

Lesson 10.20

ORGANIZING

Organizations are experimenting with different approaches to organizational structure and design. Organizational structure can play an important role in an organization's success. The process of **ORGANIZING**—the second management functions—is how an organization's structure is created.

The nature of organization structure

Managers are seeking structural designs that will best support and allow employees to effectively and efficiently do their work. **Organizing** is the process of creating an organization's structure.

Organization structure is the formal pattern of interactions and coordination designed by management to link the tasks of individuals and groups in achieving organizational goals. An **organizational structure** is the formal framework by which job tasks are divided, grouped, and coordinated.

1. This formal pattern designed by management is to be distinguished from the informal pattern of interactions that simply emerges within an organization.
2. Organization structure consists primarily of four elements:
 - a. Job design
 - b. Departmentalization
 - c. Vertical coordination
 - d. Horizontal coordination
3. **Organization design** is the process of developing an organization structure. **Organizational design** is the process of developing or changing an organization's structure. It involves decisions about six key elements: work specialization, departmentalization, chain of command, span of control, centralization/decentralization, and formalization. We need to take a closer look at each of these structural elements.

The **organization chart** is a line diagram that depicts the broad outlines of an organization's structure. While varying in detail from one organization to another, typically organization charts show the major positions or departments in the organization, the way positions are grouped together, reporting relationships for lower to higher levels, official channels for communications, and possibly the titles associated with major positions in the organization.

1. The organization chart provides a visual map of the **chain of command**, the unbroken line of authority that ultimately links each individual with the top organizational position through a managerial position at each successive layer in between.
2. Nearly all organizations having just a few members have an organization chart.

Responsibility is the obligation or expectation to perform and carry out duties and achieve goals related to a position.

Authority is the right inherent in a managerial position to tell people what to do and to expect them to do it, right to make decisions and carry out actions to achieve organizational goals.

While part of a manager's work may be delegated, the manager remains accountable for results.

- a. **Accountability** is the requirement of being able to answer for significant deviations from duties or expected results.
- b. The fact that managers remain accountable for delegated work may cause them to resist delegation.

Delegation is assignment of part of manager's work to others along with responsibility and authority.

1. In addition to issues of accountability, managers may resist delegation for a number of reasons.
 - a. Managers may fear if subordinates fail.
 - b. Managers may think they lack time to train subordinates.
 - c. Managers may want to hold on to their power.
 - d. Managers may enjoy doing the tasks subordinates could do.
 - e. Managers may feel threatened by subordinates.
 - f. Managers may not know how to delegate.
2. Subordinates may resist delegation because of fear of failure or of risk taking.
3. Failure to delegate may have serious negative consequences for a manager's career.