Organizational Management

OUTLINE

1. Organization
2. Departmentalization
3. Chain of Command
4. Unity of Command
5. Cross-functional Management
6. Authority
7. Centralization and Decentralization
8. Traditional & Cotemporary Organization
9. Matrix-project structures
10. Learning Structures

What is Organization Management?

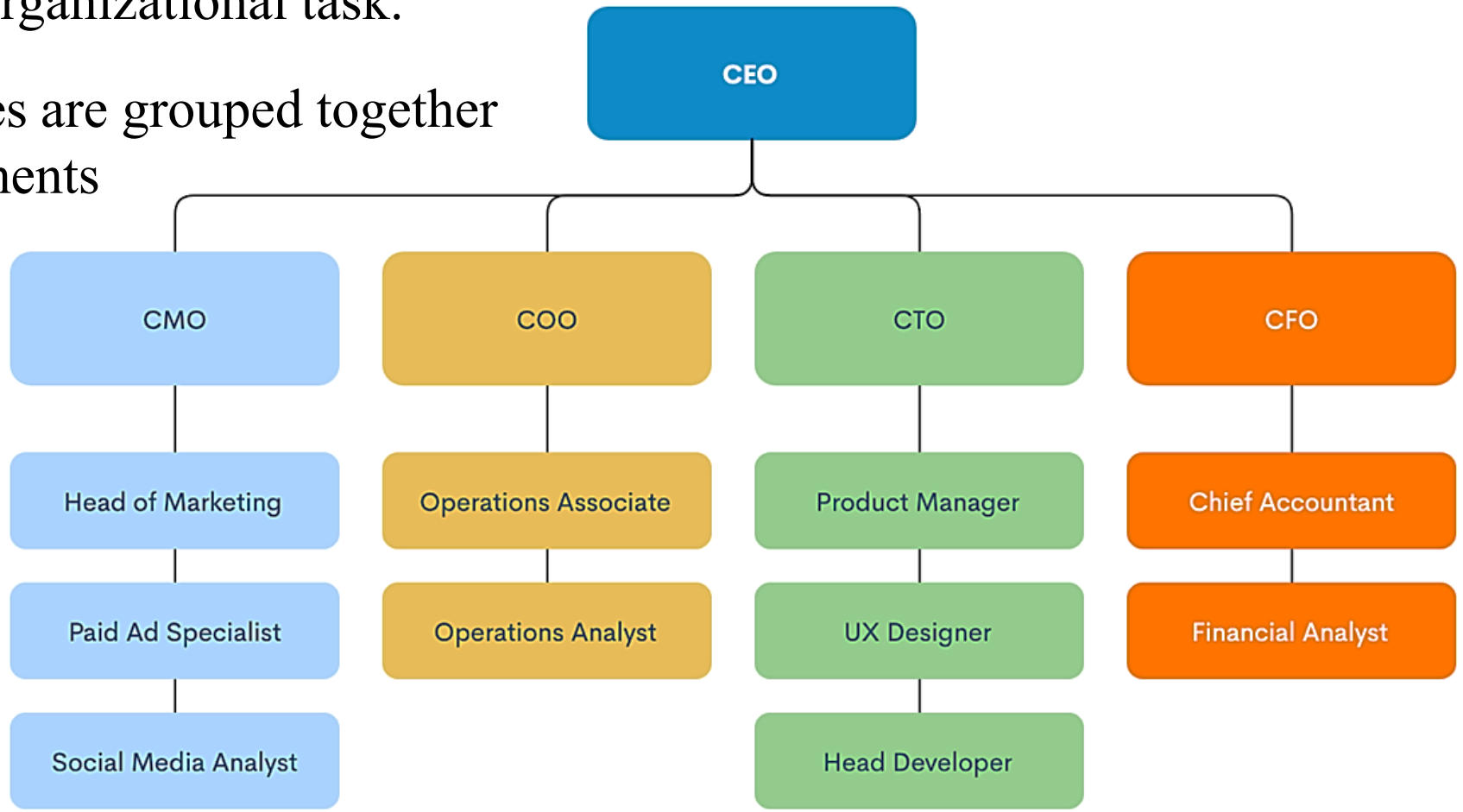
- Organization management is the art of **getting people together** on a **common platform** to make them work towards a **common goal**
- Organization management enables the optimum use of resources through meticulous planning and control at the workplace

Need for Organization Management

- Effective organization management **leads to a peaceful and positive atmosphere**
- It gives a sense of **security and oneness** to the employees
- Required for **better coordination** amongst departments
- Employees can **accomplish tasks timely**

Departmentalization

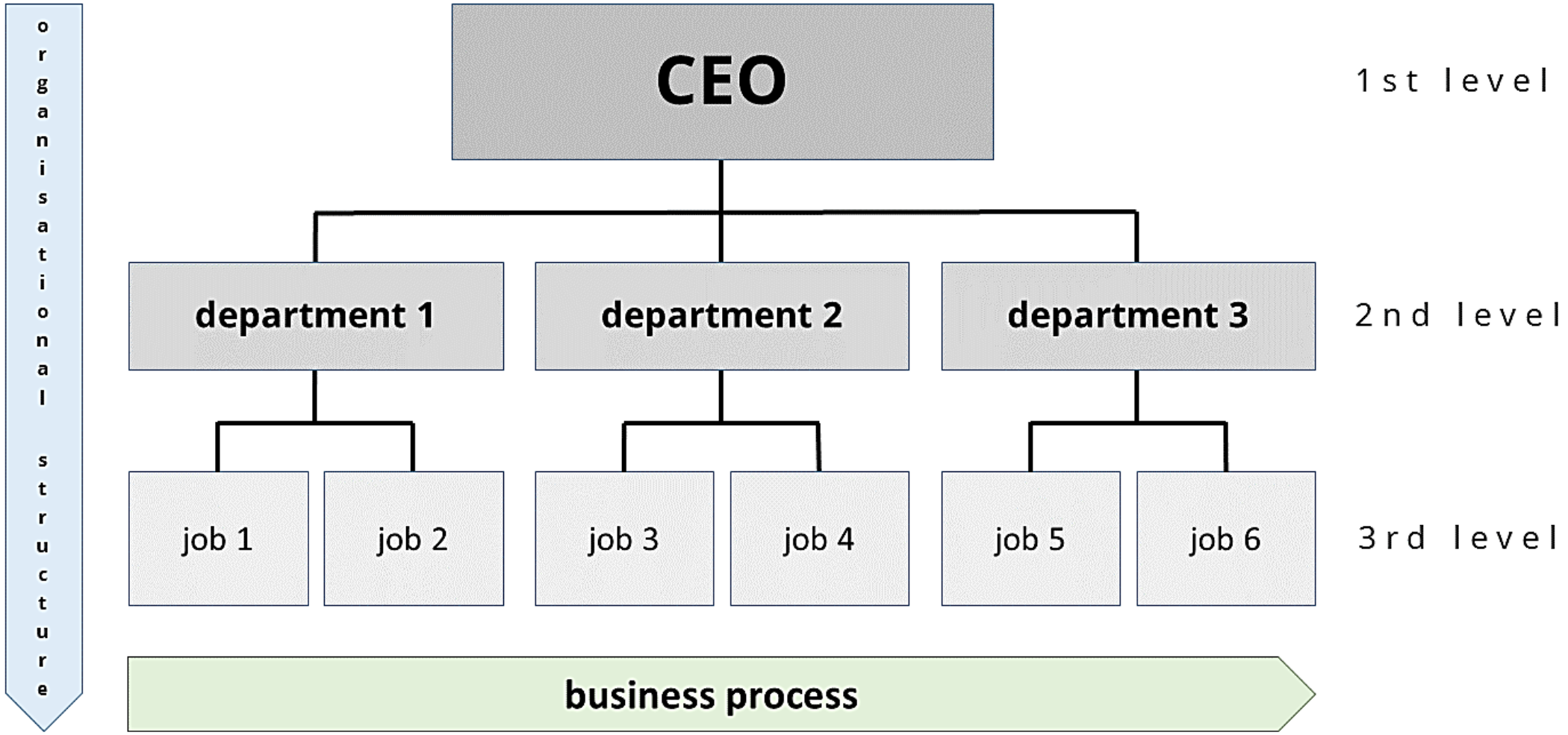
- It is the **grouping of jobs, processes, and resources** into **logical units** to perform some organizational task.
- Similar activities are grouped together to form departments



Advantages of Departmentalization

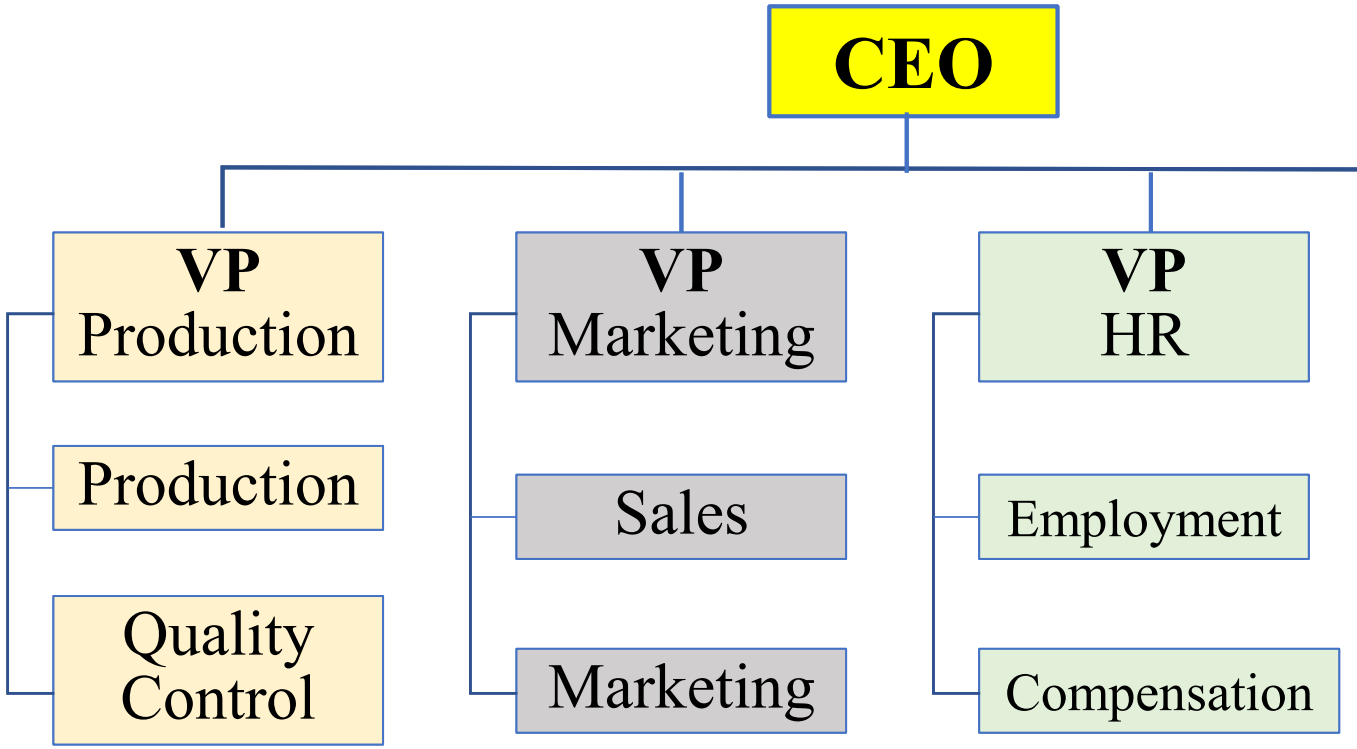
- Optimum utilization of resources
- Specialization
- Growth and expansion
- Better customer service
- Performance appraisal
- Management development

A Typical Organizational Chart…?



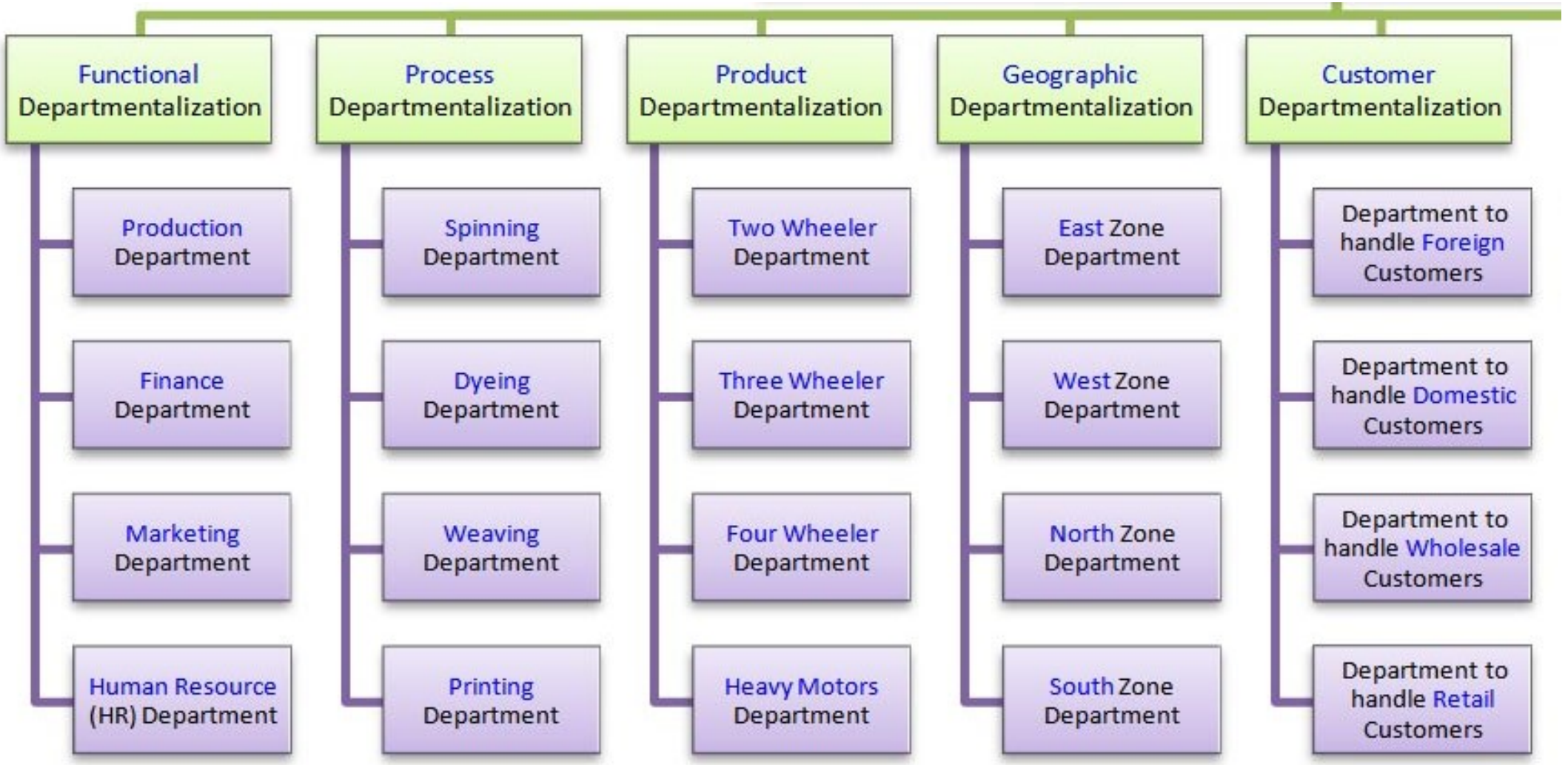
Types of Departmentalization

1. Functional departmentalization
2. Process departmentalization
3. Product departmentalization
4. Geographic departmentalization
5. Customer departmentalization
6. Combined departmentalization
7. Time departmentalization
8. Number departmentalization

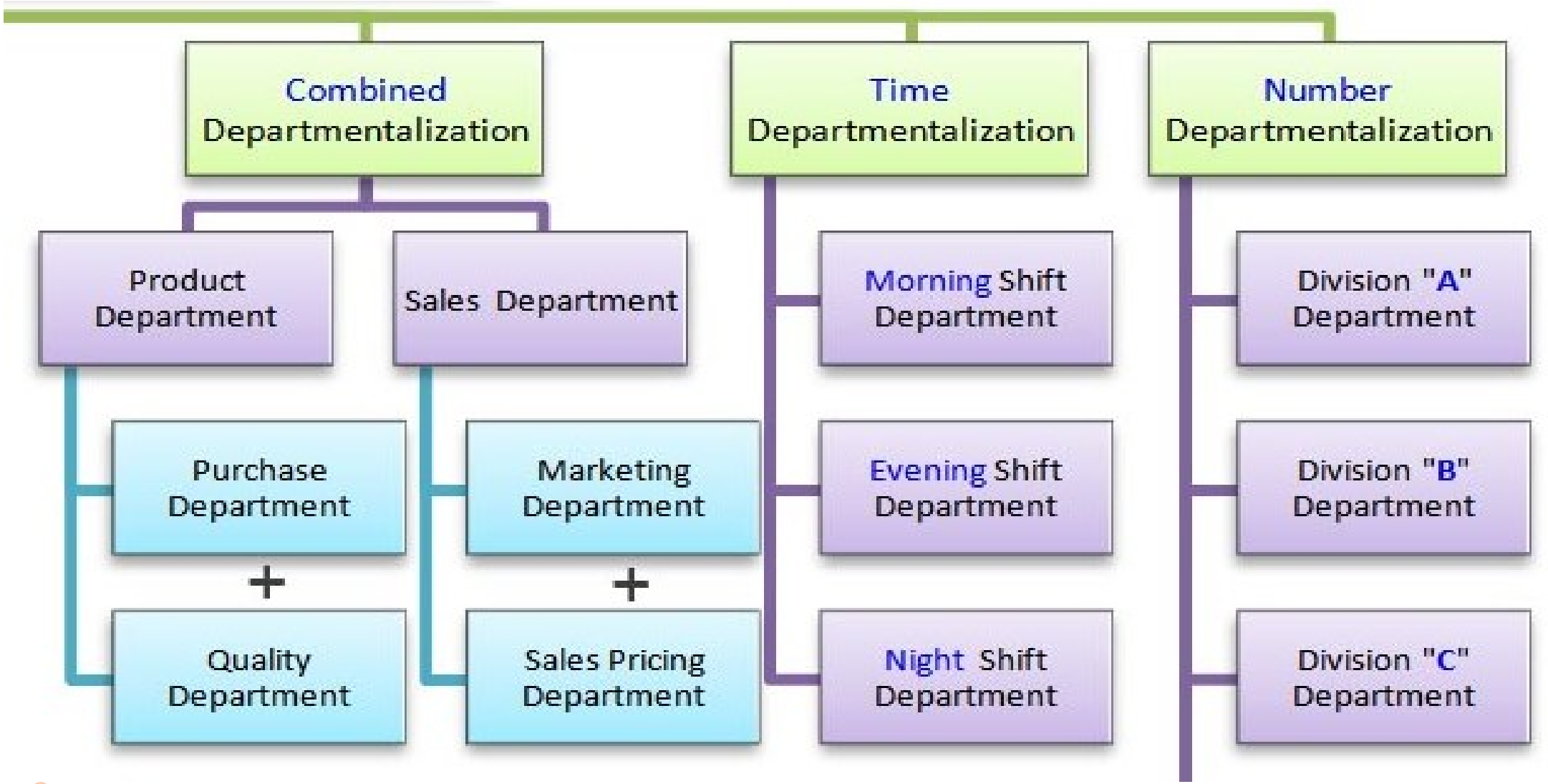


Functional Departmentalization

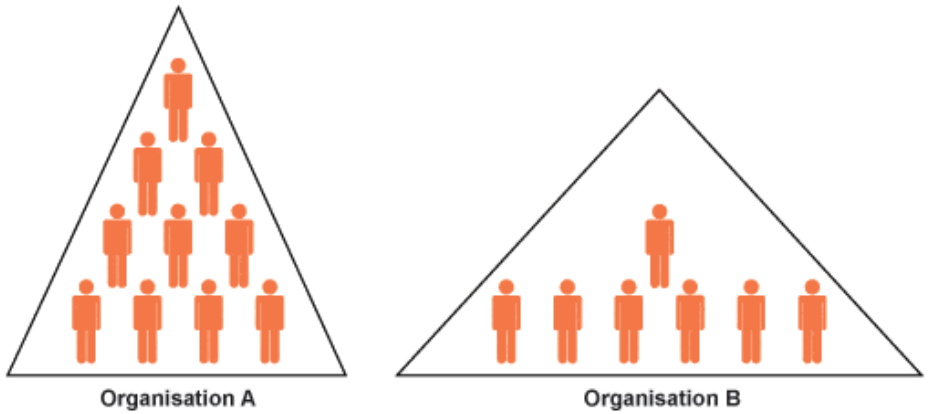
Types of Departmentalization

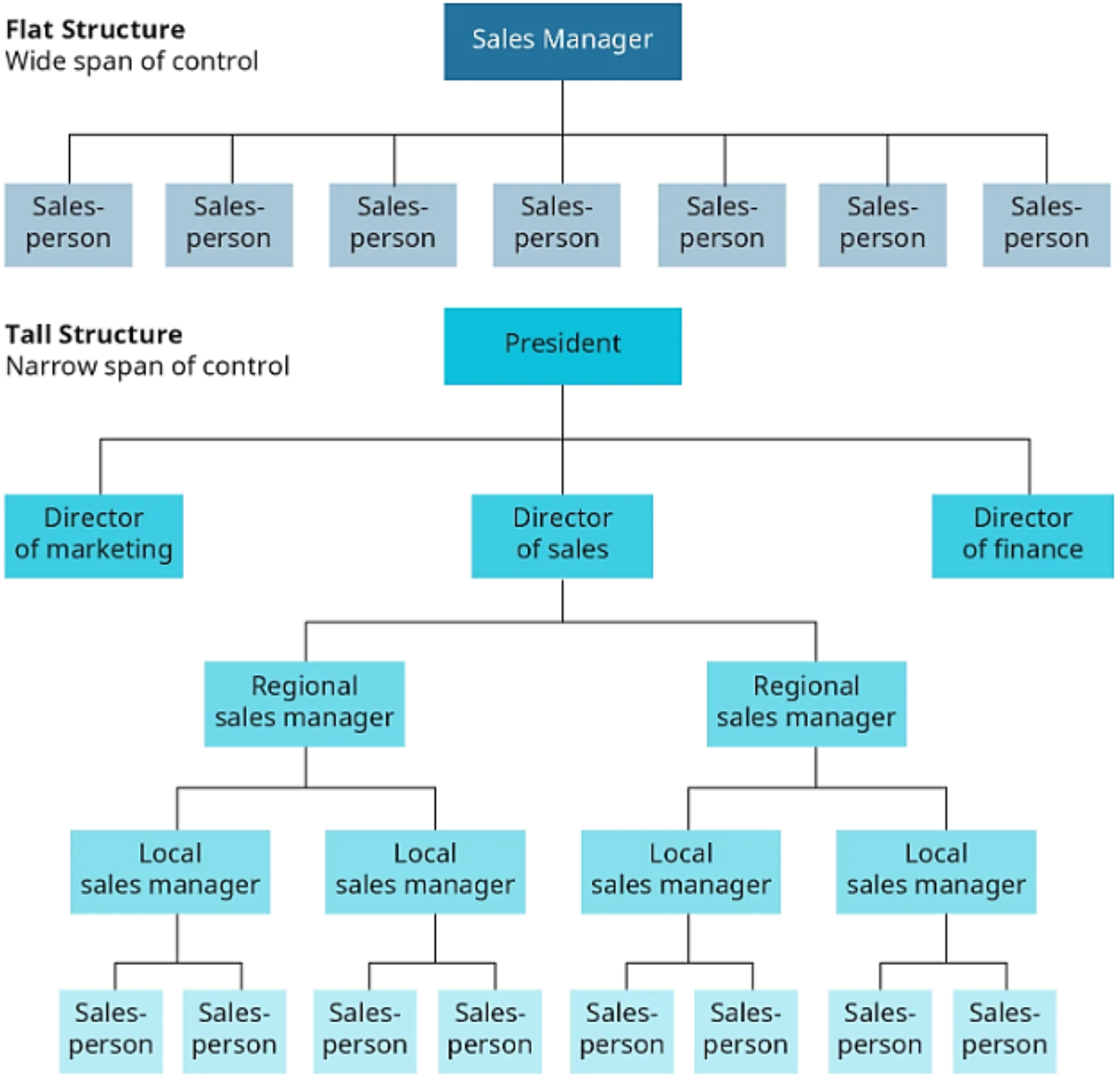


Types of Departmentalization



Flat vs. Tall Structures





Chain of Command

A ‘Chain of Command’ is an organizational structure that documents **how each member of a company reports** to one another

- The term **originated in the military** and popular in management culture
- The ‘Chain of Command’ needs to be **a clearly defined division of roles and responsibilities** as well as a well-defined successor

Unity of Command – *One Subordinate - One Superior*

A classic principle of management theory in which **each employee only responds to one supervisor**

- Every subordinate is answerable and accountable to one boss at one time
- This helps in avoiding communication gaps, feedback and response is prompt
- It helps in effective combination of resources, easy co-ordination and effective organization

Chain of Command vs. Unity of Command

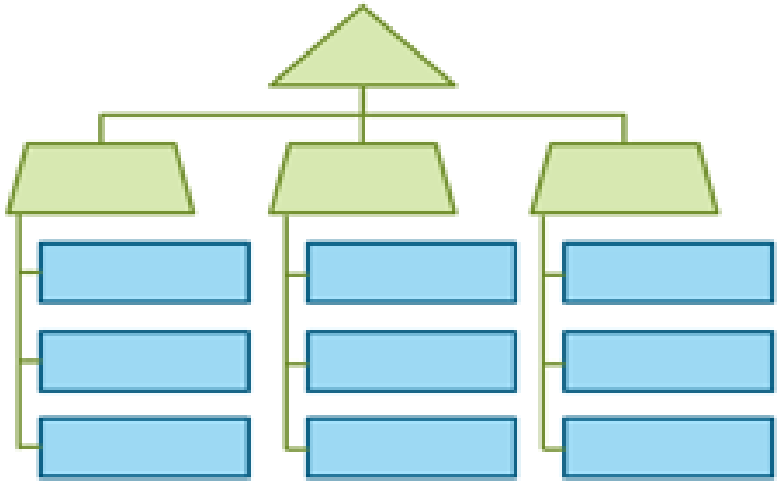
- Chain of command relates to the **overall Hierarchy of the organization**,

- Unity of command deals with the fact that **all individuals have a single designated supervisor** they report to.

Unity of Command Vs. Unity of Direction

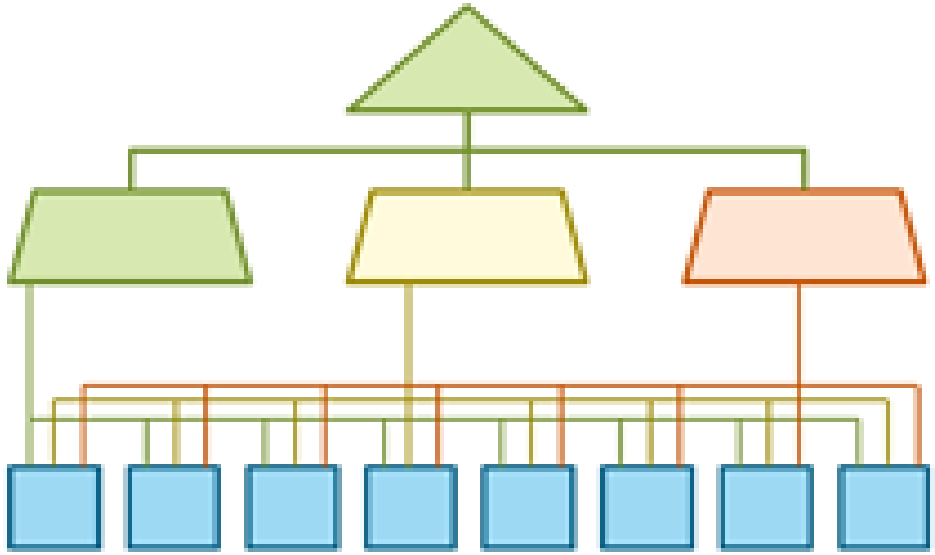
Unity of Command

- One subordinate receive order from one supervisor only
- Avoids conflicts of command
- Possible competence conflict



Unity of Direction

- Each Group of activities has one head and one plan
- Avoids overlapping of activities
- Possible command conflict



Benefits of Unity of Command

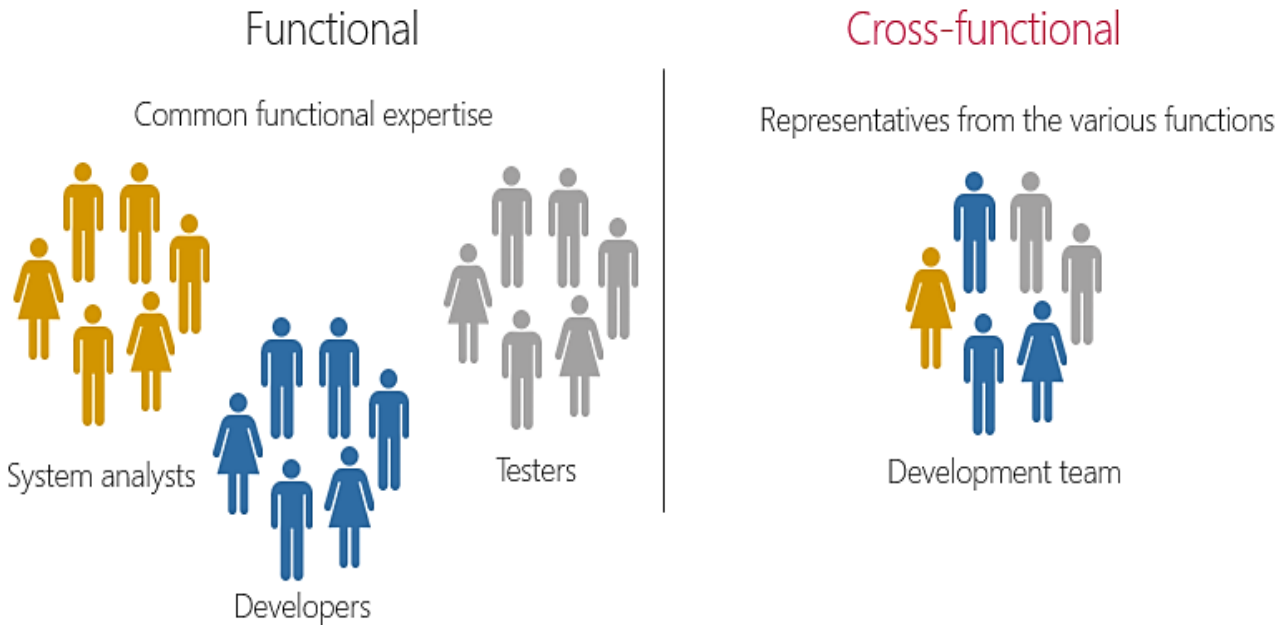
- Improve links between the authorities and subordinates
- Clearly thought-out duties, an existence of accountability for the outcomes
- Prevention of duplication of job functions
- Rapid and adequate decision-making
- Excellent teamwork and subordination
- High production speed
- An absence of double standards

Cross-functional Management (CFM)

CFM relates to coordinating and **synergizing the activities of different units** for realizing the superordinate cross-functional goals and policy deployment.

- Building a better system for achieving cross-functional like **innovation, quality, cost, and delivery**

- **Benefits:**
  - Improved coordination
  - Increased innovation



Authority

- **Implies right to give orders, supervise work of others** and make decisions
- It is linked with the managerial position to give orders and expect to follow the orders
  - The authority was **delegated from top to bottom** of the organizational hierarchy
  - **Every manager possessed some types of authority** according to his designated position related to a specific position a person holds

Types of Authority in Management

Line Authority

The **work of an employee is directed** with the help of line authority. It takes the form of an employer-employee relationship that moves from top to bottom

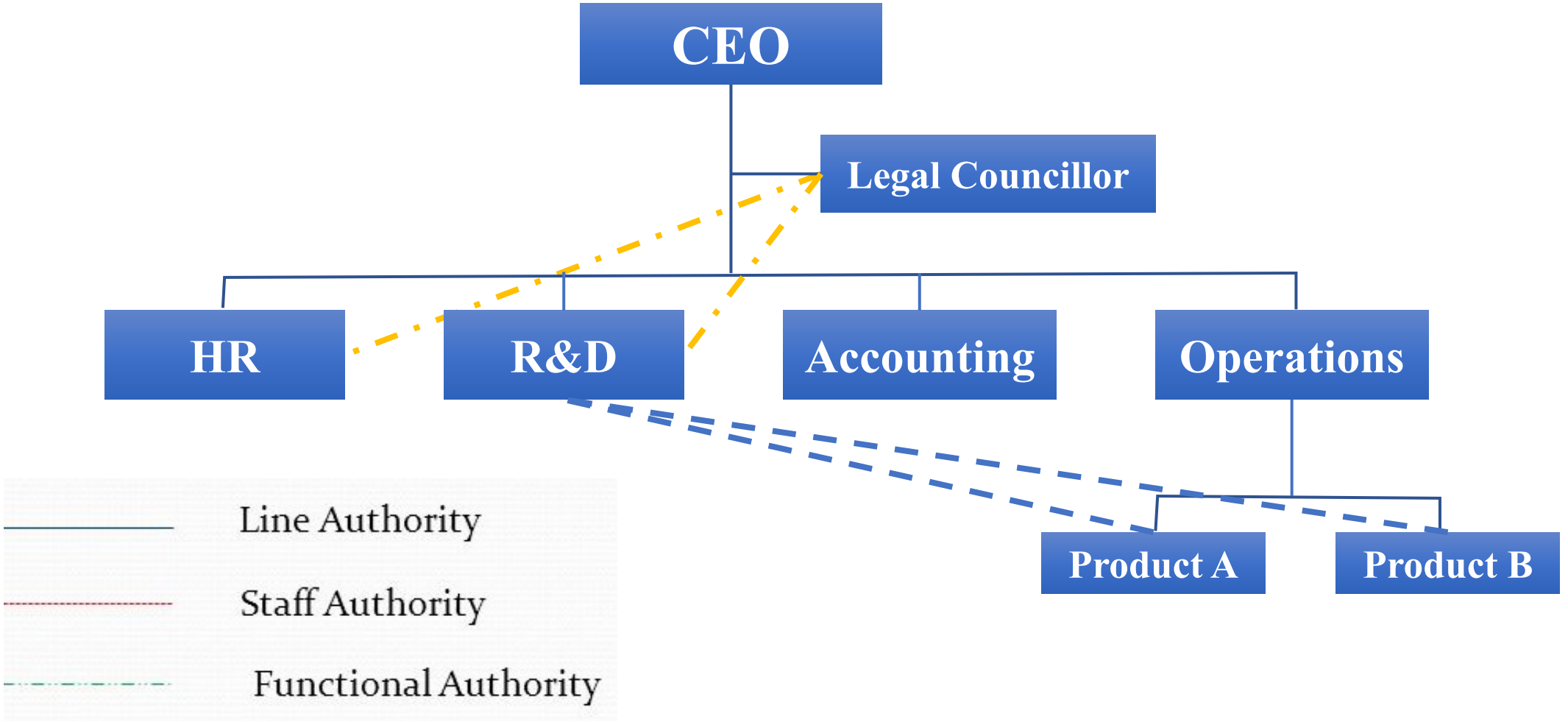
Staff Authority

Staff authority is possessed by the **staff managers**. The objectives of the organization determine the line and staff nature of the functions of any manager

Functional Authority

The functional authority that is also known as functional control

Types of Authority in Management



Centralization and Decentralization

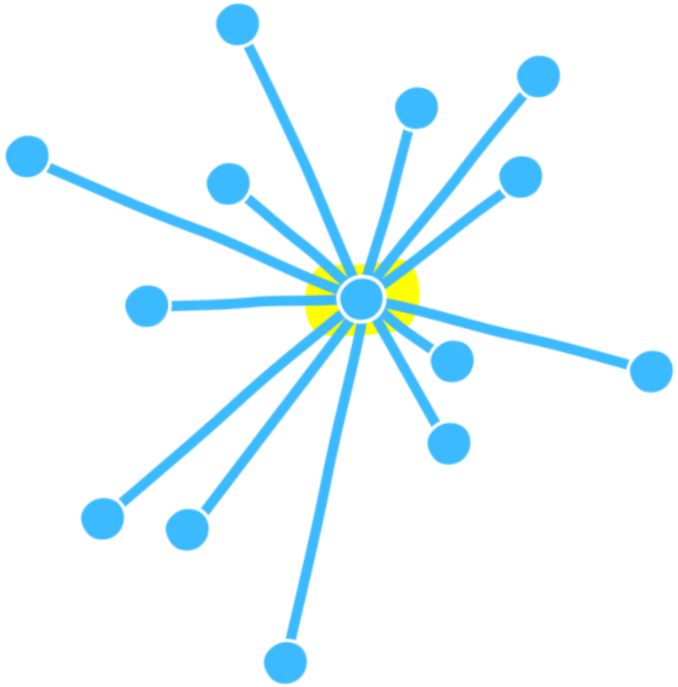
- 'Centralization' is the systematic and consistent reservation of authority at the central points in the organization
- A process where the **concentration of decision making is in a few hands,** that implies:
  - Reservation of **decision-making power** at top level
  - Reservation of **operating authority** with the middle level managers
  - Reservation of **operation at lower level** at the directions of the top level

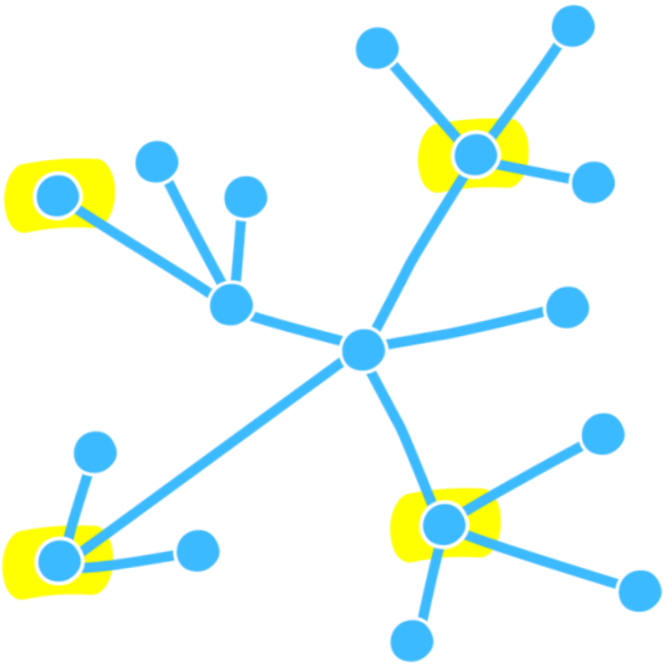
Everything that increasing the role of subordinates is decentralization and that decreases the role is centralization

Centralization and Decentralization

The degree of centralization and de-centralization can be affected by many factors like:

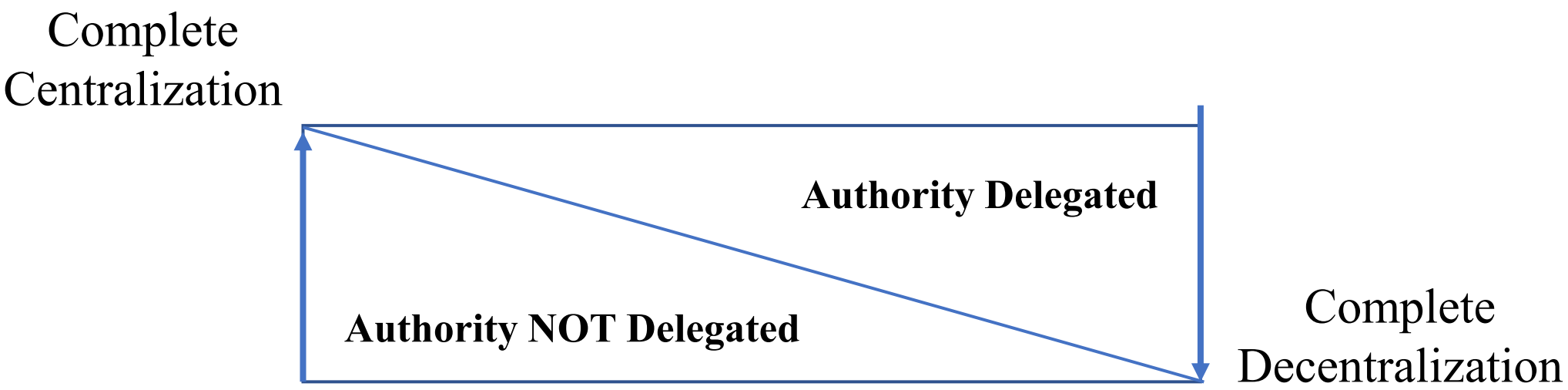
- Nature of operation
- Volume of profits
- Number of departments
- Size of a concern, etc





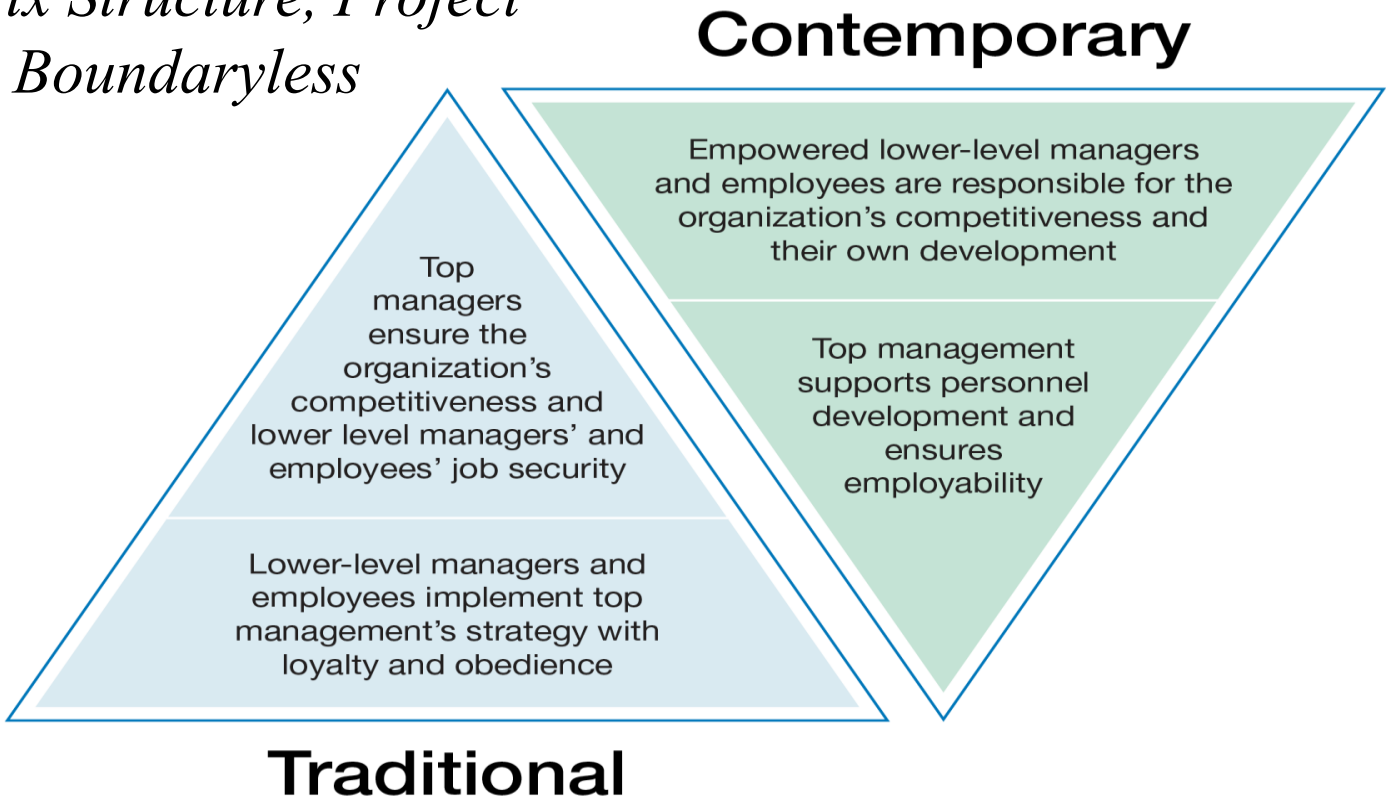
Centralization and Decentralization

- Decentralization is a **systematic delegation of authority** at all levels of management
- In decentralization, **authority in retained by the top management** for taking major decisions and framing policies concerning the whole concern



Traditional and Contemporary Organization

Contemporary: *Team structures, Matrix Structure, Project structures, Autonomous Internal Units, Boundaryless Organization, Learning Organization*



Traditional: *Simple structures, Functional Designs, Divisional structures*

Traditional Organization	Contemporary Organization
Stable, Inflexible	Dynamic, Flexible
Job - focused	Skills-focused
Work is defined by job positions	Work is defined in terms of tasks to be done
Individual - oriented	Team-oriented
Permanent jobs	Temporary jobs
Command - oriented .	Involvement-oriented
Managers always make decisions	Employees participate in decision making
Rule oriented; homogeneous workforce	Customer-oriented- Diverse workforce
Hierarchical relationships	Lateral and networked relationships
Work at specific time and place	Work anywhere, anytime

Basic Forms of Organizational Designs

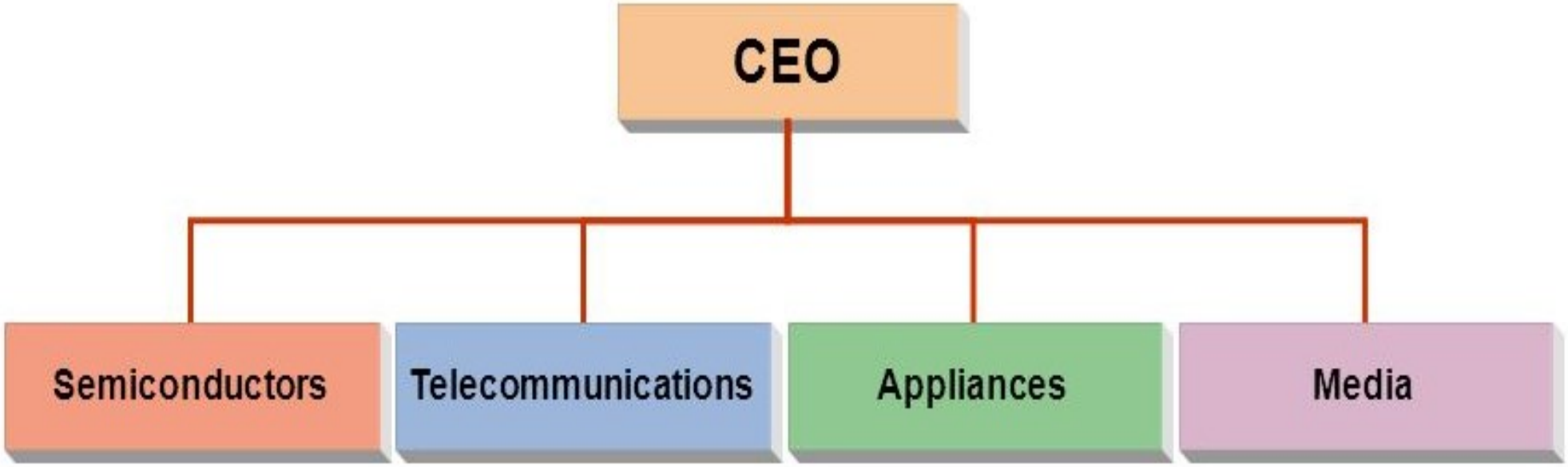
Most designs fall into on of four following categories:

- **Functional (U-Form) Design** – 'U for unity,' **relies almost exclusively on the functional** approach to departmentalization
- **Conglomerate (H-Form) Design** – 'H for Holding,' **consists of a set of unrelated** businesses with a GM for each business
- **Divisional (M-Form) Designs** – 'M or MDF' from **Multi-division**, where the firm is separated into several semi autonomous units
- **Matrix design** - Way of arranging a set up reporting relationships as a grid, or a matrix, rather than in the traditional hierarchy.

Hybrid Designs

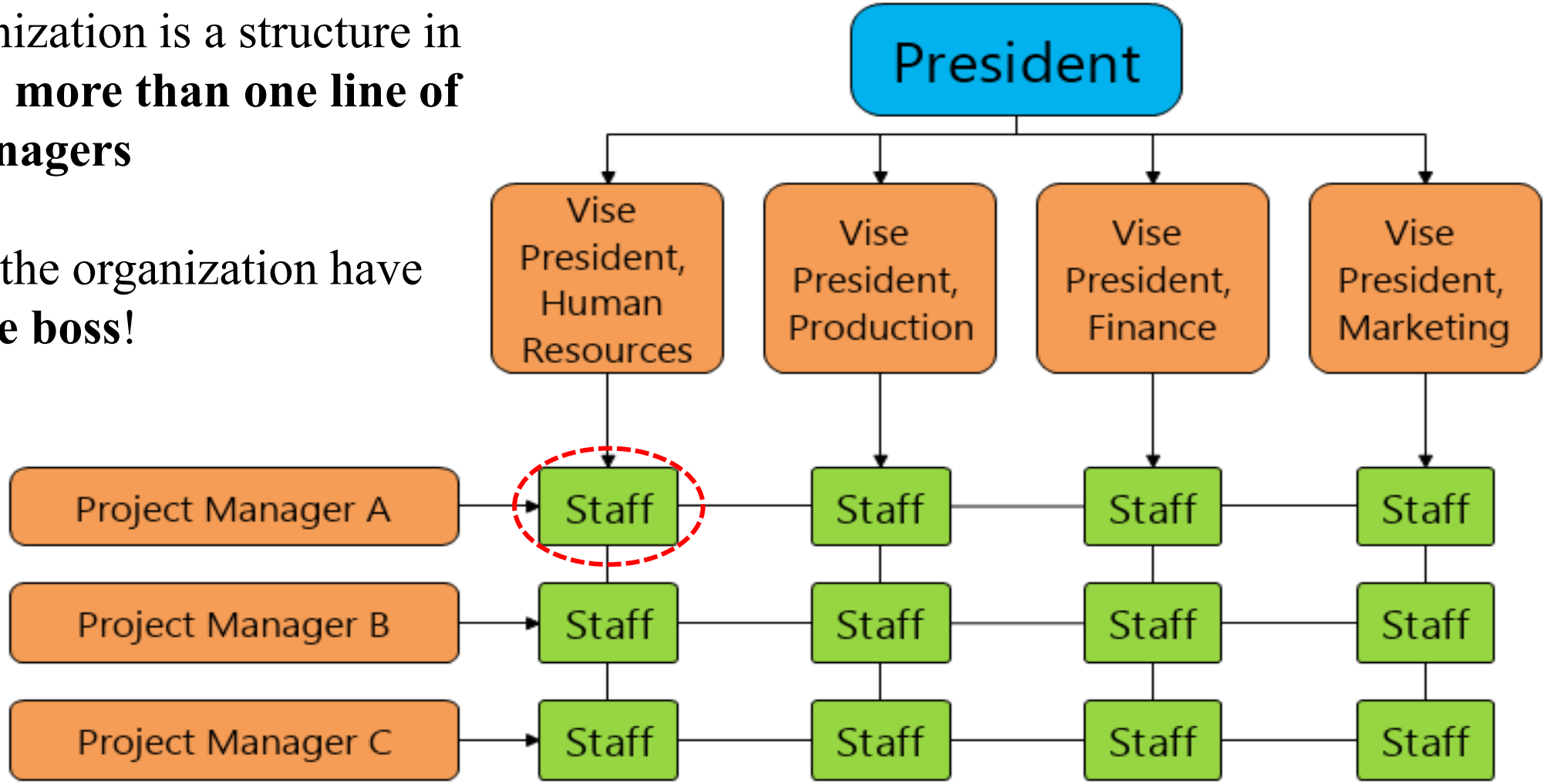
Conglomerate (H-Form) Design

– Consists of a set of unrelated businesses with a GM for each business



Matrix Structures

- A matrix organization is a structure in which **there is more than one line of reporting managers**
- Employees of the organization have **more than one boss**!

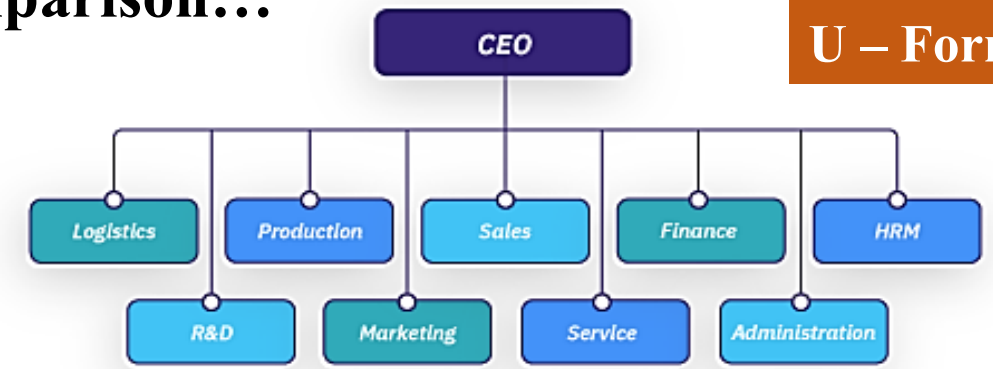


Advantages and Disadvantages of Matrix Structures



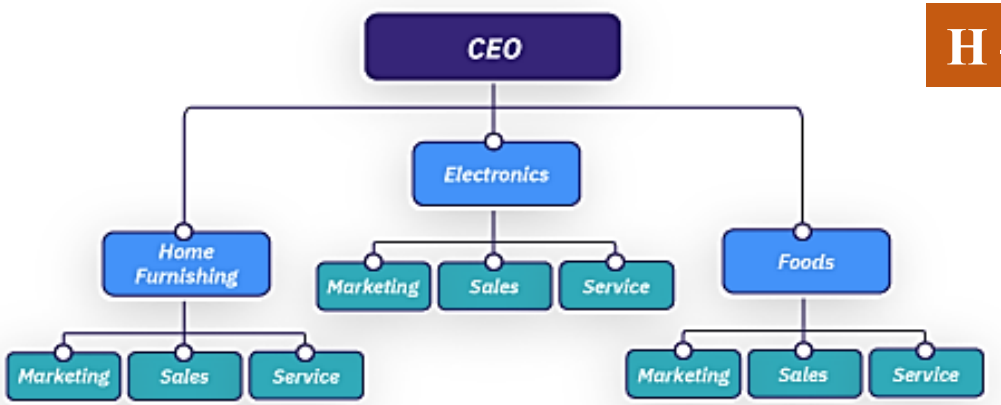
Comparison…

U – Form



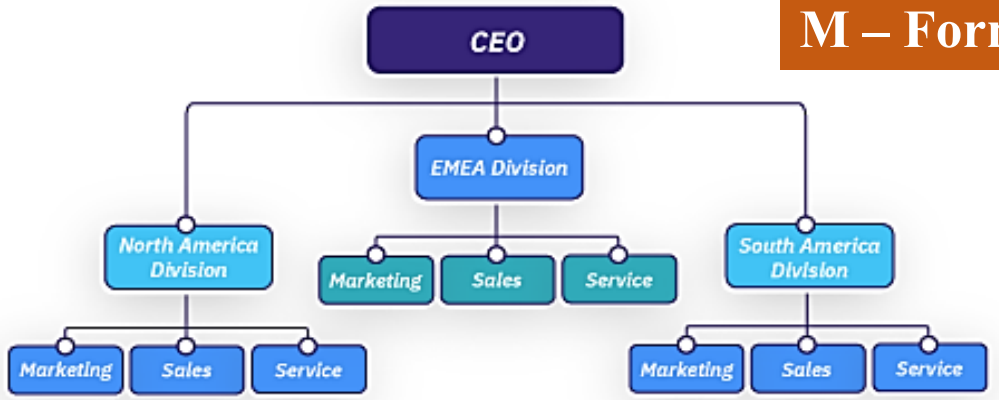
1. Functional Organizational Design

H – Form



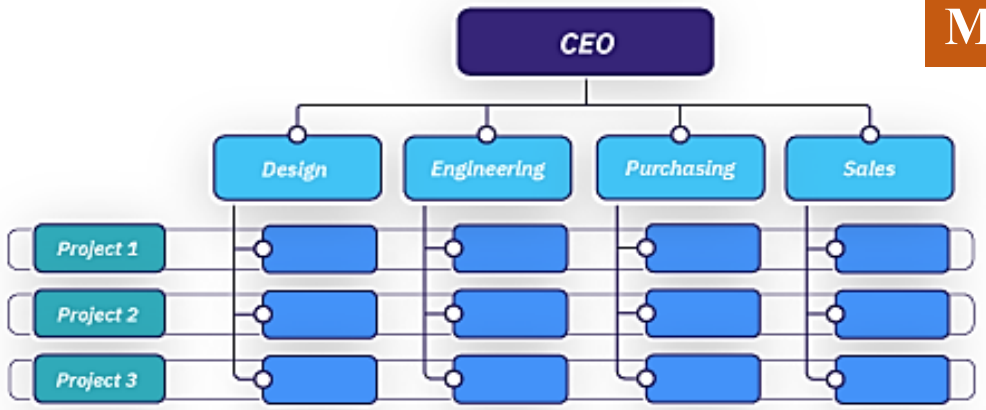
2. Product-Based Organizational Design

M – Form



3. Geography-Based Organizational Design

Matrix

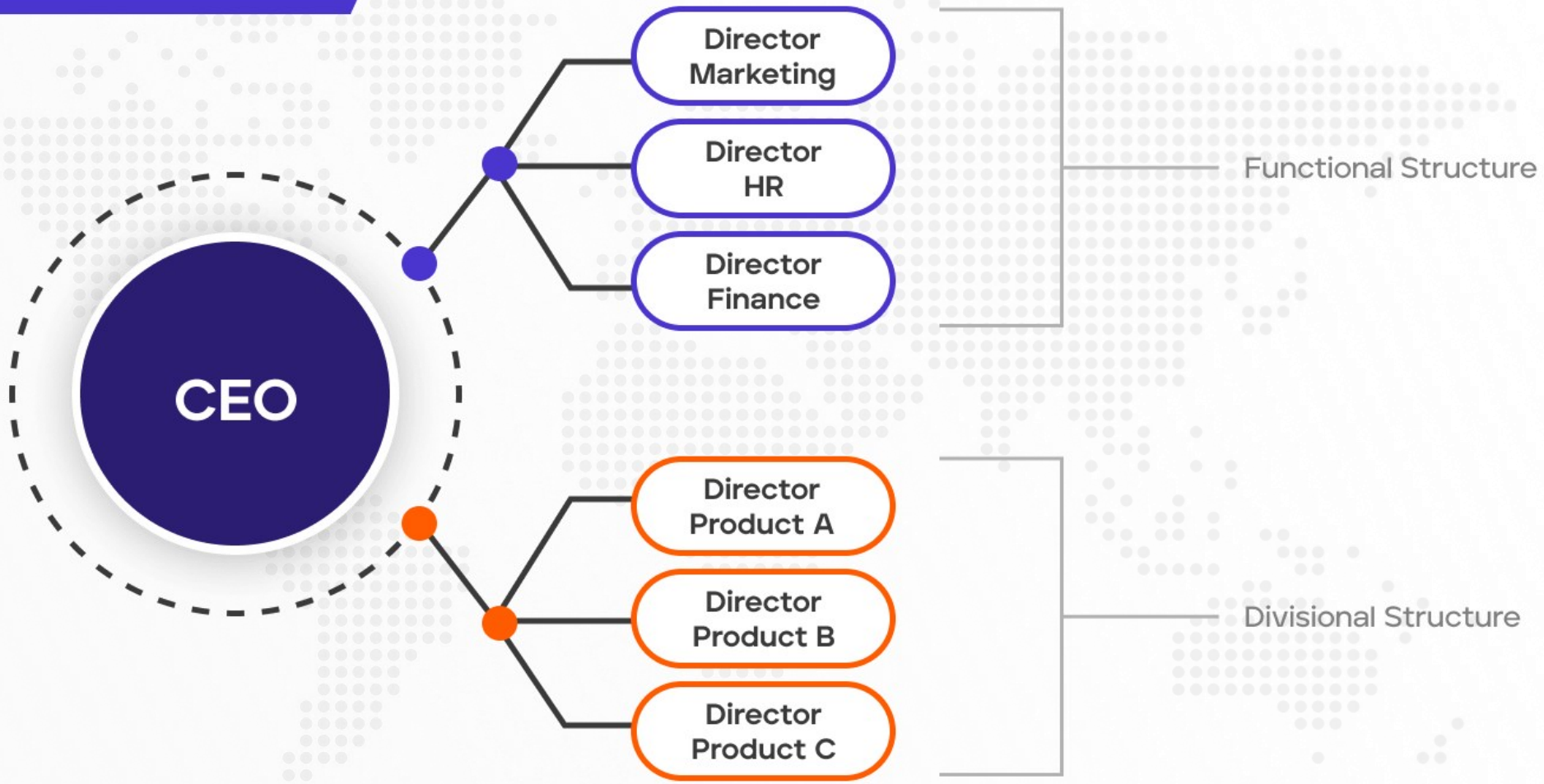


4. Matrix Organization

Organizational Structure Type

HYBRID STRUCTURE

A hybrid organizational structure employs multiple reporting structures in the organization



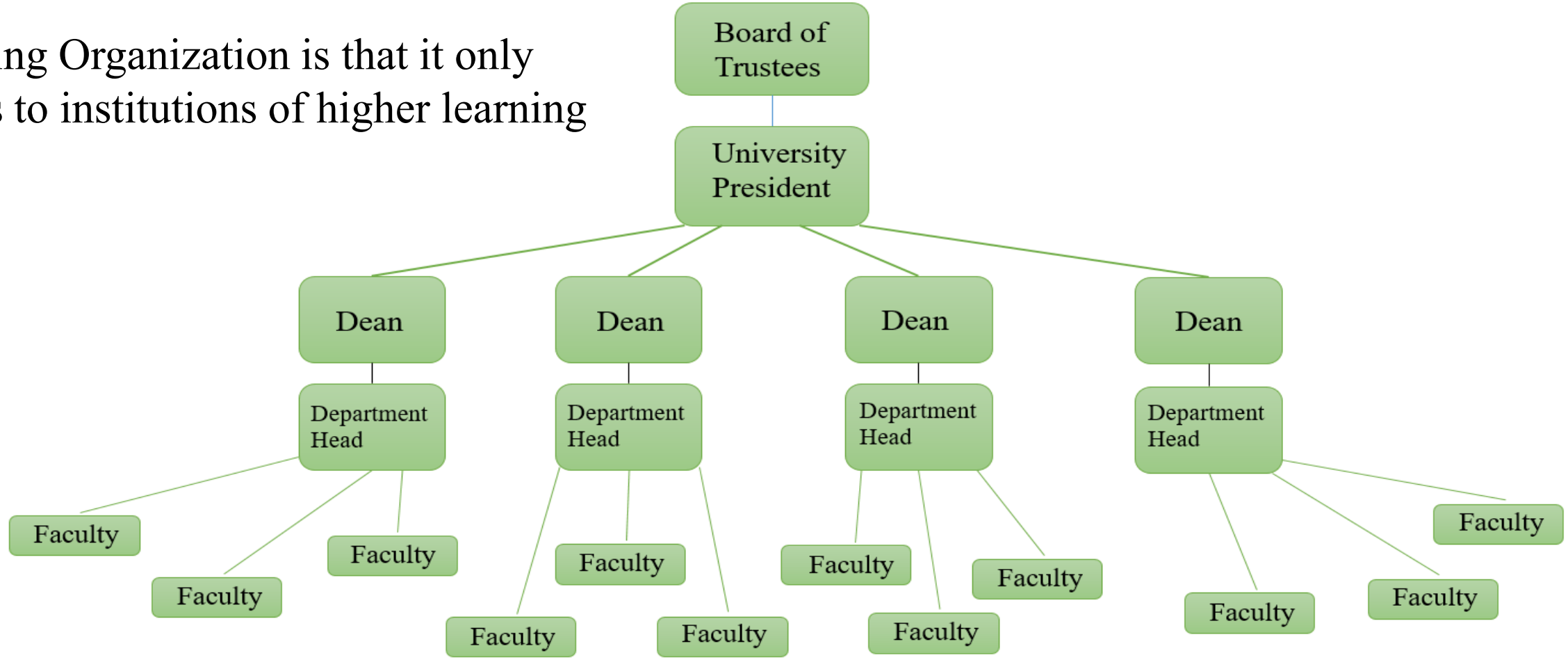
Learning Structures

- A learning organization is skilled at creating, acquiring, and transferring knowledge, and at modifying its behavior to reflect new knowledge and insights.

- Learning organization works to facilitate the lifelong learning and personal development of all its employees while continually transforming itself to respond to changing demands and Needs

Typical University Structure

Learning Organization is that it only relates to institutions of higher learning



Typical Public University Structure in Bangladesh

