



# **SNS COLLEGE OF ENGINEERING**

**Kurumbapalayam (Po), Coimbatore - 641 107**

**An Autonomous Institution**

**Accredited by NBA - AICTE and Accredited by NAAC - UGC with 'A' Grade**

**Approved by AICTE, New Delhi & Affiliated to Anna University, Chennai**



## **DEPARTMENT OF MANAGEMENT STUDIES**

**COURSE NAME : 19BA101- MANAGEMENT AND ORGANISATIONAL BEHAVIOUR**

**I YEAR /I SEMESTER**

**Unit 2- Functions of Management**

**Topic -2.3: Organisational structure- Departmentation**



# DEPARTMENTATION

## ◀ MEANING:

- ◀ 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 departmental manager.
- ◀ Helps in expanding an organisation
- ◀ 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

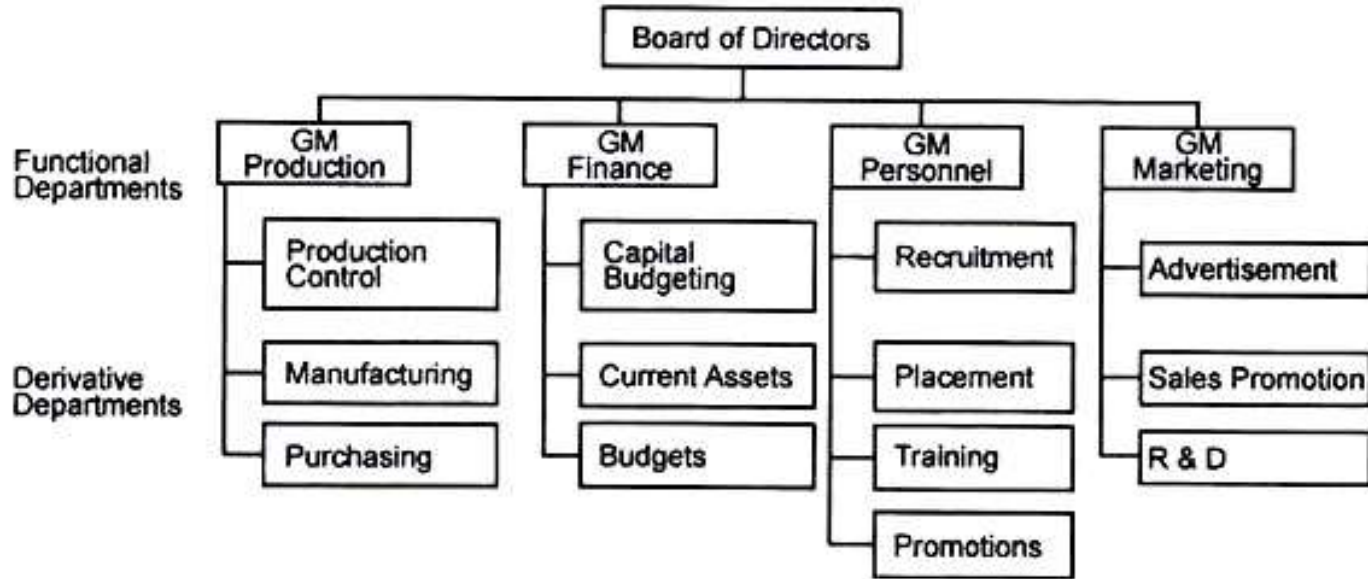
- ◀ **Co-ordination-** Creating departments focuses on departmental activities and facilitates co-ordination.
- ◀ **Control-** Departmentation facilitates control by departmental manager over the activities of his department only.
- ◀ **Efficiency-** Flow of work from one level to another and for every 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 DEPARTMENTATION

### ◀ **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



**Functional Departmentation**

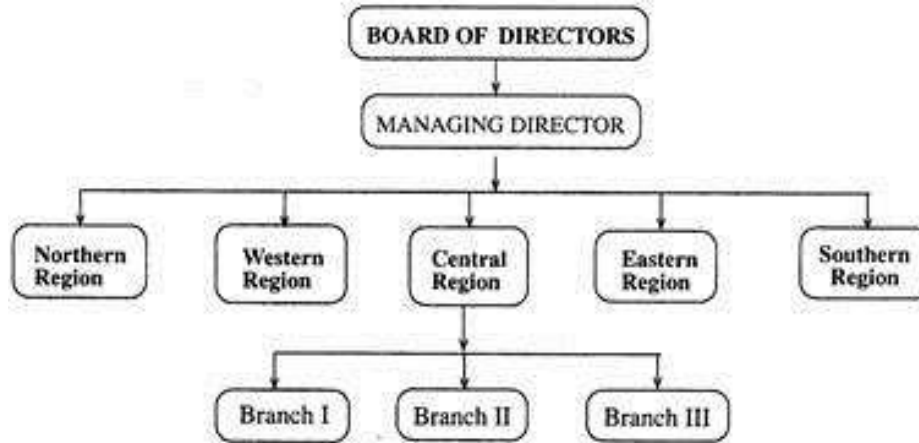


## ◀ Departmentation by Products





## ◀ Departmentation by Territory





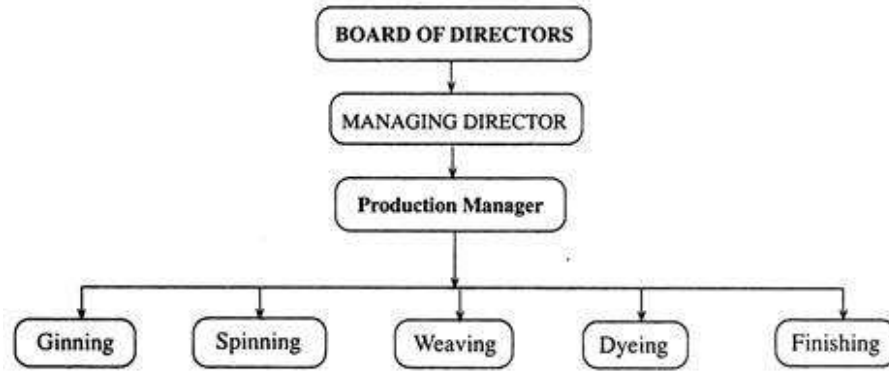


## ◀ Departmentation by Customers





## ◀ Departmentation by Process or Equipment





## ◀ Departmentation by Time and Numbers





**THANK YOU**