# Organization:

* Organizationisformoforganizingwhichisapartofmanagementprocess
* Organizationdefied as collectivityof peopleforachievingcommonobjectives

“Organizationmeansthedeterminationandassignmentofdutiestopeople,andalsotheestablishmentandthemaintenanceofauthorityrelationshipsamongthesegroupedactivitiesitisthestructuralframeworkwithinwhichthevariouseffortsarecoordinatedandrelatedtoeachother”.

**Definitions**:“Organizationarecollectivitiesofpeoplethathavebeenestablishedforthepursuitofrelativelyspecificobjectivesonamoreorlesscontinuousbasis”.

WilliamScott“Organizationistheformofeveryhumanassociationfortheattainmentof

acommonpurpose”.

MooneyandReilly“Organizationinvolvesthegroupingofactivitiesnecessarytoaccomplish

goalsandplansassignmentandtheseactivitiestoappropriatedepartmentsandpositionstoappropriatedepartmentsandpositionsforauthoritydelegationandcoordination”.

KoontzandO’DonnellOrganizationisusedinthefollowingways withorwithoutprefixorsuffix

* 1. asentity
  2. asgroupofpeople
  3. asstructure
  4. asprocess

# ProcessofOrganization:

Determinationofobjectives,strategies,plansandpolicies:Objectivesshouldbeclearandprecise,becausetheentireorganizationistobebuiltaroundtheobjectivesoftheenterprises.

Determinationofactivities:Determineactivitiesneededtoexecutetheseplansandpoliciesandaccomplishtheobjectives.Theworkloadisbrokenintocomponentactivitiesthataretobeperformedbyalltheemployees.Theactivitiesaresosplittodeterminethejobwhichcanbeperformedbyanindividual.

Separation andgroupingofactivities:To attain the benefitsofspecializationanddivisionoflabour,everycompany,willseparateitsactivitiesonthebasisofprimaryfunctionslikefinance,engineering,purchasing,production,salesandindustrialrelations.Allthesimilarordirectlyrelatedactivitiesaregroupedtogetherintheformofdepartments.

Delegationofauthority:Authorityisnecessaryfortheperformanceofthejobandthereforeauthorityisdelegatedtothesubordinatesforenablingthem tocarryouttheirworksmoothlyandefficiently.

Delegationofresponsibility:Responsibilitymaybedescribedastheobligationandaccountabilityfortheperformanceofdelegatedduties.Asuperiorisalwaysaccountablefortheactsofhissubordinate.Therefore,responsibilityalwaysflowsfromsubordinatestosuperiors.

Establishinter-relationships:Thegroupedactivitiesareplacedintheoverallorganizationstructureatappropriatelevel.Itisnecessarytointegrateorthethesegroupsofactivitiesthrough.

1. Authorityrelationshiphorizontally,verticallyanddiagonally
2. Organizedinformationorcommunicationsystemi.e.,withthehelpofeffectivecoordinationandcommunication.

Providingphysicalfacilitiesandproperenvironment:Physicalfacilitiesmeansprovidemachinery,toolsequipments,infrastructureetc,environmentmeansprovideproperlighting,ventilation,heating,coolingarrangementattheworkplace,reasonablehorsofwork,safetydevices,jobsecurityetc

# PrinciplesofOrganization:

Principleofunityofobjectives:Anorganizationstructureiseffectiveifisenablesindividualstocontributetoentireobjectives.

Principleofco-ordination:Theaimoftheobjectivecanbeachieveditproper co-ordinationexistsforefferentactivities

Principlesoforganizationalefficiency:Anorganizationisefficientitisstructuredtoaidtheaccomplishmentofenterpriseobjectivewithaminimumofunsoughtconsequencesorcosts.

Spanofmanagementprinciple:Ineachmanagerialposition,thereisalimittothenumberofpersonsanindividualcaneffectivelymanagebuttheexactnumberwilldependontheimpactofunderlyingvariables.

Scalarprinciple:Theclearerthelineofauthorityfromtheultimatemanagementpositioninanenterprisetoeverysubordinateposition,theclearerwillbetheresponsibilityfordecisionmakingthemoreeffectivewillbeorganizationcommunication.

Principleofdelegationbyresultsexpected:Authoritydelegatedtoallindividualmanagersshouldbeadequateenoughtoensuretheirabilitytoaccomplishtheresultsexpected.

Principleofresponsibility:Theresponsibilityofsubordinatestotheirsuperiorsforperformanceisabsolute,andsuperiorscannotescaperesponsibilityfortheorganizationactivityoftheirsubordinates.

Principleofparityofauthorityandresponsibility:Theresponsibilityforactionscannotbegreaterthanthatimpliedbytheauthoritydelegated,notshoulditbeless.

Principleofunitycommand:Themorecompleteanindividual’sreportingrelationshipstoasinglesuperior,thesmallertheproblemofconflictinginstructionsandthegreaterthefeelingofpersonalresponsibilityforresults.

Authoritylevelprinciple:Maintenanceofintendeddelegationrequiresthatdecisionswithintheauthorityofindividualmanagersshouldbemadebythemandnotbereferredupwardintheorganizationstructure.

Principleofbalance:Theapplicationofprinciplesortechniquemustbebalancedtoensuretheoveralleffectivenessofthestructureinmeetingenterpriseobjectives.

Principleofflexibility:themorethatprovisionsaremadeforbuildingflexibilityintoanorganizationstructurecanfulfillitspurpose.

Principleofleadershipfacilitation:Themoreanorganizationstructureanditsdelegationsof authorityenablemanagerstodesignandmaintainanenvironmentforperformance,themoretheywillhelptheleadershipabilitiesofthosemanagers.

**DesignofOrganizationstructure**:Themainobjectiveofanorganizationstructureis toensurethateffortsofallthepeopleworkinginvarious sections areco-ordinateandintegratedforachievingthetaskinthemostefficienteffectivewaywithminimumconsumptionofresourcesi.e.economicalways

1)Formalorganizationstructure 2)Informalorganizationstructure

**Formalorganizationstructure**:Accordingtoclassicaltheoriststheformalorganizationisbuiltanfourpillars

1. Divisionoflabour
2. Scalarfunctionalprocesses
3. Structure
4. Spanofcontrol

Definition:Anorganizationisformalwhentheactivitiesoftwoormorepersonsareconsciouslycoordinatedtowardscommonobjectives.

**Informalorganization**:Informalorganizationarisesspontaneouslybasedonfriendshiporsomecommoninterestandnotbasedonrules,regulationandprocedures.Itisdevelopedbytheemployeesthemselvesandnotbytheformalauthority.

Definition:Informalorganizationbringscohesivenesstoaformalorganization,itbringstothemembersofformalorganizationafeelingofbelongingofstatus,ofself-respectandofgregarioussatisfaction.

# Comparisonbetweenformalandinformalorganization:

|  |  |  |
| --- | --- | --- |
| Basisofcomparison | Formal | Informal |
| FormationPurposeStructureFocusNatureLeadership  SourceofpowerGuidelinesforbehaviourSourceofcontrol | Planned&deliberatedWell-setgoals  WellstructuredPositionsOfficialSuperiorDelegated  RulesproceduresRewards/Punishment | SpontaneousSocialinteractionUnstructuredPersonsUnofficial  Anyone  GivenbygroupGroupnormsSanctions |

**Typeoforganization**: Onthebasisofauthorityrelationshipsorganizationclassifiedasfollows

* 1. LineorganizationorMilitaryorganizationorScalarorganization
  2. Functionalorganization
  3. LineandStafforganization
  4. Projectorganization
  5. Committeeorganization
  6. Matrixorganization

# Lineorganization:

Manager

Verticaldirectionsandinstructions

Engineer

Foreman

Supervisor

Whereeffortsoflargenumberofpeoplehavetobecontrolledanddisciplineisofprimeimportancelinetypeorganizationstructurewillservethepurpose.Thisisalsooneoftheoldeststructures.However,inpresentconditionsthistypeofstructurehaslosttheapplicability.Inlinestructuretenlinesofinstruction,directingisvertical.Thismeansinthistypebossisalwaysrightandhisordersaretobeobeyedatanycost.

# Merits:

Simplicity:Lineorganizationisverysimpletoestablishandcanbeeasilyunderstandbytheemployees

Discipline:Sinceeachpositionissubjecttocontrolbyitsimmediatesuperiorposition,oftenthemaintenanceofdisciplineiseasyunityofcommandandunityofdirectionfosterdisciplineamongthepeopleintheorganization.

Co-ordination:Thehierarchyinmanagementhelpsinachievingeffectivecoordination

Effectivecommunication:Therewillbeadirectlinkbetweensuperiorandhissubordinate;bothcancommunicateproperlyamonghimselforherself.

Economical:Lineorganizationiseasytooperateandlessexpensive

Unityofcommand:Inlineorganizationeverypersonisunderthecommandofonebossonly.

Promptdecision:Onlyonepersonisinchargeofonedivisionordepartment.Thisenablesmanagertotakequickdecisions.

Overalldevelopmentofthemanagers:Thedepartmentalheadhastolookafteralltheactivitiesofhisdepartment;therefore,itencouragesthedevelopmentofallroundmanagersatthehigherlevelofauthority.

# Demerits:

Unduereliance:Thesuccessoftheenterprisedependsuponthecaliberandabilityoffewdepartmentalheads,lossofoneortwocapablemenmayputtheorganizationindifficulties.

Personnellimitations:Inthistypeoforganizationanindividualexecutiveissupposetodischargedifferenttypesofduties.Hecannotdojusticetoalldifferentactivitiesbecausehecannotbespecializedinallthetrades.

Overloadofwork:Departmentalheadsareoverloadedwithvariousroutinejobshencetheycannotsparetimeforimportantmanagerialfunctionslikeplanning,developmentbudgetingetc.

Dictatorialway:Inlineorganization,toomuchauthoritiescentreonlineexecutive.Henceitencouragesdictatorialwayofworking.

Duplicationofwork:Conflictingpoliciesofdifferentdepartmentsresultinduplicationofwork.

Unsuitableforlargeconcerns:Itislimitedtosmallconcerns

Generalinterestofenterprisemaybeoverlooked:Departmentsmayworkfortheirself-interestandmaysacrificethegeneralinterestoftheenterprise.

Scopeoffavourism:Asthedepartmentalheadshasthesupremeauthority,thereischanceoffavourism.

**Functionalorganization**:Thisstructuremostwidelyused,inthemediumandlargeorganizationshavinglimitednumberofproducts.

ThiswasintroducedbyF.W.Taylorandislogicalextensionofthedivisionoflabourcoverdepartmentsaswellasmen.Inthisauthorityisdelegatedtoanindividualordepartmenttocontrolspecifiedprocesses,policiesorothermatterrelatingtoactivitiesundertakenbypersonsinotherdepartments.

HeadQuarters

Production

Marketing

Finance

Personal

Plant–1

Plant–2

Plant–3

Production

|  |  |  |
| --- | --- | --- |
| Marketing | Finance | Personal |

|  |  |  |
| --- | --- | --- |
| Marketing | Finance | Personal |

Production

|  |  |  |  |
| --- | --- | --- | --- |
| Marketing | Finance |  | Personal |

Inthissystemplanningisseparatedfromperformancesincethedirectionofworkisdividedbyvariousfunctioninthefactory.Ithasbeenfoundthatthistypeofstructurebecomesineffectivewhentheworkofdepartmentsandindividualsincreasesinvarietyandcomplexity.

Production

# Merits:

Separationofwork:Infunctionalorganization,workhasbeenseparatedfromroutinework.Thespecialisthasbeengiventheauthorityandresponsibilityforsupervisionandadministrationpertainingtotheirfieldofspecializationunnecessaryoverloadingofresponsibilitiesisthusavoided.

Specialization: Specializationand skilledsupervisoryattention is giventoworkerstheresultisincreaseinrateofproductionandimprovedqualityofwork.Narrowrangewithhighdepth: The narrowrangeofactivitiesenable thefunctionalexperttodevelopingindepthunderstandinginhisparticularareaofactivity

Easeinselectionandtraining:Functionalorganizationisbaseduponexpertknowledge.Theavailabilityofguidancethroughexpertsmakesitpossibletotraintheworkersproperlyincomparativelyshortspanoftime.

Reductioninprimecost:Sinceforeveryoperationexpertguidanceisthere,wastageofmaterialisreducedandthushelpstoreduceprimecost.

Scopeofgrowthanddevelopmentofbusiness:Thistypeoforganizationpresentsamplescopeforthegrowthanddevelopmentofbusiness.

# Demerits:

Indispline:Sincetheworkersreceiveinstructionsfromnumberofspecialistitleadstoconfusiontowhomtheyshouldfollow.Therefore,itisdifficulttomaintaindiscipline

Shiftingofresponsibility:Itisdifficultforthetopmanagementtolocateresponsibilityforthe unsatisfactory work everybody tries to shift responsibilityonothersforthefaultsandfailure.

Killstheinitiativeofworkers:Asthespecializedguidanceisavailabletotheworkerstheworkerswillnotbeusingtheirtalentsandskillsthereforetheirinitiativecannotbeutilized.

Overlapping ofauthority:Thesphereofauthority tendstooverlapandgivesrisetofrictionbetweenthepersonsofequalrank.

Lackofco-ordinationbetweenfunctions:exceptthefunctioninwhichheisspecializedheisabsolutelyindifferenttootherfunctions.Therefore,thereisalackofcoordinationoffunctionandefforts.

**LineandStaffOrganization**:Line and Stafforganization isthe in which the lineheadsareassistedbyspecialiststaff.

Ifthefirmisoflargesize,managercannotgivecarefulattentiontoeveryaspectofmanagement.Theyarebusywithordinarytaskofproductionandselling.Hencestaffisdeputedtodotheworkofinvestigation,research,recording,andadvisingtomanagers.Thusthestaffbringsadvisingtomanagers.Thusthestaffbringsspecializationbyassistingthelineofficers.

“Line”means- Operating“Staff”means- Service

Secretary

GeneralManager

PublicRelationOfficer

FinanceManager

PersonalManager

ProductionManager

MarketingManager

ProductionEngineer

SalesOfficer

SalesSupervisor

Workers

SalesMan

# Merits:

Foreman

Plannedspecialization:Thelineandstaffstructureisbasedupontheprincipleofspecialization.Thelinemanagersareresponsibleforoperationscontributingdirectlyto the achievementoforganizationalobjectives where as staffpeoplearetheretoprovideexpertadviceonthemattersoftheirconcerns.

Qualitydecisions:Decisionscomeaftercarefulconsiderationandthoughteachexpertgiveshisadviseintheareaofhisspecializationwhichisreflectedinthedecisions.

Prospectforpersonalgrowth:Prospectforefficientpersonaltogrowintheorganizationnotonlythat,italsooffersopportunityforconcentratinginaparticulararea,therebyincreasingpersonalefficiency

Lesswastage:Therewillbelesswastageofmaterial.

Traininggroundforpersonnel:Itprovidestraininggroundtothepersonnelin twoways.First,sinceeverybodyisexpectedtoconcentrateononefield,one’strainingneedscaneasilybeidentified.Second,thestaffwithexpertknowledgeprovidesopportunitiestothelinemanagersforadoptingrationalmulti-dimensionalapproachtowardsaproblem.

# Demerits:

ChancesofMisinterpretation:Althoughtheexpertadviceisavailable,yetitreachestheworkersthroughlinesupervisors.Thelineofficersmayfailtounderstandthemeaningofadviceandthereisalwaysariskof misunderstandingandmisinterpretation.

Chancesoffriction:Thereareboundtobeoccasionswhenthelineandstaffmaydifferinopinionmayresentinconflictofinterestsandpreventsharmoniousrelationsbetweenthetwo.

IneffectiveStaffintheabsenceofauthority:Thestaffhasnoauthoritytoexecutetheirownadvice.Theiradviceisnota bindingon the line officers.Therefore theadvicegivenbyspecialistmaybeignoredbylineheads.

Expensive:Theoverheadcostoftheproductincreasesbecause ofhighsalariedspecializedstaff.

Lossofinitiativebylineexecutives:Ifistheystartdependingtoomuchonstaffmayloosetheirinitiativedriveandingenuity.

**ProjectOrganization**:Aprojectorganizationisaspecialcasewherecommonservicelikefinance,purchaseetc.areorganizedatthefunctionallevel.Butprojectresourcesareallocatedtotheprojectmanager.Sincethebusinessresponsibilityrestswiththeprojectmanager,necessaryauthorityisgiventohimwiththerequisiteresources.Thistypeoforganizationstructurehelpsinmakingdecisionsforprojectcontrolintermsofcost,resourceandtime.Inaprojectorganization someofthefunctionsare corporate responsibilityandsomeofthemareprojectmanager’sresponsibility.

ManagingDirector

Manufacturing

Finance

ProjectDivision-A

Design

Erection

Commissioning

Erection

Commissioning

Design

ProjectDivision-B

# Merits:

1. Thiscallsforquickdivisions
2. Organizingallfunctional
3. Propercoordinationofworkofdifferentdepartments

# Demerits:

1. Ittendstoincreasetheproblemsofcontrolfortopmanagement
2. Itisspecialcaseofproductorganization
3. The organization may get disintegrated with increasing focus ondepartments

**CommitteeOrganization**:Acommitteeisformedwhentwoormorepersonsareappointedtoworkasateamtoarriveatadecision onthemattersreferredtoit.Itisintendedtoutilizetheknowledge,skills,andexperiencesofallthe

concernedparties.Particularly,inlargeorganizations,problemsaretoobigtobehandledbyonesingleexpert.

Vice-chancellor

Registrar

Rector

ExecutiveCouncil

Academicsenate

FinanceCommittee

# Merits:

Boardofstudies

SelectionCommittee

ConvocationCommittee

1. Itpoolsupthe

Purchases

committee

organizationalresourcesintermsofknowledgeskillsandexperiences.

1. Itrepresentsallinterestedgroupsandthus,facilitatesgroupdecision.
2. Ityieldsgoodresultsifthecommitteeareheadedbytaskmasterlikechairmanandtimeboundintermsofdecision-making.
3. Itminimizesthefearoftoomuchauthorityvestedinoneperson
4. Itmotivatesalltheconcernedoreffectedgroupstoparticipate.

# Demerits:

1. Responsibilityofdecisionscannotbefixedonaparticularperson.
2. Itcallsforhighdegreeofcoordination.
3. Itinvolvedhighcostintermsoftimeandmoney.

**MatrixOrganization**:Thisisalsocalledasprojectorgnisationitisacombinationofallrelationshipsintheorganizationinvertical,horizontalanddiagonal.Itismostlyusedincomplexprojects.Itprovidesahighdegreeofoperationalfreedom,flexibilityandadoptabilityforboththelineandstaffmanagersinperformingtheirrespectiveroles.Themainobjectiveofmatrixorganizationistosecureahigherdegreeofcoordinationthanwhatispossiblefromtheconventionalorganizationalstructureasthelineandstaff.

MD

Manufacturing

Finance

Personnel

Materials

ProductManager-A

ProductionManager-A

FinanceManager-A

PersonnelManager-A

MaterialsManager-A

ProductManager-B

ProductionManager-B

FinanceManager-B

PersonnelManager-B

MaterialsManager-B

# Merits:

1. Itoffersoperationalfreedomandflexibility
2. Itseekstooptimizetheutilizationofresources
3. Itfocusesonresults
4. Itmaintainsprofessionalidentity
5. Itholdsemployeesresponsibleformanagementofresources

# Demerits:

1. Itcallsforgreaterdegreeofcoordination
2. Itviolatesunityofcommandprinciple
3. Itmaybedifficulttodefineauthorityandresponsibilityprecisely
4. Employeesmayfinditfrustratingtoworkwithtwobosses

# MODERNTRENDSINORGANISATIONALSTRUCTUREDESIGNS:

Organizationsintherecenttimeshavebeengearingthemselvestosuittothegrowingdemandsfromtheirstakeholdersintermsofresponsiveness,flexibility,agility,adaptabilityetc.Inthisprocess,theyarefollowingorganicstructure,whicharemoreagile,flexibleandadaptabletothechangingcircumstances.Virtualorganizations,cellularorganizations,teamstructure,boundarylessorganizationandinvertedpyramidanddifferentformsoforganicstructurethatarewidelyseenamongmostofthesun-risesectorssuchasfinancialservices,InformationTechnology(IT)andITenabledservices.Thesestructureshavebeencontributingtotheorganicgrowthoftheorganization.

Thefocusoforganicstructuresistodoawaywiththoseactivitieswhichdonotdirectlycontributetothegrowthoftheorganizationandfocusonlyonthoseactivitieswhichdirectlyleadtheorganizationfortheachievementofthegivengoals.

Thesearediscussedbelow:

# VirtualOrganisation:

Virtualorganizationsfacilitatecompetitivenessparticularlywhentheseorganizationsarepartoftheglobaleconomy.Here,therecanbealliancesandpartnerships withotherorganizationsalmost all overworld.Itisa flexibleorganizationstructurethatremovesthetraditionalboundaries.Itallowseasyreassignmentandreallocationofresourcestotakequickadvantageofshiftingopportunitiesinglobalmarkets.Toavoiddisintegrationandtoattaintheeffectiveneededfocus,theleadvirtualorganizationsmusthaveasharedvision,,strongbrandandhightrustculture.

Thevirtualorganizationisatemporarynetworkofcompaniesthatcometogetherquicklytoexploitfastchangingopportunities.Virtualorganizationsappeartobebiggerthantraditionalorganizations.Asvirtualorganizingrequiredastronginformationtechnology

(IT)platform,Theboundariesthattraditionallyseparateafirmformitssuppliers,customersandevencompetitorsarelargelyeliminated,temporarilyandinrespecttoagiventransactionorbusinesspurpose. Virtualorganizations

comeintobeing‘asneeded’whenalliancesarecalledintoactiontomeetspecificoperatingneedsandobjectives.Whenthetaskiscomplete,thealliancesrestsuntilnextcalledintoaction.Eachpartnerinthealliancecontributestothevirtualorganizationwhatitisbestas-itscorecompetence.

# CellularOrganization:

Organizationsstructuredaroundtheunits/cellsthatcompletetheentireassemblyprocessarecalledcellularorganizations.In themodernorganizations,cellularorganizationshavebeenreplacingthecontinuouslineorlinearproductionprocesssystem.Incellularorganizations,workersmanufacturetotalproductorsub-assembliesinteams(cells).Everyteam(cell)ofworkershastheresponsibilitytoimproveormaintainthequalityandquantityofitsproducts.Each teamis free to recognizeitselfto improve performanceand product quality.Thesecellscompriseself-managedteams.Theymonitorthemselvesandalsocorrectwherenecessaryontheirown.Cellularorganizationsarecharacterizedbymuchsmallerstaffallovertheorganizationwithmiddlemanagementpositionsreducedandleanmanagementmembersatthetop.Itisbothaleanandflatstructure.

# TeamStructure:

Astructureinwhichtheentireorganizationismadeupofworkgroupsorteamsis known as teamstructure.Teamstructures are both permanentand temporaryinnatureassituationdemands.Traditionalorganizationsarecharacterizedbyverticalstructuresandmodernorganizationsareidentifiedbythehorizontali.e.,teamstructures.‘Wereporttoeachother’isthemainfeatureofteamstructure.Itleadstoboundarylessorgansiationinaborderlessworld.Inteamstructures,wefindcross-functionalteamsmeantforimprovinglateralrelations,solvingproblem,completingspecialprojectsandaccomplishingroutinetasks.Across-functionalteamcomprisesmembersfromdifferentfunctionaldepartmentssuchasmarketing,finance,HR,productionetc.Projectteamsareconvenedforaparticulartaskorprojectandthesegetdissolvedoncetaskiscompleted.Theintentionhereistoquicklybringtogetherthepeoplewiththeneededtalentsandfocustheireffortsintenselytosolveaproblemortakeadvantageofaspecial

opportunity.Hereemployeesaremoreinvolvedandempoweredbecauseofreducedbarriersamongfunctionalareas.Sometimes,whenthere ispressureonteamstoperformandthereisnoclearchainofcommand,teamstructurefailstodeliverresults.

# BoundarylessOrganization:

Atthenameindicates,aboundarylessorganizationeliminatesinternalboundariesamongsubsystemsandexternalboundarieswithexternalenvironment.Itisacombinationofteamandnetworkstructureswiththeadditionoftemporariness.Suchtypeoforganizationstructureischaracterizedbyspontaneousteamworkandcommunication.Thisreplacesformalchainofcommand.Itisadynamicorganizationstructurewhereinorganizationalneedsaremetthroughajudiciousmixofoutsourcingcontractsandalliancesasandwhenneeded.Thekeyfeaturesofboundarylessorganizationincludeknowledge-sharing,absenceofhierarchyandbureaucracy,empowermentvoluntaryparticipationofexpertmembers,technologyutilizationandtemporariness.Thefocusisonmusteringnecessarytalentandcompetenciesrequiredfortheachievementofataskwithoutanybureaucraticrestrictions.Creativity,quality,timeliness,increaseinspeedandflexibilityarethebenefitstheboundarylessorganizationyields.Italsoreducesinefficiencies.Theboundarylessorganizationishighlyflexibleandresponsive.Thesedrawontalentwhereveritisfound.Sometimes,theyareineffectiveduetoproblemsincommunication.

# InvertedPyramid:

Thisisanalternativetothetraditionalchainofcommand.Thisisastructure,whichisnarrowatthetopandwideatthebase.Itincludesafewlevelsofmanagement.Forinstance,salespeopleandsalessupportstaffsitonthetopasthekeydecisionmakersforalltheissuesrelated tosalesanddealing with thecustomers.Sincethesalesstaffsareintouchwiththecustomerandawareoftherequirementsofthecustomers,theyaregivenallthefreedomtofollowtheirownbestjudgmentatalllevels.

**Departmentation**:Onthebasisactivityordepartmentation

Industrialisationhascreatedproblems,whicharecomplexinnature.Itcreatedanecessityoflarge-scaleindustriestomeettheincreaseddemand.Inlargescale,industriestherearelargenumberofemployees. Forthesakeofefficientsupervisionandcontrol,thefactory/enterpriseisdividedintodifferent

departments.Eachdepartmentis entrustedwith a particularfunctionforcarryingoutparticularactivityeachdepartmentalheadisexpectedtocontrolandsupervisetheworkinhisdepartment.

Definition:Theprocessofdividingtheworkandthengroupingthemintounitsandsubmitsordepartmentsforthepurposeofadministration.

# MethodofDepartmentation:

Byfunction:Itisdividedintoprimaryfunctiontobeperformedsuchas,finance,marketing,production,personneletc.eachfunctionseparatedepartments

Byproduct:Allactivitiesrelatedtoaparticularproductlinemaybegroupedtogether.Thisbasisofdepartmentationhasbecomeincreasinglyimportant,especiallyforcomplexorganizationsproducingdifferenttypesofproducts.

Byprocess:Inthismethod,themanufacturingactivityaresubdividedonthebasisoftheirprocessofproduction,similarmachinessuchasalllaths,millingmachines,grindingmachines,millingmachineetc.aregroupedintoseparatesection,suchaslathedepartment,millingdepartment,drillingdepartment.

Bygeographicalregion:Thismethodmaybeadoptedwhentheenterpriseproducesandsellsinthewidemarket,oftenininternationalmarkets.