

Organisation Structure

What is an Organisation?

A social unit of people, systematically structured and managed to meet a need or to pursue collective goals on a continuing basis.

Why do we need an Organisation Structure?

All organisations have a management structure that determines the relationship between functions and positions and subdivides and delegates roles, responsibilities and authority to carry out defined tasks.

Organisation Structure

It is a framework within which an organisation arranges its lines of authorities and communications and allocates rights and duties.

In other way we can say that Organisation structure refers to the way in which a group is formed, its lines of communication and its means for channeling authorities and making decision

It clarifies the formal relationships of individuals in the various positions within the organisation.

Importance of Organisation Structure

- * It enables members to know what their responsibilities
- * It frees the manager and the individual workers to concentrate on their respective roles and responsibilities
- * It co-ordinates all organisation activities so there is minimal duplication of effort or conflict.

- * Avoids overlapping of functions because it pinpoints responsibilities
- * Shows to whom and for whom they are responsible

PURPOSE OF ORGANISATION STRUCTURE

- * Divides work to be done in specific jobs & department
- * Assign tasks and responsibilities associated with individual jobs
- * Co-ordinate diverse organisation tasks
- * Establishes relationship between individuals, groups and departments
- * Establishes formal lines of authority
- * Allocates organisational resources
- * Clusters jobs into units

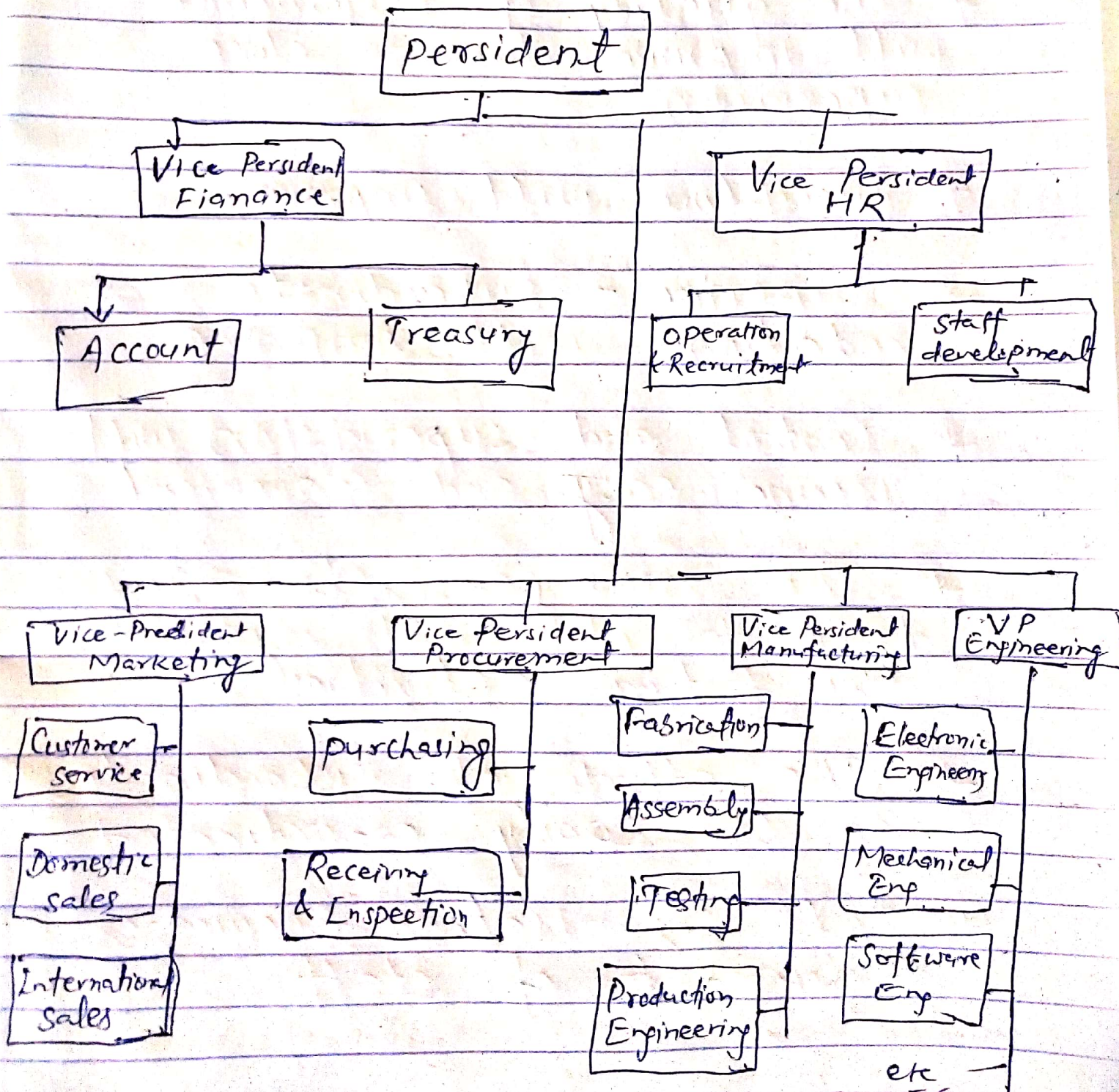
TYPES OF ORGANISATION STRUCTURE

1. Tall or Centralized organisational structure
2. Flat or Decentralized organisational structure
3. Virtual Organisational structure
4. Boundary less organisational structure.

Tall or Centralized Organisational structure

- * Large, complex organisations often require a taller hierarchy
- * In its simplest form, a tall structure results in one long chain of command similar to the military
- * As an organisation grows, the number of management levels increases and the structure grows

taller. In a tall structure, managers form many ranks and each has a small area of control.



Tall Organisational structure

Advantages

- * The quality of Performance will improve due to close supervision
- * Discipline will improve
- * Superior - subordinate relations will improve
- * Control and supervision will become easy and convenient
- * The manager gets more time to plan and organise the future activities
- * The efforts of subordinates can be easily co-ordinated
- * Tall organisation encourages development of staff

- * There is mutual trust between superior and subordinate

Disadvantage :->

- * Tall organisation creates many levels of management
- * There are many delays and distortion in communication
- * Decisions and actions are delayed
- * It is very costly because there are many managers. The managers are paid high salaries
- * It is difficult to co-ordinate the activities of different level
- * There is strict supervision. So the subordinates do not have any freedom
- * Not suitable for routine & standard jobs
- * Here managers may become more dominating.