

# 14 Lecture - MGT111

## Important Subjective

### 1. Define organizational structure and discuss its importance in an organization.

Answer: Organizational structure refers to the formal system of authority, communication, and roles within an organization. It defines the hierarchy of reporting relationships, division of labor, and coordination of efforts. Organizational structure is important in an organization as it ensures clarity in job roles and responsibilities, efficient decision-making processes, effective communication channels, and optimized resource allocation.

### 2. Explain the difference between a hierarchical and a flat organizational structure.

Answer: A hierarchical organizational structure has a clear chain of command and reporting relationships, with decision-making authority centralized at the top. In contrast, a flat organizational structure has a limited hierarchy, with employees having more autonomy and decision-making power. In a flat structure, communication channels are more open and decision-making processes are quicker.

### 3. Discuss the benefits of delegation in an organization.

Answer: Delegation is the process of assigning tasks and responsibilities to subordinates. It has several benefits in an organization, including improved productivity, employee development, increased efficiency, and reduced workload for managers. Delegation also fosters a sense of ownership and responsibility among employees, which can lead to higher job satisfaction.

### 4. What is the importance of communication in an organization?

Answer: Communication is a critical aspect of organizational functioning. It enables the transfer of information, ideas, and feedback between employees, departments, and management. Effective communication fosters collaboration, builds trust, and enhances productivity. Poor communication can lead to misunderstandings, conflicts, and decreased morale.

### 5. Define the term 'division of labor' and explain its significance in an organization.

Answer: Division of labor refers to the process of dividing work into smaller, more manageable tasks. It allows employees to specialize in their respective areas of expertise, leading to increased efficiency and productivity. Division of labor also enables organizations to scale their operations, as new employees can be trained to perform specific tasks.

### 6. Explain the difference between centralized and decentralized decision-making.

Answer: Centralized decision-making involves decision-making authority being held by a central authority, such as senior management or a board of directors. Decentralized decision-making involves distributing decision-making power across different levels of the organization, with lower-level employees having more autonomy. Decentralized decision-making can lead to quicker and

more efficient decision-making processes, as well as increased employee empowerment and job satisfaction.

**7. What is the importance of coordination in an organization?**

Answer: Coordination is the process of bringing people and resources together to achieve a common goal. It is critical in ensuring that different departments and individuals work together effectively and efficiently towards organizational objectives. Effective coordination ensures that resources are optimized and that organizational goals are met in a timely and efficient manner.

**8. What are the factors that influence organizational structure?**

Answer: Several factors influence organizational structure, including organizational size, industry, technology, organizational culture, and external factors such as economic and political conditions. These factors determine the optimal structure for an organization and dictate how work is divided, roles and responsibilities are assigned, and communication channels are established.

**9. Explain the importance of goal setting in an organization.**

Answer: Goal setting is the process of identifying specific, measurable, achievable, relevant, and time-bound objectives that an organization aims to achieve. It is important in an organization as it provides direction and focus, aligns employee efforts towards common objectives, and enables progress to be measured and evaluated. Effective goal setting also fosters employee motivation, engagement, and commitment.

**10. Discuss the advantages and disadvantages of a matrix organizational structure.**

Answer: A matrix organizational structure combines functional and product-based structures, with employees reporting to both functional managers and project managers. The advantages of a matrix structure include increased flexibility, efficient use of resources, and enhanced communication and collaboration. However, it can also lead to confusion in reporting relationships, conflict between managers