

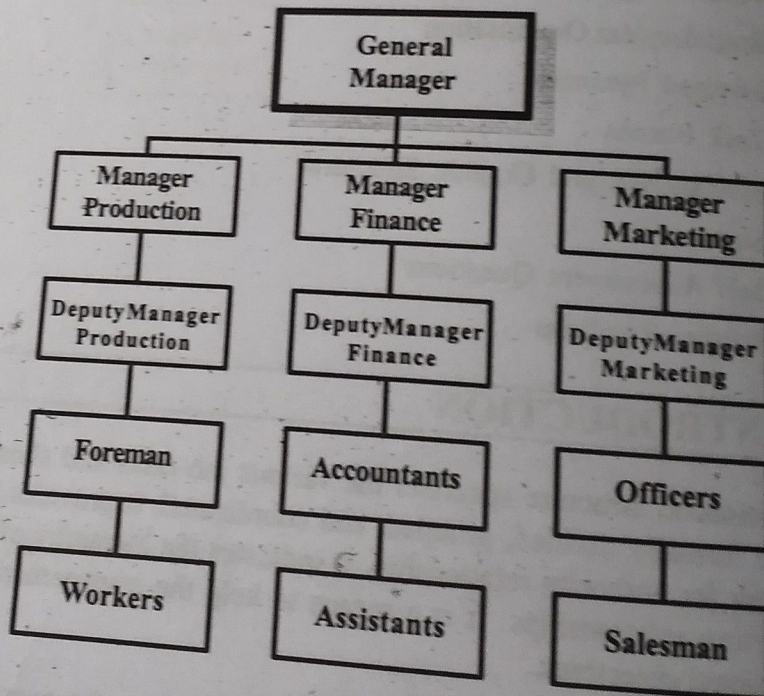
financial, human and physical resources into products and services), and (iii) environmental uncertainty (external environment).

Information technology and globalisation have had a tremendous impact on organisation structures. Many of today's managers realise that the traditional organisation structures based on bureaucratic principles no longer provide solutions to the challenges posed by the new paradigm environment. The needs of flexibility, adaptability to change, creativity, innovation, knowledge and the ability to overcome environmental uncertainties are among the biggest challenges facing many of the organisations. The result has been that the vertical (tall) structures are being replaced by horizontal (flat) structures, the organisations with mechanistic structures are being transformed into ones with organic structure. These shifts reflect a clear departure from the practice of centralised decision-making to decentralised decision-making, from command to consensus based self-control. The new forms of organisation structure that have emerged are: taskforce, network, virtual, boundaryless structures. The salient features of these and other organisation structures are briefly described here to present an overview of different types of organisation structure and their suitability under different situations.

3.2 LINE ORGANISATION

Line organisation is the simplest form of organisation structure. The line structure is based on the scalar principle, which states that authority and responsibility should flow in a direct line vertically from the highest level of the organisation to the lowest level. The primary emphasis in the line organisation is upon the superior-subordinate relationship. Every person in the organisation is in the direct chain of command. (Figure 1).

Figure 1 : Line Organisation

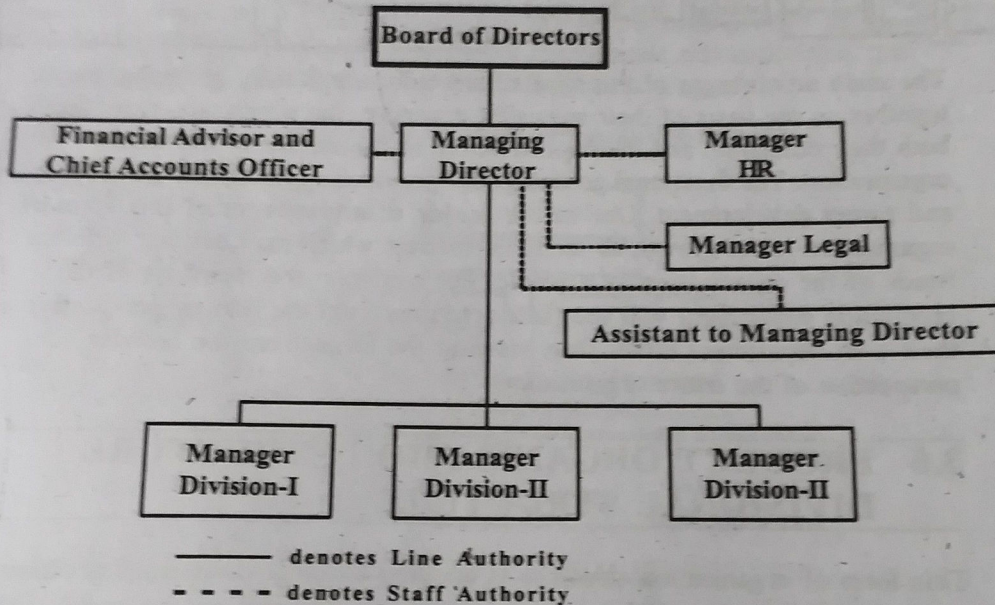


One of the advantages of the line organisation is that it facilitates decision making and execution because there is a definite authority at each level of the hierarchy. However, the disadvantage is that if a wrong decision is made at the top level, the same is carried out simply without anybody down the line venturing to point out its deficiencies.

3.3 LINE AND STAFF ORGANISATION

Most business organisations, except the very small, have this type of structure. As the organisations have grown complex, the problems of line executives have become sufficiently complicated. The line executives being generalists, need the advice of personnel with specialised knowledge and functions to tackle these problems. For this purpose, the staff positions are created in the organisation. In line and staff organisation, the line authority remains the same as it does in the line organisation i.e. the authority flows from top to bottom; and the line executives perform the major functions; the staff functionaries support and advise the line executives. For example, for sound management of human resources, the line managers are provided specialised assistance through personnel/Human Resource managers. As staff functionaries are employed to perform supportive role, they do not have any power of command in the organisation (Figure 2).

Figure 2 : Line and Staff Organisation

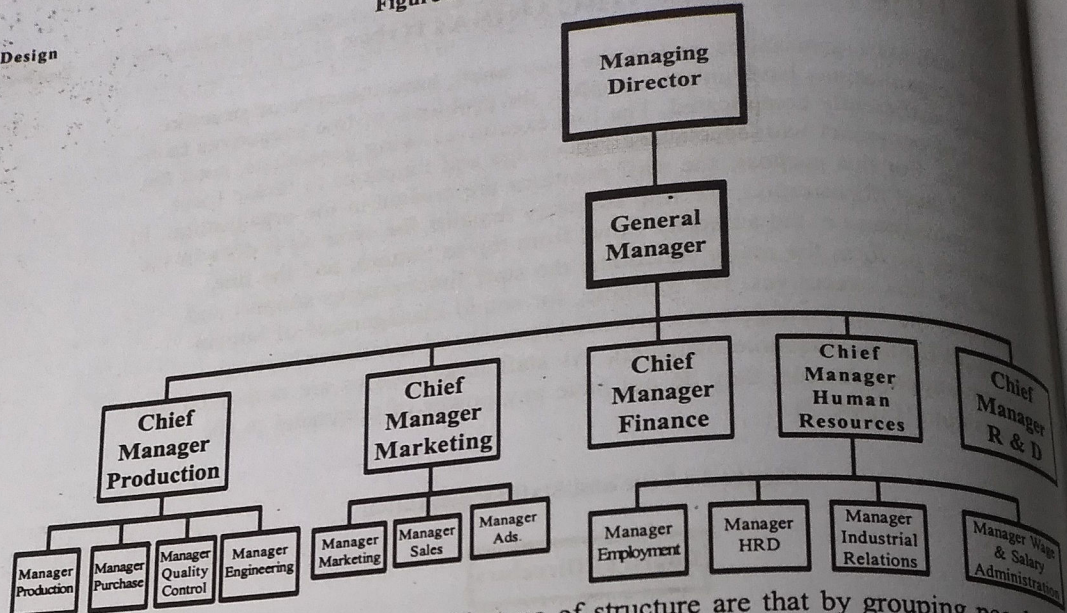


The main **advantage** of line and staff organisation is that the staff specialists relieve the line executives of the botheration of concentrating on specialised functions like selection, training, development, wage and salary administration, accounting, public relations etc. However, the **disadvantage** of this structure is that since functionaries are not accountable for the results, they may not be performing their duties effectively.

3.4 FUNCTIONAL ORGANISATION STRUCTURE

This is the most widely used form of organisation structure because of its simple logic and commonsense appeal. Here the tasks are grouped together on the basis of common functions. So, all production activities or all financial activities are grouped into a single function which undertakes all the tasks required of that function. A typical chart of a functional organisation is presented in Figure 3.

The functional structure suits best to the small to medium organisations producing one or a few products, where the goals of the organisation emphasise functional specialisation, efficiency and quality.

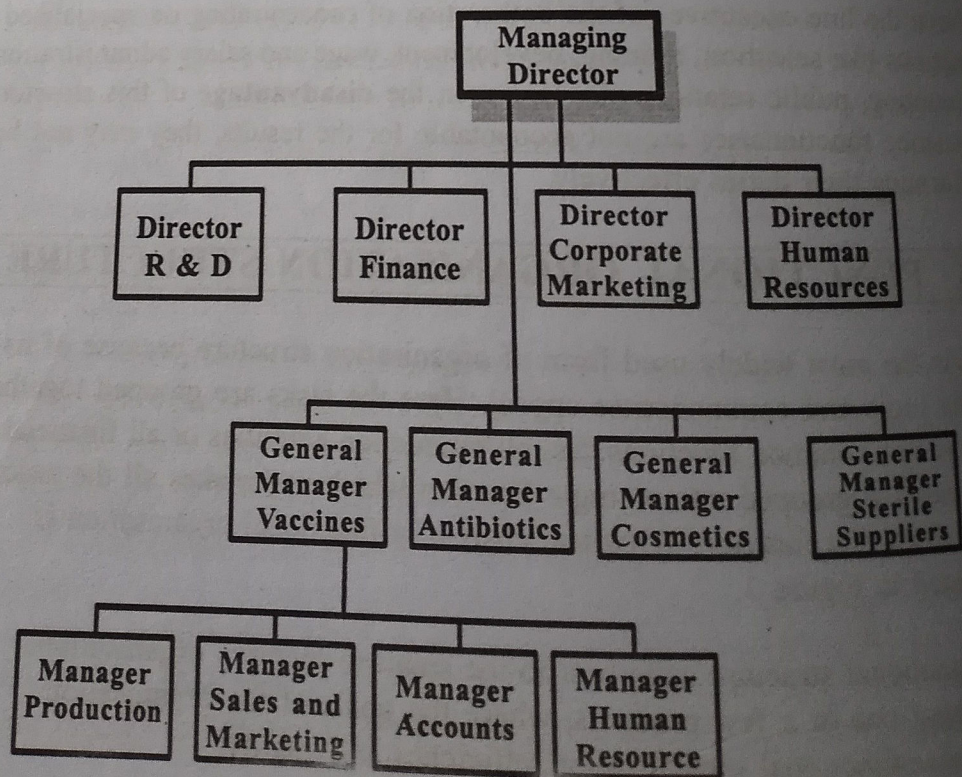


The main **advantages** of this type of structure are that by grouping people together on the basis of their specialist expertise, the organisation can facilitate both their utilisation and their coordination in the service of the whole organisation. The functional grouping also provides opportunities for promotion and career development. One of the **major disadvantages** of this form of organisation is the growth of sectional interest which may conflict with the needs of the organisation as a whole. For example, the members of the production department will see their activities from the narrow perspective of their own department rather than viewing the same from the broader perspective of the entire organisation.

3.5 PRODUCT ORGANISATION STRUCTURE / DIVISIONAL STRUCTURE

This form of organisation structure is adopted by large companies producing a wide range of products. Here, the activities are grouped on the basis of the

Figure 4 : Product-based Organisation Structure



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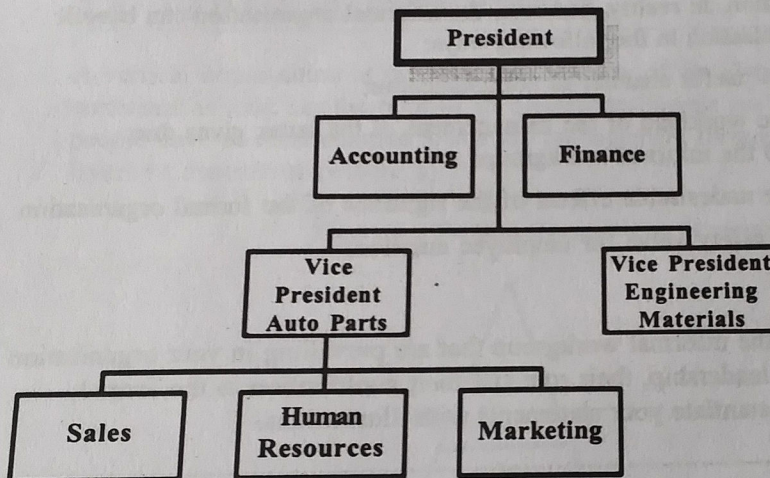
individual products manufactured by the company. Thus, one finds autonomous "little companies within the company" adopting this type of organisation structure. As such, within each of these little independent units, we find all important functions viz. production, marketing, finance and human resources. The organisation structure of a large multi-product pharmaceutical company is illustrated in Figure 4.

One of the **advantages** of the product organisation is that it enables diversification of the products to take place with minimal effort. Another advantage is that it can cope better with technological change by grouping people with expertise and their specialised equipment in one major unit. The main **disadvantage** of the product organisation is that each product division may promote its own product group in a way that creates problems to other product divisions of the company.

3.6 HYBRID STRUCTURE

The *hybrid form* combines features of both functional and divisional forms. When an organisation starts to get very large, it establishes some self-contained units. Functions that are considered important to each product are decentralised to the units; however, some functions like finance and accounting are centralised at headquarters for practical reasons (Figure 5).

Figure 5 : A Hybrid Organisation Structure



The functional part of the organisation is reflected in the departments centralised at the corporate level. However, each of the product divisions has specialists in functional areas for necessary assistance.

The important **advantages** of hybrid structure are:

1. The overall organisation enjoys the benefits of both functional and product (decentralised) structures.
2. It provides the opportunity to improve coordination both within and among divisions.
3. It enables the organisation to pursue an adaptive strategy within the product divisions while at the same time achieving efficiency in the functional departments.
4. It helps in proper alignment of corporate and divisional goals.

A major **disadvantage** of the hybrid structure is that it often leads to excessive duplication of activities between functions and divisions. Another disadvantage is its tendency to create conflict between headquarters and divisional functions.

3.7 FORMAL AND INFORMAL ORGANISATION

The *formal organisation structure* refers to a structure of clearly defined jobs, each bearing a definite amount of responsibility and authority. The formal organisation lays down formal procedures, rules and regulations, which guide the behaviour of individuals performing these jobs.

The *informal organisation* is the outcome of social interaction that takes place between the individuals of the formal organisation. When people work together they tend to form informal work groups, often spontaneously, because of physical proximity, commonality of interest etc. These informal groups are collectively known as informal organisation. Unlike the formal organisation, the informal organisation is unstructured and not given. Generally, it is an unofficial organisation born out of a formal organisation. An informal organisation has its own structure, roles, procedures, norms and values which are unwritten and are evolved through consensus among the members of the informal groups. An informal organisation does not have a fixed chain of command. It is based on the sentiments of the members. The communication patterns are not fixed and as such communication may flow in any direction.

In contrast to formal organisation analysis, the dysfunctional aspects of informal organisation such as conflicting objectives, restriction of output, resistance to change have received more attention than the functional ones. In other words, the informal organisation is often projected to be counter-productive to the formal organisation. In reality, however, the informal organisation can benefit the formal organisation in the following ways:

1. It serves as a useful channel of communication
2. It lightens the workload of the management, if the latter gives due importance to the informal workgroups
3. It reduces the undesirable effects of the rigidities of the formal organisation
4. It provides a safety valve for employee emotions.

Activity A

Staffing.

It is a systematic approach of selecting, training, motivating and retaining the professional & non-professional employees in a organization.

Monday	12	19	26
Tuesday	6	13	20
Wednesday	14	21	28
Thursday	7	14	21
Friday	15	22	29
Saturday	8	15	22
Sunday	16	23	30

Steps & Guideline of Staffing

- ① The objective of managerial staffing is to ensure that all positions in the organization are occupied by right individuals who are competent & willing to discharge their responsibilities duly.
- ② It is based on organizational structure must be based on the enterprise. job definition, selection, appraisal and training of manager ensure smooth mgt. succession. Planned staffing function assures better mgt. quality.
- ③ Managerial personnel inventory and forecast are obtained on the basis of corporate objectives and managerial resource analysis. It gives realistic picture for new addition to managerial cadre through scientific recruitment & selection.
- ④ The managerial appraisal assure more specific mgt. results. It help determination of promotion salary. and indicate the need for development or training of managers.
- ⑤ Open competition in selection & placement of people assure quality mgt.
- ⑥ Managerial training programme is more effective if they provide the knowledge required by managers in their present position, if they make managers competent to carrying promotion and if they involve top mgt. also in a process of mgt. development.
- ⑦ Mgt. dev. plan is an ongoing continuous process when staffing function insists on managerial excellence.

Recruitment is a process of identifying that organisational forms for the post have arrived at the point at which application forms for the post have arrived at the organisation. Selection then consists of the process involved in choosing from applicant a suitable candidate to fill the post.

MARCH '18
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⑧ Its Staffing effect leading a controlling manager manager must create a favourable environment in which people, working together in teams are able to accomplish objective of organization and at the same time achieve their personal goals. Thus Staffing effect leading.

Recruitment & Selection.

- ① job description
- ② Application forms
- ③ Employment test
- ④ Interviewing tests.
- ⑤ Physical examination
- ⑥ Induction or orientation.

① job description.

Essential requirements as well work to be performed by of a particular job.

- a) job title
- b) Dept. in which job exists.
- c) job responsibilities
- d) job knowledge
- e) Mental Concentration required
- f) Dexterity (skill of doing things) and accuracy required.
- g) Machine, tools & process to be handled.
- h) Relation with other job
- i) qualification & experience required
- j) Machine, tool and process to be handled.
- k) qualification & experience required
- l) Amount of supervision to be provided.
- m) Physical activities
workshop conditions

notes
Phone
email
website

03/2018					
Monday	-	5	12	19	26
Tuesday	-	6	13	20	27
Wednesday	-	7	14	21	28
Thursday	1	8	15	22	29
Friday	2	9	16	23	30
Saturday	3	10	17	24	31
Sunday	4	11	18	25	-

② Application form

③ Employment test

Most of the case money is involve to partic in such test. For this reason and order to avoid the recurrence of such situation,

employment test are, sometimes, considered as essential part of selection programme.

A E.T. measure selected psycholocial factors such as ability to reason, capacity of learning, temperament, specific attitude, physical & motor ability test.

① A test should to design on the basis of sound job analysis programme

① A test should to reliable

② A test should be valid highly specific to the objective it intends to measure and to the particular business situation.

Types of employment test.

① Achievement test

② Aptitude ~~test~~ test

③ Intelligence test

④ Interest test

⑤ Dexterity test (motor)

⑥ Personality test.

Interviewing - It is a conversation directed to definite purpose between an applicant & interviewer. Much of the interaction between these two is carried on by gesture, posture, facial expression & other communicative behavior. It is in the interview that both the prospective employee and employers get the chance to learn & know about each other.

Purpose

- (i) To find most suitable candidate for job
- (ii) To view & apprise the applicant in totality
- (iii) To study the applicant's motivational & emotional patterns
- (iv) To measure the applicant against the specific requirement for job
- (v) To explore the applicant's innate abilities
- (vi) To study the impact of the applicant to others.

Types

- (i) Guided - Pre list of proposed question based on analysis on job requirement
- (ii) Un guided - those after used in situation other than employment e.g. counselling, handling grievances etc.

* Physical examination :-

ix. Induction or orientation training - is concerned @ process of welcoming the new employee and orienting the new employee about organisation rules, regulation, procedure etc. objective.

- (i) strengthen the confidence of new employees
- (ii) To ensure that employees may not have wrong impression about their place of work
- (iii) To promote a feeling of belongingness and loyalty to the organisation
- (iv) To give new employee information they need such as facilities, rules & regulation