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# UNIT 7 ORGANISING

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## 7.0 OBJECTIVES

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After reading this Unit you will be able to :

- understand the concept of organising in management,
- know about the elements of organising,
- know the **importance** of division of work, departmentalisation, delegation, etc. for achieving organisational goals, and
- learn about the role of leadership or actuating in the area of management.

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## 7.1 INTRODUCTION

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As an entrepreneur or a manager you have done planning, you have selected the form of organisational **structure**, you have also decided about the type of organisational climate you would prefer in your organisation, Now what next? Well it is not just important to set up an **organisation** but the aim is to take it further **i.e.** to put into action or set the ball rolling. This is where organising, as a management function becomes relevant. And a step further, you have to ensure that there is enough motivation among the employees to go ahead. This brings in the role of actuating or providing leadership. We have already dealt with organisational structures and culture in Unit-5. In this Unit we take up the concepts and steps related to organising, along with the relevance of actuating or leadership.

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## 7.2 ORGANISING

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The process which enables the creation and maintenance of an organisation structure is **referred** to as organising. It is through organising that we establish the formal groupings of people and their activities. This is done to achieve the stated goals of the organisation. Generally, the major purposes behind organising are to:

- identify, divide, distribute and group the tasks to be done,
- delegate authority and responsibility for decision making to accomplish the tasks, and
- establish and determine **working** relationships amongst persons, groups or departments for efficient implementation of plans.

In other words, we can say that organising connects, arranges and **co-ordinates** the human and **physical** organisational resources in order to achieve the **organisational** goals. For example, an owner or a manager of a tour operator company will have to identify the tasks in the company. These could be packaging the tour, looking after transportation, dealing with hotels, guides and escorts, setting of tour packages, market research, administration, etc. The

next step would be **to group** these tasks:

- dealing with hotels and airlines **could** be put together as accommodation and transport department,
- facilitation and escorting can be looked after by one department,
- packaging tours by another department, and
- sales and marketing by another and so on.

After this type of grouping is done, then comes the issue of who in each group has the decision-making authority, whose responsibility is it to **make** the decisions operative, **etc.** Similarly it is important that the type of co-ordination, information sharing and relationships are also clearly spelt out. Thus, organising, by creating clear-cut lines of responsibility, authority, etc., streamlines and facilitates collaboration and negotiations within the organisation.

In simple words while planning specified what is to be achieved and when, organising specifies who **will** achieve what and how that will be achieved.

As a manager or an entrepreneur for organising you ought to have certain skills. For example you should have the ability to:

- **analyse** and design jobs,
- define authority and responsibility,
- recruit and train people according to the job requirement or **specialisation**,
- foresee the areas of conflict,
- establish effective management information systems,
- resolve **conflicts**, and
- respond and react to changes in the internal as well as external environment, **etc.**

Achieving such organising skills is a step further in your **career** as a successful manager. In the subsequent sections we deal with different elements of **organising**.

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## 73 DIVISION OF WORK

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Adam Smith in his book Wealth of Nations described the work in a pin factory and wrote: "One man draws the wire, another straightens it, a third cuts it, a fourth points it, a fifth grinds it at the top for receiving **the head**". Thus ten persons working together made 48,000 pins a day where as working independently each person would not have made more than twenty pins each.

Thus by division of labour larger tasks are divided into smaller and simple operations in which each worker can **specialise**. This division of labour in modern management thought is described as Division of **Work**. This indicates that **all organisational** tasks can be specialised and hence the concept of Job Specialisation.

**A job** can be defined as the tasks performed by individuals in **achieving the organisational goals**.

In organising it is essential to understand the nature of tasks, skills required for these tasks and **accordingly specify specialisations**. Hence as a first step Job Description is necessary. This defines a particular job, and at the same time who does what in the organisation. Once a job description is there accordingly the skills or qualifications required for holding that job are determined. This is termed as Job **Specification**.

In relation to **specific jobs** you can take note of:

- Job Enlargement **i.e.** increasing the scope of a job through additional tasks,
- Job Rotation **i.e.** moving from one job to another, and
- Job Enrichment **i.e.** providing motivation to the employees.

Initially when the size of an **organisation** is small many jobs are or may be centred in one person. But as the business grows more jobs can be designed **with specialisations**. For example, a tour operator may package all types of tours. Sooner or later a stage may come when this one job of packaging tours may become four jobs - one packaging adventure tours, other cultural tours, another job for sports tours and so on. Similarly the job of packaging tours can be enlarged by adding to it the tasks of monitoring the tour and receiving feed backs from the customers.

In tourism services job rotation is a common feature. This not only offers variety to the staff but also adds to and upgrades their **qualifications**. For example a person packaging tours can be moved to escorting a tour, etc.

**Check Your Progress - 1**

1) Define Organising.

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2) Why do you need organising skills?

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3) What is the significance of division of work in organising?

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## 74 DEPARTMENTALISATION

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A small **organisation** may have different jobs but may not have departments. However, with the growth of the **organisation** or at times right from the beginning, various departments are established. A situation may come when more sub-units are created within a department adding to the levels of management also. **Infact**, the grouping together of jobs into work units is termed as **departmentalisation**. Production, marketing and finance are three such **units** which are generally common in **all organisations**. As the nature and volume of work increases along with **specialisations** marketing can be divided into sales, promotion and advertising, etc. With an increase in the volume of work, advertising may further be split into electronic media (TV, Radio) and print media (magazines, newspaper etc.). Hence, designing of jobs, creation of departments or adding sub-units to departments is an ongoing process. The various means applied for Departmentalisation include:

- functions like marketing, finance etc.,
- products, like domestic ticketing in one and international ticketing in another in a travel agency,
- territory, like the regional divisions of Tourism Department, Govt. of India (U.K. Continental Europe, East Asia etc), and

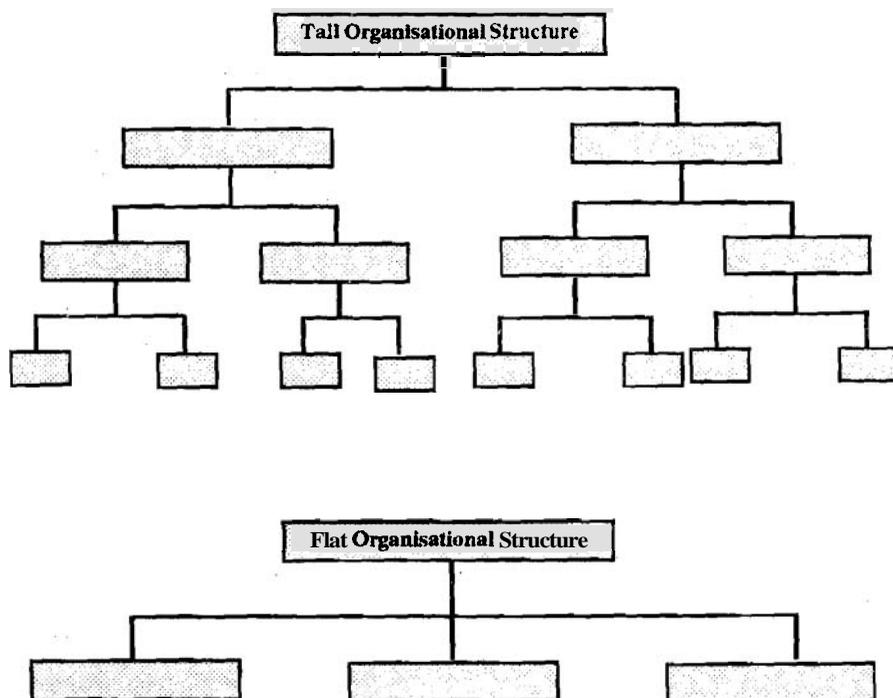
- **customer**, i.e. catering to different segments of customers like a tour operator creating separate departments for catering to students, LTC travellers, and Up budget travellers, etc.

## 7.5 SPANS OF CONTROL

By span of control we mean the **number of subordinates who report to a particular manager**. For effective management it was traditionally believed that a manager could supervise six subordinates. However, in the present context with more and more technological innovations it is not necessary **that** the number of subordinates remains at six. This is also related to behavioural aspects taking into account the ability of the manager, harmony **in** team work, level of the manager in hierarchical structure, etc.

It is important to choose the right span of management for any organisation because it affects **efficiency** and is also related to the organisational structure. In **tall organisational structures** there are narrow spans of management and with many levels between the top and lower level managers. There is a long chain of **command** and the decision making process is slower. On the other hand **flat organisational structures** have fewer management levels with wide spans.

Today more and more organisations are moving towards flat organisational structures as the decision making process there is faster **and** with less hierarchical levels, the **costs** are also not high.



At the same time we must remember that there is no one model of an ideal span of management. Hence while deciding on an appropriate span of management for the organisation one should **take into account the capabilities of managers and subordinates along with the environment in the organisation**.

## 7.6 DELEGATION OF AUTHORITY

If someone asks you to do something you may naturally ask what gives the person the right to ask you to do this. What we are actually doing by asking this question is trying to specify to ourselves whether the person asking us to do something has the authority to do so, or not. In an organisation such an authority is exercised by the **managers** over the subordinates. You **may** ask from where the managers get this right to issue instructions. **In fact** formal authority is described as **a power delegated to that job which the specific individual is holding in the**

**organisation.** This particular job is provided with the right to exert an influence within the organisation. In simple words we can say that the ability to exert influence is power.

Authority in the context of management is defined as the **legal right to command action by others and to enforce compliance.** Managers use persuasions, sanctions, requests, constrain, force or coercion to gain compliance.

According to the **Classical View** of management, authority originates at the top level and is passed down hierarchically to the lower levels. However, there is another view of authority known as the **Acceptance View** which describes the basis of authority in the context of who is influenced rather than in those who influence. This view suggests that the receiver of commands decides whether to comply or not. For example, a manager can shout at the employees to work more. The subordinates may not question his authority but may ignore the order. Hence, it is imperative that when the organisation is being established and the jobs being designed, the line of authority be clarified at that stage only. For example a Financial Manager will have the authority in relation to financial matters whereas the Marketing Manager will have the authority in relation to marketing issues. Delegation of authority also denotes the level of the decision making power. It is crucial for a manager to delegate the authority because he cannot personally perform all the work. While delegating authority the following questions emerge:

- What to delegate?
- How much to delegate?
- Upto what levels to delegate?

The answers to these questions have to be found by assessing the nature of the job and the organisational environment. Delegation of authority also helps in developing the capabilities of the subordinates and creating secondary levels of leadership. Generally two types of authority exist in an organisation:

- 1) **Line Authority:** This is represented by a chain of command starting from the top most management in an organisation and extending down to various subordinate levels. Thus it forms a hierarchical **arrangement in an organisation where** the superior has direct command over the subordinate and the subordinate has **direct** command over his own subordinate. This also remains the line of **communication either** from top to bottom or from bottom to top.
- 2) **Staff Authority.** This means the authority of such groups of individuals within an organisation who provide advice and services to line management. **Infact** most staff authority relationships are manager-to-manager relationships. In some organisations both **line** and staff authority exist simultaneously. In order to avoid **conflicts** it is better that right from the beginning a clear **concept** of inter-relationships among the different types of authority within the **organisation** be adopted.

One must remember here that in the modern context the issue today is not just of **delegation** of authority but it is closely related to **accountability and responsibility** and both these aspects should also be taken care of, at the time of delegation of authority.

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## 7.7 CO-ORDINATION

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**Inspite of division** of work, **departmentalisation**, designing of jobs and delegation, it **will** be difficult for an organisation to achieve its stated goals unless **all** these segments work in harmony. This is where the role of **co-ordination** becomes vital in organising. **Establishing relationships amongst different segments and activities of an organisation and establishing linkages among them is defined as co-ordination.** The need for co-ordination assumes greater significance in large and complex organisations whereas it is not a problem in small **organisations.** In a service industry like tourism, co-ordination is of utmost importance. For example, for conducting a city tour, a tour operator needs transport, escort services, guide services and a restaurant. All these services have to be linked together with **perfect** co-ordination. Lack of co-ordination often leads to inter-departmental conflicts **leading** to poor quality of services and ultimately bringing a bad image to the organisation.

For effective **co-ordination**, it is necessary to build a Management Information System (MIS). Generally MIS refers to a system **through** which **information is collected, processed and**

presented to the top management for decision making. But it is essential that the MIS should also be used for information sharing among the different departments and managers of an organisation. An MIS will be more effective if it is timely, accurate and relevant. This enables immediate action to tackle problems or schedule operations.

**Leading/Actuating**

By actuating or leading we mean working with people in such a way that their support can be won-over for working in the direction for achieving the organisational goals. For this a certain amount of motivation is also required. A manager must find out some common factors which can motivate all his subordinates working at different levels of management. At the same time the manager has to keep in mind that these subordinates come from different backgrounds. For providing leadership a manager needs certain skills which we have already mentioned in Unit-1 of Block-1. But you must remember that a manager must:

- remember that he is only playing a role,
- mould the role according to the situation,
- follow a participative approach, and
- attempt to command the respect of his or her subordinates.

**Check Your Progress - 2**

1) What do you understand by Delegation of Authority?

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2) Define the Management Information System.

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**7.8 LET US SUM UP**

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Organising is a basic management function with certain elements and components. A manager as well as an entrepreneur has to very cautiously perform the tasks of **organising** which include departmentalisation, deciding jobs, deciding the levels of authority, delegation of authority, etc. In performing these tasks for achieving organisational goals, managers should also develop information systems and provide leadership. Whether you intend to start a small business or go for a managerial job, a sound understanding of the organising process is essential.

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**7.9 ANSWERS TO CHECK YOUR PROGRESS EXERCISES**

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**Check Your Progress - 1**

- 1) The definition has been given in **Sec. 7.2**.
- 2) After **reading Sec. 7.2** write your own views.
- 3) Read **Sec. 7.3** for your answer.

**Check Your Progress - 2**

- 1) Read **Sec. 7.6** and compare your answer with **the contents** mentioned in it.
- 2) Read **Sec. 7.7**