
UNIT 2 MODERN OFFICE MANAGEMENT

Structure

- 2.0 Objectives
- 2.1 Introduction
- 2.2 Office Management
 - 2.2.1 Elements of Office Management
 - 2.2.2 Major Processes of Office Management
- 2.3 Office Manager
 - 2.3.1 Functions of Office Manager
 - 2.3.2 Status of Office Manager
 - 2.3.3 Qualifications of Office Manager
 - 2.3.4 Training of Office Manager
- 2.4 Office Organization
- 2.5 Principles of Organization
- 2.6 Types or Systems of Organization
 - 2.6.1 Line Organization
 - 2.6.2 Functional Organization
 - 2.6.3 Line and Staff Organization
 - 2.6.4 Committee Organization
 - 2.6.5 What type of Organization to Choose?
- 2.7 Authority and Responsibility (Process of Delegation)
 - 2.7.1 Authority
 - 2.7.2 Sources or Types of Authority
 - 2.7.3 Responsibility
 - 2.7.4 Delegation of Authority
 - 2.7.5 Importance of Delegation
 - 2.7.6 Elements of Delegation
 - 2.7.7 Basic Principles of Delegation
 - 2.7.8 How to Secure Better or Effective Delegation
- 2.8 Decentralization of Authority
 - 2.8.1 Advantages of Decentralization
 - 2.8.2 Limitations of Decentralization
- 2.9 Let Us Sum Up
- 2.10 Key Words
- 2.11 Answers to Check Your Progress
- 2.12 Terminal Questions

2.0 OBJECTIVES

After studying this unit, you should be able to:

- discuss about Office Management, elements and processes;
- define Office Manager, its functions and status;
- discuss about what should be the qualifications and training of office manager;
- explain office organization;
- discuss the principles of Organization;
- explain the types or Systems of Organisation;
- describe Authority and Responsibility; and
- discuss Decentralisation of Authority, advantages and limitations.

2.1 INTRODUCTION

In the preceding unit, you have learnt about the meaning and concept of modern office, changing scene of office, functions of modern office, departmentation of office and its relation with other departments. The modern business is complex. A business organization is faced with ever - changing needs and conditions. We find that the organizations are undergoing rapid change in all spheres of their activities. The markets are extending, the techniques of manufacturing are undergoing a rapid change and therefore, it is necessary to adapt to these changing techniques and thus have to work with complex machines like sophisticated modern-day computers. The problems of change are to be tackled with the help of information. Retaining, analysis and furnishing the right type of information for different purposes to various people from time to time is a basic need of an enterprise. Broadly speaking these are the activities of modern office.

In this unit, you will learn about the office management, office manager, office organization, principles of organization, types of organization, authority and responsibility and decentralization of authority.

2.2 OFFICE MANAGEMENT

What is Office Management?

Office Management is necessarily a process used by the management to carry out their tasks in the office. Management is the task of unifying the efforts efficiently to achieve well-defined objectives. The management in a business enterprise is like a brain in the human body doing its various functions. The brain gives direction and purpose to a mass of matter. The process of management is common to all activities of a business organization. In the office, activities are carried on by a group of people. Thus, office management can be defined as a task of planning organising, guiding, directing, coordinating and motivating the efforts of others towards the specific objectives in the office and in conformity with the over all objectives of the organization.

2.2.1 Elements of Office Management

Following are the essential elements of office management

1. Personnel

It is obvious that office personnel – who actually performs all the office activities – are the most important of the four elements. It is the job of the office manager to select the proper personnel, train them and guide them to do the work with the help of means available in the office by allocating each individual the job best suited to his talents and guide and control their activities.

2. Means

These are the tools with the help of which the office personnel/clerks perform the office operations. These include office forms and stationary, machines and equipment as well as the methods and techniques used for performing the various office operations. The office manager must have a comprehensive knowledge of general office practices and uses of a wide variety of office machines and equipment so that he may select the proper tool and put them to the most efficient and economical use for achieving his purpose.

3. Environment

Performance of office work demands not only a clear brain but also proper physical conditions. Where adverse physical conditions are present, workers are subjected to a lot of mental strain. As a consequence, volume of output tends to be lowered and accuracy of workers is severely hampered. It underscores the need to provide an environment which is pleasant, comfortable and conducive to good working habits. Some of the important elements like lighting, heat and ventilation, humidity, noise are contributing factors to the proper working environment.

4. Purpose

Above all, the office manager must be clear about the purpose which he is seeking to achieve with the help of the personnel and the means. Unless he is fully aware of the purpose of the office as well as the purpose of each individual job performed in the office, he cannot put his personnel and means to the most efficient and economical use and achieve the objective.

2.2.2 Major Processes of Office Management

The work of management, whether of the organization as a whole or of a functional department or of the office, may be broadly grouped into three major processes or areas of responsibility, viz., Planning, Organising, and Controlling. These three basic processes are involved in the management of any business organization, big or small.

1. Planning

Planning involves consideration of the factors influencing a situation and laying out a course of action leading to a particular goal. A plan of action usually lays down what work is to be done, the method of doing it, the persons responsible for doing it and the operations required for doing it. Thus, four basic factors have to be considered while planning a particular activity:

- i) **Objectives** – It is not enough to supply timely, accurate and complete information to the management, in doing that it should be the objective

of the office to avoid all unnecessary or avoidable work so that the cost may be minimum. Thus, in planning office activities the objective should be “better and better office service to management at lower and lower cost.”

- ii) **Policies** – Policies for the guidance of office executives and workers with regard to commonly recurring office problems should be laid down. These may be communicated to the office executives and workers through office manuals, bulletins, memoranda, etc.
- iii) **Organization** – The organization should be planned keeping in view the objectives and policies laid down. One important consideration in the planning of office organization is whether the office services should be centralized or not.
- iv) **Operations** – The last factor to be considered in planning is that of office operations, that is the actual doing of the work. Planning of office operations involves setting standards of performance for each type of office work with reference to quantity, quality and time so that operating results may be kept within satisfactory levels.

2. Organizing

For organizing, management may take the help of organizational charts and manuals, work out distribution charts within departments, job descriptions and other similar tools. Office management must then hire suitable personnel, train them in specific skills and inform them of their job responsibilities. Lastly, office furniture, machines and other equipment necessary for performing the office work is to be provided to them.

3. Controlling

As already pointed out, office management has a dual role. This applies to the process of controlling office activity also. On the one hand, much of the office activity is concerned with aiding general and departmental management to control the execution of the primary functions according to plan. On the other hand, it is concerned with controlling the controls, that is ensuring that the office activities themselves are carried out according to plan.

2.3 OFFICE MANAGER

Modern age is the age of specialization. An individual can specialize in a very small part of total activities. In business, people specialize in production, purchasing or selling. Most of the specializations do not have much aptitude for work of routine nature. Besides some of the professionals may not be managers at all. A manager is a man who gets things done by people to achieve the objectives. For this purpose, he coordinates the activities of others and controls them. He organizes them and provides them with leadership. He integrates the work of his department with that of other departments. A person may be appointed to head the office and may be called Office Manager. Office Manager is, therefore, an individual incharge of office and whose functions are to organize and control it. He integrates the work of the office with that of other departments. A person may be called an Office Manager if he performs the functions of control and direction of the office.

2.3.1 Functions of Office Manager

There are two broad categories of functions which relate to (a) Human relations; and (b) Work organization and methods. These two principle sets of functions relate the following:

1. **Recruitment of staff** – The office manager has to recruit the staff. In order to do this, he shall determine the needs and sources of supply; and lay down standards for testing and interviews. While making a final selection, he shall have to do rating of quality so that a person finally selected for the job is fit for the job. Also, he has to get the service agreement prepared and approach the references given by the selected persons.
2. **Training of staff** – The person selected must fit into the organization structure. Necessary training has to be given and persons selected must be made familiar with some tasks. The training programmes must be properly designed and revised from time to time.
3. **Devising method of work and measurement** – It is necessary to devise methods of work for staff. This is very difficult since developing a habit of work in the staff is a great problem. At the same it is necessary that the methods of work measurement must be devised keeping in view the techniques of work and the workers.
4. **Devising suitable compensation methods** – This is a fundamental function of the staff manager because this effects the efficiency and coordination of the staff in the organisation.
5. **Promotions** – Promotions of the staff must be made and the office manager is the right person to recognize the good work of their office staff.
6. **Leadership and moral** – These two are the most important functions of the office manager. They are needed to make the work-force function cohesively.
7. **Coordinating** – Office will be a mass of people without proper coordination. Coordination is essential for keeping the office going.
8. **Discipline** – This is also an important function of the office manager. He should see to it that people come in time, observe rules of dress, smoking, absences, etc. If grievances originate, they should be eliminated without delay.
9. **Controlling of stationery and supplies** – The office manager has to control stationery and supplies in the office. The stationery and supplies are a very costly item. Proper sources of supply, supplies at the right time, careful storage and proper issue procedures must be devised. If necessary adequate guidelines must be obtained from the chief executive in the matter.
10. **Accounting and costing** – In many organizations accounting and costing are also the responsibilities of the office manager of the company. Where it is so, the office manager should pay due attention to these aspects.
11. **Working as company secretary** – In small companies, the office manager is also the secretary of the company. In that case he performs the duties of the company secretary too. It is essential that he should pay proper attention to the company's secretarial functions.

2.3.2 Status of Office Manager

Office manager has a very important status in any organization. His position in an organization is summarized as follows:

1. **Responsibility for implementation of policies** – An office manager is a part of the organization structure of an enterprise. He is responsible for getting the work done in the office and see that management policies are properly implemented.
2. **Affects morale** – Since he is the only official with whom the office workers are coming into contact every day, he affects their morale and willingness to cooperate.
3. **Man in the middle** – An office manager in a very difficult but important position. He is responsible to the management for workers and also responsible to workers for management.
4. **Recruitment and training** – He is required to recruit, advise and train employees in the office. This function is very important and thus it is essential that the office manager must have suitable position in the organization.
5. **Public relations man** – In modern organization, the office manager performs the tasks and responsibilities of a public man. He collects information from the public about the reaction of the public to different policies of the organization.

2.3.3 Qualifications of Office Manager

The Office Manager, like other managers in an organization, must possess certain qualifications. They are summarized below:-

1. **Proper education, training and experience:** It is essential that the office manager must possess proper education. Education is a great asset for any manager. It is difficult to lay down any hard and fast rules about the standard of formal education that the office manager must have attained. It is essential that he should be able to communicate adequately in writing and in speech, should possess an analytical mind to take care of different situations that arise in the office from time to time and should be well trained in office management.
He should have adequate knowledge about the office machines and equipments and have experience and training. The best of education and training are useless unless they are backed by proper experience. It would be better if the office manager has worked in an organization doing similar type of business.
2. **Ability to delegate work:** This quality of the office manager is fundamental to his work through which he can function. Delegation helps the manager to distribute the work-load and also allows the firm to grow. While delegating he should consider the fundamental principles of delegating. He should initiate steps to delegate authority. In fact he should go further and train office workers in the receipt of delegation.
3. **Ability to organize:** Office Manager has to be a good organizer. Since everything in the enterprise depends upon the office, he should be able to organize the office properly so that it serves the objectives and goals of the organization.
4. **Leadership:** This quality is common to all managers. Leadership is the ability to motivate, to inspire and guide subordinates. The quality of leadership is in getting the best out of difficult situations as well as people. The need for leadership is there because of a number of factors, more important of which are that leadership is identified with authority and the people are also forgetful,

indifferent and short-sighted. Therefore some people have to be led for a variety of reasons.

5. **Personal Qualities:** There is long list of personal qualities that an Office Manager must possess. More important of which are fact, self control, enthusiasm. These personal factors enthuse sincerity and adaptability and motivate subordinates better. The personal qualities help to attain objectives with great ease and without conflict. Personal qualities go a long way in making a leader.

2.3.4 Training of Office Manager

The office manager has not only to plan, organize, direct and control the performance of office activities, he also has to provide the leadership and inspiration to the staff for raising the level and quality of their performance. In performing this task, he has to face many problems and challenges requiring timely and judicious solution. A good office manager should not only be able to cope with the current problems of management, but also prepare himself to cope with new task and challenges which may arise in future. For this, he needs training to develop his managerial skill and capabilities.

Training for an office manager is not a one-time job. It is a continuous and ever-growing process, changing with the needs and demands of time. It starts with the selection and induction of the office manager in the job and continues throughout his career. The prime responsibility for imparting training to the office manager rests with the top management. However, the actual training programme may be set up in-house by the Personnel Department of the organization or it may be organized with the help of professional management institutes.

The training methods usually adopted for training office managers are of two types: (a) On-the-job training and (b) Off-the-job training.

(a) On-the-job Training

Under the method, the office manager is trained and developed while he is working on the present job. The usual methods are coaching and counseling, under-study, job rotation, temporary promotion to higher posts, etc. While working on the job, the office manager gathers valuable experience in coping with various managerial problems. Along with this, he may receive advice and counselling, from senior managers on methods of tackling special problems. Sometimes, he may be asked to act as the under-study of a senior manager or may be temporarily promoted to a higher position in order to get exposure to new responsibilities. These methods will enable him to exercise his own managerial skill and judgement in new situations.

(b) Off-the-job Training

Under this method, the office manager receives instruction and training away from his job, that is from outside agencies. The usual methods of such training are: lectures and conferences, training programmes conducted by management institutes and associations, universities or other agencies. Office managers may receive such training in their off-duty hours on their own initiative or they may be encouraged to take such training by the top

management of his organization. Sometimes, the organization may also bear the cost of such training. It makes them more responsive to the objective of the enterprise and more responsible in their performance. They begin to accept the goals of the enterprise as their own, which motivates them to higher and higher levels of performance. This results in higher efficiency and productivity. It also gives them a sense of dignity and self-satisfaction, which encourages them to think creatively and develop themselves for higher responsibility.

Check Your Progress A

1) Which of the following statement are True and which are False?

- i) In the office, activities are carried on by a group of people.
- ii) The office personnel are those who actually perform all the office activities.
- iii) It is not the duty of the office manager to allocate to each individual clerk the job best suited to his talents and guide and control their activities.
- iv) Performance of clerical work demands not only a clear brain but also proper physical conditions.
- v) It should not be the object of the office to avoid all unnecessary or avoidable work so that the cost may be minimum.
- vi) Objective should be better and better office service to management at lower and lower cost.
- vii) Modern age is the age of specialization.
- viii) It is not the responsibility of a office manager for implementation of policies.
- ix) Leadership quality must be to all managers.
- x) Personal qualities, i.e. self control of a manager go a long way in making a leader.

2) Briefly describe the Functions of the Office Manager.

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2.4 OFFICE ORGANIZATION

Any collective activity by a group of persons must be organized in order to achieve the desired end. Through organization, individual efforts can be co-ordinated and given a commonness of purpose. Since office activities are performed by a large number of individuals, it is imperative that the efforts of the individual

may be performed with maximum efficiency and at a minimum cost. There is no ideal type of organization which can produce the optimum result for all types of office. There are many types of organisation, each with their merits and demerits, and there may be variations in their application. Sometimes, a mixture of two or more types may produce the best result.

2.5 PRINCIPLES OF ORGANIZATION

Principles of organization formulated by management experts are also applicable to office organization, as mentioned below. A thorough understanding of these principles is essential for organizing a good efficient office. The principles which govern office organisation are outlined below:

- a) Principle of objective – Organising requires clear definition of the objectives to be attained. Clarity of objective leaves no scope for confusion and allows everyone to direct his or her effort towards achieving those objectives. The main objective of the office may be to provide information to the right person, at the right time, and in the right manner at minimum cost. The organization structure must be so designed as to achieve the stated objective.
- b) Principle of division of labour – To achieve the objectives set, specialized office functions need to be performed by the staff efficiently. For that purpose division of work is essential, that is, the total activity must be divided into jobs and tasks. Also units and sub-units of activities should be so defined that these may be grouped as departmental or individual activities.
- c) Principle of unity of function – The sub-divided activities of a function in an enterprise must work in perfect harmony to achieve the objective. The major functions of office are making, storing and retrieval of records, and passing on information as and when required. All other functions to be carried out in course of performing the main function must also be linked with one another for harmonious effect.
- d) Principle of simplicity – The organization structure should be simple and easily understood by one and all in the organization.
- e) Principle of span of control – For effective supervision, the number of subordinates who work under an immediate supervisor should be limited. For determining the number, that is the span of control, each situation and activity should be carefully analysed. However, nature of work and capability of the supervisor to a large extent determines the span of control.
- f) Principle of parity of authority and responsibility – This principle simply states that every person in the office must have necessary authority to do the job, for which he is assigned responsibility. For example, if a clerk is responsible for maintaining records, he should also have authority to ask for necessary folders, etc.
- g) Principle of flexibility – The organization structure should be such that it may be easily adopted to changes in the nature of business and technical aspects of the work situation.
- h) Principle of efficiency – Office organisation should achieve goals at minimum cost, which is the real test of efficiency. The structural design should be such that higher level of efficiency may be achieved by individuals and by groups.

- i) Principle of initiative – The structure of organization and the superior-subordinate relations should provide for employees taking initiative for efficient performance of the jobs entrusted to them. In other words, subordinates should not be made to feel dependent on the superiors' orders and instructions so as to give up independent thinking.
- j) Principle of continuity – The organizational design should ensure continuity and growth of the enterprise. This can be achieved if the structure of office organization permits review of objectives, re-adjustment of plans and provides opportunities for development of future staff.
- k) Principle of coordination – This principle suggests that the office manager should be able to coordinate activities of different functional departments with a view to achieve the given goals.

2.6 TYPES OR SYSTEMS OF ORGANIZATION

For smooth working of a large enterprise, where a large number of people are employed, the activities to be performed have to be divided into groups or functions. It goes without saying that these activities ultimately have to be done by men that is the employees. The basic question in organizing is, therefore, to organize men. By organization of men we mean the creation of well defined organization structure that points out who does what work, who is responsible to whom and who has authority over whom? Formally stating, organization structure is the set of formal planned relationship between groups of related functions and between the physical factors and personnel required for the performance of these functions. The main aim of setting up of an organization structure is to facilitate managers in functioning effectively and smoothly.

There are four main kinds of organization structure or organizations:

- 1) **Line organization**
- 2) **Functional organization**
- 3) **Line and staff organization**
- 4) **Committee organisation**

2.6.1 Line Organization

This is the oldest method which has been followed in its pure form in military till recently. Under this system authority flows from the top to bottom. Directions are issued by the highest authority and are conveyed to the persons responsible for executing them through the chain of command. The highest officer gives order to his immediate subordinate who to his next subordinate and so on.

The application of this system is in the manner that the business is divided into a number of departments or units which is headed by a departmental executive or head. The chief executive, who may be the general manager or managing director, issues orders to the departmental heads who in turn transmit them to their immediate subordinates and the subordinates transmit them to the workers.

In line organization, promotions and demotions of subordinates depend on the recommendations of his immediate superior. A subordinate will receive all these instructions from his immediate superior and will directly be responsible to him.

No subordinate can approach any higher authority except through his immediate boss. Suppose there are eight account clerks who work under one accountant, under the line organization all these eight clerks will work under the supervision of the accountant who will watch their progress, maintain control over them, write their confidential report etc. The clerks will be responsible to the accountant and forward all their difficulties to him.

Merits

1. Simple – This is a very simple system and is easily understood by employees.
2. Discipline – It ensures very good discipline. There is no confusion about order, they come from a single person to whom the employee is accountable. Everybody in the organization knows to whom he is responsible and who is responsible to him.
3. Quick decisions – This system facilitates quick decisions. The subordinate reports the matter to his immediate boss who gives on the spot decision.
4. Flexibility – Each executive or supervisor has sole responsibility of his own department or section with the result that he can adjust his department or section according to changing situations.
5. Unity of command – As the subordinates receive orders from one boss only there is no dual subordination and hence no confusion.
6. Definite responsibility – In line organisation, responsibility of every person is definite, he can be held responsible for unsatisfactory results.
7. Economy – There are no staff functionaries, everybody is involved in production work hence there are no unnecessary overheads in the shape of salaries of specialists. This leads to economy.
8. Control – Management can exercise effective control over the activities of workers.
9. Stable – This system is quite stable.

Demerits

1. Top managers overworked – Under this system top executives are generally overworked. They remain so much engrossed in the routine work that they hardly get time to pay attention to more important functions like planning and directing.
2. Lack of specialization – Under this system every supervisor is responsible for providing all kind of guidance to the subordinate, may it relate to repair of machine, quality of product or techniques of work. Of course, a supervisor can not be the master of everything. Moreover, he has to do overall planning and execution about his department or unit and maintain control over it. He can not be expert in all these aspects of managerial tasks.
3. Lack of direct communication – There is, usually, no direct communication from lower ranks to higher executives with the result that top management is neither in a position to know the difficulties and problems of workers nor is able to take advantage of ideas of men directly concerned with work.

4. Nepotism and favouritism – The supervisor may judge people from his own personal angle rather than from the angle of the organization. Efficient people may be left behind and inefficient flatterers may get promotion.
5. Dictatorial – Because a subordinate's promotion and demotion depends on his immediate superior, the system places him absolutely at the mercy of his superior. The system requires absolute obedience on the part of subordinate towards his boss. All these factors make managers dictators and demi-Gods, not cooperative leaders.
6. Unstability – If a few top executives leave the enterprise it becomes difficult to fill the gap immediately. The result of this is that the enterprise gets crippled.
7. Inflexible – It is a rigid and inflexible form of organization.

Though there are many demerits and drawbacks of line organization, yet it still plays a vital role in small organizations. It is a serious mistake to underestimate its importance. It is the most suitable form of organization when the business is small and work is of simple and routine nature. All other systems of staff organization are simply off-shoots of line organization.

2.6.2 Functional Organization

It was F.W. Taylor who gave the concept of functional organization.

A worker under functional organization is not guided by one supervisor, as in the case of line organization, but by many specialists who are in charge of separate functions. Each specialist or supervisor has control over a particular function no matter where soever that function is performed. For example, a finance manager will have the right and the power to command all the subordinates on all matters relating to finance. The result of all this is that each worker instead of being supervised by one supervisor receives his orders from a group of specialized supervisors.

Merits

1. Specialisation – Under this type of organization maximum use can be made of the services of the experts. There is separate supervisor for each function who is a specialist in the field and can tender correct advice. For example, a personnel manager can tender best advice regarding recruitment, training, etc. of people in the enterprise.
2. Higher efficiency – As different specialized functions are performed by experts in their own fields, it makes for higher degree of efficiency.
3. Separation of mental and manual jobs – This system separates manual and mental functions with the result that unskilled employees can be entrusted with manual work while more intelligent and qualified people can be spared for mental work.
4. Lightens the burden of executives – As in the case of line organization, executives and supervisors, under this system, are not overburdened with too many routine duties. They concentrate on one function alone, with the result that the quality and standard of supervision is much better.

5. Ease in decision making – As the specialist of a function can give his decision about a problem on the spot without referring it to higher authorities, the decision making process becomes easier and quicker. The decisions are uniform too.

Demerits

1. Confusing – This type of organization structure can be confusing to the workers and muddling to the management. Every specialist may give his own orders bearing in mind his own function without taking into account the overall picture. It violates the principle of unity of command. As the subordinates get orders from different bosses it makes the operative task quite difficult.
2. Uneconomical – If the system becomes too elaborate it proves quite expensive. If a large number of specialists are employed it adds to the salary bill.
3. Diluted responsibility – If the results are unsatisfactory, responsibility for this cannot be fixed on anyone. Every specialist can say that he had performed his function well, they are the others who are at fault.
4. Loose discipline – It weakens the position and influence of line supervisor which complicates the problem of discipline at lower levels of the organization.
5. Difficulty in co-ordination – Since the specialists operate independent of each other it becomes difficult to co-ordinate their activities.
6. Does not train employees to fill top positions – Under this system there are specialists for different functions who get experience in one function only, hence it does not train new managers to shoulder overall responsibilities of the enterprise.

Functional type of organization has been criticized by both business experts and scholars. It is believed that in its pure form it is an unpracticable organization system. Entire business is bound to collapse if advice of every expert is put into practice. This type of organisation creates lot of problems if adopted at lower level. It can bring good results if practiced only at higher levels.

2.6.3 Line and Staff Organization

This system is a compromise between pure line system and pure functional system. It implies the combined role of line and the staff in attaining the objectives of the enterprise. To understand the structure of this system let us imagine, for the time being, that there is line system only. As the line officers are not expected to be experts in all the fields they are given advice about special matters by experts who are called staff. So we see that under line and staff system there are two types of employees, the line people i.e. those who are directly responsible for the performance of the work and staff people i.e. those who provide expert advice to line people and are not directly concerned with production.

L.A. Allen has brought out the distinction between line and staff in these words, “Line refers to those positions and elements of the organization which have the responsibility and authority and are accountable for accomplishment of primary

objectives. Staff elements are those which have responsibility and authority for providing advice and service to the line in attainment of objectives.”

In modern business, a manager has to face so varied and complex problems that he cannot possibly be master of all of them all by himself. He may not know much about subjects as budgetary controls, motivation, operational research, psychological tests, etc. Specialised knowledge about various aspects of running the business is needed at all levels of management. This specialized knowledge can be provided best by highly trained and experienced internal consultants called staff functionaries.

It should be borne in mind that the line and staff functions cannot be put under water-tight compartments. One function may be a line function in one organization and staff function in another.

Merits

Following are the main advantages of line and staff system:

1. Improvement in operational efficiency – Staff personnel who are experts in their fields provide able guidance to managers which helps in increasing operational efficiency. Moreover, a line supervisor cannot be competent enough to provide guidance to his subordinates in every kind of matter, he can take the help of staff.
2. Reduction in burden of line executives – It enables line executives to concentrate on important tasks like managerial planning, control and decision making. The burden of finding solutions to problems concerned with technology, finance, personnel administration can be left to staff functionaries.
3. Unity of command – Under this system experts provide special guidance without giving orders, it is the line manager who only has got the right to give orders, the results is that the enterprise takes advantage of functional organization while maintaining the unity of command i.e. one subordinate receiving orders from one boss only.
4. Training to line executives – From the process of continuously receiving advice from experts, line managers get education in specialized fields, gradually they develop their own knowledge and skill and prove capable managers of tomorrow.
5. All the advantages of line organization – Because the basis of this system is line authority relationships, it offers all the advantages of line organisation.

Demerits

1. Staff advice is not always practical – When the staff advises line managers they do not take an overall view of the situation, being specialists of their own field they consider their function as the only important thing and offer biased advice.
2. Conflict between line and the staff – There is often a conflict between the line and the staff. Line people complain that staff gives impractical and irresponsible advice from their ivory towers of specialization while staff complains that line people do not take full advantage of their special knowledge.

Line managers complain that if something goes wrong, the staff blames them for bad results and will claim all the credit for any thing that is good. The line people rightly complain that the staff has right to give advice but shoulders not responsibility. The staff say that their advice is not taken seriously because they have no right to implement their recommendations.

3. Centralisation – When the line managers are assured of continuous advise of staff they leave the task of thinking and planning to them and develop a habit of not taking initiative. Sometimes, line officers start relying too much on staff advice even in respect of minor routine matters.
4. Expensive – Employment of specialists is quite expensive as they generally demand higher remuneration. Staff, many a time unnecessarily increases paper work of the line.

2.6.4 Committee Organization

A group of persons entrusted with discharging the assigned functions collectively is called a Committee, committee type of organization is rarely found to exist in its pure form. It is, generally found to co-exist with line and staff type of organization. The Board of Directors of a company is an example of Committee Organisation. This form of organisation is suitable for taking decisions on policy matters or laying down broad objectives for the enterprise. The basic objective of committee is to get a more comprehensive view of a given problem from more people than can be obtained by a single person. Committee organization is in existence in varying degrees in different concerns.

Merits

1. Balanced decisions – The decision of committees are based on expertise and knowledge of large number of persons, hence they are more balanced than individual decisions. It promotes new ideas.
2. Better co-ordination – Committee organization facilitates a coordination between the activities and views of different departments. It saves time taken in transmission of essential information. Participants can know the views of various participants through their speeches.
3. Sense of participation – Participating members inculcate the sense of participation and feel duty bound to implement the decisions taken by them in committee meetings.
4. Mutual consultation possible – It provides an excellent medium of discussion, education and of communication between management and workers.
5. Dispersal of authority – It facilitates dispersal of authority. Too much concentration of power at one point is eliminated.
6. Ensures continuity – Committee management system ensures continuity of administration because changes in the constitution of committees are few and gradual.

Demerits

1. Lack of responsibility – No single person can be held responsible for decisions of the committee.

2. Delays – The decisions have to wait for committee meetings and hence are not prompt.
3. Weak decisions – Committee decisions are generally weak because they are the result of compromise.
4. Expensive – Calling and arranging meetings is quite expensive.
5. Dominance by few members – Sometimes an aggressive minority group is able to force decisions on weak and indifferent majority.

2.6.5 What Type of Organization to Choose?

Choosing the right type of organization for an enterprise is a difficult job. There are various factors to be considered in deciding whether any one of the above types of organization or a variation of the same or a mixture of the two types will suit the particular requirements of the enterprise. Some of the important factors to be considered are briefly discussed below:

1. Size of business – The most important factor is the size of the business. If the size of the business is small, line type of organization is the best and the cheapest but if the business is big, an elaborate system like line and staff type combined with committee type of organization will be found more suitable. If there are many independent departments in an enterprise the organization can be on the basis of products also. For example Modi's have separate organisations for cloth, tyres, paints, etc.
2. Nature of business – A temporary organization, established for a short period, for example for completing a particular contract, will have a type of organization which will not be elaborate while a well established and old enterprise will need elaborate and mixed type of organisational set up.
3. Continuity – An enterprise having steady flow of work throughout the year and permanence of structure will have complex and elaborate system of organization as compared to one where requirements are fluctuating from time to time or season to season.
4. Geographical location – Geographical location of different units of the enterprise will also influence the type of organization. If different units are situated hundreds of miles apart, there may be separate staff for each unit which cannot be on elaborate scale. If all the units are located in one city or locality the system of organization can be more complex.
5. Type of workers and degree of mechanization – If in any enterprise the ratio of unskilled workers to administrative staff is high there will be need of close supervision and hence the need for line organization. In the case of skilled workers close supervision is not necessary, here staff type of organization may suit better. The type of organization will also vary according to the amount of machinery used in office and workshops.
6. Approach of management – The approach of management whether it believes in participative or autocratic management will also be reflected in the type of organisational structure adopted.

Check Your Progress B

1) Fill in the blanks:-

- i) Office work must be performed with maximum efficiency and at a minimum
- ii) There are many types of organization, each with its merits and
- iii) The main objective of the office may be to provide..... to the right person, at the right time, and in the right manner at minimum
- iv) In line organization promotions and demotions of subordinates depend on the recommendations of his immediate.....
- v) The concept of functional organization was given by.....

2) Which of the following statements are Right or Wrong:-

- i) Functional organization creates a lot of problems if adopted at lower level.
- ii) It should be borne in mind that the line and staff functions cannot be put under water-tight compartments.
- iii) The Board of Directors of a company is an example of committee organization.
- iv) If the size of the business is big, line type of organization is the best and the cheapest.
- vi) Choosing the right type of organization for an enterprise is a very simple job.

2.7 AUTHORITY AND RESPONSIBILITY (PROCESS OF DELEGATION)

2.7.1 Authority

It is not possible to achieve the desired objectives unless the managers have the authority to get things done from their subordinates. Authority is an essential element of management.

The right to give orders and the power to exact obedience is authority as described by Henri Fayol. As Koontz and O'Donnell have put it "Authority is the power to command others to act or not to act in a manner deemed by the possessor of the authority, to further enterprise or departmental purpose." According to Herbert Simon, "Authority is the power to make decisions which guide the actions of others." It is the relationship between two individuals one is the 'superior' and the other is the 'subordinate'. The person who makes decisions is the 'Superior' and the person who accepts and is guided by them is called the 'Subordinate'.

2.7.2 Sources or Types of Authority

- a) Formal structure of organization (Formal authority) – The relative position of a person in the organization structure, normally, determines the degree of authority from formal viewpoint. Managers, at each level of organization derive their authority from authorities of higher levels. Every organization has a chain of command consisting of relationships of authority. For example, an Accounts Officer derives his power from his higher authorities because of his position in the formal structure,
- b) Acceptance of Authority by others (Acceptance theory) – According to this concept, authority is that power which the subordinates accept that their superior possesses. A supervisor may apparently have authority over his subordinates but the ultimate enforcement of that may be modified by real acceptance of that authority by subordinates. It may not be possible to gain enthusiastic cooperation from subordinates despite the formal authority of the superior unless subordinates accept that the superior really has that authority.
- c) Technical Competence (Competence theory) – Sometimes, a person may have authority because he is technically more competent and others seek his guidance and advice. A person may have little or no formal authority by reason of his position in the formal structure but may possess extensive authority due to his integrity, knowledge and skill. For example, a person may be more mechanic in his organisation but even engineers may seek his advice. Here the mechanic has authority because of his competence in his field.

2.7.3 Responsibility

Responsibility means the obligation of a subordinate to perform the duty assigned to him. When any person assumes authority to perform certain task he also becomes responsible for its performance. In the context of delegation of authority, responsibility is used in the sense of accountability or obligation.

Responsibility has two parts:

- 1) The obligation to secure results, and 2) The accountability to the person from whom the authority is received. For example, when a superior assigns some task to a subordinate and grants him the required authority the subordinate is : a) under obligation to do the assigned task, and b) be responsible for results.

Ordinarily, in the normal functioning of an organization responsibility is continuing one, every employee is responsible for something otherwise there will be no need for employing him. This means that every subordinate is under obligation to discharge his functions, as required by his superior continuously.

- 2) Accountability always flows upward, that is, a person who has been delegated authority is accountable to his superiors. A person can be held accountable only to the extent he is delegated responsibility and authority. An important thing to note is that accountability cannot be delegated. The delegator remains accountable for the acts of the person to whom authority has been delegated.

Accountability is unitary. A subordinate can be accountable only to one superior for the delegated responsibility and authority. If a person reports to two bosses on the same responsibility, confusion and friction inevitably result.

For determining accountability the delegator has to set standards of performance. Accountability is meaningful only if the measure of performance can be spelled out in specific terms.

2.7.4 Delegation of Authority

When the work of an office manager or secretary increases so much that he cannot cope up with it alone, he has to divide it among his subordinates. If he entrusts a part of his work to one or more persons, he would naturally expect the work to be done by them as he himself would have done it. This process of dividing the work among subordinates is called 'delegation'. Thus, delegation may be defined as the process of entrusting part of the work to others. "It is the process a manager follows in dividing the work assigned to him so that he performs that part which only he, because of his unique organizational placement, can perform effectively and so that he can get others to help him with what remains."..... **Allen**

2.7.5 Importance of Delegation

The importance of delegation in management needs no elaboration. As Allen puts it, "Once man's job grows beyond his personal capacity his success lies in his ability to multiply himself through other people." Delegation actually determines the effectiveness of the manager in his work. For delegation makes it possible for the manager to share a part of his workload with others and thus leaves him free to concentrate on the purely managerial functions. Secondly delegation influences the nature of relationship between the manager and his subordinates and through it the performance of the tasks entrusted to subordinates. A subordinate may not be sure of his position, rights and obligations in connection with the work assigned to him if delegation is not properly done.

2.7.6 Elements of Delegation

Delegation involves three basic actions, viz.,

- a) **Assignment of duties:** The manager or superior conveys what the subordinate is expected to do.
- b) **Grant of Authority:** The superior gives permission to the subordinate to do his part of the assigned task and grants him certain rights like asking for implements or other requirements necessary for performing the task.
- c) **Creation of Obligation or Accountability:** The subordinate takes upon himself the obligation to complete the task as desired by the superior and makes himself accountable to the superior.

2.7.7 Basic Principles of Delegation

Delegation can be successful only when certain basic principles are followed. These principles are:

1. **Authority should commensurate with responsibility:** The degree of authority granted to the subordinate should be in proportion to this duties assigned. It is not correct to say that authority should be equal to responsibility, a person can never be given exactly as much authority as the assigned work, some authority has to be withheld and cannot be delegated. For example, a Director of personnel, delegates responsibility for wage and salary matters

to the manager of wage and salary but he must withhold authority for overall planning, organization, coordination, motivation and control relating to personnel. Authority can only be delegated to commensurate with responsibility.

2. **Responsibility cannot be delegated:** When the delegator delegates authority to the subordinate, responsibility for accomplishment still rests with him. The person making the delegation always remains accountable to his superiors for that which he has delegated. Since responsibility can not be delegated, the delegator is accountable for the acts of subordinate. But such rigidity of principle can be modified by common sense in any particular instance.
3. **There should be no dual subordination:** For delegated authority and responsibility each person should be accountable only to one superior. If a subordinate reports to two superiors on the same responsibility, confusion and friction inevitably results. In case of dual responsibility the subordinate is never sure which superior will ask him to account for which specific activity. Since demands of different superiors can be different, he can never satisfy two different bosses even if he may handle the problems in any manner whatsoever. The subordinate may receive conflicting orders and may not be able to please any boss.

2.7.8 How to Secure Better or Effective Delegation

Every manager will be interested in knowing methods by which delegation will work more effectively and smoothly. On one hand, the person who has delegated the authority should feel that the delegation has saved him from unnecessary work without any risk or anxiety and on the other hand the subordinate should feel happy about the responsibility he has undertaken. Delegation also helps the organization work being carried on smoothly.

Following steps will help in achieving better delegation of authority:

1. **Goals should be clearly established.** Every person to whom the task is delegated wants to know, "Why I am being asked to do the job?" Only when the subordinate clearly knows the objective of the work can he put his heart into it.
2. **Responsibility and authority should be clearly defined.** A manager can perform well when he knows what his job is and how much authority he possesses. A subordinate can understand what his superior expects from him only when his responsibility and authority is clearly defined.
3. **Subordinates should be motivated.** Motivation is the moving force in delegation. If the delegator wants that his subordinates should do willingly and enthusiastically what he wants to get done through them; he should motivate them and provide them incentives.
4. **Maintain rapport with subordinate.** There are chances that the subordinate might not have understood his role, responsibility or authority and he may come to the boss for clarification time and again. This will defeat the very purpose of delegation. The other extreme can be that the superior does not allow access to the subordinate till he has completed his task. This is also not desirable. A middle course will be that the superior consciously plans for guidance and coaching of the subordinate and maintains communication with him.

5. **Provide training to subordinates.** The process of helping managers to develop ability in delegation is difficult. Subordinates should be trained to accept delegation. The performance of the subordinate should be continuously watched and appraised and advice be offered when necessary. Coaching on the job is a good method of training.

2.8 DECENTRALIZATION OF AUTHORITY

Decentralisation means delegation of power to take business decisions at lower levels of management. The lower the rank of the executives who make decisions the greater is the degree of decentralization. In decentralized units authority is exercised as near as possible, to the point where problems originate.

According to Allen, “Decentralisation is the systematic and consistent delegation of authority to the levels where the work is performed.” Leonard D. White states, “The process of decentralization denotes transference of authority from the higher level to a lower level.” Decentralisation has also been defined as a situation in which ultimate authority to command and ultimate responsibility for results is localized as far down in the organization as efficient management of the organization permits.

Decentralisation should not be confused with physical separation. Physical separation means locating plant or factories away from offices, for example, the head office may be in New Delhi and plants or factories at Agra and Kanpur. If the authority to take decisions still vests in head office, it is dispersion and not decentralization. Following are the advantages and disadvantages of decentralized organization in general:

2.8.1 Advantages of Decentralization

1. **Relieves the top management:** In decentralized set-up subordinates share the burden of decision-making with the result that the top executive gets more time to concentrate on important issues like planning coordinating and control.
2. **Training of managers:** Under decentralization junior executives in charge of various units get training in decision-making which makes them capable of handling higher responsibilities later.
3. **Team spirit:** Decentralisation promotes team spirit among workers working in different units. Local managers can weld their men into well-knit groups.
4. **Development of new techniques:** Decentralisation encourages diversification of activities and development of new products. If more people are involved in decision-making they can think of new lines and products.
5. **Prompt action:** In a decentralized structure subordinate executives can make timely decisions without asking for the approval or direction of superiors. This increases flexibility and permits more prompt action.
6. **Better decisions:** In decentralization, decisions are taken by those who are closer to the point of operative performance and familiar with the requirements of local situation, hence the decisions are better.
7. **Location of trouble spots:** Under decentralization, inefficient departments can easily be singled out by scrutiny of their individual results. Remedial measures can quickly be taken.

2.8.2 Limitations of Decentralization

1. **Duplication of work:** Decentralisation involves duplication or overlapping of work. Provision of certain common functions and equipment has to be made in each unit, this increases the cost of operations.
2. **Difficulty in co-ordination:** Decentralised set-up also creates the problem of co-ordination which sometimes becomes difficult. It may hamper adoption of uniform policies.
3. **Shortage of competent managers:** It is difficult to find competent managers who can be entrusted with power of decision-making in every decentralized unit.
4. **Discouragement to specialization:** It is unsuitable for the development of specialized services, for example, services like maintenance of accounts or recruitment and training of staff have to be performed at central level. It may prevent utilization of cost-saving effects of specialization.
5. **Does not permit full utilization of specialized staff:** A decentralized structure does not permit full and optimum utilization of highly qualified staff. For example, the services of a research scientist or a financial adviser can be best utilized when there is centralization.

Check Your Progress C

- 1) **State the four steps those who will help in achieving better delegation of authority:**
 - i) -----
 - ii) -----
 - iii) -----
 - iv) -----
- 2) **Which of the following statements are True and which are False?**
 - i) Decentralization means delegation of power to take business decisions at lower levels of management.
 - ii) In decentralized set-up the top executives gets more time to concentrate on important issues likes planning, coordinating and control.
 - iii) In decentralization set-up there is no problem of co-ordination.
 - iv) There is no shortage of competent managers in decentralization organization.
 - v) Authority is the power to make decisions which guide the actions of others.

2.9 LET US SUM UP

Office management can be defined as ‘the organization of an office in order to achieve a specified purpose and to make the best use of the personnel by using the most appropriate machines and equipments, the best possible methods of work and by providing the most suitable environment.

From the above definitions it is evident that office management is concerned with organizing the office in such a manner that the purpose of the office is achieved and best use is made of the staff and equipment. The work should be done by best possible methods in congenial environment.

A person who is in-charge of an office is called the office manager. The person in-charge of office can be called by different names like Head Clerk, Superintendent, Administrative Office Manager or Office Manager. Anyway, we will call him an office manager if he is, in general, an in-charge of an office and has staff working under him.

Office work is basically a service function. The chief function of an office manager may be stated as, 'the organization and control of an office having regard to the various aspects of the office management i.e. planning, organizing, staffing, directing and controlling.' In short the office manager has to provide efficient clerical service to the organization.

By organization we mean arrangement of work through division of activities and allocation of duties, authority and responsibility. For proper management of any business it is very necessary that the office should be organized in a perfect manner. Some basic principles have to be observed when organizing an office.

Authority and Responsibility are two basic concepts in management. The process of delegation in organization involves three actions on the part of managers: a) assignment of duties to the subordinates; b) delegation of required authority to the subordinates to enable them to discharge their duties; and c) assumption of obligation or responsibility by the subordinates for their work. Thus, authority and responsibility are the two bases of organization and in selecting and setting up the organizational structure, it is essential to have a proper understanding of these two concepts.

The term 'decentralisation' has a number of meaning. But in connection with administration, it may refer to i) departmentalizing activities, or ii) dispersal of the location of activities, or iii) decentralization of authority for decision-making. However, here we are mainly concerned with decentralization of authority for decision-making, the authority to plan. In this sense, decentralization means dispersal of authority and the power of decision-making to lower levels of organization.

In fact neither complete decentralization nor absolute centralization is possible to achieve in any organizational structure. A mixture of the two in varying proportions is a more feasible proposition.

2.10 KEY WORDS

Authority	: is the right to act or to exact action by others, within a prescribed area.
Delegation	: means divide his less important work among his subordinates.
Decentralisation	: means delegation of power to take business decisions at lower levels of management.
Office Management	: concerns with the activities of the group of people working in the office.
Organization	: means arrangement of work through division of activities and allocation of duties, authority and responsibilities.

2.11 ANSWERS TO CHECK YOUR PROGRESS

Check Your Progress A

- 1) i) True ii) True iii) False iv) True v) False
 vi) True vii) True viii) False ix) True x) True

Check Your Progress B

- 1) I) Cost ii) Demerits iii) Information, Cost
 iv) Boss v) F.W. Taylor
- 2) i) Right ii) Right iii) Right iv) Wrong v) Wrong

Check Your Progress C

- 1) i) Goals should be clearly established
 ii) Subordinates should be motivated
 iii) Provide training to subordinate
 iv) Responsibility and Authority should be clearly defined.
- 2) i) True ii) True iii) False iv) False v) True

2.12 TERMINAL QUESTIONS

1. Who is an office manager? Explain the functions of office manager.
2. What is the position of the office manager vis-à-vis the organization? State the qualities that make a successful office manager.
3. What do you mean by office management? What are the elements of office management?
4. Define office management and state all the important activities which are included in office management.
5. Explain the term 'organization'. What do you understand by the following terms: a) Line organization b) Functional organization and c) Committee organization.
6. What points should be kept in mind when choosing the right type of organization for an enterprise?
7. Describe the merits and demerits of decentralization of authority.
8. Define 'authority and responsibility'.
9. What do you understand by 'delegation'?
10. Explain the importance of 'organization' in the management of office.

Note: These questions will help you in understanding this unit better. Try to answer these questions but do not send your answers to the university for assessment. These are for your practice only.