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ORGANISATION STRUCTURE TYPES OF ORGANISATION STRUCTURE

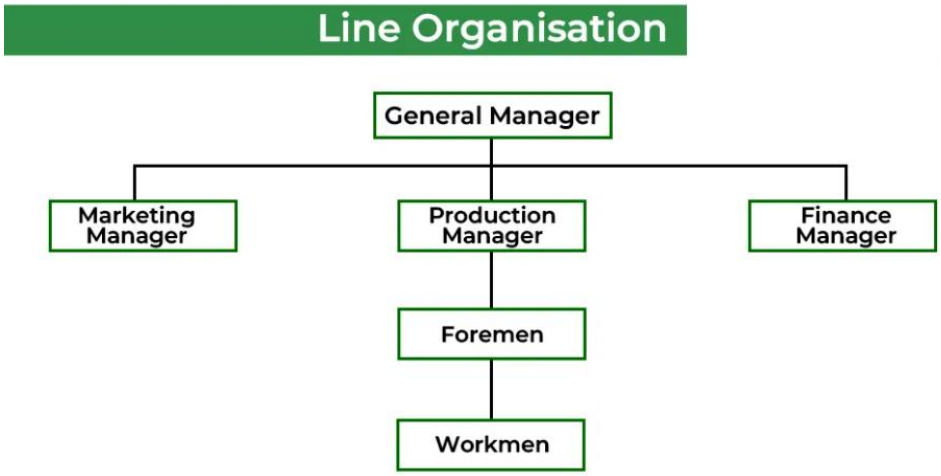
Organisation structure refers to the way in which a company or organisation arranges its people, departments, and responsibilities. It shows who does what, who reports to whom, and how work and communication flow within the organisation.

Types of Organisation Structure



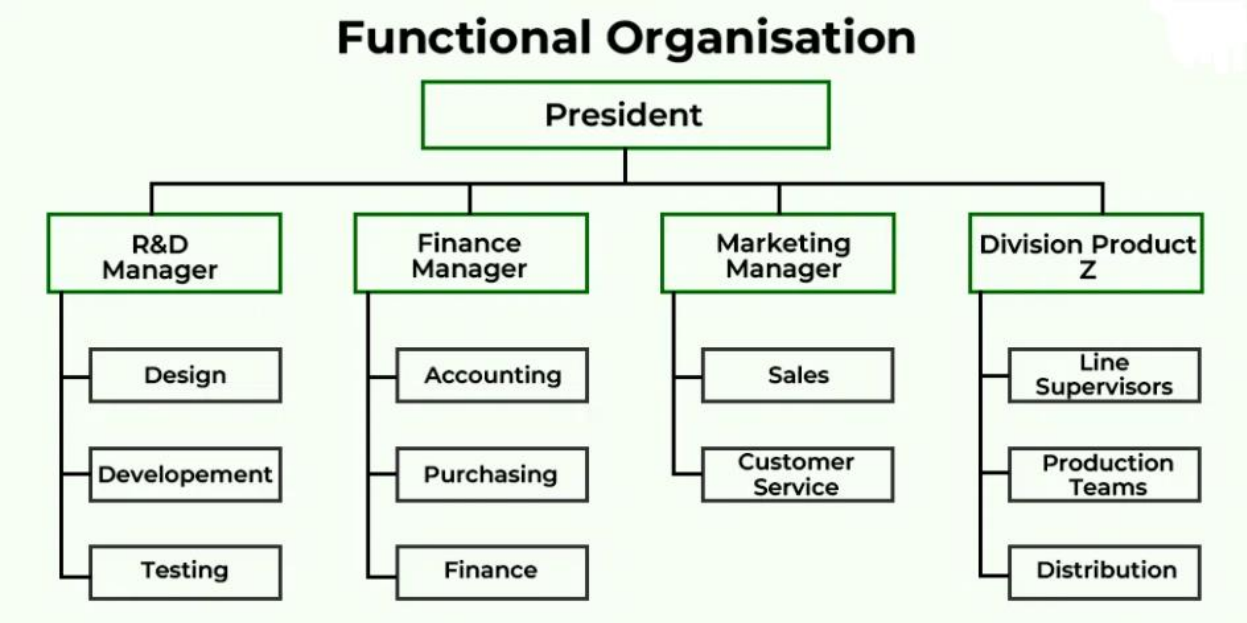
Here are brief explanations of some common types of organisational structures.

Line Organisation



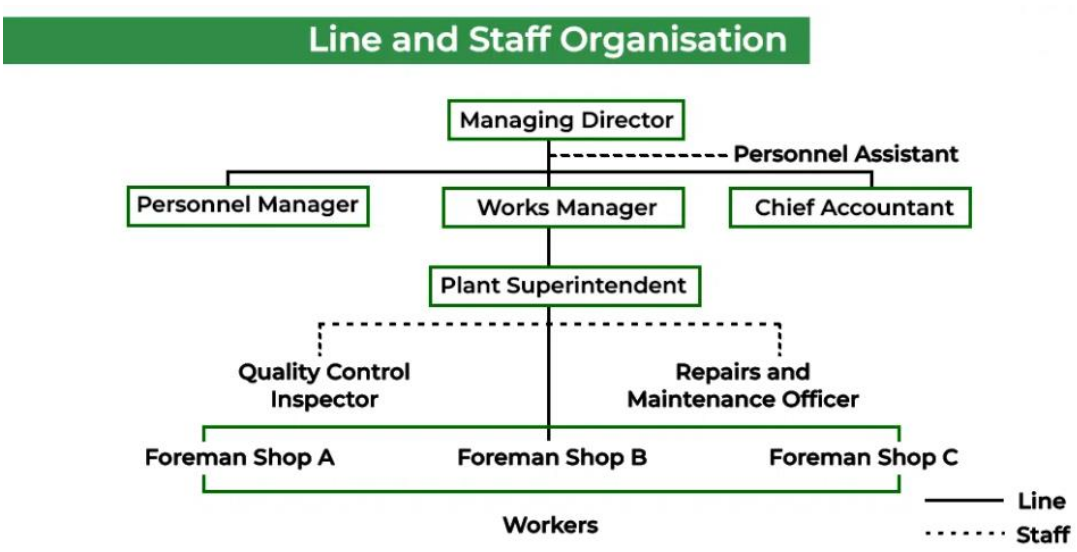
Line organisation, also known as a scalar or military organisation, is the simplest and oldest form of organisational structure. It is characterised by a clear and direct chain of command, where authority flows vertically from top to bottom. Each employee has a single supervisor to whom they report, creating a clear line of responsibility and accountability. Decision-making is typically centralised at the top of the hierarchy, with limited delegation. This structure is suitable for small organisations with a straightforward hierarchy, where decision-making needs to be efficient and communication is direct. However, it can lead to delays in decision-making as all decisions must pass through the hierarchy, and communication can be limited to the immediate supervisor. No staff specialists are available in line organisation and all the persons at the same level are independent of each other.

Functional Organisation



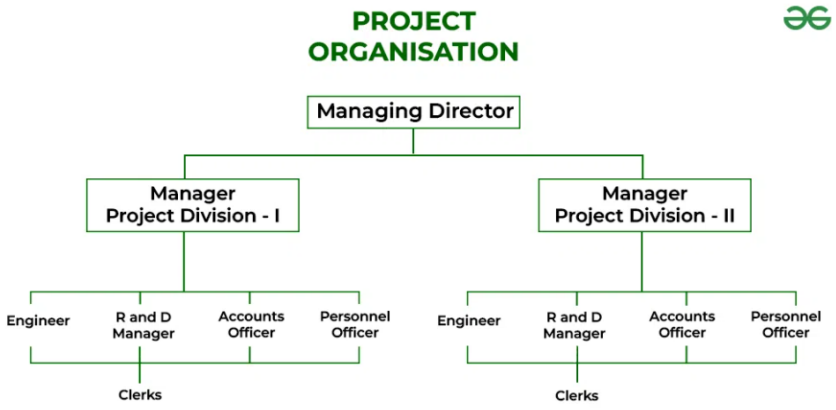
Functional organisation is a common structure where departments are organised based on specialised functions or tasks. For example, there might be separate departments for marketing, finance, operations, human resources, and so on. Each department is headed by a functional manager who has expertise in that particular area. This structure allows for the efficient utilisation of specialised skills and knowledge, as employees within each department can focus on their areas of expertise. It also enables clear career paths within each function. Specialists operate here with considerable independence. However, functional organisations can create silos, where departments become inwardly focused, and communication and collaboration between departments may be limited. Coordination across functions can also be challenging.

Line and Staff Organisation



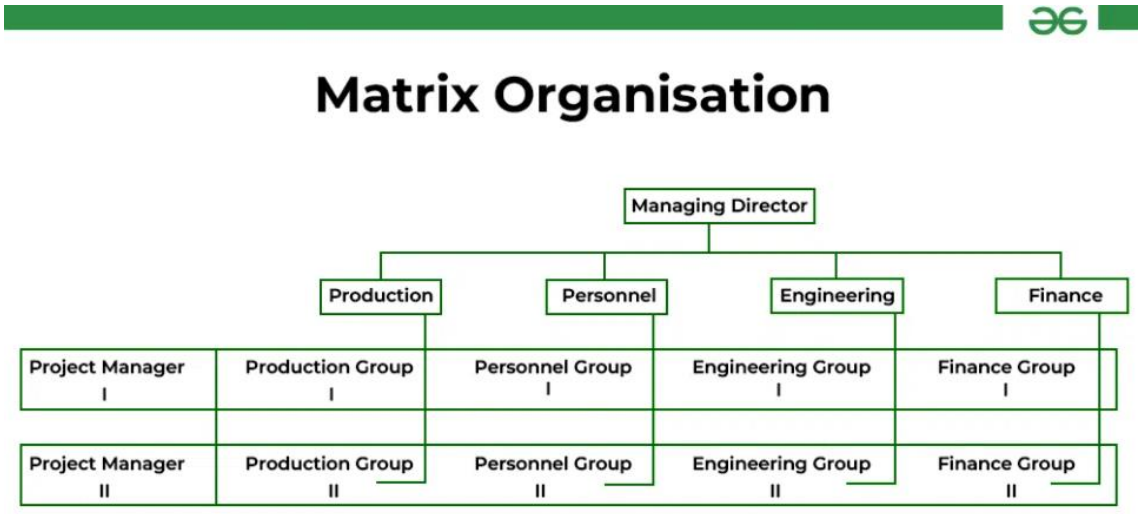
In a line and staff organisation structure, line positions focus on core operations, while staff positions provide specialised support and guidance. Staff roles, like human resources or legal, offer expertise and advice to line managers. This structure balances operational responsibilities with specialised support, enabling better decision-making and problem-solving. Specialists in such organisations have advisory nature as they do not have the power of command over subordinates in other departments. However, clarifying roles and coordination between line and staff functions is important to avoid conflicts. This can also lead to confusion and can be quite expensive for small firms.

Project Organisation



A project organisation is a temporary structure formed specifically for a particular project or initiative. It is characterised by a project team that is assembled to achieve specific goals within a defined timeframe. The project team is led by a project manager who has authority over team members and resources. This structure allows for a dedicated and focused approach to project management, with team members working together to accomplish project objectives. It facilitates effective coordination, communication, and collaboration within the project team. Once the project is completed, the team is disbanded. Project organisation is particularly useful when organisations need to manage complex, time-limited projects that require cross-functional collaboration and a dedicated team focus. In a Project organisation, unity of command is followed.

Matrix Organisation

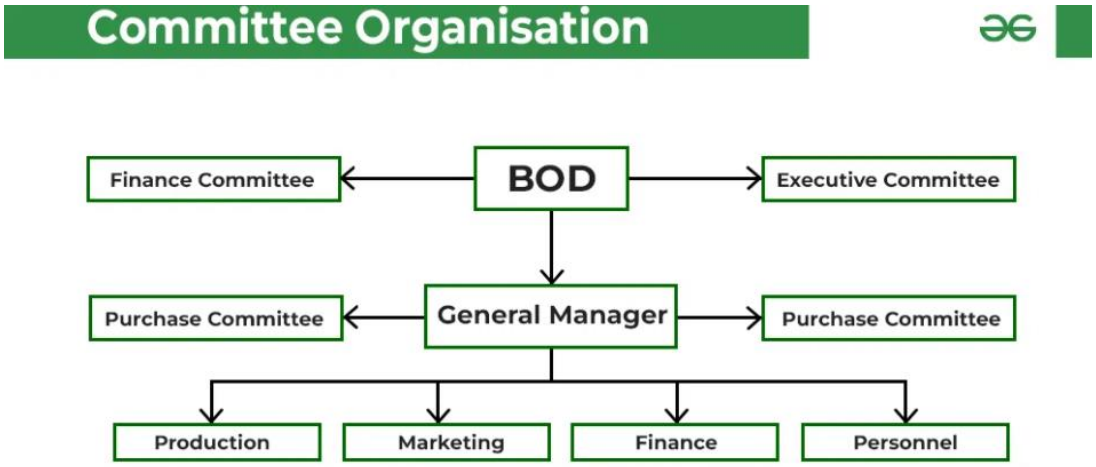


A hybrid grid structure wherein pure project organisation is superimposed on a functional structure is known as Matrix Organisation. It combines elements of both functional and project structures. It involves dual reporting lines, where employees have both a functional manager and a project manager. The functional manager oversees employees' functional responsibilities, while the project manager manages their involvement in specific projects.

This structure allows for flexible resource allocation, as employees can be assigned to different projects based on their skills and availability. There is always a permanent functional setup and temporary cross-functional teams are created to handle short-term projects, which are infrequent in nature.

It also promotes effective sharing of expertise and knowledge across projects and functional areas. Communication is typically multi-directional, as employees interact with both their functional and project managers. However, a matrix organisation can be complex to manage, as employees have multiple reporting relationships, and conflicts can arise due to competing priorities and demands from different managers.

Committee Organisation



The committee organisation structure distributes decision-making and authority across committees or groups. These committees are formed to address specific areas or functions within the organisation, bringing together individuals from different departments and levels. Decisions are made collectively through discussions and consensus-building, ensuring diverse perspectives and expertise are considered. The scope of its activities is limited and it cannot handle problems assigned to it. According to Allen," A committee is a

body of persons appointed or elected to meet on an organised basis for the consideration of matters brought before it." Committee organisation promotes collaboration and participation in decision-making processes. It gives secure viewpoints and consultations of various persons in the organisation.