

General Principles in Organization

IIB1202

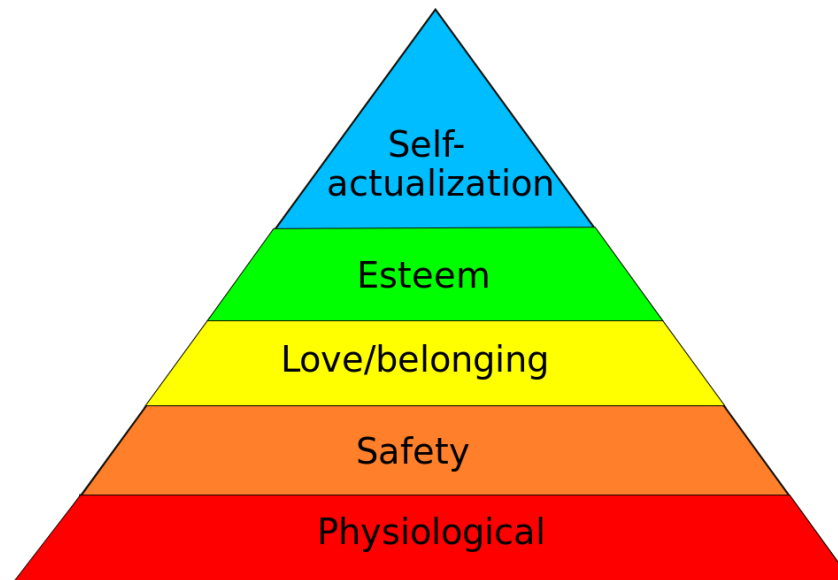
DEFINITION OF ORGANIZATION

- A collaboration of groups of people with the same goal
- Group or entity that acts to carry out joint activities to achieve core objectives

SIGNIFICANCE OF ORGANIZATION

Maslow's Hierarchy of Needs Theory

- The demand of the people is endless.
- Maslow's pyramid has more basic needs at the bottom.



SIGNIFICANCE OF ORGANIZATION

(CONTINUE)

1. Politics Organization

- Cooperation between political entities to develop countries

Ex Political Parties

2. Social Organization

- Pattern of relationships between and among groups to keep order in society

Ex Food and Drug Administration

3. Economic Organization

- Meet the needs of different consumers

Ex Bank, Hospital, school

ORGANIZATION OBJECTIVES

1. Profit Objectives – Profit Maximization

Ex money, stock, return of investment

1.1 Short-run Profit – less than 1 year

1.2 Middle-run Profit – 1-3 years

1.3 Long-run Profit – more than 5 years

2. Customer Satisfaction Objectives

Ex prices, services, quality of products

3. Employees Income Objectives

Ex salary, bonus, welfare

ORGANIZATION OBJECTIVES

(CONTINUE)

4.Social Objectives

EX Welfare of the people, preserve social and economic balance

5.Self Objectives

EX self-motivation, self-respect, self-esteem, sense of value and accomplishment

TYPES OF ORGANIZATION

1. Deliberate Structure

1.1 Formal Organization

- Organization Chart

1.2 Informal Organization

2. Objectives Organization

2.1 Mutual-benefits Objectives

Ex salary, profit

2.2 Business Organization

Ex money, welfare

2.3 Public Organization

Ex Ministry and department

2.4 Service Organization

Ex school, hotel, hospital, police station

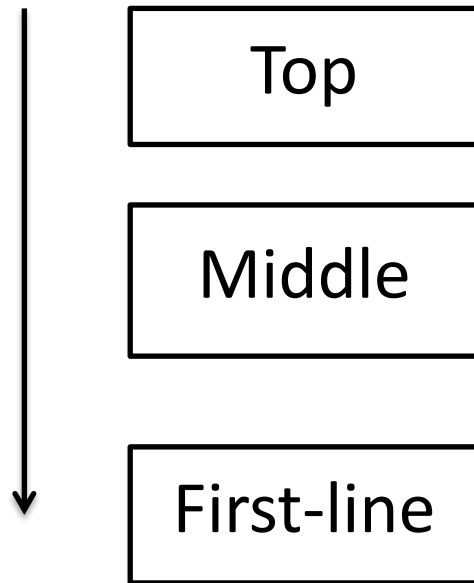
WHO ARE MANAGERS

- Manager
 - Responsible for helping the people in the organization to work successfully
- Hierarchy
 - Authority
 - Chain of Command
 - Line of Authority
- Classification by Chain of Command Level
 1. First-line Manager
 - Supervisors, controllers
 - less than 10 subordinates
 2. Middle Manager
 - Employees Performance Appraisal
 - Less than 25 subordinates
 3. Top Manager
 - Strategic planning, Decision making, Rules and Regulations
 - Monitoring

SIGNIFICANCE OF CHAIN OF COMMAND

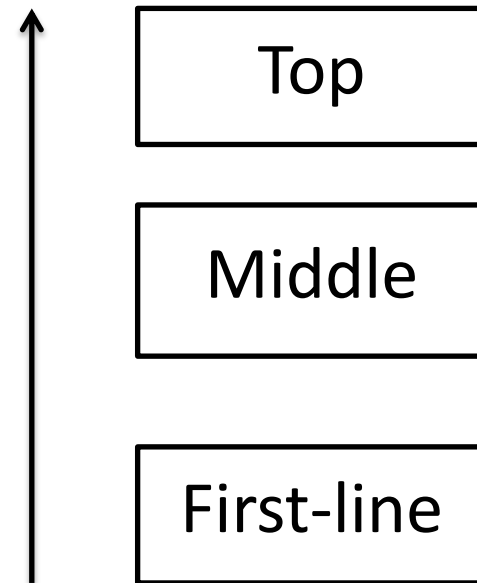
Top-down Management

Reducing complication in working process.



Bottom-up Management

Management receives accurate information due to verification on each level from the bottom



INFLUENCING FACTORS

1. Employees in the organization

2. System in an Organization

Ex Production System

3. Management

Ex planning, organizing, HRM, control

4. Motivation

- Intrinsic and Extrinsic

5. Business Environment

5.1 Internal Environment

Ex machine, employee

5.2 External Environment – cannot control

5.2.1 General Business Environment

Ex economy, social, politic

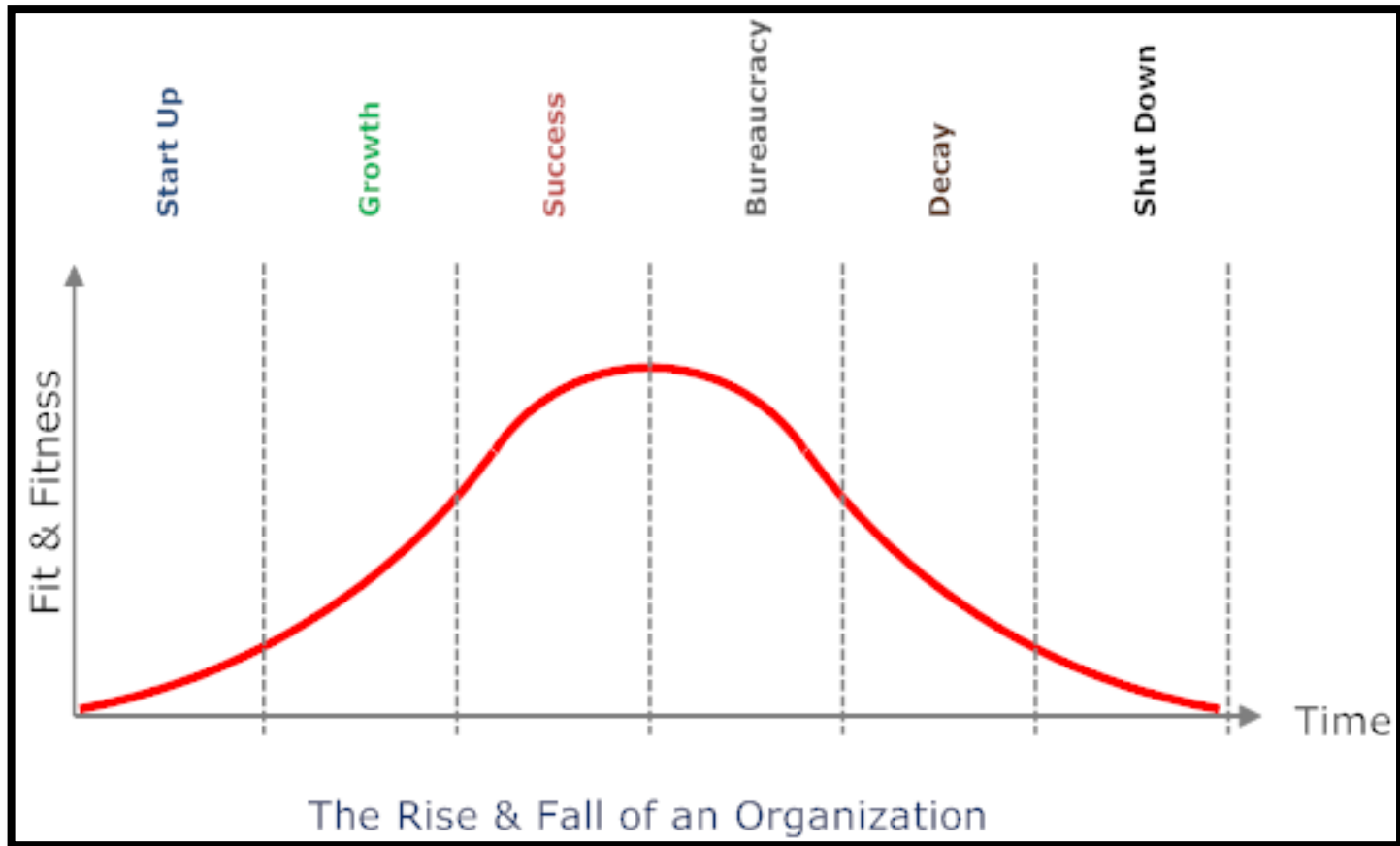
5.2.2 Competition External Environment

Ex customer, competitor

6. Organizing

7. Organization Size

ORGANIZATION LIFE CYCLE : OLC



THE ORGANIZATION AS AN OPEN SYSTEM

BY MORGAN

1. Homeostasis

- Using the notable internal rules of the organization

2. Negative Entropy

- Being self-sustainable within the system

3. Equifinality

- Organizations must find ways to operate

4. Self-maintenance

5. Inputs-Process-Outputs by Von Bertalanffy

6. Emphasizes the importance of the Environment

7. Interrelated Subsystems

Ex HR, Account, Marketing Department