

## **Unit Five: The Techniques of Social Organization**

### **1 Formal Organizational Structure**

#### **1.1 Definition of Formal Organizational Structure**

A structural form of managerial relationships that revolves around what is known as the “chain of command”. The form is also known as “the intentional organization” with specific focus on organizational structure, definition of both relations and levels, task division, responsibility delegation, and specification of authority and responsibility procedures. Alternatively, it involves the kind of rules and arrangements expressive of the formal relations between employees, in the implementation aims of work policies within the organization.

#### **1.2 Significance of Formal Organizational Structure**

- Organization contributes to the achievement of the desired objectives and their realization within the highest available efficiency standards through the utilization of the available resources;
- Organization motivates employee efforts and fosters loyalty through the creation of a suitable work environment;
- Organization provides job stability to employees and ensures optimal communication and interaction between organizational members, which facilitates information and order flow to all departments;
- Organization encourages employee teamwork to the achievement of the desired objectives and enhancement of management efficiency in goal attainment by leveraging advanced work performance methods;
- Organization ensures information circulation among the organizational key groups and stresses work importance and its alignment with the systems and instructions set by senior management;

- Organization relies on resource distribution and allocation methodology on priority-basis and goal attainment importance. Organization allocates authority among individuals in the organization according to the occupied position, which is probably to align with task assignment.

### **1.3 Determinants of Formal Organizational Structure**

- ✓ Administrative hierarchy and relationships between work divisions;
- ✓ Role division according to specialization;
- ✓ Definition of individual positions and the corresponding role assignments.

### **1.4 Principals of Formal Organizational Structure**

- Chain of command or hierarchy
- - Unity of command
- Clarity in levels definition
- -Equality of authority and responsibility
- Delegation of power
- - Appropriate span of control
- Communication network effectiveness
- - Coordination
- Position and role alignment.

### **1.5 Types of Formal Organizational Structure**

The formal organizational structure takes two primary forms and two additional mixed forms.

#### **1.5.1 Line Organization**

An organizational model of simplistic nature and clarity in terms of units, individuals, and relationships as well as speed of command and instructions execution, hence, efficiency in task completion because authority flows from top

to bottom in a downward trajectory. As such, this vertical organization maintains the principle of unity of command.

- **Advantages**

- Aids with the provision of an appropriate training opportunity in direct operational processes;
- Characterized by a clear definition of authoritative relationships;
- Clear duty specification for each individual within the organization;
- Agility in decision-making.

- **Disadvantage**

- No sufficient time is provided to engage in important activities such as planning, research, and development;
- Managers are overburdened with numerous duties that exceed both their capacities and abilities;
- No division of labor and specialization is encouraged, as the manager is the sole authority that decides on all employee tasks and matters.

### **1.5.2 Functional Organization**

An organizational model that focuses on specialization in tasks or functions within the organization, as each administrative unit is dedicated to a clearly defined functional activity, even in the existence of work overlapping between units. Such organizational model emerged as a response to the challenges faced by the vertical structure manager, whose capabilities usually do not permit the handling of all activities and functions. Even when capabilities permit that, time would simply be insufficient to do so.

- **Advantages**

- Specialization;
- Division of labor;
- Aids with employee cooperation within the different organizational departments.

- **Disadvantage**

- Ambiguity in the delineation of authority and responsibility;
- Delay to meet task deadlines;
- Authority concentration among a limited number of experienced individuals;
- Lack of flexibility.

### **1.5.3 Line and Staff Organization**

An organizational model that is also referred to as “the vertical advisory organization”. Such model combines the advantages of both previous models and avoids their disadvantages.

- **Advantages**

- Allows managers to focus on administrative tasks and the delegation of technical responsibilities to advisors;
- Flexibility.

- **Disadvantages**

- Presence of sensitivities between the formal authority and advisory authority;
- Enables executive managers to evade responsibility in case of failure in decision-making and to shift the blame onto advisors;
- Usually, demotivates advisors to offer effective views, as success is eventually attributed to the executive managers.

### **1.5.4 Matrix Organization**

An organizational model that is referred to as such because it takes the form of a network or matrix that relies on a combination of both product-based

and functional structures. The model was previously discussed in the topic of organizational structure design.

## **1.6 Administrative Levels within Functional Organizational Structure**

- A. Top management
- B. Middle management
- C. Lower (Executive) management

## **2 Informal Organizational Structure**

### **2.1 Definition of Informal Organizational Structure**

- Informal organizational structure refers to the organizational arrangement of social relationships among the members on the basis of informal social ties that stem from kinship, ethnic or religious affiliation, original or current place of residence, or shared personal goals and ambitions, or shared concerns experienced by the employees.
- Diverse factors contribute to informal groups formation, which include: the need for acceptance and socialization tendency, the need for security, the need for control, and the need for appreciation and self-affirmation.

### **2.2 Informal Group Levels in the Organization**

Five levels of informal groups are recognized within a given organization that are:

- The overall informal organization, which is a network of interconnected groups;
- The large groups within departments, which are formed on the basis of special bonds, such as common nationality;
- The primary group, which is formed based on shared work;
- A group of two or more employees, where they share intimate close-knit relationships;

- The isolated members who rarely participate in any sort of social activities.

### **2.3 Goals and Effects of Informal Groups**

- Informal groups contribute to work consistency because formal plans and policies are simply unable to address all possible issues within ever-changing circumstances;
- Informal groups facilitate the management work through cooperative work that allows authority delegation and decentralization on trust basis;
- Informal groups secure satisfaction, fulfillment, and stability among employees, which increases productivity;
- Informal groups ensure flexibility in communicational channels between employees;
- Informal groups ensure the monitoring of work processes, which leads management to be more cautious in authority exertion;
- Integration and cooperation between formal and informal organizational structures increase productivity;
- Informal groups' participation in work-related decision-making fosters both satisfaction and trust;
- Informal groups Reduce both feelings of monotony and boredom within the organizational environment, which increases the sense of comfort, as employees gain the deserved status based on qualification and competency;
- Informal groups provide understanding opportunities of the members' social roles on the basis of both the rights and responsibilities related to each social position. As such, the informal group determines the production performance levels that would either increase or decrease depending on its influence as well as subjecting employees to social control through the adherence to its standards.

## **2.4 Leadership in Informal Groups**

The chief indication of organizational study is that the informal leader is more respected and appreciated among employees than the formal leader for the following reasons:

- The formal leader lacks consideration of employee social difficulties;
- The formal leader acts more as the group chief rather than as a part of the group;
- The formal leader avoids sharing work responsibilities with employees or involving them in work improvement initiatives and resorts to punishment in the event of any negative behavior;
- Employees generally feel that the informal leader is emotionally closer and more interactive with them and he is characterized by the following:
  - Guides employees on how to effectively perform tasks without being asked;
  - Engages and interacts with employees both inside and outside the organization;
  - Leads with a democratic approach;

Makes decisions in an authoritative manner with significant ability to influence group members.