

**KUNTHAVAI NAACCHIYAAR GOVERNMENT ARTS COLLEGE FOR WOMEN  
(AUTONOMOUS) THANJAVUR**

**PG & RESEARCH DEPARTMENT OF COMMERCE**

**II UG SBE 2 : OFFICE MANAGEMENT – UNIT I & II**

**QUESTIONS & ANSWERS**

**SECTION A**

**5 x 5 = 25**

**Answer the following questions:**

1. Define Office management. What are the elements of Office Management?

Ans: Office management can be defined as a task of planning, coordinating, motivating the efforts of others towards the specific objectives in the office and in conformity with the overall objectives of the organization.

Elements of office management – Personnel, Means, Environment and Purpose.

2. Describe the functions of office management.

Ans : Functions of office management - Planning, Organizing, Directing and Controlling.

3. Give the meaning of scientific office management and state its elements.

Ans : Scientific office management is one of the methods used to solve the managerial problems through the application of research and experimentation. Elements of scientific office management – setting up standards, planning industrial operations, scientific selection and training of workers, standardization, specialization, maintaining mutual trust.

4. What do you mean by administrative office management.?

Ans : Administrative office management is that function within the organization which is concerned with the responsibility for the overall operations of the enterprise. The administrative office management is the process of planning, organizing, directing and controlling all office activities, operations and services.

5. What are the objectives of administrative office management?

Ans: Objectives of administrative office management – to supply right information, to develop efficient work procedure, to provide a congenial work environment, to exercise effective supervision, to establish and maintain effective lines of communication, to select and train right person for each job, to ensure efficient utilization of office equipment, stationery etc., to establish and apply reasonable quantity and quality standards, to coordinate the activities of the staff.

6. What is the position of a office manager?

Ans : Position of a office manager – administrator, advisor, man in the middle, public relations officer.

7. Write down the qualities of a office manager.

Ans : Qualities of an office manager – personal qualities, education and training, experience, professional interests.

8. What are the steps involved in organizing an office?

Ans : Steps involved in organizing an office – determination of objectives, formulating derivative objectives, identification of necessary activities, grouping the activities, classifying the activities, assigning duties to subordinates, delegating authority, coordinating different groups, providing necessary facilities.

9. State the importance of sound organization.

Ans : Importance of sound organization – it facilitates proper administration, it avoids delay in taking decisions, it helps in the growth and diversification of the enterprise, helps in controlling, it stimulates initiative and creative thinking, it permits optimum use of technological innovations and human resources.

10. Illustrate the techniques of organization formulated by Drucker.

Ans: Techniques of organization formulated by Drucker – activities analysis, decisions analysis, relations analysis.

11. Write a note on Line and Staff organization.

Ans : Line and staff organization is a mixture of pure line organization and the functional organization. It has been evolved to obtain the benefits of both line as well as functional

structure. Under this type of organization, the organizational structure is basically that of the line organization. Staff officers or functional experts are engaged to advise the line executives in the performance of their duties.

12. How can you make office committees effective.

Ans : To make the committees effective – the authority and duties of a committee should be well defined, the committees should be entrusted with suitable subject matter, the size of the committees should be appropriate, a committee should consist of capable members and a chairman, adequate preparation should be made before committee meeting, there should be mutual trust and cooperation between members.

13. Describe the points to be kept in mind while selecting the type of organization.

Ans : While selecting the type of organization the following points should be kept in mind – nature and size of business, geographical location, continuity of work flow, period of establishment, staff strength and degrees of mechanization.

## **SECTION B**

**10 x 5 = 50**

**Answer the following questions:**

1. State the importance of office management.

Ans : Importance of office management - office is an integral part of overall administration of a business enterprise, management has to exercise control over the various activities of an enterprise, coordination among different departments, plants, branches of the business is essential for the efficient functioning of the enterprise, office is responsible for purchasing of material, dealing with customers, handling orders, financial accounting etc., office costs are increasing year after year and office can become the source of heavy overhead, expenditure, office represents management to the customers, efficient management of office operations has become more important, the office has to face new challenges unless the office is managed efficiently.

2. Describe the principles of scientific office management.

Ans : Principles of scientific office management – establishment of scientific pattern for analyzing office problems, segregation of the office management functions, application of mechanizations to reduce labour cost, centralization of the control of office activities, study of system and procedures, application of time and motion study, development of instruction manuals, improvement of office layout, using form control, use of financial

and non financial incentives, elimination of obsolete records, measurement of actual clerical output to increase efficiency, application of quality and quantity standards.

3. Illustrate the role of a office manager.

Ans : Role of office manager - recruitment of staff, training of staff, work measurement, compensation and promotions, leadership, coordination, discipline, control of stationery and supplies, accounting and costing, secretarial services.

4. Discuss the responsibilities of an administrative office manager.

Ans : Responsibilities of an administrative office manager – designing, planning, selection, purchase of equipment, preparation of organization charts, laying down the functions of various department, organizing of filing, production of records, supervision, personnel management, suggesting changes in the office system, gathering information, setting standards, measuring office performance, preparation of master budget and manuals.

5. Explain the basic principles of organization.

Ans : Basic principles of an organization – unity of objective, division of work, efficiency, span of control, chain of command, delegation of authority, absoluteness of responsibility, authority level principle, parity of authority and responsibility, unity of command, functional definition, flexibility, balance, simplicity and continuity.

6. Discuss the merits and demerits of functional organization.

Ans : Merits of functional organization – specialization, higher efficiency, separation of functions, standardization.

Demerits of functional organization - complex, lack of unity of command, poor discipline, divided responsibility, lack of coordination.

7. Enumerate the advantages and disadvantages of office committees.

Ans : Advantages of committees – helps in pooling of knowledge and experience, serves as a medium for communication, facilitates coordination between different departments, group discussions in a committee help to inculcate a sense of participation, committees are excellent forum for the education and training of employees.

Disadvantages of committees – committee takes too much time in discussion, they are expensive, findings of a committee tend to be weak and indecisive, decisions are overshadowed by strong personality, not possible to fix responsibility of an individual, decisions are taken by majority opinion and voting, it is sometimes used by the management to cool off agitations.

8. Explain the merits and demerits of line and staff organization.

Ans : Merits of line and staff organization – planned specialization, higher efficiency, unified control, proper discipline, fixed responsibility, prompt decisions, executive development.

Demerits of line and staff organization – complexity, confusion, conflicts, ineffective staff, expensive.

9. Describe the merits and demerits of line organization.

Ans : Merits of line organization – simplicity, unity of control, fixed responsibility, better decisions, prompt decisions.

Demerits of line organization – lack of specialization, too much concentration of authority, overloading, lack of communication, difficulty in staffing.

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**SEMESTER-III**

SYLLABUS FOR B.COM UNDER CBCS PATTERN 2018-19 ONWARDS

**OFFICE MANAGEMENT**

Core Course : SBE2

Maximum Marks : 100

Instruction Hours : 2

Code : 18K5SBEC2

Credit : 2

**OBJECTIVE :** To gain Knowledge about Office Management and Records Management.

**UNIT I - INTRODUCTION**

Meaning - Definition - Elements - Functions - Importance - Qualities and Functions of Office Manager

**UNIT II - OFFICE ORGANISATION**

Techniques - Basic Principles - Types of office organization

**UNIT III - OFFICE ACCOMMODATION**

Office location - Factors affecting location - Office building - Factors in selection of office premises

**UNIT IV - OFFICE ENVIRONMENT**

Elements - Lighting - Ventilation - Temperature - Noise & Dust - Cleanliness - Safety and Security - Secrecy

**UNIT V - RECORDS MANAGEMENT**

Records classification - Meaning - Significance - Principles - Filing - Importance - Steps - Methods - Indexing - Meaning - Objectives - Essentials of good indexing system.

**Text Book**

C.B.Gupta - Office Organization & Management, Sultan Chand & Sons, New Delhi

**Books for Reference**

- 1.R.C.Bhatia - Principles of Office Management, Lotus Press, New Delhi.
- 2.V.Balachandran - Office Management, Tata McGraw Hill Education (P) Ltd., New Delhi
- 3.T.S. Devanarayanan & N.S.Raghunathan- Office Management, Margham Publicaitons, Chennai
- 4.S.P.Arora - Office Organisation and Management, Vikas Publishing House, New Delhi.

**Question Paper Pattern**

**Maximum marks = 75**

**Exam duration hours : 3 hours**

Part - A : 5 x 5 = 25 ( Eight Questions from Five Units)

Part - B : 5 x 10 = 50 ( Eight Questions from Five Units)



Terry has stated that the term 'office management' is gaining preference to the term 'office management'. This is so because the term 'information management' better connotes the activities of a modern office. However, 'office management', 'administrative office management' and 'information management' are used as interchangeable terms in actual practice.

### Elements of Office Management

From the definitions given above, the following elements emerge :

- Personnel :** The office personnel who actually perform the office work are the most important element of office management. The purpose of the office cannot be achieved unless there are a sufficient number of competent personnel. People are also the most difficult to understand and their actions are more difficult to guide and control. Therefore, the office manager should give greatest attention to the personnel working in the office. He must select the suitable personnel and place them on the jobs best suited to them. Proper arrangements must be made for their training and development. The personnel must be provided with sufficient incentives and facilities so as to motivate them to contribute their best efforts for the achievement of the objectives of the office.
- Means :** Means are the tools with the help of which office personnel perform the activities of the office. These include office forms, stationery, machines and equipment as well as methods and techniques of work. The office manager must make the best use of the means and should apply the new means wherever they are likely to improve the efficiency of operations.
- Environment :** Office environment refers to the physical conditions under which the office work is performed as well as the external environment in which the organisation is working. These environmental factors are always changing and the office must react to change. The office manager must have a fair knowledge of the environmental forces and should be able to adapt his personnel and means to the changes in the environment.
- Purpose :** The office manager must be clear about the purpose which he is seeking to achieve with the help of the personnel and the means. Precise definition of the purpose of the office will give direction to office activities and will make it easier to evaluate the activities of office personnel.

### Process or Functions of Office Management

The process of office management is similar to the process of management. Therefore, office management performs the same functions as are performed by the management. The functions of office management are summarised below :

- Planning :** Planning is basic function of office management. Planning of office work involves decisions relating to factors influencing office work. It is concerned with the determination of work to be done in the office, the persons who will do it, methods and procedures of doing the work and operations involved in doing it. Planning is a mental process requiring the use of mental faculties such as imagination, foresight, sound judgement, etc. Proper planning provides guidelines for office operations. Without a well designed plan, there will be wastage of time, effort and money due to duplication and overlapping of work. Planning helps to ensure proper utilisation of human and material resources to achieve the desired objectives. Planning of office activities involves the following steps :

(i) **Determination of objectives :** First of all the objectives of the office should be defined clearly. The basic objective of the office is to provide efficient clerical service to the functional departments so that the primary functions of the

### OFFICE MANAGEMENT

organisation may be performed efficiently and economically. Such service must be provided promptly, accurately and economically. It is also the purpose of office to coordinate the activities of various functional departments. Thus, in planning office activities the main objective should be to provide necessary office services to various departments at the least possible cost and in the shortest possible time.

(ii) **Ways and means of achieving objectives :** Once the objectives are established, plans are formulated to achieve the objectives. These plans include policies, procedures, programmes, schedules and budgets. Office systems and routines are established to ensure smooth and efficient operations in the office.

**2. Organising :** Organising involves division of work among the office employees. Office work is grouped into departments and jobs. For this purpose, the office manager may take the help of organisation charts, manuals, job descriptions and other similar tools. The formal authority relationships among office personnel must be clearly defined through the process of delegation of authority. An important consideration in organising the office operations is whether the office services should be centralised or not.

Once the work is divided into jobs and departments, suitable persons should be appointed for each job. The office personnel should be provided necessary stationery, furniture, machines, equipment and other facilities to enable them to do their work efficiently. Proper physical conditions should also be created in the office. Thus, organising the office involves providing the office with everything (personnel, means, environment, etc.) necessary to achieve the objectives of the office. Office should be organised keeping in view the objectives and policies laid down under planning.

**3. Directing :** It means guiding, motivating and supervising the office employees in their jobs. Directing involves (a) issuing orders and instructions to office staff, (b) guiding or leading the subordinates towards the objectives, (c) motivating them to contribute effectively to the established goals, and (d) supervising them to ensure that they work in the desired manner.

**4. Controlling :** Control of office activities involves the determination of standards of performance for each type of office work in terms of quantity, quality, cost and time. It also includes comparing the actual results with the standards and finally taking timely action for correcting the deviations from the established standards. Control of office operations is an important function of office management because it involves evaluation and rectification of performance which ensures that the office objectives are achieved. Planning and organising of an office is meaningless without developing control mechanisms to guide and regulate the execution of the office work.

### Importance of Office Management

In modern business, efficient organisation and management of office operations is vital for the success of the total enterprise. This is on account of the following reasons.

1. Office in an integral part of the overall administration of a business enterprise. The management team of an enterprise depends upon the office for information to formulate long term plans and to take policy decisions. Accurate information at the right time can be made available to management only when the office is managed efficiently.

2. Management has to exercise control over the various activities of an enterprise. Managerial control is generally exercised through the office. An effectively managed office enables the top management to exercise effective control over the total organisation.



3. Coordination among different departments, plants or branches of the business is essential for the efficient functioning of an enterprise. Office management facilitates coordination by establishing systems and routines for day to day operations.

4. Generally, the office is responsible for purchasing of materials, dealing with customers, handling orders, financial accounting, etc. The efficiency with which these functions are handled exercises a tremendous influence on the success of the business as a whole. Only well managed office can handle these functions efficiently.

5. Office costs are increasing year after year and office can become the source of heavy overhead expenditure. Efficient management of office operations helps to minimise the office costs. In the words of Denyer, "office assists in the setting of the break even point at which profits are made, and is, therefore, very important in the making of profits".<sup>1</sup>

6. Office represents management to the outsiders. Customers, Government officers, general public, dealers, investors, etc. come into contact with an organisation through its office. Therefore, a well managed office helps to improve the public image of the organisation.

7. Efficient management of office operations has become more important due to the growing need for the optimum utilisation of resources and for meeting the statutory requirements.

8. The office has to face new challenges unless the office is managed efficiently it cannot meet the new challenges successfully.

#### Scientific Office Management

Management of office operations involves decision making. Managers can use two alternative methods for taking decisions. The first, known as the *traditional method*, involves the use of experience and intuition. This method also involves copying the techniques and procedures employed by other firms in the industry. The traditional method is called 'rule of thumb' or 'hit or miss approach'. It is a conventional and observational method lacking scientific approach.

The second method for taking decisions and solving managerial problems is the *scientific method*. It involves the application of research and experimentation. It is a systematic approach based on finding out the best method of doing work. The scientific method consists of the following logical sequence of steps:

- (a) State your objective precisely or define the problem precisely
- (b) Collect and analyse the necessary data regarding the goal or the problem
- (c) Formulate a hypothesis
- (d) Verify the hypothesis and its applicability to the problem by conducting tests of significance
- (e) Modify, if necessary the solution or the method.

The concept of scientific management was developed by F.W. Taylor who is known as the father of scientific management movement. The main elements of scientific management are as follows:

- (i) Setting up of standard tasks through investigation and research
- (ii) Planning of industrial operations i.e. methods and procedures of doing the work
- (iii) Scientific selection and training of workers
- (iv) Standardisation, of working conditions, materials, equipments, etc.
- (v) Specialisation in the administrative and organisational setup
- (vi) Establishing and maintaining mutual trust and confidence among employer and employees

1. J.C. Denyer: *Office Management*, p. 5.

2. These challenges have been described in chapter I.

The basic principles of scientific management are applicable not only in industry but in all types of organisations. These principles are very helpful in office operations for better control of clerical operations and costs. The tendency today is for office management to become more scientific, more technological and more of a specialised job. Therefore, an office manager must be fully conversant with the principles and techniques of scientific management.

Hicks and Place have identified fourteen major applications of scientific approach to office management.

1. Establishment of a scientific pattern for analysing office problems in industry and business.

2. Segregation of the office management function from clerical functions. Planning, organising, directing and controlling of office operations should be the main responsibility of one individual or group of individuals if the efficiency and effectiveness of the office is to be increased.

3. Application of mechanisation to reduce labour costs and to improve efficiency. The average office machine is inexpensive compared with the salaries paid to workers.

4. Centralisation of the control of office activities. It is better to place a competent individual in charge of office activities throughout the organisation instead of letting everyone share the responsibility of office management.

5. Study of system and procedures. The manner in which a business form is processed or data for a report are accumulated should be studied step by step just as an assembly activity is studied in industry.

6. Application of time and motion studies and work simplification to reduce waste and increase efficiency in office operations.

7. Development of in-service training programmes that emphasise analytical thinking. Clerical efficiency can be improved if individual employees are trained in desirable practices and procedures.

8. Development of instruction manuals. Written and specific instructions serve as a 'spring board' for the improvement of procedures. Without carefully drawn instructions, information and office methods may be misinterpreted and changed.

9. Improvement of the office layout. Office layout should be as carefully planned as plant layout. Each individual worker's station must be properly arranged for easy operation. Tools must be readily accessible and materials must be arranged in a sequence that eliminates wastage of effort.

10. Using form control is important because forms constitute a large part of the paper work in organisations. They should be inventoried and studied for duplication and inefficiencies. Forms should be carefully designed by those who are familiar with forms engineering.

11. Use of incentives, both financial and non financial, to increase output and efficiency.

12. Elimination of obsolete, duplicate and unnecessary records by specifying 'record destruction schedules.'

13. Measurement of actual clerical output to increase efficiency and to cut down costs. It is only when clerical activities are measured one can know how much it costs to file a paper, write a letter, or how much one clerk is expected to produce in one day.

14. Application of quality and quantity standards and controls to exercise effective control over office activities.

3. C.B. Hicks and Irene Place: *Office Management*, p. 10.

### Administrative Office Management

In the United Kingdom, the term office management is popular. But in the United States, the term administrative office management is widely used. There is no fundamental difference between office management and administrative office management. Office activities include collecting, computing, summarising, storing, retrieving and disseminating information. Management involves the functions of planning, organising, directing and controlling. Therefore administrative office management may be defined as the process of planning, organising, directing and controlling all office activities, operations and services.

According to Littlefield et al. "administrative office management is that function within the organisation which is concerned with the responsibility for the overall operations of the enterprise". It is not the function of a particular individual or department but involves the overall administration of office activities. "Administrative management is not one position, one office or one department, it is rather the totality of the management personnel operating in an administrative capacity with all the information and all the expertise needed for effective, timely and objective decisions".

During the last few decades, the scope of administrative office management has been widened as a result of technological and other developments. Now it includes in addition to the traditional functions (planning, organising, directing and controlling) many supportive services such as finance and accounts, systems and procedures, personnel management, purchase of equipment and supplies, etc. In view of the increased scope of office manager's status and responsibilities, various designations are used e.g. administrative manager, manager of office services, administrative office manager, director of information, systems officer, Director finance and services, treasurer, systems and procedure manager, operations manager, commercial officer, Director Administration, office controller, etc. In many cases the Public Relations Manager or the secretary of the company may head the office. The title Administrative office manager is being increasingly used in place of the 'office manager' to reflect the new status and responsibilities of the office administration.

The primary responsibility of an office is to supply the management with accurate information at the right time for longrange planning and control. The advent of computerised information technology has made it possible for the office to collect, arrange and supply a vast amount of data, speedily and accurately. The main task of administrative office management is to co-ordinate the network of information handling systems and procedures so as to furnish the pertinent information to the appropriate levels of management and in a meaningful form.

### Objectives of Administrative Office Management

- (i) to supply the right information at the right time to the people who need it;
- (ii) to develop efficient work procedure and systems to ensure the efficiency of office activities;
- (iii) to provide a congenial work environment to the office personnel;
- (iv) to exercise effective supervision of office personnel;
- (v) to establish and maintain effective lines of communication among different employees;
- (vi) to select and train the right person for each job;
- (vii) to ensure efficient utilisation of office equipment, stationery and supplies;

4. Littlefield, Rachel and Caruth : *Office and Administrative Management*.

(viii) to establish and apply reasonable quantity and quality standards for appraising performance of office staff;

(ix) to co-ordinate the activities of the office with other departments of the organisation.

### Responsibilities of Administrative Office Manager

The scope of the responsibility of the administrative office manager is wider than that of the traditional office manager. The exact responsibilities of an administrative office manager may vary depending on the size and nature of the organisation, volume of office work and the number of people employed. However, Neuner and Keeling have specified the following responsibilities of an administrative office manager.

1. Designing, planning, lighting, ventilation, etc. of the office building.
2. Selection, purchase and maintenance of furniture, office machines and equipment.
3. Preparation of organisation charts and manuals.
4. Laying down the functions of the various departments.
5. Organising of filing.
6. Production of records.
7. Organisation and supervision of mailing departments.
8. Purchase and storage of office forms and stationery.
9. Personnel Management.
10. Suggesting changes in the office systems and procedures.
11. Gathering information related to jobs.
12. Setting of standards of work and measuring individual and departmental performance.
13. Measuring office performance, planning and scheduling, quality control, operation research, etc.
14. Preparation of master budget and departmental expense statements.
15. Preparation of manuals, time and motion studies, etc.

### Office Manager

An office manager is an executive who is in charge of an office and whose chief job is to organise and control it and to co-ordinate the work of the office with that of other departments. He has to perform all the functions of the office management. Office manager is known by different names, e.g., Administrative Manager, Manager Administration, Information Officer, etc. Since office work is basically a service function, office manager is basically a staff executive. However, he plays a dual role. He directs and controls the office work. At the same time he plays advisory role with regard to the clerks working in different departments. He serves both as a line executive and as a staff expert. The appointment of a separate office manager springs from the fact that today office work is a highly specialised function requiring a specialist to organise and control it.

### Position of Office Manager

Office manager occupies an important position in the management hierarchy of an organisation. His position may be summarised as follows :

1. **Administrator** : Office manager is an important member of the management team of an organisation. He is responsible for implementing the policies and programmes of top management.

5. Neuner and Keeling : *Modern Office Management*.

2. **Advisor** : As the head of the office, office manager provides clerical services and advice to various functional managers. He is a staff expert specialising in administrative work and information management.
3. **Man in the middle** : Office manager is a representative of both management and workers. He serves as a link between different departments and divisions of the organisation.
4. **Public Relations Officer** : Office manager often serves as a public relation man. He projects the organisation before the public. He collects information about reactions to the policies and activities of the organisation and tells the top management about changing public opinion.

#### Qualities of Office Manager

A good office manager must possess the following qualifications :

1. **Personal Qualities** : The main task of the office manager is to get the office work done by office personnel as efficiently and economically as possible. In order to perform this task effectively, office manager needs several personal qualities. These include : leadership, sound judgment, tact, persuasion, enthusiasm, moral character, sense of responsibility, self discipline, sincerity, dependability, sense of justice and fair play, initiative, punctuality, pleasant manners and an understanding of human nature. Most of these qualities are inborn but some of them can be acquired or improved through practice and learning.
2. **Education and Training** : An office manager should have a sound educational background. It is difficult to lay down a hard and fast rule as to the standards of formal education. Generally, office manager should hold at least a bachelor's degree. He should also be proficient in English and be able to communicate effectively both in writing and orally. An awareness of the social, economic and political environment would be of great help in judging the behaviour of subordinates. Office manager should also be well trained in office systems and procedures, office machines and equipment and data processing methods.
3. **Experience** : A good office manager should have as wide and varied a business experience as possible. The experience should preferably be in a similar organisation to enable him to know the type of problems that are likely to arise. Mere experience does not make a successful office manager. However, an experienced person can more confidently deal with the problems as and when they arise.

4. **Professional Interests** : To be successful, an office manager should be in constant touch with the publications in office management and allied areas. This would provide him with innovative ideas and contribute to his future development. He should preferably be a member of the professional organisation in his field.

**Functions (Role) of the Office Manager** : Office manager performs a significant role in an organisation. The main functions of an office manager are as follows :

1. **Recruitment of Staff** : An office manager is often entrusted with the task of recruiting and selecting the office employees. For this purpose, he determines the requirements for staff, selects the sources of supply, invites applications, holds interviews and tests and selects the appropriate personnel.
2. **Training of Staff** : The office manager develops training programmes for office personnel. Training programmes are to be devised not only for the new recruits. Existing staff has also to be trained in latest office machines and equipment. For this purpose, refresher courses have to be devised.
3. **Work Measurement** : An office manager devises methods of work measurement in terms of the output of the staff. It is a difficult task because office work

can not be measured in physical terms. Therefore, methods have to be devised on the basis of accepted norms of work measurement.

4. **Compensation and Promotions** : Suitable methods of compensation should be developed for office staff in order to secure their cooperation and dedication. Office manager also decides the basis of promotion of the office personnel.
5. **Leadership** : Office manager inspires and guides the subordinates in order to get the best out of office employees. He makes them to work as a team rather than as individuals and keeps their morale high.
6. **Coordination** : Office manager coordinates the activities of different individuals working in the office. In the absence of coordination office will be a meaningless mass of people.
7. **Discipline** : In order to maintain discipline among office personnel, the office manager ensures that rules, procedures and policies are properly followed by the subordinates. He also attends to the grievances of office staff.
8. **Control of Stationery and supplies** : Office manager exercises effective control over office stationery and supplies. For this purpose, he sets up proper procedures for the purchase, for the issue and storage of office stationery and supplies.
9. **Accounting and Costing** : In small organisation, an office manager may also perform accounting and costing work. However, in large organisations there is a separate department for accounting and costing work.
10. **Secretarial Service** : In a small organisation, an office manager may also be required to work as the secretary of the company. As a secretary, he maintains statutory and account books, holds meetings, drafts minutes and reports and looks after share management.

#### Duties and Responsibilities of Office Manager

The duties and responsibilities of office manager may be summarised as follows :

1. **In Relation to Top Management.**
  - (a) to support and implement the policies and programmes of top management,
  - (b) to report back to management arrears of work, work problems, staffing problems, workers' grievances, etc.
  - (c) to cooperate with the O & M department;
  - (d) to assist the outside management consultant.
2. **In Relation to work.**
  - (a) to see that office work is done efficiently as per the schedule and according to the prescribed procedure.
  - (b) to ensure that work continues irrespective of sickness, leaves and absence of staff.
  - (c) to exercise continuous control over all work and to see that quality control and production control are adhered to.
  - (d) to see that all office machines and equipment are in good working order at all times so that wastages are eliminated.
3. **In Relation to Subordinates.**
  - (a) to supervise, train and appraise the staff.
  - (b) to make recommendations for promotion and pay increase of subordinates.
  - (c) to ensure that the office personnel perform their work and to take personal interest in them and in their work.

- (d) to redress the grievances of office staff or to communicate them to top management immediately.
- (e) to communicate without delay the policies and directions of top management to the office personnel.

#### In Relation to Associates.

- (a) to cooperate with the associates fully to achieve the organisational goals.
- (b) to transfer the staff, if necessary, for smooth flow of work.
- (c) to ensure effective coordination between various departments and to avoid conflicts among different managers.
- (d) to see that uniform policies and procedures are followed, wherever necessary, in different departments.

### QUESTIONS

1. State the duties of an office manager in relation to: (a) top management; and (b) subordinates  
(B.Com., Madras, 1989; B.Com., Pass Delhi, 1983)
2. State the qualities that make a good office manager.  
(B.Com., Pass Delhi, 1984)
3. Discuss the functions and duties of an office manager.  
(B.Com., Madras, 1989; B.Com., Pass Delhi, 1987; B.Com., Madurai, 1987)
4. What are the important features of office management? Describe the objectives of office management.  
(B.Com., Bharathiar, 1986)
5. How does office management differ from office organisation?  
(I.Com., Orissa 1985; B.Com., Madras 1987)
6. "The job of a supervisor is in many ways more difficult than that of higher level manager". Explain. What are the major jobs of a supervisor?  
(B.A., Mangalore 1988)
7. Explain the significance of office management.  
(B.A., Madras, 1989; Bangalore 1992)
8. Point out clearly the functions of an office Manager in a modern office and also discuss the various principles of organisation that he should follow in making his organisation efficient.  
(B.Com., Pass Delhi, 1988)
9. Explain the functions of an office manager.  
(Bharathidasan, 1987, 1988)
10. What are the duties and responsibilities of an office manager?  
(Bharathidasan, 1990)
11. What do you understand by the term office management? Discuss the duties and responsibilities of office manager.  
(Bangalore, 1990)
12. Write an analytical note on Administrative Office Management.  
(Bangalore, 1990)
13. Define office management. What are its principal elements?  
(Madras, 1991)

#### Do it yourself.

Mahesh wants to become an office manager. He seeks your advice. Advise him giving the qualifications he should acquire and telling him what will be his functions, duties and responsibilities as an office manager.

## Office Organisation

**LEARNING OBJECTIVES:** After reading this chapter, you should be able to:

1. Define office organisation
2. Describe the process of organising an office
3. Explain organisation structure
4. Describe the importance of office organisation
5. State the techniques of organisation
6. Enumerate the principles of office organisation
7. Explain the types of office organisation
8. Describe the meaning, merits and demerits of office committees
9. Enumerate considerations in choosing the form of office organisation
10. Explain the meaning and methods of departmentation
11. Describe the relationship of office with other departments
12. Discuss the meaning, elements, significance and principles of delegation of authority
13. State the meaning, merits and limitations of decentralisation
14. Enumerate the factors influencing the degree of decentralisation
15. Describe the meaning, advantages and disadvantages of centralisation of authority
16. Explain the meaning, advantages and disadvantages of specialisation
17. Describe the meaning and determinants of span of control
18. Explain the merits, limitations and types of organisation charts
19. Discuss the meaning, objectives, contents, merits and demerits of office manual
20. Enumerate the principles and procedure of preparing the office manual

The term 'organisation' is used in two different senses: i.e. organisation as a process and organisation as a structure. As a process organisation is the process of welding together a framework of positions which can be used by management for accomplishing the objectives of the enterprise. According to Louis A. Allen, organisation is "the process of identifying and grouping the work to be performed, defining and delegating responsibility and authority and establishing relationships for the purpose of enabling people to work most effectively in accomplishing the objectives".

#### Meaning

An office consists of persons who pursue common objectives. Office organisation may be defined as a systematic arrangement of positions in the office and welding together of office personnel into a team. It is the process of dividing the total work of the office into departments, assignment of each department or section to competent personnel, delegating authority and providing the necessary facilities for the efficient performance of duties. Office organisation serves as the framework within which office employees associate for attaining the objectives of the office. This framework provides the means for assigning the activities to various employees and determining the relationships among them.

6. It permits optimum use of technological innovations and human resources. Latest technological developments can be incorporated and utilised when right people are placed on the right jobs.

A specimen organisation of an office is shown in Figure 3.1.

### Techniques of Organisation

Drucker has suggested three techniques of organisation. These techniques are given below:

1. **Activities Analysis**: In this technique all the activities required to achieve the objectives are analysed. Activities provide the building blocks of organisation. Once the activities are identified, they can be grouped into homogenous and manageable units. For example, the chief executive may divide the total work into departments and may delegate authority to the heads of departments. Each departmental manager may sub-divide his work into sections and appoint a manager in charge of each section.

2. **Decisions Analysis**: Another technique is to identify the decisions needed to achieve the objectives and to classify these decisions according to their kind and character. The criteria used to classify the decisions are as follows.

(a) **Degree of futurity**: A decision which commits the organisation for a long period in future (e.g. setting up of a new factory) is a major decision that should be taken at top management level.

(b) **Impact**: If the decision affects several functions (e.g. changes in product design), it is of high order and should be taken at higher levels.

(c) **Qualitative factors**: A major decision involves several intangible factors e.g. ethical values. Such a decision should be made at a high level of authority.

(d) **Periodicity**: Major decisions are unique and are taken infrequently.

Thus, it is necessary to analyse all the decisions and to establish their relative importance so as to determine the levels at which different decisions are to be made.

3. **Relations Analysis**: Analysis of relations involves a study of what contribution each manager is to make to the organisational goals. Traditionally, a manager's job is defined in terms only of the activity he is heading i.e., in relation with lower level managers. This alone is not sufficient and it is also necessary to analyse the upward relationship. It means defining a manager's job in terms of the contribution it has to make to the larger unit of which it is a part. It is also necessary to analyse sideways relations i.e., analysis of the contribution, a manager has to make to other managers of the organisation.

### Basic Principles of Organisation

There is no tailor made way of organising an office in all situations. However, certain principles have been developed which can be used as guidelines for organising the office. The task of office manager in developing a sound organisational structure would become easier if he takes into consideration the following principles of organisation:

1. **Unity of Objective**: Every office activity should be geared towards the achievement of the common objectives of the organisation. Objectives of the office should be in harmony with the organisational goals.

2. **Division of Work**: The total activities of the organisation should be broken down into units and subunits so that each activity may be assigned to specific individuals. This will facilitate division of work or specialisation.

3. **Efficiency**: The organisation structure should be so designed that the common objectives can be achieved at minimum possible cost.

### Organising an Office

In order to organise the work of an office, the office manager has to take the following steps:

- (i) Determination of objectives of the enterprise
- (ii) Formulating derivative objectives, policies and plans
- (iii) Identification of activities necessary to accomplish these objectives, policies and plans
- (iv) Grouping these activities into departments
- (v) Classifying the activities of each department into sections
- (vi) Assigning duties to subordinates on the basis of their specialisation
- (vii) Delegating authority to subordinates to enable them to perform the duties assigned
- (viii) Coordinating different groupings together horizontally and vertically through authority relationships and information systems
- (ix) Provision of necessary facilities, like office forms, stationery, machine and equipment, etc. to enable the office personnel to do the work assigned to them.

### Organisation Structure

Organisation structure is a structure of relationships among positions and jobs created for the purpose of accomplishing the objectives of the enterprise. It represents a pattern of relationship among the components of an organisation. The components of an organisation are (a) the form of the structure, (b) the functions to be performed, and (c) the human aspect. According to March and Simon, "the organisation structure consists simply of those aspects of human behaviour in the organisation that are relatively stable and change only slowly".

This pattern of relationships governs the duties and activities of persons who are dependant upon each other for accomplishing the objectives of the enterprise. A planned organisation structure defines various functions, relates these functions in a systematic manner, and assigns authority and responsibility for each position. A sound organisation structure should reflect the objectives and plans of the enterprise, the division of work among employees, authority relationships, among people and the environment within which the enterprise is to function. Further, it must be manned by well qualified and trained people.

### Importance of Sound Organisation

Sound organisation structure is essential for the existence and successful working of every enterprise. It serves as the foundation of efficient management. A sound organisation structure is useful to an office in the following ways.

1. It facilitates proper administration. By specifying clearly the role of each and every individual, it avoids duplication of effort, overlapping authority, wastage and delays in work. Office work can be performed with speed, accuracy and economy.
2. It avoids delays in taking decisions because authority and responsibility of each person is clearly defined.
3. It helps in the growth and diversification of the enterprise clear division of work, proper delegation of authority and fixation of responsibility lead to better performance. It helps individuals to enlarge their capabilities.
4. It helps in controlling the quantity and quality of output. It provides a basis for evaluating performance and capabilities of employees.
5. It stimulates initiative and creative thinking. By delegating routine and repetitive tasks to supporting positions, managers can concentrate on strategic issues. Every individual can exercise discretion and judgement within the area of his responsibility.

4. **Span of Control** : There is a limit to the number of subordinates that an executive can effectively supervise. This fact should be taken into consideration while grouping and allocating activities. The appropriate span should however, be determined on the basis of the various underlying factors.
5. **Chain of Command** : There should be a clearcut and well defined line of authority so that every person in the office knows whom he is responsible. This is also known as the scalar principle.
6. **Delegation of Authority** : Authority delegated to an individual manager should be adequate to assure his ability to accomplish results expected of him. Otherwise the subordinate can not discharge his function.
7. **Absoluteness of Responsibility** : The responsibility of a subordinate to his superior for authority received by delegation is absolute. No superior can escape the responsibility for the organisation activities of his subordinates.
8. **Authority Level Principle** : Every manager should take the decisions within the scope of his authority and should not refer such decisions to higher authorities.
9. **Parity of Authority and Responsibility** : Authority delegated to a person must be commensurate with his responsibility. Authority and responsibility must coexist in an organisation.
10. **Unity of Command** : Every subordinate in the office must be answerable to one boss only. This is necessary to fix responsibility for results and to avoid conflicting instructions from different superiors.
11. **Functional Definition** : The duties assigned to every position and its relationship with other positions should be clearly defined so that there is no conflict or overlapping of functions.
12. **Flexibility** : The organisation structure must be flexible so that it may be easily adapted to changes in the requirements and conditions of business.
13. **Balance** : There should be a proper balance between the factors having conflicting claims, e.g., between centralisation and decentralisation, span of control and lines of communication, etc.
14. **Simplicity** : The office organisation should be simple and easily understandable.
15. **Continuity** : The form of organisation should ensure continuous performance of all office activities. Regular arrangements should be made for all the necessary work.

**Types of Organisation**

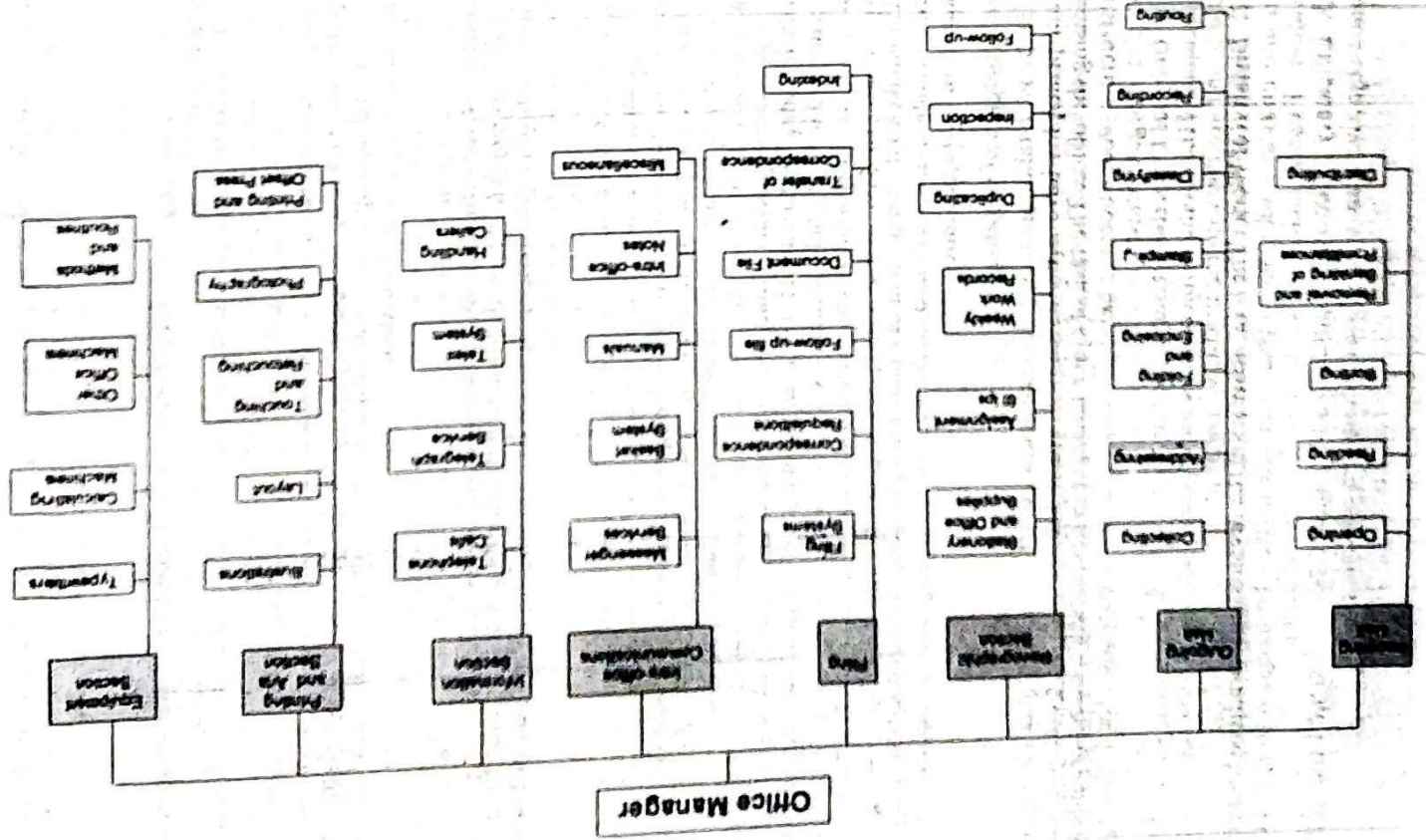
There is no one ideal type of organisation for all types of office. There are many types of organisation, each with its own merits and demerits. An office may adopt anyone type of organisation or mixture of two or more types of organisation. The office manager should evolve the type of organisation best suited to his organisation. He should also be prepared to review and adapt the organisation structure to the changing requirements of business.

- There are four main types of organisations as given below :
1. Line organisation;
  2. Functional organisation;
  3. Line and staff organisation; and
  4. Committee organisation.

**Line Organisation**

It is the oldest and the most common type of organisation structure. It is also known as scalar or military type of organisation. In this form of organisation, lines

Figure 3.1 Organisation of an Office



of authority flow vertically from the topmost executive to the lowest subordinate throughout the entire organisation structure. The authority is highest at the top and gets reduced through each successive level down the organisational scale.

A line organisation may either be pure or departmental. In pure line organisation, activities at one level are the same with each person performing the same functions. The divisions exist solely for purposes of direction and control. In departmental line organisation, the activities and workers are divided into several departments on a functional basis, e.g., production, sales, etc. Authority flows downward from the chief executive through departmental managers to the lower level subordinates. The departmental heads are independent of each other and enjoy equal status. Figure 3.2 shows a pure line organisation :

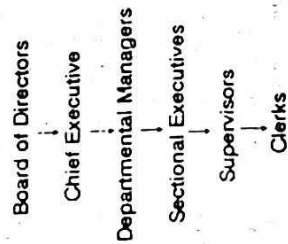


Figure 3.2 Line Organisation

Merits : Line organisation offers the following advantages :

- (i) *Simplicity* : It is the simplest organisation. It is easy to establish and can be easily understood by the employees.
- (ii) *Unity of Control* : It facilitates unified control because the ultimate authority rests in the topmost executive.
- (iii) *Fixed responsibility* : There is clearcut division of authority and well defined responsibility. Every executive can be directly held responsible for the performance of his subordinates.
- (iv) *Better discipline* : It fosters strict discipline among employees because every subordinate knows to whom he is responsible.
- (v) *Prompt decisions* : It facilitates quick decisions because authority and responsibility are fixed at every level.

Demerits : Line organisation suffers from the following disadvantages :

- (i) *Lack of specialisation* : Line organisation does not foster specialisation because one person has to take decision in different areas of work.
- (ii) *Too much concentration of authority* : At every level, decision making is done by one person alone. Therefore, the success of the organisation depends upon the ability of a single person. An error of judgment on his part may create serious problems.
- (iii) *Over loading* : The load of responsibility may be too much for any single executive to bear.
- (iv) *Lack of communication* : There is hardly any communication from the lower ranks to the higher ranks. Correct information feedback is not available to executives. As a result managers may often make wrong decisions.
- (v) *Difficulty in staffing* : It is very difficult to recruit, select and train capable line executives who can look after diverse activities.

Line organisation is based upon the principle of unity of command and scalar principle. It is suitable only for small organisations having few persons and engaged in routine type of work. Large organisations can not function efficiently without specialisation.

### Functional or Service Organisation

Functional organisation is based upon the system of functional foremanship suggested by F.W. Taylor under scientific management. In this type of organisation, the employees and their work are organised on the basis of the type of activities. All activities of the same type are grouped together under one functional department which is managed by an executive who is expert in his field. A specialist is placed in charge of each function. The specialist functional manager has control over his function no matter where the function is found in the organisation. There are separate departments on the basis of major functions like production, marketing, finance, purchase, etc. Each department performs its specialised function for the entire organisation. Most of the business firms now follow some sort of functional plan to carry out their primary functions. However, pure functional structure is rarely used and there is always an element of line organisation mixed with it. Functional organisation is shown in Figure 3.3.

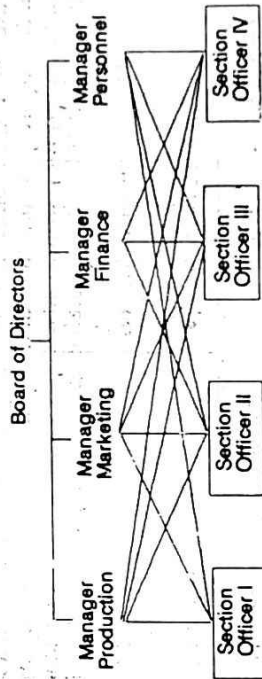


Figure 3.3. Functional organisation

Merits : Functional organisation provides the following advantages :

- (i) *Specialisation* : Functional organisation makes maximum possible use of division of work and offers all the advantages of specialisation.
- (ii) *Higher efficiency* : It ensures greater efficiency because a departmental executive and his subordinates have to perform a limited number of functions.
- (iii) *Separation of functions* : In functional organisation separation of mental functions is possible. Burden of work on top executive is reduced.
- (iv) *Standardisation* : This type of organisation facilities standardisation of operations, methods and equipment

Demerits : Functional organisation suffers from the following drawbacks :

- (i) *Complex* : It is very complicated and cannot be easily understood by the employees. Too many experts and cross relationships among them create confusion among workers.
- (ii) *Lack of unity of command* : Every subordinate has several bosses which may create conflict in command and division of loyalty.
- (iii) *Poor discipline* : Authority and responsibility are not clearly demarcated. It leads to overlapping of authority and weakening of discipline. Control becomes ineffective.

- (iv) *Divided responsibility* : Each workman has to serve many masters. Therefore, it is not easy to fix responsibility for results on specific persons.
- (v) *Lack of coordination* : Every functional manager considers his function the most important one. As a result conflicts arise and coordination becomes difficult. Decisions may also be delayed when functional experts have sharp differences of opinion.

**Line and Staff Organisation**

Line and staff organisation is a mixture of pure line organisation and the functional organisation. It has been evolved to obtain the benefits of both line as well as functional structure. Under this type of organisation, the organisational structure is basically that of the line organisation. Staff officers or functional experts are engaged to advise the line executives in the performance of their duties. Line executives enjoy the authority of command while staff specialists have no command authority outside their own departments. Every staff expert may in person or through his staff assistant provide advice and assistance to each of the line executives. For instance, the personnel department advises all other departments on personnel matters. The meaning of the terms 'line' and 'staff' should be clearly understood. Line refers to those positions and elements of the organisation which have the responsibility and the authority and are accountable for accomplishment of primary objectives. Staff elements are those which have responsibility and authority for providing advice and service to line in the attainment of objectives. A chart of the line and staff organisation is given in Figure 3.4

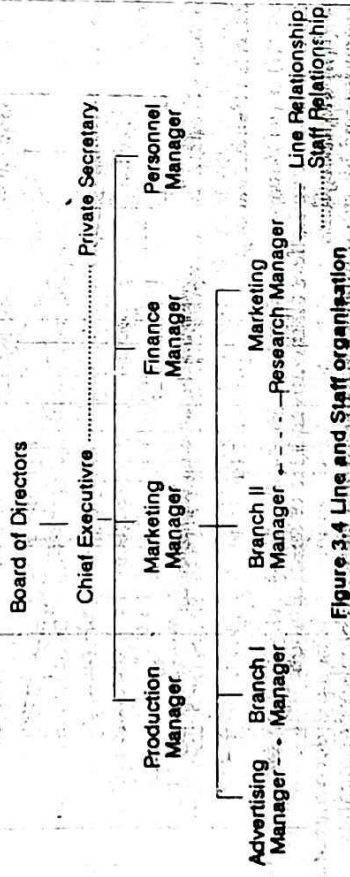


Figure 3.4 Line and Staff Organisation

- Merits : The advantages of line and staff organisation are as follow :
- (i) *Planned specialisation* : It enables the organisation to secure the full benefits of the specialised knowledge of staff experts.
  - (ii) *Higher efficiency* : It permits the line executives to concentrate on the basic function of business. The necessary advice and assistance is available from the staff. There is no overloading and efficiency of operations can be high.
  - (iii) *Unified control* : Line executives exercise full authority over their subordinates. As a result there is unity of control.
  - (iv) *Proper discipline* : Unity of command and unified control lead to effective discipline in the organisation.
  - (v) *Fixed responsibility* : Line executives are directly accountable for results.

1. Louis A. Allen : Management and Organisation, p. 206.

- (vi) *Prompt decisions* : Staff advice and assistance is not binding upon line executives. Therefore, decisionmaking and execution can be prompt.
- (vii) *Executive development* : This type of organisation facilitates executive training and management development. There are greater opportunities for promotion.

**Derivits** : Line and staff organisation suffers from the following limitations :

- (i) *Complexity* : The organisation structure becomes too elaborate. It cannot be set up easily and is too complicated to be easily understood by employees.
- (ii) *Confusion* : The existence of line and staff with separate authority and responsibility patterns creates confusion among workers.
- (iii) *Conflicts* : Conflicts often arise between line executives and staff specialists particularly when their respective jurisdictions are not clearly defined. When the line and staff executives fail to observe their respective roles there may be chaos. Staff may interfere in line areas. Staff officers may start issuing instructions to the subordinates countermanding those of the line executives.
- (iv) *Ineffective staff* : Staff may become ineffective as they do not have authority to command. Staff are not responsible for results and they may, therefore, provide immature advice.
- (v) *Expensive* : Line and staff organisation is expensive because two separate groups of persons are employed.

In modern organisations, management problems have become complex and expert advice is necessary to deal with them effectively. Therefore, most of the business enterprises except the very small ones, employ line and staff organisation. Being a combination of line and functional structures it offers the advantages of both. The main defect of this type of organisation is line staff conflicts. Such conflicts can be resolved through proper understanding of line and staff concepts. The authority, responsibility and respective jurisdiction of each should be clearly defined in the organisation manual of the enterprise.

**Committee Organisation**

Committee organisation is not an independent form of organisation. It functions in conjunction with some other form of organisation. Committees are an important part of the organisation structure of both business and nonbusiness organisations. Committees exist at all levels of organisation and in different areas of business. A committee may be defined as a group of persons entrusted with discharging some assigned functions collectively as a group. Committees are of various types e.g. permanent or adhoc committees, formal or informal committees, executive or advisory committees, etc.

**OFFICE COMMITTEES**

The Committees which are entrusted with the functions of office management are known as office committees. Office committees are created primarily for joint consultation and collective decisionmaking. Such committees generally consist of functional specialists such as finance manager, personnel manager, purchase manager, etc. Executive committee, Audit committee, Joint consultative committee, Supervisors' committee, and Cost control committee are examples of office committees.

Office committee take decisions and review office work from time to time. They deal with the problems and grievances of office staff. For example, the Joint consultative committee deliberates on employee grievances and other problems affecting the efficiency of office work. This committee helps to solve problems



before they become disputes and develops mutual understanding and teamwork in the office personnel. It consists of the representatives of both management and

#### Advantages of Committees

Committees are used in all types of Organisations because they offer the following benefits :

- (i) A committee helps in pooling of knowledge and experience of several persons for solving many intricate problems. It avoids hasty decisions.
- (ii) It serves as a medium for communicating the objectives and policies of management to the employees.
- (iii) It facilitates coordination between different departments and divisions of the enterprise. Representatives from various departments meet together in a committee meeting and discuss their common problems and requirements. The direct contact between departmental or sectional managers enables them to pursue a common course of action.
- (iv) Group discussions in a committee help to inculcate a sense of participation among the executives and workers. Such involvement helps to improve the motivation and morale of employees. It may also generate new ideas.
- (v) Committees are an excellent forum for the education and training of employees.
- (vi) Committees prevent the concentration of authority in one individual.

#### Disadvantages of committees

Committees suffer from the following drawbacks :

- (i) A committee takes too much time in discussion before any decision is reached. As a result decisions are delayed.
- (ii) Committees are an expensive device both in terms of cost and time. Expenditure incurred on committee meetings is often very high.
- (iii) Findings of a committee tend to be weak and indecisive. There is often a compromise between opposing viewpoints. Committees have the tendency for clouding real issues and extraneous matters affect the discussions.
- (iv) Committee decisions are over-shadowed by the force of stronger personality. The chairman or any strong member of the committee dominates the discussions and forces his own thinking on the committee.
- (v) It is not possible to fix responsibility on a particular individual if committee decisions turn out to be wrong.
- (vi) Committee decisions are taken by majority opinion and voting. These leave behind a legacy of bitterness, discontent and frustration among the minority group.
- (vii) Committees are sometimes used by management to cool off agitation on the part of employees without the intention of giving them any relief. Some executives use committees to avoid action and to escape responsibility. That is why a committee is described as a group of unfitis engaged by the unwilling to do the unnecessary.

#### How to Make Office Committees Effective

- (1) The authority and duties of a committee should be well-defined.
- (2) The committee should be entrusted with suitable subject matter.
- (3) The size of the committee should be appropriate.
- (4) A committee should consist of capable members willing to work for its objective.
- (5) The chairman of the committee should be capable to conduct its proceedings effectively.

- (6) Adequate preparation should be made before every committee meeting in terms of well-defined agenda, due notice, etc.
- (7) There should be mutual trust and cooperation between the members of the committee.
- (8) The working of the committee should be reviewed periodically.

#### Choice of Form of Organisation

It is not an easy job to select the right type of organisation. While selecting the type of organisation the following points should be kept in mind.

- (i) **Nature and size of business** : If the size of business is small, management problems will be few and simple. Therefore, a simple line organisation will be suitable. But in a large business, there will be varied types of functions and complex problems. As a result a more elaborate organisation like line and staff or functional structure will be necessary. It can also make use of committees for group decision making.
- (ii) **Geographical location** : When the different units or departments of an enterprise are located in the same premises or in close proximity to one another, a comprehensive and complex type of organisation is suitable. But, if the departments, or units are located at distant places a simple form of organisation at each place will be more suitable.

(iii) **Continuity of work flow** : A business with a steady flow of operations throughout the year requires a more complex and permanent type of organisation. On the other hand, a firm with seasonal business needs a simple and flexible organisation.

(iv) **Period of establishment** : An old and well-established firm can evolve its own organisation structure. Much greater effort is required to set up even a simple type of organisation in a newly established enterprise.

(v) **Staff strength and degree of mechanisation** : The total strength of workforce, the ratio of un-skilled workers to supervisory staff, the degree of mechanisation and the span of control are important considerations in selecting the right type of organisation.

#### DEPARTMENTATION

Modern business is complex and large and operations involved in it are varied and complicated in nature. It is very difficult to carry on these operations efficiently unless the activities of business are classified and divided into small units, functions or departments such as production, marketing finance, personnel, etc. Every department requires clerical services and, therefore, a separate sectional office may be created for each functional department. A large business office has, therefore, as many sectional offices as there are functional or operating departments. A central office is required to coordinate the activities of various sectional offices. Some of the services common to all sectional offices, e.g. correspondence, typing, duplicating, filing, mailing, etc. may be centralised in the general office to achieve efficiency and economy in office administration. Thus, departmentation is the process of grouping business activities into departments or other homogenous units for the purpose of efficient administration.

The main purpose of dividing the office into sectional offices is to secure maximum possible efficiency at a minimum cost through specialisation. Each departmental office performs a specific function and the clerical staff working in that department becomes expert in that particular function through constant dealing with the same. This results in higher output of work and lower cost of operation. Departmentation also facilitates coordination and control of opera-