Principles of Management (UE-272)

Preparation Topic

The Organizing Process:

Designing Jobs

Job design:

Job design refers to the way **tasks, authority, and coordination** are **structured** to **create roles** within an **organization**. It determines how specific tasks are combined to form complete jobs and is influenced (determine) by the organization's technology, the changing environment, and the skills of employees. Effective job design motivates individuals by providing tasks that are meaningful, manageable, and suited to their abilities.

How Manager design jobs?

Managers use various methods to design motivating jobs. These include:

- **Job enlargement**, which increases the number of tasks a worker performs. For example, if someone is working as a cashier in a store, job enlargement might involve giving them additional tasks like stocking shelves or managing inventory.
- **Job enrichment**, which adds planning and evaluation responsibilities to provide greater control and depth to a job. For Example: A cashier, **job enrichment** involves adding more responsibility and decision-making to their role. Include planning shift schedules, handling customer complaints independently, managing sales promotions, and overseeing cash flow and financial reporting.

What is JCM?

The Job Characteristics Model (JCM) provides a framework by identifying five core job dimensions that impact employee productivity, motivation, and satisfaction.

1. Skill Variety
2. Task Identity
3. Task Significance
4. Autonomy
5. Feedback

These dimensions help create meaningful and motivating jobs, with autonomy ensuring employees have the freedom to schedule and execute tasks independently, while feedback gives them clear information on their performance

Authority and Coordination

The authority in a job is essential for coordinating tasks and ensuring accountability (responsibility). Authority refers to the rights inherent in a position to tell others what to do and expect compliance, ensuring that tasks are carried out efficiently.

Grouping Jobs

Grouping jobs within an organization is known as **departmentalization**, where jobs are grouped to coordinate work effectively and achieve organizational goals. Jobs can be grouped in the following common ways:

1. **Functional Departmentalization:**
   This method groups jobs based on the functions performed within an organization. Common functions include marketing, finance, production, human resources, and research and development.
2. **Product Departmentalization:**
   This approach organizes jobs based on product lines or categories. Each department focuses on a specific product or product group.
3. **Geographical Departmentalization:**
   This method organizes jobs based on geographic regions or locations. It is commonly used by companies operating in multiple countries or regions.
4. **Customer Departmentalization:**
   This approach organizes jobs based on the types of customers served. Departments may focus on different customer segments, such as individual consumers, businesses, or government clients.

These forms of departmentalization help organizations organize their activities efficiently depending on the goals and scope of the business.

Establishing reporting relationships

Establishing reporting relationships involves clarifying two critical aspects of organizational structure: the **chain of command** and the **span of control**.

1. Chain of Command:

The **chain of command** refers to the line of authority in an organization that dictates **who reports to whom**. It is essential for maintaining order, ensuring that instructions are passed from higher to lower levels in a systematic way. The key principles of the chain of command include:

1. **Authority**: Managers have the right to make decisions and delegate tasks (assign or distribute a workload among appropriate team members).
2. **Responsibility**: Employees are accountable for their performance.
3. **Unity of Command**: Each employee should have only one direct supervisor to prevent confusion and conflicting instructions.

The chain of command ensures that tasks are clearly assigned and that employees understand their reporting structure, enabling smooth workflow and accountability.

2. Span of Control:

This describes how many employees a manager can efficiently and effectively supervise. The traditional view suggested that managers should oversee a limited number of subordinates (five to six). However, modern perspectives recognize that the span of control can be wider if the manager is skilled, the employees are experienced, and the nature of work is straightforward. The span of control is essential as it influences organizational efficiency and the number of management layers required. A wider span is generally more cost-effective, but it requires managers to maintain performance quality without being overwhelmed.

Both the chain of command and span of control play a vital role in ensuring that an organization's structure is efficient, maintains order, and supports clear communication.

Distributing Authority

Distributing Authority refers to how decision-making powers are allocated within an organization. This can range from **centralized** to **decentralized** structures.

1. Centralized Structure:

In a **centralized** organization, decision-making is concentrated at the top levels, with upper management making the key decisions. Lower-level managers and employees have less input in decision-making. Centralization is more effective in situations where:

- The **environment is stable**.
- **Top managers** possess more knowledge or experience to make critical decisions.
- **Crisis situations** or risks require a clear, unified response from the top of the organization.
- Large organizations or where strategic consistency across divisions is critical for success.

2. Decentralized Structure:

In a **decentralized** organization, decision-making authority is distributed among various levels of the hierarchy. Lower-level employees or managers are empowered to make decisions. This structure is effective when:

- The **environment is dynamic** and complex.
- Lower-level managers are **capable** and have relevant expertise.
- There is a need for **flexibility and quick response** to problems, as these managers are closer to day-to-day operations.
- The organization is **geographically spread**, making localized decision-making necessary for efficient operation.

Thus, organizations may choose centralization or decentralization based on the nature of their environment, the expertise of managers, and the need for quick, flexible decision-making.

Coordinating Activities

Coordinating Activities ensures that different parts of an organization work toward common goals by aligning and synchronizing their efforts. This process is crucial to avoid redundancy and ensure that all departments or units are contributing to the overall objectives of the organization. It typically involves:

1. **Planning:** Managers first set **goals** and **strategies** to coordinate activities. Planning ensures that all parts of the organization know the direction and objectives, making sure that each department or unit's actions are in line with the broader organizational aims. **Plans** are developed to integrate the work of different units, aligning their tasks to achieve common goals.
2. **Organizing:** This function involves identifying **what tasks need to be done**, **how** they will be completed, and **who** will be responsible for them. By organizing resources and activities effectively, managers create a structure that facilitates coordination, ensuring that all parts of the organization are working efficiently towards the same goals.
3. **Leading:** Managers use leadership to guide and **motivate employees**. By development collaboration and open communication, they ensure that employees understand how their individual tasks contribute to the organization's overall goals. Good leadership enhances **teamwork** and ensures everyone is moving in the same direction, contributing to effective coordination.
4. **Controlling:** Finally, the **controlling** function involves monitoring progress to make sure that tasks are being completed as planned. If deviations occur, managers take corrective action to realign activities with organizational objectives. This ensures that the organization's resources and efforts remain focused on its goals.

By ensuring proper coordination, organizations can enhance efficiency, prevent overlaps, and direct all efforts towards achieving their common goals.