

MODERN OFFICE MANAGEMENT

II BA (ECONOMICS)

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III - SEMESTER

Unit I

Office Management – Meaning

Office management is not only necessary to business organization but also essential to non-business organization. In modern internet society also, there is a need of direction to the individual efforts towards common purpose or objective. The direction is given from a place i.e. office.

The process can be treated as office management. A business is carried on by businessman with the help of group of persons. This group of persons has different interest, talent and motto. So, it is the function of office management to organize, guide and control the activities of such group of persons to achieve business objectives.

Definition of Office Management:

Office management can be defined as the art of guiding, directing coordinating and controlling the salaried people of an organization in order to achieve specified objective within a time schedule.

Elements of Office Management

Elements of office management are termed as pillars of a building. If pillar is strong, certainly, the building is also strong. Hence, efficient functioning of office management is based on the elements of office management. Following are the essential elements of office management.

1. Personnel

Office personnel are actually performing the office work. Generally, the selection and placement of office personnel is carried on by the office manager in small organization. In large organization, staffing is carried on by the human resource management department.

In both the case, the office work is to be performed by allocating the work to each individual according to their efficiency, guide the personnel to do the work with the help of means available in an office within a specified time and control the activities of office personnel. The office manager has to do all these activities.

2. Means

Means refers to tools used to perform the office work. Means include pen, pencil, eraser, paper, ink, office forms, typewriter, computer, printer, calculator and the like. Adequate tools have been supplied in an office and put them to the most efficient and economical use for achieving objectives.

3. Environment

The nature of business determines the environment of an office. The various office works have to be carried on under a particular condition or environment. A working environment is created and maintained for the smooth performance of office work. It is the duty and responsibility of an office manager to bring suitable environment by adopting various procedures and practice.

4. Purpose

The office personnel must be aware of the purpose for which a particular work is carried on and the impact of such work on others' performance. The office manager teaches the purpose to office personal. If not so, the performance of office work does not bring the most efficient and economical use of office resources and achieve the objectives.

Importance of office management

Some importance of office management is listed below:

1. Achievement of goals

Office management helps in increases office efficiency, smooth flow of work, maintaining public relations, minimization of cost, managing change and accepting the new challenges which help in achievement of goals of the organization.

2. Increases office efficiency

Office management focuses on office activities and helps office in economical way.

3. Smooth flow of work

Office management helps in performing efficient and effective office work. It helps in proper planning and effective control in office.

4. Public relations.

There must be good public relation of the organization. The main purpose of public relation is to make the organization look trust worthy to all people who deal with it in all its action. It helps in increasing the goodwill of the organization.

5. Minimization of cost

Office management guides the use of capital, natural, financial, human and other resources effectively without leakage and wastage which helps in minimization of cost.

6. Managing change

Office management helps in implementation of plans in right time and in right way. Bu there may be change in resources, need, technology, preferences and so on which makes it necessary to bring about the change in plans. Office management makes the office flexible which helps to manage the change.

7. New challenges

In an office, to achieve goals, many challenges should be faced. It helps in improving the research and information system. It helps in managing all the rigid matters.

Office Management Function

1. Planning:

Planning is the first and foremost function of office management. It is best described as the first step towards other functions of the office.

It is a well-defined course of future action.

Fayol had pointed out:

“The plan of action at one and the same time, the result envisaged the line of action to be followed, the stages to go through, and the method to use. It is a kind of future picture wherein proximate events are outlined with some distinctiveness while remote events appear progressively less distinct. Planning is a mental process based on available means of facts and future possibilities”.

Objectives of Planning:

Planning is done to:

1. Offset the changes and uncertainty
2. To gain on economical operations, and
3. To facilitate control.

In the case of office management these objectives of planning are to be co-ordinated with reference to the objectives of business enterprises as set forth by its manager.

Benefits of Planning:

Planning has certain benefits which are enumerated:

1. Planning gives a direction to activities in the office and thus everything becomes purposeful.
2. Planning focuses alteration on objectives.
3. Planning helps to offset uncertainties and changes.
4. Planning facilitates control in the office.

5. Planning also takes care of the growth of business operations. Thus the office is not found wanting when it grows.

6. Planning helps in economical operations in an office as the office personnel know about the target and goals, and about how to move in that direction.

7. Planning facilitates a complete control in the office. The second element of the office is organising.

Office Management Function # 2. Staffing:

It is a function of management, more so it is an executive function of selection, recruitment, compensation, promotion, training and retirement of subordinate managers. Office management also has this process of staffing because the office has to be manned and managed in similar fashion.

Office Management Function # 3. Directing:

Direction is defined and described as the functioning of command. “The successful direction of sub-ordinates results in knowledgeable well-trained people who work efficiently toward the objectives of the enterprises. Direction can be described as the process of guiding and supervising the subordinates. The idea of guiding and supervising is to give a specific direction to the various activities in the office with a view to its proper functioning.”

Office Management Function # 4. Communication:

It is explained as the interchanges of thoughts or information to bring about a mutual understanding and confidence or a good human relation. Effective communication is in line where a thing is understood in the same sense in which it has been communicated.

To establish a good communication it is essential to follow these three principles:

- (a) The principles of clarity
- (b) The principles of integrity
- (c) The principles of strategic use of informal organisation.

Office Management Function # 5. Controlling:

Controlling is a function of checking current performance against pre-determined standards contained in the plans, with a view to ensuring adequate progress and satisfactory performance—physical or financial. Controlling is basis to the office management.

Performance of the office staff has to be measured and corrective steps are to be taken to make sure that the aims of the office via-a-vis that of the enterprises are attained.

Controlling should have these principles:

1. The principle of economy
2. The principle of flexibility.
3. The principle of objectivity.
4. The principle of vision.
5. The principle of need and nature of the office.

Office Management Function # 6. Co-Ordination:

Co-ordination is a process of balancing and keeping the team together by ensuring a suitable allocation of working activities to the various members, and seeing to it that these are performed with due harmony amongst the members themselves.

In order to have an effective co-ordination in the office, it is necessary that co-ordination must have the following prerequisites:

- (a) The goal of the sub-ordinate department must be designed to contribute to the enterprise.
- (b) The objectives of the enterprise must be known to each and every member of the group.
- (c) Individuals should understand properly how their job contributes to the goal of the enterprise.

Principles of co-ordination:

The principles of co-ordination are enumerated:

(a) Principles of Direct Contact:

Co-ordination must be achieved through direct contact amongst the parties concerned. This would avoid red-tapeism and ensure promptness.

(b) Principles of Continuity:

Co-ordination has to be a continuous process because various conditions keep on interchanging and ever-changing.

(c) Principles of Early Beginning:

It is necessary to achieve coordination with early stages of planning and policymaking.

(d) Principles of Reciprocal Relationship:

All the factors like sales, production, management, finance in a situation must be reciprocally related.

Office Management Function # 7. Motivation:

One of the most complex and a difficult process of a form of management is the process of motivation.

Motivation is of two types:

- (i) self-motivation and
- (ii) external motivation.

Motivation means including a subordinate to work with zeal and zest with gusto and cooperate for achieving the objectives of the organisation. The motivation system should satisfy the edge needs of the group besides being flexible, competitive, productive and comprehensive.

If a motivational system has these characteristics it shall achieve the following in the office:

- (a) Helps for setting examples for sub-ordinates
- (b) Keep the moral high
- (c) Helps in disciplines
- (d) Provides growth in stature and responsibilities
- (e) Provides financial opportunities to the executives.

Size and Shape of Office

The size of an office is based on the size of the business organization. If large scale business is carried on, the size of an office is also big and vice versa.

The reason is that the size of a business unit is the main deciding factor for the size of an office. If size of the office is small in relation to the size of the business unit, it may not be able to function efficiently. Therefore, the optimum size of office is required for effective functioning. The shape of office is based on the policy of the top management and the convenience required for employees.

The size and shape of the office building should be conducive to the present requirement as well as for the future expansions. Each worker in the office must be given facilities according to the job performed by him. There is no hard and fast rule with regard to the selection of size and shape of an office building. At the same time, provision of unnecessary space for future needs, which may not be required at all, is not advisable as it will only mean wastage of money.

Special attention may be devoted in deciding the shape of an office. The shape may be square, rectangular, long and narrow or L-shaped. It is advisable to select a square or rectangular space rather than long and narrow space. The reason is that the latter requires much walking back and forth by the office staff and no possibility of optimum utilization of office.

How to estimate the Size of Office?

The size of an office may be estimated in anyone of the following ways.

1. **Number of Employees:** The number of persons employed may be considered to decide the size of an office. While calculating the number of persons, the inefficient persons may be excluded to get correct idea of the size of an office.
2. **Size of Salary Bill:** The size of an office is a large one if there is huge amount of salary bill and vice versa. But, when the salary structure is irrational, it may not be an accurate indicator of the size of an office.
3. **Investment in Machines and Equipment:** The investment in office machines and equipment is the policy of the top management. If an office work is done through mechanization. the size of an office is small and manual work practice is followed to complete office work, the size of an office is large. Therefore, investment in machines and equipment may differ in two offices of almost the same size.
4. **Administrative Expenditure:** Administrative expenditure refers the amount spent for running the office. The amount is decided and fixed in the annual budget. So, the total administrative expenditure can be considered as an indicator of deciding one size of an office.

Relation of Office with Other Departments

Large organizations are divided into various departments such as office, production, purchase, sales, finance, personnel etc. It is the office which is concerned with receiving, recording, arranging, analyzing and giving of information. All the departments depend upon the office for various information needs.

The office serves as the co-coordinating link in any organization. For co-coordinating the activities of different departments in an organization, office has to keep relations with each and every department. For example, orders for raw materials, sales, complaints, appointments etc. are passed through office only.

Relationship of office with other departments of an organization is given below:

Office and Production Department

The production department is concerned with the production of goods and services. Raw materials, machines, equipments etc. are needed to produce goods. They depend upon office to get their requirements.

The office makes purchases on behalf of the production department and also informs the production department the requirements of consumers and customers. The office is also provide common services to the production department, like, purchases correspondence, filing, market research, the trend of the market etc.

Office and Marketing/Sales Department

The office is always keep relations with customers. It is the office receives enquiries, orders etc. Enquiries are replied. Orders are executed by the sales department and the bill is sent through office. Complaints from customers are received by the office and convey them to sales department.

When sales go down, the office helps in marketing research to find out the reasons for low sales. The reasons are known to departmental heads, who take step to overcome the situations. Office receives information on behalf of sales department and office gives information to sales department, apart from general or common service, such as mailing, filing, communication etc.

Office and Purchase Department

Materials, stores, plant, machineries etc. needed for the purchase department is arranged by the office. Office assists the purchase department in inviting quotations or tenders, in sending orders, receiving invoices, making payments etc. It also gives general services to purchase department and maintains purchase journals, ledgers etc.

Office and Accounts/Finance Department

The accounts department maintains all the records of all business transactions with the help of office. The office prepares various financial statements and reports for the top management.

Correspondence on behalf of accounts department is conducted by the office. It renders assistance to maintain the books of accounts, budgets, salaries and wage bills, invoices, collection of debt etc. Office and Personnel Department

The personnel department is created only to provide necessary help to the managers in performing the staffing function. Without the productive efforts of human being, material resources would be meaningless and idle. Recruitment, training etc. are routed through office.

Unit II

Office Manager

- Scheduling meetings and appointments within the office
- Organizing the office layout and ordering stationery and equipment
- Maintaining the office condition and arranging necessary repairs

Job brief

We are looking for an Office Manager to organize and coordinate administration duties and office procedures. Your role is to create and maintain a pleasant work environment, ensuring high levels of organizational effectiveness, communication and safety.

What does an Office Manager do?

Office manager duties and responsibilities include scheduling meetings and appointments, making office supplies arrangements, greeting visitors and providing general administrative support to our employees. Previous experience as a Front Office Manager or Office Administrator would be an advantage. A successful Office Manager should also have experience with a variety of office software (email tools, spreadsheets and databases) and be able to accurately handle administrative duties.

Ultimately, the Office manager should be able to ensure the smooth running of the office and help to improve company procedures and day-to-day operation.

Responsibilities

- Serve as the point person for office manager duties including:
 - Maintenance
 - Mailing
 - Supplies
 - Equipment
 - Bills
 - Errands
 - Shopping
- Schedule meetings and appointments

- Organize the office layout and order stationery and equipment
- Maintain the office condition and arrange necessary repairs
- Partner with HR to update and maintain office policies as necessary
- Organize office operations and procedures
- Coordinate with IT department on all office equipment
- Ensure that all items are invoiced and paid on time
- Manage contract and price negotiations with office vendors, service providers and office lease
- Manage office G&A budget, ensure accurate and timely reporting
- Provide general support to visitors
- Assist in the onboarding process for new hires
- Address employees queries regarding office management issues (e.g. stationery, Hardware and travel arrangements)
- Liaise with facility management vendors, including cleaning, catering and security services
- Plan in-house or off-site activities, like parties, celebrations and conferences

Requirements

- Proven experience as an Office Manager, Front Office Manager or Administrative Assistant
- Knowledge of Office Administrator responsibilities, systems and procedures
- Proficiency in MS Office (MS Excel and MS Outlook, in particular)
- Hands on experience with office machines (e.g. fax machines and printers)
- Familiarity with email scheduling tools, like Email Scheduler and Boomerang
- Excellent time management skills and ability to multi-task and prioritize work
- Attention to detail and problem solving skills
- Excellent written and verbal communication skills
- Strong organizational and planning skills in a fast-paced environment

- A creative mind with an ability to suggest improvements
- High School degree; additional qualification as an Administrative assistant or Secretary will be a plus

Principles of Office Organization

Nobody is able to identify the activities of office organization. The activities are changing according to the changes in the situation and the requirements of business organization. There is no tailor made way of organizing the office to meet all situations. Some principles are used as guidelines for organizing the office. These principles are briefly explained below:

1. Objectives and Purpose

The very purpose of any office organization is to avoid waste of time and duplication of work. At the same time, it aims at maximum coordination among all the departments. In this way, an office organization takes all efforts to achieve the common objectives with the unity of all departments.

2. Division of Work or Specialization

The activities of the office should be divided according to functions and assigned to persons according to their specialization.

3. Principle of Efficiency

The office activities are assigned to an employee on the basis of talent or skill or efficiency what he possess. An effective and economical way of attaining the objectives are possible through applying principle of efficiency.

4. Unity of Command

Each subordinate or an employee should know who is his/her superior, to whom he/she is answerable and whose orders he/she has to obey for smooth functioning of an office. More than one superior to an employee or subordinate creates confusion and disorder in the office organization.

5. Principle of Definiteness

Each job in the business organization should be well defined. If so, the specified job can be easily distributed or assigned to an employee. Besides, every employee must definitely know of his/her position in the business organization and purpose thereof.

6. Scalar Principle

This principle is also known as Chain of Authority or Chain of Command. There should be a clear cut and well defined line of authority in the office organization. If so, everybody knows to whom he/she is responsible and to whom he / she is not answerable.

7. Principle of Span of Management

This principle is also known as span of supervision. There is a limit to supervise the number of subordinate effectively by an executive i.e. span of supervision. This principle is taken into consideration while allocating activities to departments, divisions, sections etc.

8. Principle of Authority

An authority is a tool by which an executive do the work in order to achieve the desired objectives in an office. Hence, the authority of each position in an office should be clearly defined.

9. Delegation of Authority

A subordinate gets his/her authority from his/her immediate superior in the same line of hierarchy. Therefore, authority always flows downward.

10. Responsibility

A superior is held responsible for whatever the acts of his/her subordinates. It means that a superior should not be allowed to avoid responsibility by delegating authority to his/her subordinates. Authority can be delegated but the responsibility cannot be delegated at any cost by the superior.

11. Principle of Authority Level for Decision-Making

Decisions are taken according to the level of authority vested with the employees in an office. It should be noted that decision making process starts from bottom to upwards. If a decision is not taken or fails to take a decision at lower level, high level authority personnel is going to take a decision. At the same time, if high level authority personnel is not taken a decision or fails to take a decision, a lower level authority personnel is not able to take a decision;

12. Simplicity

The level of authority should be minimum in number. If so, organization structure is simple in nature. A simple organization structure is highly responsible for effective performance of work instead of creating problems and confusion for effective communication and coordination.

13. Coordination

Coordination is essential to bring unity of action in an office organization. The organization structure should establish relationship among the employees to secure coordination.

14. Flexible

The organization structure should be flexible in nature. If so, it is adoptable at any time according to the changing circumstances and permit expansion.

15. Principle of Parity of Authority and Responsibility

Authority is delegated according to the nature of work. At the same time, responsibility is fixed according to the level of authority vested with the employee who is going to perform the work. It means that an employee must have sufficient authority to discharge the responsibility entrusted to him/her.

16. Balance

The identified activities are grouped on anyone of the basis. Now, the grouping of activities has the equal weightage in all the departments. It means that no department or division or section has more activities than any other department or division or section. There should be a balance among all the departments while grouping of activities.

17. Continuity

An organization structure should be designed in such a way that ensures the existence of a business organization in the long run and must permit the growth and expansion of an office organization in the days to come.

18. Personal Ability

A selected office staff must be trained to get talent according to the nature and volume of work assigned to him/her. If so, an office organization is in a position to achieve the specified objectives without any delay.

19. Principle of Leadership Facilitation

An organization structure should be designed for the growth of leadership position in the different levels of management.

Organizational Systems

An organizational system is the structure of how an organization is set up. That structure defines how each division of a business is set up, the hierarchy of who reports to whom and how communication flows throughout the organization. Broken down even further, an organizational structure defines how each role in an organization functions. With a well-defined organizational structure in place, all employees know what is expected of them and to whom they report. Business owners should think long and hard about which system to choose, as each organization

has unique needs. An organizational structure that is right for one company will not be right for another.

Examples of Organizational Systems in Business

There are four main types of organizational structures: functional, divisional, matrix and flat. Each system has unique features.

Functional organizational structure: A functional organizational structure is a traditional hierarchy. Many companies, especially larger corporations, follow the functional structure. This system features several specialized divisions such as marketing, finance, sales, human resources and operations. Then a senior manager oversees all the specialized divisions. The reporting flow is clear. Each employee reports to their senior, including division heads, who report to the senior management. Senior management oversees the entire structure. Because the company remains split up into specialized divisions, employees tend to become specialized as well. This causes a clear path for promotion and growth. However, the divisions can have trouble communicating with one another. Because all departments report upwards, there is little horizontal communication between them, leaving little space for holistic, whole-company thinking, except at the top management level. This makes the functional organizational system slow to adapt to change.

Divisional organizational structure: A divisional organizational structure divides the business up into teams based on the projects the employees are working on. This system includes many different types of teams, including legal, public relations, research and business development. Further, teams are created around specific projects. For example, a pharmaceutical company might have separate teams dedicated to each medication they manufacture. Each project team has a director or vice president and exercises a certain level of autonomy within the organization. The divisional structure allows employees to become deeply familiar with their team's work. However, divisions are often unaware of what other teams are doing, and do not communicate with each other. Employees may not be able to work effectively across divisions when necessary. Ultimately, this system can be challenging to manage due to its spread-out structure.

Matrix organizational structure: A matrix system is a cross between a functional structure and a divisional structure. From a birds-eye perspective, the business is set up in a functional structure, with a traditional hierarchy and specialized divisions. However, when you look at those divisions up close, they are each set up in a divisional organizational structure. This means they are split up into projects and smaller teams. The matrix type of organizational structure is quite complex and requires a lot of planning, not to mention strong systems of communication across the organization. However, when the matrix structure works well, it eliminates a lot of the issues that pop up with divisional or functional-only organizations. Communication can travel to the right people, which increases productivity and holistic thinking. Further, employees are exposed to other departments and projects, encouraging cross-collaboration. On the downside,

the matrix structure can quickly become confusing for employees when there are too many managers, and it's not clear who to report to.

Flat organizational structure: Flat organizational structure flattens much of the hierarchy and allows employees more autonomy over their work. Often, flat organizations are split up into temporary teams, although they usually do not have formal structures. There are still some top-down dynamics in a flat system. Often, there is at least some senior leadership steering the ship. However, this system is predicated on disrupting the traditional hierarchical structures of businesses. Many startups and tech companies tend towards a flat organization, as it encourages innovation and employee input. The thinking is that when employees are not tamped down by red tape, they will think freely and generate fresh, profitable ideas. This increases communication across teams and eliminates some of the communication issues that can happen when messages travel up a top-down structure. Unfortunately, a flat system is difficult to maintain as a company grows, and the need for more structured communication systems comes into play. Further, employees in a flat organization can become overwhelmed with doing too many different tasks, and do not have a lot of room to grow or be promoted.

Why Businesses Need Organizational Systems

Organizational systems are important for businesses of every size. Having a solid, well-defined structure in place erases confusion and lays out simple processes for employees to follow. Each worker should know exactly who they report to. Without some type of hierarchy or structure in place, a workplace can become chaotic. Employees may not understand who is responsible for what, causing important things to fall through the cracks. A solid organizational structure streamlines a company and keeps everyone on the same page.

An organizational system puts every person in their correct place, able to contribute their part to the company. Having a system improves overall efficiency, heightens productivity and provides clarity to everyone in the organization. Every department can work better when roles are clearly defined and objectives are shared. Further, the proper organizational system can improve decision-making, as information flows throughout the organization. Upper-level managers can collect information from all divisions, giving them greater insight into the entirety of a company's operations.

A solid organizational system eliminates many business problems, including the duplication of work and conflicts between positions. If a business has been well-thought-out, each employee has a distinct role, and roles do not overlap with one another. There is no "runaround" where nobody is sure who is responsible for a particular task or project. Because of this, cooperation is increased and employees feel a sense of pride in their work. Workers avoid the frustration of having ever-shifting roles and goal posts. They can focus on what they do best.

Choosing the proper organizational system can take your business to the next level. For example, if your business is product-based, a matrix or divisional structure will likely be ideal. These are

project-based structures that focus on specialized teams. Small startups, on the other hand, may consider a flat structure to allow all employees to contribute their skills and expertise without the hierarchy interfering.

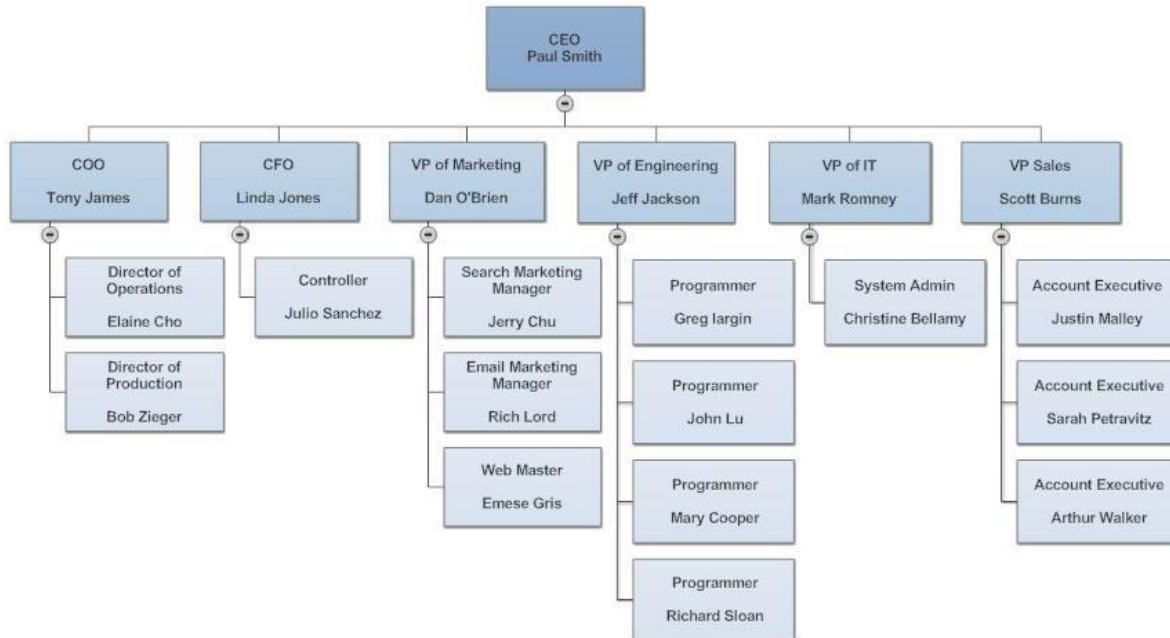
Examples of Businesses with Organizational Systems

Examples of the functional system: Functional organizational systems have historically been used by the military, universities and government entities. Over the years, functional hierarchies have become less popular, and many organizations have moved away from them. However, they are still in use by certain businesses. One example of how this type of organizational system might be used is in a traditional factory setting. The factory manager oversees the different divisions of the factory, which are each specialized. Each division has its own manager, all of which report directly to the overseeing factory manager. Another example could be a retail store. A store manager oversees the operations from the top of the pyramid. Below are different departments. Perhaps there is one for inventory, one for customer service and one for marketing and promotions. Each has its own supervisor, and all report to the general manager.

Examples of the divisional system: Divisional systems are popular with large, multinational corporations. For example, Johnson & Johnson has a divisional structure. Each of Johnson & Johnson's brands operates as its own company, with its own leadership and internal structure. All of those brands report to the parent company. Another example of a divisional organizational structure is General Electric. The CEO sits at the top, and beyond that, the company is split up into different groups. There are some operational groups, such as those for finance, legal, public relations and global research. Some teams are devoted to specific projects, including aviation, energy, health care and more.

Examples of the matrix system: A matrix organizational system is complex, and therefore mostly adopted by large, well-established companies. One famous example of a matrix company is Starbucks. The world's largest coffee company uses a functional structure to split its business up into divisions, including HR, financing and marketing. These departments are located at the brand's corporate headquarters and report to the upper levels of management. The HR department, for example, creates policies that affect all Starbucks locations across the board. Next, Starbucks has separate divisions for each geographic region. These regions include the Americas, China and Asia-Pacific, Europe, Middle East, Russia and Africa. The Americas region, being the most popular for the company, is further split into four smaller divisions. Starbucks also has product-based divisions. For example, there is one division for merchandise like the Starbucks mugs and another for baked goods. At the lower levels of the organization, Starbucks has teams of employees, especially at the store level. This complex matrix structure serves the coffee giant well, allowing the company to operate thousands of stores across the country successfully.

Organizational Chart



What is an Organizational Chart?

The definition of an organization chart or "org chart" is a diagram that displays a reporting or relationship hierarchy. The most frequent application of an org chart is to show the structure of a business, government, or other organization.

Org charts have a variety of uses, and can be structured in many different ways. They might be used as a management tool, for planning purposes, or as a personnel directory, for example. Perhaps your organization doesn't operate in a "command and control" style, but instead relies on teams.

Here are some ideas and examples to help you design the perfect organisational chart for your needs.

Two ways to get started

Use the online edition of Smart Draw on any computer or tablet [START NOW](#)

Download the Windows desktop edition of Smart Draw [DOWNLOAD](#)

How Organization Chart Are Used

Organizational charts are useful in a number of ways. Here are a few of the ways your company or group can benefit from an org chart.

- Show work responsibilities and reporting relationships.
- Allow leadership to more effectively manage growth or change.
- Allow employees to better understand how their work fits into the organization's overall scheme.
- Improve lines of communication.
- Create a visual employee directory.
- Present other types of information, such as business entity structures and data hierarchies.

The type of organization chart you make should mirror the management philosophy and organizational structure of your company.

There are four basic types of organizational charts:

1. Functional Top-Down
2. Divisional Structure
3. Matrix Organizational Chart
4. Flat Organizational Chart

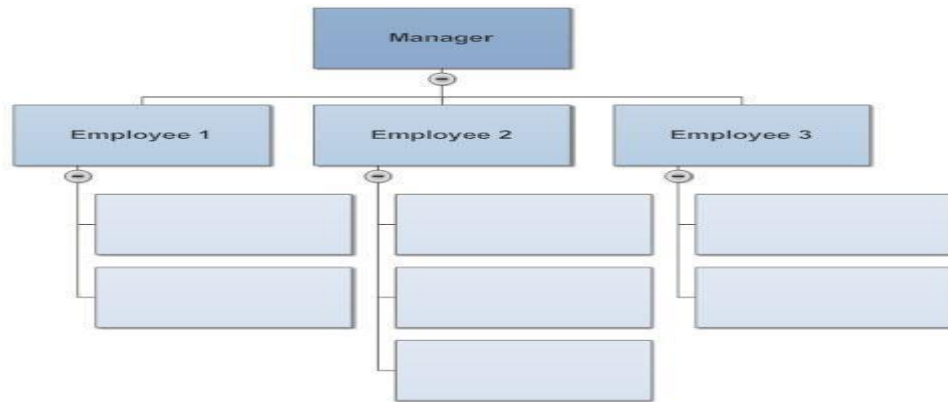
Learn more about organizational chart types.

Tips for Making Org Charts

Creating a perfectly formatted, professional-looking organization chart doesn't require special skill, but it also doesn't happen by accident. Here are 10 helpful tips for creating a perfect org chart.

How to Make an Organizational Chart

We usually think of an organization chart of having a fairly rigid, top-down structure. Here's the format of a basic three-level org chart.



But just as one size business suit doesn't fit everyone, the same can be said of an organizational chart. You'll want to custom-tailor an org chart to fit the needs of your organization. There are a lot of factors to consider. What type of information should be included in each box? Should the chart flow top-down or in another direction? What if there are people with multiple roles?

The answers to these and other questions will help you decide how to create an organizational chart to fit your unique situation.

Additional Org Chart Resources

This informational video offers a brief overview of how to get started making an org chart with Smart Draw. Starting with an org chart template, this video takes you through the basics of creating a Smart Draw org chart. In less than four minutes, it shows you how to make an org chart that looks professionally produced.

Using Org Charts Online

Go beyond the printed org chart. Online org charts are interactive. They let you create hyperlinks to other information and resources. They are easy to share and distribute within or outside your organization. Plus, an online org chart doesn't have to be reprinted and redistributed, so it's much easier to keep up to date.

Org Charts and Microsoft Office

More than 90 percent of organizations supply Microsoft Office® to their workers. Many try to make an org chart using Smart Art, and find it frustrating. Fortunately, Smart Draw integrates easily with the Microsoft Office® suite, as well as with other popular services such as Drop box®, Google Drive™, and One Drive®. Not only is it easier to create an org chart in Smart Draw, but learn how easy it is to transfer an organizational chart created in Smart Draw to any Microsoft Office® product.

Create an Organizational Chart from Imported Data

Perhaps the easiest way to create an org chart is to generate it automatically from a data file that lists all of the employees and who they report to.

Centralization and Decentralization are two modes of working in any organization. In centralization, there is a hierarchy of formal authority for making all the important decision for the organization.

And in decentralization decision making is left for the lower level of organization. Let us learn the difference between centralization and decentralization in detail with their advantages and other factors.

Centralization and Decentralization

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

1. The place of the decision-making authority in the hierarchy of the management i.e. Centralized.
2. The degree of decision-making power at the lower echelons in the organization i.e. Decentralized.

An organization has a greater degree of decentralization if the number of decisions made and functions affected at the lower level are higher.

Further, while decentralization and delegation of authority might seem similar, you must not confuse one with another. A decentralized way of working is more about the philosophy of the organization.

Unlike delegation, it is not just about handing over a part of the authority to a subordinate but a way of approaching the decision-making process in the organization.

Decentralization is a choice, while delegation is a must. Let's take a quick look at the advantages of centralization and decentralization:

Advantages of Centralization

- The organization can strictly enforce uniformity of procedures and policies.
- It can help in the elimination of overlapping or duplicate activities and save costs.
- The organization has a better chance of utilizing the potential of its outstanding employees.
- It offers a better control over the activities of the organization by ensuring consistency in operations and uniformity in decision-making.

Advantages of Decentralization

- Faster decision-making and better quality of decisions
- Improves the effectivity of managers.
- Offers a democratic environment where employees can have a say in their governance.
- Provides good exposure to mid and lower-level managers and creates a pool of promotable manpower with managerial skills.
- Since managers can see the results of their own actions, they are more driven and have improved morales.

Both centralization and decentralization have their own advantages and disadvantages. Even if an organization is working in a decentralized manner, some functions are usually centralized. Next, let's look at the factors that determine the degree of decentralization.

Unit III

Office records and correspondence.

Meaning of Office Correspondence:

A lot of communication that takes place in an organisation is in writing. Correspondence thus is defined as ‘communication in writing on subject of mutual interest either within the organisation or with an outsider’.

Correspondence within the organisation lends a meaning of definiteness to corporate policies and practice, promotes understanding between the members and departments the organisation.

Correspondences with the outsider promotes image of the organisation, clarifies its policies, keeps its legal entities intact and keeps its operations going.

Purpose of Office Correspondence:

There can be and there are many reasons for office correspondences.

An office correspondence can be because of the following reasons:

1. Serving a notice to the office personnel.
2. Serving a notice to the individual person.
3. Serving an order either to the entire department or to the individual employee in the office.
4. Serving an instruction either to the department or to an individual working in the department.

Serving an instruction or a notice to the office situated outside the office premises. There can be many other reasons to execute and serve an instruction which is a part of office correspondence, however, the nature of the correspondence depends upon the situation that arises in the office for which a notice has to be served.

Principles of Office Correspondence:

There are certain principles of correspondence which has to be followed by every office. An office notice or an office order cannot be issued by every Tom, Dick and Harry. Suppose a departmental head wishes to issue a warning letter to one of its employee. He just cannot issue the same on his whims and fancies.

He has to first refer to the office manual wherein it will be clear to him whether the office has empowered the departmental head to issue such letters.

If yes, then he can, under the framework of the administrative manual, issue the letter. If not, he has to revert back to the organisational head, explaining the situation and seek his permission and

approval to issue such order, before serving such a warning letter. A copy of that letter should be forwarded to the office organisation head for his information.

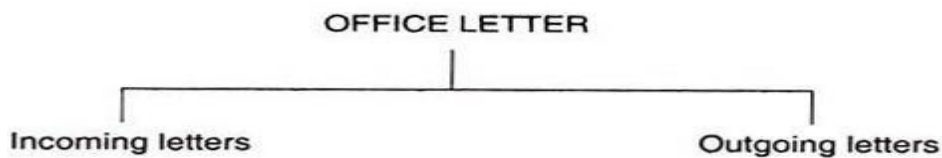
The greatest principle of any official correspondence is that official letters issued, served, or sent to anybody, should have a valid, substantial reason which should evince a firm resolute action.

Another principle of the official letter is, unless and until needed, it should be brief, polite, and should be written in a manner that the person reading it should take a favourable action. At no stage should the official letter served or written be harsh, impolite and rusty. It therefore devalues the importance of the letter and the person writing it.

Maintenance of Official Correspondence:

Maintenance of the office correspondence starts either with receiving the official letter and filing them in the proper file, or sending a letter out of office, or sending a letter to some other department, and maintaining a copy of it in the file.

This is best explained thus:



Incoming letters are also known as incoming mails and the outward letters are known as outgoing mails. We shall discuss the procedure of handling inward mails and outward mails.

Procedure for Handling Inward Mails in Office Correspondence:

Inward mail forms the basis on which the organisation works and exists. Much of the efficiency of the organisation is reflected through a proper handling of inward mail.

Listed is the procedure of handling an inward mail:

1. Receiving and Collecting the Mails:

An ordinary 'dak' or 'mail' is brought to the office either by a courier or by a post-man once or twice in a day in most of our cities in India. At once, the number of letter received should be counted. An office, as it is, will receive about 25 to 30 letters in a day and may be 10 to 12 letters at a time.

All such letters after receiving should be stamped. A proper example of stamp is shown:

Here the stamp reflects the name of the office. It is office at Kolkata. The stamp reflects other information as letter number, date of receipt, and the direction of the letter to whom it has to be

handed. Suppose this is the 10th letter that the office has received on 10/10/10, then the figure 10 and the date 10/10/10 should be posted at the appropriate place.

Lastly, if the letter is marked to the accounts department, then “**accounts**” should be written in the appropriate place. However, this step will take place only after opening the mail.

2. Opening Mail:

Letters may be opened either by hand or by letter opening machines. Opening letters by hand with the help of a paper knife is the most common method of opening letters even in a very large organisation.

After opening the letter it should be noted whether the contents of the letter written are in a single page, or more than a page. If it is more than one page, the entire pages should be numbered.

After numbering the pages, the contents of the letter should be read and a greater importance should be laid on the subject matter of the letter.

It is the subject matter which, at a glance, tells us about the entire contents.

Now it is here that the ‘letter referred to’ comes into foreplay as inscribed on the stamp. Once the entire letter is read, one would come to know about the department where the letter has to be directed. It should be written on the space provided.

3. Recording of the Mail:

Most of the organisations like to keep a permanent record for all inward mail. For this purpose, the “**inward mail register**”, ‘dak received register’ or ‘letter received book’ is maintained. This register records all the particulars of letter received. It is better to have such a register in almost all offices to check the records of the letter received and also check whether a letter has been returned for filing.

An example of how the inward mail register should be is best illustrated:

No.	Date	Name & Address of Sender	Nature of content .	Subject	To whom referred	Date of Reply	Initial of Officer
1	2011 3 rd March	Photo Litho Jullundur	Payment by cheque	Full and final settle- ment	Accoun- ts Manag- er	13 March 2011	
2	2011 3/3	Sachin & Co., Amritsar	Intimation about payment	Purcha- se Order No.	Purcha- se Manag- er	10 March 2011	

4. Sorting and Distribution of Inward Mail:

Once the entire stamping and entire recording is over, the letters should be sorted out. For example, all letters to be directed to accounts must be separated and grouped together so that every letter belonging to the Accounts Department are sent to Accounts.

Similarly every letter directed to Administration may be send to Administration Department. Thus process of putting all the letters belonging to the Accounts Department are sent to the accounts. Similarly every letter directed to Administration may be sent to Administration.

This process of putting all the letters to one department, in series and directing it to the concerned department for action is known as “**sorting**”. Once the letters are sorted and recorded, the letters are sent to the respective departments to receive. This process is known as distribution.

5. Follow Up:

Efficient reply back to incoming correspondence is the index of the efficiency of the organisation and to improve its image. The executives and the various departmental heads should see to it that letters received during the days are attended to on the same day and replies are prepared on the same day, and then the duplicate copies of it are filed properly.

The original letters should be given the file name and should be dispatched properly.

Outgoing or Outward Mail in Office Correspondence :

Mails are sent outside by every department, by every organisation.

There is a procedure of sending the mail out:

1. Read the entire contents of the letter which has to be sent out.
2. Take out the file in which the second copy of the letter will be filed. The file will have a file number. This file number has to be given to the letter.
3. See in the outward register what the serial number of the last letter is. The next number will be the serial number of this letter.
4. Put the date of despatch on the letter. The same date will have to be put on the letter.
5. After making all the entries of the letter in the outward dak register, send the letters to the despatch section. The despatch section will affix the stamps etc., will write the address on the envelope and then post the letter making an entry in the register maintained by them. This is the simplest and easiest method of dispatching a letter from the office.

Filings and Method of Filing in Office Correspondence:

The method of filing the office mail whether incoming or outgoing differs from office to office and procedures of filing too differs as different offices have different norms, procedures etc. These come in handy for filing.

The process of filing starts immediately after the recording of the outgoing letter is over. Suppose a letter has come into the office for which no reply has to be given, then that letter is read, noted and filed. But if an incoming letter demands reply, then the incoming letter definitely has to be filed, but before it, the reply has to be drafted.

Once the reply is drafted, noted, coded and send to the despatch section, for onward process, the letter has to be filed.

There are procedures for filing in office correspondence:

1. First go through the incoming letter and note from where the letter has come, what are the contents of the letter and what does the letter wants. If the letter does not warrant reply, file the letter in corresponding file.
2. Suppose the incoming letter warrants a reply then find out from where the letter has come.

It will be evident from the letter since you would know from where it has come, note the contents of the letter, the subject matter etc... this will give you an idea about the file in which the letter has to be filed, pickup that file.

3. Immediately frame a draft for reply. Get it approved by the competent authority. After getting the approval get the letter typed and get it endorsed by the competent authority.
4. Once the letter is endorsed, give it a proper file number, serial number and date. Once it is done send it to the despatch clerk for approval.
5. File the letter incoming and the reply letter in the corresponding file and number the pages filed serially. This is a short and a brief method of explanation about filing. However, let an effort be made to explain about various kinds of files and filing, and method of how to give an index or a code number to a file.

Records Management:

Records management is a modern business program that embraces filing and is supplemented by the design and review of business forms and records. It is that area of office administration which is concerned with creation, presentation, and use and disposal of records.

According to Jane K Cruible "Records management refers to me activities designed to control the lifecycle of a record from its creation to its ultimate disposition. The functions of records management under these stages are discussed below.

1. Creation of Records: New forms and records should be developed only when their need is fully satisfied. The design of the forms should be given careful attention. Data should be recorded in the documents accurately and completely.

2. Storage of Records: The storage is concerned with the classification of records and then filing in the suitable filing equipment which is in the easily accessible location. Arrangement should also be made to protect the records against disaster or unauthorized use.

3. Retrieval of record: The records are store for further use. An efficient procedure must be established so that records may be retrieved and delivered in time. The utilization of records is greatly influenced by the mode of their creation.

4. Disposal of records: The last stage in the record cycle is the disposal stage which is concerned with preserving valuable documents and disposing the expired documents. A record retention schedule classifies records based on the time period and the requirement of the same.

Centralized Correspondence

A separate division or section or department is created for handling correspondence to the entire organization under centralized correspondence. A separate person is appointed to organize and look after the work of the correspondence department. The volume of correspondence is very large in large organization; hence, a separate correspondence department is created and assigned to the qualified person. He exercises full control on the department.

The correspondence department receives all letters, gathers the necessary information from various departments, drafts, letters and replies, dictates letters dispatches them and follow up all letters. But at the same time, personal secretary is dealing the letters of top executives of an organization. A correspondence manual is prepared by the correspondence department for reference of all the departments.

Advantages of Centralized Correspondence

The centralized correspondence system offers the following advantages.

1. **Specialization:** The trained and experienced staffs handle the work of correspondence. It ensures speed and accuracy in correspondence.
2. **Economy:** There is no duplication of work under centralized correspondence. Besides, the work has been completed in a systematic way. It leads to saving of time and money. Mistakes and delays are also reduced.
3. **Secrecy:** The letters of confidential nature are routed unopened to the concerned officials.

4. **Continuity**: If all the correspondence with any customer is handled by the same staff member, the staff acquires an intimate knowledge of the customers. Hence, customer enquires can be answered quickly and better follow – up of letters is possible.
5. **Easy Training**: The employees of correspondence section have been easily trained and the cost of training can be reduced.
6. **Specialization**: The routine work of correspondence staff tends to increase the rate of output as well.
7. **Mechanization**: The production of correspondence is made by either typewriter or computer. Franking machine is used for stamping the correspondence. Effective use of these devices helps to save clerical labour.
8. **Avoids Congestion**: A time schedule has been prepared and followed for receiving and dispatching of mail. It avoids congestion of mail during the rush hour.
9. **Concentration of Work**: Departmental staffs are relieved from handling of mail work. They can devote their full attention on the work.
10. **Checking of Postage**: Centralization ensures effective control over the use of postage stamps. It avoids under stamping, over stamping and non – stamping.

Disadvantages of Centralized Correspondence

The disadvantages of centralized correspondence system are listed below.

1. **Delay in Dispatching**: The correspondence has been finalized only after final approval given by the respective functional area managers. For which, the correspondence has been sent to various functional areas and receives the same for dispatching. This process makes delay in dispatching.
2. **Interruption of Work**: The centralized correspondence section or department has collect information from various departments before drafting a letter. The drafted letter was sent to various departments for getting approval. This may dislocate the work of various departments.
3. **Lack of Basic Knowledge**: A centralized correspondence staff may lack adequate technical and specialized knowledge of various functional departments. This may lead to inaccurate correspondence.

Classification of Records:

1. **Correspondence**: Correspondence includes letters, notices, circulars, memorandum, reports etc., received by the firm and the copies of letters sent out. It also includes telegrams and fax messages.

2 Accounts Department Records: These include all papers or documents connected with accounts of the firm. E.g. invoices, petty cash vouchers, receipts, bank statement, accounting ledgers etc.

3 Purchases and Sales Records: These includes all papers connected with purchases, sales and stock keeping of goods handled by the firm, e.g. Price list, quotations, samples, copy orders etc.

4 Personal Records: These include all papers connected with the employees of the firm e.g. completed application form etc. and records of employees' attitude, absenteeism, and turnover etc.

5 Administrative Records: All records which are necessary with regard to the administration of the firm either because of statutory requirements otherwise e.g. Insurance policies, vehicle registration books, licenses, hire purchases agreement, share certificates and so on.

6 Miscellaneous Records: Modern business firms also keep records which have not been included in either of the above categories for instance records relating to advertisement campaign marketing research etc.

Filing:

Filing can be described as the core of records management. It is rightly said that the keystone of office organization is the maintenance of comprehensive, simple and efficient filing system. Filing cannot be treated as an unimportant function of the office, perhaps it is the most important amongst its functions. Denyer gives a very simple definition of filing. He describes it as the "process of arranging and storing records so that they can be located when required, "thus filing as process has following major objectives

(i) Proper arrangement of records, (ii) Careful storing of records, (iii). Easy availability of records without these objectives in view, filing system will not be useful and so the organization can not function successfully. OSS_EM_Chapter_5.indd 68 25-04-2018 15:49:20 69 G.R Terry has defined filing as "the placing of documents and papers in acceptable containers of document and paper in acceptable containers according to some predetermined arrangement so that any of these may be located quickly and conveniently, when required". According to Zane K. Quible, "Filing is one of the activities in the records management programme which involves systematically classifying, coding, arranging and placing of records in storage".

Advantages of Filing: Records are stored under a suitable system of filing in order to achieve the following purposes and benefits.

1. Ready Reference: Records constitute the storehouse of information relating to past events. They can be referred conveniently if they are filed in a systematic manner and a proper index is maintained for various files.

2. Safety of Records: Filing ensures the safe storage of records of different types. Letters and other documents are put into folders and the folders are kept in cabinets. Thus records are saved from unforeseen happenings like theft fine etc.

3. Documentary Proof: Records serve as documentary evidence in case of disputes. Copies of records can be produced to settle the claims with different parties. Records can also be produced in a court of law as evidence when a party to the dispute resorts to the process.

4. Prompt Handling of Correspondence: Filing enables the handling of correspondence properly without any delay. It builds up the reputation of the organization and helps in securing orders.

5. Statutory Requirements: Records are kept in compliance with provisions of various statutes like companies Act, Income tax Act, Factories Act, etc

6. Barometer of Progress: Filing makes available the records of previous years. It helps in comparing the current year's performance with the previous years. Thus it is an important aid in measuring the efficiency of the enterprise and various departments.

7. Decision Making and Policy Formulation: Availability of up-to-date information is essential for taking important decisions and for formulating policies. The degree of risk is increased if to decisions are based on relevant facts and figures.

8. Increased Efficiency: Filing increased the efficiency of the office. It makes available to the management the required information with speed and accuracy which is helpful for prompt decision-making. Follow-Up actions are also taken quickly if records of the past correspondence are easily available.

Filing Methods: Alphabetical, Numerical, geographical, chronological and subject wise

Bases of classification of files

Classification of files refers to the process of selecting heading under which documents are grouped or classified on the basis of common characteristics. The bases of classification are as follows:

1. Alphabetical classification

The filing method under which files and folders are arranged in order of alphabets of the names of person or institution concerned with such file is alphabetical classification. It is the most popular and common method of filing. In case name of more than one person starts with same letter then the second letter of name is taken into consideration. It is a flexible method. It is used in both small and large organization.

Advantages

- Simple and easy to understand
- Doesn't need a separate index
- It is flexible

Disadvantages

- Time-consuming
- Difficult to arrange files
- Difficult to locate in case of common names

2. Numerical classification

The filing method under which files and folders are arranged in order of number is called numerical classification. All files and folders are given separate numbers. It is an indirect method of classification of filing. In this filing alphabetical index is required. It includes name, address, phone number, subject and other information along with file number.

Advantages

- Suitable for large offices having a large number of files and folders
- An accurate method of filing
- It is flexible
- A separate index can be easily developed using numbers.

Disadvantages

- It is expensive
- It is time-consuming
- Not suitable for small organization
- It is not easy to operate
- Separate alphabetical index is required.

3. Subjective classification

In this filing method, records are classified according to their subject; letters and documents are classified and arranged in files and folders into subject or sub-subject wise. In this filing, subject must be arranged alphabetically. It is widely used in those cases where subject is more important than the name of the person or organization. All documents relating to same subject are filed together in one file.

Advantages

- Simple to operate
- Flexible
- Convenient
- Easy to locate

Disadvantages

- Not applicable for filing miscellaneous subject
- Time-consuming
- Difficult to locate when subject matter is not properly understood

4. Geographic classification

In this method, files are grouped according to the geographical location of firm, organization or person. Under this method name of places are written in file and are arranged in drawer either in alphabetical or numerical order whichever is suitable for organization. It is used in multinational companies or those organizations whose business and branches are located in many places of the nation or the world.

Advantages

- Easy to understand and use
- Can be arranged in alphabetical and numerical order
- It used in those organizations whose business is engaged in correspondence with the businesses all over the globe or the nation.

Disadvantages

- Expensive

- Not suitable for small scale organization
- Time-consuming
- No use of card or index

5. Chronological classification

In this method, files and folders of documents are arranged in an order of their date, day, and time. In an office, several letters and documents may be received and dispatched. They all are arranged according to time and date when they were received and dispatched

Advantages

- Simple to understand and easy to operate
- Quickly located if their dates are known.
- Less expensive

Disadvantages

- Not suitable for large offices
- When clear dates are not mentioned then there can be difficulty.