



SNS COLLEGE OF ENGINEERING

Kurumbapalayam (Po), Coimbatore – 641 107

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DEPARTMENT OF MANAGEMENT STUDIES

COURSE NAME : 19BA101- MANAGEMENT AND ORGANISATIONAL BEHAVIOUR

I YEAR /I SEMESTER

Unit 2- Functions of Management

Topic : Organisational structure- Departmentation



DEPARTMENTATION



- ◀ Departmentation means:
 - ◀ Division of work into smaller units-the work is divided into units and sub-units
 - ◀ Re-grouping into bigger units (departments) on the basis of similarity of features
 - ◀ Departments are created and activities of similar nature are grouped in one unit. Each department is headed by a person known as departmental manager.
 - ◀ Helps in expanding an organisation and also promotes efficiency by dividing the work on the basis of specialisation of activities



IMPORTANCE OF DEPARTMENTATION



- ◀ **Organisation structure**-organisation structure is facilitated through departmentation. If there are no departments, it will be difficult to keep track of who is doing what and who is accountable to whom.
- ◀ **Flexibility**-Creating departments and departmental heads makes an organisation flexible and adaptive to environment. Environmental changes can be incorporated which strengthen the organisation's competitiveness in the market.
- ◀ **Specialisation**-Division of work into departments leads to specialisation. Specialisation promotes efficiency, lowers the cost of production and makes the products competitive.
- ◀ **Sharing of resources**-Departmentation helps in sharing resources according to departmental needs



IMPORTANCE OF DEPARTMENTATION

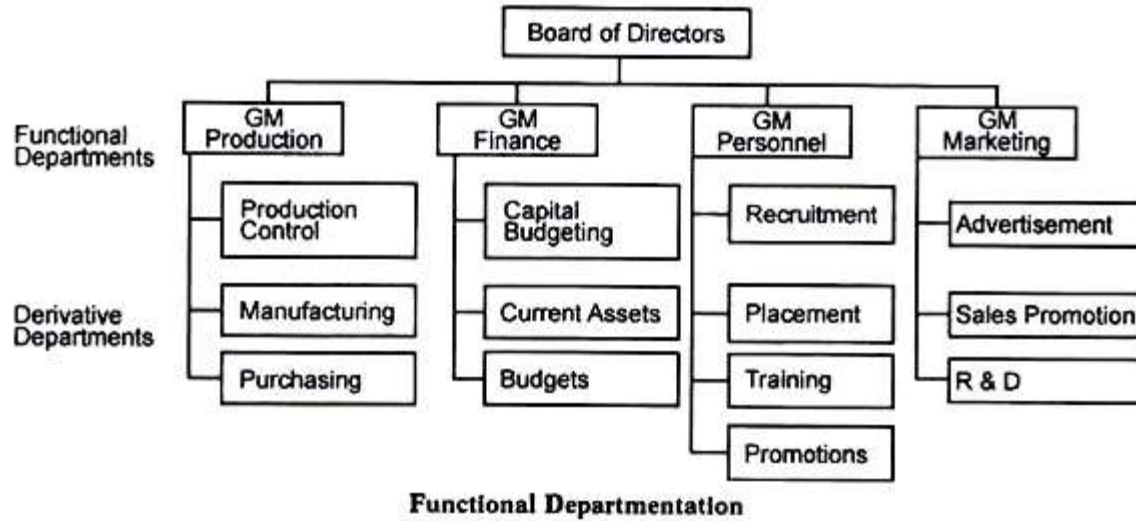
- ◀ **Co-ordination-** Creating departments focuses on departmental activities and facilitates co-ordination.
- ◀ **Control-** Departmentation facilitates control by departmental manager over the activities of his department only.
- ◀ **Efficiency-** Flow of work from one level to another and for every department, i.e., vertical and horizontal flow of work in the organisation increases organisational efficiency
- ◀ **Scope for growth and diversification-** Departmentation enables them to expand their area of operation into new product lines and geographical divisions. Departmentation provides scope for organisational growth (along the same product lines) and expansion (adding new product lines).



TYPES OF DEPARTMENTALITION

◀ **Functional Departmentation**

- ◀ The grouping of jobs and resources within the company in such a way that employees who perform the same or similar activities are in the same department
- ◀ For example, activities carried by a manufacturing organisation are production, finance, personnel and sales.
- ◀ For a trader, the major activities are buying and selling,
- ◀ a bank performs borrowing and lending functions





◀ Departmentation by Products

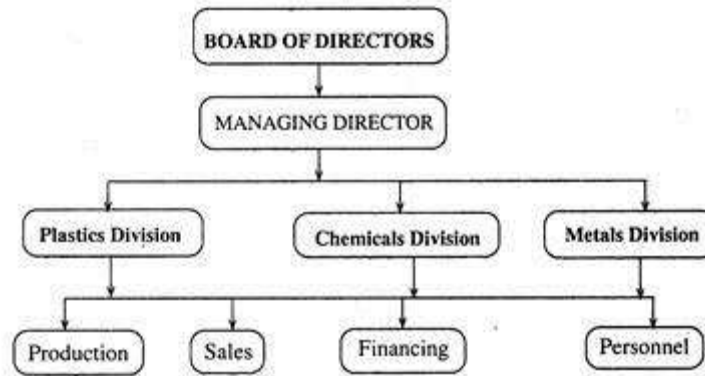


Fig. 4.11: Departmentation by Product.



◀ Departmentation by Territory

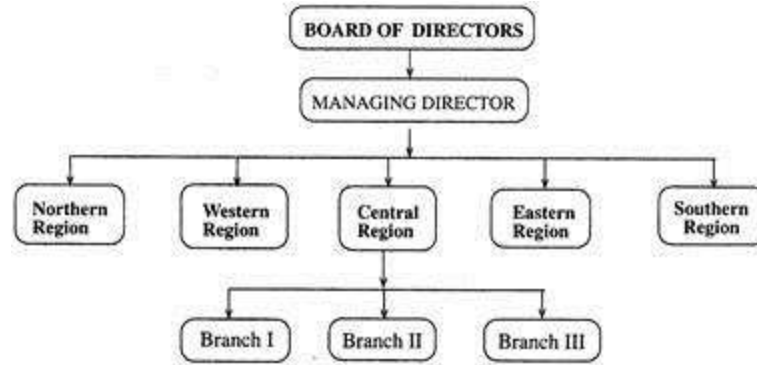


Fig. 4.12: Departmentation by Territory.



◀ Departmentation by Customers



Fig. 4.13: Customer Departmentation.



◀ Departmentation by Process or Equipment

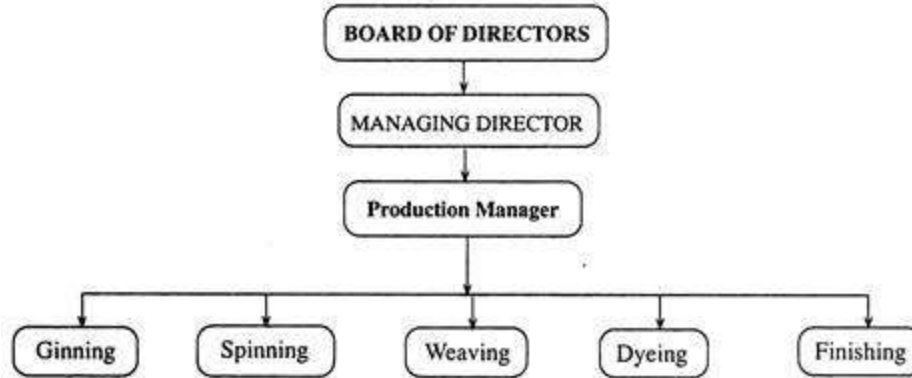


Fig. 4.14: Process Departmentation.



◀ Departmentation by Time and Numbers





Discussions & Questions

THANK YOU