



SUBJECT: INDUSTRIAL MANEAGEMENT

CHAPTER: ORGANIZATION MANAGEMENT

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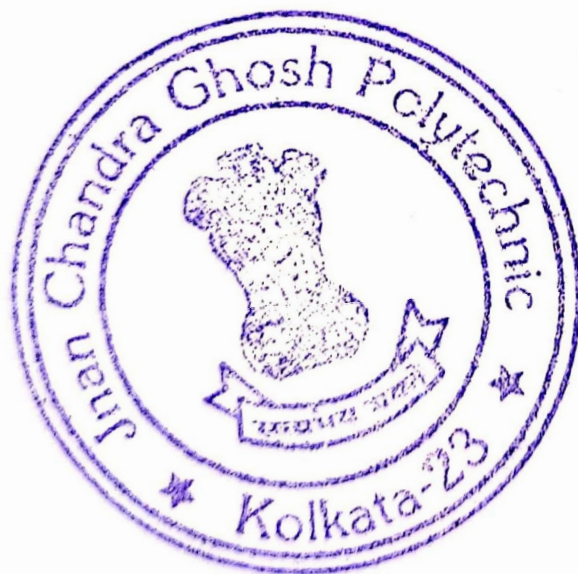
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Organizational Management.

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Definition of Organization— Organisation is the co-ordination of man-machine and material in such a way that maximum output at ease and efficiency under minimum total cost is assured.

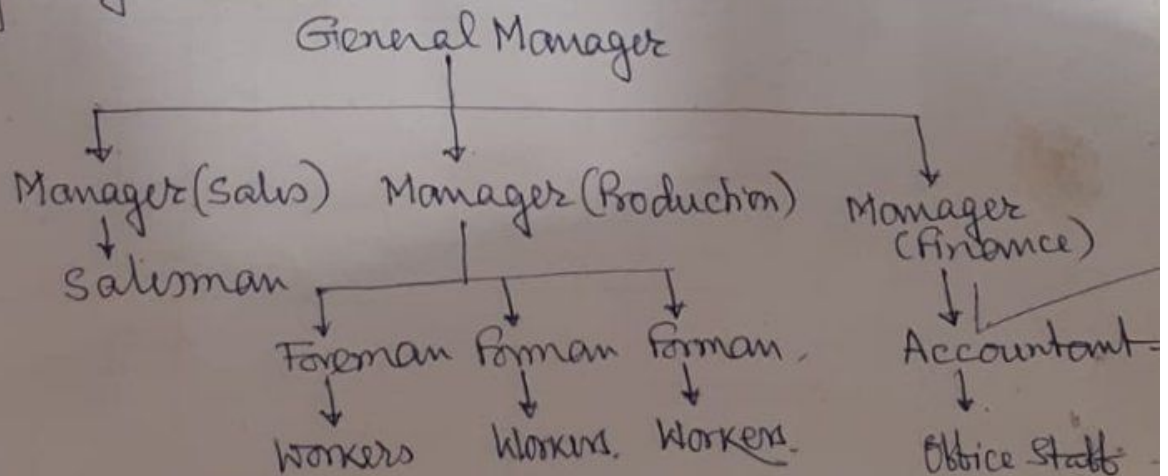
Steps in organization— ① Span of control ② Delegation of Authority and Responsibility. ③ Principle of unity of command. ④ Principle of unity of Assignment ⑤ Principle of relationship ⑥ Principle of definition.

Types of Organization: There are three types of organisation.

- ① Military or Line Organisation.
- ② Line & Staff Organisation
- ③ Line & Functional Organisation

Line or Military Organisation.

Under this type of organisation, the lines of instructions and directions are vertical. Superior officers exercise a direct authority over the sub-ordinates. No operation is under two bosses. A line or Military organisation may be as follows. This system is quite analogous to any army organisation.



Advantages of this organisation

- ① there is a clearcut division of authority and responsibility
- ② Strong Discipline can easily be maintained

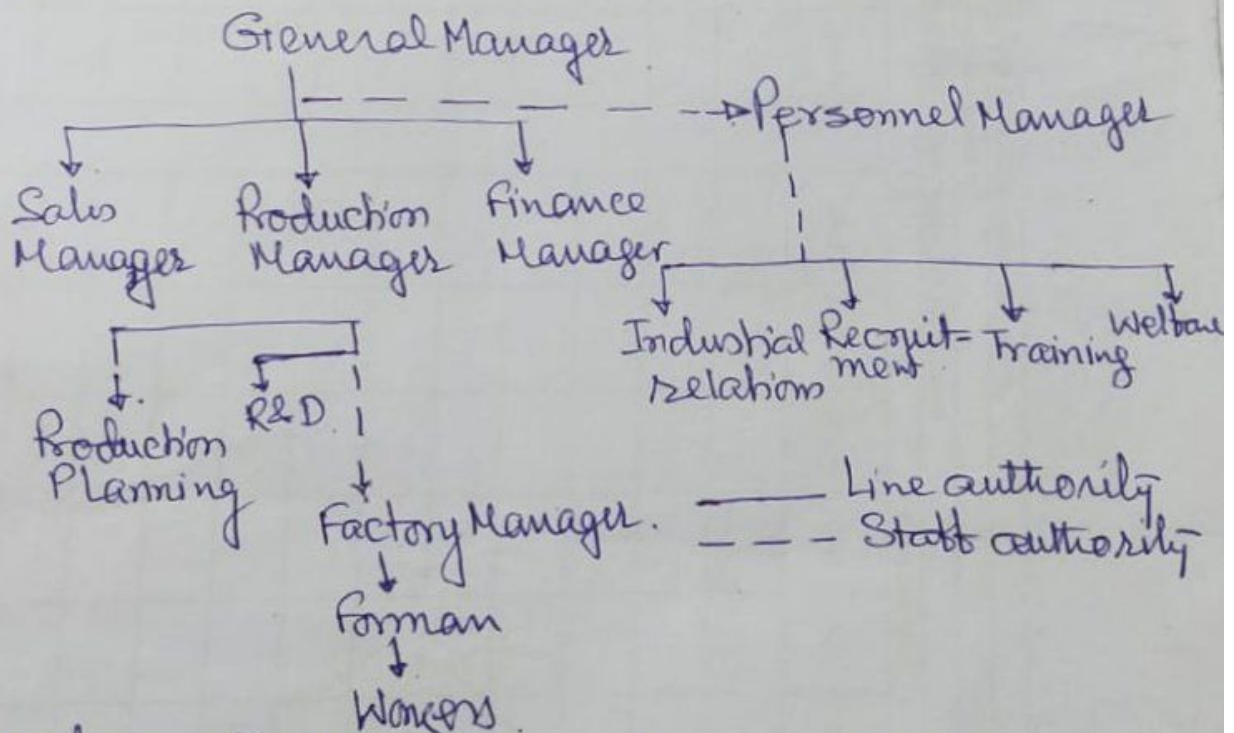


Disadvantages of line organisation

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- (i) It requires different departmental Heads to be expert in various functions.
- (ii) This type of organisation is rigid and inflexible.

Line and Staff Organisation: Staff consists of individuals or groups who assist the 'line' people in ~~any~~ any possible manner. It has got Advisory, service, co-ordinating or controlling functions. Advisory functions are done by legal experts, R and D executives, consultants etc. Service functions are done by medical staff, clerical staff, Typists and stenographers, Librarian, receptionist etc. The co-ordinating and controlling functions are performed by Industrial Engineers, Progress men, different controllers etc. The function of staff is therefore to relieve the line people of many routine work and to ~~and~~ avoid the faults of too wide a span of control. A typical organisation of this type is shown below.



Advantages: (i) It is a planned specialised system.
(ii) Wastage will be less.

Disadvantages: (i) There is a risk of conflict between line and staff people.
(ii) Sometimes staff people may be ineffective due to lack of authority.

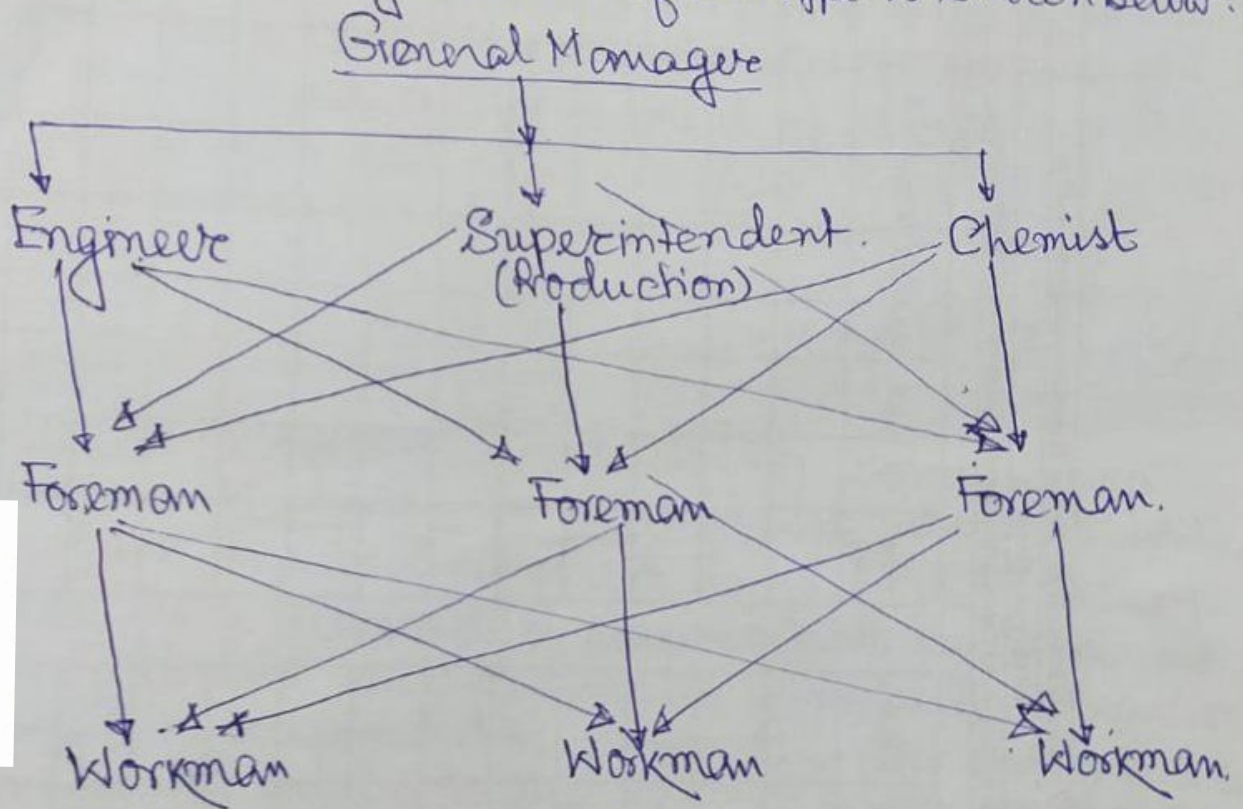


Line and functional Organisation

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In this type of organisation, the specialists are placed at the same authoritative level as production superintendents and foreman. The workers are directed by all specialists in their own field and hence the direction of work is divided by functions rather than by simple authority.

A typical organisation of this type is shown below.



Span of Control. It may be defined as the maximum number of employees or sub-ordinates that can be supervised effectively by a person. The span of control depends upon the following factors:

- (i) upon the ability and experience of the supervisor.
- (ii) upon the level of supervisor: a foreman can effectively supervise more workers than a manager.
- (iii) upon the ability and experience of the workers.

④ Upon the physical proximity - It is easy to supervise the workers in a single room than when they are scattered in areas wide apart.

⑤ Upon the type of job: a supervisor in an assembly shop can supervise more number of workers than a supervisor in a maintenance or design department.

⑥ Upon the homogeneity or complexity of the work being done by the sub-ordinates. A supervisor in the weaving department of a textile mill can supervise more workers than a superior Supervisor in Tool room or Drawing office.

Authority And Responsibility And Their- Delegation

When the business expands, the organisation becomes too large to control. The responsibilities therefore are transferred from one to many and this transfer of responsibility by the supervisor to his sub-ordinates is called 'delegation'. Along with responsibility, authority is also delegated to the sub-ordinates to the varying degree so that they can discharge their duties properly and efficiently. Decentralisation is said to be the systematic delegation of authority in an organisation. Whether decentralisation is desirable or undesirable depends on the following factors:-

- (i) Size of the organisation: With the larger size more decisions are to be made at more places and it becomes difficult to maintain the co-operation.
- (ii) Nature of business: If the business is of expanding nature, there is a greater scope for decentralisation.
- (iii) Economic consideration: One important factor

in determining decentralisation is the cost.

(iv) Personality factors: Availability of good and efficient manpower is also another important factor in deciding the extent of decentralisation.

(v) Management Philosophy: If the top management is despotic who does not want interference in his authority, decentralisation will be minimum. Managerial philosophy plays an important part in deciding the degree of decentralisation.

Advantages and disadvantages of decentralisation.

Advantages

- (i) This reduces the work load of important executives who will have more scope to devote time for developmental work.
- (ii) It is possible to take quick decisions without any harm to the organisation.

Disadvantages:

- (i) Decentralisation is expensive.
- (ii) It requires effective communication system which might not be available in every organisation.
- (iii) It is difficult to maintain uniformity in matters of decision and policy.

Centralised Department: Centralised department is one whose activities are unidirectional for fulfilling the objective. Under one strong authority. All the policy decisions are taken at the top level and accordingly they are executed by all subordinates. A strong discipline can be achieved in such department.



Decentralised Department: In decentralised department authority and responsibility are delegated to various down the line sub-ordinates so that work load on each member may decrease and diluted. But the proper co-ordination is highly required in this type of department. It helps in promoting initiative and sense of responsibility in the persons on whom delegation of powers is made and the managerial talent can be developed.

Advantages of Line & Functional Organisation

- (i) Quality of work is better due to specialists.
- (ii) Considerable expansion of the enterprise is possible.
- (iii) Wastage is minimum.

Disadvantages

- (i) It is complicated from control point of view.
- (ii) Workers ~~lose their~~ become less motivated as they can not use their own skill.
- (iii) Cost of production rises due to many experts.

PROJECT ORGANIZATION: When an already existing organisation finds it difficult to cope up with the new situations, it decides to launch a project organisation. In order to accomplish the project goals, a separate division is created for each project. Project organisation is created when the project is big in size and subject to high standards of performance. A project organisation is solely responsive to the planning, design, development, production, evaluation and support of a single system or product. A project team under the headship of project manager is created consisting of specialists from different departments of the existing organisation.





Advantages of Project Organisation.

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- (i) It does not interfere with the existing organisation.
- (ii) It provides concentrated attention that a complex project demands.

Limitations of project Organisation.

- (i) Project manager has to deal with persons of varied nature and interest.
 - (ii) Every one working in the existing organisation is ~~also~~ attracted to the projects.
 - (iii) There may be conflicts among the specialists.
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