

## **Structures of Organisation:**

**1. Departmental and Line organisation-** Line organization is the oldest and simplest method of administrative organization. According to this type of organization, the authority flows from top to bottom in a concern. The line of command is carried out from top to bottom. This is the reason for calling this organization as scalar organization which means scalar chain of command is a part and parcel of this type of administrative organization. In this type of organization, the line of command flows on an even basis without any gaps in communication and co-ordination taking place.

### **Features of Line Organization**

1. It is the simplest form of organization.
2. Line of authority flows from top to bottom.
3. Specialized and supportive services do not take place in these organisation.
4. Unified control by the line officers can be maintained since they can independently take decisions in their areas and spheres.

This kind of organization always helps in bringing efficiency in communication and bringing stability to a

concern.

## **Merits of Line Organization**

1. Simplest- It is the most simple and oldest method of administration.
2. Unity of Command- In these organizations, superior-subordinate relationship is maintained and scalar chain of command flows from top to bottom.
3. Better discipline- The control is unified and concentrates on one person and therefore, he can independently make decisions of his own. Unified control ensures better discipline.
4. Fixed responsibility- In this type of organization, every line executive has got fixed authority, power and fixed responsibility attached to every authority.
5. Flexibility- There is a co-ordination between the top most authority and bottom line authority. Since the authority relationships are clear, line officials are independent and can flexibly take the decision. This flexibility gives satisfaction of line executives.
6. Prompt decision- Due to the factors of fixed responsibility and unity of command, the officials can take prompt decision.

## Demerits of Line Organization

1. Over reliance- The line executive's decisions are implemented to the bottom. This results in over-relying on the line officials.
  2. Lack of specialization- A line organization flows in a scalar chain from top to bottom and there is no scope for specialized functions. For example, expert advices whatever decisions are taken by line managers are implemented in the same way.
  3. Inadequate communication- The policies and strategies which are framed by the top authority are carried out in the same way. This leaves no scope for communication from the other end. The complaints and suggestions of lower authority are not communicated back to the top authority. So there is one way communication.
  4. Lack of Co-ordination- Whatever decisions are taken by the line officials, in certain situations wrong decisions, are carried down and implemented in the same way. Therefore, the degree of effective co- ordination is less.
  5. Authority leadership- The line officials have tendency to misuse their authority positions. This leads to autocratic leadership and monopoly in the concern.
2. Line and staff organization- Line and staff organization

is a modification of line organization and it is more complex than line organization. According to this administrative organization, specialized and supportive activities are attached to the line of command by appointing staff supervisors and staff specialists who are attached to the line authority. The power of command always remains with the line executives and staff supervisors guide, advice and council the line executives. Personal Secretary to the Managing Director is a staff official.



## Features of Line and Staff Organization

1. There are two types of staff :

a. Staff Assistants- P.A. to Managing Director, Secretary to Marketing Manager.

b. Staff Supervisor- Operation Control Manager, Quality Controller, PRO

2. Line and Staff Organization is a compromise of line organization. It is more complex than line concern.

3. Division of work and specialization takes place in line and staff organization.

4. The whole organization is divided into different functional areas to which staff specialists are attached.

5. Efficiency can be achieved through the features of specialization.

6. There are two lines of authority which flow at one time in a concern:

a. Line Authority

b. Staff Authority

Power of command remains with the line executive and staff serves only as counselors.

### **Merits of Line and Staff Organization**

1. Relief to line of executives- In a line and staff organization, the advice and counseling which is provided to the line executives divides the work between the two. The line executive can concentrate on the execution of

plans and they get relieved of dividing their attention to many areas.

2. Expert advice- The line and staff organization facilitates expert advice to the line executive at the time of need. The planning and investigation which is related to different matters can be done by the staff specialist and line officers can concentrate on execution of plans.

3. Benefit of Specialization- Line and staff through division of whole concern into two types of authority divides the enterprise into parts and functional areas. This way every officer or official can concentrate in its own area.

4. Better co-ordination- Line and staff organization through specialization is able to provide better decision making and concentration remains in few hands. This feature helps in bringing co- ordination in work as every official is concentrating in their own area.

5. Benefits of Research and Development- Through the advice of specialized staff, the line executives, and the line executives get time to execute plans by taking productive decisions which are helpful for a concern. This gives a wide scope to the line executive to bring innovations and go for research work in those areas. This is possible due to the presence of staff specialists.

6. Training- Due to the presence of staff specialists and their expert advice serves as ground for training to line officials. Line executives can give due concentration to their decision making. This in itself is a training ground for them.

7. Balanced decisions- The factor of specialization which is achieved by line staff helps in bringing co- ordination. This relationship automatically ends up the line official to take better and balanced decision.

8. Unity of action- Unity of action is a result of unified control. Control and its effectively take place when co- ordination is present in the concern. In the line and staff authority all the officials have got independence to make decisions. This serves as effective control in the whole enterprise.

### Demerits of Line and Staff Organization

1. Lack of understanding- In a line and staff organization, there are two authority flowing at one time. This results in the confusion between the two. As a result, the workers are not able to understand as to who is their commanding authority. Hence the problem of understanding can be a hurdle in effective running.

2. Lack of sound advice- The line official get used to the

expertise advice of the staff. At times the staff specialist also provides wrong decisions which the line executives have to consider. This can affect the efficient running of the enterprise.

3. Line and staff conflicts- Line and staff are two authorities which are flowing at the same time. The factors of designations, status influence sentiments which are related to their relation, can pose a distress on the minds of the employees. This leads to minimizing of coordination which hampers a concern's working.

4. Costly- In line and staff concern, the concerns have to maintain the high remuneration of staff specialist. This proves to be costly for a concern with limited finance.

5. Assumption of authority- The power of concern is with the line official but the staff dislikes it as they are the one more in mental work.

6. Staff steals the show- In a line and staff concern, the higher returns are considered to be a product of staff advice and counseling. The line officials feel dissatisfied and a feeling of distress enters a concern. The satisfaction of line officials is very important for effective results.

**Functional organization-** Functional organization has



been divided to put the specialists in the top position throughout the enterprise. This is an organization in which we can define as a system in which functional department are created to deal with the problems of business at various levels. Functional authority remains confined to functional guidance to different departments. This helps in maintaining quality and uniformity of performance of different functions throughout the enterprise. The concept of Functional organization was suggested by F.W. Taylor who recommended the appointment of specialists at important positions. For example, the functional head and Marketing Director directs the subordinates throughout the organization in his particular area. This means that subordinates receives orders from several specialists, managers working above them.

### **Features of Functional Organization**

1. The entire organizational activities are divided into specific functions such as operations, finance, marketing and personal relations.
2. Complex form of administrative organization compared to the other two.
3. Three authorities exist- Line, staff and function.
4. Each functional area is put under the charge of

functional specialists and he has got the authority to give all decisions regarding the function whenever the function is performed throughout the enterprise.

5. Principle of unity of command does not apply to such organization as it is present in line organization.

### **Merits of Functional Organization**

1. Specialization- Better division of labour takes place which results in specialization of function and it's consequent benefit.

2. Effective Control- Management control is simplified as the mental functions are separated from manual functions. Checks and balances keep the authority within certain limits. Specialists may be asked to judge the performance of various sections.

3. Efficiency- Greater efficiency is achieved because of every function performing a limited number of functions.

4. Economy- Specialization compiled with standardization facilitates maximum production and economical costs.

5. Expansion- Expert knowledge of functional manager facilitates better control and supervision.

### **Demerits of Functional Organization**

1. Confusion- The functional system is quite complicated

to put into operation, especially when it is carried out at low levels. Therefore, co- ordination becomes difficult.

2. Lack of Co- ordination- Disciplinary control becomes weak as a worker is commanded not by one person but a large number of people. Thus, there is no unity of command.

3. Difficulty in fixing responsibility- Because of multiple authority, it is difficult to fix responsibility.

4. Conflicts- There may be conflicts among the supervisory staff of equal ranks. They may not agree on certain issues.

5. Costly- Maintainance of specialist's staff of the highest order is expensive for a concern.