ORGANIZATIONAL STRUCTURE AS A TOOL FOR DETERMINING THE FLOW OF RESPONSIBILITY AND AUTHORITY

SEEMA

Assistant Professor in Commerce, Ch. Devilal Memorial Girls (P.G.) College Panipat, Haryana (India)
Seemabanger1396@gmail.com

ABSTRACT: The purpose of this paper is to bring to the fore the essence of the organizational structure in the assignment of responsibility in relation to the flow of authority in a corporate setting. Organization refers to the structure of relationships among position jobs, which is created to achieve certain objective and control the activities of man with a mechanism. The approach adopted by the authors is to study related literature based on the typical issues related to the concepts and draw meaningful conclusions per a logical analysis of the compiled literature. An in-depth examination of the literature collated revealed that there should be a clear definition of authority in the organization and that this authority flows, one link at a time, through the chain of command from the top to the bottom of the organization. Communication in the organization is through channels. Following this principle generally results in clarification of relationships, less confusion, and improved decision-making. KEYWORDS: Accountability, Organization, Responsibility, Structure, Chain of Command.

1. INTRODUCTION

Whenever a group of people are involved in the accomplishment of a task, some kind of an organization emerges. A sort of hierarchy develops; some one assumes the responsibility of leadership and direction in a particular part of task, and there is some grouping. It is not exaggeration to say that we are living in the age of an 'organization man' who accepts the organizational goals as the value premise of his decisions. The modern society is termed as 'organization society', that is, a society in which a great deal of our working time is spent in organizations, such as schools, universities, work place, places of worship, recreation and health care. At the moment a job becomes too complex, too diverse, or too voluminous for one person, the need for delegation arises. In its simplest form, imagine the sole administrator with objectives and with no time to accomplish them. Means allowing, the manager can create a new job, hire an employee, and assign the accomplishment of the objectives to the new employee. To meet these responsibilities, the new employee must also have the authority to achieve them. Thus, authority is delegated along with the responsibility and the reverse holds. The manager, however, is still ultimately responsible. By assigning some of his or her responsibilities, the manager transfers or creates accountability. If the employee does not exercise the responsibility properly, the manager can always withdraw the authority. Delegation without control is abdication. In practice, the process of management works in conjunction with the process of delegation. That since management is the process of getting results through others, delegation facilitates that process by assigning responsibilities, delegating authority, and exacting accountability by employees. The manager has certain defined objectives (i.e., results) to accomplish at the end of the budget period. He or she assigns the responsibilities (i.e., duties to be performed) to key employees, along with the commensurate authority to go with those responsibilities. Thus, the accomplishment of the assigned responsibilities should equal the defined objectives. Organization refers to the structure of relationships among position jobs, which is created to achieve certain objective and control the activities of man with a mechanism. Organization is the process of identifying and grouping the work to be performed, specifying the work, defining and delegating the responsibility with authority to the personnel and establishing interpersonal relationship for the purpose of co-ordination of work, so as to get the work done together effectively, and in accomplishing the objectives of the organization/institution/enterprise.

Difference between Formal and Informal Organisations. Based on the characteristics of formal and informal organisations, we can differentiate the two as follows:

1. Origin. As discussed above, reasons and circumstances of origin of both formal and informatorganisations are quite different . The formal groups are created deliberately and consciously by the framers of the organisation . On the other hand , informal organisations people while working together develop certain liking and disliking for others and interact in are created because of the operation of socio - psychologipcal forces at the workplace , that a way not prescribed by the framers of the organisation .

2. Purpose . Since formal groups are deliberate creations , they are created for achieving the legitimate objectives of the organisation . Formal groups are the basic product of formal organisationstructure . Informal groups are created by organisational members for their social and psychological satisfaction .Thus , they serve the purpose of organisational members which formal groups are not able to satisfy .

3. Size . Formal groups may be quite large in size .Sometimes , formal groups are constituted to give representation to various interest groups in the organisation , and their size had to be kept large . However , in other cases , efficiency is the criterion for fixing the size of the formal groups . The informal groups tend to be small in size so as to maintain the group cohesiveness which is essential for the informal groups to be attractive for the members concerned .

4. Nature of Groups . The formal groups are stable and may continue for a long period . Their membership is specified through organisationalprocess . There may be many standing groups in the organisation . Such groups continue indefinitely , only their members may change . The informal groups , on the other hand , are quite unstable in nature . Since their formation and functioning depend upon the value systems , general liking and disliking , and other personality features of the members concerned , they may disappear very quickly ! because of the change in the membership or they may cease to be attractive for the members and the members may form alternative groups .

5. Number of Groups . Since the whole organisation is divided into so many groups and isubgroups , their number may be many in a single organisation . In fact , the number of formal groups is decided to serve the organisational purpose . This depends upon the organisingpattern .Similarly , a large number of informal groups may also be found in the organisation . Moreover , an individual may become member of several informal groups . Therefore , there is overlapping of membership .

6. Authority . The members of formal groups derive authority through the formal source , that is , through the process of delegation and redelegation . Thus , authority flows from the higher to lower levels . In the informal groups , all members are equal , however , some may command more authority by virtue of their personal qualities . Thus , authority is commanded . People give authority to those persons who are likely to meet members ' needs maximum . This is the way of emergence of informal leaders in the informal groups . Such people have maximum positive interactions in the groups .

7. Behaviour of Members . The behaviour of members in the formal groups is governed by formal rules and regulations . The rules are normally directed towards rationality and efficiency . In the informal groups , the behaviour of the members is governed by norms , beliefs , and values of the groups . The kind of behaviour that is expected of a member is specified by these factors . If any member defies these , he is disliked by other members and for the person , the group does not remain attractive and he leaves it .

8. Communication . Communication is prescribed in the formal groups . It is normally through chain of command to which people refer to as formal channel of communication . All communications in the formal groups are expected to pass through that channel . In the informal groups , the communications pass through informal channels . This informal channel may be in any form , as will be discussed in Chapter 26 **.**

9. Abolition . The formal groups can be abolished at any time . Since these are created by organisationalprocess , these can be abolished by organisational process also . In fact , many of the formal groups are constituted for certain specific purpose or period . When this is over , the groups also disappear . The informal groups are difficult to abolish by organisationalprocess . In fact , any attempt by management to abolish the informal groups . may be thwarted by the members and may lead to the formation of many more groups . Since the informal groups are byproducts of natural desire of human beings to interact , management does not have any control over them.

Responsibility

Responsibility is another term which has not literature. Some writers have defined it in terms defined in a precise way in management s of duty or activity assigned to an individual in an organization. For example, Hurley has defined responsibility as follows:

"Responsibility is the duty to which a person is bound by reason of his status or task. Sort responsibility implies compliance with directives of the person making the initial delegation , "

However , others define responsibility in a more comprehensive way and treat it as the obligation of an individual to perform activities or duties which are assigned to him , For example , Terry has defined responsibility as the obligation of an individual to carry out assigned activities to the best of his ability . Thus , responsibility is not merely duty that is assigned but an obligation that the duty is performed . Responsibility

comes into existence because a person with authority , requires assistance from another a and delegates authority " to him for the performance of needed specific work . The acceptance of the obligation by the individual to perform the work creates his responsibility.

Delegation of Authority

Delegation of authority is one of the important factors in the process of organizing . It is essential to the existence of a formal organisation . The organisational units created throught the process of departmentation require the authority to the managers charged with their respective management . Assignment of activities to various managers creates responsibilities and in order to carry out these responsibilities , managers need appropriate authority . In fact , the authority should match responsibility . To delegate means to grant or confer .Here , delegation means conferring authority from one manager or organisational unit to another in order to accomplish particular assignments . A manager simply does not delegate authority ; he delegates authority to get certain work accomplished . By means of delegation , the manager extends his area of operations , for without delegation , his actions are confined to what he himself can perform . Delegation of authority has following features :

1. Delegation is authorisation to a manager to act in a certain manner . The degree of delegation prescribes the limits within which a manager has to decide the things . Since formal authority originates at the top level , it is distributed throughout the organisation through delegation and redelegation .

2. Delegation has dual characteristics . As a result of delegation , the subordinate receives authority from his superior , but at the same time , his superior still retains all his original authority . Terry comments on this phenomenon like this : " It is something like imparting knowledge . You share with others who then possess the knowled you still retain the knowledge too .

3. Authority once delegated can be enhanced , reduced , or withdrawn depending on the situation and requirement . For example , change in organisation structure , policy , procedure , methods , etc. , may require change in the degree of delegation of authority .

4 , Delegation of authority is always to the position created through the process of organising . The individual occupying a position may exercise the authority so long as he holds the position .Therefore , the authority is recovered fully from the individual when he moves from the particular position .

5. A manager delegates authority out of the authority vesting in him. He cannot delegate which he himself does not possess. Moreoever , he does not delegate his full authority because if he delegates all his authority , he cannot work.

Basis of comparison	Formed organization	Information organization
Formation	Planned and deliberate	Spontaneous
Purpose	Well-set goals	Social interaction
Structure	Well structured	unstructured
Nature	Official	Unofficial
Focus	Position	Persons
Leadership	Superior	Anyone
Sources of power	Delegated	Given by group

5. CONCLUSION

As espoused by Greenberg, Thompson and other astute researchers, organizational structure is about allocating responsibility and authority to enable the organization achieve its objectives. Delegation of authority is a prerequisite for the successful implementation of results-based management. To be responsible and accountable for results, managers have to be duly empowered through the clear delegation of authority in all areas, including, and in particular, human resources management. The primary objective of delegation of authority is to foster a more efficient use of resources and facilitate the emergence of more agile and responsive organizations, thus enhancing overall performance. Because performance improves when the people who are closest to the work have managerial authority and responsibility delegated directly to them. Leading public and private sector organizations ensure that organizational structures provide managers with the authority and responsibility they need to contribute to the organization's mission. Responsibility is the duty of the person to complete the task assigned to him. A person who is given the responsibility should ensure that he accomplishes the tasks assigned to him. If the tasks for which he was held responsible are not completed, then he should not give explanations or excuses. Responsibility without adequate authority leads to discontent and dissatisfaction among the person. Responsibility flows from bottom to top. The middle

level and lower level management holds more responsibility. The person held responsible for a job is answerable for it. If he performs the tasks assigned as expected, he is bound for praises; if he does not accomplish tasks assigned as expected, then also he is answerable for that. Jones (2004) defines organizational structure as "the formal system of task and authority relationships that control how people coordinate their actions and use resources to achieve organizational goals." Authority is the legal right of person or superior to command his subordinates while accountability is the obligation of individual to carry out his duties as per standards of performance. Authority flows from the superiors to subordinates, in which orders and instructions are given to subordinates to complete the task. It is only through authority, a manager exercises control. In a way through exercising the control the superior is demanding accountability from subordinates. If the marketing manager directs the sales supervisor for 50 units of sale to be undertaken in a month and the standards are not accomplished, it is the marketing manager who will be accountable to the chief executive officer. Therefore, we can say that authority flows from top to bottom and responsibility flows from bottom to top according to the organizational structure. Accountability is a result of responsibility and responsibility is result of authority. Therefore, for every authority an equal accountability is attached, which is defined by the organizational structure.

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