

- Organising: Concept, Importance and Process
- Organisational Structure
- Delegation and Decentralisation

Organising: Concept, Importance and Process

Concept Explanation: Organising is a fundamental management function that involves coordinating human efforts, assembling resources, and integrating both into a unified whole to achieve specified objectives. It initiates the implementation of plans by clarifying jobs, defining working relationships, and effectively deploying resources to attain desired results.

Key Definitions / Features:

- **Organising:** The process of arranging resources and activities systematically to achieve organizational goals.
- **Steps in the Process of Organising:**
 - **Identification and division of work:** Breaking down total work into various activities.
 - **Departmentalisation:** Grouping similar activities into departments.
 - **Assignment of duties:** Defining responsibilities for each individual or post.
 - **Establishing reporting relationships:** Clarifying who reports to whom to ensure coordination.
- **Importance of Organising:**
 - Benefits of specialisation: Repetitive tasks lead to expertise.
 - Clarity in working relationships: Clear communication and authority lines.
 - Optimum utilisation of resources: Efficient use of material, financial, and human resources.
 - Adaptation to changes: Flexibility to accommodate environmental changes.
 - Expansion and growth: Supports diversification and new challenges.

- Development of personnel: Encourages creativity and skill development.
- Effective administration: Facilitates smooth execution of work.

Illustrative Example: Twelve students working in a school library during summer vacations are assigned tasks such as unloading shipments, stocking shelves, and disposing waste. Without organising, confusion arises. With organising, tasks are divided, groups formed, duties assigned, and reporting relationships established, resulting in efficient completion.

Practice Set:

- *Level 1 – Easy:* Define organising and list its steps.
- *Level 2 – Moderate:* Explain the importance of organising with examples.
- *Level 3 – Challenging:* Discuss how organising helps in adapting to changes in a business environment.

Answer Key:

- Organising is the process of arranging resources and activities to achieve goals.
- Steps include identification and division of work, departmentalisation, assignment of duties, and establishing reporting relationships.
- Importance includes specialisation, clarity, resource utilisation, adaptation, growth, personnel development, and effective administration.
- Organising allows businesses to respond flexibly to environmental changes by restructuring and reallocating resources.

Quick Reference: Organising = Division of work + Departmentalisation + Assignment + Reporting relationships.

Glossary:

- **Specialisation:** Becoming an expert in a particular task.
- **Departmentalisation:** Grouping similar activities into departments.

- **Reporting Relationship:** The line of authority and communication.

Organisational Structure

Concept Explanation: Organisational structure provides a framework that enables an enterprise to function as an integrated unit by regulating and coordinating responsibilities of individuals and departments. It defines authority, responsibility, and communication channels.

Key Definitions / Features:

- **Functional Structure:** Groups activities by function (e.g., marketing, finance). Suitable for large organisations producing a single product line or requiring high functional specialisation.
- **Advantages of Functional Structure:** Occupational specialisation, better control, increased efficiency, economies of scale, easier training, focused attention on functions.
- **Disadvantages of Functional Structure:** Poor inter-departmental coordination, conflicts, inflexibility.
- **Divisional Structure:** Organises separate business units or divisions based on product, service, or geography.
- **Advantages of Divisional Structure:** Product specialisation, clear responsibility, flexibility, faster decision-making, supports growth.
- **Disadvantages of Divisional Structure:** Conflicts over resources, duplication of work, neglect of organisational interests.
- **Formal Organisation:** Deliberately designed structure by management with defined roles and relationships to achieve objectives.
- **Informal Organisation:** Natural social groups and relationships among employees that arise spontaneously within the formal organisation.

Illustrative Example: Smita's travel agency assigns specific responsibilities to employees for reservations, accommodation, and online queries, establishing clear authority and reporting lines.

Practice Set:

- *Level 1 – Easy:* Define functional and divisional structures.
- *Level 2 – Moderate:* List advantages and disadvantages of functional structure.
- *Level 3 – Challenging:* Compare formal and informal organisations with examples.

Answer Key:

- Functional structure groups activities by function; divisional groups by product or region.
- Functional advantages: specialisation, control, efficiency; disadvantages: conflicts, inflexibility.
- Formal organisation is planned and structured; informal arises naturally and supports social needs.

Quick Reference: Organisational structure = Functional or Divisional + Formal or Informal organisation.

Glossary:

- **Span of Management:** Number of subordinates a manager can effectively supervise.
- **Formal Organisation:** Officially designed structure of roles and relationships.
- **Informal Organisation:** Social relationships and networks among employees.

Delegation and Decentralisation

Concept Explanation: Delegation is the process by which a manager assigns responsibility and authority to subordinates to perform specific activities. Decentralisation refers to the systematic delegation of decision-making authority throughout all levels of management.

Key Definitions / Features:

- **Delegation of Authority:** Division of labour and decision-making responsibility to a subordinate.
- **Elements of Delegation:**
 - **Authority:** Right to command and make decisions.
 - **Responsibility:** Obligation to perform assigned duties.
 - **Accountability:** Being answerable for outcomes.
- **Importance of Delegation:** Effective management, employee development, motivation, facilitation of growth, basis of hierarchy, better coordination.
- **Decentralisation:** Distribution of decision-making authority to lower levels.
- **Centralisation:** Retention of decision-making authority at top levels.
- **Importance of Decentralisation:** Develops initiative, managerial talent, quick decisions, relieves top management, facilitates growth, better control.

Illustrative Example: A manager delegates authority to subordinates to handle specific tasks, empowering them and improving efficiency. Decentralisation allows departments to make decisions independently, speeding up processes and encouraging innovation.

Practice Set:

- *Level 1 – Easy:* Define delegation and list its elements.
- *Level 2 – Moderate:* Explain the importance of decentralisation.
- *Level 3 – Challenging:* Differentiate between delegation and decentralisation with examples.

Answer Key:

- Delegation involves authority, responsibility, and accountability.
- Decentralisation promotes initiative, faster decisions, and managerial development.
- Delegation is a one-to-one transfer of authority; decentralisation is a systematic spread across levels.

Quick Reference: Delegation = Authority + Responsibility + Accountability; Decentralisation = Distribution of decision-making.

Glossary:

- **Authority:** Right to make decisions and command.
- **Responsibility:** Duty to perform assigned tasks.
- **Accountability:** Obligation to report and justify outcomes.
- **Centralisation:** Concentration of decision-making at top levels.
- **Decentralisation:** Delegation of authority to lower levels.

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