

Management Organising



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OPSOMMING

- Organisering is 'n fundamentele bestuursfunksie.
- Die funksie het twee belangrike kenmerke nl. strukturele kenmerke en operatiewe kenmerke.
- Die belangrikste eienskappe van elke kenmerk word bespreek.
- Riglyne word gegee hoe 'n organisasiestruktuur verander kan word.

INTRODUCTION

THE principal question underlying the organising function is: How do the various aspects of the organisation structure affect the various goals? A clear idea of the objectives which the organisation is designed to attain, and also some idea of the degree to which various aspects of the organisation structure will lead to their attainment, is needed. It is a question of the best organisation suited to the particular enterprise at the particular time.

An organisational feature may facilitate the approach to certain goals, but while an asset for one objective, it may be a liability for others. If the organisation plan is ill-designed, if it is merely a makeshift arrangement, then management is rendered difficult and ineffective. On the other hand, sound organisation can contribute greatly to the continuity and success of the enterprise. Although organisations differ in purpose and in design, their basic tasks are similar: to achieve effective means of integration, social influence, collaboration, adaptation, and revitalization. The

latter term encompasses those complex organisations which scrutinize carefully their operations and processes, and then improve and develop them with the aid of the behavioural sciences.

Planning is a fundamental function of the management process and goals form the basis from which all future management actions arise. A specific and clear-cut plan of action is basic to the accomplishment of a given task and to the attainment of any objective. Since results can only be achieved through the efforts of other people, one of the most important activities of management is the organising of human effort.

Organisation is a mechanism or structure that enables living things to work effectively together. The organisation exists for the purpose of accomplishing predetermined objectives. All work done should be dedicated to this end.

Organising brings together the resources in an orderly manner and arranges people in an acceptable pattern so that they can perform the required activities.

.2. Different schools of thought.

.2.1. A complex problem.

Different theories of organising have developed as a result of the viewpoints assumed. Organising can be viewed as essentially an economic, behavioural, adaptive, mathematical, or decisional entity. Organisation is a complex problem.

It entails the work to be done and the people who do it, the task and the man, the task and the other task, the man and the other man, the man and the supervisor, the man and the unknown man.

It is division and combination, it is specialization and integration, and finally it is a matter of two-way communication and semantics of organisation. Hence in the aggregate most of the theories are concerned with structure, behaviour, and strategy under conditions of change and complexity brought about by technology, environment, and human behaviour.

.2.2. The classical theory.

In the classical theory, the conflict between man and organisation was neatly settled in favour of the organisation. The interplay of personalities within the organisation was neglected, and the importance of people and their behaviour in group situations was largely overlooked. Man was viewed as a passive, inert instrument, performing the tasks assigned to him.

.2.3 The neo-classical theory.

This theory strives to correct the shortcomings of the classical theory, and to take cognizance of unanticipated consequences of organisations — workers' feelings, attitudes, beliefs, perceptions, ideas, and sentiments. The neo-classical theory has proven effective and is widely accepted.

.2.4. The fusion theory.

This approach to organising is that a fusion process is involved in organising. An organisation attempts to use the individual to further its goals and conversely, the individual hopes to achieve his goals by using the organisation.

.2.5. The systems theory.

The systems theory regards an organisation as an input-process-output system. The basic parts of the organising system are the individual, the formal organisation or arrangement of functions, the informal organisation, reciprocal patterns of behaviour arising from role demands of the organisation and the role perception of the individual and the physical environment in which the work is performed. Goals, man, machine, method, and process are woven together into a dynamic unity which reacts and shapes its environment.

.2.6. The quantitative theory.

The quantitative theory tries to provide an objective study of organising by quantifying organisational factors and simplifying problems to comply with a convenient mathematical formula.

.2.7. Modified neo-classical theory.

The neo-classical theory provides a satisfactory background and framework upon which a modified organisational theory can be built. Into the modified neo-classical theory, concepts of the fusion theory, the system theory, and quantitative theory can be woven.

In view of this theory, the word organisation will henceforth be used to convey the concept of organisation.

.3. Organisation defined.

Organisation is consequently defined as the structure of an enterprise resulting from the division and grouping of work into functions, sub-functions and jobs.

Organising is the process of determining the necessary activities and positions within an enterprise, department or group, arranging them into the most effective functional relationships, defining the authority, responsibilities and duties of each and assigning them to individuals so that effort is coordinated towards a common end.

Organisation is concerned with the definition of the structure, i.e. the statement of the responsibilities by means of which the activities of the

enterprise are distributed among the managerial, supervisory and specialist personnel employed in its service, and the statement of the formal interrelationships established among the personnel by virtue of such responsibilities.

.4. Organisation features.

.4.1. Two features.

Organising supplies the nucleus around which human beings can unite their efforts, each contributing his maximum to the achievement of a stated goal. The organisation structure, resulting from organising, determines the flow of interactions within the organisation.

Several structural features determine the flow and intensity of interactions within the organisation, but operational features, or the ways in which management activities are conducted, appear to be more strongly related to the measures of effectiveness than are the purely structural features.

.4.2. Structural features.

.4.2.1. Organisation levels.

Structure is sometimes discussed in terms of the number of levels in the hierarchy. Levels are liable to varying interpretations but are nonetheless commonly used as means of describing structure.

The first level signifies all managers who report directly to the chief executive, the second level signifies all managers directly responsible to those at the first level, etc.

The greater the number of levels, the longer is the chain of command, and the longer it takes for instructions to travel down and for information to travel up and down within the organisation. Longer chains of command also enhance the chance of getting the wrong answer.

Flatter, less complex structures, with a maximum of administrative decentralisation, tend to create a potential for improved attitude, more effective supervision, and greater individual responsibility and initiative among employees.

.4.2.2. Span of control.

Span of control implies the number of sub-

ordinates responsible to a supervisor without intermediaries. In current organisation practice, there seems to be a general concern with the relative merits of the highly centralised pyramidal system with a tight span of control and the flat, more decentralised system. Proponents of the flat organisation argue that it makes for a minimum of social and administrative distance, and that although the great number of subordinates creates a certain looseness of supervision, this same looseness promotes initiative in a way that no monetary incentive can accomplish.

As a consequence, there appears to be a practical dilemma overshadowing management organisation — a dilemma between morale and efficiency. Morale reflects the attitude of the employee to his employer or organisation, his job, job relationships, and to his supervisor, foreman or manager. It refers also to the atmosphere or mood influencing the quality of performance in a common effort.

.4.2.3. Authority.

Authority may be classified into four types: line, staff, functional, and vocative.

Line authority, which is exercised vertically downward in the organisation may command action on the part of subordinates in all phases of their work. Line authority requires compliance.

Staff authority is the authority to advise but not to command others, usually with respect to some speciality or function. Staff advice is usually exercised upward or laterally. Advisory authority permits discretion.

Functional authority is the right to command action laterally and downward with respect to a particular speciality or function. Functional staff authority is limited or restricted authority and is usually confined to how the particular activity is to be performed and at what time. If functional staff authority is not limited, it can damage vital line authority, destroy organisational departmentation and bring chaos to organising efforts.

Every managerial act rests on theory and the use of authority is no exception to this statement. One school of thought defines authority as the power attached to a job or function which enable the job holder to undertake and discharge his duties and responsibilities and make decisions

appropriate thereto. This school assumes that authority is the central, indispensable means of managerial control, pervades conventional organisational theory and is the basic principle of organisation. Conventional organisation theory teaches that power and authority are coextensive.

A second interpretation, known as the acceptance theory, states that a person has no authority except in so far as his subordinates choose to confer upon him the right to issue commands. The acceptance theory has different assumptions with respect to the management of human resources. It emphasizes the creation of opportunities, encourages growth and the provision of guidance — management by objectives, instead of management by control.

Modern management methods which are consistent with the acceptance theory, include decentralisation and delegation, job enlargement as opposed to job specialisation, participation and consultative management, and the use of individual goal setting and self-evaluation in performance appraisal.

.4.3. Operational features.

.4.3.1. Organisation chart.

The organisation chart is the first and foremost operational feature. It helps to visualize major formal organisation relationships. It shows the major functions and their respective relationships, the channels of formal authority and the relative authority of each member who is in charge of each respective function. Organisation charts are divided into master charts and supplementary charts.

The master chart shows the entire formal organisation structure. The supplementary chart is devoted exclusively to a department or major component and gives more details of relationships, authority and duties within that area.

.4.3.2. Job description.

The job description is an abstract of information gained from job analysis. It describes the work performed, responsibilities, skill or training required, conditions under which the job is performed, and personnel qualifications required. Job analysis is the procedure by which the

facts with respect to each job are discovered and identified.

.4.3.3. Policies and procedures.

A policy is a verbal, written, or implied overall guide setting up boundaries that supply the general limits and direction in which managerial action will take place. A policy defines the area in which decisions are to be made, but it does not give the decision.

A procedure is a specified manner or sequence of actions and channels to be followed in administrative work. Normally a number of procedures make up a system. A more formal description is that a procedure is a series of related tasks that make up the chronological sequence and the established way of performing the work to be accomplished. A standardized method ensures uniformity and encourages efficiency but can discourage initiative when carried too far.

.4.3.4. Wage and salary structure.

Job description and evaluation are prerequisites for the successful implementation of a wage and salary program. Job evaluation is a generic term covering methods of determining the relative worth of jobs. Wages and salaries are expected to play a major part in stimulating members to work and thus to contribute their effort and skill to the job or project.

But the various levels in the organisation structure create differentials, the differences between rates paid various levels in these structures. These differentials may be appraised as a measure of equity. They are in themselves important and sometimes appear to be more important to employees than the actual rates they distinguish. Workers frequently judge the fairness of their compensation by the differential that distinguishes their pay from that of other jobs in the structure.

Wage and salary structures can be identified in the organisation of every enterprise. Such a structure clearly identifies the rates or range of rates to be paid on each job level.

.4.3.5. Communication.

Communication is a vehicle or channel of information, the imparting, conveying or exchange

of ideas, knowledge, information, or attitudes.

A communication will be accepted as authoritative under certain conditions which are simultaneously applicable. It is important that the person can and does understand the communication; at the time of his decision believes that it is not inconsistent with the purpose of the organisation and compatible with his personal interest as a whole; and that he is able mentally and physically to comply with it.

An initial barrier to effective communication in organisations is the fact that many organisations do not really expect substantial two-way communication. Two-way communication implies a complete cycle but various obstacles bar its achievement. One of these is a fundamental barrier raised by the status relationships existing in every organisation. The placing of persons in superior and subordinate relationships in the formal structure necessarily foreclose the free flow of information, ideas, suggestions, and questions. This creates distortion in the upward flow of communication, matched by distortion in the downward flow.

Distortion in the downward flow results in part from the seeming necessity to maintain status differences. The superior feels he cannot fully admit to his subordinate those problems, conditions, or results which may reflect adversely on his ability and judgment.

Further distortion occurs because the subordinate is continuously engaged in interpreting and misinterpreting the words, attitudes, and actions of his superior. The lack of productive face-to-face contacts in organisations due to the status problem is a specific barrier to communication.

The two classes of contact are, firstly, the individual face-to-face contacts of superior and subordinate, and secondly, the group face-to-face contacts in informal and formal meetings.

In an organisation where communication is ineffective and unrealistic, attention should be given to those factors which have a profound effect on the problem. Attitudes and behaviour are the two prime determinants.

.4.3.6. Status systems.

Systems of status of different kinds and of various degrees of elaborateness and complexity are found in most formal organisations. They arise from the differential needs, interests, and capacities of individuals. There are differences in the abilities of individuals, difficulties of doing various kinds of work, importance of various kinds of work, the desire for formal status as a social or organisational tool and the need for protection of the integrity of the person.

Two kinds of systems of status may be discriminated. The first kind are called functional systems of status. In this case status does not depend upon authority and jurisdiction, but upon function. In the second kind of status system, status is determined by the relationship of superiority or subordination in a chain of command or formal authority and by jurisdiction.

Certain disruptive tendencies are inherent in status systems. It distorts the system of distributive justice, restricts unduly the face-to-face contact with senior personnel, tends in time to distorted evaluation of individuals, is a barrier to effective communication, and limits the adaptability of an organisation.

.5. Changing the organisation structure.

.5.1. Staffing for change.

Organisation is not an end in itself. Industrial organisation is a means by which human resources, physical assets, money, and time are coordinated into efficient and effective production of products or services.

In the first instance, an organisation properly designed, can help improve teamwork and productivity by providing a framework within which people can work together most effectively. It is important that the people be related to the design. It is a question of getting the right people and the right number of people for present and future needs. The organisation structure although it has technical excellence, is useless when not fitted to the needs of the people it is designed to serve.

In the second instance, the organisation structure may be inadequate to achieve the desired

objectives and since the objectives are basic in any enterprise, it is of paramount importance that the organisation be related to the objectives.

When the organisation is inadequate and cannot fulfil in the requirements of an enterprise, it is necessary that change be introduced. The responsibility for initiating and making the final decision on the over-all organisation must be reserved by the Board of Directors and the chief executive officer. At the other levels, each manager is accountable for implementing the over all plan as it applies to his sector and for the design of a structure within this framework fitted to the needs of his operation.

The function of organising is best performed by a specialised staff group reporting directly to the chief executive. The purpose and responsibilities of the organisation function should be to study the over-all needs of the organisation, and to suggest modifications: The staff group should conduct research in organisation to discover new or improved methods of organisation.

5.2. Steps in organisation change.

A definite sequence of activity should be followed in changing the organisation. This provides a constant organisation goal toward which change proceeds and which should make full provision for all the people in the organisation.

At least seven steps are recognized, viz., develop objectives and other plans, analyze the existing organisation, prepare an ideal plan, try out the plan, prepare phase plans, establish uniform nomenclature, and overcome resistance to change.

(i) Develop objectives and other plans:

Since all work done in the organisation must be directed to the accomplishment of predetermined objectives, policies and programs, the first step is to develop objectives and other plans. Existing objectives and plans should be carefully reviewed, as a basis for determining the appropriate structure.

(ii) Analyze the existing organisation:

The existing organisation should be analyzed and evaluated to determine its adequacy for the long-term requirement. All the features of both

the structural and operational aspects should be studied.

(iii) Prepare an ideal plan:

After the existing organisation has been studied an ideal plan should be developed. This plan should be the pattern for guiding all interim changes. It represents the structure toward which the enterprise will strive in the next years and although this ideal plan will probably never actually be effected it does help establish policies. The latter will serve as guides in making short-term studies.

(iv) Try out the plan:

Before the enterprise commits itself to a major organisation change a pilot run of the new organisation can be made in one sector of the organisation. Difficulties in the administration of the change and deficiencies in the resulting structure can be identified and corrected in good time before the overall change is attempted.

(v) Prepare phase plans:

Phase plans enable the enterprise to advance toward the organisational objective with minimum disruption of operations and full utilization of all employees. Phase plans bridge the gap between the existing organisation and the ideal organisation. These are intermediate organisation steps, designed to implement the organisation objectives as quickly and effectively as possible.

Phase plans should be designed in terms of existing employees.

(vi) Establish uniform nomenclature:

A consistent and systematic system of nomenclature should be developed for naming positions and elements within the organisation. If consistent titles are used and if definite relationships are established among titles, then:

a title can be made to indicate the kind of work an employee does;

his approximate level and degree of authority; and the organisation component to which he belongs, for example, the title "director" can be reserved for staff positions and "manager" for line positions.

(vii) Overcome resistance to change:

Planning an effective strategy for reorganisation involves recognition that there are two phases to the process. First is the design of the structure itself, and second is the movement and rearrangement of the people involved.

For management, the greatest difficulty and danger lie in overcoming the resistance of the people who are affected by the organisational change. The factors that will assist the change are those basic to motivation — participation, communication, and education.

.6. Conclusion.

If an enterprise wants to survive, then organising must be a continuous activity. Hence whether it is done efficiently and economically or haphazardly and wastefully, organisational change must occur.

Introducing and implementing a change so that the anticipated benefits are fully realized is complicated and difficult. To solve the problems and to minimize resistance requires the full attention of management.

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