

ORGANIZING

(as a process)

OUTLINE

- mission and importance of organizing
- organizing process
- basic elements of organizing
- delegation of a competence
- optimization the division powers
- formalization of the organizational structure
- organizational standards

MISSION AND IMPORTANCE OF ORGANIZING

Organizing – a formal system that allows for the division of labour, the providing of work specialization, the coordination of activities and the delegation of competence in order to achieve the planned objectives effectively

Basic task:

- creation and improvement of organizational structure

Mission:

- create the conditions for coordination efforts by creating a process structure and structure of relationships between tasks, powers and responsibilities

Process structure:

- systematic managers' efforts to determine how workers should do the job

Structure of Relationships:

- a relatively stable organizational structure (skeleton of the organization), providing a basis for the functioning of the company

MISSION AND IMPORTANCE OF ORGANIZING

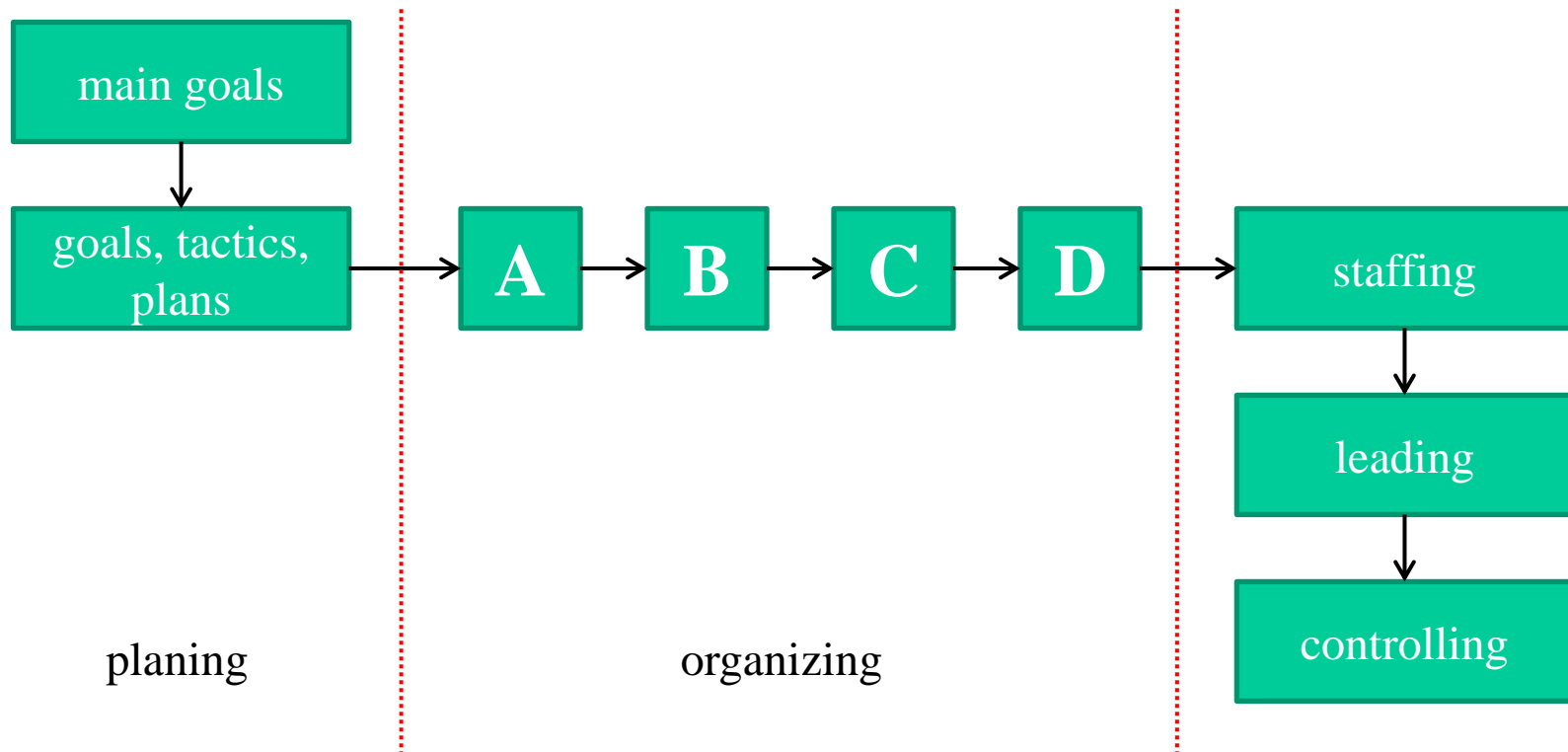
Conditions of organization:

- must be based on goals, strategy and plans
(derive activities)
- must express available competence
(free action requires a need for change)
- must take into account its environment
(the structure should not be static, because it is affected by different situations)

MISSION AND IMPORTANCE OF ORGANIZING

Process of organizing:

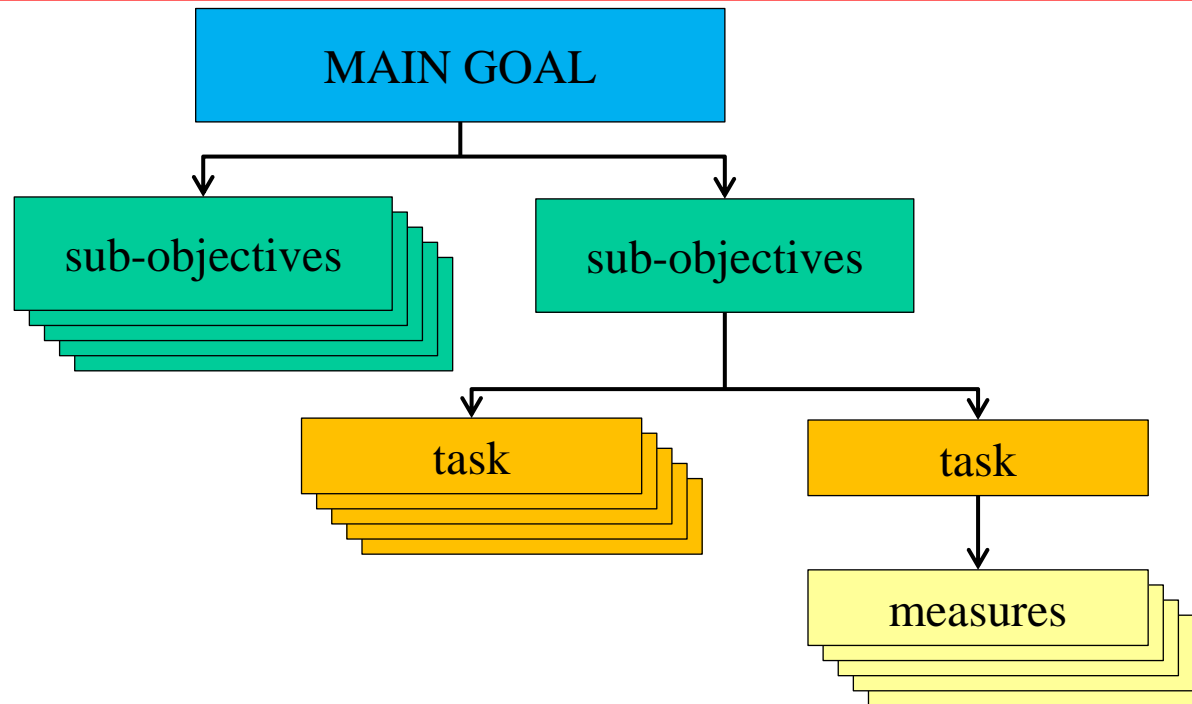
- A. identifying and classifying required activities
- B. creating groups of activities in terms of resources and situations
- C. delegation of powers
- D. horizontal and vertical coordination of powers and information relations



ORGANIZING PROCESS

Process of organizing:

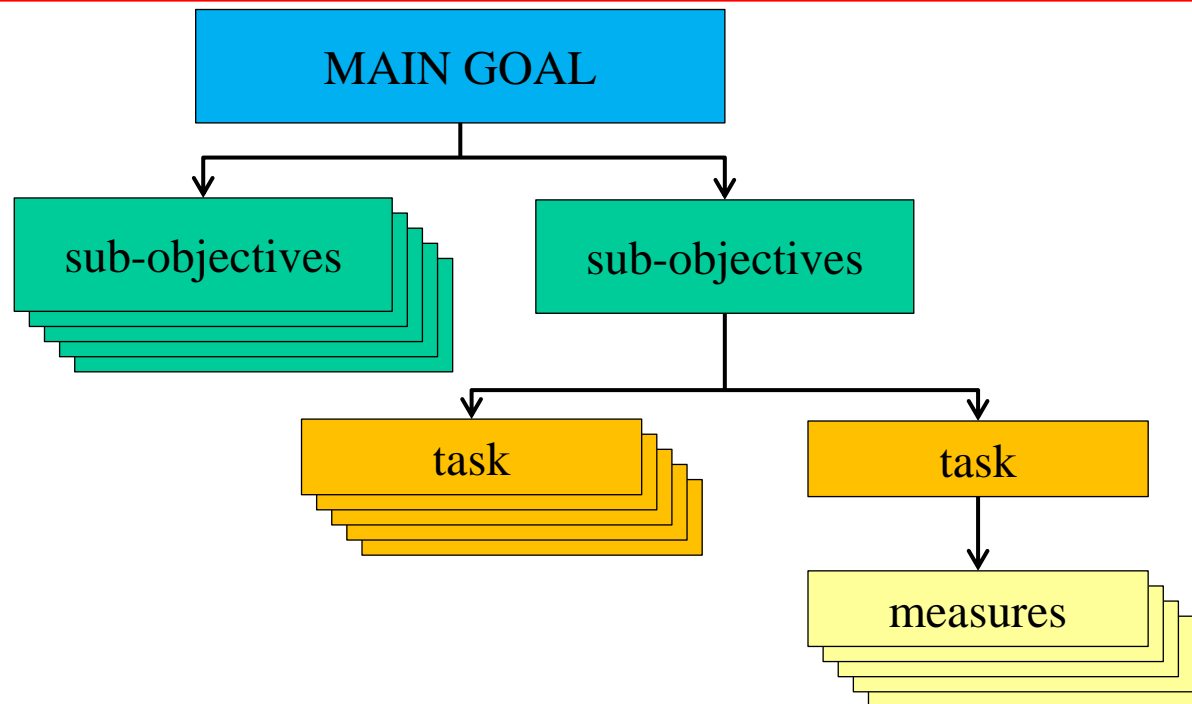
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ORGANIZING PROCESS

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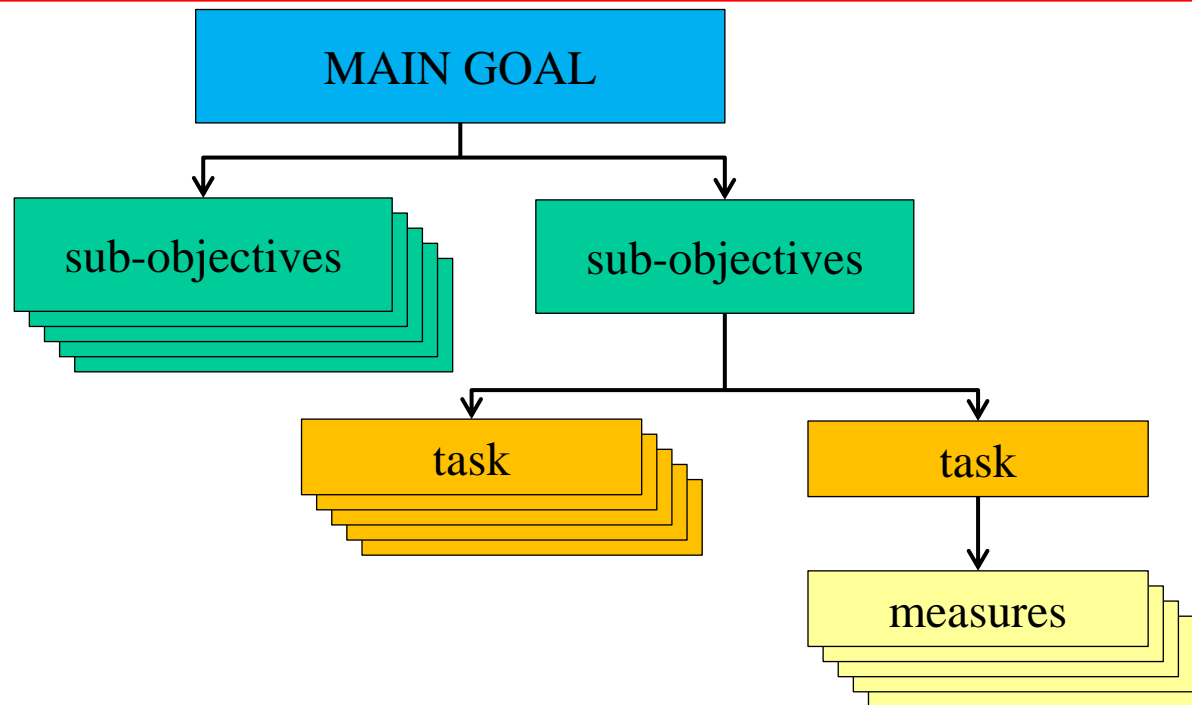
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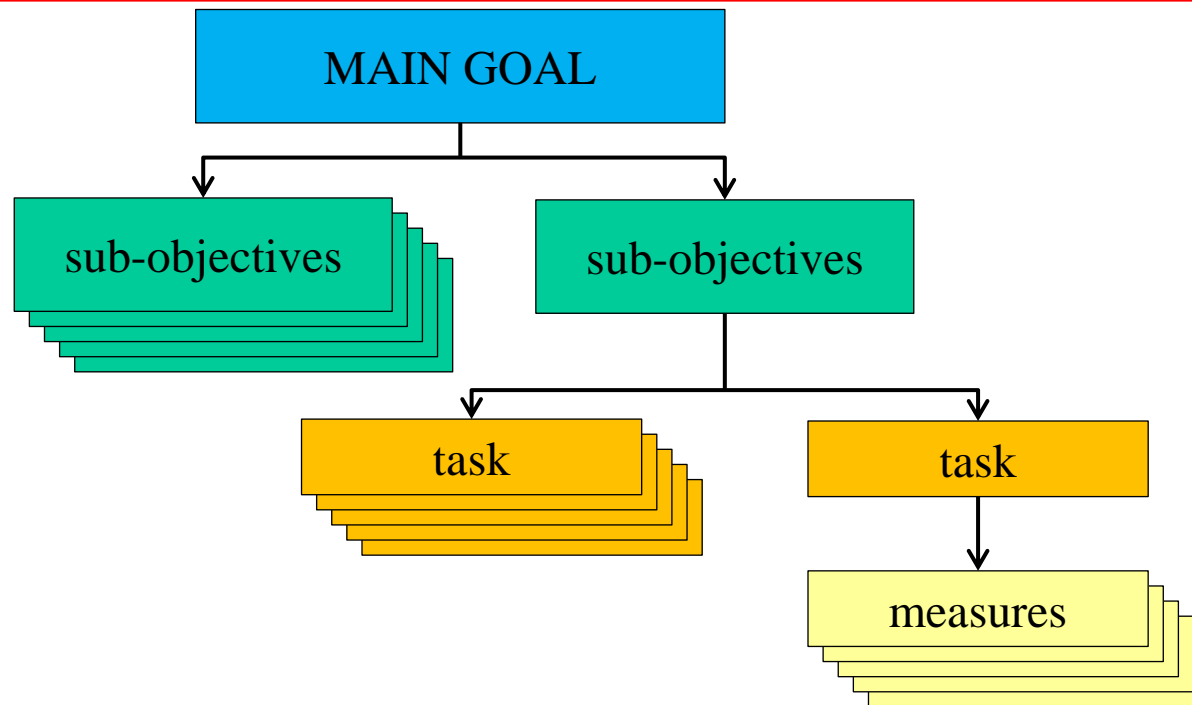
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ORGANIZING PROCESS

Process of organizing:

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The result

Basic elements of organizing / organizational design concept:

- specialization / division of labor
- coordination / unity of command
- formation of departments
- steering range
- delegation of powers

BASIC ELEMENTS OF ORGANIZING

Basic elements of organizing:

- **specialization / division of labor**
 - coordination / unity of command
 - formation of departments
 - steering range
 - delegation of powers
-

Every employee has his own clearly defined role in the organization.

- individual productivity is increased and control is facilitated
- coordination demands are increasing

BASIC ELEMENTS OF ORGANIZING

Basic elements of organizing:

- specialization / division of labor
 - **coordination / unity of command**
 - formation of departments
 - steering range
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-

Harmonize the organization's activities in terms of goals, content and time.

- entrusting individuals with specific roles and powers
- it requires every worker to have only one direct supervisor

BASIC ELEMENTS OF ORGANIZING

Basic elements of organizing:

- specialization / division of labor
 - coordination / unity of command
 - **formation of departments**
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-

An activity in which workplaces and related activities are grouped into larger organic units.

- specifications and qualifications (prerequisites for fulfilling the task) of workers
- processes and functions
- time
- the nature of the product or services
- customers or clients
- where the work is done

BASIC ELEMENTS OF ORGANIZING

Basic elements of organizing:

- specialization / division of labor
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Concept of forming of departments:

- **mechanical concept**
- organizational concept

High level of complexity, formalization and centralization

Exactly defined relationships, duties of employees, high degree of formalization, centralized decision-making authority, strict control and central steering.

Main types of structures:

- Functional Organizational Structure
- Divisional Organizational Structure

BASIC ELEMENTS OF ORGANIZING

Basic elements of organizing:

- specialization / division of labor
 - coordination / unity of command
 - **formation of departments**
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-

Concept of forming of departments:

- **mechanical concept**
- organizational concept

Low level of complexity, formalization and centralization

Ability to respond to environmental changes.

Main types of structures:

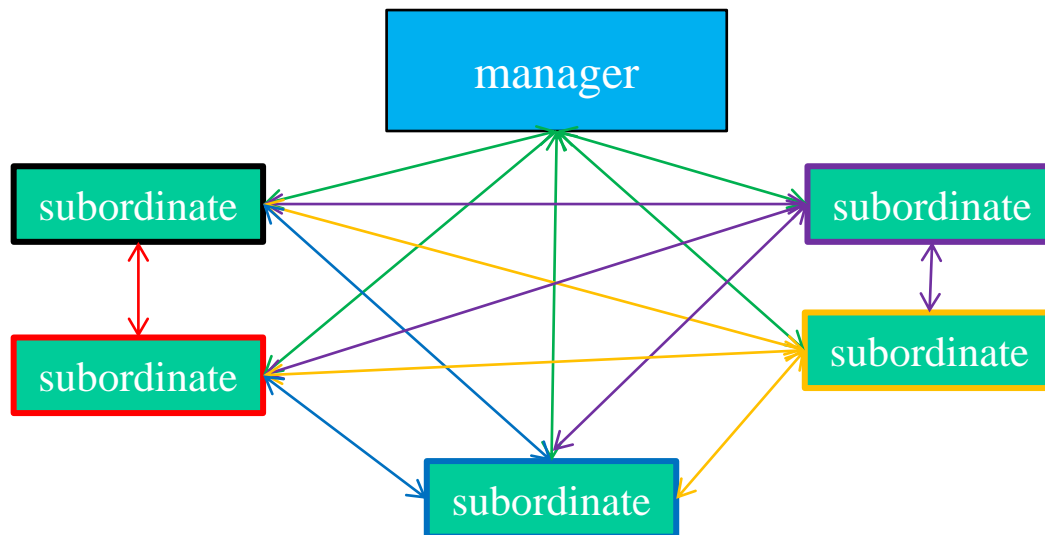
- simple structure
- project structure
- matrix structure
- network structure
- virtual structure
- commission structure

BASIC ELEMENTS OF ORGANIZING

Basic elements of organizing:

- specialization / division of labor
- coordination / unity of command
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- **steering range**
- delegation of powers

The number of direct subordinates, the manager can manage.
Specifies the number of control levels.



	computing	Σ
1	1	1
2	2+1	3
3	3+1+2	6
4	4+1+2+3	10
5	5+1+2+3+4	15
n	$\frac{(1+n)*n}{2}$?

BASIC ELEMENTS OF ORGANIZING

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The number of direct subordinates, the manager can manage.

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
1	3	6	10	15	21	28	36	45	55	66	78	91	105	120	136	153	171	190	210
															1	1	1		
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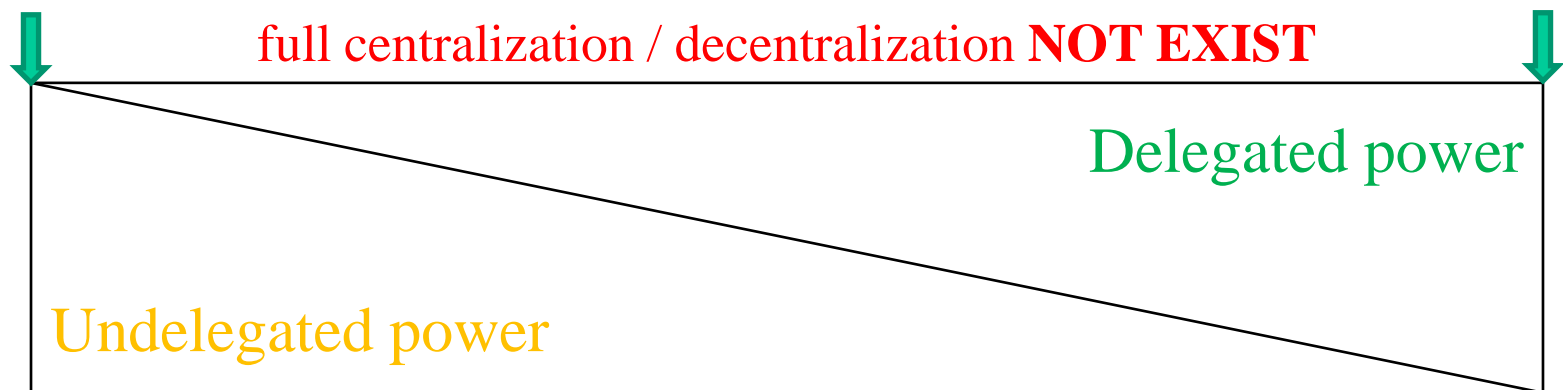
BASIC ELEMENTS OF ORGANIZING

Basic elements of organizing:

- specialization / division of labor
 - coordination / unity of command
 - formation of departments
 - steering range
 - **delegation of powers**
-

Types of division of powers:

- centralized
- decentralized



DELEGATION OF A COMPETENCE

Centralized type of organizational structure:

- TOP management decides not only on strategic issues but also on most tactical and operational management issues
-

Advantages:

- it allows greater coordination of the performance of individual work activities
- qualified professionals directly subordinate to senior management are better use not only in departments but also within the whole
- elimination of duplication in functions and management activities

Disadvantages:

- limiting the possibility and increasing the time required to obtain the necessary information
- limiting the autonomy and initiative of individual workers
- bureaucratization of the organization

DELEGATION OF A COMPETENCE

Decentralized type of organizational structure:

- TOP management delegates a part of decision-making powers to lower organizational units, thereby expanding the number of managers
-

Advantages

- relieves top management from operational tasks
- it brings decision-makers closer to the problem and allows for better knowledge
- communication channels are shorter
- the emergence of profitable centres makes it easier to compare performance which allows performance comparison
- development of managerial skills is possible
- production diversification is enabled and this helps the organization to adapt in a changing environment

DELEGATION OF A COMPETENCE

Decentralized type of organizational structure:

- TOP management delegates a part of decision-making powers to lower organizational units, thereby expanding the number of managers
-

Disadvantages

- difficulty in coordinating decentralized organizational units
- excessive decentralization makes it difficult to implement a unified tactic
- excessive decentralization causes difficulties in controlling and directing decentralized units
- uncontrolled coordination can lead to preference for partial interests over the interests of the organization
- duplication in management and executive activities

FORMALIZATION OF THE ORGANIZATIONAL STRUCTURE

Dividing of organization (as a process)

- **formal organization**
 - informal organization
-

Designed, predetermined co-ordination of the work of a group of employees in order to achieve a common and explicitly defined goal, based on the division of labor, functions and defined authority and responsibility.

- necessary prerequisite for the functioning of any organization (structure)
- it requires quality organizational standards and their compliance

FORMALIZATION OF THE ORGANIZATIONAL STRUCTURE

Dividing of organization (as a process)

- formal organization
 - **informal organization**
-

It expresses what exists and how it exists in an organization, but not as a projected, predetermined coordination of a group of people in order to achieve a common and explicitly defined goal, based on the division of labor, functions and defined authority and responsibility.

- is not formally expressed
- arises spontaneously in response to the current state of the organization
- bypassing organizational standards and their compliance

ORGANIZATIONAL STANDARDS

Organizational standards functions:

- **constitutive**
 - rationalization
 - arbitration
 - management system model
-
- allows to change, modify, or only some basic parts of the management system

ORGANIZATIONAL STANDARDS

Organizational standards functions:

- constitutive
 - **rationalization**
 - arbitration
 - management system model
-
- a tool for increasing the effectiveness of the organization's activities and the work of its individual employees

ORGANIZATIONAL STANDARDS

Organizational standards functions:

- constitutive
 - rationalization
 - **arbitration**
 - management system model
-
- it serves in the event of ambiguity of arguments and disputes between departments and finding responsibility

ORGANIZATIONAL STANDARDS

Organizational standards functions:

- constitutive
 - rationalization
 - arbitration
 - **management system model**
-
- shows the organization's management system

ORGANIZATIONAL STANDARDS

Kinds of organizational standards

- **statute**
 - organizational order (*working, economic, documentation ...*)
 - directive
 - instruction
 - procedures (*workflows*)
-

Determines:

- position and activity of the organization (*name, registered office, subject of activity, registered capital, founders ...*)
- composition and competence of the authorities
- organizational structure

ORGANIZATIONAL STANDARDS

Kinds of organizational standards

- statute
 - **organizational order** (*working, economic, documentation ...*)
 - directive
 - instruction
 - procedures (*workflows*)
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Determines:

- organizational structure of the organization or organizational unit
- functions of individual organizational elements
- basic rules for their internal organization and functioning

ORGANIZATIONAL STANDARDS

Kinds of organizational standards

- statute
 - organizational order (*working, economic, documentation ...*)
 - **directive**
 - instruction
 - procedures (*workflows*)
-

A dynamic kind of organizational standard that determines how the individual functions of an organization or its parts are performed. It specifies functional content and relationships of organizational elements in their fulfillment.

ORGANIZATIONAL STANDARDS

Kinds of organizational standards

- statute
 - organizational order (*working, economic, documentation ...*)
 - directive
 - **instruction**
 - procedures (*workflows*)
-

They are intended to further elaborate selected provisions of the directives, or to regulate the implementation of activities not covered by directives.

ORGANIZATIONAL STANDARDS

Kinds of organizational standards

- statute
 - organizational order (*working, economic, documentation ...*)
 - directive
 - instruction
 - **procedures** (*workflows*)
-

They prescribe in detail the method and technique (technology) of performing partial activities.

SOURCES

Author	Title	ISBN	chapters
MAJTÁN Miroslav a kolektív	Manažment	978-80-89710-27-0	7
MLÁDKOVÁ Ludmila , JEDINÁK Petr a kolektív	Management	978-80-7380-230-1	4
DAFT Richard L.,	Management	978-0-538-47953-0	
GRYFIN Ricky W.	Management	978-1-111-96971-4	
Karam Pal	Business Management and Organizational Behaviour	978-9380578996	

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