

Paper –Principles and Practice of Management

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Topic- Need for Formal Organisation Structure

Organisation structure is capable of serving many functions at the same time but cannot serve all functions equally well over unlimited time. Structure created for one purpose may not serve other purposes well. Therefore, it is important for managers to determine the outcomes desired from organisation structure, and to match the structure with change needs. With multiple needs and roles of organisation structure, a balance will have to be struck and priorities established in the operation of the organisational mechanism.

In general, there can be following roles of organisation structure:

- (i) Facilitating management action,
- (ii) Encouraging efficiency,
- (iii) Communication,
- (iv) Optimum use of organisational resources,
- (v) Stimulating creativity,
- (vi) Job satisfaction.