



CHAPTER 8 ORGANIZING WORK

Learning Objectives

1. Define organization, and differentiate between a formal and an informal organization.
2. Explain the importance of the organizing function.
3. List the advantages and the major disadvantages of horizontal division of labor.
4. Distinguish between power, authority, and responsibility.
5. List four principles of organization that are related to authority.
6. Identify several reasons managers are reluctant to delegate.
7. Recount the major factors that affect a manager's span of management.
8. Explain the concept of centralization versus decentralization.
9. Define empowerment.
10. Name and define three workplace changes, in addition to decentralization and empowerment, that have affected the organizing function in today's organizations.

Chapter Overview

Most work today is accomplished through organizations. An **organization** is a group of people working together in some type of concerted or coordinated effort to attain objectives. The process of **organizing** is one of the chief functions of management. Organizing is important because it is a great aid in establishing lines of authority (without which no organization can function).

There are a variety of characteristics of highly efficient organizations. Many of these stem from the form of organization that has been chosen by management. For the organization to function correctly, power, authority, and responsibility must be clearly established and understood. These concepts change when the organization moves from a centralized administration to one of decentralized control.

Ultimately, modern management seeks to empower the employees of the organization. In doing so, the organization is able to expand and develop its creative potential. However, empowerment means delegating authority and relinquishing responsibility and power. These can be difficult concepts for managers to accept and accomplish. The era of downsizing is, however, one of the driving forces behind this current movement. Domestic competitive pressure and the new competition found in the global marketplace are also felt to be contributing reasons that explain why managers' views regarding empowerment will change in the future.



Lecture Outline

- I. Introduction
 - A. An **organization** is a group of people working together in a concerted or coordinated effort to attain objectives.
 - B. The process of **organizing** is the grouping of activities to attain common objectives and the assignment of each grouping to a manager who has the authority necessary to supervise the people performing the activities.
 - C. An **informal organization** refers to the aggregate of the personal contacts and interactions and the associated groupings of people working within the formal organization.

Key Terms #1, 2, 3; Learning Objective #1; Review Question #1

- II. Reasons for Organizing
 - A. Establishes the line of authority
 - B. Creates synergism, which improves efficiency and quality
 - C. Improves communication
 - D. Desire to organize has led to the development of an organization.
 - 1. Organizations allow people to jointly execute the following tasks:
 - a. Increase specialization and division of labor.
 - b. Use large-scale technology.
 - c. Manage the external environment.
 - d. Economize on transaction costs.
 - e. Exert power and control.

Learning Objective #2; Review Question #2

- III. Division of Labor
 - A. Organizing is basically a process of division of labor.
 - B. Vertical division of labor is based on the establishment of lines of authority and defines those lines.
 - 1. It facilitates the flow of communication within the organization.
 - C. Horizontal division of labor is based on the specialization of work.
 - 1. Assumes that by making the worker's task specialized, more work can be produced.
 - 2. Advantages of horizontal division of labor:
 - a. Fewer skills required per person.



- b. Easier to supply the skills required for selection or training purposes.
 - c. Repetition or practice of the same job develops proficiency.
 - d. Efficient use of skills developed by primarily utilizing each worker's best skills.
 - e. The ability to have concurrent operations.
 - f. More conformity in the final product, if each piece is produced by the same person.
3. The major disadvantage is that it can result in job boredom and even degradation of the employee; boredom often leads to productivity declines, absenteeism, tardiness, and quality decreases.
- D. **Job scope** is the number of different types of operations performed on the job.
- E. **Job depth** is the employees' freedom to plan, schedule, and pace their own work.
- F. Successful division of labor occurs when:
- 1. There is a relatively large volume of work.
 - 2. There is stability in the volume of work.

Key Terms #4, 5; Learning Objective #3; Review Question #3; Management Illustration 8.1

IV. Power, Authority, and Responsibility

- A. **Power** is the ability to influence, command, or apply force.
- B. **Authority** is the legitimate exercise of position power.
- C. **Responsibility** is accountability for goal attainment, use of resources, and adherence to organizational policy.
- D. Sources of Authority
 - 1. Authority can be viewed as a function of position, flowing from top to bottom through the formal organization—referred to as the formal theory of authority.
 - 2. The acceptance theory of authority argues that the manager's authority lies with the subordinates, since they have the power to accept or reject the authority of the manager.

Key Terms #6, 7, 8; Learning Objective #4; Review Questions #4, 5

V. Principles Based on Authority

- A. Delegation is empowering someone to do something.
 - 1. The **parity principle** states that authority and responsibility must coincide.
 - 2. Reasons for manager's reluctance to delegating authority
 - a. Fear that subordinates will fail in doing the task.
 - b. The belief that it is easier to do the task oneself rather than delegate it.
 - c. Fear that subordinates will look "too good."



- d. Humans' attraction to power.
- e. Comfort in doing the tasks of the previous job held.
- f. Preconceived ideas about employees.
- g. Desire to set the right example.
3. Results of successful delegation
 - a. Manager's time is freed to pursue other tasks, and the subordinates gain feelings of belonging and being needed.
 - b. Delegation is one of the best methods for developing subordinates and satisfying customers.
4. The manager must decide how to delegate.
5. The **exception principle** (management by exception) states that managers should concentrate their efforts on matters that deviate significantly from normal and let subordinates handle routine matters.
 - a. Superiors must avoid micromanaging.
- B. **Unity of command** means that an employee should have one and only one immediate manager.
- C. The **scalar principle** specifies the chain of command, one link at a time.
- D. The **span of management** (span of control) refers to the number of subordinates a manager can effectively manage; span of management is affected by:
 1. Complexity, variety, and physical proximity of jobs
 2. Subordinates' competence
 3. Managers' competence

Key Terms #9, 10, 11, 12, 13; Learning Objectives #6, 7, 8; Review Questions #6, 7, 8, 9, 10, 13; Figures 8.1, 8.2;

- VI. Centralization versus Decentralization
- A. Under **centralization** little authority is delegated downward; fewer decisions are made by mid- and lower-level managers.
 - B. Under **decentralization** much authority is delegated downward (empowerment).
 1. Advantages of decentralization:
 - a. It allows for more flexibility and quicker action.
 - b. It relieves executives from time-consuming detail work.
 - c. It results in higher morale by allowing lower levels of management to be actively involved in the decision-making process.
 2. Disadvantages of decentralization include potential loss of control and duplication of effort.



Key Terms #14, 15; Learning Objective #8; Review Question #11; Figures 8.3, 8.4; Management Illustration 8.2

- VII. **Empowerment** is a form of decentralization where subordinates have the authority to make decisions.
- A. Managers express confidence in the ability of employees to perform at high levels.
 - B. Employees are encouraged to take personal responsibility for their work.
 - C. Implementation may require restructuring organizational units, minimizing the number of hard rules, emphasizing the change throughout the organization, and providing training.
 - D. Self-managed work teams work without a front-line manager and are empowered to control their own work.
 - E. Four elements required for empowerment to take root and thrive:
 - 1. Participation
 - 2. Innovation
 - 3. Access to information
 - 4. Accountability
 - F. Action organizations can take to implement empowerment:
 - 1. Restructuring organizational units to be smaller, less complex, and less dependent on other units for decision making and action.
 - 2. Reducing to a minimum the number of hard rules for the organization.
 - 3. Emphasizing a change throughout the organization that focuses on empowerment and personal accountability for delivering results.
 - 4. Providing the education and training necessary to enable people to respond to opportunities for improvement.
 - G. Self-Managed Work Teams
 - 1. Self-managed work teams (also called self-directed or self-regulated work teams) are work units without a frontline manager and empowered to control their own work.
 - 2. Philosophy behind work teams is that teams can contribute to improved performance by identifying and solving work-related problems.
 - 3. Motivating employees by having them participate in decisions that affect them and their work is the basic idea.
 - H. Workplace Changes in Organizations
 - 1. Several changes are occurring in the workplace environment that can have an impact on how an entity might best be organized.
 - 2. Three practices that have affected the organizing function in today's organizations and are growing in popularity are:



- a. Flextime—allows employees to choose their start and end times, within certain limits.
- b. Telecommuting—the practice of working at home or while traveling and interacting with the office.
- c. Job sharing—two or more part-time individuals perform a job normally held by one full-time person.

Key Term #16; Learning Objective #9, 10; Review Question #12, 14; Management Illustration 8.3, 8.4

Barriers to Student Understanding

1. The first barrier to student understanding normally comes from not understanding the exact complexity of how difficult it is to organize. One way to help students understand this is to have them individually organize a small group to do something (it could be something as simple as moving an object, rearranging a room, planning an event, or a more traditional business example). By having them write-out step by step instructions for how to accomplish the prescribed task, they will see the complexity of getting people to pull in the same direction at the same time. Have the group then critique their effort.
2. The second barrier deals with understanding the differences between vertical and horizontal division of labor. Since most of the examples deal with charts or drawings, it is difficult for the students to truly see the two concepts. A good method to solve this problem is to have them illustrate the concepts and show the reasons why either might be good and what the advantages and disadvantages of each are.
3. Most students have not thought about the concepts of centralization and decentralization. Have them find examples of both, and ask them to explain the differences between the two. This should solidify the concepts for future reference.
4. Since most students have not been affected by downsizing, they, in general, only know the definition of the term not the real significance to management. This is a good area for discussion. Ask if families have been affected. Divide the class into a pro and con group and have them defend or reject the policy.



Key Terms

1. Organization
2. Organizing
3. Informal Organization
4. Job Scope
5. Job Depth
6. Power
7. Authority
8. Responsibility
9. Parity Principle
10. Exception Principle
11. Unity of Command Principle
12. Scalar Principle
13. Span of Management
14. Centralization
15. Decentralization
16. Empowerment

Suggested Answers to Analyzing Management Skills

- How might giving employees more authority in making decisions help an organization run more smoothly?

Often employees are alienated by the management style at the places where they work. Consequently, there may be little incentive to cooperate or care. Incorporating employees into the decision making process makes them more likely to be interested in the outcomes. Also, employees offer a depth of knowledge and experience that managers may lack.

Suggested Answers to Applying Management Skills

- Suppose you are in charge of building a homecoming display for your school with 10 volunteers. How would you organize them?



Students may offer a variety of organizational schemes; however, many students will focus on organizing the volunteers by function—display design, materials acquisition, construction, decoration, etc.

Answers to Review Questions

1. What is an organization? Define the management function of organizing. Define organizational structure. What is an informal organization?

An **organization** is a group of people working together in some type of concerted or coordinated effort to attain objectives. As such, an organization provides a vehicle for accomplishing objectives that could not be achieved by individuals working separately. The framework that defines the boundaries is the formal **organizational structure**. The **informal organization** refers to the aggregate of the personal contacts and interactions and the associated groupings of people working within the formal organization. The informal organization has a structure, but it is not formally and consciously designed.

2. Discuss the reasons for organizing.

The organizing function determines how organizational resources will be employed to achieve goals. It also establishes lines of authority, improves the efficiency and quality of work through synergism, and improves communication by defining channels of communication in the organization.

3. What is the difference between horizontal and vertical division of labor? What is the difference between job scope and job depth?

Horizontal division of labor is based on specialization of work. **Vertical division of labor** is based on lines of authority. **Job scope** is the number of different types of operations performed on the job. **Job depth** is the freedom employees have to plan, organize, and pace their own work, and to move around and communicate as they work.

4. Define power, authority, and responsibility.

Power is the ability to influence, command, or apply force. Power is derived from the control of resources. **Authority** is power derived from the rights that come with a position; it is the legitimate exercise of power. **Responsibility** is accountability for the attainment of objectives, the use of resources, and the adherence to organizational policy. Once responsibility is accepted, it becomes an obligation to perform assigned work.



5. Discuss two approaches to viewing the sources of authority.

Formal authority is derived from the position of the person exercising it. The boss has authority due to his/her position. The **acceptance theory of authority** says the real source of authority lies with the subordinates, who can accept or reject the manager's commands.

6. What is the parity principle? How does the parity principle relate to the exception principle?

The **parity principle** says that authority and responsibility must coincide. The **exception principle** is closely related. It says that managers should concentrate on matters requiring their abilities and let subordinates handle routine problems.

7. Describe three components of the delegation process.

Decide what is to be delegated, to whom it is to be delegated, and then create an obligation (with controls).

8. Why are many managers reluctant to delegate authority?

A manager's resistance to delegating authority is natural. Several of the reasons why managers are reluctant to delegate include the following: (a) fear of subordinates failing; (b) it is easier for a manager to do the task than to teach a subordinate how to do it; (c) fear of the subordinate looking too good; (d) the human attraction for power; and (e) the manager often feels comfortable doing those things that should be delegated.

9. What is the unity-of-command principle?

Each employee should have one boss and only one boss.

10. What is the scalar principle?

Authority in the organization flows, one link at a time, through the chain of command.

11. What is the difference between a highly centralized and a highly decentralized organization?

Centralization and decentralization refer to the degree of authority delegated by upper management. This delegation is usually reflected by the lower levels of management. As delegation increases, the degree of decentralization also increases. Thus, an organization is never totally centralized or decentralized; it falls along a continuum ranging from highly centralized to highly decentralized.



12. Explain the concept of empowerment. What are self-managed work teams?

Empowerment results from giving lower-level employees a voice in the decision-making process of the department. Under empowerment, managers express confidence in the ability of employees to perform at high levels. Employees are also encouraged to accept personal responsibility for their work. Self-managed work teams work without a frontline manager and are empowered to control their own work.

13. What is the span of management?

The number of subordinates a manager can effectively manage; also called the span of control.

14. Define the following: flextime, telecommuting, and job sharing.

Flextime allows employees to choose their start and end times, within certain limits. **Telecommuting** is the practice of working at home or while traveling and interacting with the office. **Job sharing** involves two or more part-time individuals who perform a job normally held by one full-time person.

Suggested Answers to Skill-Building Questions

1. Do you think division of labor has been overemphasized in today's highly mechanized and efficient society?

Student responses to this question may vary; however, students are likely to point out that the division of labor certainly produces efficiencies unlikely to be produced in other ways. Conversely, students who may have worked in some positions where tasks were divided may point out the downside of division of labor—boredom, lack of motivation, repetitive stress injuries, etc.

2. Comment on the following statement, which is attributed to Robert Heinlein: "A human being should be able to change a diaper, plan an invasion, butcher a hog, conn a ship, design a building, write a sonnet, balance accounts, build a wall, set a bone, comfort the dying, take orders, give orders, cooperate, act alone, solve equations, analyze new problems, pitch manure, program a computer, cook a tasty meal, fight efficiently, and die gallantly. Specialization is for insects."

The author appears to be pointing out the vast array of human abilities. Yet, specialization or division of labor focuses on only one small portion of a task that under-utilizes human imagination and capabilities. Although there is variation among people, the human mind can do so much more, if given the opportunity.

3. Identify and discuss a job that has a relatively wide job scope and a narrow job depth. Identify a job that has a relatively narrow job scope and a wide job depth.

1. A human resource manager, who is a generalist, working for a small to medium size organization. This job would require insight into recruiting and selection, wage and salary administration, fringe benefits, orientation and training, and labor management relations.



2. A sales representative for an earth removal equipment company would be a specialist selling a narrow product line and requiring a great deal of technical knowledge.
4. As a manager, would you prefer a relatively large (more than seven subordinates) or small (seven or fewer subordinates) span of management? Why? What are the implications of your choice?

Student choices and their reasoning will differ. Other things being equal, managing larger numbers of employees is generally more complex in terms of organization, distribution of work, communication, and coordination. Yet managing larger groups may offer a wider range of talents and capabilities. Smaller work units may be more cohesive and individual members may be more accountable, which may make managing easier.

5. Many people believe that the concept of empowerment receives a lot more talk than action. Why do you think this could be true?

Most managers have great difficulty in delegating authority and responsibility, especially if they are still being held accountable. Most humans resist giving up power.

6. Do you think you would like to telecommute? Why or why not?

Student responses will differ. Some students would prefer to telecommute to eliminate wasted travel time and rush hour traffic, to avoid office distractions, to work flexible hours, and to reduce the expenses of lunches and office clothing. Other students would prefer not to telecommute because of less social interaction and distractions at home (children, personal phone calls, household duties, etc.).

Skill Building Exercise 8.1

Promotion Possible: A Role Play

Role playing is challenging because there is no script and participants are asked to improvise. Once they get used to it, most people enjoy it very much. Research shows that role playing is a powerful tool in clarifying and helping to change attitudes. After the role play has been completed, you might take a poll of the class asking who would accept the promotion and why or why not. Usually, most would not accept the promotion. Encourage the students on both sides to discuss why they would or would not take the promotion. Obviously, this situation presents a violation of the parity principle.

Skill Building Exercise 8.2

Minor Errors

1. Answers will vary depending on the comfort level and communication assumed.
2. Most likely the organization form closely related here is unity of command.



3. The big give-a-way of an organizing problem is that the subordinate is performing tasks for an upper level manager but reports to a different manager. This arrangement causes confusion in terms of authority and responsibility.

Suggested Answers to Case Incident Questions

Case 8.1 A Good Manager?

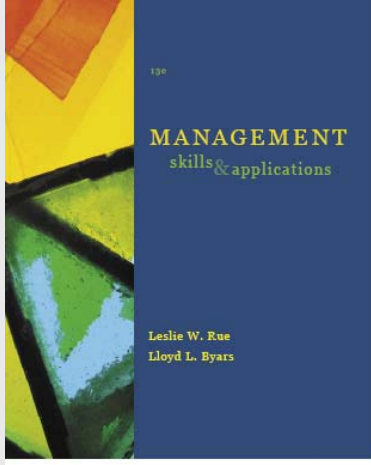
1. Do you think Francis is a highly motivated employee trying to do a good job? Explain your answer.
Yes, Francis seems to be concerned about providing enough attention to the operations that keep Webb Enterprises in business. He is motivated to give it his all so he doesn't ruin his time management success that makes Webb Enterprises money.
2. What problems do you see concerning Francis' effectiveness as a manager?
With such time constraints, there is no room for unexpected situations to be attended to. It also leaves little time to follow-up on conversations and meetings that he attends.
3. Assuming you were Charlie, the General Manager, what solutions would you recommend?
Possibly Charlie could suggest forming a team of the most contacted employees. Then, this team could arrange a time to meet regularly to keep each other up-to-date. This would help Francis manage his time better and be able to take time to re-group and focus on things in more depth.

Case 8.2 The Vacation Request

1. What should Harry have done?
Sent the request to Luther for approval.
2. Who is at fault, Harry or Tom?
Both. Harry should have known better about the formal request process, and Tom should not have tried to get around Luther.
3. What if Luther confronts Harry with the problem and he simply brushes it off by saying he is really only helping?
Luther should ask Harry to then help solve the dilemma of a shortage of workers that his approval has put him in for this week in May.

Suggested Student Projects

1. Find examples in contemporary magazines or in news stories about reorganization efforts on the part of companies. Show how they have changed their organizational form. How have they divided their labor?
2. Find illustrations of downsizing. Make comments on whether you think this is a good or bad move. Are there alternatives to downsizing?
3. Find an example of empowerment. What are the advantages and disadvantages of the empowerment process?



Chapter 8

Organizing Work

McGraw-Hill/Irwin

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Learning Objectives

After studying this chapter, you will be able to:

1. Define organization, and differentiate between a formal and an informal organization.
2. Explain the importance of the organizing function.
3. List the advantages and the major disadvantage of horizontal division of labor.
4. Distinguish between power, authority, and responsibility.
5. List four principles of organization that are related to authority.

8-2

Serving to Promote the Potential Of People & Organizations



Learning Objectives (cont'd)

After studying this chapter, you will be able to:

6. Identify several reasons managers are reluctant to delegate.
7. Recount the major factors that affect a manager's span of management.
8. Explain the concept of centralization versus decentralization.
9. Define empowerment.
10. Name and define three workplace changes, in addition to decentralization and empowerment, that have affected the organizing function in today's organizations.

8-3

Organizations and Organizing

- **Organization**
 - Group of people working together in some concerted or coordinated effort to attain objectives.
 - Provides a vehicle for implementing strategy and accomplishing objectives not achievable by individuals working separately.
- **Organizing**
 - Grouping of activities necessary to attain common objectives and the assignment of each grouping to a manager with the authority to supervise people performing the activities.
- **Informal organization**
 - Aggregate of the personal contacts and interactions and the associated groupings of people working within the formal organization.

8-4

Serving to Promote the Potential Of People & Organizations



Reasons for Organizing

- Establish lines of authority.
- Improve the efficiency and quality of work through synergism, which can result from:
 - Division of labor
 - Increased coordination
- Improve communications.

8-5

Reasons for Organizing (cont'd)

- The use of organization allows people to:
- Increase specialization and division of labor.
 - Use large-scale technology.
 - Manage the external environment.
 - Economize on transaction costs.
 - Exert power and control.

8-6

Serving to Promote the Potential Of People & Organizations



Types of Division of Labor

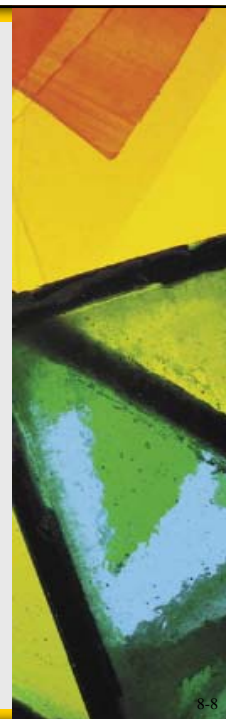
- Vertical division of labor
 - Based on establishment of lines of authority.
 - Defines the levels that the vertical organizational structure (flat organization) is made up of.
 - Facilitates the flow of communication.
- Horizontal division of labor
 - Based on specialization of work.
 - Basic premise that more work can be produced with the same effort through increased efficiency and quality due to task specialization.



8-7

Horizontal Division

- Advantages:
 - Fewer skills are required per person.
 - Skills required for selection or training purposes are easier to supply.
 - Proficiency in the job develops through practice.
 - Promotes efficient use of each worker's skills.
 - Concurrent operations are made possible.
 - Product conformity is increased when each piece is produced by the same person.
- Disadvantages:
 - Job boredom and degradation of the employee.



8-8

Serving to Promote the Potential Of People & Organizations



Division of Labor

- **Job Scope**
 - Refers to the number of different types of operations performed on the job.
- **Job depth**
 - Refers to the freedom of employees to plan and organize their own work, work at their own pace, and move around and communicate as desired.

8-9

Prerequisites for Division of Labor

- **Basic requirements for the successful use of division of labor.**
 - Relatively large volume of work:
 - Allows for specialization.
 - Keeps each employee busy.
 - **Stability:**
 - Volume of work.
 - Employee attendance.
 - Quality of raw materials.
 - Product design.
 - Production technology.

8-10

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Power, Authority, and Responsibility

- Power
 - Ability to influence, command, or apply force.
- Authority
 - Legitimate exercise of power, the right to issue directives and expend resources; narrower in scope than power.
- Responsibility
 - Accountability for the attainment of objectives, the use of resources, and the adherence to organizational policy.

8-11

Sources of Authority

- Formal theory of authority
 - The continuous selection of lower levels of management by the one above until it reaches the lowest person in the organization.
- Acceptance theory of authority
 - Maintains that a manager's source of authority lies with his or her subordinates, and if a subordinate does not view a manager's authority as legitimate, it does not exist.

8-12

Serving to Promote the Potential Of People & Organizations



Parity Principle

- States that authority and responsibility must coincide.
- Management reluctance to delegate caused by:
 - Fear that subordinates will fail.
 - Belief that it is easier to do the task oneself.
 - Fear that subordinates will look “too good.”
 - Humans’ attraction to power.
 - Comfort in doing the tasks of the previous job held.
 - Preconceived ideas about employees.
 - Desire to set the right example.

8-13

Steps in the Delegation Process

1. Analyze how you spend your time.
2. Decide which tasks can be assigned.
3. Decide who can handle each task.
4. Delegate the authority.
5. Create an obligation (responsibility).
6. Control the delegation.

Figure 8.1

8-14

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Management by Exception

- **Exception principle**
 - States that managers should concentrate on matters that deviate significantly from normal and let subordinates handle routine matters.
- **Disadvantages:**
 - Incompetent or insecure subordinates refer everything to their superiors because they are afraid to make a decision.
 - Micromanaging: Everyday decisions that have been delegated to subordinates made by superiors.

8-15

Other Principles Based on Authority

- **Unity of command**
 - States that an employee should have one, and only one, immediate manager.
- **Scalar principle**
 - States that authority in the organization flows through the chain of managers one link at a time, ranging from the highest to the lowest ranks.
 - Also referred to as chain of command.
- **Span of management**
 - Number of subordinates a manager can effectively manage.
 - Also referred to as span of control.

8-16

Serving to Promote the Potential Of People & Organizations



Factors Affecting Span of Management

Factor	Description	Relationship to Span of Control
Complexity	Job scope Job depth	Shortens span of control
Variety	Number of different types of jobs being managed	Shortens span of control
Proximity	Physical dispersion of jobs being managed	Lengthens span of control
Quality of subordinates	General quality of the employees being managed	Lengthens span of control
Quality of manager	Ability to perform managerial duties	Lengthens span of control

Figure 8.2

8-17

Tapered Concept of Authority

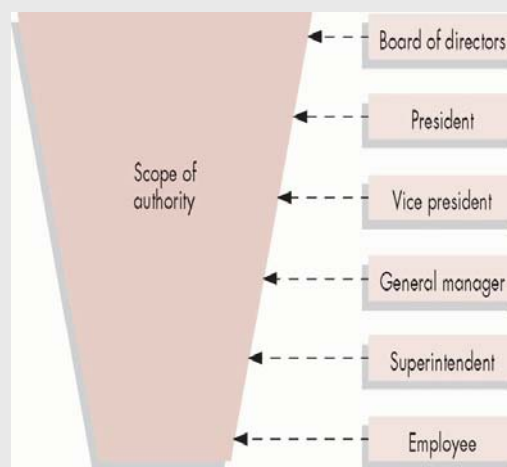


Figure 8.3

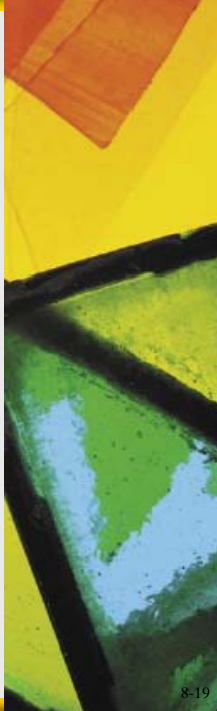
8-18

Serving to Promote the Potential Of People & Organizations



Centralization versus Decentralization

- An organization is never totally centralized or decentralized.
- Centralization
 - Little authority is delegated to lower levels of management.
- Decentralization
 - A great deal of authority is delegated to lower levels of management.
 - Advantages
 - Allows more flexibility.
 - Allows quicker action.
 - Relieves employees from time-consuming work.
 - Disadvantages
 - Potential loss of control.



8-19

Centralized versus Decentralized Authority

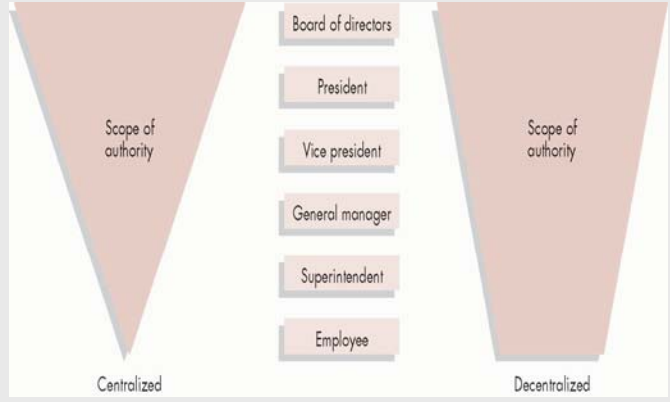



Figure 8.4



8-20

Serving to Promote the Potential Of People & Organizations



Elements for Empowerment

- **Participation**
 - Employees must be actively and willingly engaged in their jobs with a want to improve their work processes and relationship.
- **Innovation**
 - Employees must be given permission and encouragement to innovate and not stick to the old methodology.
- **Access to Information**
 - Employees at every level should make decisions about choosing information pertaining to job performance.
- **Accountability**
 - Employees accountability for their actions and the results achieved.

8-21

Implementing Empowerment

- Organizations take several steps in implementing empowerment.
 - Restructure organizational units to be smaller, less complex, and less dependent on other units for decision making and action.
 - Minimize the number of organizational rules.
 - Emphasize an pro-empowerment attitude and personal accountability in the organization.
 - Provide education and training for personal improvement.

8-22

Serving to Promote the Potential Of People & Organizations



Self-Managed Work Teams

- Referred to as self-directed or self-regulated work teams.
 - Motivates employees by having them participate in decisions that affect them and their work.
 - Employees accomplish tasks within area of responsibility without direct supervision.

8-23

Workplace Changes in Organizations

- Flextime
 - Advantages
 - Allows accommodating different lifestyles and schedules.
 - Avoids rush hour and results in less absenteeism and tardiness.
 - From the employer's viewpoint, flextime can provide an edge in recruiting and also retaining hard-to-find qualified employees.
 - Organizations with flextime schedules have reported an average increase in productivity, improved recruiting and retention.
 - Disadvantage
 - Creates communication and coordination problems for supervisors and managers.

8-24

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Workplace Changes in Organizations (cont'd)

- Telecommuting
 - According to the Telework Advisory Group for World at Work, approximately 45 million Americans worked from their home for some period during 2006, and approximately 12.4 million Americans worked from their home at least one day per month.
- Advantages
 - Lower turnover, less travel time, avoiding rush hour, avoiding distractions at the office, being able to work flexible hours, and lower real estate costs for employers.
- Disadvantages
 - Insurance concerns relating to the health and safety of employees working at home.
 - Some state and local laws restrict just what work can be done at home

8-25

Workplace Changes in Organizations (cont'd)

- Job sharing
 - Especially attractive to people who want to work but not full- time.
 - Benefits are usually prorated between the part-time employees.
 - Organizations allow job-sharing employees to purchase full health insurance by paying the difference between their prorated benefit and the premium for a full-time employee.

8-26

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