a) Organisation: Characteristics and Principles of organisation

Organisation is group of people working together cooperatively under authority towards achieving goals and objectives.

8 steps of organisation process

- Determination of organisational goals
- Determination of task requirement
- Division of tasks
- Integration of jobs into department
- Selection of personnel
- Assignment of work to individuals
- Granting authority to people to carry out the jobs
- Determination of superior-subordinate relationships

Functions of organisation

- Division of labour
- Combination of labour
- Coordination

Principles of organising

- Unity of objectives
- Specialisation
- Delegation of authority
- Coordination
- Unity of command
- Flexibility
- Simplicity
- Span of control
- Scalar Principle
- Authority and responsibility
- Efficiency
- Proper balance
- Separation of line and staff functions.

Characteristics

- Pattern of relationship
- Duties and position
- Specific purpose
- Administration
- Division of labour
b) Formal organisation
- **Meaning**
- **Features**
  - Everyone is assigned specific duties and responsibilities
  - Defined goals and objectives
  - Clear superior-subordinate relationships
  - System of authority
  - System of coordination
- **Merits of formal organisation**
  - Effective utilisation of available resources
  - Benefit from superior subordinate relationship
  - Creation of chain of command
  - Co-ordination
  - Simplification and specification of job assignment
- **Demerits of formal organisation**
  - fixed relation and line of authority makes it difficult to adjust to the changing needs
  - individual creativity if affected
  - interpersonal communication may be reduced
  - organisations may fail to understand differences
  - costly

**Tall organisation**

**Features**
- Less subordinates under one superior
- More levels in the organisation
- Narrow span of control
- Operating expenses are higher
- Communication is quick and clear
- Superior can easily co-ordinate the activities of the subordinate

**Merits**
- Better quality of performance due to close supervision
- Better and closer superior-subordinate relations
- Control and supervision is easier and convenient
- Less distortion in communication
- Manager gets more time to plan.

**Demerits**
- Delay and distortion in communication
- Difficult to coordinate
- Expensive
- Decisions and actions are delayed
- Strict supervision
- Superiors may become dominating

**Flat organisation**

**Features**
- More subordinates under one superior
- Less levels in the organisation
- Wider span of control
- Operating expenses are lower
Delay and distortion in communication between levels may be less
The superior may find it difficult to coordinate the activities of subordinates

Merits
Less expensive
Quick actions
Quick communication
Coordination
Fewer levels of management
Subordinates are free from close and strict supervision and control.

Demerits
Loose control
Problem of discipline
Superior-subordinate relations
Problem of team work
Problems of coordination
More ability and experience on the part of the superior to handle large number of subordinates

Functional Organisation
Introduced by F Taylor

Features
Specialization by function,
line-staff relation,
centralization and decentralization,
functional relations etc.

Merits
Facilitate coordination,
effective supervision.,
increase in work satisfaction
co-operative effort along democratic line is possible

Demerits
Weakens unity of command,
conflict
divided responsibility,
delay in decision making,
lack of opportunities for training
lack of authority

Scientific management
“Scientific Management consists in knowing what you (i.e. management) want men to do exactly; and seeing to it that they do it in the best and the cheapest manner.” (F.W.Taylor)

Principles of Scientific Management
Science, not the rule of the thumb
Harmony, not discord.
Co-operation, not individualism.
✓ Maximum production, in place of restricted production
✓ Development of each person to the greatest of his capabilities.
✓ A more equal division of responsibility between management and workers.
✓ Mental revolution on the part of management and workers.

Merits
✓ More production and higher profits
✓ Job satisfaction
✓ Personality development
✓ Higher standard of living

Demerits of Scientific Management:
✓ Unsuitable for the small employers
✓ Unemployment
✓ Retards human development

c) Informal Organisation
Concept of informal organization - its meaning and nature

Need for informal organizations.
✓ It is the best means of communication to achieve specific personnel needs
✓ Maintains social and cultural values the group members are supposed to have in common
✓ Provide necessary information for their members
✓ Provide friendship, companionship,
✓ relief from monotony and boredom,
✓ creates a smooth social environment,
✓ assist formal organization to become humanistic

Merits
✓ Protects one another from authoritative action,
✓ provides opportunities to display creativity,
✓ gives satisfaction and stability to employees,
✓ provides feedback to managers,
✓ motivates employees for better performance.

Demerits
✓ Spreads rumors through grapevine,
✓ resistance to change,
✓ may use the group as a protective shield against management,
✓ may wipe out individual identity because group dominates.

Impact of informal organisation on formal organisation

Positive impact
✓ improving organisational effectiveness
✓ support service to management
✓ useful communication
✓ better management

Negative impact
✓ resistance to change
✓ conflict
✓ rumours
✓ pressure to confirm.
Questions:

1) Define organisation and discuss the principles and characteristics of an organisation.
2) Explain the features of formal organisation and discuss the merits and demerits.
3) Explain the types of structures of formal organisation.
4) Explain the need for informal organisation within formal organisation and highlight the merits and demerits of informal organisation.
5) Critically evaluate the Scientific Management Approach.
Organisational Planning: Importance, Internal and External Factors, Downsizing in context to Labour market.

Human resource planning is a process which determines how an organisation should move from its current manpower/human resources position to its desired manpower/human resources position.

Objectives of Human Resource Planning (HRP)

1. To recruit and maintain the HR of requisite quantity and quality.
2. To predict the employee turnover and make the arrangements for minimizing turnover and filing up of consequent vacancies.
3. To meet the requirements of the programmes of expansion, diversification etc.
4. To anticipate the impact of technology on work, existing employees and future human resource requirements.
5. To progress the knowledge, skill, standards, ability and discipline etc.
6. To appraise the surplus or shortage of human resources and take actions accordingly.
7. To maintain pleasant industrial relations by maintaining optimum level and structure of human resource.
8. To minimize imbalances caused due to non-availability of human resources of right kind, right number in right time and right place.
9. To make the best use of its human resources; and
10. To estimate the cost of human resources.

Benefits/Importance of Human Resource Planning

- To meet up requirements of the organisation
- It helps in checking labour imbalance
- Right-sizing the human resource requirements of the organisation
- To meet expansion and diversification needs of the organisation
- Training and Development of Employees
- Fulfill Individual Needs of the Employees
- Helps Formulation of Budgets
- To Check Joblessness

Demand Forecasting

Demand forecasting helps in determining the number and type of personnel/human resources required in future.

Factors Affecting HR Demand Forecasting

- Employment trends;
- Replacement needs;
- Productivity;
- Absenteeism; and
- Expansion and growth.
There are number of techniques of estimating/forecasting human resources demand

(a) Managerial Judgement
(b) Work Study Technique
(c) Ratio-trend Analysis

(d) Econometric Models
(e) Delphi Model
(f) Other Techniques

**HR Supply Forecasting**

The purpose of supply forecasting is to determine the size and quality of present and potential human resources available from within and outside the organisation to meet the future demand of human resources.

Once a company has forecast the demand for labour, it needs an indication of the firm's labour supply.

The first step in supply forecasting is to take a stock of existing HR inventory as follows.

(a) Head Count:
(b) Job Family Inventory:
(c) Age Inventory:
(d) Inventory of skill, experience, values and capabilities:
(e) Inventory of Qualifications and Training:
(f) Inventory of Salary grades:
(g) Sex wise Inventory:
(i) Inventory of Past Performance and Future Potentialities:

**Labour Wastage:**

Labour wastage should be taken into account while making future forecast and find out the reasons of people leaving the organisation.

The potential losses can be classified as permanent total loss, permanent partial loss, Temporary total loss and Temporary partial loss.

**Sources of supply**

Estimation of supply of human resources depends upon internal and external sources.

**Internal supply** of human resource available by way of transfers, promotions, retired employees & recall of laid-off employees, etc. Source of external supply of human resource is availability of labour force in the market and new recruitment.

**External supply** of human resource depends on some factors mentioned below.

- Supply and demand of jobs.
- literacy rate of nation.
- rate of population
- industry and expected growth rate and levels
- technological development.
- compensation system based on education, experience, skill and age.

The most important techniques for forecasting of human resource supply are Succession analysis and Markov analysis.
Unit II b) Organisational Development: Characteristics, Objectives and Process, Intervention Techniques and Benefits

Organisation Development: Meaning, Characteristics and Objectives
OD can be defined as a long-term, more encompassing change approach meant to improve individual as well as organisational well-being in a changed situation.

Characteristics of OD:
- OD is a systematic approach to the planned change
- OD is grounded in solid research and theory.
- OD recognizes the reciprocal relationship between individuals and organisations.
- OD is goal oriented.
- OD is designed to solve problems.

Objectives of OD:
1. Improve organisational performance as measured by profitability, market share, innovativeness, etc.
2. Make organisations better adaptive to its environment which always keeps on changing.
3. Make the members willing face organisational problems and contribute creative solutions to the organisational problems.
4. Improve internal behaviour patterns such as interpersonal relations, intergroup relations, level of trust and support among the role players.
5. Understand own self and others, openness and meaningful communication and involvement in planning for organisational development.

Organization Development Interventions
1. Survey feedback
2. Process Consultation
3. sensitivity Training
4. The Managerial grid
5. Goal setting and Planning
6. Team Building and management by objectives
7. Job enrichment, changes in organizational structure and participative management and
8. Management by objectives

IIc) Training and Development.
- Definition of training.
- Training and development as a human resource development function.
- Role of training in organisational development.

Need/objectives of training.
- Improves performance of current job or future job, opportunities for growth and development, to create a pool of well trained and capable employees
- growth and prosperity of the organization.

Significance of training
- For employees
  - Confidence,
  - promotion,
  - positive attitude,
  - Increased safety and updated knowledge etc.
- For Organization.
  ✓ Increase in productivity,
  ✓ reduced supervision,
  ✓ skilled manpower,
  ✓ Reduces accidents etc.

**Types**

**Orientation training** - is the formal process of familiarising new employees with the organisation, their jobs and their work units

**Benefits**
- lower turnover
- increased productivity
- improved employee morale
- lower recruiting and training costs
- facilitation of learning
- reduction of new employees’ anxiety

**Team training, cross training and diversity training**
- cross training is the process of training employees to do multiple jobs within an organisation
- Diversity training - awareness building and skill building.

**Questions:**
1) Define organisational development and discuss the intervention techniques of organisational development with its objectives
2) Bring out the need and significance of training in the context of organisational development.
3) What is organisational planning? Explain the objectives and the importance of Human Resource Planning.
4) Discuss the techniques of demand forecasting.
5) Write a detailed note on supply forecasting.
6) Examine the different types of training.
7) Write a note on training methods.
III a) Organisational Culture

Introduction, meaning and definition of organisational culture.

- Meaning and definition
- Features of organisational culture.
  - Beliefs, arts and customs
  - Passed from generation to generation
  - Shared phenomenon
  - Normative value.
- Dimensions of organisational culture.
  - Levels of culture- business culture, national culture, occupation and culture, strong and weak culture
- Creation of culture -- external adaptation and survival
  - internal integration
- Sustaining Culture – strategies
  - Selecting and socialising employees
  - Actions of leaders and founders
  - Culturally consistent rewards
  - Managing the cultural network
  - Performance and satisfaction

III b) Creativity in organizations.

- Meaning
- Creativity process
  - Preparation,
  - incubation,
  - insight,
  - verification.
- Methods of enhancing creativity
  - Brainstorming
  - Grid analysis
  - Lateral thinking
- Creativity - Inducing factors.
  - Creative people,
  - organisational culture,
  - diversity,
  - exposure
  - organisational support
✓ sufficient time and resources

IIIc) Innovation process and change

- Innovation process
  ✓ stage one - setting the agenda
  ✓ stage two - setting the change
  ✓ stage three - testing and implementing the idea
  ✓ stage four - assessing the outcome
- Changing organisational culture
  ✓ behavioural approach
  ✓ competing values approach
  ✓ deep assumptions approach
- Resistance to change
  ✓ Sources of resistance to change
  ✓ Individual sources and organisational sources.

Questions:

1) What is meant by organisation culture? Describe the various dimensions of organisational culture.
2) Discuss briefly the creativity process and factors inducing creativity in an organisation.
3) Explain the various sources of resistance to change.
4) Discuss the innovation process.
5) Write a note on sustaining organisational culture.
IV a) Introduction, meaning and definition of socialization.

Importance

✓ Create uniform behaviour.
✓ reduce non-familiarity of employees,
✓ understanding rules and principles of organization

Need for organizational socialization.

✓ To reduce anxiety,
✓ to reduce employee turnover,
✓ save supervisor's time.

Stages of organizational socialization.

✓ Anticipatory or pre-arrival,
✓ encounter and
✓ Metamorphosis.

IV b) Leadership

• Meaning of leadership and leader, importance of leadership in an organization
• Qualities of a successful leader
  ✓ Vision,
  ✓ courage,
  ✓ Intelligence
  ✓ Adaptable
  ✓ Assertive
  ✓ Ambitious
  ✓ Tactful
  ✓ Interpersonal skills
  ✓ Knowledgeable
• Leadership styles
  ✓ Autocratic style
  ✓ Democratic style
  ✓ Bureaucratic style
  ✓ Paternalistic style
  ✓ Laissez Faire style
• **Skills**
  ✓ Conceptual skills,
  ✓ personal skills,
  ✓ social skills,
  ✓ inter-personal skills
• **functions**
  ✓ executive
  ✓ policy maker
  ✓ expert
  ✓ representative
  ✓ planner
  ✓ decision maker
  ✓ symbol of the group.

**IV c) Conflict Resolution**

• Meaning, definition and nature of conflict in organizations.
• Types of conflict situations-intra-personal, inter-personal
• **Causes**
  ✓ Communicational,
  ✓ behavioural.
  ✓ structural
• **strategies of conflict management**
  ✓ bargaining
  ✓ third party intervention
  ✓ escalative interventions: intensifying conflicts in order to resolve them.

• **Impact of conflict**

**Positive impact**

✓ Help in analytical thinking,
✓ increased cohesion
✓ promotes competition
✓ serve as foundation for organisational development

**Negative impact**

✓ Lack of cooperation,
✓ increased distrust and suspicion,
✓ bad reputation of organization
Questions:

1) ‘Conflicts are inevitable part in an organisation’. Explain the statement with special reference to its causes and impact.
2) Examine the process of organisational socialisation by highlighting the need and stages of socialisation.
3) Examine the different types of conflict in an organisation.
4) Discuss the qualities, skills and types of leadership.
5) Explain the functions of leadership.
6) Elaborate on the strategies of effective management of conflict.