Principles of Supervision MGT 2220
Chapter 7
Organizing & Authority

You have to make sure you have created an organization that is able to operate with or without you.

- Carley Roney, Co-founder, The Knot. (Wedding Planning)

Organizing = Setting up the group, allocating resources, and assigning work to achieve goals.

The Structure of the Organization
The most fundamental and far reaching organizational decisions involve the structure of the organization.

Organization Charts
- The boxes represent various positions and departments within the organization.
- Lines connecting the boxes indicate who reports to whom.
- The positions at the top have the most authority and responsibility.
- Top managers are authorized to direct the work of middle managers and have the responsibility for their performance.
- Some charts only show a portion of the organization.
- Understanding the charts enables the supervisor where they fit in and where the opportunities for promotion might lie.
- Knowing where you fit in determines how their group contributes to the organizational goals.

Types of Structures
- Department refers to a unique group of resources that management has assigned to carry out a particular task.
- Departmentalization is setting up departments in an organization.
- **Functional Structure** groups personnel and other resources according to the types of work they carry out.
- **Product Structure** assigns resources to departments responsible for all activities related to producing a particular product or service.
- **Geographic Structure** results when an organization is departmentalized according to the location of the customers served or goods produced.
- **Customer Structure** departmentalizes the organization according to the type of customer served.
- **Combinations** occur when the organization forms teams of employees to meet objectives.
New Organizational Structures

1) **Organic.** Organizational structure in which the boundaries between jobs continually shift and people pitch in wherever their contributions are needed.

2) **Network.** Organizations that maintain flexibility by staying small and contracting with other individuals and organizations as needed to complete projects.
   - Firms are creating “intrapreneurships” in which a small group of employees are given the resources to develop new ideas and new ventures without leaving the parent organization.
   - “Virtual organizations” have a small core of employees arrange alliances as needed to carry out particular projects. Improve efficiency and quality without long term commitments.

**Authority**
- The right to perform a task or give orders to someone else.
- The supervisor has authority in certain areas and his/her manager has even broader authority.

**Line Authority**
- Basic type of authority.
- The right to carry out tasks and give orders related the organization’s primary purpose.

**Staff Authority**
- The right to advise or assist those with authority.
- Line personnel may feel that staff workers are meddling.
- Staff may feel that line personnel are resisting new ideas.
- The supervisor must be aware these conflicts will take place and understand the view of each side.

**Functional Authority**
- The right given by higher management to specific staff personnel to give orders concerning an area in which the staff personnel have expertise.

**Centralized & Decentralized Authority**
- Centralized = Managers at the top have a great deal of authority.
- Organizations that share relatively little authority are said to be centralized.
- No organization is completely one way or the other.
- The basic strategy is to identify which tasks are repetitive and can be handled by a set of procedures.
- Other tasks that require planning may be assigned to a group of employees to use their expertise and create a process.
Power
- The ability to get others to act in a certain way.
- A supervisor’s authority usually confers a degree of power.
- Some people gain power from sources other than their positions.
- Some people with authority have difficulty getting others to act in a certain way.

Responsibility
- The obligation to perform assigned activities.
- Supervisors should be committed to completing their assignment to the best of their ability.
- Supervisors’ most difficult task is to ensure that people have accepted responsibility for each of their tasks.
- The supervisor must also ensure that people have enough authority to carry out their responsibilities.
- The authority to transfer/delegate responsibility to employees and hold them accountable adds to a supervisors’ power.

The Process of Organizing
1) Organizing efforts are generally focused on allocating resources and responsibilities in a way that makes the department work in an efficient and effective way.
2) The objective should be defined, determine the resources needed, and then group activities and assign duties.

Principles of Organizing
1) **Parity Principle.** Personnel who are given responsibility must also be given enough authority to carry out that responsibility.
2) **Unity of Command.** Each employee’s should have only one supervisor. If not employees get confused and aggravated which results in poor work.
3) **Chain of Command.** The flow of authority in an organization from one level management to the next.
4) **Span of Control.** The number of employees a manager supervises. The number depends on several factors:
   - **Similarity** of functions.
   - **Geographic** closeness.
   - **Complexity and change.** Frequent change can make a job seem more difficult.
   - **Coordination.** A great deal of time coordinating the work will require a smaller span of control.
   - **Planning.** The less time needed for planning the greater the span.
   - **Availability of staff support.** The more access to specialists, the larger the span of control.
   - **Performance standards.** If objectives are clear and employees understand them, the span of control can be larger.
Delegating Authority & Responsibility

Delegating is giving another the authority and responsibility to carry out a task.

- A supervisor’s performance is evaluated based on the performance of the entire department.
- The supervisor will look best when they draw on the expertise of their employees.
- The best way to expand personal authority is to delegate as much responsibility as possible.
- Hoarding authority tends to diminish your status and importance.
- Delegation allows more time for a supervisor to do the jobs only a supervisor can do.
- Delegation of work gives the employees a chance to develop their skills and their value to the organization.
- It can make work more interesting for an employee.
- Those who find their work more interesting, tend to provide higher quality efforts.

Empowerment

- Delegation of broad decision making authority and responsibility.
- It is expected that employees will provide more insight and expertise than managers can provide alone.
- This will make employees more committed to doing their best.

The Process of Delegating

1) Decide what work to delegate.
   - A task in which the employee knows how to do better than the supervisor.
   - Simple tasks that an employee can easily handle.
   - Tasks performed regularly are good candidates for delegation.
   - Should not delegate personnel matters or supervisor specific tasks.

2) Assign the work.
   - Select the employees to carry out the work.
   - May be based on who is available or best qualified.
   - Must weigh personalities involved, safety and compliance with work rules that may apply.
   - Match assignments to employee’s desires or skills or who show potential.
   - This decision can be complex so the supervisor must set their priorities.
   - Communicate to the employee what must be done and provide a timeframe for monitoring and completion.

3) Create an Obligation
   - Must be sure the employee accepts the responsibility of the task.
   - Encourage employees by getting them involved in the decision making process and listening to do their ideas.
   - The supervisor never gives up their responsibility by delegating.
➢ The supervisor ensures the work is done by monitoring through the control process.

4) Grant Authority
   ➢ Must give employees the authority to do the job.
   ➢ In addition to the job responsibility, the employee must also have the authority to gather resources needed.

5) Follow Up
   ➢ It should be clear that the supervisor is available for guidance.
   ➢ Should develop a plan to periodically check on the progress of the work.
   ➢ Additional information may be needed as the work evolves.
   ➢ Praise may be needed for the work done so far.
   ➢ Allow time for to learn and expect some disappointments.

Reluctance to Delegate

1) Some supervisor’s feel performance will suffer if they do not keep close tabs on employees.
2) Some are convinced that they can do a better job than their employee.
3) Observing an employee making a mistake can be difficult, especially of the supervisor will be held responsible.
4) These risks cause a supervisor to fear delegation.
5) Supervisors get to this position based on their own success. Once there, they must shift letting others create their success.
6) Sometimes, employee skill levels are low. The supervisor must find ways to bring skills levels into line with the organization.
7) Sometimes a supervisor is more comfortable being an expert at the employees work than struggling with the supervisory responsibilities.

Homework
Page 195 & 6 Problem Solving Case: Is Thor Industries Organized for Growth?
Answer all three questions.