# UNIT 7 : OFFICE ORGANISATION

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## 7.1 LEARNING OBJECTIVES



***Office Organisation :*** In order to achieve the common objectives of an organisation, the activities of a group of persons in an office are grouped and coordinated. This grouping of the persons in order to achieve the goals is known as office organisation. Office organisation is a dynamic process.

After going through this unit, you will be able to:

- learn the principles of an office Organisation
- discuss the different types of organisations
- describe the various advantages and disadvantages of the organisations
- explain the concept of Organisation charts and Organisation manuals.

## 7.2 INTRODUCTION

In this unit we are going to discuss about office organisation. Office organisation as a subject of study is now attracting attention from business firms, companies, institutions and even from countriesnon corporate sector. Here we are going to study about the various principles of office Organisation

upon which an office is based on. This unit also tells us about the different types of Organisation that are prevalent in today's scenario. Further, in this unit we are going to discuss about Organisation chart and Organisation manual in detail.

## 7.3 PRINCIPLES OF AN OFFICE ORGANISATION

1) **Principle of Objective :** The objective of the Organisation should be in clear terms. It should be to the point and precise in nature. There should be unity in the procedures of each and every department within the Organisation so that the objectives are laid down properly.
2) **Principle of Unity of Command :** In order to avoid conflict and miscommunication each and every employee should report to one person. The main head should be one so that the employees are not confused and they can be guided by a single individual.
3) **Principle of Inter-Related Function :** Today in an Organisation there exists various departments and each department is mutually exclusive from each other. The functions of each and every department may be different but they must be consistent with each others' functions. This way the objectives and the functions are coordinated amongst themselves.
4) **Principle of Definition :** The responsibilities, the duties, etc have to be clearly defined for each and every individual because if it is not defined properly, then the tasks would not be completed in time.
5) **Principle of Span of Control :** It is the maximum number of persons that a supervisor can effectively supervise in order to get the things done. It is always limited to a certain number. The most common number of employees or persons under a supervisor is 6.
6) **Principle of Chain of Authority :** "Who reports to whom'' is the main concern behind this principle. This chain should be well defined in order to get the work done properly. Every employee within the Organisation should know whom to report to.

7) **Principle of Commensurate Authority and Responsibility :** When an employee is given the responsibility to do certain kind of work, he should also be given the authority to perform the job. Otherwise, given only the responsibility, he would not be able to justify his work.
8) **Principle of Flexibility :** The Organisational structure should be flexible enough in order to incorporate necessary changes according to the needs of the Organisation as well as the environment.
9) **Principle of Division of Work :** In order to facilitate or speed up the work, the Organisation should divide the work into certain groups like the departments, sections or on individual basis. This would lead to effective amount of work done in less time.
10) **Principle of Continuity of Operations :** This principle is important for the continuation of the activities in order to have a stable continuous performance of the employees.
11) **Principle of Work Assignment :** Every employee has some strengths and talents associated with them. So the Organisation should assign the jobs to the employees according to their strengths so that the work is done perfectly.
12) **Principle of Ultimate Responsibility :** By this principle it is meant that the higher authority is responsible for all the acts that his subordinates do. If the subordinate commits any mistake, then the higher authority should take the responsibility instead of blaming the subordinate.
13) **Principle of Discipline :** Discipline is the backbone in each and every Organisation. Without it, no Organisation can achieve success.
14) **Principle of Employee Participation :** An employee is the most important asset in an Organisation. Their opinions also matter to the Organisation. So the employees must be encouraged to participate in the decision making process so that they feel much more important and recognized , which would lead to motivation in working better for the Organisation. Although, the main decision power lies with the higher authority.

## 7.4 TYPES OF ORGANISATION

An Organisation means grouping the various activities into different departments and the relationships between these departments. The types of organisation are discussed in the following sub sections.

### 7.4.1 Line Organisation

Also known as the scalar, direct or military type of Organisation, this is the most oldest of all Organisations. The flow of information is direct and goes from the person sitting at the highest position to the ones under him.

A line Organisation can be pure or departmental. In pure line Organisation, all the work performed by the employees are the same at one level. Whereas in a departmental line Organisation, the activities and the employees are divided into different departments on a functional basis.

The line Organisation can further be divided into two types. They are :

**A) Pure Line Organisation :** In this type of Organisation the work done is same at any one level. The persons perform the same type of work and the departments are meant only for control and direction. The chart is as follows :

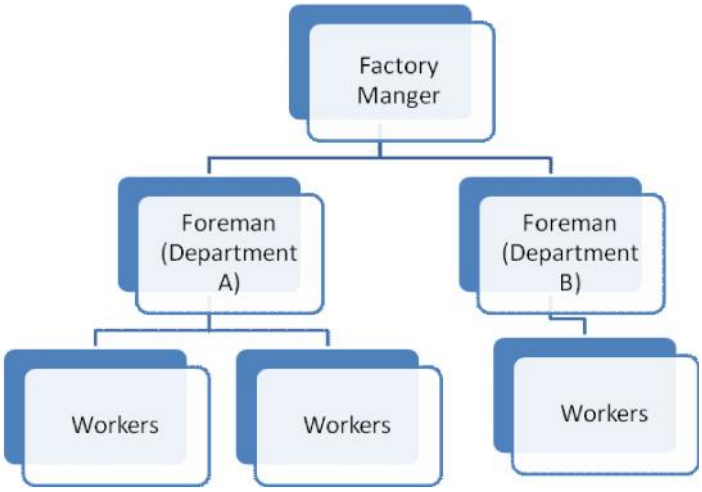



**Fig. 7.1 : Line Organisation**

In the above diagram, we may think of replacing the Factory Manager by Office Manager, Foreman by Superindent, and worker by Employees.

**B) Departmental line Organisation :** In this line Organisation, every business unit has been divided into various departments. These departments have their full independence and can perform their work nicely. Each department has its own head.

**Advantages :**

1) Simple and easily understood.
2) Have the principle of chain of command.
3) Disciplined.

**Disadvantages :**

1) Suitable only for small enterprises.
2) Becomes dependent only on a few top managers.

## 7.4.2 Line and Staff Organisation

This is a combination of line and functional type of Organisation. This is the most popular type of Organisation. Here both the line and staff members have to work hand in hand. But sometimes it is seen that the line members act independently because they think that they have the power to command and execute directions. Whereas the staff members act in an advisory environment.

**Types of Staff :** Two kinds of staff have been discussed below. They are :

**A) General Staff :** This kind of staff is located at the main or head office and the job of this staff is to assist and advise the top management on the problems that are being faced by the Organisation. This advice is also shared by the different departments as well.

**B) Specialised Staff :** This is a special kind of staff where each line executive is being assisted with one advisor or staff member. The job of this staff is to only assist and advise the line member

with which he is being involved.

**Advantages :**

1) Encourages training and development programmes.
2) Unity of command and unity of direction is followed completely.
3) The line members can do their basic activities now without any extra tension because the staff members are there to provide advice and also to assist them. So the work is done efficiently now.

**Disadvantages :**

1) Staff members sometimes act recklessly because they are not responsible to a higher authority.
2) There can also be a situation where confusion and chaos between line and staff members may arise due to miscommunication between them.

**Line and Staff Organisation Chart**

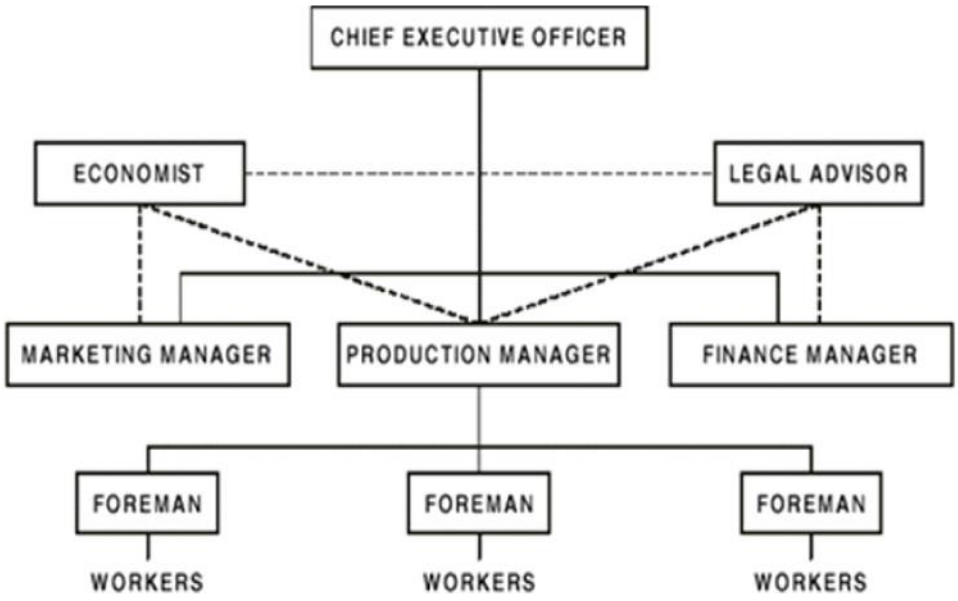



**Fig. 7.2 : Straight lines represent line and broken lines represent staff.**

## 7.4.3 Committee Organisation

This kind of Organisation is not completely an independent form of Organisation. The evolution of these committees is very much

common nowadays. Committee as a form of Organisation is very old and has evolved over the years. In an office we may see the existence and functioning of committees like Purchase Committee, Selection Committee, Disciplinary committee etc. According to Terry, ''A committee is a group of persons elected or appointed to discussion of,and for dealing with,the and deal with matters brought before it.'' For example, there could be a disciplinary issue in respect of an employee. The office manager may constitute an Enquiry Committee to enquire the matter and ask the Committee to submit the report to the office manger recommending necessary action as the committee considers appropriate. While forming a Committee, the objectives, terms of reference, modalities of functioning etc. needs to be spelt out.

**Advantages of Committees :**

1) It avoids hasty decisions.
2) Since a specialized department isand expert persons are appointed as a committee members hence tthe performance of the business is now more effective and efficient.
3) It also provides a chance of exchanging ideas and facts about the ongoing environment and these can help to improve the present situation.
4) It helps to coordinate the planning process and also acts as a very good communicator.

**Disadvantages of Committees :**

1) The decisions taken by committees take a long time.
2) A single person cannot be held responsible for any wrong decision taken by committee.
3) The top management's position can also sometimes become weak due to over delegation of responsibility over the committee.

## 7.4.4 Functional Organisation

This Organisation does not act like a line Organisation. Here the

authority does not flow from top to bottom. The work is divided into different departments according to functions like marketing, human resources, finance, etc. Within each department, there may exist the departmental offices. Each department has a different head.

**Advantages :**

1) Encourages work specialization
2) Specialised knowledge is utilized.
3) Facilitates the standards of operations and methods used.

**Disadvantages :**

1) Coordination is sometimes disturbed.
2) The employees get directions from different heads, so here the unity of command does not get applied.
3) Since there are specialists for every departments and each department is different from each other, so it is not possible to have an overall training.

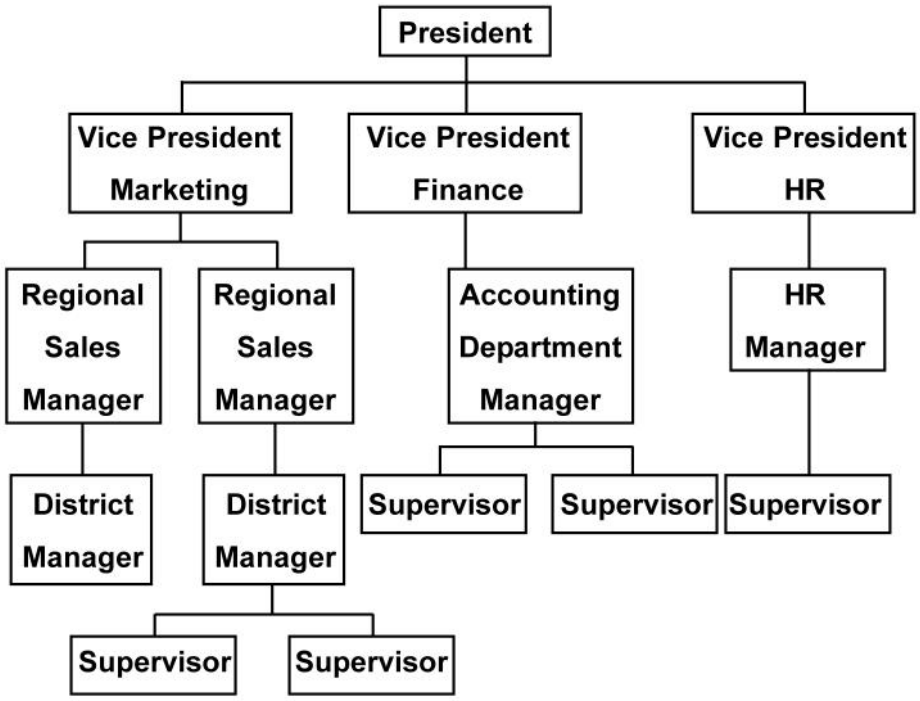



**Fig. 7.3 : Functional Organisation**



**CHECK YOUR PROGRESS**

**Q 1:** Discuss any five principles of office Organisation.

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**Q 5:** Write two advantages of line and staff Organisation.

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## 7.5 ORGANISATION CHART

It is a chart where every aspect of the Organisation including their functions and relationships are shown in a diagrammatic manner. According to Ernest Dale "An Organisation chart is a diagram of the formal authority structure." It gives a clear picture of the flow of work, the directions and the span of control in the Organisation. This chart also indicates properly that who reports to whom.

**Types of Organisation Charts :** Organisation Charts are divided into two different kinds. One on the basis of structure pattern and the other on the basis of construction.

On the basis of structure pattern, it is again further divided into three kinds.

1) **Functional Organisation Chart :** It shows the positions of different functions in the Organisation.
2) **Personal Organisation Chart :** Each and every individual holds a specific position in the Organisation. So this is a chart which shows the personal positions.
3) **Master Organisation Chart :** This chart shows the different positions along with the names of those employees holding these positions.

On the basis of construction, it is further divided into three kinds.

1) **Vertical Chart :** This chart is in the form of a pyramid. It ranges from

top to bottom in vertical lines.

2) **Horizontal Chart :** The only difference between vertical chart and horizontal chart is that the Organisational structure is shown in a horizontal shape. The flow of command is passed horizontally.
3) **Circular Chart :** Here the Organisation structure is shown in a circular manner.

Depending upon the kind of Organisation and nature of activities, the Organisation chart will vary. In a college for example, in addition to the Principal, there will be other personnels in the college office who deals with all the official matters. In addition to that there will be different departments and departmental projects. In case of universities, the departments will have small offices. The VC, Registrar, Treasurer, Controller of Examinations will have their separate offices. In an Organisation chart, all these positions with reporting relationship are shown. The functioning of an advertising agency is different from a university or a manufacturing Organisation. The advertising agency may have circular Organisation with all members working as a team with no boss-subordinate relationship. A committee may have members from the same level in an Organisation. For example we may think of a Committee of all the Heads of Departments in a college. That will indicate horizontal loading.

**Contents of Organisation Charts :** An Organisation chart should always be kept in a simple manner so that every common man understands it without having any difficulty. It may have different elements in its content. But mostly it contains the following :

- Flow of Authority.
- Structure of the Organisation.
- Responsibility Circles.
- Line and Staff relationships.
- Names of different employees in different positions.
- Number of persons whichwhoare promoted or transferred within the Organisation.

**Advantages :**

- It gives us an overview of the Organisation structure.
- It shows the different levels of management and the relationships that exist between them.
- It also shows the employee's position with respect to the Organisation structure.
- It helps to rectify the defects or any faults that exists within the Organisation.
- It serves as an informational tool for the employees as they get to know the promotional structure.

**Disadvantages :**

- It lacks flexibility. New charts have to be made according to the changes that takes place. The chart should be up to dated.
- This chart shows only the formal relationships and not the informal relationships amongst the employees.
- The management levels shown in the chart sometimes cause confusion in between the employees.

## 7.6 ORGANISATION AND OFFICE MANUAL

An Organisation manual is an informative booklet about the Organisation. It gives an idea about the employees, Organisation structure, rules, procedures, methods, etc. It is a complete guide to the outside environment about the Organisation.

**Office Manual :** Likewise the Organisation manual, the office manual is a guide to the office Organisation. In this manual each and every detail of the office structure is given for example the office policies, the procedures, the practices and so on. The office manuals if it is given to each and every employee then it would be very helpful for the office employees because the employees now do not have to go their superiors again and again for necessary instructions or guidance. This would decrease the time wastage.

**Contents of an Office Manual :** An office manual basically consists of–

1) **General Information :** Names, address, structure of the company, the nature and business of the company, etc are included in this category.
2) **General Office Rules and Regulations :** This includes office timings, leave rules, salary formats, compensations, medical benefits, etc.
3) **General Office Facilities :** This includes the location of the rest rooms, the lunch rooms, the dispensaries, the reading rooms, etc.
4) **Safety Instructions :** Here a complete detail of how to exit during a fire alarm, or serious illness or any other emergency is given so that the employees are well aware of the safety exit.
5) **Relations Between the Executives :** The relations between the employees and supervisors are given in detail so that everyone is well aware about the relationships that exists between them and no one is confused as to whom to report.
6) **Job Descriptions :** It gives a clear picture of what each and every employee is supposed to do in his or her job. This decreases the confusion.
7) **Organisational Policies :** This contains all the training and development programmes, then which advertising media should be adopted, etc.
8) **Appendix :** This includes all the various forms used by the different departments of the office.

**Advantages of Office Manual :**

- Decision making by the supervisors would be much more easier because the duties would be very well instructed.
- Execution of the work would be done in a more effective manner.
- It also helps in training the new employees.
- It is also helpful in very large Organisations where there are many branches because this manual helps to know each one's duty without going from branch to branch.

**Disadvantages of Office Manual :**

- The manual should be kept up-to-date which is sometimes very difficult.
- Small Organisations cannot afford to keep a manual because it is very time consuming and costly.



**CHECK YOUR PROGRESS**

**Q 3:** Define Organisation chart.

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**Q 4:** Mention the contents of an office manual.

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## 7.7 LET US SUM UP

- In this unit we have discussed about the main principles of office Organisation. We have also discussed about the different types of Organisation mainly the line Organisation and the line and staff Organisation along with their advantages and disadvantages. This unit also tells us about the Organisation chart followed in the Organisations along with their advantages and disadvantages. Then we have further discussed about Organisation manuals where each and every detail of the Organisation is given. The advantages and disadvantages of the Office manual is also discussed.



## 7.8 FURTHER READING

1) Balachandran, V. and Chandrasekaran, V. (2009), Office Management, Published by Tata McGraw Hill Education Private Limited.

2) Chopra, R. K. and Chopra, Ankita (2009), Office Management, Published by Himalaya Publishing House.



## 7.9 ANSWERS TO CHECK YOUR PROGRESS

**Ans. to Q. No. 1 :**

**1) Principle of Objective :** The objective of the Organisation should be in clear terms. It should be to the point and precise in nature.

There should be unity in the procedures of each and every department within the Organisation so that the objectives are laid down properly.

2) **Principle of Unity of Command :** In order to avoid conflict and miscommunication each and every employee should report to one person. The main head should be one so that the employees are not confused and they can be guided by a single individual.
3) **Principle of Inter-Related Function :** Today in an Organisation there exists various departments and each department is mutually exclusive from each other. The functions of each and every department may be different but they must be consistent with each others' functions. This way the objectives and the functions are coordinated amongst themselves.
4) **Principle of Definition :** The responsibilities, the duties, etc have to be clearly defined for each and every individual because if it's not defined properly, then the tasks would not be completed in time.
5) **Principle of Span of Control :** It is the maximum number of persons that a supervisor can effectively supervise in order to get the things done. It is always limited to a certain number. The most common number of employees or persons under a supervisor is 6.

**Ans. to Q. No. 2 :** The two advantages of line and staff Organisation are :

1) Encourages training and development programmes.
2) Unity of command and unity of direction is followed completely.

**Ans. to Q. No. 3 :** Organisation chart is a chart where every aspect of the Organisation including their functions and relationships are shown in a diagrammatic manner. It gives a clear picture of the flow of work, the directions and the span of control in the Organisation. This chart also indicates properly that who reports to whom.

**Ans. to Q. No. 4 :** The contents of an office manual are :

1) General Information
2) General Office Rules and Regulations
3) General Office Facilities

4) Safety Instructions
5) Relations between the executives
6) Job Descriptions
7) Organisational Policies
8) Appendix



## 7.10 MODEL QUESTIONS

**Q 1 :** Discuss the principles of office Organisation.

**Q 2 :** What are the advantages and disadvantages of line Organisation?

**Q 3 :** On what basis are the Organisation charts divided? Discuss each one of them.

**Q 4 :** Define Office manual. What are the advantages and disadvantages of office manual?

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