

Formal Organization

Formal organization refers to the organization structure which is designed by the management to accomplish a particular task.

It specifies clearly the boundaries of authority and responsibility and there is a systematic coordination among the various activities to achieve organizational goals.



The formal organization is a system of well-defined jobs, each bearing definite measure of authority, responsibility and accountability.

Louis Allen

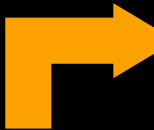


Every subordinate is expected to obey his superior in the formal chain of command.



The structure in a formal organizational is functional or divisional.

Features Of Formal Organization



Superior Subordinate relationship – It specifies the relationships among various job positions and clarifies who has to report to whom.



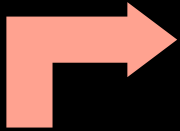
Rules and procedures – it lays down rules and procedures essential for the achievement of the objectives specified in the plans



Efforts of various departments are coordinated, interlinked and integrated through the formal organization



Deliberately created – It is deliberately designed by the top management to facilitate smooth functioning of the organization.



Emphasis on work – It places more emphasis on work to be performed than interpersonal relationships



Advantages Of Formal Organization

Easy to fix responsibility - It is easier to fix responsibility since mutual relationships are clearly defined.



Avoidance of duplication of work – There is no ambiguity/ duplication of effort in the role that each member has to play



Unity of command - Unity of command is maintained through an established chain of command.



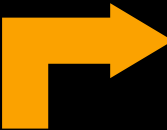
Accomplishment of goals – It leads to effective accomplishment of goals by providing framework for the operations



Stability - It provides stability to the organisation. This is because behaviour of employees can be fairly predicted since there are specific rules to guide them.



Limitations Of Formal Organization



Procedural delays – The formal communication may lead to procedural delays as the established chain of command has to be followed which increases the time taken for decision making.



No creativity – Poor organization practices may not provide adequate recognition to creative talent, since it does not allow any deviations from rigidly laid down policies.



More emphasis on structure and work – It is difficult to understand all human relationships in an enterprise as it places more emphasis on structure and work. Hence, the formal organization does not provide a complete





Thank you

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