

This itself produce  
good performance  
just as



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This managerial function is called organising. Thus, organising is a basic process a manager uses to unite the work of different people towards a common objective. Irrespective of the number of people large and small their effective co-operation is possible through organisation. According to Peter F. Drucker, “ A good organisation structure does not by itself produce good performance just as a good constitution does not guarantee great Presidents, or good laws of a moral society. But a poor organisation structure makes good performance impossible, no matter how good the individual managers may be. To improve organisation structure... will therefore always improve performance”. These are two elements of an organisation: 1. Dividing work into small jobs; and 2. Making sure that these individual jobs are knit together through a combined team effort. Success or failure depends to a large extent on how skillfully the manager divides the tasks into work units and then how skillfully he assigns these work units so that they combine together into an integrated whole. People cannot achieve much when acting alone.

Also, there is no universally accepted yardstick regarding the number of persons a supervisor can effectively supervise. But there is a limit to the number of individuals one can cater to which is known as span of management. Various levels of organisation are thus necessitated and problems of delegation and policy assume importance. The structure of a firm’s organisation establishes the authority (and responsibility) relationships among its personnel. It constitutes a framework that determines to a great extent the manner in which various groups of people work together. The underlying purpose of organisation logically, is to facilitate co-operation

among the firm's various skilled people and to channel their efforts toward a common goal.

**Principles of Organisation:**

1. The responsibility and authority of each supervisor must be defined in writing. One cannot be expected to shoulder responsibility without adequate authority.

In interdepartmental activities, the duties, functions, authority, responsibility etc. of each department should be clearly laid down. This reduces distortion and friction.

A periodical review of duty, responsibility and authority must be carried out for revision based on experience. 2. Authority must be delegated as far down the line as possible. 3. Authority is the formal right to require action of others. There must be clear cut lines of authority running from the top to the bottom of any organisation. 4. Higher authority takes absolute responsibility for the acts of its subordinates.

5. The number of levels of authority should be kept at a minimum. 6. Nobody should be asked to report to more than one individual. Every one must be clear about when he has to report to and who are expected to report to him.

7. There should be limit to the number of positions that are co-ordinated by an executive. 8. The organisation should be flexible so that it can adjust to changing conditions. Any organisation which does not consider external change and internal pressures become monolithic and will fall under its own weight.