organization: this is also called network organization where organization creates a network of relationship that allows them to contract out almost all managerial function-distribution, marketing, account keeping, staff management and other function. If management feels that outside can undertake these function in a better and cheaper ways, such function are outsourced. Since, most of the functions are outsourced and very little function is performed, so it is called virtual organization.
3. Boundary less organization: Boundary less organization are composed of people who are linked by computers, faxes, computer aided design systems and video teleconferencing. They rarely see one another face-to-face. People are utilized when their services are needed, but they are not formal members of organization. They are functional experts who forms and alliance within an organization, to fulfill their contractual obligation.
4. Learning Organization: Learning Organization refers to those organizations which have developed the capacity to continuously learn, adapt and change. A learning organization

accumulates knowledge from the past experience, learning across parts of the company and learning from other companies .It creates an environment to unlock the knowledge of people working in the organization. People are encouraged to share information and knowledge so that they can easily contribute to a changed goal in learning organization.

Staffing Function

Staffing function is assumed great importance in recent years due to increase in the size of the organization, rapid advancement of technology and the complex behavior of human beings.

Staffing one of the managerial functions which is concerned with assessment of the manpower requirement: recruitment, selection and placement of personnel, training and development of personnel, and periodic appraisal of the performance of the personnel. It deals with planning and managing manpower resources.

In other words, staffing in the process of obtaining, managing and maintaining a work force capable of full-filling the goals of the organization.

Components of Staffing Function:

1. Job analysis: it involves the collection of job related information to prepare job description and job specification. Job description includes detail information about what a person has to do while being in specific job. Job Specification indicates the qualification, training work experience and other personnel requirement to perform a particular job.
2. Human resource planning: It involves an estimation of demand and supply of manpower to fulfill current and future HR requirement of the organization.
3. Recruitment and Selection: Recruitment is the process of making a pool of qualified candidates. It starts with the invitation of application and ends with the development of a list of qualified candidates. Selection involves the process of reviewing application blanks, organizing interviews and test and informing candidates.
4. Training and Development: Training and development is required to develop the skill and ability to motivate employees to work. Depending on the training needs, of the employees on the job(inside the organization) and off the job (outside the organization) training in organized.
5. Performance Appraisal: It is a process of evaluation employees' performance related strength and weaknesses. Performance is measured against criteria set previously. The result of evaluation is used for determining training needs, making promotion decision and providing reward based on the employees' performance.
6. Compensation and Benefits: Compensation is for rewarding people through pay, incentives and benefits for the work done. Compensation and benefits are great source of motivating employees, so the packages must be adequate, equitable and acceptable to the employees.
7. Health and Safety,
8. Employee relation.

Human Resource Management System:

Input	Process	Output
<ul style="list-style-type: none"> • Knowledge & Skill • Experience • Business Strategy • Technology • Rules & Regulation 	<ul style="list-style-type: none"> • Acquisition • Development • Motivation • Maintenance 	<ul style="list-style-type: none"> • Commitment • Competencies • Congruence • Efficiency

Importance of Staffing Function:

1. It ensures the proper management of human resource in the organization (right people in right place at right time)
2. Staffing ensures the recruitment and selection of the right type of people.(attract right people (qualified people) for vacancies)
3. It provides planning for effective utilization of efforts and potentialities of individuals and groups.
4. It organizes a proper division of tasks of an organization in accordance with a sound plan into function and position.
5. It provides services to the entire organization.
6. It ensures social justice by uniform application of the rules and regulation.
7. It maintains friendly job relationship by providing opportunities for self development through training and promotion program.
8. It ensures fair term of work and pleasant work environment.

Objectives of Staffing function:

1. To select the right kind of people to undertake various kind of jobs.
2. To achieve an effective utilization of human resources.
3. To establish and maintain an adequate organizational structure.
4. To secure the coordination and integration of the individual and groups.
5. To generate maximum development of individual and groups.
6. To recognize and satisfy individual needs and groups goals.
7. To maintain high morale and better human relation.

