

SOS POLITICAL SCIENCE AND PUBLIC ADMINISTRATION

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SUBJECT NAME : PERSONNEL ADMINISTRATION IN INDIA

UNIT-IV

TOPIC NAME : ORGANIZATION AND FUNCTION

An organization or organisation is an entity comprising multiple people, such as an institution or an association, that has a particular purpose. The word is derived from the Greek word organon, which means tool or instrument, musical instrument, and organ. A social unit of people that is structured and managed to meet a need or to pursue collective goals. All organizations have a management structure that determines relationships between the different activities and the members, and subdivides and assigns roles, responsibilities, and authority to carry out different tasks. Organizations are open systems--they affect and are affected by their environment

TYPES

There are a variety of legal types of organisations, including corporations, governments, non-governmental organisations, political organisations, international organisations, armed forces, charities, not-for-profit corporations, partnerships, cooperatives, and educational institutions. A hybrid organization is a body that operates in both the public sector and the private sector simultaneously, fulfilling public duties and developing commercial market activities. A voluntary association is an organisation consisting of volunteers. Such organisations may be able to operate without legal formalities, depending on jurisdiction, including informal clubs or coordinating bodies with a goal in mind which they may express in the form of an Manifesto, Mission statement, or in an informal manner reflected in what they do because remember every action done by an organization both legal and illegal reflects a goal in mind. Organisations may also operate secretly or illegally in the case of secret societies, criminal organisations and resistance movements. And in some cases may have obstacles from other organizations (ex: MLK's organization) but what makes an organization an organization is not the paperwork that makes it official but to be an organization there must be four things: But what makes an

organization recognized by the government is either filling out Incorporation (business) or recognition in the form of either societal pressure (ex: Advocacy group), causing concerns (ex: Resistance movement) or being considered the spokesperson of a group of people subject to negotiation (ex: the Polisario Front being recognized as the sole representative of the Sahawri people and forming a partially recognized state.)

ORGANIZATIONAL 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. Having an organizational structure in place allows companies to remain efficient and focused.

UNDERSTANDING ORGANIZATIONAL STRUCTURES

Businesses of all shapes and sizes use organizational structures heavily. They define a specific hierarchy within an organization. A successful organizational structure defines each employee's job and how it fits within the overall system. Put simply, the organizational structure lays out who does what so the company can meet its objectives. This structuring provides a company with a visual representation of how it is shaped and how it can best move forward in achieving its goals. Organizational structures are normally illustrated in some sort of chart or diagram like a pyramid, where the most powerful members of the organization sit at the top, while those with the least amount of power are at the bottom.

KEY TAKEAWAYS

An organizational structure outlines how certain activities are directed to achieve the goals of an organization.

Successful organizational structures define each employee's job and how it fits within the overall system.

A centralized structure has a defined chain of command, while decentralized structures give almost every employee receiving a high level of personal agency.

Not having a formal structure in place may prove difficult for certain organizations. For instance, employees may have difficulty knowing to whom they should report. That can lead to uncertainty as to who is responsible for what in the organization. Having a structure in place can help with efficiency and provide clarity for everyone at every level. That also means each

and every department can be more productive, as they are likely to be more focused on energy and time.

CENTRALIZED VERSUS 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.

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.

ADDITIONAL BENEFITS TO HAVING AN ORGANIZATIONAL STRUCTURE

Putting an organizational structure in place can be very beneficial to a company. The structure not only defines a company's hierarchy, but it also allows the firm to lay out the pay structure for its employees. By putting the organizational structure in place, the firm can decide salary grades and ranges for each position. The structure also makes operations more efficient and much more effective. By separating employees and functions into different departments, the company can perform different operations at once seamlessly.

COMMITTEES OR JURIES

These consist of a group of peers who decide as a group, perhaps by voting. The difference between a jury and a committee is that the members of the committee are usually assigned to perform or lead further actions after the group comes to a decision, whereas members of a jury come to a decision. In common law countries, legal juries render decisions of guilt, liability and quantify damages; juries are also used in athletic contests, book awards and similar activities. Sometimes a selection committee functions like a jury. In the Middle Ages, juries in continental Europe were used to determine the law according to consensus among local notables. Committees are often the most reliable way to make decisions. Condorcet's jury theorem proved that if the average member votes better than a roll of dice, then adding more members increases the number of majorities that can come to a correct vote (however correctness is defined). The problem is that if the average member is subsequently worse than a roll of dice, the committee's decisions grow worse, not better; therefore, staffing is crucial. Parliamentary procedure, such as Robert's Rules of Order, helps prevent committees from engaging in lengthy discussions without reaching decisions.

ECOLOGIES

This organizational structure promotes internal competition. Inefficient components of the organisation starve, while effective ones get more work. Everybody is paid for what they actually do, and so runs a tiny business that has to show a profit, or they are fired. Companies who utilize this organisation type reflect a rather one-sided view of what goes on in ecology. It is also the case that a natural ecosystem has a natural border - Eco regions do not, in general, compete with one another in any way, but are very autonomous. The pharmaceutical company GlaxoSmithKline talks about functioning as this type of organisation in this external article from The Guardian. By: Bastian Batac De Leon.

MATRIX ORGANISATION

This organizational type assigns each worker two bosses in two different hierarchies. One hierarchy is "functional" and assures that each type of expert in the organisation is well-trained, and measured by a boss who is super-expert in the same field. The other direction is "executive" and tries to get projects completed using the experts. Projects might be organized by products, regions, customer types, or some other schemes. As an example, a company might have an individual with overall responsibility for products X and Y, and another individual with overall responsibility for engineering, quality control, etc. Therefore, subordinates responsible for quality control of project X will have two reporting lines.

PYRAMIDS OR HIERARCHICAL

A hierarchy exemplifies an arrangement with a leader who leads other individual members of the organisation. This arrangement is often associated with the basis that there are enough imagine a real pyramid, if there are not enough stone blocks to hold up the higher ones, gravity would irrevocably bring down the monumental structure. So one can imagine that if the leader does not have the support of his subordinates, the entire structure will collapse. Hierarchies were satirized in *The Peter Principle* (1969), a book that introduced hierarchy and the saying that "in a hierarchy every employee tends to rise to his level of incompetence."

THEORIES

ORGANIZATIONAL THEORY

In the social sciences, organisations are the object of analysis for a number of disciplines, such as sociology, economics,[5] political science, psychology, management, and organizational communication. The broader analysis of organisations is commonly referred to as organizational structure, organizational studies, organizational behavior, or organisation analysis. A number of different perspectives exist, some of which are compatible: From a functional perspective, the focus is on how entities like businesses or state authorities are used. From an institutional perspective, an organisation is viewed as a purposeful structure within a social context. From a process-related perspective, an organisation is viewed as an entity is being (re-)organized, and the focus is on the organisation as a set of tasks or actions. Sociology can be defined as the science of the institutions of modernity; specific institutions serve a function, akin to the individual organs of a coherent body. In the social and political sciences in general, an "organisation" may be more loosely understood as the planned, coordinated and purposeful action of human beings working through collective action to reach a common goal or construct a tangible product. This action is usually framed by formal membership and form (institutional rules). Sociology distinguishes the term organisation into planned formal and unplanned informal (i.e. spontaneously formed) organisations. Sociology analyses organisations in the first line from an institutional perspective. In this sense, organisation is an enduring

arrangement of elements. These elements and their actions are determined by rules so that a certain task can be fulfilled through a system of coordinated division of labour. Economic approaches to organisations also take the division of labour as a starting point. The division of labour allows for (economies of) specialisation. Increasing specialisation necessitates coordination. From an economic point of view, markets and organisations are alternative coordination mechanisms for the execution of transactions. An organisation is defined by the elements that are part of it (who belongs to the organisation and who does not?), its communication (which elements communicate and how do they communicate?), its autonomy (which changes are executed autonomously by the organisation or its elements?), and its rules of action compared to outside events (what causes an organisation to act as a collective actor?). By coordinated and planned cooperation of the elements, the organisation is able to solve tasks that lie beyond the abilities of the single elements. The price paid by the elements is the limitation of the degrees of freedom of the elements. Advantages of organisations are enhancement (more of the same), addition (combination of different features) and extension. Disadvantages can be inertness (through co-ordination) and loss of interaction. Among the theories that are or have been influential are: Activity theory is the major theoretical influence, acknowledged by de Clodomir Santos de Morais in the development of Organisation Workshop method. Actor–network theory, an approach to social theory and research, originating in the field of science studies, which treats objects as part of social networks. Complexity theory and organisations, the use of complexity theory in the field of strategic management and organizational studies. Contingency theory, a class of behavioral theory that claims that there is no best way to organize a corporation, to lead a company, or to make decisions. Critical management studies, a loose but extensive grouping of theoretically informed critiques of management, business, and organisation, grounded originally in a critical theory perspective Economic sociology, studies both the social effects and the social causes of various economic phenomena. Enterprise architecture, the conceptual model that defines the coalescence of organizational structure and organizational behavior. Garbage Can Model, describes a model which disconnects problems, solutions and decision makers from each other. Principal–agent problem, concerns the difficulties in motivating one party (the "agent"), to act in the best interests of another (the "principal") rather than in his or her own interests Scientific management (mainly following Frederick W. Taylor), a theory of management that analyses and synthesizes workflows. Social entrepreneurship, the process of pursuing innovative solutions to social problems. Transaction cost theory, the idea that people begin to organize their production in firms when the transaction cost of coordinating production through the market exchange, given imperfect information, is greater than within the firm. Weber's Ideal of Bureaucracy (refer to Max Weber's chapter on "Bureaucracy" in his book Economy and Society)

LEADERSHIP

A leader in a formal, hierarchical organisation, is appointed to a managerial position and has the right to command and enforce obedience by virtue of the authority of his position. However, he must possess adequate personal attributes to match his authority, because authority is only potentially available to him. In the absence of sufficient personal competence, a manager may be confronted by an emergent leader who can challenge his role in the organisation and reduce it to that of a figurehead. However, only authority of position has the backing of formal sanctions. It follows that whoever wields personal influence and power can legitimize this only by gaining a formal position in the hierarchy, with commensurate authority.

FORMAL ORGANISATIONS

An organisation that is established as a means for achieving defined objectives has been referred to as a formal organisation. Its design specifies how goals are subdivided and reflected in subdivisions of the organisation. Divisions, departments, sections, positions, jobs, and tasks make up this work structure. Thus, the formal organisation is expected to behave impersonally in regard to relationships with clients or with its members. According to Weber's definition, entry and subsequent advancement is by merit or seniority. Each employee receives a salary and enjoys a degree of tenure that safeguards him from the arbitrary influence of superiors or of powerful clients. The higher his position in the hierarchy, the greater his presumed expertise in adjudicating problems that may arise in the course of the work carried out at lower levels of the organisation. It is this bureaucratic structure that forms the basis for the appointment of heads or chiefs of administrative subdivisions in the organisation and endows them with the authority attached to their position.

INFORMAL ORGANISATIONS

In contrast to the appointed head or chief of an administrative unit, a leader emerges within the context of the informal organisation that underlies the formal structure. The informal organisation expresses the personal objectives and goals of the individual membership. Their objectives and goals may or may not coincide with those of the formal organisation. The informal organisation represents an extension of the social structures that generally characterize human life – the spontaneous emergence of groups and organisations as ends in themselves. In prehistoric times, man was preoccupied with his personal security, maintenance, protection, and survival. Now man spends a major portion of his waking hours working for organisations. His need to identify with a community that provides security, protection, maintenance, and a feeling of belonging continues unchanged from prehistoric times. This need is met by the informal organisation and its emergent, or unofficial, leaders. Leaders emerge from within the structure of the informal organisation. Their personal qualities, the demands of the situation, or a combination of these and other factors attract followers who accept their leadership within one or several overlay structures. Instead of the authority of position held by

an appointed head or chief, the emergent leader wields influence or power. Influence is the ability of a person to gain cooperation from others by means of persuasion or control over rewards. Power is a stronger form of influence because it reflects a person's ability to enforce action through the control of a means of punishment.

WHAT ARE ORGANIZATIONAL FUNCTIONS

An organizational or business function is a core process or set of activities carried out within a department or areas of a company. Common functions include operations, marketing, human resources, information technology, customer service, finance and warehousing.

FRONT-OFFICE FUNCTIONS

Front-office or front-end organizational functions are those directly connected with customers. Marketing, sales and customer service are primary front-office functions. These departments research and develop solutions, promote them to targeted prospects and then provide customer service to drive loyal relationships. These functions also are known as the revenue-generating activities in a business. Company leaders allocate significant budgets to these departments.

BACK-OFFICE FUNCTIONS

Back-office functions support front-office activities, but they do so behind the scenes. HR, finance, IT and warehousing all fit into this category. These functions are important to the success of an organization, but they tend to receive less public recognition. Tension sometimes exist in companies where support functions receive lower budgets and deal with constant cost-control measures. Managers in back-office departments defend the value their teams provide internally to secure equitable compensation and adequate funding.

Without appropriate organization on a variety of fronts, a business limps along, unable to set or achieve strategic plans. Organization and structure give employees a guide under which they can operate efficiently. It reduces duplication of work effort and can help businesses achieve economies of scale. Organization is typically achieved through clear policies and work flows, where everyone knows what everyone else is doing.

Organization functions as the glue that holds all the pieces of your business together in pursuit of one ultimate goal – success.

SEAMLESS FLOW OF WORK PRODUCTION

All businesses have a flow to their production. Whether you rely on work orders to start a job or call on clients to make a sale, there is a flow to your work. Organizing that flow is tantamount to completing each task so that you can collect your pay. For example, once you

get a work order, you need to know what to do next, such as hiring help, gathering tools and setting a date to start the work. You follow a process to complete each job and provide your customers with invoices. Collections follow another process. Organization is key to maintaining the proper flow of work from start to finish.

CLEAR AND EFFICIENT COMMUNICATION

Communication on every level must follow a pattern so that you don't miss important client calls and deadlines. Developing a chain of command at your company ensures that communication flows properly to everyone who needs to be involved in a company decision or policy implementation. How you organize your flow of communication determines the success you'll see. Even if you are a sole proprietor with no employees, you must organize your email, incoming messages and calendar so that you build a consistent flow of communication with your clients and associates.

FINANCIAL CONTROL AND ACCOUNTABILITY

Financial accountability is tied directly to profitability. Organizing the billing process and collections, employee payroll, expenses and overhead bills is a function in business that cannot be ignored. You must exert organizational controls over the flow of money in and out of your business to know if you are turning a profit or heading for bankruptcy. Financial organization is just as vital in a large corporation dealing with a huge payroll and capital expenses as it is for a one-man operation if you want to provide a consistent income for you and your family.

STRONG AND STRATEGIC LEADERSHIP

Organizational functions that fall on the leadership in your company include managing your income, staff, growth, planning and all the processes that lead to your profitability. The primary role of a manager is to organize the company so that the flow of work product, communication and financial accountability each interact appropriately and effectively. The leader or manager in a company coordinates all the other organized functions to make sure they are aligned to reach a common objective. Effective business leaders organize all the complex relationships involved in the business and ensure they complement and support each other as a cohesive unit.

