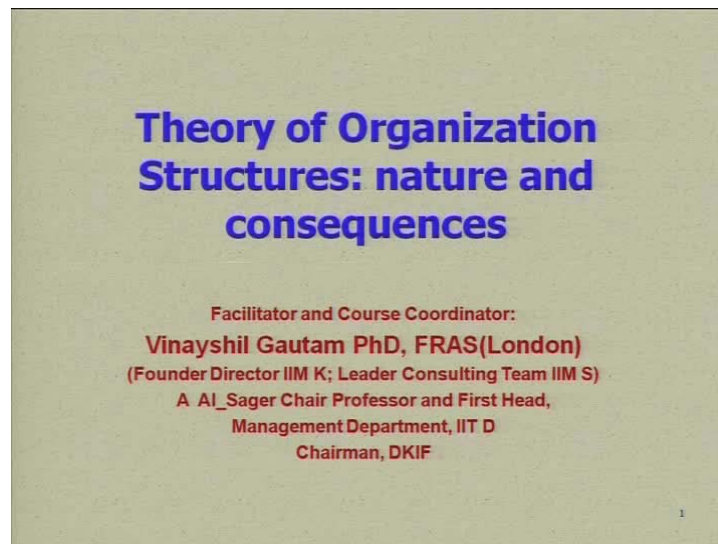


**Organization Management
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**Module No. # 01
Lecture No. # 11
Theory of Organization Structures: Nature and Consequences**

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We are going to look at the theory of organization structures, its nature, and consequences. From the preceding presentations you would have learnt that all organizations are bound to have some kind of a structure.

The structure is to an organization what the skeleton is to the human body. It helps to give shape to the organization and if you extend the metaphor further - if there is no structure, the organization cannot “stand” as it were.

Now, what does the expression mean that the organization will not “stand” as it were? It will be an amorphous entity, shapeless, and therefore it cannot work. It is one of those aspects of a situation which exists whether you understand it or not. It is like asking, “Do you have a philosophy?” You say, “No, I do not have a philosophy”; it is impossible.

Everyone has some philosophy however right or wrong or relevant or irrelevant or stupid or genius-like. There is no living person who will not have a philosophy. Philosophy is the assumptions on which you base your action; and each experience works towards that philosophy - either for it, against it, modifying it, changing it, strengthening it - you take it as far as you can, but there is no such thing as not having a philosophy. You may not be conscious of it. You may not be a thinking person. You may not be aware that you have a philosophy, but you do have.

Similarly, you may not be aware of the kind of organization structure a given organization has; but you cannot have an organization without a structure. It may be clear, it may be confused, it may be mixed, it may be fuzzy; but structure is inherent to every organization. What we are trying to do in the session is look at the nature of structures, how many types of structures there can be, and we shall also be examining the consequences of structures - what happens when organizations are there? Because, as a result of structures the work method of an organization is determined. Its effectiveness is determined by the kind of structure which it has. Its speed or efficiency is determined by the kind of structure it has; and it is possible to consciously intervene in structures to alter its shape and which is why it is the subject matter of organization management.

Remember my statement to you that it is not enough in life to understand the situation, and of course, it is important to understand the situation. Action does not begin without understanding; but it is just as important and probably more important to do something about it.

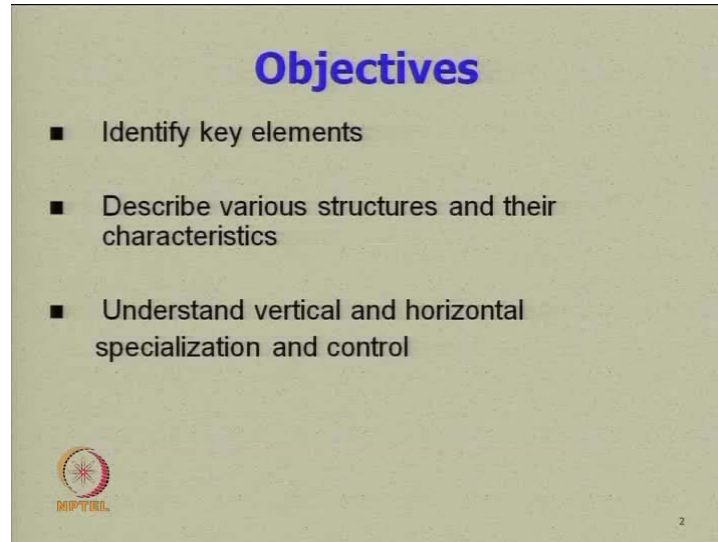
What good is an understanding if it does not lead to action? Management being a field of discipline believes essentially in doing something about the situation. If you cannot do something about the situation, get off management.

It is there that even if you decide not to do something about the situation it should be a conscious decision. It should not be indolence, it should not be laziness, you do not want to do something, or it cannot be a factor of lack of understanding - you do not understand what is on, therefore, anyhow, you cannot do something.

After understanding a situation you take a position; this is not something about which I want to do anything or indeed this is not something about which I can do anything. Once you take that as a conscious decision, not taking an action is itself an operational choice.

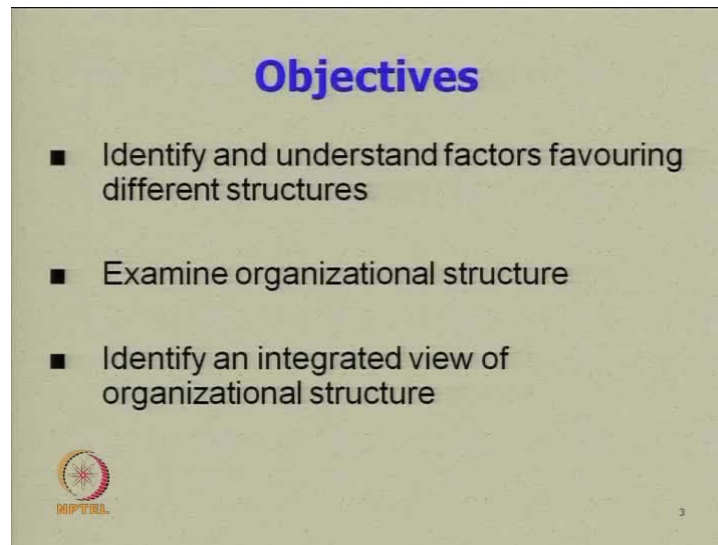
We shall ensure, therefore, that you look at structures as something with which you can work with.

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The objectives of the session are to help you to identify the key elements of an organization structure. When you identify the key elements of an organization structure you understand its components and its shape. We shall also describe various structures and their characteristics. We shall try to understand what the difference between vertical and horizontal specialization, and therefore, where would the control mechanisms be; because, ultimately it is all about control. You will recall control is not a process of negation, control does not come out saying no to people, control comes out of the process of keeping something on track, that is, if something is slow you expedite it, if something is fast you retard it, if something needs to be done you encourage that it be done, if something does not need to be done well then you encourage that action not be taken. In other words, it is important to understand that control is like a thermostat. Control processes are about keeping something on track towards the objective.

(Refer Slide Time: 07:29)



The purpose is also to identify and understand factors favoring different structures; to put it simply, how does a structure emerge on its own. For example, it is quite obvious, you cannot run a class session on the structure of a parliament. There is a world of a difference between the way a parliament shell functions and the way a class shell functions.

Let us examine it. Parliament is supposed to be representative of every citizen of this country which is why you have a fixed number of representatives over a fixed population and that does not vary, which is why, the more populous states have more members in the Lok Sabha, and the less populous states have lesser numbers in the Lok Sabha. Each citizen is supposed to have a representation. All parliamentarians are equal to each other. Amongst themselves they select a speaker who is supposed to coordinate and keep order in the functioning of the house. If there are 500 plus people obviously you need somebody to keep order.

A classroom situation is a different ballgame all together, its an illustration of a different class, it is a different category. A classroom situation is a knowledge management situation. Presumably, the purpose of attending a class is to learn. To facilitate the learning there is an instructor, some call him a teacher.

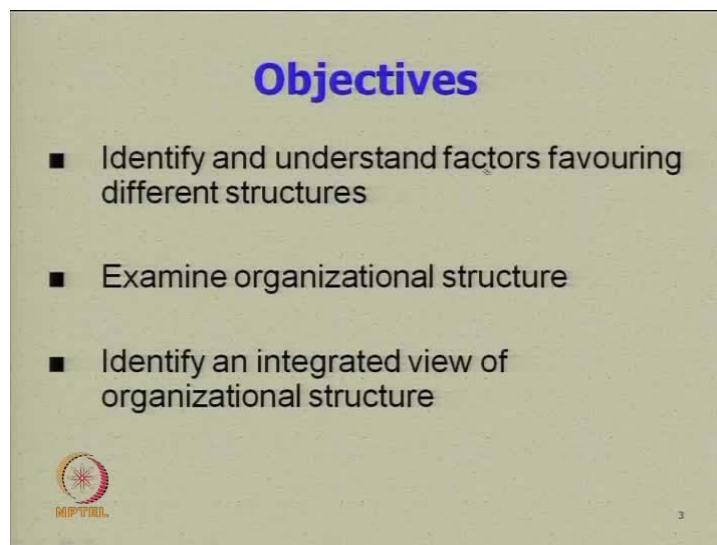
The instructor is not like a speaker of a Lok Sabha. He is not elected by a class. He has been identified through a duly constituted selection process for presumably knowing the subject matter better and teach it in a way in which it can be learnt - that is a teacher.

He is also supposed to evaluate; therefore, you cannot equate a student in a class to the teacher of a class. There is a hierarchy there straightaway. The teacher say, typically in an I.I.T or in an I. I. M system, determines the syllabus. He determines the sequence, he sets the question paper, he evaluates the scripts, and he gives marks - his judgment on that holds.

So, as I said, there is the difference of class the teachers runs. He is supposed to enable a learning environment in the class. In fact, the teacher is supposed to have absolute authority in a class situation. Even his all superiors should not enter the room without his permission.

We have had occasions where somebody is taking the class and the director or the principal wants to come in for whatever reason. He just wants to see whether there is seepage or not. First of all, he should not disturb the class but, for some reason the class has to be disturbed he seeks the teacher's permission - may I come.

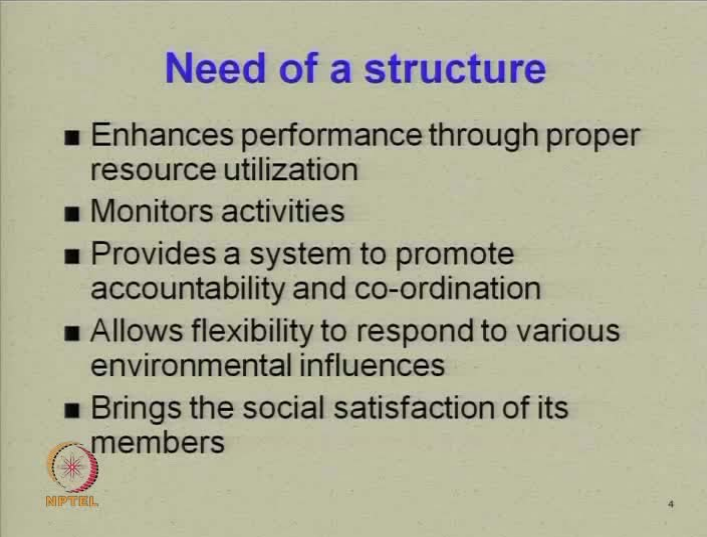
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Now, these are the two examples to show that it is the nature of the task and the nature of the group which determines the structure of the function. We shall be looking at how to

understand factors favouring different structures. We shall be examining the organizational structures, and will be identifying an integrated view of organizational structure because ultimately organization structure cannot become a law unto itself. An organization structure is an enabling situation - if it does not work it should not exist in its present form.

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Need of a structure

- Enhances performance through proper resource utilization
- Monitors activities
- Provides a system to promote accountability and co-ordination
- Allows flexibility to respond to various environmental influences
- Brings the social satisfaction of its members

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Obviously, if something is so critical to the functioning of a system and we have already looked at what is a system; the proposition that then comes do we need it? Everything begins with a need analysis and this is a very important word. Please understand - say even behaviorally each relationship exists in the fulfillment of a need. If there is a need and that need is not being fulfilled, the relationship will not exist. It need not be a material need, it may be a psychological need, it may be an emotional need. Needs are of all types or all varieties - just a need to be loved, the need to love someone; and if that need is fulfilled elsewhere, then you change partners.

For understanding action and understanding a given process, it is very important do a need analysis. The key concept here is - what is the need of a structure? Why must you have a structure? Because, you see in the western mode of learning, enquiry has been made the essence of all learning. You must keep questioning, there is nothing virtuous about it. It is just that the whole education system has an overlay of it. A lot of Asian learning does not emphasize enquiry in the same way. You must understand that very

clearly. It is not that it does not talk of enquiry. You heard me say it does not emphasize enquiry in the same way. I will give you an example. In Asian learning – Chinese, Middle-Eastern, South Asian - you name it, there is such a thing known as up the watch on, which, in a free translation would mean a credible statement. It is not for you to question the credibility because you may not be evolved enough to understand that logic. Yet you need to believe that logic - but why must you believe the logic? You believe the logic because somebody so anointed says it and that is the role of a guru. Why would it be true? Because somebody whose judgment, whose learning, whose scholarship I trust; who means me well; and knows that I am not so evolved tells me it is so.

Let us illustrate it. Parallel lines are supposed to be lines which do not meet. If you cut across a parallel line, the angle which the line cutting cross the two line makes must be identical; but the knowledgeable know that parallel lines meet and they meet in infinity. **Now, if you** The concept of an infinity needs an evolved mind. If you do not understand infinity, what is the point of telling a 15-year old that parallel lines are lines which meet in infinity.

You tell him - parallel lines are lines which never meet, which, is basically a definition open to modification. So, learning has to do with the capacity and the capability of the student. Everything cannot be explained, not that theoretically it is impossible to explain it; but the fellow does not have the capacity to absorb it.

It is much more expeditious to trust a thing because, somebody with very **((fireable))** credibility and - mark my words I am not just saying anyone - somebody with the **((verifiable))** credibility, proven antecedence, and these are important phrases - says it is so.

Now, this is typically an Asian phenomenon. In the post-industrial ethos choice is a very important phenomenon. You are expected to exercise choices. Why must I exercise choices? I do not even understand; but this approach and reference to the West is not a geographical phenomenon, it is a mindset. You can be an Asian with a Western mindset or you can be a Western with an Asian mindset or there any number of such examples. I am not talking of geography, I am talking of content. **This emphasis continuously - it is my life, I will choose, it is my choice - sure it is your choice.** As a 6-year old you want to experiment with fire and you want your fingers in the fire because there is nobody to

guide you; and you say it is my choice. Yes, darling go ahead, exercise your choice, learn.

If all learning was to be that way - God help all learning processes. This reflects itself culturally where we will talk of culture, structure, and environment - all this will come out very prominently. Here, if you serve tea you are served mix tea; you do not ask what type of tea do you want – cinnamon, masala, Earl Grey. If you have not heard of these types of teas do not worry, your life will not be unmade.

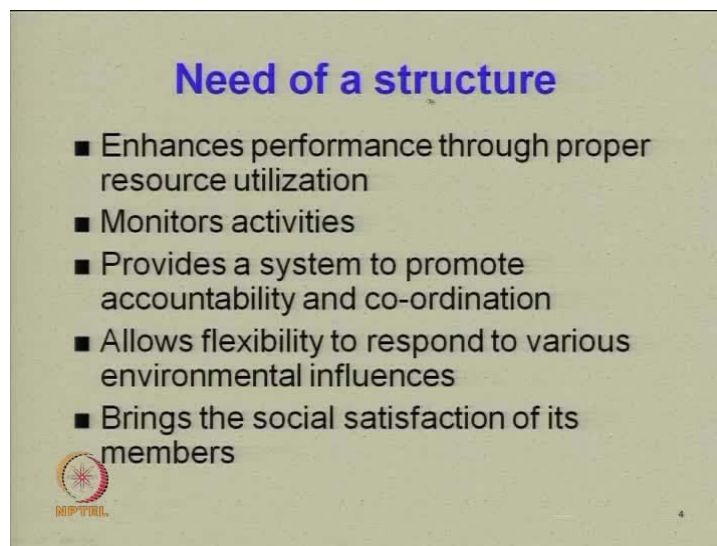
You pour the tea, you pour the milk, you put the sugar and if you are a good guest, you are supposed to enjoy it and say what a great tea. You do not serve it that way in western ethos. In fact, you give boiled water, you give a dip, you leave to the person a choice - how long does he want a dip in the water. I love my tea so much that I usually never have it. Now, what is the contradiction? The contradiction is very simple. I love my tea golden in color, without milk, because I am having tea and not milk and sugar, and I want my dip for 30 seconds. now you Who is going to oblige me? he was a so difficult doctor you have your tea elsewhere

Here, we put that dip in for a minute and a half it turns black, and that is not the way I want my tea so I do not have my tea. My chances of going wrong with coffee are far less than going wrong with tea. Therefore, please realize something which I repeatedly emphasize - nothing that I say is a value judgment. These sessions are not indoctrination sessions. These sessions are meant to open up your mind to enable you to think, and that I have been saying from day one. Which way you want to grow - I am sorry to put it that way - if you think I am western, it is your choice.

On the other hand, if you want to grow up that way your [fl] wants you to grow up - well that is you. I have no problem with it, please follow your [fl], who am I to say it is wrong. As far as I am concerned whatever you do is right because whatever it is you will do is your problem and you will face the consequences. If you have a coughing bout and you do not want to go to the doctor, I have a right to say do not disturb me, but you have a right to say I love my cough, I am in love with it, unless I cough every 5 minutes I do not feel normal about. Yes, by all means not at my cost and not at the cost of others. Therefore, the business of choices has a business of context.

Choices are not my sweet will. **no** You are a social animal and there is a context of the exercise of choices. You cannot say it is my choice that I will paint my legs blue and come to a group session walking on my hands. Yes, sure do that and do that in the privacy of your home not in a group situation. Therefore, there is no such thing as an absolute choice. The same logic applies to the choices on structures. You cannot alter all structures endlessly. Certain structures will emerge because they are in a context, so there are limits in which intervention can be carried on and that is the proposition I am want to sell to you.

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The need of a structure therefore is the first step. Structure is necessary because it enhances performance through resource utilization. If you do not have structures there is **a you** resource leakage and resource wastage and that is why you need structures. You cannot say that the storekeeper will also serve as your marketing manager. No, these are two different functions of an organization, therefore, you go back to optimizing; remember the definition of management - decision making, problem solving for resource optimization; if the resources are being wasted it is not management.

Structures are a critical input to resource optimization and that is why you need structures. You cannot say I do not believe in structures. I know it is very fashionable to condemn everything or anything - I do not believe in it. **Sweetheart, you do not believe it, out.** Carry your belief on your sleeves and lead your life. This is a community

situation. People have to believe in something at least in leaving each other alone to fulfill the objectives for which they are working together. Let us get this clear. You need structures because you cannot waste resources. It is not your right to waste resources.

It monitors activities. Everyone needs to know what the activities are about because the activities are supposed to be goal directed. If you are a part of a group and you are not working towards the goal - may I know what you are doing there - out. Any organization which does not have a carefully calculated rate of attrition is bound to collapse with its own contradictions. It is like social forestry. You do not keep planting trees for the sake of planting trees. Planting trees has to have a purpose, has to have an objective; therefore, proper social forestry requires carefully calculated felling of trees, carefully calculated plantation of trees, and the density of the trees being appropriate to the environmental requirements - and that is what it takes. If a tree is dead or about to be dead or diseased, chop it. You cannot say you cannot cut a tree because you cannot cut a tree.

Well, then, the objectives will have to tell you - you better go out. Any organization which does not keep its membership clearly focused on the organization is bound to come to grief. Then, how do you judge what behavior is appropriate to the objective and what behavior is defeating to the objective. There is no absolute judgment. There are contributing features of which structure is one. You are assigned a rule, you are assigned a job, you are assigned a place in the organization, and you do that little bit to keep the organization going. **You do not do it - thank you, very much.**

Which is why my two keywords - competency and discipline. I know it is not fashionable to talk of discipline. I know it is fashionable to say I wanted it that way - that is my choice. Sure, earn it. Do not do it on somebody else's resources. I understand choices; but choices have precursor activities and choices have consequences. Face the consequences of your choices. You cannot spill the milk and cry that somebody else clears the mess. **oh no** I want to marry this person by all means, please go ahead and face consequences - for and against. I want this job, sure go ahead but do not come back to somebody to intervene or solve your problems. You wanted this job, so you have to have ownership. You have to ask yourself - do I have the necessary maturity. Now, this is one side of the story. The other side of the story is how does the system judge whether you deserve to be there or not? You may be a total liability; you should have not been there

to begin with; and you cannot carry one person as a liability at the cost of a collective goal. If you do that then everyone else pays for what they have not done and that is not fair.

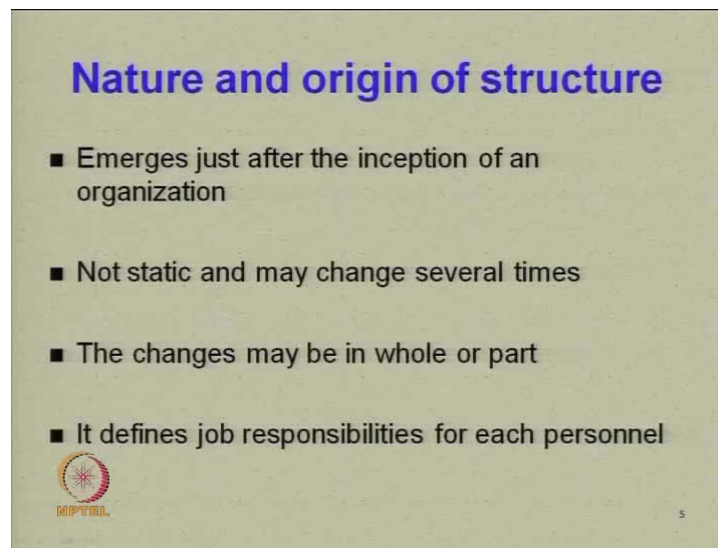
Structures help to monitor activities is what I am trying to tell you. It provides the system to promote accountability and coordination. If you have an assembly line, you have to ensure that different components which are to be pieced together at the end result of the assembly line come in at of flow, at an appropriate point of time, in an appropriate form, and take the time required to fall in place. If the groups are not cut properly, if the nuts do not fit, if the bolts are not there, then you are going hold up the entire assembly line, because there is some nut there; and that pun is entirely unintended. The way to deal with nuts is to throw them out. The collective has no obligation to deal with ((lumpen)) characters. There is no absolute ((lumpency)), there is only a relative ((lumpency)) - what is the touchstone of that, how do you judge it. Structures help you to judge the objectives, help you to judge because remember, all objectives are thereby broken up into sub objectives of different structures - there are departmental objectives, they are divisional objectives. Believe me, it is something which you should internalize; there are even job objectives.

Why should you be there? deputy manager accounts I am entitled to ask what would happen if that job was abolished; or if nothing was going to happen after the job was abolished - well then, abolish the job, why invest in it. A basic point which is often missed is - you cannot run commercial organizations on the basis of social good. These are two discrete elements; and I want you to be absolutely clear on it because people who are not inclined to listen to this statement favorably will be determined to misinterpret me.

Doing social good is a separate proposition from running a commercial organization. In fact, to do social good, a commercial organization must be first successful and have profits to find money and to do the social good. Therefore, if you start mixing the two, you are not going to have social good and you are going to lose the commercial dimension. Any community which does not understand this will come to grief. This is not a cultural paradigm, because the commercial activity requires a return on investment.

A social activity is meant to ((ameliorate)) the handicaps. When you ((ameliorate)) the handicaps, your returns may or may not come. They may come then, they become 20 years later, they may come in a very different shape. What do I do with my investment? How do I get the money to keep it going? A study of structures gives you clarity on what is a commercial activity and what is a social activity. These tea should not be mixed any more than two drinks should not be mixed.

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It allows flexibility to respond to various environmental inferences. It brings a social satisfaction to its members. What is the nature and origin of structures? It emerges just after the inception of an organization. A polite way of saying that is - it is there right from the beginning. This - ladies and gentlemen, is not a choice. [fl] my will. I want an organization without the structure. Brilliant! The world is not ready for you Mister genius. You will have to take birth 970 generations later to create an organization without structures. Now, do not ask me to calculate when 970 generations comes - that is your problem.

Not static and may changes several times - it is not as if structures are immutable. The change may be in whole or part. Structures are live entities. In fact bodily structures change; the chemical composition of the structure changes. When the bones get ossified, there is no such thing as a live body. In fact, the ossification of bones itself can cause death; there are illnesses where this happens. Please recognize that structures are live

entities. It defines job responsibilities for each personnel. How do you run an organization without jobs being defined? In fact, it is more - how do you run an organization without evaluating jobs? How do you run an organization without creating a match on what the market pays for that kind of competency and what you are paying for doing that kind of job? You cannot pay more than the market; it is not worth it. You cannot pay less than the market; you want to retain the person. That is the HR function which generally by techies is assumed to be **blah blah blah** and which is why a lot of organizations come to grief.

The mess which a bad techie will make will be detected by the quality circle, will be detected by the quality function, and will be detected by quality assurance. The mess which a human resources person can make will never be subjected to a quality assurance check because those skills cannot be assessed. Therefore, if you are not respecting the human resources function and just giving it to anyone you want, well then be prepared to pay for the consequences; it is as simple as that. It is not a function which can be trifled with.

The craze which goes on - you know I want to be a finance man with IT. Boy! What a career that opens up, nobody knows but everyone wants finance specialization with I T. God bless you! That changes because the nature of the market has changed; the organization structure of the employers has changed. When you joined your classes your dream was finance with IT; now they want electronics with marketing. What do you do, darling? Of course, suicide is one option; but it cannot be the preferred option. The message is very simple - do not pursue choices out of herd mentality. Everyone is doing it, therefore, I must be doing it; and this is a major problem of management education.

There are ways of some fashion; and the fashion like all fashion inevitably changes. If you have the capacity to understand the structure and the process of the employers, you know what will work and you know what will not work; so, the ultimate nature and origin of structures leads to a better management of what is the going word these days, in every management teaching institution - your placement concerns.


I am not going to discuss placement; but I have an obligation to tell you how you cannot understand the real nature of placement unless you have the capacity to understand the nature of the organization of the employers; so as far structures are concerned.

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Some basic structural consideration

Three levels of hierarchy

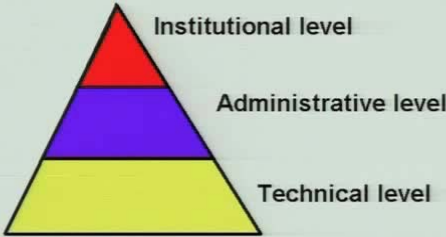
- Institutional level
- Administrative level
- Technical level



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Different levels of organization



Institutional level

Administrative level

Technical level



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Some of the basic structural considerations are to understand is the hierarchy: the institutional level, the administration level, and the technical level. In each case, the hierarchy can be different. You may have one type of institutional hierarchy and another type of administrative hierarchy. Different levels of the organization are shown here in color to register with you indelibly - what the difference between institutional level, administration level, and the technical level is.

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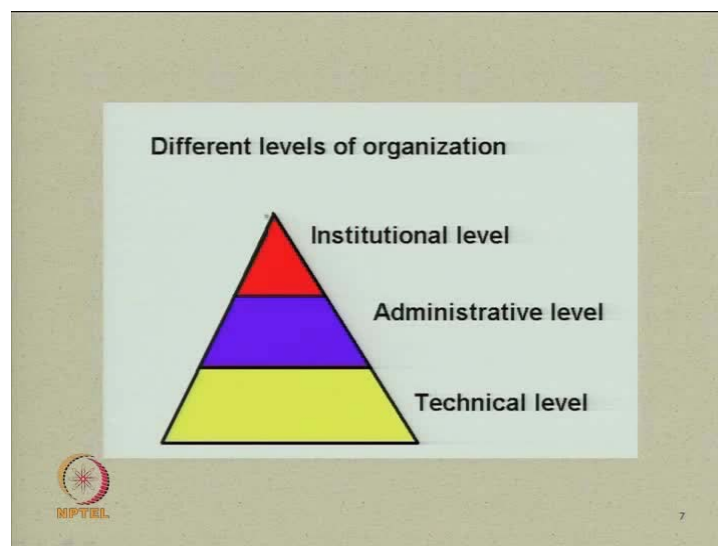
Features of different levels

- **Institutional level**
 - Development of organizational goal, output
 - Maintain the structure of organization
 - Establishment of an appropriate administration climate for subordinate managers
 - Formulation of policies, rules and regulations
- **Administrative level**
 - They are middle level managers
 - Here policies, rules and regulations are interpreted
 - Stress is given on planning, organizing and controlling



8

(Refer Slide Time: 40:54)



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Features of different levels

- Institutional level
 - Development of organizational goal, output
 - Maintain the structure of organization
 - Establishment of an appropriate administration climate for subordinate managers
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- Administrative level
 - They are middle level managers
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I will try to explain to you the components of an institutional level hierarchy. The institutional level deals with development of organizational goals and outputs. It is a strategic function; it is a policy function; it happens right at the top, which is why if you go back to the pyramid, you will notice that this triangle is what represents institutional level strategic thinking. It maintains the structure of the organization because those of you who may move into the subsequent course of organization management, there is a range there; it includes organization development, organization structure and processes, innovation, and creativity - a whole range. It is not necessary for me to cover all that here; but it is important for me to tell you that by definition: organization development is planned intervention from the top. You cannot have planned intervention from the bottom. I am sorry it does not work that way. You may want it that way. You may want to be having the capacity to fly. What is the difference? The difference is you will never develop wings, you will have to enter an aircraft to begin flying.

So, **there is** there are clear cut distinctions of responsibility at the top, responsibility at the middle level, and responsibility at the bottom level; and you cannot confuse the two. Maintenance of the structure of an organization is a responsibility at the institutional level - it is at the top level. The top level must be able to ensure that the organization structure is not disturbed. Establishment of an appropriate administration climate for subordinate managers - a self-explanatory statement. Formulation of policies, rules and

regulations - you cannot have a manager say I will formulate the rules; oh no, it is not your right.

No this is the democratic process no remember no you are not right child no An organization can only be participatory. You can celebrate the word democracy; you can celebrate whatever you want. It does not work that way. All organizations will have some kind of a command and a controlled system. If it does not have a command and a control system; it is not an organization, whatever else it maybe.

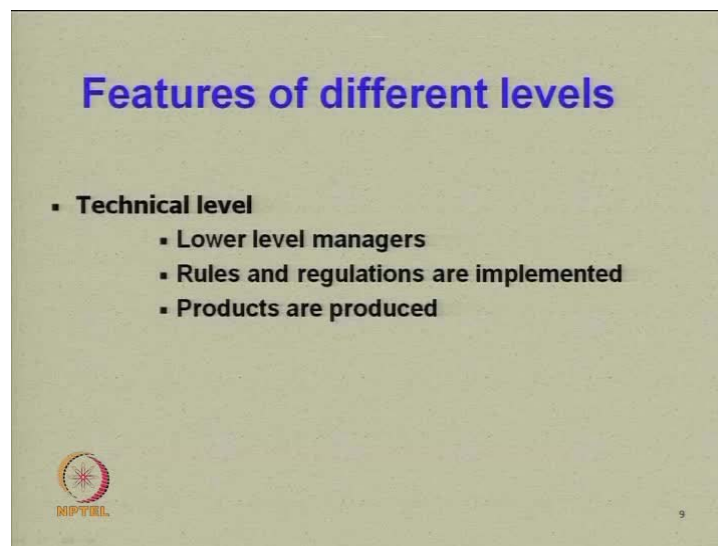
Similarly, there are administrative levels; they are middle level managers. Here, policies, rules and regulations are interpreted. Stress is given on planning, organizing, and controlling; therefore, if anyone of you has learnt the definition of management - that planning, organizing, and controlling is management. You are going to get stuck at the middle level and good luck to you.

Now, of course, you can argue your hard heart out. I am not there to convince you. Adult education does not believe in favors. Adult education can only be important to the people who are willing to learn. If you are not willing to learn you cannot be a party to adult education; pedagogy is very different from andragogy. People who think that adult learning and they want to know what is going to be your pedagogy. My answer is very simple - you know it is going to be pediatrics to cure a case of geriatrics. Now, for those of you do not know the word, geriatrics is the science of old age. Are you sure you want to treat elements of age with the techniques of child cure? It does not work anymore, that is you cannot have pedagogy for adult learning; but everyone wants to know what is your pedagogy. My answer invariably is – sorry, I do not have any pedagogy. You do not have any pedagogy? No, I do not have any pedagogy because I deal with adult learning. Then, how do you teach? I said I teach by learning of andragogy. What is that word?

You cannot teach English as a part of management; you cannot teach Hindi or Tamil as a part of management. You have to be equipped linguistically and have your communication in place to start learning the subject matter. It is my understanding that you cannot practice management without felicity of communication. Any number of researchers is which have established that management requires management action. Management job at any level is more than 30 percent of its time spending on just communication.

Now, of course, if you are smart alec with statistics, you will say this is **blah blah blah** and you can say whatever you want. The reality does not change; go back to reality TV. There make a killing. **I do not know the what are the fashionable was big boss small boss middle level boss** Everything is around on the screen, it may not be around very much longer; but reality TV is at least here to stay for few years. Then, they may get sick of it like people get sick of everything; but management will always deal with reality and that is what I am trying to explain. Reality TV may go away but management will remain - what I have said right at the beginning the art of the possible.

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It is the making of a practitioner and that cannot be repeated often enough. At the administrative level, they would be interpreting rules and regulations. Stress, as I said, is on planning, organizing, and control. Technical levels are the lower level managers. If you are good with the keyboard - I am sorry to say I hope no hearts will break after my having made the statement - if that is all you **good at all your be** are good at that is being a techie; there is nothing wrong with it and it is very important to be a techie. The trouble, however, is that it does not give you the swagger which a managing director will have or which a board level member would have. What is the difference between a techie and a managing director? A techie is always solving somebody else's problems, while a managing director also solves other people's problems, but the only thing is he does it at a very different level.

It is not a command; it is not press or enter – these are absolutely important because you cannot work with a computer unless you know the commands. Anybody who has worked with the computer knows how important a system manager is or a systems administrator is. If you do not have a good systems administrator, your monitor causes all types of ((junks and jolts)). No matter how good you are as a systems administrator, you are at the bottom of the pyramid.

These are things which will come out more clearly to you if you have some work experience. If you do not have work experience it is difficult to appreciate. **watch of This** Here, rules and regulations are implemented, the products are produced - that is the technical level - very important. For a status bound society, for a society which believes in status, nobody wants to take orders and everyone wants to give orders. How can everyone give orders? One of the fallacies of leadership is: to have good leaders, you need good followers.

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You cannot be a good leader with no followers. If everyone becomes a leader, you have a bit of problem, don't you? The organizational process deals with three aspects: communication, coordination, and control. Organization structure facilitates all these three.

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Communication

- **Communication is the vehicle through which decisions taken at various levels are transmitted to other levels**
- It involves information flow across a structure
- It has a specific direction and it involves time
- Communication is successful when the fullest understanding amongst the persons communicating with each other is achieved
- It is also the flow of attitudes, ideas and opinions

 11

What is communication? Communication is the vehicle through which decisions taken at various levels are transmitted to other levels. Please note this is one aspect of communication. There are other aspects of communication: through communication you convey a problem, through communication you exchange possible solutions, through communication you evaluate the alternatives, through communication you select the preferred alternative, and through communication of course you convey the decision. Therefore, subsequent PPT elements here draw your attention to the fact that it involves information flow across the structure. Remember, we are not having a session on communication; we are having a session on structure. ((What are is such)) to be conveyed is communication flows through structures - that is the point.

It has specific direction and it involves time. Communication is successful when the fullest understanding amongst the persons communicating with each other is achieved, so communication is a two way process. It also has problems of attitude, ideas, and opinions. You do not understand too well if you are convinced that you know it all so, receptivity is very important for communication.

(Refer Slide Time: 51:32)



Coordination:

- Coordination refers to the measurement of interdependencies in work situations
- In small organizations, coordination is handled by its manager(s)
- Coordination need not necessarily be the role of one single individual at a higher level in the organization
- Large organizations need:
 - Personal methods of coordination
 - Impersonal methods of coordination

 NIPTELL

12

What is the advantage of coordination? Coordination refers to the measurement of interdependencies in work situation. Please remember everyone is interdependent on everyone else. There is no such thing as a self-sufficient job description. For each description, kindly note: there will be receivables and there will be deliverables. Your job is between the receivables and the deliverables. Your job is a specific throughput process where you add value to what you have received and with that value addition you pass it on to somebody else to fulfill their job.

In small organizations, coordination is handled by the managers who are supposed to organize the resources. Coordination need not necessarily be the role of one single individual at a higher level in an organization. Large organizations need personal methods of coordination and impersonal methods of coordination - both are needed for proper coordination.

(Refer Slide Time: 53:06)

Personal methods of coordination

- Dialogue, discussion, innovation, creativity, and learning, both within and across units
- Direct contact between and among organizational members
- Assignment to committees to improve coordination across departments
- Use of task forces

NPTEL 13

Personal needs of coordination involve: dialogue, discussion, innovation, creativity, and learning, both within and across units. The units will be defined by the structures. There is direct contact between and amongst organizational members, but for it to be a legitimate coordination, it must follow the structures. You cannot just start coordinating because you feel there is a need to coordinate. Has anyone assigned to you the task?

(Refer Slide Time: 54:17)

Control:

- Control refers to the ability of influencing the behaviour of other organizational members
 - A set of mechanisms to keep actions or outputs within the specified limits
 - Setting standards
 - Measuring results against standards
 - Taking corrective action

NPTEL 14

Assignment to committees to improve coordination across departments is also known. One of the instruments of management has often been the task force. Then, there is

control. Control refers to the ability of influencing the behavior of other organizational members; therefore, a set of mechanisms to keep action or outputs within the specified limits.

Then comes the all-important function of management - setting standards. There is no such thing as a standard for all times. The standards have continuously to be raised. Standards have continuously to be upscaled and upgraded; the reason being that there is no such thing as static standards. If you are not moving the standards up, the performance itself will begin declining; so, what is not realized by many people is that standards themselves are a dynamic concept. You have to keep constantly raising the bar.

Measuring of results against standards is the only way you can judge. Then, you have to take corrective action. You cannot take the attitude - let it be. No, you are not on a nightingale mission; you are not a priest listening to a confessional; you are not a counselor; you are not a doting mother - let it be the child will learn. Yes, of course, the child will learn but not at the collection of the group. The child better learn and then come back. Sounds absolutely heartless but, believe me, it is absolutely essential. Any organization which does not do this pays in a way in which only that organization can talk about.

You cannot be sparing about standards - be they performance, be they products, be they processes, and believe me be they of the purity of structures. If the structure is not fulfilling its task, disband it. In extreme cases, it may be more worthwhile closing an organization then letting it will run in a sick manner; so, corrective actions are a must.

Then, comes the business of the shape of the structure of the organization. Obviously, one has to understand that structures have a vertical dimension which is top to bottom, and therefore, obviously bottom to top - a longitudinal function. I will be telling you soon about a lateral specialization or a horizontal specialization.

(Refer Slide Time: 57:45)




Vertical Specialization:

- A hierarchical division of labour
- Distribution of formal authority
- Creation of a hierarchy of authority
- Work positions arranged in order of increasing authority
- This depends on the organization's:
 - Environment
 - Size
 - Technology
 - Goals


 15

(Refer Slide Time: 58:09)



Horizontal specialization

- A division of labour that establishes specific work units or groups
- Also referred to as experimentation
- Specialization leads to departmentalisation
- Pure forms of departmentations are:
 - By function
 - By division
 - By matrix
 - By Legal

 16

The vertical specialization underscores: hierarchy, distribution of formal authority, creation of hierarchy of authority, work positions arrangement, and account. It is affected by: the kind of environment, its size, technology, and goals - all these four elements impact vertical specialization. Horizontal specialization talks of the division of labor that establishes a specific work unit of groups. It is also referred to as experimentation. Specialization leads to departmentalization. Pure forms of departments are: by functions, divisions, matrix, or by legal sanction.

(Refer Slide Time: 58:33)

Different forms of Organization

- **Functional**
 - Division of labor by function (marketing, production, finance etc.)
 - Division of labor on the basis of specialization knowledge
 - All the worker have specific skills and action
 - Widely used in organization




17

There are different forms of organization. I am going to talk about the functional organization and then will have to pick it up later. The functional organization has a division of labor by function. In other words, you can have a marketing function, you can have a production function, and you have a finance function. Difficulty arises - why function does not understand the production function or the production function does not understand the marketing function; therefore, vertical specialization has problems.

(Refer Slide Time: 59:28)

Divisional

- It is designed around
 - Product
 - Clients
 - Territories
- In complex organization it is a typical pattern
- There may be divisions at the top of the hierarchy (marketing division may be divided into industrial sales, governmental sales and consumer sales divisions)



18

Division of labor on the basis of specialization of knowledge also causes problems. All the workers must have specific skills and actions. If they do not have skills and if they are not good for action, they should not be there. These are widely used in an organization. I shall be shortly talking to you about the divisional structure of an organization.