Chapter

9 The Principles of Organizing

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After studying this chapter, you will be able to:

1. Describe the organizing function of management.
2. Discuss the impact of the informal organization and informal group leaders and how supervisors should deal with them.
3. Explain the unity-of-command and the span-of-management principles and their applications.
4. Justify why a supervisor should strive for the "ideal" organizational structure and work toward this objective.
5. Compare and contrast departmentalization and alternative approaches for grouping activities and assigning work.
6. Assess the implications of downsizing for restructuring and suggest alternatives.
7. List the major factors contributing to organizing effective meetings, especially the supervisor's role.
8. Appraise the importance of self-organization, that is, effective use of your time and talents.

YOU MAKE THE CALL!

Tom Hayes was recently appointed as plant manager of Waldo Electronics by the principal owner and president, Bill Sanders. Tom had worked for more than 20 years in various engineering and managerial positions at the company. The core values of Waldo can be summed up as follows:

- Make a profit
- Do the job right the first time
- Come up with and try new ideas
- Respect others
- Service to customers
- Be fair to all stakeholders
- Tell the truth
- Look for ways to cut costs

In reviewing all of Waldo's operations, Tom ascertained that the following were among the firm's major policies and approaches:

1. All employees are paid salaries instead of hourly wages.
2. Machine operators inspected their own output, made work rules, and participated in the decision-making process.
3. After initial training, a machine operator was trusted to know what needed to be done and then do it with limited direction.
4. Every job was stressed as being important.

Tom was grateful that his predecessor George Dean had left the business in good shape. Tom knew that there would be many areas that would need his attention and that there would be some challenges to address and opportunities to improve upon what had previously existed.

Tom spent his first week wandering around the organization. He met with all 110 employees, first in small groups and then each one individually. In the individual meeting, he gave each employee a piece of paper on which there were two questions: (1) What can I do to help you do a better job? (2) What should we be doing as an organization to get more customers and improve our bottom line?

Before he analyzed the employees' answers to the questions he wondered whether there was something else he could have done during his first week on the job.

The above scenario presents a supervisory situation based on real events to be used for educational purposes. The identities of some or all individuals, organizations, industries, and locations, as well as financial and other information may have been disguised to protect individual privacy and proprietary information. Fictional details may have been added to improve readability and interest.

YOU MAKE THE CALL!

Organizing as an Essential Managerial Function

1 Describe the organizing function of management.

It's a new era, and the economy appears to be a bit rocky. Organizations have been looking for ways to increase their efficiency by making adjustments to the way they do business. For many, this has meant the elimination of jobs and the restructuring of those that remain. The challenge for many managers has become that of how to organize so that they can do more with less.

As one of the five major functions of management, organizing requires every manager to be concerned with building, developing, and maintaining working relationships that will help the organization achieve its objectives. Although organizations may have varied objectives and may operate in many kinds of environments, the fundamental principles of organizing are universal.

A manager's organizing function consists of designing a structure for grouping activities and assigning them to specific work units (e.g., departments, teams). Organizing includes establishing formal authority and responsibility relationships among activities and departments. To make such a structure possible, management must delegate authority throughout the organization and establish and clarify authority relationships among departments. We use the term **organization** to refer to any group structured by management to carry out designated functions and accomplish certain objectives.

Organization
Group structured by management to carry out designated functions and accomplish certain objectives

Management should design the structure and establish authority relationships based on sound principles and organizational concepts, such as unity of command, span of supervision, division of work, and departmentalization. In Chapter 2, we briefly discussed managerial authority and the process of delegation. In Chapter 5, we expanded on those concepts, which reflect how management establishes authority and responsibility relationships in organizational structures.

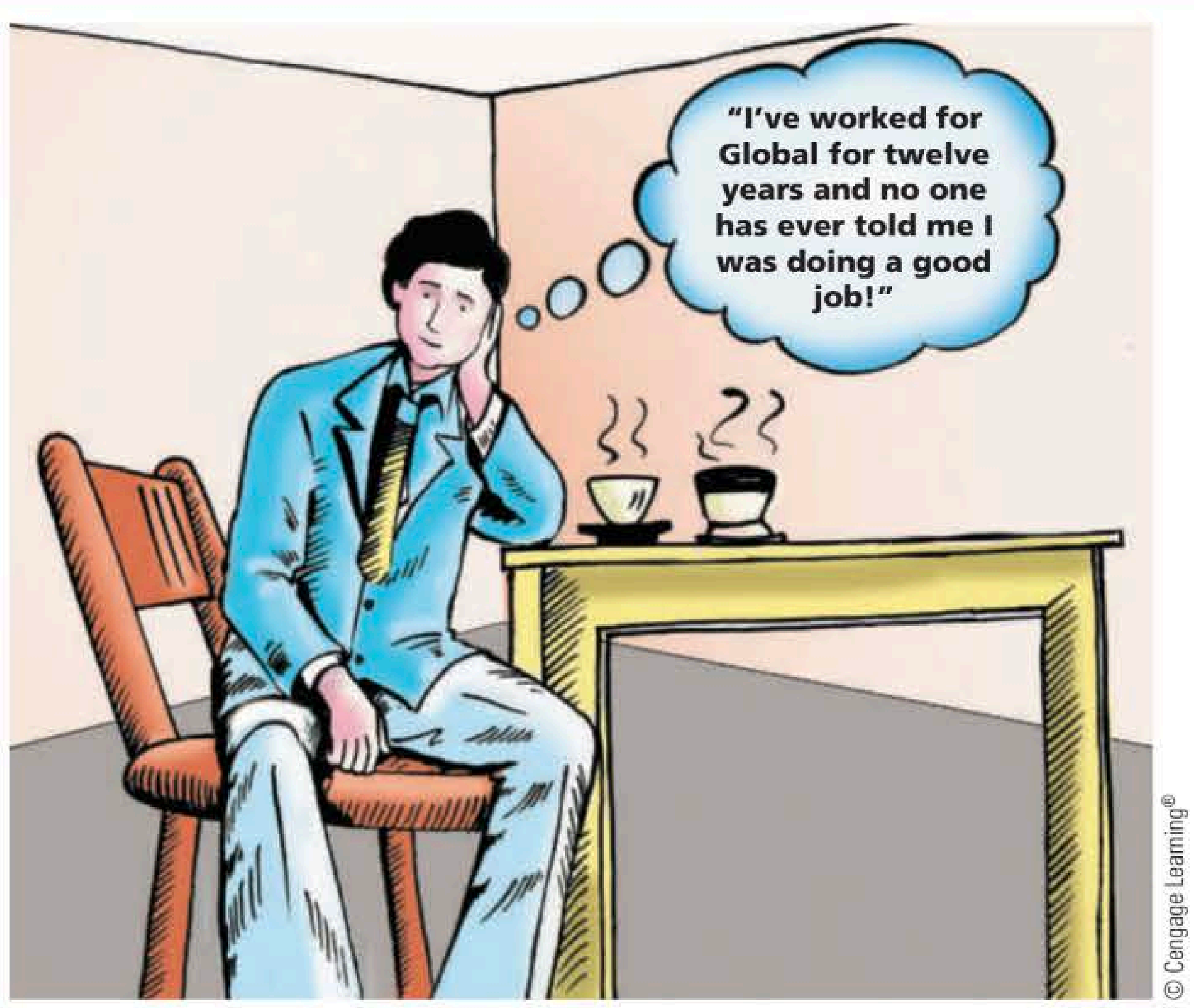
Although organizing the overall activities of the enterprise is initially the responsibility of the chief executive, it eventually becomes the responsibility of supervisors. Therefore, supervisors must understand what it means to organize. Although the range and magnitude of problems associated with the organizing function are broader at higher managerial levels than for supervisors, the principles are the same.

ORGANIZATIONS ARE PEOPLE

Engagement
The level of emotional commitment the employee has to the organization and its goals

Throughout this chapter's discussions of the concepts and principles of organizing, it should not be forgotten that people are the substance and essence of any organization, regardless of how the enterprise is structured. Managers and supervisors may become so preoccupied with developing and monitoring the formal structure that they neglect the far more important aspects of relationships with and among their employees, which affect the workers and the workplace. For example, in its most recent Global Workforce Study of over 32,000 workers worldwide, Towers Watson found that just over a third (35%) of workers have a high level of **engagement** with their workplace,[1] which author Kevin Kruse defines as "the level of emotional commitment the employee has to the organization and its goals,"[2] and, moving down on the scale, 22 percent feel unsupported, 17 percent feel detached, and 26 percent feel disengaged. Engagement,

FIGURE 9.1 Disgruntled workers can easily broadcast their unhappiness throughout their organizations



according to the survey report, is influenced by employees' level of belief in the company's goals, their perceived emotional connection with the employer, the number of obstacles to success they find in their day-to-day work, the availability of resources, the ability to maintain energy, whether the workplace has a supportive social environment and whether they have feelings of accomplishment. When we couple these findings with those of other surveys that show many employees seem to be hanging on until the job market gets better, the challenge for supervisors becomes clear. Employees are generally not in the best of spirits, and some are being threatened by the organizational changes they and others have experienced. Figure 9.1 illustrates how disgruntled workers broadcast dissatisfaction with organizations that don't "walk the talk."

"Ultimately, most employees would much rather be part of a team they're committed to, not just a member of an organization. Developing and maintaining a consistent management approach that engenders *esprit de corps* is a key link in the productivity process. Such management—balancing appropriate levels of results-orientation with an understanding of employee needs—is neither easy nor unattainable."[3] Where are those organizations in which employee needs and concerns are truly given top-priority attention by managers and supervisors? Our focus in this chapter is on building sound organizational structures that form the building blocks and foundations supporting the mutual goals of effective work performance and high job satisfaction. Although following good and accepted organizational principles will not ensure organizational success, it usually prevents many problems and irritations.

Informal Organization

2 Discuss the impact of the informal organization and informal group leaders and how supervisors should deal with them.

Every enterprise is affected by a social subsystem known as the **informal organization**, sometimes called the "invisible organization." The informal organization reflects the spontaneous efforts of individuals and groups to influence their environment. Whenever people work together, social relationships and informal work groups inevitably arise. Informal organization develops when people are in frequent contact, but their relationships are not necessarily a part of formal organizational arrangements. Their contacts may be part of or incidental to their jobs, or they may stem primarily from the desire to be accepted as a group member.

Informal organization Informal gatherings of people, apart from the formal organizational structure, that satisfy members' social and other needs

At the heart of the informal organization are people and their relationships, whereas the formal organization primarily represents the organization's structure and the flow of authority. Supervisors can create and rescind formal organizations they have designed; they cannot eliminate an informal organization because they did not establish it.

Informal groups arise to satisfy the needs and desires of members that the formal organization does not satisfy. Informal organization particularly satisfies members' social needs by providing recognition, close personal contacts, status, companionship, and other aspects of emotional satisfaction. Groups also offer their members other benefits, including protection, security, and support. Furthermore, they provide convenient access to the informal communications network, or grapevine, as discussed in Chapter 6. The grapevine provides a communication channel and satisfies members' desires to know what is going on. The informal organization also influences the behavior of individuals in the group. For example, an informal group may pressure individuals to conform to the performance standards to which most group members subscribe. This phenomenon may occur in any department or at any level in the organization.

THE INFORMAL ORGANIZATION AND THE SUPERVISOR

At different times, the informal organization makes the supervisor's job easier or more difficult. Because of their interdependence, the attitudes, behaviors, and customs of informal work groups affect the formal organization. Every organization operates in part through informal work groups, which can positively or negatively impact departmental operations and accomplishments.

The informal group has the potential to influence employees to strive for high work performance targets or restrict production, and to cooperate with or work against supervisors, to the point of having those supervisors removed. Supervisors must be aware that informal groups can be very strong and can even shape employee behavior to an extent that interferes with supervision. So-called organizational negativity has become a major area of concern for many organizations as it pollutes overall organizational culture, increases stress and employee turnover, and reduces quality of work.[4] The negative attitudes that lead to negative behavior patterns are often traced to the work groups that influence their members to conform to the groups' norms. The pressures of informal groups can frustrate the supervisor trying to get the results that higher-level managers expect.

To influence the informal organization to play a positive role, the supervisor first must accept and understand it. The supervisor should group employees so that those most likely to compose harmonious teams work on the same assignments. Moreover, the supervisor should avoid activities that would unnecessarily disrupt those informal groups whose interests and behavior patterns support the department's overall objectives. Conversely, if an informal group is influencing employees negatively, and to the extent that the department is seriously threatened, a supervisor may have to do such things as redistribute work assignments or adjust work schedules.

SUPERVISING AND INFORMAL WORK-GROUP LEADERS

Most informal work groups develop their own leadership. An informal leader may be chosen by the group because he or she is well-liked or very knowledgeable, or the leader may assume leadership by being an effective spokesperson for the group. Work group leaders play significant roles in both formal and informal organizations; without their cooperation, the supervisor may have difficulty controlling the performance of the department. A sensitive supervisor, therefore, will make every effort to gain the cooperation and goodwill of informal leaders of different groups and will solicit their cooperation in furthering departmental objectives. When approached properly, informal leaders can help the supervisor, especially as channels of communication. Informal leaders may even be viable candidates for supervisor understudies. However, it is questionable whether these people can function as informal leaders once they have been designated as understudies.

Instead of viewing informal leaders as "ringleaders," supervisors should consider them employees who have influence and who are "in the know," and then try to work with them. For example, to try to build good relationships with informal leaders, a supervisor may periodically give them information before anyone else or ask their advice on certain problems. However, the supervisor must be careful to avoid having informal leaders lose status in their groups because the leaders' close association with the supervisor is being observed and could be interpreted negatively by employees. Similarly, the supervisor should not extend unwarranted favors to informal leaders as this could undermine their leadership. Rather, the supervisor should look for subtle approaches to have informal groups and their leaders dovetail their special interests with the department's activities. We discuss this and other aspects of work groups in Chapter 11.

Unity of Command

3 Explain the unity-of-command and span-of-management principles and their applications.

As stated many times in this text, employees need to know what is expected of them and to whom they report. Generally, people cannot serve two masters, and the masters can effectively manage only a limited number of people. In the following paragraphs we will discuss two important foundations for organizing; unity of command and span of management.

The chief executive groups the activities of the organization into divisions, departments, services, teams, or units and assigns duties accordingly. Upper-level management places managers and supervisors in charge of divisions and departments and defines their authority relationships. Supervisors must know exactly who their managers and subordinates are. To arrange authority relationships this way, management normally follows the **unity-of-command principle**, which holds that each employee should report directly to only one immediate supervisor. That is, there is only one person to whom the employee is directly accountable. While formal communication and the delegation of authority normally flow upward and downward through the chain of command, there are exceptions, such as in functional authority and the matrix organizational structure, which are discussed later in this chapter. Similarly, task forces, project groups, and special committees may blur the unity-of-command concept. Committees and problem-solving groups are discussed in later chapters.

Unity-of-command principle Principle that holds that each employee should directly report to only one supervisor

As shown in Figure 9.2 the employee is torn when the unity-of-command principle is violated. Having more than one boss usually leads to unsatisfactory performance by the employee due to confusion over who is in charge. Therefore, a supervisor should make certain that, unless there is a valid reason for an exception, only one supervisor should direct an employee.

FIGURE 9.2 The unity-of-command principle is violated

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THE SPAN-OF-MANAGEMENT PRINCIPLE

Span-of-management principle
Principle that there is an upper limit to the number of subordinates a supervisor can manage effectively

Departments and managerial levels are not solutions; they are the sources of numerous difficulties. Departments are expensive because they must be staffed by supervisors and employees. Moreover, as more departments and levels are created, communication and coordination problems arise. Therefore, there must be valid reasons for creating levels and departments. The reasons are associated with the **span-of-management principle**, which holds that there is an upper limit to the number of employees a supervisor can manage effectively. This principle is also called the span of control (see Figure 9.3).

Because no one can manage an unlimited number of people, top-level managers must organize divisions and departments as separate operating units and place middle-level managers and supervisors in charge. Top-level managers then delegate authority to those middle-level managers, who delegate authority to supervisors, who, in turn, supervise the employees.

The principle that a manager can effectively supervise a limited number of employees is as old as recorded history.[5] However, it is impossible to state how many subordinates a manager should have. It is only correct to say that there is some upper limit to this number. In many industries, a top-level executive has from three to eight subordinate managers, and the span of management usually increases the lower a person descends in the managerial hierarchy. A span of management between 15 and 25 is not uncommon at the first level of supervision.

There has long been a question concerning the link between organizational size and organizational performance. The economic law of diminishing returns has been applied to suggest that size can impact organizational efficiency. However, the "optimal size" for a firm has never been defined; the answer remains elusive.

FIGURE 9.3 A manager can effectively supervise a limited number of employees

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FACTORS INFLUENCING THE SPAN OF MANAGEMENT

The number of employees one person can supervise effectively depends on a number of factors (see Figure 9.4), such as the supervisor's abilities, the types and amounts of staff assistance, employees' capabilities, employees' locations, the kinds of activities, and the degree to which departments have objective performance standards.

In most situations, there must be a weighing, or balancing, of the factors listed in Figure 9.4, to arrive at an appropriate span of management for each supervisor.

HOW MANAGERIAL LEVELS, UNITY OF COMMAND, AND SPAN OF MANAGEMENT ARE RELATED

It is generally accepted that "one-person–one-boss" should be the standard. But some organizations have created another level, the lead person, sometimes called the "working supervisor." A **lead person** is not usually considered part of management, especially in unionized firms. Although the authority of these individuals is somewhat limited, particularly in employee evaluation and discipline, they perform most managerial functions.

Lead person
Employee in charge of other employees who performs limited managerial functions but is not considered part of management

While it may be desirable to use "leads," it is not without disadvantages. One can easily see how an employee might view the lead person as a great communicator, with greater skills, knowledge, abilities (SKAs) and competency than the supervisor. Suddenly, the lead person becomes the unofficial supervisor and lines of leadership and authority are blurred. These authors have problems with assigning the lead person supervisory responsibilities without also giving him or her a title

FIGURE 9.4 A list of factors that influence span of supervision

Supervisory competence: The number of employees that can effectively be managed depends to a large degree on the supervisor's managerial capabilities and the advance planning he or she has done.

Specialized staff assistance: If the human resources staff helps the supervisor recruit, select, and train employees, the supervisor will have more time to devote to departmental activities.

Employee abilities: The greater the employees' skills, knowledge, abilities (SKAs), and capacity for self-direction, the broader the supervisor's span can be.

Location: When employees are in the same area or in close proximity, the supervisor can supervise more employees because observation and communication are relatively easy. When employees are widely dispersed, as they are when they work in different parts of the world (offshoring), work at home (telecommuting), or work in outdoor crews (highway workers), the span of supervision may be somewhat limited because face-to-face communication and coordination are more difficult.

Nature and complexity of activities: The simpler, more routine, and more uniform the work activities, the greater the number of people one supervisor can manage. When activities are varied or interdependent, or when errors could have serious consequences, the span may be as few as three to five.

Objective performance standards: When each well-trained employee knows exactly what is expected, such as a certain number of customer calls each week, the supervisor may not need to have frequent discussions with the employee about performance. Well-communicated expectations and performance standards will permit a larger span of supervision.

and commensurate pay. But most importantly, making someone a "lead" without properly preparing that person for the task is a sure prescription for failure.

In summary, other things being equal, the narrower the spans of management, the more managerial levels are needed. Stated another way, organizational structures tend to be taller when spans of management are narrower, and structures tend to be flatter when spans of management are wider, especially at the supervisory level. Of course, this may vary because of other organizational considerations. Adding or reducing levels of management may or may not be desirable. For example, adding levels can be costly and can complicate communication and decision making. On the other hand, reducing levels may widen the spans of management to the extent that supervisors become overburdened and cannot maintain adequate control of employees and departmental activities. A trade-off exists between the span and the number of levels.

The managerial problem is to decide which is better: a broad span with few levels or a narrow span with more levels. This important question often confronts upper management. A first-line supervisor does not normally face this question, but supervisors should understand how it influences the design and structure of their organizations.

4 Justify why a supervisor should strive for the "ideal" organizational structure and work toward this objective.

Planning the "Ideal" Departmental Structure

It has often been said that the organizational structure is not an end but the means to an end. Thus, just because Old Ivy is structured in a certain way does not mean that an identical or a similar structure will work for other institutions. Comparing two organizations illustrates this point.

When Hewlett-Packard (HP) was started, the founders formulated a vision:

> *The achievements of the organization are the results of the combined efforts of each individual in the organization working toward common objectives. The objectives should be realistic, should be clearly understood by everyone in the organization, and should reflect the organization's basic character and personality.*[6]

This became known as the "HP Way." In 2007, HP's CEO Mark Hurd was selected as *BusinessWeek*'s Businessperson of the Year. Hurd was quoted as saying, "It's easy to get motivated when you're behind, but when business is going well, that takes the pressure off. HP's growth is a journey, but it's one with a sense of urgency. I focus all my energy on one and only one task: leading HP."[7]

> *Hurd was a classic example of a no-nonsense operator hammering away at a struggling business to get it moving in the right direction again. The marching orders: squeeze out costs and improve efficiency.*[8]

Three years after making those statements, Hurd abruptly resigned amid allegations of sexual harassment and other misconduct. In the past ten years, HP has experienced a shareholder battle over its controversial acquisition of Compaq Computer; the ouster of CEO Carly Fiorina; a congressional investigation into allegations of spying on board members and reporters; and most recently, the Hurd indiscretions. Within months after the Hurd resignation, ten other executive or senior vice presidents were out of the door.[9] In August 2011, HP announced that it would discontinue its tablet computer and smartphone products, sell or spin off its PC division, and look to buy a business software maker.[10]

Less than a month later, former eBay CEO, Meg Whitman replaced an embattled Lew Apotheker as CEO. In her first two years leading HP, Whitman directed steps to revisit mobile devices, move into cloud computing and big data markets, and cut 22,700 jobs to reduce costs, moves that have helped HP turn itself around and achieve revenue stabilization after several years of decline.[11] With five CEOs in the past 13 years, the reorganization appears to be a continuous, circular journey.

In 2011, "the itty bitty machine company" (IBM) celebrated its one-hundredth anniversary. "A century of corporate life has taught us this truth: *To make an enduring impact over the long term, you have to manage for the long term*."[12]

Thomas Watson Sr., a man with a fervor for instilling company pride and encouraging employees to "THINK," served as president/CEO of IBM, originally known as C-T-R (the Computing-Tabulating-Recording Company), for 42 years.[13] Truly this was time enough to plan and see those plans bear fruit.

Watson's son, Thomas Watson Jr., succeeded him as president. Some of the products developed by IBM were the punchcard system, the IBM 701 (a large computer based on vacuum tubes), the magnetic hard disk for data storage, Fortran, the Selectric Typewriter, the floppy disk, bar codes, and the personal computer.[14] Watson Jr. said, "I believe that if an organization is to meet the challenges of a changing world, it must be prepared to change everything about itself, except its beliefs."[15] Figure 9.5 lays the foundation for IBM values and how they impact employee actions and company structure.

Pause for a moment and try to imagine the burdens that fall on HP's or IBM's front-line supervisors who were charged with designing and managing the production operations. Designing and redesigning is not a one-and-done thing. It is a journey that requires starts, stops, and restarts. Typically, managers ask, "How

FIGURE 9.5 IBM's core values

Watson's more enduring contribution to business was his intentional creation of something that would outlast him—a shared corporate culture. He showed how the basic beliefs and values of an organization could be perpetuated—to become its guiding constant through time. This is why we have never defined IBM by what we make, no matter how successful the product or service.

By values we do not mean ethics or morals, which are requisites for every enterprise. We mean the characteristics that identify what is both unique and enduring for a particular enterprise. And by deliberately building a culture, we don't mean memorializing the routine of what the founder did. Rather, it's about institutionalizing *why* the organization does what it does—getting to the essential truths of what makes you, *you*. Grounding a culture in such values and purpose is about how employees, anywhere around the globe, at this very moment and for generations, honor and deliver on that.

Values therefore force choices: Whom you hire. The ways you serve the customer. How you develop talent at all levels. Which businesses you create, enter and exit, and when. How much risk taking you promote.

When we have lived our values, IBMers and our company have thrived. When we haven't, it hurt us.

Source: From International Business Machines Corporation, (2011)

Note: Also see: "Nearly All the Companies Our Grandparents Admired Have Disap-peared," The Wall Street Journal (June 16, 2010), pp. A10–13. This ad summarizes the history, vision, and mission of IBM.

should we organize this department based on the people we have?" But the question should instead be, "What organizational structure will efficiently and effectively allow us to achieve our objectives and strategies?" In short, organizational structure decisions should follow strategy choice.

Supervisors should think of an ideal departmental structure—a structure the supervisor believes can best achieve the department's objectives. The supervisor should plan the departmental structure based on sound organizational principles, not personalities. If the organization is planned primarily to accommodate current employees, shortcomings will likely persist. When a department is structured around one employee or a few, serious problems can occur when key employees are promoted or leave.[16] When departments are organized according to activities and functions, the company can seek qualified employees. For example, when a supervisor relies heavily on one or two key, versatile employees, the department will suffer if one or both of these employees leave. Conversely, if a number of weak employees do not carry their share of the load, the supervisor may assign too many employees to certain activities to compensate for the poorly performing individuals. Therefore, supervisors should design structures that best serve departmental objectives; then, employees can be best matched with tasks.

This is easier said than done, however. It frequently happens, particularly in small departments, that employees fit the "ideal" structure poorly. In most situations, the supervisor is placed in charge of a department without having had the chance to decide its structure or to choose its employees. In these circumstances, the supervisor can gradually adjust to the capacities of employees. As time goes on, the supervisor can make the personnel and other changes that will move the department toward fitting the supervisor's concept of an "ideal" structure. In all this, of course, the supervisor's primary focus still should be on finding, placing, and motivating the best employees.

Learning organization
Employees continually strive to improve their SKAs while expanding their efforts to achieve organizational objectives

While CEOs continually search for ideal organizational structure, they often neglect a key component, that is, the concept of a **learning organization** that fosters employee collaboration and sharing of information. In *The Fifth Discipline*, Peter Senge describes learning organizations as places "where people continually expand their capacity (SKAs) to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together."[17]

A culture is created in which all employees take responsibility for identifying and resolving work-related issues. Ideally, the learning organization will more quickly be able to adapt and respond to change. The most effective organizational structure is one in which the supervisor aligns his or her department's goals with the organization's vision and engages all employees in the pursuit of being the "best of the best."

5 Compare and contrast departmentalization and alternative approaches for grouping activities and assigning work.

Approaches to Structuring Work

It is important for managers, supervisors, and employees to understand how their positions and responsibilities relate to the positions and responsibility of other employees. Organization charts and manuals, job descriptions, and job specifications can help employees understand their positions and the relationships among various departments and jobs.

In planning their organizational structures, many companies develop organizational charts for all or parts of their operations. An **organizational chart** is a graphic portrayal of organizational authority and responsibility relationships using boxes or other depictions. The graphic elements of organizational charts are usually interconnected to show the grouping of activities that make up a department, division, or section. Each box normally represents one position category, although several employees may be included in a position category. By studying the relationships of categories, anyone can readily determine who reports to whom. Historically, organization charts have been constructed vertically, arranged in a pyramid shape reflective of a hierarchical organization structure. In the past decade, however, an increasing number of firms' organization charts, primarily those with a focus on innovation, reflect a "flattened" structure, one with fewer hierarchical levels and decision-making authority distributed across whole levels of the organization.[18] The arrangement of an organization chart can provide a great deal of insight about how power is distributed, how decisions are made, and how work and information flows throughout an organization.

Organizational chart
Graphic portrayal of a company's authority and responsibility relationships

A **job description** identifies the job's principal elements, duties, and scope of authority and responsibility. **Job specifications** refer to the skills, capacities, and qualities—personal qualifications—that are needed to perform the job adequately. As mentioned in previous chapters, these personal qualities are referred to as SKAs. Many organizations include job specifications as part of each job description. These will be discussed in more detail in Chapter 10.

Job description
Written description of the principal duties and responsibilities of a job

Job specifications
Written description of the personal qualifications needed to perform a job adequately

The question of how to develop an organizational chart begins with an analysis of what work needs to be done by when and by whom. The organizational structure is influenced largely by the principle of **division of work (specialization)**. This principle holds that jobs can be divided into smaller components and specialized tasks to increase efficiency and output. Technological advances and increasing complexity make it difficult for employees to keep current with their work or specialty responsibilities. Dividing work into smaller tasks allows employees to specialize in narrower areas of their fields. Employees can then master these smaller tasks and produce more efficiently. For example, as cars become more complex and diverse, it becomes more difficult for a mechanic to know how to fix everything on every type of car. As a result, specialty repair shops, such as muffler shops, oil-change services, and foreign-car specialists, have sprung up. Even in shops that do many types of repairs, mechanics often specialize. By specializing, employees can become expert enough in their areas to produce efficiently.

Division of work (specialization)
Dividing work into components and specialized tasks to improve efficiency and output

Departmentalization is the process of grouping activities and people into organizational units, usually known as departments. A **department** is a set of activities and people over which a manager or supervisor has responsibility and authority. The terminology organizations use for this entity varies. A department may be called a division, an office, a service, or a unit. Most organizations have departments because division of work and specialization enhance efficiency and results.

Departmentalization
The process of grouping activities and people into distinct organizational units

Department
An organizational unit for which a supervisor has responsibility and authority

The **formal organizational structure** is based on a company's number and types of departments, positions and functions, and authority and reporting relationships. Whereas an organization's major departments are established by top-level managers, supervisors are primarily concerned with activities in their own areas. From time to time, supervisors confront the need to departmentalize their areas, so they should be familiar with the alternatives for grouping activities. These are the same options available to top-level managers when those managers define the company's major departments. Departmentalization is usually done according to function, products or services, geographic location, customer, process and equipment, or time.

Formal organizational structure
Departments, positions, functions, authority, and reporting relationships as depicted on a firm's organizational chart

THE PROJECT MANAGEMENT STRUCTURE

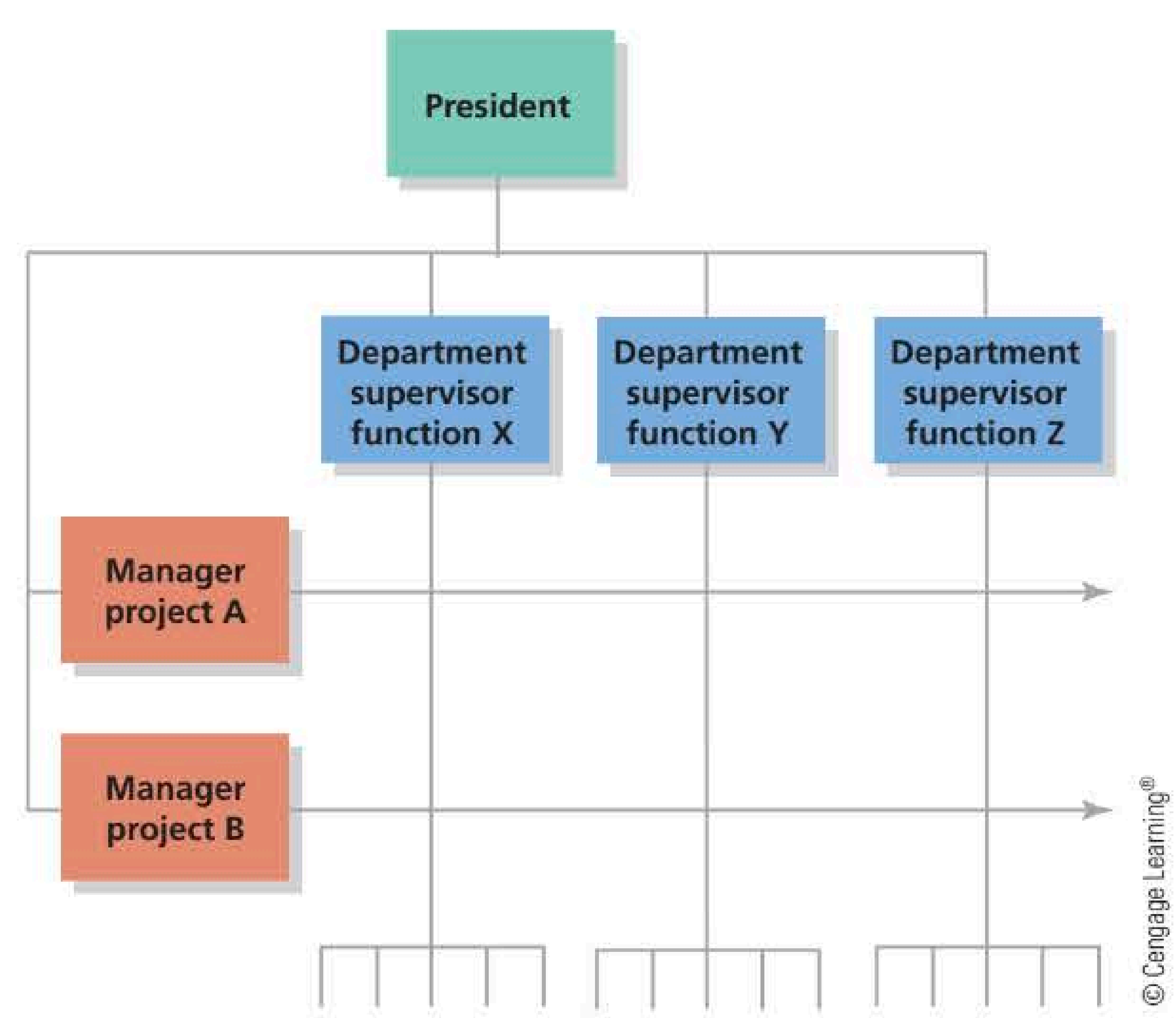
Project management–type organizational structure
A hybrid structure in which regular, functional departments coexist with project teams made up of people from different departments

The need to coordinate activities across departments has contributed to the development of the **project management–type organizational structure**, also called matrix structure. The project management–type structure, which is superimposed on the line-staff organization, adds horizontal dimensions to the normally vertical (top-down) orientation of the organizational structure. It is a hybrid in which both regular (functional) line and staff departments coexist with project teams or group assignments across departmental lines.

Many high-tech firms employ project structures to focus special talents from different departments on specific projects for certain periods. Project structures enable managers to undertake several projects simultaneously, some of which may be of relatively short duration. Each project is assigned to a project manager who manages the project from inception to completion. Employees from different functional departments are assigned to work on each project as needed, either part-time or full-time.

Although the complexity of project structure varies, a basic matrix form might resemble the chart shown in Figure 9.6. This chart illustrates how some managers have been given responsibility for specific projects in the firm while departmental supervisors are primarily responsible for supervising employees in their regular departments. Project managers A and B are responsible for coordinating activities on their designated projects. However, the project managers must work closely with the departmental supervisors of functions X, Y, and Z. The employees who work in these departments report directly (functionally) to the departmental supervisors, but their services are used under the authority and responsibility of the project managers to whom they are assigned for varying periods.

FIGURE 9.6 Basic project management–type organizational structure



Several problems are associated with the project management–type organizational structure. The most frequent is direct accountability. The matrix structure violates the principle of unity of command because departmental employees are accountable to a departmental supervisor and project managers. Other problems involve scheduling employees who are assigned to several projects. These problems can be avoided, or at least minimized, by planning properly and clarifying authority relationships before the project starts.

Despite such problems, this structure is increasingly common because organizations find it advantageous. Successful project teams are generally those where someone dreamed big, created a vision, aligned the project team's goals with the overall strategy, inspired and informed team members, and made changes as necessary.[19] It also requires the willingness of project managers (sometimes referred to as project team leaders) and departmental supervisors and their employees to coordinate activities and responsibilities to complete projects. Such coordination is vital to work scheduling, and it is imperative to employees' performance appraisals. Consider the suggestions in the accompanying "Supervisory Tips" box when managing project teams.

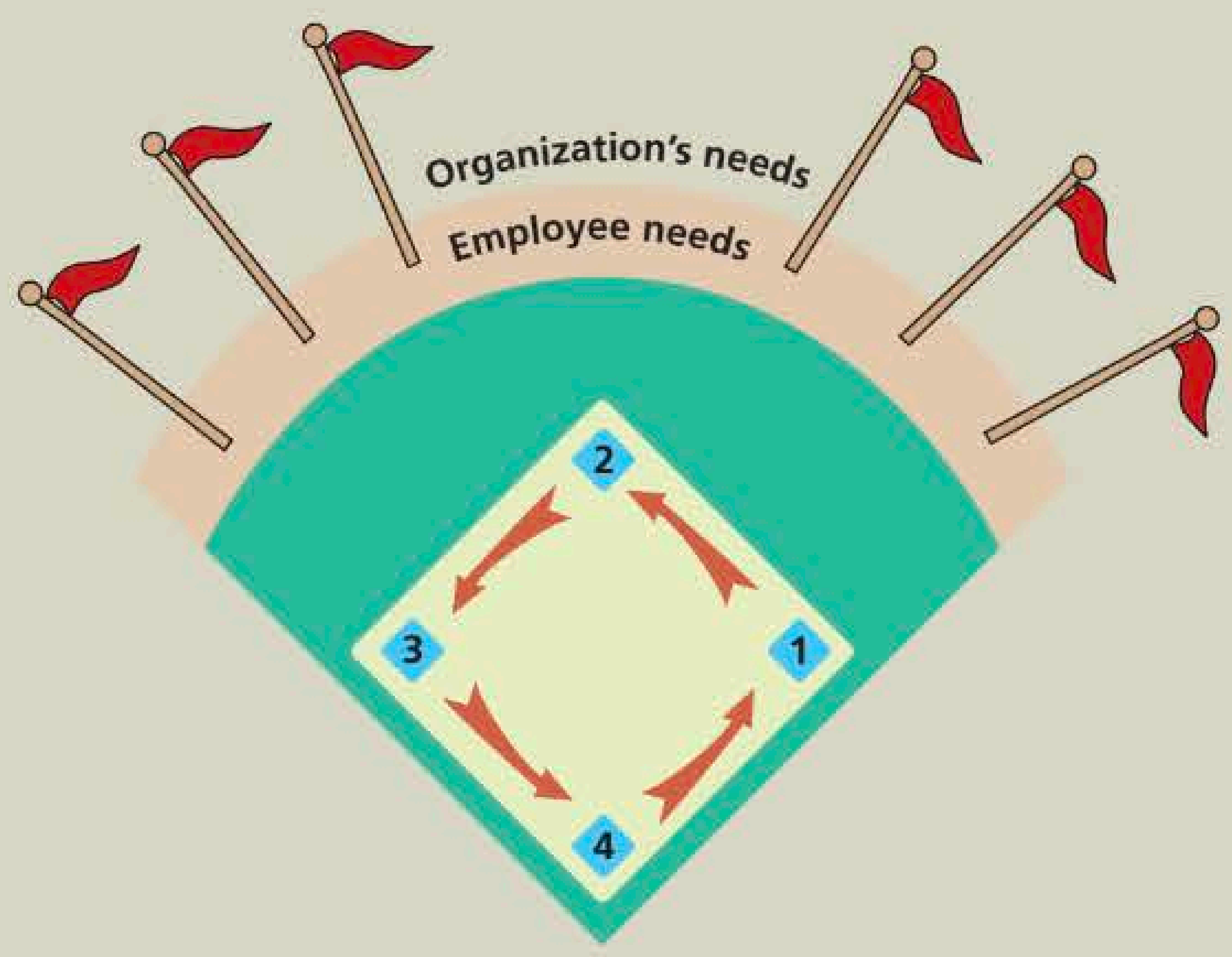
WORK ASSIGNMENTS AND ORGANIZATIONAL STABILITY

Supervisors are challenged much more frequently by the problem of how and to whom to assign work than by the problem of how to organize departments. How and to whom to assign work always involve differences of opinion. Nevertheless, the assignment of work should be justifiable and explainable on the basis of good management rather than on personal likes and dislikes or intuition. The supervisor is subject to pressures from different directions. Some employees are willing and want to assume more work, while others believe they should not be burdened by additional duties. One of the supervisor's most important responsibilities is to assign work so that everybody has a fair share and all employees do their parts equitably and satisfactorily (see Figure 9.7).

FIGURE 9.7 Work should be assigned equitably, but supervisors sometimes rely too much on certain employees

SUPERVISORY TIPS

Getting Home with Project Management Teams



A good project team design enables employees to be the best they can be so they can achieve both high performance and satisfaction in their work.

1. You reach first base when you create a vision.
   - Define the project and set project objectives that can be measured.
   - Communicate the vision to everyone.
   - Know the importance of getting people to buy into and commit to the project.
2. You reach second base when you have a well-qualified, well-trained employee group committed to company objectives.
   - Use employee SKAs to their fullest when brainstorming alternative strategies.
   - Develop a plan.
   - Break the project into steps or units and set performance standards for each step or unit.
3. You reach third base when the team is working together on the project.
   - Implement the plan and control work-in-progress.
   - Share information, resolve conflicts, support, and encourage teamwork.
   - Be an enabler (see Chapter 2).
4. You score when the goal is accomplished and both team and individual performers are appropriately recognized.
   - Complete and evaluate the project.
   - Learn from the experience and make suggestions for future projects.
   - Celebrate the victory.

Principle of organizational stability
Principle that holds that no organization should become overly dependent on one or several "indispensable" individuals

As emphasized previously, a supervisor's task of assigning departmental work is easier when the supervisor consistently uses the strengths and experiences of all employees. However, supervisors are often inclined to assign heavier and more difficult tasks to capable employees who are the most experienced. Over the long term, it is advantageous to train and develop less experienced employees so that they, too, can perform difficult jobs. When supervisors rely too much on one employee or a few employees, a department becomes weaker because top performers can call in sick, take promotions, or leave the enterprise. The **principle of organizational stability** advocates that no organization should become overly dependent on one or several key "indispensable" individuals whose absences or departures would disrupt the organization. Organizations need enough employees who have been trained well and have flexible skills. One way to develop such flexibility is to assign employees to different jobs in the department temporarily, such as during vacation periods or employee absences. In this way, there is usually someone to take over any job if the need arises.

At times, a supervisor may have to hire temporary employees to meet workload demands for a project or other needs. As discussed in Chapter 3, temporary employees can be helpful when given work assignments they can complete and when they do not cause disruptions or disagreements with permanent employees. Some temporary employees prove themselves so competent that supervisors seek to hire them for permanent positions.[20]

AUTHORITY AND ORGANIZATIONAL STRUCTURES

Once management establishes departments, it must set and clarify relationships among and within the departments. In Chapter 2, we briefly defined managerial authority and the process of delegation. We expanded on those concepts in Chapter 5. The following discussion serves as a basis for discussing how management establishes authority and responsibility relationships in organizational structures. Every organization has a vertical, direct line of authority that can be traced from the chief executive to departmental employees. **Line authority** provides the right to direct others and requires them to conform to company decisions, policies, rules, and objectives. Supervisors directly involved in making, selling, or distributing the company's products or services have line authority. Line authority establishes who can direct whom in the organization. A primary purpose of line authority is to make the organization work smoothly.

Line authority
The right to direct others and to require them to conform to decisions, policies, rules, and objectives

With organizational downsizings, activities tend to become less specialized and more complicated. Line supervisors cannot be expected to direct subordinates adequately and expertly in all phases of operations without some assistance. In order to perform their managerial functions, line supervisors need the assistance of specialists who have been granted staff authority. **Staff authority** refers to the right and duty to provide counsel, advice, support, and service regarding policies, procedures, technical issues, and problems in a person's areas of expertise. Certain specialists are granted staff authority because of their positions or specialized knowledge. Staff people assist other members of the organization whenever the need arises. For example, human resource specialists often screen candidates for line managers to interview. While human resource managers can direct the work of employees in their own departments (line authority), they can only advise managers in other departments in human resource matters (staff authority).

Staff authority
The right to provide counsel, advice, support, and service in a person's areas of expertise

Most organizations use a **line-and-staff-type organizational structure**. Certain departments, such as human resources and accounting, usually are classified as staff since they mainly support other departments. For example, human resource managers are responsible for seeing the line departments carry out certain policies and procedures. For the most part, staff supervisors lack the direct authority to order line employees to conform to policies and procedures. They primarily counsel and advise. Line supervisors can accept the staff person's advice, alter it, or reject it, but because the staff person is usually the expert in the field, line supervisors usually accept, and even welcome, the staff person's advice.

Line-and-staff-type organizational structure
Structure that combines line and staff departments and incorporates line and staff authority

A line supervisor is usually open to a staff person's feedback and input because the staff person is considered an "expert in the field"

Jetta Productions/Blend Images/Alamy

The day-to-day usefulness and effectiveness of the human resources staff depends primarily on their abilities to develop close working relationships with line managers and supervisors. The quality of these line/staff relationships, in turn, depends on how clearly top-level managers have defined the scope of activities and authority of the staff.

There is no one best way to organize. Organizational theorists contend that structure should follow strategy. In recent years, there has been significant change in the way business is conducted. Pick up a current copy of *Fortune*, *BusinessWeek*, or the *Wall Street Journal* and read about how one organization or another is announcing plans to modify its organizational structure. Why? Intense competition for the consumer dollar, rising resource costs, globalization, and a search for ways to increase profitability is leading many organizations to alter their strategies. As you read the articles in these publications, ascertain how the organization has changed its strategy. To the consternation of these authors, most top managers have forgotten a fundamental principle: "organizations tend to be more effective when they are structured to fit the strategic change and the demands of the situation."

6 Assess the implications of downsizing for restructuring and suggest alternatives.

Organizational Principles in an Era of Organizational Downsizings

Downsizing, restructuring, or right-sizing
Large-scale reduction and elimination of jobs in a company that usually reduces middle-level managers, removes organizational levels, and widens the span of management for remaining supervisors

Among the most publicized aspects of corporate business in recent years has been the large-scale reduction and permanent elimination of thousands of jobs in many major companies. Many companies have eliminated large segments of their workforces. This process, called **downsizing, restructuring, or right-sizing**, has been accomplished through such things as plant and office closings, the sales of divisions, extensive employee layoffs, attrition, and early retirements.

Typically, management resorts to restructuring in order to reduce costs, streamline operations, and become more efficient and competitive. In some industries, external factors force reductions in staff. In the health care field, for example, over 41,000 employees were laid off in 2013 due to reductions in income from Medicare reimbursements, research funding, and decreased length of inpatient stays, layoffs that were "shortsighted," according to J. P. Fingado, CEO of API Healthcare "because the providers will likely have to add staff as soon as next year to handle increased patient volumes from the health care law."[21] With a predicted trend of continued reductions in funding, though, remaining hospital employees will be expected to do more with less staff as well as face more layoffs.[22] Similarly, Radio Shack, which at one time supplied consumer electronics in 5,000 community stores across the United States, closed over 1,000 retail outlets in 2014 primarily due to buyers' shift to online purchasing behavior.[23] Noted author H. James Harrington contends that employment security is one of the most critical and complex issues facing top management. According to Harrington:

> *Corporate America has been on a downsizing kick since the late 1980s. The answer to business pressure has been to slow down and lay off, with the hope of raising stock prices, but that doesn't work. Large layoffs produce sudden, substantial stock gains because the effects of a reduced workforce don't immediately reach the customer, and the savings from reduced wages make the organization appear more profitable than it really is. But in the long run, downsizing has a negative effect.*[24]

The companies that are repeatedly restructuring do particular damage because employee productivity declines dramatically as a result. However, downsizing doesn't just affect corporate America. When University of Michigan cut 50 administrative support positions and relocated 275 positions to an off-campus location and discouraged employees from discussing the impending change, the organization received a letter from its faculty asserting that the process led to "rumors that have increased staff and faculty anxiety; and that the process amounts to a dehumanization of the workplace."[25] Even layoff survivors feel no added security or commitment.

One major organizational impact of downsizing is a reduction of middle-level managers and the removal of one or more organizational levels. For supervisors and other managers who survive downsizing, the span of management usually widens. Many supervisors are stretched because they are required to add unfamiliar departments or functions to their responsibilities.[26]

Some middle-level management and staff positions have been eliminated because information technology (IT) has made it possible for higher-level managers to acquire data and information quickly and to keep in close touch with operations. Not surprisingly, the authors are familiar with many situations where the IT function has been offshored to India or another lower-cost country, although this trend has begun to reverse in recent years.[27] As a result, supervisors and employees usually have to become more knowledgeable about more aspects of operations. Peter Drucker argued that the knowledge/information explosion requires restructured organizations to depend on remaining employees throughout the firm, rather than on traditional "command-and-control structures," to make decisions.[28]

The firms that have downsized most effectively appear to be those that have planned for it systematically and have tried to harmonize, as much as possible, previous and new organizational structures and operations in ways that are compatible and acceptable to those who remain. Usually, this means involving human resources staff specialists early in downsizing plans. Workforce planning, training and skills assessment, and widespread communication of what will happen throughout the organization are typical areas that require the skills and major participation of the human resources department.[29] In addition, ideas about authority and the use of authority must be reshaped to give supervisors and employees greater decision-making responsibility.[30] Even with a weakened organizational structure, most individuals need clear lines of accountability for their performance to be evaluated. These lines are vital if reward systems are to be meaningful and motivational.[31]

Most organizational theorists predict that downsizing will continue indefinitely and that in some firms there will be radical restructuring. Is there an answer? The authors believe so! It begins with top management creating a vision for the organization that goes outside the conventional. All organizations, including federal, state, and local governments and various agencies, must "think outside the box" by developing creative strategies. Then they should strive to design organizational structures that put the right person in the job to do more with less. Clearly, the "do more with less" concept may be a guiding principle for planning and organizing.

ALTERNATIVES TO DOWNSIZING

Proponents of downsizing and restructuring have typically advocated employee empowerment and engagement. Empowerment, as identified in a number of places in this text, essentially means delegating sufficient authority to employees to allow them to make decisions and become more involved in achieving organizational objectives. Engagement, as discussed earlier in this chapter as well as in Chapter 11, means that the employee is fully involved in, and enthusiastic about, his or her work. Nothing is more important than getting employees committed to the expanding opportunities that reorganization might bring. Studies show that job satisfaction increases if employees have more opportunities to use their SKAs and if career development and skills training accompany the reorganization.[32]

When employee groups are given wide latitude and considerable authority to make job-related decisions, empowerment is associated with the creation of **self-directed (self-managed) work teams (SDWTs)**. We discuss team concepts further in Chapter 11.

Self-directed (self-managed) work teams (SDWTs)
Employee groups that are given wide latitude and considerable authority to make many of their own job-related decisions

Reengineering
Concept of restructuring a firm based on processes and customer needs and services rather than on departments and functions

Some firms have tried **reengineering**, whereby they restructure based more on process (e.g., meeting customer orders and requirements) than on department or function (e.g., sales and production). Reengineering requires supervisors and employees to focus on customer needs and services rather than on their own functions and specialties. Little Caesars, for example, worked with a consulting company to reengineer pizza preparation processes, such as the distance a worker has to walk each week while making and serving pizzas, in order to increase efficiency and customer satisfaction. Rearranged kitchens in targeted stores cut the distance from 15 miles to 10.5 miles per week, which decreased production time per pizza, increased the number of pizzas available for immediate purchase, and ultimately, decreased customer wait time. Happier customers who don't have to wait have translated to return visits and increased orders.[33] Focusing on the customer may enhance a firm's efforts to be more efficient and competitive in the marketplace, but it also can mean blurring line and staff functions and roles. Some authorities have suggested that reengineering will require "process managers," who will manage key processes and whose broadened responsibilities will cut across line and staff functions and organizational levels.[34] A number of major corporations already have restructured parts of their organizations along customer-process dimensions. When carried out, reengineering could create what has been called the **horizontal corporation**, in which organizational structures flatten markedly and managerial authority relationships are minimal.[35]

Horizontal corporation
A very flat firm resulting from restructuring by customer process and organizational structure

Making the decision to downsize an organization is not easy, and sometimes strategies are put in place that can produce increased efficiency and effectiveness without the need to eliminate workers. William Martin and Audrey Davis encourage decision makers to resist making drastic personnel changes without first exploring other options that will keep workers engaged. Their analysis of the research has shown that the presumed economic advantages of downsizing are not always realized, and often organizations are left with a demoralized workforce, which can breed a whole new collection of problems. They suggest 50 alternatives to downsizing, organized into seven categories, which can be applied systematically in consideration of how to cut costs and increase efficiencies.

- Modifying compensation and benefits by, for example, eliminating overtime, freezing salaries, or reducing hours;
- Talent management strategies such as job sharing, creation of new teams, and removing underperforming employees;
- Training and development processes such as helping employees launch complementary businesses or retraining workers for new tasks;
- Business process/operations changes that could include employing new technologies or, as discussed previously, reengineering processes;
- Organizational structure modifications, including sharing ownership with employees, consolidating locations, or, as suggested above, flattening the organization;
- Supply chain management tactics such as collaborating with customers, suppliers, and competitors; and
- Revenue enhancements that can include selling assets and moving employees into new revenue-producing positions.[36]

The past decade has seen a tremendous growth in a new conceptualization of the corporate organization, the **virtual organization** in which independent organizations, including customers, suppliers, and even competitors are linked together temporarily, typically through the use of IT, to share costs, skills, employees, and access to each other's markets in order to respond to exceptional market opportunities.[37] The values of the virtual organization design are that participating entities can be brought together rapidly to realize a shared objective without having to invest time and resources in creating extensive infrastructure, and there is no commitment to keeping it going once the objective is achieved, which are what make it a viable option for organizations seeking ways to contain costs while seeking sustaining opportunities.

Virtual organization
Companies linked temporarily to take advantage of marketplace opportunities

Four principles guide the formation of a virtual organization. First, the boundaries of the organization are conceptual, rather than tangible—the organizations are bound solely by their common purpose. Second, technology is used to link people, assets, and ideas. Third, each participating entity is included by virtue of its expertise or specialization. Fourth, once the common purpose is realized, the virtual organization disbands. One example of a virtual organization relationship is one between Proctor and Gamble and Clorox, competitors who came together to create GLAD Press and Seal plastic wrap specifically to compete with Dow-Brands's Saran Wrap. P&G invented the wrap in its labs, and Clorox marketed it under the well-known GLAD brand.[38] Likewise, Symbian, a mobile phone software development company, was originally set up as a virtual organization by Nokia, Sony Ericsson, Samsung Electronics Co., Panasonic, and Siemens AG to create a common smartphone operating system. With newer, more nimble operating systems coming online, Symbian has been disbanded and support agreements handed off to a management company.[39]

The character of the virtual organization requires a high level of trust and collaboration, as the structure often operates with no organizational chart, hierarchy, or vertical integration. When this trust is maintained, innovations and shared success result. However, virtual organizations do have challenges, which include an increase in communication load for each of the partners as they manage the networked relationships, the danger of eroding trust if communication and coordination are not well maintained, and the difficulty in defining and maintaining employee reporting relationships. As more and more organizations explore the flexibility of the virtual organization design and become more adept at working virtually, supervisors will see an increase in the need to manage these challenges.

Lean manufacturing
Techniques that enable a company to produce more product with fewer resources (lower costs)

Although beyond the scope of this text, lean manufacturing or lean production as it would apply to service-related industries is a concept that allows employees greater authority to make decisions based on customer needs. **Lean manufacturing** is not about laying off people. It is about planning and organizing to use resources more efficiently. Streamlining production, cross-training employees so they can do multiple tasks, and building on advances in robotics, software, and other manufacturing technologies are usually part of the system. Decreasing distance between, or even colocating manufacturing, research and development, and supply chain facilities is another lean manufacturing strategy. All employees, from the CEO to the floor sweeper, must rethink how they work and must eliminate non-value-added time.[40]

Regardless of whether we want them, radical company restructurings will become more commonplace. It is unclear whether reengineering or the other interventions mentioned above differ significantly from what many firms try to concentrate on, with or without downsizing. What seems likely is that organizational principles will always be part of supervision and that any organizational change will require supervisors to understand how to apply and adapt certain organizational principles.

7 List the major factors contributing to organizing effective meetings, especially the supervisor's role.

Organizing for Effective Meeting Management

Electronic messaging or instant messaging (IM) systems are not the complete answer to effective supervision. But they have become a form of real-time direct communication. Corporate intranets, chat rooms, and IM are forms of synchronous communications. The sessions are live, and each user can respond to the others in real time. While these, along with e-mail and the wide collection of collaboration software available, are ways to supply information people need to perform their jobs and to share ideas and opinions, face-to-face meetings can sometimes be the most effective way to achieve organizational objectives.

Many work teams have experimented with meeting facilitators. In this case, the group leader or the supervisor does not conduct the meeting. This role falls to the facilitator, a function that is often rotated among team members. This approach allows the supervisor, for example, to observe, listen, and ask probing questions of team members. In addition, team members gain leadership experience. A downside of this approach is that all team members must be adept at meeting management. Furthermore, the note-taking responsibility is rotated among team members.

Meetings should be called only when necessary. In his TED Talk, "Why Work Doesn't Happen at Work," Jason Fried suggests that meetings are actually very expensive to an organization. If a supervisor calls a one-hour meeting, it actually is not a one-hour meeting if ten people are in attendance—it is a ten-hour meeting. This perspective, of the productivity cost of meetings, should cause a manager to pause and consider whether a face-to-face meeting is necessary, if an entire department needs to be involved, if the information could be shared electronically, or whether it would be more efficient for a few key people to get together to address a targeted objective or specific problem. When a supervisor decides that a meeting is necessary, however, the purpose for the meeting, the topics, and the intended outcome should be communicated to meeting participants, and the participants' roles should be clarified.[41]

The accompanying "Supervisory Tips" box outlines guidelines for planning, organizing, and leading a meeting.

The meeting chairperson or facilitator must be skilled at keeping the meeting focused. Many successful work teams have adopted ground rules for their meetings. Suggested ground rules might include the items presented in Figure 9.8.

The meeting chairperson is ultimately responsible for the meeting's effectiveness. Figure 9.9 provides a useful list of questions to consider when planning and organizing a meeting.

SUPERVISORY TIPS

Guidelines for Planning and Leading a Meeting[42]

1. Select participants who will bring knowledge and expertise to the meeting.
2. Notify participants well in advance of the meeting.
3. Have a plan and an agenda.
4. Begin the meeting on time.
5. Present the problems and issues to be discussed and the meeting's objectives.
6. Encourage all group members to participate fully in the discussion.
7. Allow sufficient time for participants to offer information and discuss alternative proposals.
8. Strive to find consensus and areas of agreement before voting on the proposal.
9. Try to stay on the subject and adjourn on time, but make adjustments as necessary.
10. Follow up, including distributing a summary of the meeting (minutes) and actions to be taken.

FIGURE 9.8 Suggested meeting ground rules

- Everyone will be candid and specific.
- Everyone will have a say.
- Everyone will stop what they are doing and listen carefully to other team members' comments.
- Everyone will avoid electronic distractions.
- All team members must support their opinions with facts.
- No one will be allowed to interrupt another; we will hear each other out.
- We are a TEAM—Together Everyone Achieves More!

FIGURE 9.9 Questions to consider when planning a meeting

What is the purpose (goal) of the meeting?

What are the opportunities, threats, conflicts, problems, concerns, issues, or topics that should be considered?

What information must be disseminated before the meeting?

What information must be gathered before the meeting?

What preparation is needed on the part of the participants?

What work must be completed before the meeting?

What additional resources will be needed to accomplish the purpose?

What are the ground rules for conducting the meeting?

Who is involved with the concerns, issues, or topics?

Who must do advance work or make decisions regarding the agenda?

Who should be invited because they can provide information needed for problem solving or discussing the issue?

Who will develop and distribute the agenda?

Who must attend?

Who will facilitate the meeting?

Who will be assigned as the note-taker?

How much time do we need to allot to each topic?

How should the meeting room be arranged?

How do we strive to find consensus and areas of agreement?

How do we stay focused on the subject(s)?

When and where should the meeting be scheduled?

When should the meeting end?

When and how should the meeting be evaluated?

When and what follow-up is needed to the meeting (e.g., distribute a summary of the meeting and the actions to be taken)?

The chairperson's general approach is crucial. He or she sets the tone for the meeting and should model expected meeting etiquette and behaviors. One particularly important behavior the chairperson should model is avoiding electronic distractions during the meeting. The authors have seen exponential growth in the number of meeting attendees and even meeting leaders who only attend meetings "part way" because they are busy checking their messages and sending emails during discussions. Shane Atchison, CEO of Possible global digital ad agency, asserts that when the smartphone arrived, meetings got longer and less got done. In an attempt to change this trend, when Atchison convenes or enters a meeting, "I take my phone out of my pocket, switch it off in front of everyone, and place it face down on the table. It sits there for the whole meeting. I don't even pick it up if we take a break." That simple act, he asserts, puts pressure on all in attendance to be fully present.[43] Along with ensuring that attendees are tuned in, the chairperson should also encourage everyone to be involved. Initially, everyone's contribution should be accepted without judgment, and everyone should feel free to participate. The chairperson may have to ask controversial questions to start the discussion and participation. This is sometimes done by asking provocative, open-ended questions that use words like *who*, *what*, *why*, *where*, and *when*. Questions that can be answered with a simple "yes" or "no" should be avoided.

As you may remember from our discussion of communication in Chapter 6, the supervisor is responsible for giving and getting information. To get information or to open discussion on a particular topic, the supervisor might want to ask the W questions—what, where, why, when, and who—before getting to the how. For example, the chairperson could use questions to get and keep the discussion going, such as, "What is the relationship between quality and machine setup times?" "Jason, what would be your suggestion?" "Where did the problem occur?" "Why is that important to you, Heather?" "When will we have the new machine on line?" "Who might have the experience to handle such an assignment?" "Who would like to comment on Michelle's question?" and "How can we exceed the customer's expectations?"

Another technique is to start at one side of the conference table and ask members to express their thoughts on the problem in turn. While this approach forces everyone to participate, it discourages spontaneous participation and allows the rest of the group to sit back and wait until called upon. This approach also may cause some individuals to take a stand on an issue before they are mentally prepared to do so.

As a general rule, the chairperson should appoint someone, for example, a scribe or note-taker, to record what happened during the meeting. Before adjourning the meeting, the chairperson may have the scribe orally summarize the key points of the meeting, describe the chosen action, and ascertain that participants are in agreement on the gist of the meeting. This process gives all participants a chance to review and agree on what took place.

The chairperson should see to it that every participant gets the written summary, or minutes. The summary should also be distributed to all other personnel who have a need to know what took place or who and what is essential in accomplishing the necessary actions. In short, the meeting action summary lists the actions to be taken by the group, assigns accountability (who is to do what by when), and becomes a record for follow-up and feedback.

The written summary also serves as a permanent record or guideline for future situations involving similar circumstances. If some matters are left undecided, the summary can provide a review of the alternatives that were discussed and help to crystallize the thinking of participants. For permanent standing committees, such as the organization's safety committee, it is advisable to use the summary to announce when the group shall meet next.

Remember: None of us is as smart as all of us! A group of individuals exchanging information, opinions, and experiences will usually develop a better solution to a problem than could any one person who thinks through a problem alone. While meetings at the departmental level are important, supervisors often will meet with others to discuss, plan, and decide on issues and to determine what actions must be carried out. The meeting management tips and suggestions offered here should become a part of every supervisor's toolbox.

How to Use Time More Effectively

8 Appraise the importance of self-organization, that is, effective use of your time and talents.

World-renowned leadership author and speaker Stephen Covey passed away in 2012. Recognized as one of twenty-five most influential Americans by *Time* magazine, Covey coined seven principles, *The 7 Habits of Highly Effective People*, the

FIGURE 9.10 Plan your work—work your plan!

first three of which can help guide our decisions about how to best use our time. Habit 1, "be proactive," Habit 2, "begin with the end in mind," and Habit 3, "put first things first" suggest that in order to effectively use the time we have, we need to take charge of our time, know where we are going, and prioritize the things we need to do.[44] Each of us has the same finite amount of time. There are still 24 hours in a day and 168 hours in a week. No one has yet found a way to "save time" or store it for another day. How many times have you heard someone say, "I wish I had more time"? The phrase "making time" is a myth. Everyone has the same amount of time. We need to be deliberate and focused in planning, organizing, and managing our activities in order to use our time effectively (see Figure 9.10).

Many of you have learned to balance family, school, and work. You have, with varying degrees of success, learned how to identify those tasks that are most important and urgent. As President Dwight D. Eisenhower said, "What is important is seldom urgent and what is urgent is seldom important."[45] Think about how you study for this course. Do you allocate blocks of regular study time, or do you pull all-nighters? Most of you probably study in blocks of time. How long before your mind turns to other things? Some of us need more frequent breaks for a variety of reasons.

Technology use has become second nature to students and workers alike, and it has become yet one more thing to balance in the productivity equation. It might seem logical to consider computers and mobile devices as time savers that can boost efficiency. However, productivity research has shown that after an initial increase in workers' output per hour at the beginning of this century as technology became part of day-to-day tasks, in the past decade worker productivity has declined to levels equal to that of the 1980s and 1990s. Northwestern University economist Robert Gordon asserts that technology innovations such as the iPad, the smartphone and their engine, the Internet, "were enthusiastically adopted, but they provided new opportunities for consumption on the job and in leisure hours rather than a continuation of replacing human labor with machines."[46] Have you ever found yourself working on a class or work assignment on the computer, then taking "just a minute" to check Facebook or e-mail, a minute that turns into an hour or two? Technology now requires us to be even more diligent in structuring and managing our time because of all of the information, options, and distractions that are available to us instantly on our devices. These authors acknowledge the challenge of balancing the value of the Internet with its potential for distraction. The Technology Tools activity at the end of this chapter provide an opportunity for you to consider ways you can avoid wasting valuable time with online distractions.

When studying, do you begin with your most difficult subject or task? Do you review the text and the last lecture material immediately before class? Do you review lecture material immediately after class, when it is fresh in your mind? Do you schedule time to review the more important activities? If you answered "yes" to most of these questions, how did you develop these habits? Most of us learn by a system of trial and error. To help you, we have offered some practical tips for making more effective use of time:

- Have a daily, weekly, and long-term planner. Use them to identify the most important items.
- Make a list of the major tasks that need to be completed. This is your to-do list. Also, make note of the reason for doing them and the timeline for getting them done. Listing some tasks wastes time.
- Determine priorities. Focus on the most important tasks, those that support your objectives. Do not be afraid to ask your boss if a new task takes priority over other assignments.
- Use technology wisely. Avoid distractions that are instantly and widely available on the Internet and mobile devices. Give yourself a set amount of time for recreational technology use then get back to the task at hand.
- Clarify duties with a time-use chart. Identify which of your regular duties most directly relate to departmental objectives.
- Set up a reminder system. Use your iPad, smartphone calendar, day-time-planner, or another system to alert you to what needs to be done by when.
- Know your prime time. This is the time of day when you are most alert, think most clearly, and work most effectively. Schedule your most complex tasks for this period.
- Refer to your to-do list regularly. Interruptions will arise; deal with those emergencies, then go back to the high-priority task.
- Schedule routine duties at times when you have low energy.
- Schedule time at the end of the day to make tomorrow's to-do list.
- Write everything down. Document what, when, who, and where. Use an iPad, smartphone, or pocket or desk calendar to note activities that need major attention.
- Use commonsense organizational and time-management techniques. For example, handle papers only once, keep your desk or workstation clear, finish one job before starting another, avoid distractions, and say "no."

- Deal with interruptions. If someone asks you for a minute on a non-life-threatening matter, tell that person you want to give the matter your undivided attention and ask to schedule a brief meeting later. It is acceptable to tell someone you will call back; wasting valuable time is not acceptable.
- Be adaptable. Don't be afraid to reschedule in the face of unexpected events.
- Enable subordinates to be the best they can be. Encourage them to take responsibility and to make decisions in their power to make. Do not let subordinates pass these decisions on to you.
- Delegate. See Chapter 10 for tips on delegating successfully.
- Get the most from meetings. See this chapter's supervisory tips box for additional suggestions on managing meetings.
- Overcome procrastination. Plan habitually and continuously, break difficult tasks into small and doable units, and work on unpleasant tasks immediately.
- Use the two-hour rule. That is, if you have been working on a problem for more than two hours without making progress, get help. Often, by explaining a problem to someone else, you get a different perspective.
- Follow the 80/20 principle. Eighty percent of achievement comes from 20 percent of time spent.
- Remember, if you don't know what is important, you will continue to wander without much accomplishment.

Only by developing a vision about what the end result should be, developing plans, organizing, and prioritizing activities will supervisors be able to use their available time effectively.

SUMMARY

1. **The organizing function of management is to group and assign activities to work areas so as to achieve established objectives, in other words, to create a structural framework for getting the work done. To organize is to establish authority relationships among managers, supervisors, and departments. The most effective organizing practices create structures that help workers feel engaged, committed to the organization and its goals, and find satisfaction in their work.**

2. **The informal organization interacts with, yet is apart from, the formal organizational structure. The informal organization can positively or negatively influence individual and group work performance. In order to engage the informal organization in productive ways, supervisors should seek to identify and understand the groups and their leaders and find ways to enlist their participation in promoting and accomplishing departmental objectives.**

3. **Normally, an organization should adhere to the unity-of-command principle. This principle requires that everyone be directly accountable to only one supervisor and that formal communication flows through the chain of command.**

The span-of-management principle should be observed when assigning employees to supervisors. Also known as the span of supervision or the span of control, this principle recognizes that there is an upper limit to the number of employees a supervisor can manage effectively. The span of management is determined by such factors as the competence of the supervisor, the training and experience of employees, employees' work locations, and the amount and nature of work to be performed. Other things being equal, the narrower the span of management is, the greater the number of levels of management that are needed; the broader the span of management is, the fewer levels that are needed.

4. **Hewlett-Packard (HP) and IBM are two of the world's larger and best known organizations. Their vision and time-honored culture set the foundation for how they are structured and managed.**

When organizing a department, the supervisor should envision the ideal arrangement based on the assumption that all required and qualified employees are available. Because there are seldom employees with all the desired qualifications, available employees must be fit to the structure. Over time,

the supervisor should make changes to move the department toward its ideal structure. Supervisors who strive for superior performance should adopt the concepts instrumental in creating a "learning organization." Because structure should follow strategy, as strategy changes, structures should be reviewed and modified appropriately.

5. Departmentalization is the process of grouping activities and people into distinct organizational units. Departmentalization is most often done according to function, but it can be determined by geographic line, product or service, customer, process and equipment, or time. Rather than being able to design new departments, supervisors most often must assign activities and employees to existing departments to achieve efficiency and stability.

A project- or matrix-type organizational structure places managers in charge of project teams whose members are drawn from different departments or even from outside the organization, that is, temporary employees. Line supervisors manage the employees in regular departments. This structure facilitates more efficient use of employees on multiple projects with a minimum disruption of regular assignments. However, a matrix structure may create problems of priority scheduling and employee accountability.

To perform effectively, a supervisor must have authority. In their own departments, supervisors have line authority to direct their employees. Employees in staff-authority positions furnish counsel, guidance, advice, and service in a specialized field. Staff supervisors with specialized knowledge and skills support line managers and others throughout the organization. They often take responsibility for ensuring that certain policies and procedures are uniformly and consistently carried out. Line-and-staff-type organizational structures are the norm in large-scale enterprises.

6. Downsizing usually involves eliminating job positions and levels of management. Supervisors who survive downsizings must adapt organizational principles to the changes, as well as provide support to layoff survivors in their department. This usually includes widening the span of management, giving employees more latitude in decision making. To empower employees, supervisors should structure their departments to allow for more employee participation. Various changes, such as restructuring, SDWTs, lean manufacturing, and horizontal and virtual organizational structures, can help companies reduce costs and be flexible in meeting customer demands.

7. Historically, meetings were always face to face, because supervisors and employees want to know what is going on right now. Supervisors usually call meetings to get or give information or to discuss and solve problems. Face-to-face meetings are the best for bringing together the people who are responsible for solving a problem or discussing an issue. Social and electronic media have enabled people to share and exchange information instantaneously. Supervisors should consider the purpose of a meeting and the productivity costs of meeting face-to-face versus using virtual alternatives when choosing the best meeting modality. Numerous tips and suggestions are available to help supervisors achieve group participation and make meetings more productive and relevant. The success of any meeting depends largely on effective leadership.

8. "Work smarter, not harder" should become an integral part of your management vocabulary. Every supervisor needs to make effective use of time. Identifying the most important tasks is the most important step. The effective supervisor must plan, organize, prioritize, and diligently strive to complete the things that are most important. Short-range plans must dovetail with your long-term plans. Technology must be used in ways that increase efficiency and productivity, and avoided when it can distract you from the task at hand.

KEY TERMS

Department (p. 341)
Departmentalization (p. 341)
Division of work (specialization) (p. 341)
Downsizing (restructuring, right-sizing) (p. 346)
Engagement (p. 332)
Formal organizational structure (p. 341)
Horizontal corporation (p. 349)
Informal organization (p. 333)
Job description (p. 341)
Job specifications (p. 341)
Lead person (p. 337)
Lean manufacturing (p. 350)
Learning organization (p. 340)
Line authority (p. 345)
Line-and-staff-type organizational structure (p. 345)
Organization (p. 331)
Organizational chart (p. 340)
Principle of organizational stability (p. 344)
Project management-type organizational structure (p. 342)
Reengineering (p. 348)
Self-directed (self-managed) work teams (SDWTs) (p. 348)
Span-of-management principle (p. 336)
Staff authority (p. 345)
Unity-of-command principle (p. 335)
Virtual organization (p. 349)