



# TYPES OF ORGANISATION

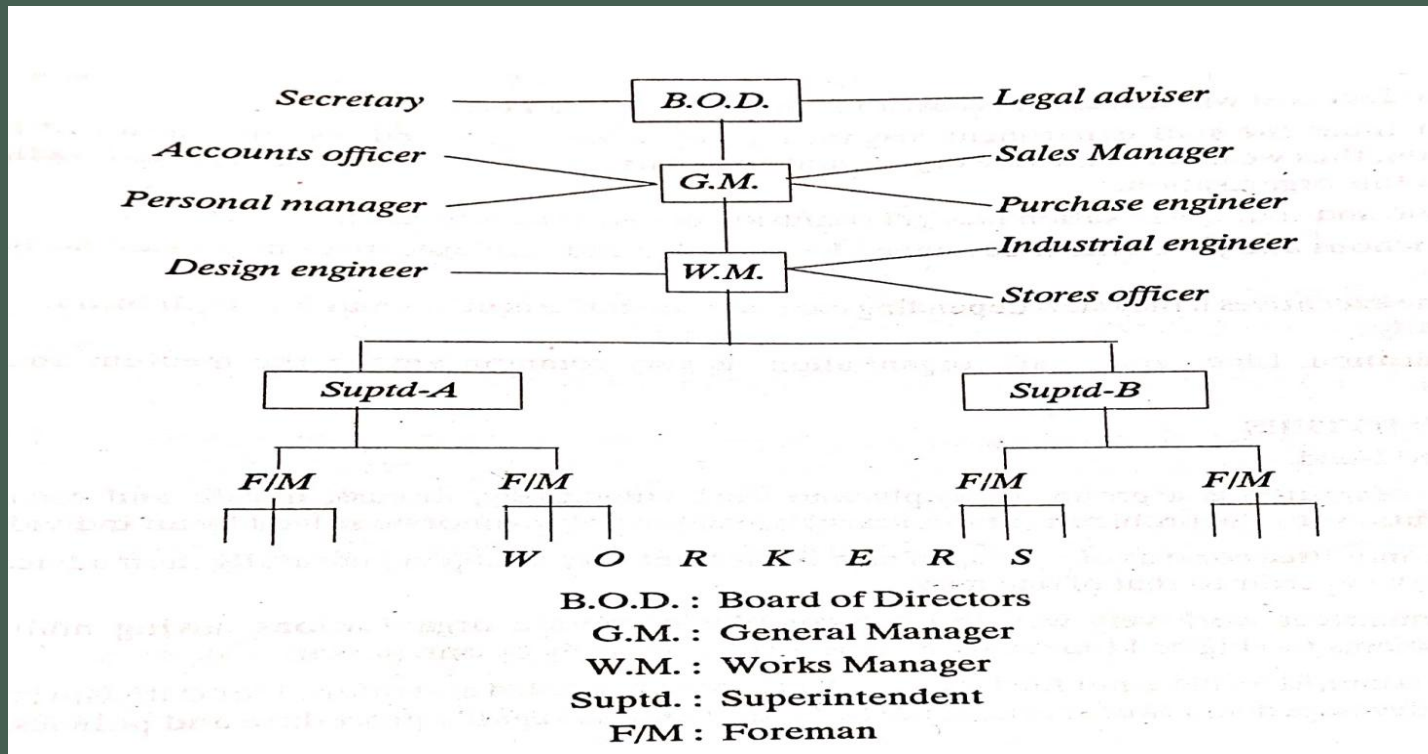
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# Line and Staff organisation

- The line organisation gradually developed to shape as line and staff organisation : Taylor's functional organisation hastened its development.
- As the industry grew in size and complexity, the line executives could not perform properly all other function(beside looking after production) such as R&D, planning, distribution, legal, public relations, etc. This necessitated the employing of special executives to assist line executives and they were known as staff as they were recruited to perform staff or specialist function.
- The line executives retain supervisory authority and control over the work of their subordinates whereas the staff executives relieve line executive of certain specialised work and advise them on matter referred to them.
- The final decision where to accept and implement recommendation of the staff executives remain in the hand of the line executive.

# Line and Staff organisation

- Fig. below shows a line and staff organisation. The line executives are marked vertically whereas staff executives are placed horizontally.



# Line and Staff organisation

- A variation of line and staff organisation is line and functional organisation in which staff or specialist executives has full authority over his particular function which may be inspection, work study, purchasing, employment, etc.

## Advantages

- Expert advise from specialist staff executive are relieved of some of their loads and are thus able to devote more attention toward production.
- Less wastage of material, man and machine hour.
- Quality of production is improved.
- There is no confusion as exists in functional organisation
- Line and staff organisation posses practically all the advantage of both the ine and functional organisations

# Line and Staff organisation

## Disadvantage

- Product cost will increase because of high salaries of staff executives.
- A times the staff department may infringes upon the rights and responsibilities of the line organisation, thus weakening the line organisation when its true function is to strengthen this organisation.
- Line and staff organisation may get confusion in case function are not clear.
- Frictions and jealousies if developed between line and staff executives may harm the enterprises.
- Line executives if they start depending too much on staff executives may loss their initiatives, drive and ingenuity.

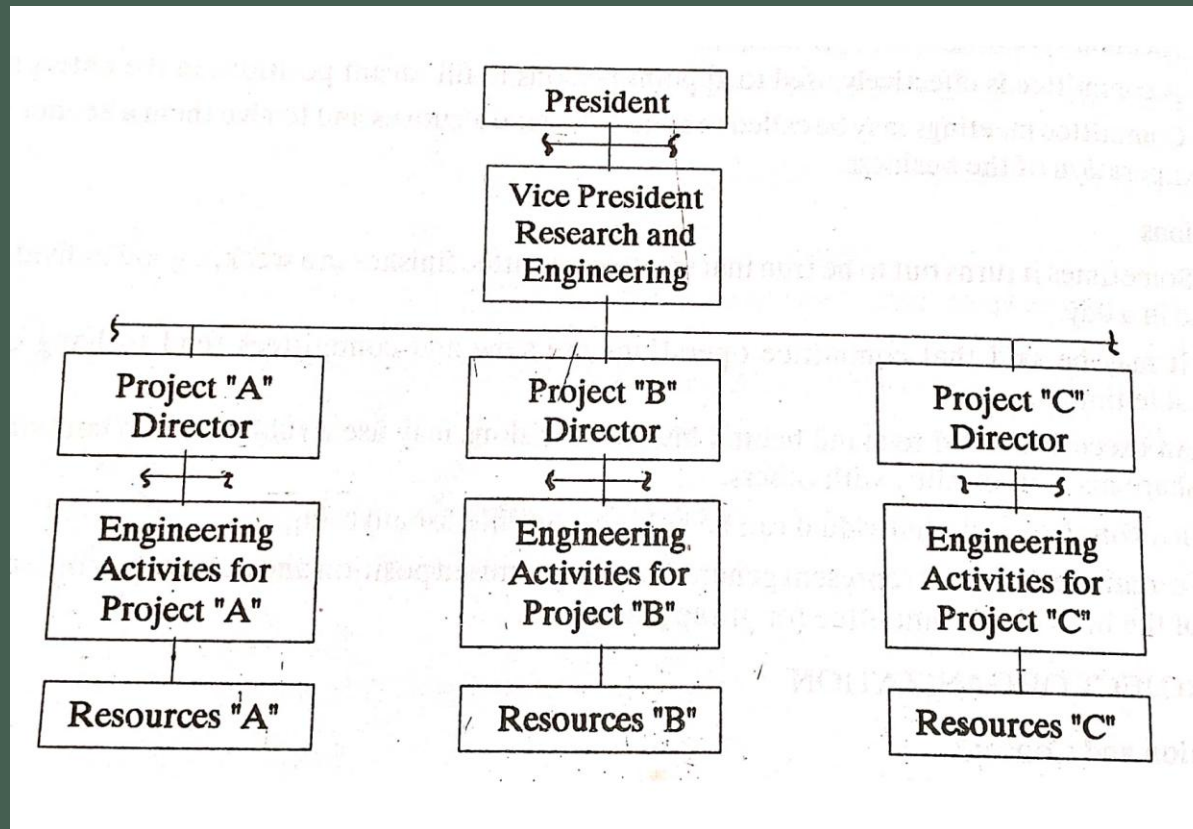
## Application

Line and staff organisation is very common among the medium and larger enterprises.

# Project Organisation

- When an already existing organization finds it difficult to cope up with the new situation, it decide to launch a project organisation.
- In order to accomplish the project goals, a separate division is created for each project. Project organisation is created when the project is big in size and subject to high standards of performance.
- A project organisation is solely responsive to the planning, design, development , production, evaluation and support of single system or product.
- A project organization is time limited, directly oriented to the life cycle of that system, and the commitment of the varied skills and resources required is purely for the purpose of accomplishing system task.
- A project team is created consisting of specialist from different departments of existing organisation. the specialist of each department gets the service and support of its members as and when required. The activities of the project team are coordinated by project manager. The project team which consists of the best talent is meant to achieve a specific and complex undertaking within time, cost and/or quality parameters.

# Project Organisation



# Project Organisation

- In brief, the project structure is a vehicle for bringing specialised people together in flexible groups for as long as a particular need exists, but no longer.

The project structure reduces the inflexibility and inefficiency of traditional organisation structures in which permanent department tends to remain even after they have outlived their utility.

## **Need for project organisation**

Running enterprises go for project organisation if:

- The project is one time task with well defined specifications and the firms want to continue to concentrate on its regular challenges.
- The project presents a unique or unfamiliar challenge.
- Successful completion of the project is critical for the enterprises/organisation.
- The project is to be completed within the given time limit.



# Project Organisation

## Advantage of project organisation

- It does not interfere with existing organisation.
- It provides concentrated attention that complex project demand.
- It allow maximum use of specialist available in the enterprises.

## Limitations of project organisation

- Project manager has to deal with person of varied nature and interest.
- Every one working in the existing organisation is attracted to the projects.

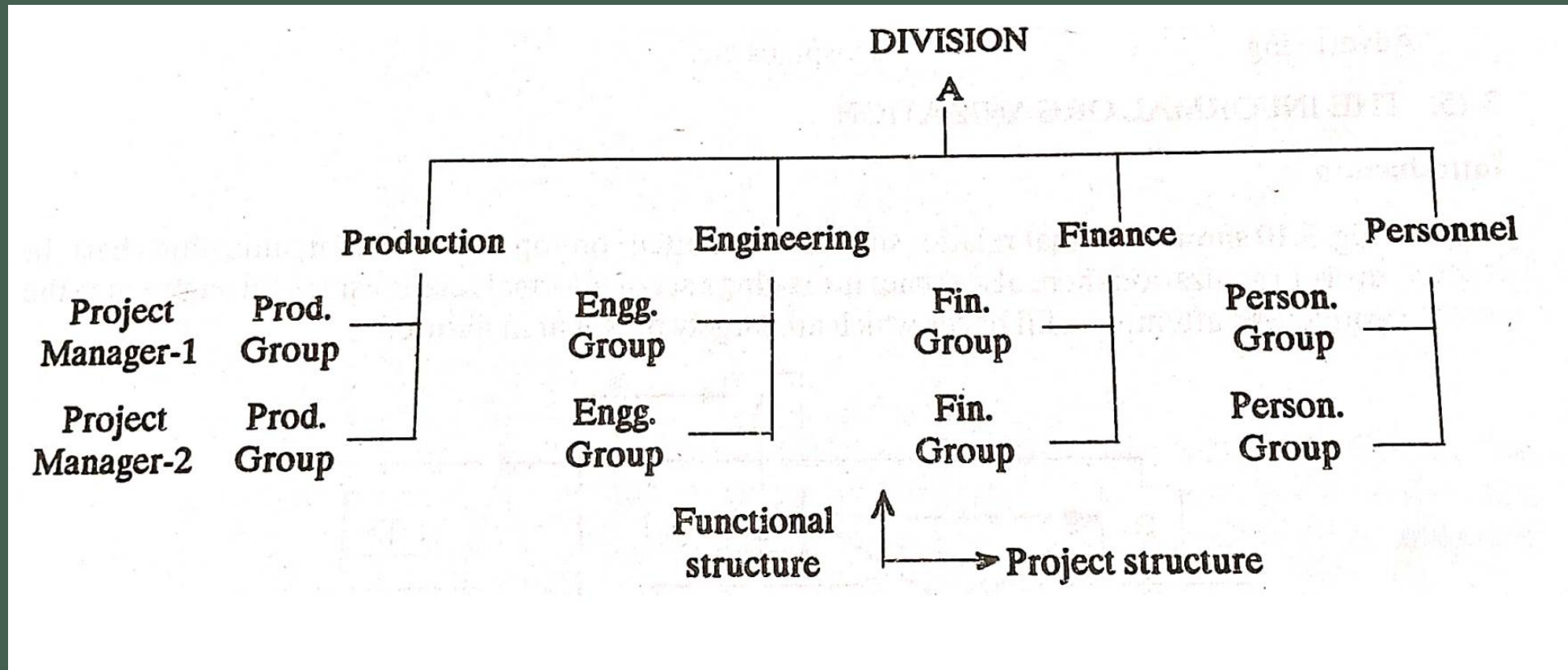
# Project organisation

- Since work differs from project to project, experience gained in one project may not be relevant to other projects.
- Project work being temporary, there is quite uncertainty and insecurity of job for specialists hired from outside.
- Decision making is very difficult because there are unusual pressure from specialists from diverse fields.
- There may be conflict between specialists.

# Matrix organisation

- Matrix organisation is used when an organisation has to handle a variety of projects, ranging from small to large.
- When a pure project structure is superimposed on a function structure , the result is matrix structure.
- In other words, the matrix organisation is project organisation plus a functional organisation.
- The project structure provides a horizontal lateral dimension to the traditional vertical orientation of the functional organisation.
- The project team are composed of persons drawn from the functional department for the duration of the project. When their assignment is over, they return to there respective department.
- During continuation of the project, such persons have two bosses- one from the functional department and second of the concerned project.

# Matrix organisation



# Matrix Organisation

## Advantage of matrix organisation

- It effectively focuses resources on a single project ,permitting better planning and control to meet the deadline.
- It is more flexible than a traditional functional hierarchy.
- Services of specialists are better utilized as more emphasis is placed on the authority of knowledge than rank of the individuals in the organisational hierarchy.

## Limitation of matrix organisation

- Matrix organisation violates the principle of unity of command as a person works under two bosses e.g. project manager and functional boss. This may give rise to conflicts in the organisation.
- Organisation relationship are more complex and they create problem of coordination.
- Since person are drawn temporarily from different departments, project manager des not have line authority over them.
- Project group is heterogeneous and due to which morale of the personnel may be low.

# Matrix Organisation

- **Uses of matrix organisation**
- The matrix organisation is used in the following industries:
  - Electronics
  - Chemicals
  - Industrial products
  - Advertising
  - Aerospace
  - Banking
  - Insurance
  - Hospitals, etc.