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TECHNOVISION
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PRESENTS
A Video Course
On
Management Science
BY
Prof. Amerada Sharma

Department of Humanities and
Social Sciences, IIT DELHI
**Lecture # 17**
Organizations

In our introductory lectures we have try to define management but as all of us understand that management will relate to a situation where more than one person is there and so when we are taking about this issue we have to understand the concept of an organization.

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In today's lecture I am going to tell you what an organizations means how it is created what are the different types of organizations and why should we actually study organizations and if time permits perhaps within also have an interview with a someone who created an organization so first let us see they concept can you see an organization.

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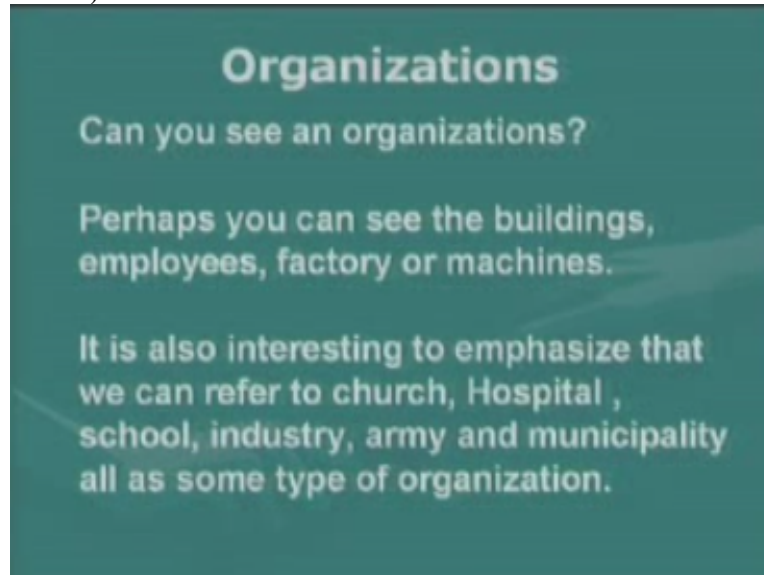
Can you see an organizations perhaps you believe you can see an organization but you can see the buildings you can see the employees, you can see the factory or you can see the machines so what is organization machine is an organization are building is an organization of factories in organization that is the issue I am trying to discuss with you today, it is also interesting to emphasize.

That we can refer to church, hospitals, schools, industry, army, municipality, factories, colleges, universities etc as some of the types of organizations.

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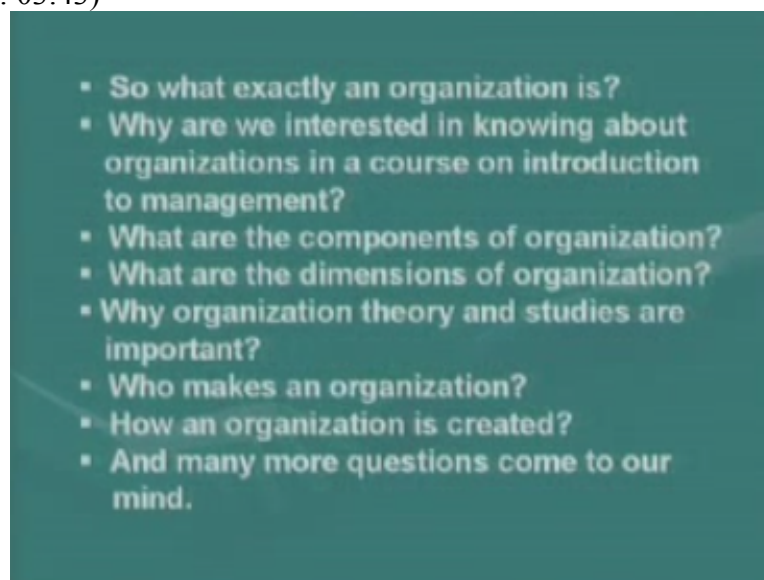
So of we are looking at these examples that these are organizations and the building is not an organization so what makes an organization? May be he have given some thought to this or your thinking that now ,can you say what is an organization? Okay to talk about to what exactly organization is and why are we interested in doing about organizations in a course introduction to management.

What are the components of an organization, what are the dimensions of an organization why organization theory and studies are important who makes an organization, and how organizations created and there are many more questions which must be coming to your mind and there are many more unsolved question.

But the idea here is that when we are talking about management we have to understand management within the perspective of an organization so we talk about organization management.
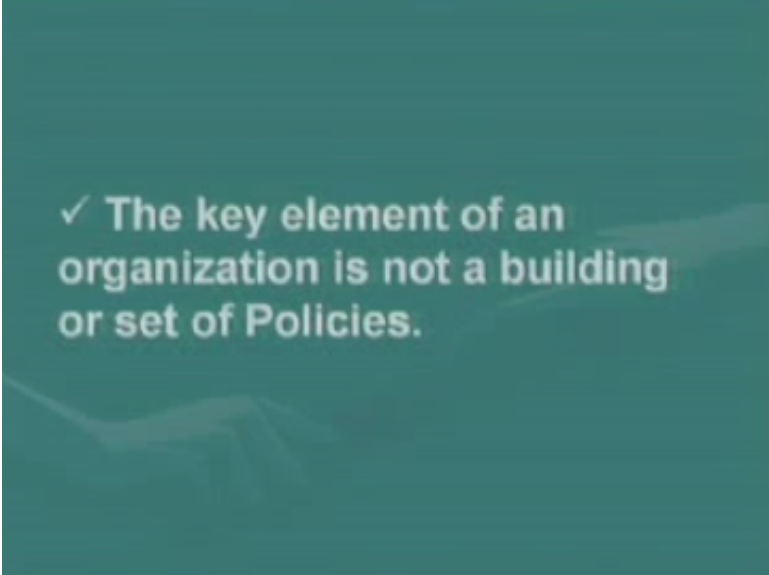
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So organizations as diverse as a church, a hospital or an industry have within common characteristics you must be wondering how can a church and school and factory they have ,they can have common characteristics but the thing is yes they answer is yes they are all social entities ,they are all goal, directed they are designed as coordinated entities and activity systems and they are link to the external environment.

In other words what we are trying to understand is that an organization is not there in a vacuum it is not there in a vacuum it is there within a social system are you getting that we are not yet come to the actually it is a definition of an organization.
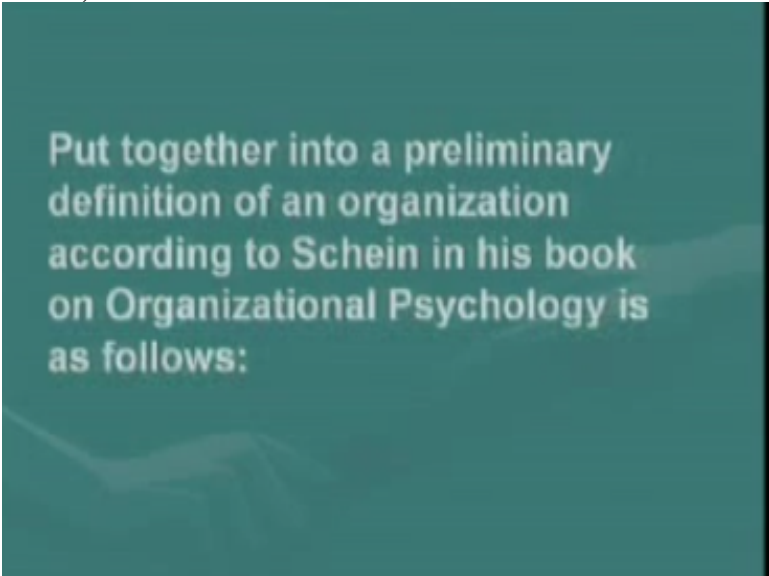
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We are coming to that so the key element of an organization is not a building or even a set of policies. Even though we say okay, this is IIT but there is something more ,something more which we call as an organizations it is something more that gives the successful to this organization let us look at that.
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So put together to a preliminary definition of an organization we will look at Schein's definition Schenin in his book an organizational psychology as try to define an organization as the coordinated effect of a number of people to achieve some common explicit goal that means.
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That means a number of people come to gather to achieve some common expressive goal, the goal is there some people are there okay and there is process of achieving this course so that means the people make an organization. And goal is a important factor in our organization so let us see we start has a issue here from how and organization is created is starts organization are with an idea.

First is there is an idea and this idea then his translated into some kind of a organization decision design. And then the design is also the goals perhaps organization design and then the goals has we are seeing let me shown this diagram.

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And then we also defined the organizational activities and finally the organizational effectiveness, so what we are saying that an idea first begins and then the blue print is made and then you have the design, design means what kind of a manufacturing how many people what info structure will neat for this what financial aspects how much money we will leading for this
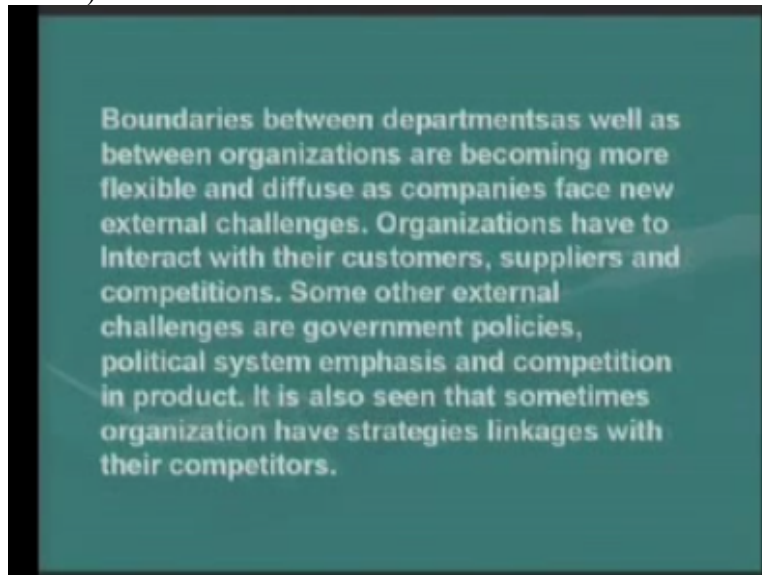
who run the organization what will be the organizational structure in terms of higher. Are all are the issues okay.

We decide so if it is a small found then the parameter at the different if it is a large form of 20,000 employee's parameters are different. Okay so that idea itself is that what all we going to do all we going to manufacture all we going to are the computer software form all we are going to have in a some kind of a building industry or some kind of a forming sector or some educational organization.

Or the media company what they are going to have okay that is the first idea, and then from the idea the blue print and then you have the organization design and goals. And then the activities begin which will lead to the effectiveness of a system. So when we look at the diagram the idea the person who have this idea is perhaps we call that person has an entrepreneurship. Okay it is not necessary that attributer alone.

In you have a tiny a company something of that kind. But they entrepreneurship begin in the mind of people and for every organization there will be one person or there may be 10 persons. So the starts in the minds of people perhaps you are even thought to this idea that we are talking about organizational and big building are there big infrastructure are there. But actually everything started in minds of people, so that is wanted you to understand.

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Boundaries between departmentsas well as between organizations are becoming more flexible and diffuse as companies face new external challenges. Organizations have to Interact with their customers, suppliers and competitions. Some other external challenges are government policies, political system emphasis and competition in product. It is also seen that sometimes organization have strategies linkages with their competitors.

So when we are talking about and organization we have to understand that the boundaries between department or between organization. Okay will become in our more flexible and perhaps the fuse has company face new external challenges. Has a short file I will go that within a organization within an environment and organization is there. And there may be number of organization with in an environment or within a society.

And the organization of course is a closed system when you are looking at only organization within itself. But when you look at that with an environment perspective in this social are the national perspective you also find out that also functions you know has inter depended the kind of a unit sometime. So has we are growing we find growing, growing in terms of the maturity of business environment.

And the business and the development growing I am meaning in that sense then we has to understand that organization have to interact with their customers. With their suppliers and competitors and so the result of that some of the other external challengers, are there and in fact other challengers are as we listed here are the government policies, the political system, and the emphasis and competition in production.
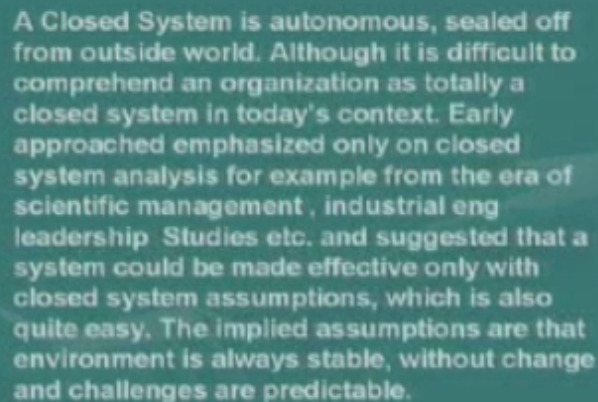
It is also seen that sometimes organization have strategically line with other companies and has we are seen in that in the merges and the accusation we have we know they part of the satirical management. Today this time this millennium perhaps you know going to view many such in perhaps new and scenarios. So we have now moved from the organizational are much closed system to also organizational becoming a larger system.

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So when we are looking at organizational, has a system then you have the input transformation so you have the transformation. We have the output and the output will result into performance, production services is a shown.

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A Closed System is autonomous, sealed off from outside world. Although it is difficult to comprehend an organization as totally a closed system in today's context. Early approached emphasized only on closed system analysis for example from the era of scientific management , industrial eng leadership Studies etc. and suggested that a system could be made effective only with closed system assumptions, which is also quite easy. The implied assumptions are that environment is always stable, without change and challenges are predictable.

So we are moving on to talk about that a closed system, has I said the closed system are the when explain the organization has closed system. We find that we have, we are not really interacting the outsize full, and although is difficult to comprehend about in the organization has totally are closed system into today's context. We are talking about the earlier approves which will talking about organization has a closed system.

Now today when we are talking about an organization found the time of scientific management industrial engineering movement leadership studies. These are suggested that the system could be effective only with close system assumptions they have suggested that which is also quite easy but in to this context we find that this implied this assumptions that they environment is always stable and this is without change without challengers are predictable perhaps is not really true and we are working within the close system but when we have looking at the actual business then we have to look at the environment because if I manufactures something and keep that you knowing my go down is that enough.

I have to market that after some that in the market with market competition and I have to see that work new product has come in competition to what I am manufacturing or I am selling our work idea what new system has come up in the market okay so I have to always go out to know from close system to see the environment and now if I assume that okay the external market is all were has table or always know.

Not changing we can say without change perhaps we are truly doing the homework properly we have to understand that the environment is ever changing and it is not always the table in fact you know in a developing country like India it is so much changing ever changing volatile at times and globalization we find that there is so much in a change every day I recollect you just 2 years ago I went abroad.
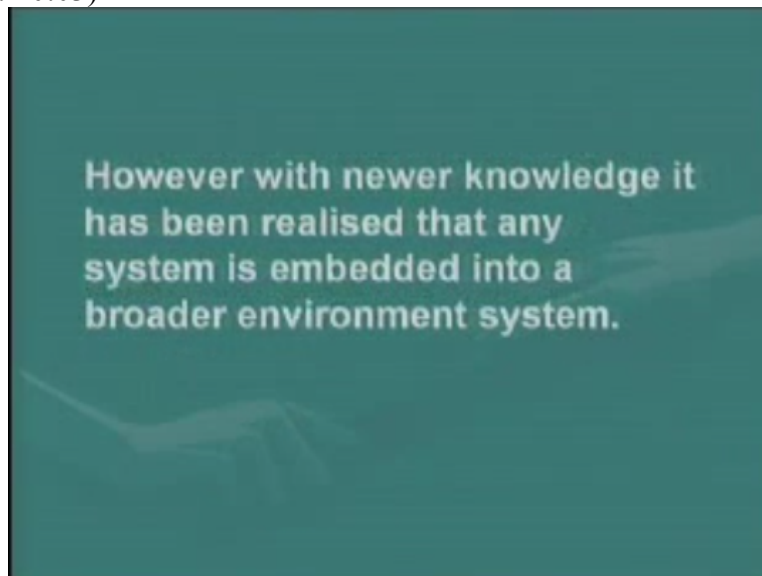
I saw something there I was excited and when I came back to India I found oh that is available India as well now 2 years later I find I market is flooded with some of those in a goals which I thought was something as we has 2 years ago when I went abroad so, sop the way are Indian

market is going and the way are organizations are going we have no perhaps possibility of thinking about only as a closed system.

Even though we do talk about organization as a closed system when it comes to some of the , the internal processes so we cannot say that it is not a close system it has a close system what , what we has saying that into days time which so much of knowledge explosions so much of a business scenario changing we have to understand that no organizations can survive unless that has interaction with other organizations.

And other part of this society other part of the below that is why it has to be consider as a open system as well that is the idea so when we are talking about some of this issues okay so only partially we can say that some of the disciplines when they are assuming that okay these all this table system only partially we can say that is true because without that in awe cannot do the racing and that is why you know perhaps have to resume certain thinks you know as a point of time but at the same time we have to understand that this the issue of change is, is very , very important and that is a great challenge whatever we were talking about management.

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However with newer knowledge it has been realised that any system is embedded into a broader environment system.

However with your knowledge it has been realized that any system is embedded into broader environmental system that, that also point of this discussing that if it is in a boarder environmental system then we have to look at it is intersection with the outside world not only within the world okay now on the iteration rates we find why iteration rates because the , the other people had ready to at anymore there.

The work conditions as much better okay there much that work office much greater challenge why not there as closed to my house the so much of reasons okay and so of every organizations to retain good employees is a great challenge so that is the one of the management strategies so within the organization what we have to say that within the close system also there are some input coming from the external ,external world we a can say so this been has to on to understand the issues some of the , some of the issues.

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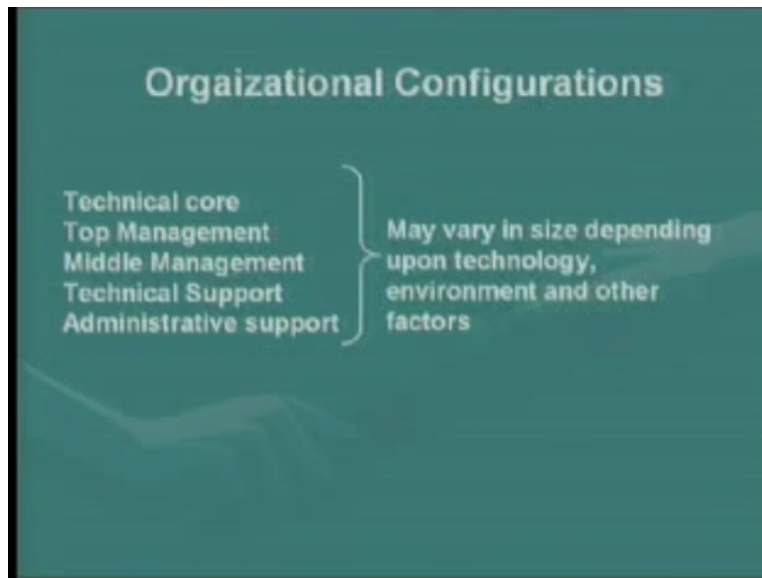
About the type of organizational configurations let us see what are the organizational configurations we have the technical core we have top management we have middle management we have technical support we have administrative support and on these together perhaps will result into the final organization system even though they ,may vary in size depending upon the technology environment and other factors so, so some of these a configurations you will find in most of the organizations even though then maybe of different types.

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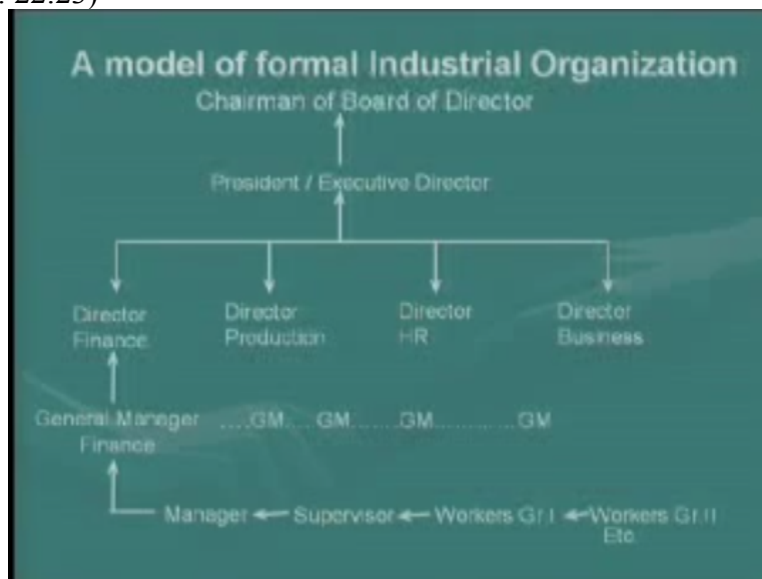
Now when we look at and this organization within the within a formal system then we find that this is the typical organizational chart you can see that here are the managers I could have drawn this figure in a much , much in our like you have the work man you have the workers you have the supervisors then.

You have the managers and then this takes us to the general manager there are different general managers for different departments and then this general managers will actually report to the

director business of director production of whatever okay then this goes to the executive director and perhaps the chairman of the company so this is a typical we can say the organization chart and which may differ depending on the size and technology so on.
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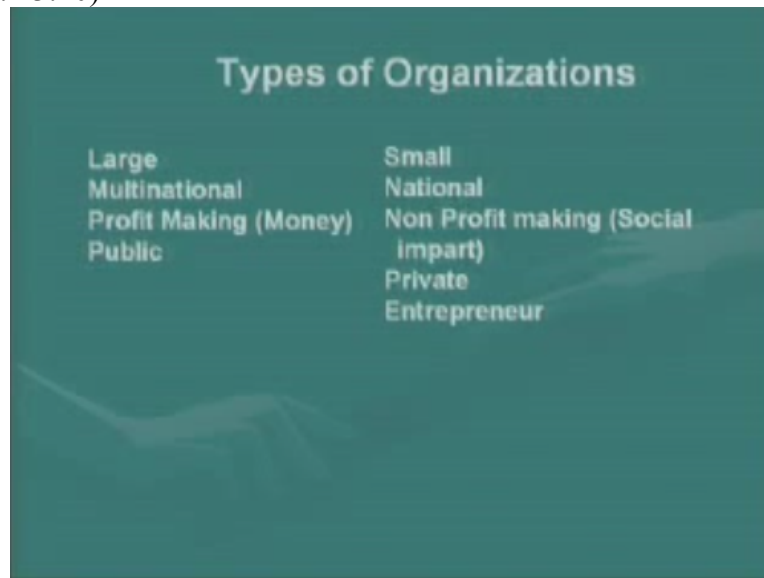
So this been has to the issue of types of organizations some of you maybe wending types earns is it the size is it the production is it the technology so what he said so when we have talking about this types of organizations we can actually classify organization has the large or small we can classify them as a multinational, national, we can classify them as profit making and nonprofit making when I give u the example of church is also the organizations. Okay, for that matter prisons also an organizations and temples are also an organizations, religious organization there also an organization, so when we are saying profit making and nonprofit making,
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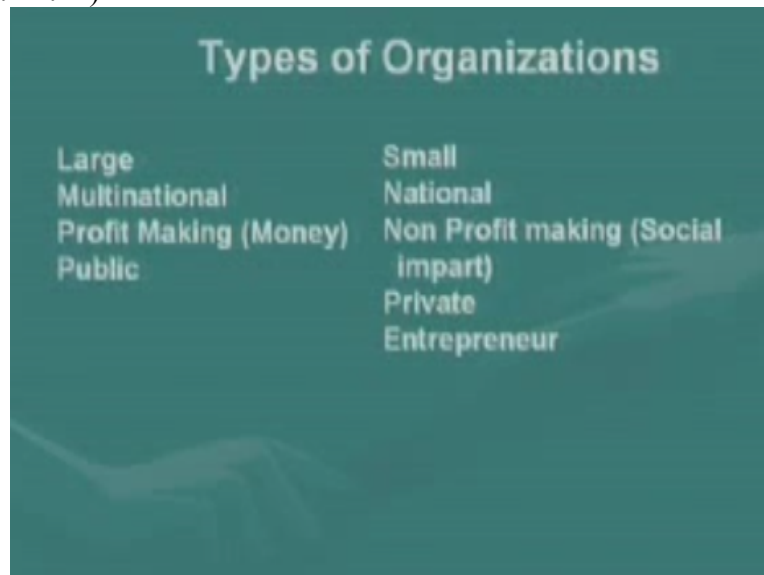
Mean that but largely us looking that organizations studies large number of studies there in now in profit making organization. Only these simply affiliate we have seen some studies are coming

up you know which are the nonprofit making kind of studies then we also classify the organizations are the public sector organizations and the private sector organizations.

We can talk about entrepreneur organizations which are in private sectors. It is first generation kind of business that entrepreneur can start. In addition to his we can classify the organizations as the organizations, manufacturing organizations we can talk about the organization which are there for the development purposes are we talk about business organizations and so on.

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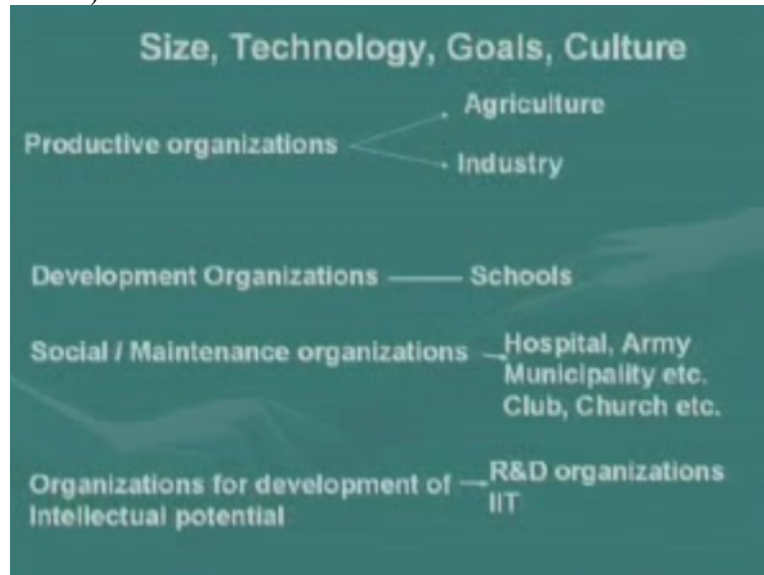
So when we are looking at the size technology goals and culture we can say that organization can understood as the productive organizations. Productive organization when we say classify them as the agriculture and industry and when we say agriculture and the industry are the productive organizations we define them as the productive organization as the one that generates wealth for the society.

And as all of us can understand no society can survive unless the wealth in the society also agriculture and industry are the two sources of generation of wealth. Okay, remember nobody generates wealth for themselves, because that generation of wealth you know circulates, peculates in the society. And so we become rich and become develop and so on. But the society cannot survive only by the wealth alone.

We need other kinds of organization there are development organization at schools you can also put other development agencies the idea of development organization is that this develops the moral value among the future citizens of the society. Okay , don't know whether the possibilities the organization are following but basically the developmental organizations are suppose to generate not only the basic education that is one point of course but also the development of moral values in growing citizens of the society, the children.

Then we also need maintenance organization unless we have the social and maintenance organization unless have society survives, so we have hospitals, we have army, we have many clubs, we have churches and so on.

Obviously the responsibility of sustaining the society rests with this maintenance organization it is why we look at municipalities at great expectations. We have to go to hospitals again with

great expectation that everything will be alright. And the clubs and churches again you know we go there for the social reasons so we have talking about development organizations. No society can survive unless we have knowledge in that society, unless we create new knowledge and unless we have the higher order learning. And so we were talking about this kind of organizations the good examples are that also be IIT and all the university of higher learning and where they are trying to develop the intellectual potentials, innovations, create new ideas and new scientific in diverse.

Because no society can survive unless we have innovations in our society and so development and survival in the growth of the society we do need these kinds of development organizations. So we have discussed about various types of organizations their objectives and our time to understand that no society or no nation can survive or grow without organizations. Even though when we are looking at organizational management our great emphasis perhaps is on the first category that is the organization trying to create wealth for the society. Of course something little bit more you know on the development of schools and colleges. Only in the recent years our attention has been drawn to nonprofit making organizations as I said just now and all these organization.

In combinations are important for any society. If you look at your life when you began when you born in hospital you went to school, you went to kinder garden, you when to college, you went to do your job, you went to new livelihood you worked there for 20 to 30 years then you do something else, some of you started your own organizations then finally we grow we become old and when we pass away everywhere you that organization are there to actually help us in our lives and in the development of society.

So organizations divert organizations is actually the many things at same time this is very much necessary to understand because in management that what is the meaning of organization, which organization are talking about and which type of organization is important because the another important aspect of understanding the organization also the philosophy of the organization. Some organizations

Are bureaucratic organizations, some organizations are participative organizations so when you have so basically what we are talking about is the values which flows from top to bottom or the philosophy of the organization that will create the culture for an organization and perhaps which peculates down so and also when we looking at different types of organizations we have to look these aspects of organizations which are based on the philosophy machine and values of the organization.

Because of your production, much of your success of your organization will also depend on the type of machine you have and the type of value you have and the philosophy that you have so participative culture in your organization then the results may be different than the kind of bureaucratic system that may have in your organizations later in this cause we are going to talk about the participative organization, participative culture and participative management which is becoming very important in the years to come.

So with these analysis what we have seen that the organization with of different structure and different philosophy and different culture and different kind of purpose, different objective is not

one thing at same time and when we are managing we have to first look at which type of organization that we are managing, so will about talk about this type of organizations during this course and we will see in our analysis these aspect become very important. In my discussion I try to raise many issues about organization, and I have also tries to say that no management philosophy perhaps.

Whatever it is will succeed unless we have understood the actually characterization of a organization in terms of parameters which we have discussed just now, so I will close my discussion on organization now before we take up another topic about some of the issues of the management I will present to you an interview with an entrepreneur who will share with us the experience the philosophy the technology and starting and beginning of that idea which we said the minds of people which we start you know the organizations.