



## Unit 3: ELEMENTS OF ORGANISING & PROCESSES

**UNIT-3: Elements of organising & processes:** types of organisation, delegation of authority- need difficulties in delegation- decentralization staffing-meaning & importance, types & importance. **Leadership:** meaning-styles, qualities & functions of leader.

### OUTCOMES:

The elements of organizing such as dividing work, giving authority and coordinating can have these effects on students:

1. Dividing work helps students understand their responsibilities and work together better.
2. Giving authority helps students learn leadership, decision making and delegation.
3. Coordination improves communication and teamwork skills.

### **INTRODUCTION:**

- Organizing in management is the process of arranging and putting things in order to achieve a goal effectively and efficiently.
- It involves creating systems, assigning tasks, and using resources in a way that helps the organization reach its objectives.

### MEANING OF ORGANISING:

1. Organising refers to identifying and grouping different activities in the organisation and bringing together human and non-human resources to achieve organisational goals.
2. Organization refers to the structured arrangement of people, resources, and activities for the purpose of achieving specific goals and objectives.

### ACCORDING TO DIFFERENT AUTHORS:

1. **ACCORDING TO "THEO HAIMANN"**- "organizing is the process of defining and grouping the work to be performed, establishing authority relationships among them".
2. **ACCORDING TO "O' DONNELL"**- "Organization involves the grouping of activities necessary to accomplish goals and plans, the assignment of these activities to appropriate departments"
3. **ACCORDING TO "LOUIS ALLEN"**- "organising is the process of identifying and grouping the work to be performed, defining and delegating responsibility and authority, and establishing relationships for the purpose of enabling people to work most effectively together in accomplishing objectives".



## Unit 3: ELEMENTS OF ORGANISING & PROCESSES

### Importance of Organizing

- Benefits of specialization
- Clarity in working relationships
- Optimum utilization of resources
- Adaptation to change
- Development of personnel
- Expansion and growth

**1. BENEFITS OF SPECIALIZATION:** The process of organising divides the total work into compact and convenient jobs. Such division of work reduces the workload and increases the productivity.

#### **2. CLARITY IN WORKING RELATIONSHIPS:**

- Organising clarifies the authority and responsibility of individuals of different departments. Each person knows his superior, from whom he has to take orders.
- Clarity in superior- subordinate's relationships helps in fixing responsibility and avoids confusions and conflicts.

#### **3. Optimum utilization of resources:**

- Under the process of organising the entire work is divided into various small activities. There is a different employee performing every different job.

#### **4. ADAPTATION CHANGE:**

Organising helps the enterprise to adjust itself as per changing circumstances by suitably modifying the organisation structure.

#### **5. DEVELOPMENT OF PERSONNEL:**

- Under the process of organising, delegation of authority is practiced. This is done not because of the limited capacity of any individual, but also to discover new techniques of work.
- It provides opportunities of taking decisions to the subordinates. By taking advantage of this situation, they try to find out the latest techniques and implement them. Consequently, it helps them to grow and develop.

#### **6. Expansion and Growth:**

- The process of organising allows the employees the freedom to take decisions which helps them to grow. They are always ready to face new



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Challenges. This situation can help in the development of the enterprise. This helps in increasing the earning capacity of the enterprise which in turn helps its development.

## TYPES OF ORGANISATION STRUCTURE:

1. Formal Organisation
2. Informal Organisation

### Formal Organisation:

- Formal organisation is that type of organisation structure where the authority and responsibility are clearly defined. The organisation structure has a defined delegation of authority and roles and responsibilities for the members.
- The formal organisation has predefined policies, rules, schedules, procedures and programs. The decision making activity in a formal organisation is mostly based on predefined policies.
- Formal organisation structure is created by the management with the objective of attaining the organisational goals.

**There are several types of formal organisation based on their structure, which are discussed as follows:**

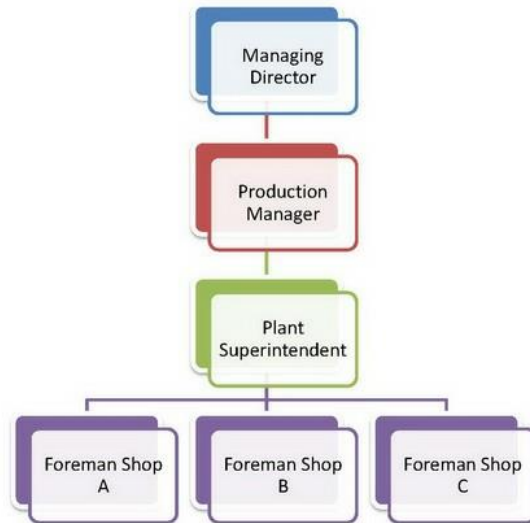
1. Line Organisation
2. Line and Staff Organisation
3. Functional Organisation
4. Project Organisation
5. Matrix Organisation

## 1. Line Structure Organization

**Meaning of Line Structure Organization:** – Line structure organization is the **simplest and oldest form** of organization structure. It is called as a **scalar type of military or divisional or organization**. Under this system, authority flows directly and vertically downward from the top of the managerial hierarchy to different levels of managers and subordinates, and down to the operative level of workers. It is also known as the chain of command or scalar principle.



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#### **Advantages of Line Structure Organization: –**

- Simple to understand and simple to operate;
- Communication is fast and easy;
- Feedback can be acted upon faster;
- Responsibility is fixed and unified at each level and authority and accountability are clear-cut, hence each individual knows to whom he is responsible and who is or in truth responsible to him.

#### **Disadvantages of Line Structure Organization: –**

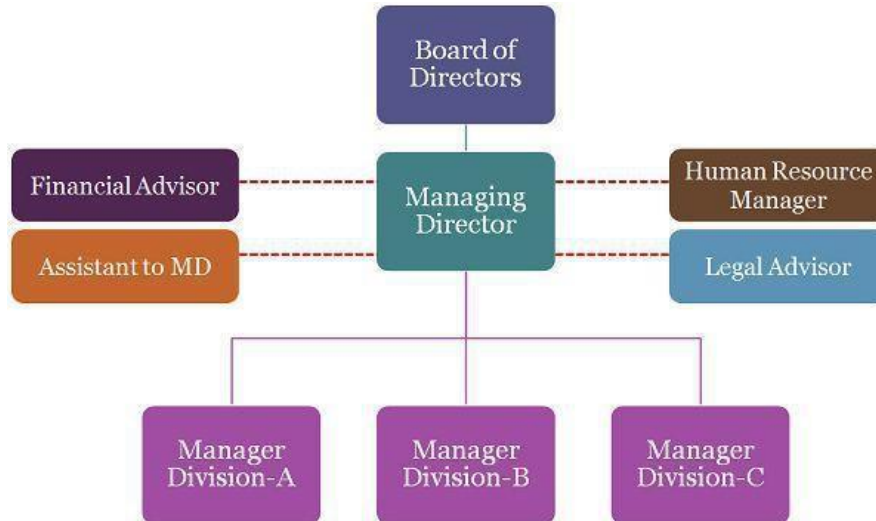
- It is a rigid and inflexible form of organization.
- A line organization can suffer from a lack of specialization. This is because each department manager is concerned only with the activities of his own department.
- It does not provide any means by which a good worker can be rewarded and a bad one can be punished.

#### **2. Line-staff organization:**

- A line-staff organization is a structure that distributes work responsibilities from upper management to lower-level employees. The managers establish standards for the quality of the work and deadlines for employees to finish their tasks, and they communicate their expectations to the team. It's the team's responsibility to meet those expectations in the assigned time.
- A line-staff organization is more flexible than a line structure. Instead of one professional leading the entire company alone



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### Advantages of Line and Staff Organisation:

- Line and staff organisation introduces specialization in a systematic manner. Persons with specialized knowledge are appointed to help line officers.
- The unity of command is maintained in this type of organisation. This creates better understanding and discipline among employees.
- With the appointment of staff officers the burden of the officers is greatly reduced. The specialists help line officers in deciding things regarding their lines of specialization.
- The line officers will have sufficient time to take various decisions. Whenever there is a need for certain a decision, they will be able to devote time and decide the things

### Disadvantages of Line and Staff Organisation:

- There is a possibility of conflict between line and staff personnel. The responsibility for operations lies with line officers while staff officers only advise. The staff officers feel ignored at the hands of line officers.
- There is a lack of responsibility for staff officials.
- There will be a lack of co-ordination between line and staff. The staff advice may be confused with line orders. The staff officers may also not be clear about their exact role.
- The staff officers do not wield any power in the organisation. Without power they will not get prestige in the organisation. They will feel unimportant and the quality of advice will also be adversely affected.

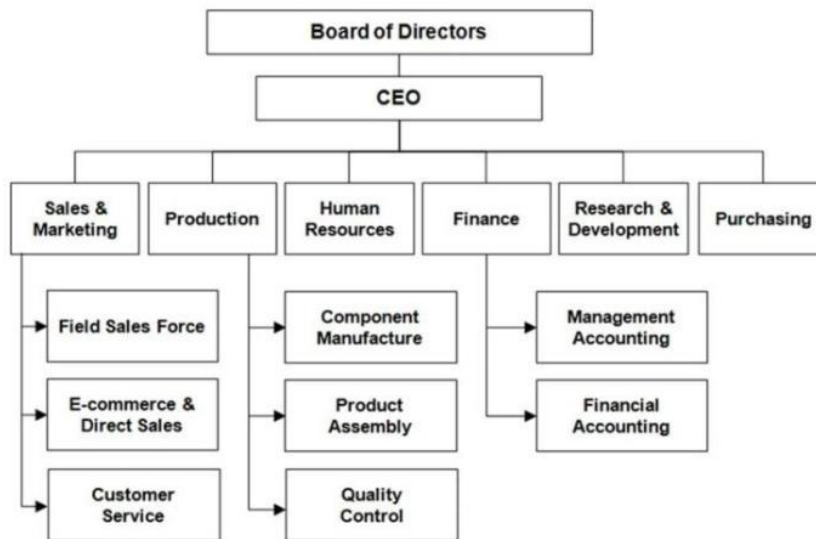
### 3. Functional Structure Organization:

**Meaning of Functional Structure Organization:** – Functional Structure Organization is one of the most common structures of organization. They are grouped based on their **specific skills and**



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**Knowledge.** Under this structure, the employees are divided into groups by the organization according to a particular or group of tasks.



#### **Advantages of Functional Structure Organization:** –

- The executive or the team leader has the knowledge and experience of that particular field. For example, the person heading the IT department will have the education and skill necessary to shoulder this responsibility and successfully run his team.
- Because the employee has expertise in that particular field, the work is more efficient and precise. There are fewer mistakes. This also helps with the motivation of the employees of the company.
- Since all team members come from similar backgrounds it allows them to share ideas and come up with solutions. There is a sharing of knowledge, which is always beneficial.

#### **Disadvantages of Functional Structure Organization:** –

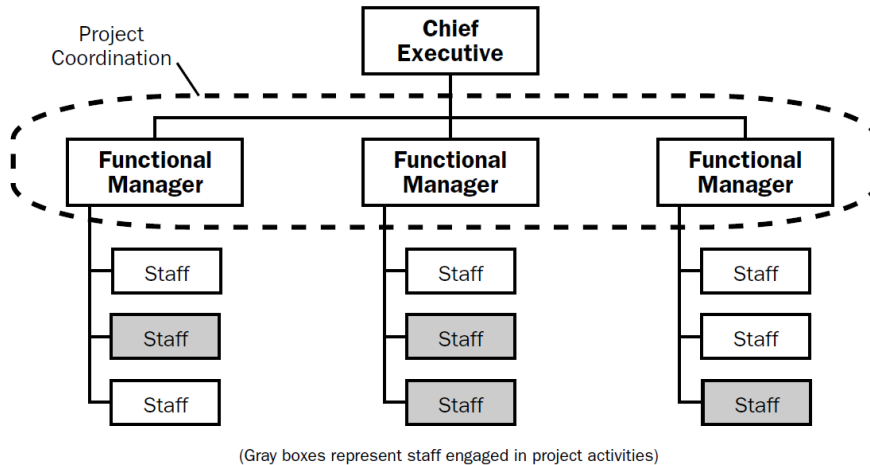
- The work can be quite one dimensional. After a while, the employees may start feeling monotony or boredom. The lack of new challenges can make them unenthusiastic for the job at hand.
- In this structure, the manager must take care of the appraisal system. If the correct approach is not taken then conflicts may arise between the employees regarding promotions or appraisals.
- Also, this form of organization requires a high degree of specialization which is difficult to establish.

#### **4. Project Organisation:**

- A project organisation is a temporary form of organisation structure that is formed to manage projects for a specific period of time. This form of organisation has specialists from different departments who are brought together for developing a new product.



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#### Advantages of Project organisation

1. The presence of many specialists from different departments increases the coordination among the members.
2. Each individual has a different set of responsibilities which improves control of the process.

#### Disadvantages of Project Organization

1. There can be a delay in completion of the project.
2. Project managers may find it difficult to judge the performance of different specialists.

### 5. Matrix Structure Organization

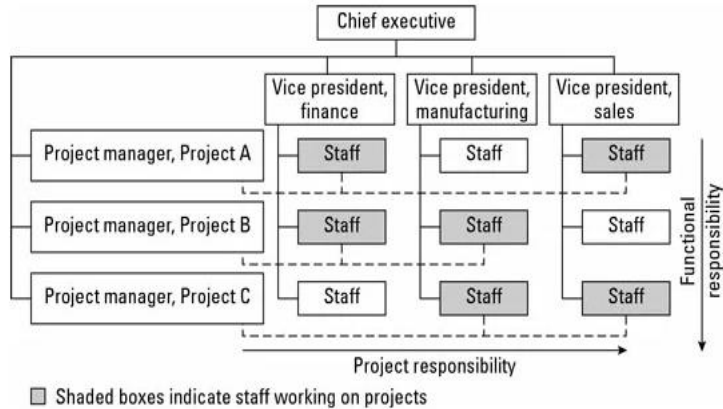
**Meaning of Matrix Structure Organization:** – A matrix organizational structure is a structure of organization in which some **individuals report to more than one supervisor** or leader, which is described as solid line or dotted line reporting. More broadly, it can also describe the management of cross-functional, cross-business groups.

**For example**, an employee may have a primary manager they report to as well as one or more project managers they work under.





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#### **Advantages of Matrix Organization:** –

- Since there is both vertical and horizontal communication, it increases coordination and this leads to greater and more effective control over operations.
- As the matrix organization is handling many projects, the available resources will be fully utilized.
- It is highly flexible in following rules, procedures etc. Experience here is the best guide for setting rules and procedures.

#### **Disadvantages of Matrix Organization:** –

- Since, there is more than one supervisor for each worker, this causes confusion and conflict and reduces effective control.
- There is continuous communication both vertically and horizontally, which **increases** paper work and costs.
- It is difficult to achieve downward balance on projects technical and administrative aspects.

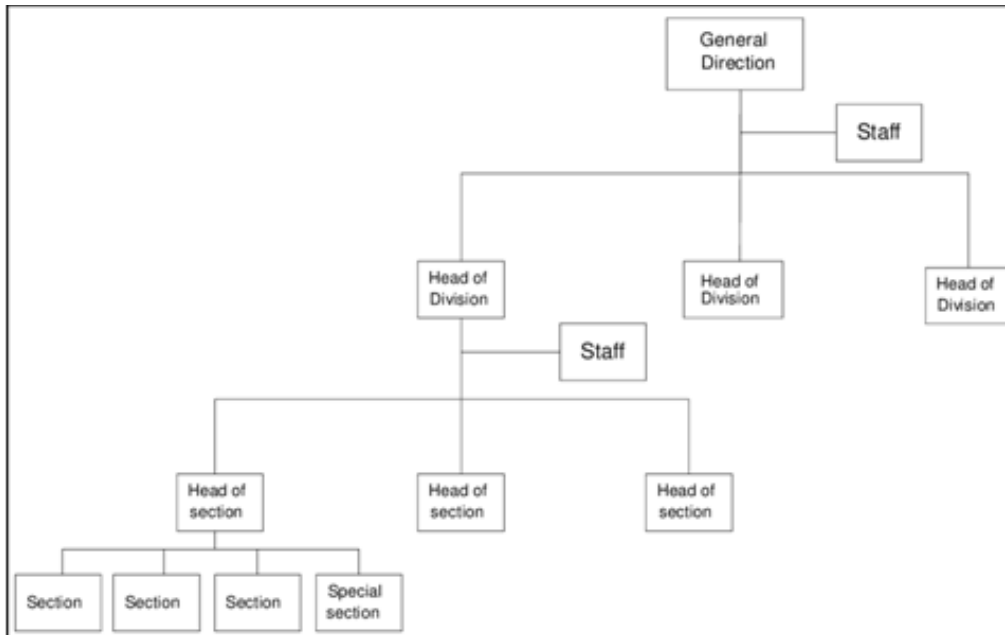
#### **INFORMAL ORGANISATION:**

- Informal organisation refers to a network of social relations, which emerges on its own due to formal roles and relationships amongst people.
- Informal organisations emerge from within the formal organisation when people interact beyond their official defined roles.
- It means the informal organisation is not pre-planned. It arises automatically due to frequent contact of people with each other. It arises to fill the social and personal needs of an individual, which cannot be satisfied through a formal organisation





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#### Advantages of informal organisation:

- Informal organisation follows the independent channel of communication because there is no prescribed official channel. It leads to a faster spread of information as well as quick feedback.
- Informal organisation satisfies the social needs of the members, which are not satisfied in formal organisation. This enhances their job satisfaction.
- Informal organisation provides feedback about the work experience as they discuss their views and ideas with superiors.

#### Disadvantages of informal organisation:

- Informal organisation is bounded by custom and culture, so it resists change. Such resistance may delay or restrict the growth of the organisation.
- When an informal organisation spreads rumours, it becomes a destructive force and goes against the interest of the formal organisation.
- In the case of informal organisation, people are under pressure to follow the group norms, even if such norms are against the interest of the formal organisation.



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#### Differences between Formal and Informal Organization

S. N.	Basis	Formal Organization	Informal Organization
4	Structure	are usually pyramid shaped, <b>hierarchical</b> and can be depicted in organization chart.	are <b>non-hierarchical</b> and have no clear structure.
5	Stability	It is relatively more <b>stable</b> .	It is relatively <b>unstable</b> .
6	Rules & Regulations	Rules and Regulations are <b>clearly written</b> .	Rules and regulations are <b>not written and clear</b> .
7	Authority and Responsibility	are <b>clearly defined</b> . Authority flows from top to lower levels and responsibility flows bottom upwards.	are not <b>clearly defined</b> . There is horizontal flow of authority and responsibility.

#### DELEGATION OF AUTHORITY:

- The delegation of authority refers to the division of labour and decision-making responsibility to an individual that reports to a leader or manager.
- It is the organizational process of a manager dividing their own work among all their people.
- It is truly sharing responsibility, ownership, and decision-making. Delegated authority is shared authority.



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### 5 REASONS WHY YOU NEED TO DELEGATE MORE



### **1. It Helps with the Growth and Development of Your Team**

Training is great, but it's through practice that we get to really hone our skills and master them. When you delegate, you give people an opportunity to try new tasks.

### **2. It Increases Your Impact and Influence**

It doesn't matter how great you are at something you only have two hands and 24 hours an in day, and if you insist on being directly involved in everything then there is an absolute limit on what you can achieve.

### **3. It Makes You an Attractive Leader to Work For**

According to [Gallup Research, the best employees leave companies](#) in search of opportunities to develop and grow. Boring repetitive work that doesn't challenge your best employees is one of the key causes of employee disengagement.



#### **4. It Boosts Your Reputation as a Leader**

When you make a bigger impact, when you have increased influence and good employees as wanting to work for you that is a great reputation to have as a leader.

#### **5. It Frees You Up to Work on Bigger Things**

I have lost count of the number of leaders that I have worked with; who thought it was important to be indispensable.

**NOTE:** Learning to delegate is a win-win-win situation. Your employees win because they get chances to grow and develop, your company wins because they get more output, increased retention and better engaged employees. And lastly you win, because it improves your reputation.

### **Difficulties in Delegation:**

#### **Non-Delegation:**

Some of these difficulties in delegation arise on the part of the delegator, i.e. the manager who delegates the responsibilities and the authority.

**Let us see some of the reasons for such non-delegation on their part,**

- 1.** Certain managers are autocrats: So they are very attached to their own authority and pull in the organization. They are fearful that delegating any of their authority will result in a loss of their influence and power in the company.
- 2.** Then there are managers who do not trust or believe anyone when it comes to their work. They think no one will be able to accomplish the task well enough. And



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They do not trust the competence of their own subordinates. So they have difficulties in a delegation of responsibilities.

3. The manager may lack the confidence in his team members and thus avoids delegating any authority.

4. If the manager is not able to guide and direct his employees well, he will not delegate authority. It is his fault since he is not well-versed with the function of direction.

### **Non-Acceptance of Delegation**

Another type of difficulties in delegation is if the subordinates do not accept such delegation. This means that they are not able or wanting to accept the responsibilities.

### **Some of the reasons for this can be as follows:**

- There is a lack of self-confidence in some subordinates. This prevents them from taking up the authority delegated to them.
- Another of the difficulties in delegation is that some subordinates are not willing to take up the responsibilities or authority because they are complacent (**OVER-CONFIDENCE**).
- They can also be scared or afraid of making mistakes which could draw attention to them. So they do not take up the delegated authority.
- The subordinates can also be over-worked and are avoiding more burden of work.
- If the subordinates are not provided with favourable working environment he is not likely to participate in delegation.

### **Centralization and Decentralization:**

A simple way to understand if an organization is working in a centralized or decentralized manner is by looking at two important [aspects](#):

1. The place of the decision-making [authority](#) in the hierarchy of the management i.e. Centralized.
2. The degree of decision-making power at the lower level in the organization i.e. Decentralized.



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#### **Advantages of Centralization:**

- The organization can strictly enforce uniformity of procedures and [policies](#).
- It can help in the elimination of overlapping or duplicate activities and save costs.
- The organization has a better chance of utilizing the potential of its outstanding employees.

#### **Advantages of Decentralization:**

- Faster decision-making and better quality of decisions.
- Improves the effectiveness of managers.
- Decentralization improves the level of job satisfaction as well as employee morale, especially amongst the lower level [managers](#).

#### **Importance of Decentralization:**

##### **1. Accelerates Decision Making:**

Since middle and lower-level management is in charge of everyday operations, it accelerates the process of decision making.

##### **2. Improves Leadership Skills:**

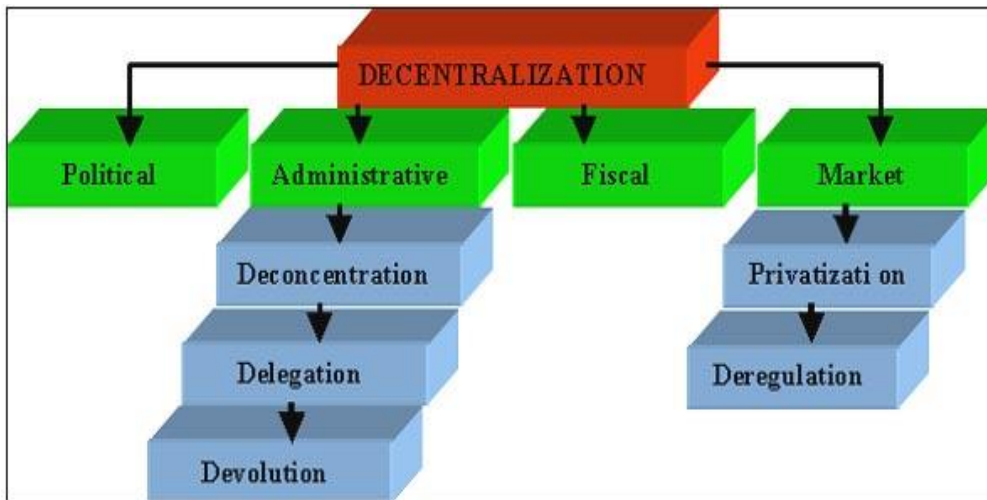
As employees have the freedom to perform tasks individually, wherein, employees can hone their executive skills significantly. As they learn to improve their skills and take responsibility for various tasks, it enhances the overall productivity of the firm.

##### **4. Relief to top level management:**

In the process of decentralisation top level managers are not overburdened with the responsibilities and authority as they systematically pass the authority and responsibilities at different levels and they become free to concentrate on core and important issues.

#### **Types of Decentralization:**

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### 1. Political or democratic decentralization:

- It involves the transfer of administrative, fiscal, and political power through the citizens or their elected representatives
- It gives citizens, or their representatives, more influence in the formulation and implementation of policies through democratization
- This concept implies that the selection of representatives from local electoral jurisdictions that allows citizens to know better their political representatives
- Example: Free election to vote the representative of the country.

### 2. Administrative decentralization:

- It seeks to redistribute authority, responsibility and financial resources among different levels of government
- It has 4 forms.

#### **a) Deconcentration:**

- It is the weakest and inexpensive form of decentralization used frequently in unitary states
- Here different levels of central government redistributes authority, financial and management responsibilities
- It uses administrative means to function properly. Thus it is also called as administrative decentralization
- This form of decentralization is mostly seen in developing countries.

#### **b) Delegation:**





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- It is more extensive form of decentralization with semi-autonomous units.
- Delegation is the transfer of managerial responsibility.
- It is common form of decentralization which involves delegation of authorities and responsibilities.

#### c) Devolution:

- It is an administrative type of decentralization and has the most common understanding of decentralization
- Here the lower level units are legally constituted as separate governance bodies. Such transfer of authority are considered as devolution

#### d) Privatization:

- Privatization refers to the transfer of ownership from the government institutions to the private firms/institutions.
- Privatization is the transfer of governmental function to private ownership.

### 3. Fiscal decentralization

- Financial responsibility is a core component of decentralization.
- Local revenues are expanded through property or sales taxes, or indirect charges.
- General revenues from taxes that are collected by the central government are shifted to local governments for general or specific uses.
- **Example:** Legal authority to impose tax.

### 4. Economic or market decentralization:

- It is the most complete forms of decentralization from a government's perspective
- It includes privatization and deregulation
- Responsibility for functions is shifted from the public to the private sector
- It allows functions that had been primarily or exclusively the responsibility of government to be carried out by businesses, community groups, cooperatives, private voluntary associations, and other non-government organizations
- Example: Electricity or broadcasting provided by various and competing companies.



## What is Leadership?

Leadership is a process by which an executive can direct, guide and influence the behaviour and work of others towards accomplishment of specific goals in a given situation. Leadership is the ability of a manager to induce the subordinates to work with confidence.

**According to Keith Davis**, "Leadership is the ability to persuade others to seek defined objectives enthusiastically. It is the human factor which binds a group together and motivates it towards goals."

## Qualities of a Leader:

Following are the requisites to be present in a good leader:

1. **Physical appearance-** A leader must have a pleasing appearance. Physique and health are very important for a good leader.
2. **Intelligence-** A leader should be intelligent enough to examine problems and difficult situation.
3. **Communicative skills-** A leader must be able to communicate the policies and procedures clearly, precisely and effectively. This can be helpful in persuasion and stimulation.
4. **Knowledge of work-** A leader should be very precisely knowing the nature of work of his subordinates because it is then he can win the trust and confidence of his subordinates.
5. **Self-confidence and will-power-** Confidence in him SELF is important to earn the confidence of the subordinates. He should be trustworthy and should handle the situations with full will power.
6. **Be a good listener:** As a leader, you require to have good listening skills. You are required to be able to understand the issues your team members share with you and try to help to resolve them.
7. **Be disciplined:** Your team members may consider you as your role model, thus you require leading by example. Always try to be on time and well prepared in your meetings, meet project deadlines, always communicate well with your subordinates.

## Leadership Styles - Important Leadership Styles:

The leadership style varies with the kind of people the leader interacts and deals with. A perfect/standard leadership style is one which assists a leader in getting the best out of the people who follow him.

**Some of the important leadership styles are as follows:**



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1. **Autocratic leadership style:** In this style of leadership, a leader has complete command and hold over their employees/team. The team cannot put forward their views even if they are best for the team's or organizational interests. They cannot criticize or question the leader's way of getting things done.

The leader himself/herself gets the things done. The advantage of this style is that it leads to speedy decision-making and greater productivity under leader's supervision. Drawbacks of this leadership style are that it leads to greater employee absenteeism and turnover.

This leadership style works only when the leader is the best in performing or when the job is monotonous, unskilled and routine in nature or where the project is short-term and risky.

2. **The Laissez Faire Leadership Style:** Here, the leader totally trusts their employees/team to perform the job themselves. He just concentrates on the intellectual/rational aspect of his work and does not focus on the management aspect of his work.

The team/employees are welcomed to share their views and provide suggestions which are best for organizational interests. This leadership style works only when the employees are skilled, loyal, experienced and intellectual.

3. **Democrative/Participative leadership style:** The leaders invite and encourage the team members to play an important role in decision-making process, though the ultimate decision-making power rests with the leader.

The leader guides the employees on what to perform and how to perform, while the employees communicate to the leader their experience and the suggestions if any. The advantages of this leadership style are that it leads to satisfied, motivated and more skilled employees. It leads to an optimistic work environment and also encourages creativity. This leadership style has the only drawback that it is time-consuming.

4. **Bureaucratic leadership:** Here the leaders strictly adhere to the organizational rules and policies. Also, they make sure that the employees/team also strictly follows the rules and procedures. Promotions take place on the basis of employees' ability to adhere to organizational rules.

This leadership style gradually develops over time. This leadership style is more suitable when safe work conditions and quality are required. But this leadership style discourages creativity and does not make employees self-contented.

## Functions of Leadership:

### 1. Setting goals

A leader's most important function is to set goals for team members to encourage them to work confidently and enthusiastically. They also then make strategies to achieve those goals. Their motive is to create a roadmap for their



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team members to how to direct them on the right path and help them achieve the set goals.

#### **2. Organising**

A leader's other important function is to organise the group of people into a task which they can perform effectively. They are required to know how to assign the roles to the individuals as per their ability to bring out the best from them.

#### **3. Cooperation among employees**

Leaders have to work to align the interests of the individuals with the organisation. A leader's approach plays a vital role in doing the same.

#### **5. Motivation and direction**

Motivating and showing the right direction to the team or the individual is the primary function of the leader. They require motivating the team members to work towards achieving their goals and guide them when they face difficulties during working in that direction. They also constantly encourage them by appraising their work and supporting them when required.

#### **6. Policy making**

Policy making is a very important function of a leader for the smooth functioning of the work. The policies leaders make include the rules to follow for effective delivery of operations of the work. By creating policies, leaders also devise the mechanism to be followed by all team members to work towards the organisation's goals.

### **REFERENCES:**

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- **BUSINESS STUDIES “ SUBHASH DEY”**
- **<https://in.indeed.com/career-advice/career-development/leadership-roles>**
- **<https://www.publichealthnotes.com/what-is-decentralization-objectives-types-advantages-limitations/>**



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**MCQ-UNIT-3**

1. Which of the following is not a type of organization structure?
  - a) Functional
  - b) Divisional
  - c) Hierarchical
  - d) Circular
  
2. In a functional organization, how are employees grouped?
  - a) By product
  - b) By function or skill
  - c) By geographic location
  - d) By customer segment
  
3. A divisional organization is often based on:
  - a) Functions
  - b) Geography
  - c) Products or services
  - d) Employee hierarchy
  
4. Matrix organization combines which structures?
  - a) Functional and divisional
  - b) Divisional and hierarchical
  - c) Functional and hierarchical
  - d) Circular and divisional
  
5. Which of the following is not a benefit of a matrix organization?
  - a) Enhanced communication
  - b) Efficient resource utilization
  - c) Clear chain of command
  - d) Flexibility and adaptability



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6. What is the primary purpose of delegation of authority?
- To increase workload for managers
  - To transfer accountability and responsibility
  - To create confusion among employees
  - To micromanage tasks
7. Which of the following is a difficulty often faced in delegation?
- Increased efficiency
  - Loss of control
  - Enhanced accountability
  - Improved decision-making
8. Delegation of authority helps in:
- Reducing employee morale
  - Centralizing decision-making
  - Developing employee skills
  - Increasing managerial workload
9. Which of the following statements about delegation is true?
- It reduces managerial efficiency
  - It enhances managerial control
  - It creates a single point of decision-making
  - It decreases employee autonomy
10. Which of the following is NOT a step in the delegation process?
- Assignment of responsibility
  - Supervision without empowerment
  - Granting of authority
  - Creation of accountability
11. In delegation, what does "authority" refer to?
- The right to assign tasks
  - The power to enforce rules
  - The ability to make decisions



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d) The control over employee behavior

12. Which type of authority is based on an individual's position in the organization?

- a) Formal authority
- b) Informal authority
- c) Legal authority
- d) Personal authority

13. The process of delegation involves:

- a) Concentrating decision-making at the top level
- b) Distributing tasks and authority downwards
- c) Micromanaging every aspect of work
- d) Limiting employee autonomy

14. Which of the following is NOT a consequence of ineffective delegation?

- a) Reduced employee development
- b) Increased managerial workload
- c) Enhanced organizational agility
- d) Decreased employee morale

15. What is the purpose of accountability in delegation?

- a) To avoid responsibility
- b) To allocate blame
- c) To ensure task completion
- d) To discourage employee empowerment

16. Which of the following is an advantage of decentralization?

- a) Improved decision-making speed
- b) Reduced employee motivation
- c) Increased bureaucracy
- d) Decreased flexibility

17. Which type of organization structure tends to have the most decentralized authority?





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- a) Functional
- b) Matrix
- c) Divisional
- d) Hierarchical

18. The term "span of control" refers to:

- a) The number of subordinates a manager directly supervises
- b) The authority level of top management
- c) The geographical spread of the organization
- d) The number of divisions within an organization

19. What is the downside of a wide span of control?

- a) Increased communication efficiency
- b) Decreased managerial oversight
- c) Enhanced decision-making agility
- d) Greater managerial workload

20. Which of the following is a characteristic of a mechanistic organization?

- a) Flexibility and adaptability
- b) Centralized decision-making
- c) Emphasis on employee creativity
- d) Flat organizational structure

21. Which organization type is characterized by rigid hierarchy and strict procedures?

- a) Organic
- b) Mechanistic
- c) Matrix
- d) Flat

22. What is the primary focus of a flat organization structure?

- a) Centralized decision-making
- b) Hierarchical control
- c) Clear chain of command
- d) Reduced levels of management



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23. Which type of organization structure fosters innovation and creativity?

- a) Hierarchical
- b) Bureaucratic
- c) Mechanistic
- d) Organic

24. What does a bureaucratic organization prioritize?

- a) Flexibility
- b) Innovation
- c) Rules and procedures
- d) Employee autonomy

25. Which of the following is NOT a characteristic of a bureaucratic organization?

- a) Strict adherence to rules
- b) Decentralized decision-making
- c) Formalized procedures
- d) Clear division of labor

26. Which of the following is a characteristic of a network organization?

- a) Centralized decision-making
- b) Hierarchical structure
- c) Fluid boundaries
- d) Formal rules and procedures

27. What is the primary advantage of a network organization?

- a) Efficiency in resource allocation
- b) Rigidity in decision-making
- c) Clear chain of command
- d) Enhanced control over subsidiaries

28. Which of the following is NOT a type of network organization?

- a) Strategic alliances
- b) Joint ventures



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c) Franchises

d) Functional departments

29. The term "decentralization" refers to:

a) Concentrating decision-making at the top level

b) Distributing decision-making throughout the organization

c) Micromanaging every aspect of work

d) Limiting employee autonomy

30. Which of the following is NOT a potential benefit of decentralization?

a) Faster decision-making

b) Increased innovation

c) Lower managerial workload

d) Improved customer service

31. What does the acronym "CEO" stand for in the context of organizational hierarchy?

a) Chief Executive Officer

b) Chief Experience Officer

c) Centralized Executive Officer

d) Corporate Efficiency Officer

32. The process of reorganizing an organization's structure is known as:

a) Decentralization

b) Centralization

c) Downsizing

d) Restructuring

33. Which of the following is a challenge associated with centralization?

a) Enhanced agility

b) Increased bureaucracy

c) Empowered lower-level employees

d) Improved coordination

34. The term "formalization" refers to:



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- a) The degree of centralization in an organization
- b) The level of flexibility in decision-making
- c) The extent to which rules and procedures are codified
- d) The degree of employee empowerment

35. Which of the following is NOT a benefit of formalization?

- a) Consistency in operations
- b) Increased flexibility
- c) Clear guidelines for employees
- d) Enhanced efficiency

36. Which organizational structure is often characterized by a flat hierarchy and self-managed teams?

- a) Matrix
- b) Divisional
- c) Flat
- d) Hierarchical

37. What is the primary drawback of a flat organizational structure?

- a) Lack of clarity in roles and responsibilities
- b) Slow decision-making
- c) Excessive bureaucracy
- d) Reduced employee autonomy

38. The process of breaking down larger tasks into smaller, more manageable parts is known as:

- a) Centralization
- b) Decentralization
- c) Division of labor
- d) Employee empowerment

39. What is the primary objective of division of labor?

- a) To increase employee autonomy
- b) To enhance employee satisfaction
- c) To improve efficiency and productivity



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d) To decrease specialization

40. Which of the following is NOT a potential consequence of excessive division of labor?

- a) Increased efficiency
- b) Reduced job satisfaction
- c) Decreased innovation
- d) Enhanced specialization

41. A company that operates with a focus on continuous improvement and customer satisfaction is likely following:

- a) Total Quality Management (TQM)
- b) Lean manufacturing principles
- c) Six Sigma methodologies
- d) Agile project management

42. What is the primary goal of Total Quality Management (TQM)?

- a) Maximizing profits
- b) Minimizing employee satisfaction
- c) Continuous improvement
- d) Centralized decision-making

43. Which of the following is a characteristic of a learning organization?

- a) Fixed mindset among employees
- b) Resistance to change
- c) Emphasis on knowledge sharing
- d) Strict hierarchy

44. The process of empowering employees with the skills, resources, and authority to make decisions is known as:

- a) Decentralization
- b) Centralization
- c) Employee engagement
- d) Employee empowerment



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45. Which of the following is NOT a benefit of employee empowerment?
- a) Increased job satisfaction
  - b) Reduced innovation
  - c) Faster decision-making
  - d) Improved employee morale
46. Which of the following is an example of a mechanistic organization?
- a) Google
  - b) Toyota
  - c) McDonald's
  - d) Pixar
47. What is the primary focus of a mechanistic organization?
- a) Innovation and creativity
  - b) Employee autonomy
  - c) Efficiency and stability
  - d) Flat organizational structure
48. Which of the following is a characteristic of a bureaucratic organization?
- a) Flexibility and adaptability
  - b) Emphasis on employee creativity
  - c) Formalized procedures
  - d) Reduced hierarchy
49. Which of the following is a potential disadvantage of a bureaucratic organization?
- a) Enhanced decision-making speed
  - b) Increased red tape
  - c) Reduced uniformity in operations
  - d) Greater employee autonomy
50. What does the acronym "MBO" stand for in the context of management?
- a) Management By Objectives
  - b) Maximum Business Output
  - c) Minimal Bureaucratic Overhead



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d) Method of Business Optimization

51. What does "decentralization" refer to in organizational context?

- a) Concentrating decision-making at the top level
- b) Distributing decision-making throughout the organization
- c) Micromanaging every aspect of work
- d) Limiting employee autonomy

52. Which of the following is NOT a potential benefit of decentralization?

- a) Faster decision-making
- b) Increased innovation
- c) Lower managerial workload
- d) Enhanced control over operations

53. Staffing in organizations primarily involves:

- a) Purchasing office supplies
- b) Recruiting, selecting, and training employees
- c) Managing financial resources
- d) Setting strategic objectives

54. The staffing process begins with:

- a) Performance appraisal
- b) Employee termination
- c) Workforce planning
- d) Employee orientation

55. Which of the following is NOT a step in the staffing process?

- a) Training and development
- b) Compensation and benefits
- c) Performance evaluation
- d) Conflict resolution

56. The purpose of workforce planning is to:

- a) Identify training needs





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- b) Forecast future staffing requirements
- c) Evaluate employee performance
- d) Determine salary levels

57. Which of the following is a characteristic of strategic staffing?

- a) Reactive approach to hiring
- b) Short-term focus
- c) Alignment with organizational goals
- d) Ad hoc recruitment processes

58. The term "recruitment" refers to:

- a) Training new employees
- b) Terminating employees
- c) Attracting qualified candidates to job vacancies
- d) Conducting performance appraisals

59. What is the primary goal of recruitment?

- a) Employee retention
- b) Hiring the most qualified candidates
- c) Reducing workforce diversity
- d) Minimizing training costs

60. Which of the following is NOT a potential source of recruitment?

- a) Internal promotions
- b) Employee referrals
- c) Job fairs
- d) Outsourcing to competitors

61. The process of evaluating job applications to determine the most suitable candidates is known as:

- a) Orientation
- b) Selection
- c) Training
- d) Performance appraisal



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62. Which of the following is NOT a common selection method?
- a) Interviews
  - b) Assessment centers
  - c) Personality tests
  - d) Payroll processing
63. The purpose of an assessment center is to:
- a) Provide employee benefits
  - b) Evaluate candidates' skills and abilities
  - c) Conduct performance evaluations
  - d) Manage employee conflicts
64. Which of the following is a key consideration in the onboarding process?
- a) Employee termination
  - b) Employee orientation
  - c) Employee discipline
  - d) Employee motivation
65. The term "onboarding" refers to:
- a) Training new employees
  - b) Offboarding departing employees
  - c) Acclimating new employees to the organization
  - d) Evaluating employee performance
66. What is the primary role of a leader in an organization?
- a) Micromanaging tasks
  - b) Setting strategic direction
  - c) Avoiding decision-making
  - d) Minimizing employee empowerment
67. Leadership styles refer to:
- a) The physical appearance of leaders
  - b) The behavior and approach of leaders in guiding and motivating their team
  - c) The number of employees reporting to a leader



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d) The organizational structure of leadership

68. Which leadership style involves making decisions without consulting team members?

- a) Autocratic
- b) Democratic
- c) Laissez-faire
- d) Transactional

69. A leader who encourages open communication and collaboration among team members is employing which style?

- a) Autocratic
- b) Democratic
- c) Transformational
- d) Transactional

70. Which leadership style focuses on giving employees autonomy to make decisions?

- a) Autocratic
- b) Democratic
- c) Laissez-faire
- d) Transactional

71. A leader who motivates and inspires their team by articulating a compelling vision is demonstrating:

- a) Autocratic leadership
- b) Democratic leadership
- c) Transformational leadership
- d) Transactional leadership

72. Emotional intelligence is essential for effective leadership because it involves:

- a) Relying solely on logical reasoning
- b) Understanding and managing one's own emotions and those of others
- c) Ignoring the feelings of team members
- d) Avoiding empathy and compassion



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73. Which of the following is NOT a quality of a good leader?

- a) Integrity
- b) Arrogance
- c) Empathy
- d) Vision

74. A leader who can adapt their leadership style to suit different situations is said to have:

- a) Fixed leadership style
- b) Situational leadership
- c) Transformational leadership
- d) Transactional leadership

75. Which of the following is a function of a leader?

- a) Avoiding decision-making
- b) Minimizing employee empowerment
- c) Providing direction and guidance
- d) Promoting conflict within the team

76. What is a primary advantage of decentralization in organizations?

- a) Slower decision-making processes
- b) Enhanced coordination among departments
- c) Increased bureaucracy
- d) Improved responsiveness to local needs

77. Staffing primarily involves which of the following activities?

- a) Managing financial resources
- b) Recruiting, selecting, and training employees
- c) Procuring office supplies
- d) Implementing marketing strategies

78. Workforce planning is focused on:

- a) Identifying current staffing needs
- b) Forecasting future staffing requirements



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- c) Conducting performance evaluations
- d) Managing employee benefits

79. Recruitment refers to the process of:

- a) Firing employees
- b) Training new employees
- c) Attracting qualified candidates to job vacancies
- d) Evaluating employee performance

80. Leadership styles primarily refer to:

- a) The physical appearance of leaders
- b) The behaviors and approaches leaders use to influence their team
- c) The number of employees reporting to a leader
- d) The organizational structure of leadership positions

81. Which leadership style involves making decisions without consulting team members?

- a) Autocratic
- b) Democratic
- c) Laissez-faire
- d) Transactional

82. A leader who encourages open communication and collaboration among team members is demonstrating which style?

- a) Autocratic
- b) Democratic
- c) Transformational
- d) Transactional

83. Emotional intelligence is essential for effective leadership because it involves:

- a) Ignoring the feelings of team members
- b) Relying solely on logical reasoning
- c) Understanding and managing one's own emotions and those of others
- d) Avoiding empathy and compassion



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84. Which of the following is NOT a quality of a good leader?

- a) Integrity
- b) Arrogance
- c) Empathy
- d) Vision

85. A leader who can adapt their leadership style to suit different situations is said to have:

- a) Fixed leadership style
- b) Situational leadership
- c) Transformational leadership
- d) Transactional leadership

86. Which of the following is a function of a leader?

- a) Avoiding decision-making
- b) Minimizing employee empowerment
- c) Providing direction and guidance
- d) Promoting conflict within the team

87. What is the primary role of a leader in an organization?

- a) Minimizing employee empowerment
- b) Setting strategic direction
- c) Avoiding decision-making
- d) Micromanaging tasks

88. A leader who motivates and inspires their team by articulating a compelling vision is demonstrating:

- a) Autocratic leadership
- b) Democratic leadership
- c) Transformational leadership
- d) Transactional leadership

89. Which leadership style focuses on giving employees autonomy to make decisions?



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- a) Autocratic
- b) Democratic
- c) Laissez-faire
- d) Transactional

90. Which of the following is a potential disadvantage of decentralization?

- a) Enhanced flexibility
- b) Slower decision-making
- c) Reduced bureaucracy
- d) Improved coordination

91. The primary purpose of workforce planning is to:

- a) Hire employees based on gut feeling
- b) Identify current staffing needs
- c) Forecast future staffing requirements
- d) Outsource recruitment processes

92. Which of the following is NOT a common selection method in the staffing process?

- a) Interviews
- b) Assessment centers
- c) Payroll processing
- d) Personality tests

93. A leader who focuses on enforcing rules and ensuring compliance with procedures is likely employing which leadership style?

- a) Autocratic
- b) Transformational
- c) Laissez-faire
- d) Democratic

94. The ability to inspire and motivate others is a characteristic of:

- a) Transactional leadership
- b) Laissez-faire leadership
- c) Transformational leadership





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d) Autocratic leadership

95. Which of the following is NOT a function of a leader?

- a) Providing feedback
- b) Minimizing communication
- c) Setting goals and objectives
- d) Resolving conflicts

96. A leader who leads by example and encourages teamwork is demonstrating:

- a) Autocratic leadership
- b) Democratic leadership
- c) Transactional leadership
- d) Transformational leadership

97. What is the primary focus of laissez-faire leadership?

- a) Providing clear direction and guidance
- b) Enforcing strict rules and procedures
- c) Giving employees autonomy and freedom
- d) Maintaining centralized decision-making

98. Which leadership style emphasizes rewards and punishments to motivate employees?

- a) Laissez-faire
- b) Transformational
- c) Transactional
- d) Democratic

99. A leader who listens to input from team members and considers their perspectives is demonstrating:

- a) Autocratic leadership
- b) Laissez-faire leadership
- c) Democratic leadership
- d) Transactional leadership



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Answers:

1. d) Circular
2. b) By function or skill
3. c) Products or services
4. a) Functional and divisional
5. c) Clear chain of command
6. b) To transfer accountability and responsibility
7. b) Loss of control
8. c) Developing employee skills
9. b) It enhances managerial control
10. b) Supervision without empowerment
11. c) The ability to make decisions
12. a) Formal authority
13. b) Distributing tasks and authority downwards
14. c) Enhanced organizational agility
15. c) To ensure task completion
16. a) Improved decision-making speed
17. c) Divisional
18. a) The number of subordinates a manager directly supervises
19. b) Decreased managerial oversight
20. b) Centralized decision-making
21. b) Mechanistic
22. d) Reduced levels of management
23. d) Organic
24. c) Rules and procedures
25. b) Decentralized decision-making
26. c) Fluid boundaries
27. a) Efficiency in resource allocation
28. d) Functional departments
29. b) Distributing decision-making throughout the organization
30. c) Lower managerial workload
31. a) Chief Executive Officer
32. d) Restructuring



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- 33. b) Increased bureaucracy
- 34. c) The extent to which rules and procedures are codified
- 35. b) Increased flexibility
- 36. c) Flat
- 37. a) Lack of clarity in roles and responsibilities
- 38. c) Division of labor
- 39. c) To improve efficiency and productivity
- 40. a) Increased efficiency
- 41. a) Total Quality Management (TQM)
- 42. c) Continuous improvement
- 43. c) Emphasis on knowledge sharing
- 44. d) Employee empowerment
- 45. b) Reduced innovation
- 46. c) McDonald's
- 47. c) Efficiency and stability
- 48. c) Formalized procedures
- 49. b) Increased red tape
- 50. a) Management By Objectives
- 51. b) Distributing decision-making throughout the organization
- 52. d) Enhanced control over operations
- 53. b) Recruiting, selecting, and training employees
- 54. c) Workforce planning
- 55. d) Conflict resolution
- 56. b) Forecast future staffing requirements
- 57. c) Alignment with organizational goals
- 58. c) Attracting qualified candidates to job vacancies
- 59. b) Hiring the most qualified candidates
- 60. d) Outsourcing to competitors
- 61. b) Selection
- 62. d) Payroll processing
- 63. b) Evaluate candidates' skills and abilities
- 64. b) Employee orientation
- 65. c) Acclimating new employees to the organization
- 66. b) Setting strategic direction



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67. b) The behavior and approach of leaders in guiding and motivating their team

68. a) Autocratic

69. b) Democratic

70. c) Laissez-faire

71. c) Transformational leadership

72. b) Understanding and managing one's own emotions and those of others

73. b) Arrogance

74. b) Situational leadership

75. c) Providing direction and guidance

76. d) Improved responsiveness to local needs

77. b) Recruiting, selecting, and training employees

78. b) Forecasting future staffing requirements

79. c) Attracting qualified candidates to job vacancies

80. b) The behaviors and approaches leaders use to influence their team

81. a) Autocratic

82. b) Democratic

83. c) Understanding and managing one's own emotions and those of others

84. b) Arrogance

85. b) Situational leadership

86. c) Providing direction and guidance

87. b) Setting strategic direction

88. c) Transformational leadership

89. c) Laissez-faire

90. b) Slower decision-making

91. c) Forecast future staffing requirements

92. c) Payroll processing

93. a) Autocratic

94. c) Transformational leadership

95. b) Minimizing communication

96. d) Transformational leadership

97. c) Giving employees autonomy and freedom

98. c) Transactional

99. c) Democratic leadership



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