(TOPIC 1)

Organizing is the function of management which follows planning. It is a function in which the synchronization and combination of human, physical and financial resources takes place. All the three resources are important to get results. Therefore, organizational function helps in achievement of results which in fact is important for the functioning of a concern. According to *Chester Barnard*, "Organizing is a function by which the concern is able to define the role positions, the jobs related and the co-ordination between authority and responsibility. Hence, a manager always has to organize in order to get results.

A manager performs organizing function with the help of following steps:-

1. **Identification of activities** - All the activities which have to be performed in a concern have to be identified first. For example, preparation of accounts, making sales, record keeping, quality control, inventory control, etc. All these activities have to be grouped and classified into units.
2. **Departmentally organizing the activities** - In this step, the manager tries to combine and group similar and related activities into units or departments. This organization of dividing the whole concern into independent units and departments is called departmentation.
3. **Classifying the authority** - Once the departments are made, the manager likes to classify the powers and its extent to the managers. This activity of giving a rank in order to the managerial positions is called hierarchy. The top management is into formulation of policies, the middle level management into departmental supervision and lower level management into supervision of foremen. The clarification of authority helps in bringing efficiency in the running of a concern. This helps in achieving efficiency in the running of a concern. This helps in avoiding wastage of time, money, effort, in avoidance of duplication or overlapping of efforts and this helps in bringing smoothness in a concern's working.
4. **Co-ordination between authority and responsibility** - Relationships are established among various groups to enable smooth interaction toward the achievement of the organizational goal. Each individual is made aware of his authority and he/she knows whom they have to take orders from and to whom they are accountable and to whom they have to report. A clear organizational structure is drawn and all the employees are made aware of it.

(TOPIC 2)

Elements of organizing:- followings are the elements of organizing

1. Division of work
2. Departmentalization
3. Distribution of authority
4. Coordination
5. Organization structure and design

1 Division of work

The principle of **'Division of Work'** means to divide a given activity or work into small pieces or parts so that each part is handled with great ease and efficiency.

This principle states that every work should be divided into the smallest possible part and each such part is to be performed by an individual person (laborer). Instead of assigning the whole work to an individual, it's better to assign one task to one person. Before assigning the task to anyone it must be assured that he posses the required knowledge, skill, capability and will to perform the task effectively and efficiently. If the same task is performed by a person again and again he gains specialization in that task and can perform with greater ease and minimizes wastage of resources and time.

Fayol has emphasized on this issue because specialization and minimization of wastage is a key to success for each and every organization. He was of the view that every work should be divided into the smallest possible part and then is to be assigned to an individual to gain success and specialization. This principle also guarantees specialization, efficiency and maximum production with minimum time and least efforts.

Positive impacts of this principle:
- Specialization,
- Minimization of wastage,
- Improved efficiency.

Consequences of violation of this principle:
- Overburden on a single employee,
- Conflicting situations,
- Wastage of time and resources,
- Chaos and confusion.

Fayol's Principle of Division of Work - Meaning, Example, Explanation

1. Division of something (e.g. an object, a process, work, etc.) means to divide, chop or break it up into smaller parts to facilitate a better understanding, easier handling and operation, and focused observation on a fixed set of goals. It is a way to separate things apart based on some established criteria like quality, quantity, nature of work, so on. It untangles, simplifies, and narrows down various complexities that were involved prior separation. It helps to ease and enhance the efficiency of managing a giant complex task through smaller chunks that are easy to handle.

2. Work is any assigned job, task, duty, goal or an objective one is supposed to accomplish (achieve) before the deadline (on-time) and as expected at the expense of one's mental and physical labour to earn the desired reward (usually monetary but not always) in return.

With this understanding, let's grasp the meaning of division of work:

Division of Work means to divide or break up a single complicated job into different smaller specialised tasks.

Here, each of these smaller tasks is handled separately probably by an expert or a team working under his command.
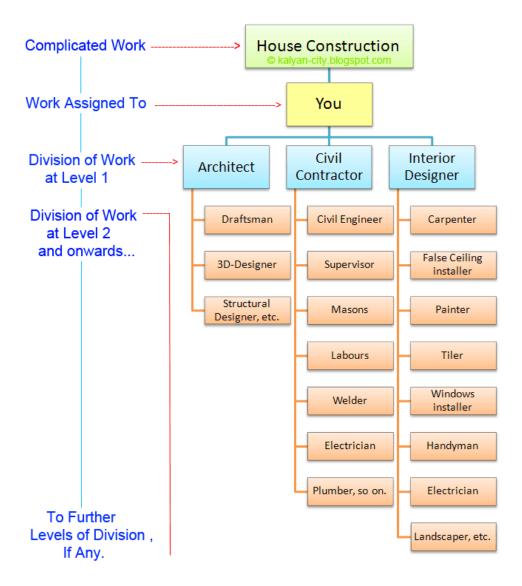
In case, these tasks are dependent on each other's completion, they are achieved separately and procedurally one after another.

When all smaller tasks complete as expected, they all together help to accomplish the single complicated job.

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2. Here, each of these smaller tasks is handled separately probably by an expert or a team working under his command.
3. In case, these tasks are dependent on each other's completion, they are achieved separately and procedurally one after another.
4. When all smaller tasks complete as expected, they all together help to accomplish the single complicated job.

Study the following image depicting an example of division of work.

Complicated Work ----------> **House Construction**
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Work Assigned To ----------> **You**

Division of Work -----> | **Architect** | **Civil Contractor** | **Interior Designer** |
at Level 1

Division of Work -----
at Level 2
and onwards...

Architect	Civil Contractor	Interior Designer
Draftsman	Civil Engineer	Carpenter
3D-Designer	Supervisor	False Ceiling installer
Structural Designer, etc.	Masons	Painter
	Labours	Tiler
	Welder	Windows installer
	Electrician	Handyman
	Plumber, so on.	Electrician
		Landscaper, etc.

To Further
Levels of Division ,
If Any.

Consider for an example, for the first time in your life you have planned to construct a beautiful dream house at your favourite location. Before initiating the actual phase of construction work, you do some pre-research regarding how to build a house systematically. You figure out which crucial steps you'll need to carry out and professional services you'll need to access, communicate, negotiate and hire. After getting acquainted with the basic construction procedure and having the necessary funds in hand, you start further planning accordingly.

You divide the combined work of house construction as follows:

1. First, you hire an Architect to prepare the layout plan of your house as per your needs.
2. Once the house plan is ready, you then contact and hire a civil contractor to build your house as per the approved plan.
3. When primary construction phase ends, you finally hire an interior designer to enhance the beauty or aesthetic feel of your dream house.

The division of work does not stop at the above three steps else it further bifurcates into numerous specialised works as listed below.

Architect divides his work of preparing the layout plan of house among:

1. Draftsman,
2. 3D-Designer,
3. Structural Designer, etc.

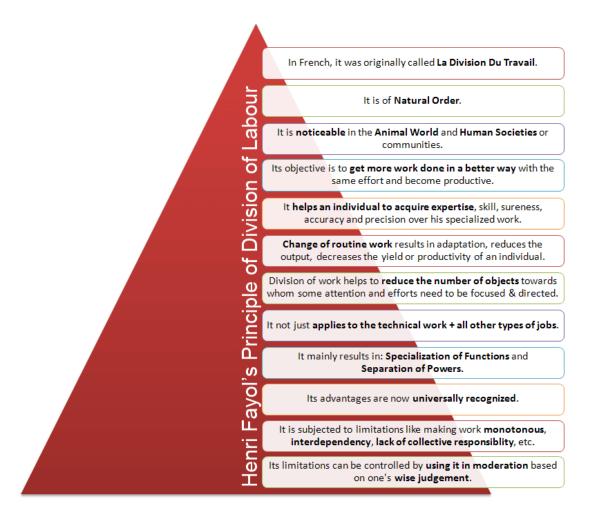Civil contractor divides his work of house construction among:

1. Civil Engineer,
2. Supervisor,
3. Masons,
4. Labours,
5. Welder,
6. Electrician,
7. Plumber, so on.

Interior Designer realises his creative aesthetic concept from:

1. Carpenter,
2. False Ceiling installer,
3. Painter,
4. Tiler,
5. Windows installer,
6. Handyman,
7. Electrician,
8. Landscaper, etc.

In fact, efficient completion of each of the above listed numerous specialised works overall helps to progress gradually and ultimately finish the single difficult job of a house construction.

Explanation of Henri Fayol's Principle of Division of Work:

Henri Fayol's Principle of Division of Labour

- In French, it was originally called **La Division Du Travail**.
- It is of **Natural Order**.
- It is **noticeable** in the **Animal World** and **Human Societies** or communities.
- Its objective is to **get more work done in a better way** with the same effort and become productive.
- It **helps an individual to acquire expertise**, skill, sureness, accuracy and precision over his specialized work.
- **Change of routine work** results in adaptation, reduces the output, decreases the yield or productivity of an individual.
- Division of work helps to **reduce the number of objects** towards whom some attention and efforts need to be focused & directed.
- It not just **applies to the technical work + all other types of jobs**.
- It mainly results in: **Specialization of Functions** and **Separation of Powers**.
- Its advantages are now **universally recognized**.
- It is subjected to limitations like making work **monotonous, interdependency, lack of collective responsiblity**, etc.
- Its limitations can be controlled by **using it in moderation** based on one's **wise judgement**.

1. According to Fayol, the 'Division of Work' or 'Specialization' is of the natural order. That is this principle is present and seen operating in nature too.

2. It is noticeable in the animal world. If a creature is highly developed, then its organs are also highly differentiated to efficiently carry out numerous specialized bodily functions to sustain the whole body itself. For example, a unicellular animal called Amoeba is physically less complicated than a multicellular Human Being. In other words, the Human body has more specialized organs compared to Amoeba's body.

3. It is also noticeable in our human societies or communities. When society grows from its primitive stage to a developed (civilised) one, new dedicated social organs (agencies) also start appearing and developing within its sphere by dividing and replacing the functions of old organs. For example, when a small town transforms into a giant metropolitan city the role, functions, scale of operation of its local administrative body also expands, divide and becomes much more complicated than its previous stage.

4. When an entrepreneur starts a company, most of the important business activities at the initial phase of setup are personally managed and handled by himself. However, as the company grows, he hires staff to support such a growth. He assigns his newly appointed staff various duties and some key responsibilities that earlier he was personally handling and managing. In other words, he now doesn't do the same work he was earlier doing else he now get it done from his qualified staff instead. As the activities of the company expand further, newer branch offices, departments, positions, personnel, etc. also starts expanding and widely replacing the functions of a single person who once founded the business. For example, Mark Zuckerberg, who founded the Facebook.

5. The objective of the division of work is to get more work done in a better way with the same effort and become productive.

6. If a person is engaged routinely in the same type of occupation, after some time, as a consequence of his routine he automatically acquires some expertise, skill, sureness, accuracy and precision over how to do it in a better and efficient way. Such an ability develops as a result of his numerous hours of work and regular practice. Knowledge acquired through routine work process makes him more competent than those who lack such an experience.

7. According to Henri Fayol, when there is a change in individual's occupation (work) it results in the phase of adaptation that demands efforts for adjusting to the new job. Each change of routine work reduces the output, decreases the yield or productivity of an individual. However, an individual's performance can be regained through quality training, regular practice, earned experience, and passage of time.

8. Division of work helps to reduce the number of objects (*) towards whom some attention and efforts need to be focused and directed. It is the best-recognized means (way) to make the best use of individuals and teams (groups of people) in most work-related environments. Note: (*) Here, objects are those individuals whose regular job (duty) has been changed or altered and on whose shoulders newer responsibilities are laden, and are, therefore, going through the phase of adaptation.

9. The principle of Division of Work not just applies to the technical work. It is also applicable to all other types of jobs where there is a need or demand for less or more individuals who specializes in different areas and have the essential set of skills or talents.

10. As a consequence, the division of work mainly results in:
    a. Specialization of functions - Here, tasks are separated into different functions or roles according to the expertise of one's nature of work.
    b. Separation of powers - It means there is a distribution of authority.

11. The advantages of division of work are now universally recognized

2. Departmentalization

Definition: Departmentalization or Departmentation is a process wherein jobs/teams are combined together into functional units called as departments on the basis of their area of specialization, to achieve the goals of the organisation. So, in this way, the entire organization is divided into parts, i.e. **departments** which comprise of a group of employees, who carry out activities of similar nature.

It determines the functions/activities which are to be housed together and coordinated at the same place. Further, it groups the personnel, who will undertake the delegated functions/tasks.

In a corporate ladder, every level below the top is departmentalized, and each subsequent level is further differentiated into departments.

The top-level executives, groups activities in various departments, such as production, marketing, finance, human resource, research and development, etc. These departments are headed by senior executives, called as managers of the respective department. The departmental managers can delegate tasks and duties to the subordinates, and they are accountable to the chief executive for the performance of the department.

Objectives of Departmentalization

- To specialize activities.
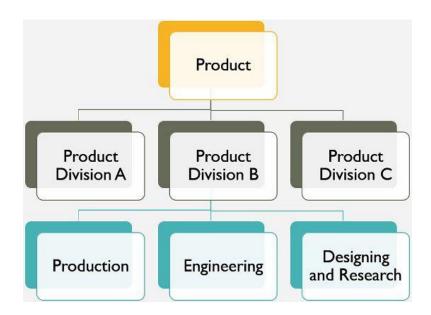- To simplify the process and operations of the organization
- To maintain control

Departmentalization of activities results in the increase in efficiency of the management and ultimately the enterprise. It is helpful in fixing responsibilities and accountability.
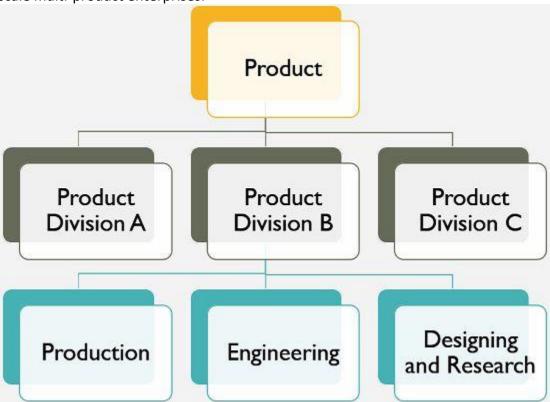
Methods of Departmentalization

1. **Departmentalization by Function**: When the creation of department is on the basis of specified functions, such as production, marketing, purchase, finance etc. In this method, all the activities related to a function or which are of similar nature are combined in a single unit, to give proper directions to the entire group in one go.

2. **Departmentalization by Process**: In departmentation by the process, the activities are grouped as per the production processes. These departments require manpower and material so as to carryout operations.

3. Departmentalization by Product: When the activities related to product development and delivery are combined into a particular division, it is called as product departmentalization. It is appropriate for large-scale multi-product enterprises.

4. Departmentalization by Customer: The grouping of the organization according to the different classes of customer or clients. It focuses on special customer needs.

5. Departmentalization by Territory: When the division is based on the geographical area, it is called as territorial departmentalization. This is suitable for the organizations, that have widespread operations at different locations.

6. Departmentalization by Project: In project departmentalization, the organizational activities are classified by differentiated or special ventures or activities.

The choice of departmentalization basis is influenced by the factors such as the degree of specialization, coordination, control, cost consideration, adequate attention to key areas, etc.

3 . Authority and Responsibility

Authority, in simple words, is the right way of commanding subordinates, issuing orders and instructions, and exacting obedience from the team. It is also the right of the manager to make decisions. Also, to act or not to act depends on how he perceives the objectives of the organization.

Henri Fayol, who designed the administrative theory of 14 principles of management, defined authority as '*the right to give orders and exact obedience*'. He also recognized that any official authority vested in the job was often ineffective.

He further added that the presence of leadership qualities and traits like intelligence, experience, etc., usually, enhance authority. However, as an important key to the manager's job, authority is the power to command others and decide to act or refrain from acting to achieve the organization's goals.

A manager needs authority. It makes his position real and gives him the power to order his subordinates and get them to comply. When there is a chain of superior-subordinate relations in an organization, it is the authority which binds and provides a basis for responsibility.

James Mooney specified that coordination is the primary principle of an organization. Therefore, it must have its own principle and foundation in Authority or the supreme coordinating power.

Coordination is the all-inclusive principle of organization, it must have its own principle and foundation in Authority or the supreme coordinating power.

Always, in every form of organization, this supreme coordinating authority must rest somewhere, else there would be no directive for any truly coordinated effort. Without authority, there will be no relations between subordinates and superiors and the organization will be in chaos.

4. Coordination

Meaning

Coordination is the function of management which ensures that different departments and groups work in sync. Therefore, there is unity of action among the employees, groups, and departments.

It also brings harmony in carrying out the different tasks and activities to achieve the organization's objectives efficiently. Coordination is an important aspect of any group effort. When an individual is working, there is no need for coordination.

Therefore, we can say that the coordination function is an orderly arrangement of efforts providing unity of action in pursuance of a common goal. In an organization, all the departments must operate a part of a cohesive unit to optimize performance.

According to Henry Fayol, "To co-ordinate is to harmonise all the activities of a person in order to facilitate its working and its success." Co-ordination is necessary to enable a person to improve his functions. Without co-ordination, working cannot be harmonised.

Features of Coordination:

The principal features of co-ordination may be stated as follows:

1. Co-ordination is concerned with the integration of group efforts and not individual effort:

It involves the orderly arrangement of the activities of a group of people. However, individual performance is related to the group performance. Co-ordination makes the individual efforts integrated with the total process.

2. Co-ordination is the concerted efforts of requisite quality and quantity given at the proper time:

In other words, co-ordination denotes co-operation i.e. collective efforts, plus time element and direction element. According to Haimann : **"Co-ordination is the orderly synchronization of efforts of the subordinates**

to provide the proper amount, timing and quality of execution so that their unified efforts lead to the stated objective, namely the common purpose of the enterprise."

3. Co-ordination is a continuous and dynamic process:

It is a continuous concept in the sense that it is achieved through the performance of functions. And it is dynamic in nature because the functions themselves are dynamic and may change over the period of time.

4. Co-ordination has three important elements, namely, balancing, timing and integrating:

Co-ordination of different activities becomes possible only when different duties are performed in the right time and in the right quantity.

As for example, if the purchase department of an enterprise buys the required raw material in right time and in right quantity and supplies them to the production department, the production department produces the commodities in right time and in proper quantity; and the sales department of the enterprise can execute the order placed by a customer within the specified time.

5. The task of co-ordination and co-operation do not mean the same thing:

Cooperation simply means that two or more persons are associated voluntarily in the performance of some work through collective efforts. But it has no bearing with time, amount and direction-dimensions in group efforts. In contrast, co-ordination implies application of requisite amount of group efforts in the right time at the right direction through deliberate executive action.

6. Co-ordination is the responsibility of every manager:

Co-ordination is the responsibility of every manager in the organisation, because he tries to synchronize the efforts of his subordinates with others.

7. Co-ordination may be internal or external:

Co-ordination, as a blending factor of all activities and efforts, is to be exercised both within and outside the enterprise. That is to say, co-ordination may be internal and external. Internal co-ordination means the co-ordination of activities between the employees, between the departments and managers at different levels inside the enterprise.

Outside the enterprise, the work of co-ordination is extended to bring about a harmonious relationship with the activities of the competitors, suppliers and customers; the technological and technical advances of the time, the regulatory measures of the government, the national and inter-national inter-dependence as well as with the wishes and wants, likes and dislikes of the consumers, employees and owners.

8. Co-ordination may be horizontal and vertical:

Horizontal co-ordination refers to co-ordination between the horizontal departments of the same level in the managerial hierarchy. For example, co-ordination is necessary between the sales manager, works manager, finance manager and the buyer, so that when the sales department is ready to sell the new product, the production department will be in a position to fill the orders; and the financial arrangements have been made so that the necessary funds are available to have the suitable raw material and other factors.

Co-ordination of various functions between the independent managers calls for a greater ability on the part of the superior manager. He has to ensure greater understanding between the departmental managers so that they may cooperate.

On the other hand, vertical co-ordination takes place between the various links of the different levels of the organisation. For example, take the case of production department where we have the works manager and under him the superintendent and then the foreman, and, lastly, the workmen.

In this situation, the activities assigned to the different levels must be co-ordinated. This vertical co-ordination is secured by delegating authority, together with the means and manner of directing, supervising and controlling.

Importance or Necessity of Coordination:

Co-ordination is regarded nowadays as the essence of management function. Need for co-ordination arises out of the fact that different elements and efforts of an organisation are to be harmonized and unified to achieve the common objectives. Without proper coordination among all the members of a group, management cannot bring together the diverse elements into one harmonious whole.

Its significance can be indicated by pointing out its importance or necessity in the following points:

1. Co-ordination is necessary to ensure harmonious and smooth working of an enterprise with its several departments, divisions or subdivisions:

For example, to ensure harmonious functioning of an organisation, it is essential that the functions of purchasing, production and sales departments are co-ordinated. If the sales manager procures a huge order to be executed within a specified time, without reference to the production manager and the purchasing manager, it may turn out that the goods cannot be produced in quantities ordered within the specified time.

Therefore, the inter-relationship among the functioning of purchase department, production department and sales department demands the establishment of co-ordination.

According to Henry Fayol – **"to co-ordinate is to harmonies all the activities of a concern to facilitate its working and its success."**

2. Co-ordination ensures unity in direction in the midst of diversified activities:

By bringing together the different divisions and parts into oneness of the enterprise, coordination enables the management authority to see the enterprise as one unified whole from its different segments. So, co-

ordination is necessary to link the functions of different departments, divisions, sections and the like together and assure their contribution to total result.

3. Co-ordination removes the conflict between personal interest of the employees and general interest of the organization:

Individuals join the organisation to fulfill their needs. Many times, these needs may be different from the group needs and goals. In such situations, organisational and individual goals are not fully achieved. More the number of individuals in an organisation, the higher will be the degree of such incompatibility.

It is essential for the organisational efficiency that both these goals are brought to a level of conformity and the managers tries to integrate the individual and group goals through co-ordination.

4. Co-ordination can produce something greater out of the collective efforts of the individuals:

Properly co-ordinated group efforts achieve a greater result than what is possible from the isolated efforts of the individuals.

5. Co-ordination provides a balance between the people of different capacities and abilities:

It compensates the shortcomings of one by the strength of the other.

6. Co-ordination reconciles the impact of internal and external forces in the organisation and ensures smooth running of affairs:

Internally, it combines the various resources of the business—money, materials, machinery and methods—for the attainment of common goals of the organisation. Externally, the environment is made more favourable to the business by giving due consideration to customers, employees, financiers and the government. In this manner, co-ordination helps in producing better results and becomes the essence of management.

7. Co-ordination ensures voluntary co-operation of the different members of the group:

Besides simplification of the organisation process, co-ordination harmonizes and integrates the different programmes and policies of the business. Well-planned methods of co-ordination not only strengthen supervision but ensures voluntary co-operation of the different members of the group.

8. Co-ordination is a basic element in all effective organisations and is said to be the first principle in organization:

It makes planning more purposeful, organisation more well-knit and control more regulated.

Principles of Coordination:

For achieving effective co-ordination, the following fundamental principles are to be followed:

1. Direct Contact:

Co-ordination should be attained by direct contact with the parties concerned. Direct personal communications bring about agreement on methods, actions and ultimate achievement. It also eliminates red-tapeism and ensures prompt action. Direct contact is an effective means of co-ordination.

2. Early Beginning:

Co-ordination can be achieved more readily at the initial stages of planning and policy-making. Therefore, direct contact must begin in the very early stages of the process. If an order for the supply of a particular goods has been booked and the raw materials to produce them are not available, there will be trouble.

Contact among the purchasing manager, production manager and sales manager at art early Stage would have made it possible to know whether the order could be executed.

3. Continuity:

Co-ordination must be maintained as a continuous process. It starts from planning and ends when the objective is accomplished. Whenever there is division and distribution of functions among the managers and departments, co-ordination is necessary. Every time a new situation arises, a fresh effort of co-ordination is needed. So, the manager must constantly work at it until the purpose is served.

4. Reciprocal Relationship:

Co-ordination should be regarded as a reciprocal relating to all factors in a situation, viz. production, sales, finance, men, and management. For example, when 'P' works with 'Q' and 'Q' in turn, works with 'R' and 'S' each of the four finds himself influenced by the others.

5. Pervasiveness:

Co-ordination is an all-embracing activity in every management function. It is required in all the activities at every level of the organisation. It is to be exercised both within and outside the organisation.

6. Leadership:

Leadership is the most effective instrument of co-ordination. A leader in a group is the coordinator of the group activities. He harmonizes all efforts of persons in the group. A manager does not himself produce anything nor does he sell anything in the market.

He gets the commodities produced by the workers and gets them sold in the market by the salesmen. In fact, he provides leadership and co-ordinates various functions.

7. Timing:

Timing is an important element of co-ordination. This principle points out that all functions in the enterprise are to be done at the same time and at the same speed. If the purchase department purchases and supplies materials timely to the production department, and if the production is done timely, then the sales department can deliver the commodities to the customers within the scheduled time.

8. Balancing:

This principle refers to the quantitative element of co-ordination. It means that all works are to be done in right quantity. For instance, if a department produces half, another one-third and the third the full quantity, their activities cannot be balanced. They have to perform their job in right quantity for achieving co-ordination of their jobs.

9. Integrating:

All activities, decisions and opinions are to be integrated to achieve the enterprise objective.

For integration what is necessary is that all men and departments must perform their jobs at the right time. For example, if all the parts of a machine are manufactured by the different departments at the right time, they can be assembled within the specific time. Assembling the parts of the machine is a coordinating function.

Techniques of Coordination:

The following measures or techniques have to be adopted in practice as tools for securing better co-ordination in the working of an organisation:

1. Simplified Organisation:

In large organisations, there is a tendency towards over- specialisation. The organisation gets divided into a whole series of units each one of which concentrates just on its own task. In fact, each unit tends to be bureaucratic and its activities become ends in themselves instead of being means to the overall ends of the organisation.

This creates problems of co-ordination. The remedy for this lies in placing the closely-related functions and operations under the charge of an executive who functions as a coordinator. Re-arrangement of departments may also be considered to bring about a greater deal of harmony among the various wings of the organisation.

Furthermore, clear-cut organisation structure and procedures that are well-known to all concerned will ensure co-ordination. Organisational procedures should cover all activities and each person must be given to understand what he is responsible for and how his work is related to that of other individuals.

2. Harmonized Programmes and Policies:

The ideal time to bring about co-ordination is at the planning stage. The plans prepared by different individuals or divisions should be checked up to ensure that they all fit together into an integrated and balanced whole. The coordinating executive must ensure that all the plans add up to a unified programme.

Moreover, co-ordinated activities must not only be consistent with each other, but also be performed at the proper time.

3. Well-designed Methods of Communication:

Good communication brings about proper co-ordination and helps the members of a business organisation to work together. Flow of communication in all directions will facilitate co-ordination and smooth working of the enterprise. The use of formal tools like orders, reports and working papers, and informal devices like the grapevine will provide adequate information to all concerned.

Continuous, clear and meaningful communication provides every member with a clear understanding of the nature and scope of his work as well as that of other persons whose responsibilities are related to him. This aids the executives in coordinating the efforts of the members of their teams.

4. Special Coordinators:

Generally, in big organisations, special coordinators are appointed. They normally work in staff capacity to facilitate the working of the main managers. A co-ordination cell may also be created. The basic responsibility of the cell is to collect the relevant information and to send this to various heads of sections or departments so that inter-departmental work and relationship are co-ordinated.

5. Co-ordination by Committees:

Co-ordination in management by committees is achieved through meetings and conferences. Sometimes different committees are appointed to look after different areas of management, namely, Purchase Committee, Production Committee, Sales Committee, Finance Committee, etc. These committees take the group decision by exchanging their views and ideas and so it has coordinating elements.

6. Group Discussion:

Group discussion is the other tool for co-ordination. It provides opportunities for free and opens exchange of views and inter-change of ideas, problems, proposals and solutions. Face-to-face communication enables the members to attain improved understanding of organisation-wide matters and leads to better co-ordination.

7. Voluntary Co-ordination:

In ideal conditions, co-ordination should take place through voluntary co-operation of the members. The basic principle of voluntary coordination is the modification of functioning of a department in such a way that each department co-ordinates with other departments.

Each department or section or individual affects others and is also affected by others. Therefore, if those departments, sections or individuals apply a method of working which facilitates others, voluntary co-ordination is achieved. This can be done by horizontal communication.

8. Co-ordination through Supervision:

The supervising executives have an important part to play in coordinating the work of their subordinates. Where the work-load of an executive is so heavy that he cannot find adequate time for co-ordination, staff assistants may be employed. They may recommend to the senior official the action that he may take for ensuring co-ordination.

5. Organization Structure

An organizational structure is a system that outlines how certain activities are directed in order to achieve the goals of an organization. These activities can include rules, roles, and responsibilities.

The organizational structure also determines how information flows between levels within the company. For example, in a centralized structure, decisions flow from the top down, while in a decentralized structure, decision-making power is distributed among various levels of the organization.

Centralized vs. Decentralized Organizational Structures

An organizational structure is either centralized or decentralized. Traditionally, organizations have been structured with centralized leadership and a defined chain of command. The military is an organization famous for its highly centralized structure, with a long and specific hierarchy of superiors and subordinates.

There has been a rise in decentralized organizations, as is the case with many technology startups. This allows companies to remain fast, agile, and adaptable, with almost every employee receiving a high level of personal agency.

ORGANIZATION DESIGN

Organizational design is a step-by-step methodology which identifies dysfunctional aspects of work flow, procedures, structures and systems, realigns them to fit current business realities/goals and then develops plans to implement the new changes. The process focuses on improving both the technical and people side of the business.

For most companies, the design process leads to a more effective organization design, significantly improved results (profitability, customer service, internal operations), and employees who are empowered and committed to the business. The hallmark of the design process is a comprehensive and holistic approach to organizational improvement that touches all aspects of organizational life, so you can achieve:

Types of Organizational Structures

Functional Structure

Four types of common organizational structures are implemented in the real world. The first and most common is a functional structure. This is also referred to as a bureaucratic organizational structure and breaks up a company based on the specialization of its workforce. Most small-to-medium-sized businesses implement a functional structure. Dividing the firm into departments consisting of marketing, sales, and operations is the act of using a bureaucratic organizational structure.

Divisional or Multidivisional Structure

The second type is common among large companies with many business units. Called the divisional or multidivisional structure, a company that uses this method structures its leadership team based on the products, projects, or subsidiaries they operate. A good example of this structure is Johnson & Johnson. With thousands of products and lines of business, the company structures itself so each business unit operates as its own company with its own president.

Flatarchy Structure

Flatarchy, a newer structure, is the third type and is used among many startups. As the name alludes, it flattens the hierarchy and chain of command and gives its employees a lot of autonomy. Companies that use this type of structure have a high speed of implementation.

Matrix Structure

The fourth and final organizational structure is a matrix structure. It is also the most confusing and the least used. This structure matrixes employees across different superiors, divisions, or departments. An employee working for a matrixed company, for example, may have duties in both sales and customer service.

(TOPIC 4)

Leadership

Leaders and their leadership skills play an important role in the growth of any organization. Leadership refers to the process of influencing the behaviour of people in a manner that they strive willingly and enthusiastically towards the achievement of group objectives.

A leader should have the ability to maintain good interpersonal relations with the followers or subordinates and motivate them to help in achieving the organizational objectives.

Features of Leadership

- *Influence the behaviour of others*: Leadership is an ability of an individual to influence the behaviour of other employees in the organization to achieve a common purpose or goal so that they are willingly co-operating with each other for the fulfillment of the same.

- *Inter-personal process*: It is an interpersonal process between the leader and the followers. The relationship between the leader and the followers decides how efficiently and effectively the targets of the organization would be met.

- *Attainment of common organizational goals*: The purpose of leadership is to guide the people in an

- organization to work towards the attainment of common organizational goals. The leader brings the people and their efforts together to achieve common goals.

- *Continuous process:* Leadership is a continuous process. A leader has to guide his employees every time and also monitor them in order to make sure that their efforts are going in the same direction and that they are not deviating from their goals.

- *Group process:* It is a group process that involves two or more people together interacting with each other. A leader cannot lead without the followers.

- *Dependent on the situation*: It is situation bound as it all depends upon tackling the situations present. Thus, there is no single best style of leadership.

Importance of Leadership:

- *Initiating Action:* Leadership starts from the very beginning, even before the work actually starts. A leader is a person who communicates the policies and plans to the subordinates to start the work.

- *Providing Motivation:* A leader motivates the employees by giving them financial and non-financial incentives and gets the work done efficiently. Motivation is the driving force in an individual's life.

- *Providing guidance:* A leader not only supervises the employees but also guides them in their work. He instructs the subordinates on how to perform their work effectively so that their efforts don't get wasted.

- *Creating confidence:* A leader acknowledges the efforts of the employees, explains to them their role clearly and guides them to achieve their goals. He also resolves the complaints and problems of the employees, thereby building confidence in them regarding the organization.

- *Building work environment:* A good leader should maintain personal contacts with the employees and should hear their problems and solve them. He always listens to the point of view of the employees and in case of disagreement persuades them to agree with him by giving suitable clarifications. In case of conflicts, he handles them carefully and does not allow it to adversely affect the entity. A positive and efficient work environment helps in stable growth of the organization.

- *Co-ordination:* A leader reconciles the personal interests of the employees with the organizational goals and achieves co-ordination in the entity.

- *Creating Successors:* A leader trains his subordinates in such a manner that they can succeed him in future easily in his absence. He creates more leaders.

- *Induces change:* A leader persuades, clarifies and inspires employees to accept any change in the organization without much resistance and discontentment. He makes sure that employees don't feel insecure about the changes

Qualities of a Leader

- *Personality:* A pleasing personality always attracts people. A leader should also friendly and yet authoritative so that he inspires people to work hard like him.

- *Knowledge:* A subordinate looks up to his leader for any suggestion that he needs. A good leader should thus possess adequate knowledge and competence in order to influence the subordinates.

- *Integrity:* A leader needs to possess a high level of integrity and honesty. He should have a fair outlook and should base his judgment on the facts and logic. He should be objective and not biased.

- *Initiative:* A good leader takes initiative to grab the opportunities and not wait for them and use them to the advantage of the organization.

- *Communication skills:* A leader needs to be a good communicator so that he can explain his ideas, policies, and procedures clearly to the people. He not only needs to be a good speaker but also a good listener, counsellor, and persuader.

- *Motivation skills*: A leader needs to be an effective motivator who understands the needs of the people and motivates them by satisfying those needs.

- *Self-confidence and Will Power:* A leader needs to have a high level of self-confidence and immense will-power and should not lose it even in the worst situations, else employees will not believe in him.

- *Intelligence:* A leader needs to be intelligent enough to analyze the pros and cons of a situation and take a decision accordingly. He also needs to have a vision and fore-sightedness so that he can predict the future impact of the decisions taken by him.

- *Decisiveness:* A leader has to be decisive in managing his work and should be firm on the decisions are taken by him.

- *Social skills:* A leader should possess empathy towards others. He should also be a humanist who also helps the people with their personal problems. He also needs to possess a sense of responsibility and accountability because with great authority comes great responsibility.

Leadership Styles

- **Autocratic leadership style**: It refers to a leadership style where the leader takes all the decisions by himself.

- **Democratic leadership style**: It refers to a style where the leader consults its subordinates before taking the final decision.

- **Laissez-faire or Free-rein leadership style:** It refers to a style where the leader gives his subordinates complete freedom to take the decisions.

TOPIC 5

Theories of Leadership

The researches carried out by many behavioural scientists to find out what makes a leader effective have resulted in various theories of leadership. In this section, however, we shall discuss only three categories of theories of leadership:

1. Trait theory.

2. Behavioural theory.

3. Situational theory.

Trait Theory

The trait theory seeks to determine the personal characteristics or traits of a successful leader. A successful leader is supposed to have the following traits: good personality, intellectual ability, initiative, imagination, emotional stability, desire to accept responsibility, flexibility, honesty, sincerity, integrity, ability to make quick decisions, courage, reliability, persuasive power, etc. To determine the personality traits of a successful leader, studies were conducted by selecting successful leaders and find out their traits. It was presumed that persons possessing these traits could become successful leaders.

But this theory suffers from many limitations. They are:

1. It emphasises mainly personal traits and does not consider the environment or situation in which they have to be applied.

2. It assumes that leadership is an in-born quality and cannot be acquired.

3. There is no common list of traits found in all successful leaders.

4. There is no objective criteria to measure individual traits of leaders.

In spite of the limitations, the trait theory of leadership is not completely invalid. Their theory indicates that a leader should have certain personal traits. This helps the management to develop such qualities in a leader through its various programmes of training and development.

Behavioural Theory of Leadership

In this approach, the emphasis is on the actual behaviour and action of the leaders and not on their traits or characteristics. In other words, this approach emphasises that strong leadership is the result of effective role behaviour.

This approach states that the leader uses three skills to lead his followers. These skills are: technical (refers to a person's knowledge of the process of technique), human (refers to ability to interact with people and conceptual (refers to manager's ideas which enable a manager to set up models and design plans).

This approach assumes that a particular behaviour of a manager will make him a good leader while its opposite would discard him as a leader. Determining goals, motivating employees for achieving the goals, effective communication ability to interact effectively, building team spirit, etc. are the functional behaviour of a successful leader.

This theory emphasises the point that the favourable behaviour of a leader provides greater satisfaction to the followers and they recognise him as their leader. However, one limitations of this approach is that a particular behaviour and action of a leader may be relevant and effective at a particular point of time while at another, it may be irrelevant and ineffective. Thus, in this approach, the 'time' factor which is a vital element has not been considered.

Situational Theory

According to this theory, leadership is affected by a situation from which a leader emerges and in which he works. In other words, the situation — the group, the problem and its environment — will affect the type of leadership. An important aspects of this theory is the interaction between the group and its leader and the people tend to follow the person who is capable of fulfilling their desires.

The leader recognises his followers' desires and follows such methods (depending on the situation) which satisfy them. The main trust of the situational theory is that the leadership style may be effective under one situation and ineffective under the other. In other words, situational theory emphasises that there is no one best style of leadership universally applicable to all situations and that the leader has to change his style of leadership from situation to situation. If the leader adopts the same style under all situations, he may not be successful. For example, Winston Churchill was the most effective and successful Prime Minister of Britain during the period of the Second World War, but he was a flop afterwards when the situation changed.

Though this theory states leadership ability of an individual in a given situation and measures his leadership potentialities, it is silent on the point whether this individual will fit in another situation.