Unit-1

Human Resource Structure

ON TIME AWARD!

Awarded to ....

Well done for arriving at school on time this week!

Signed ....

Learning Outcome:

- After completing this module the students will be able to:
- Understand the meaning of organisation structure.
- Having the knowledge of different types of organisation structures.
- Understand the line and staff aspects of HRM.
- Knowing the place of HR in the total organizational setup.

Introduction

- **Human Resource Management (HRM)** is the term used to describe formal systems devised for the **management** of people within an **organization**.
- The responsibilities of a **human resource** manager fall into three major areas: staffing, employee compensation and benefits, and defining/designing work.

Who Does Human Resources Report To?

- Line organization structure

Line Organisation Structure

Advantages

- Tends to simplify and clarify authority, responsibility and accountability relationships
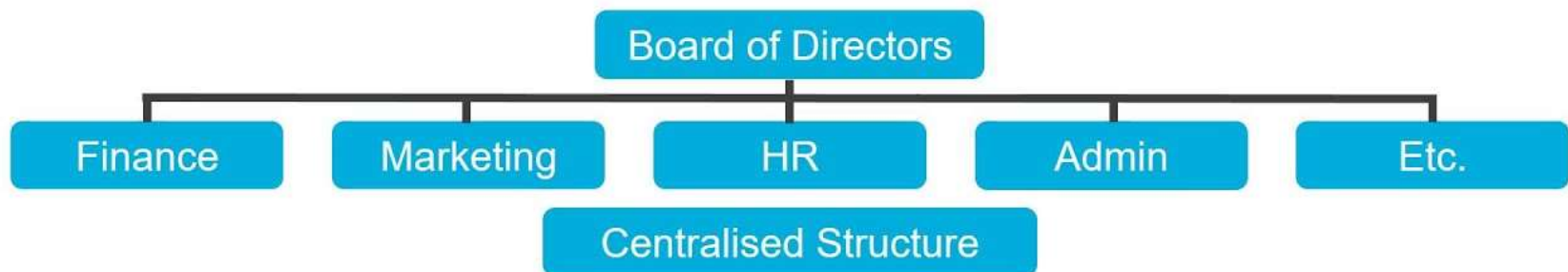- Promotes faster decision making.
- Simple to understand.

Disadvantages

- Specialists are not given importance in planning.
- Key persons are overloaded with jobs and tasks.

Functional Organizational Structure

Functional Structure

A/C

Board of Directors

| Finance | Marketing | HR | Admin | Etc. |

**Centralised Structure**

Advantages

- **Experience**
- Specialist Staff
- Standardisation
- Greater Communication
- Economies of Scale
- Efficiency

Disadvantages

- Lack of Variety & Job Enrichment
- Limits Flair & Ingenuity
- Greater Bureaucracy & Form Filling
- Compromise on Functional Requirements

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Line and Staff Organization Structure

Figure 1
Line-and-Staff Organization
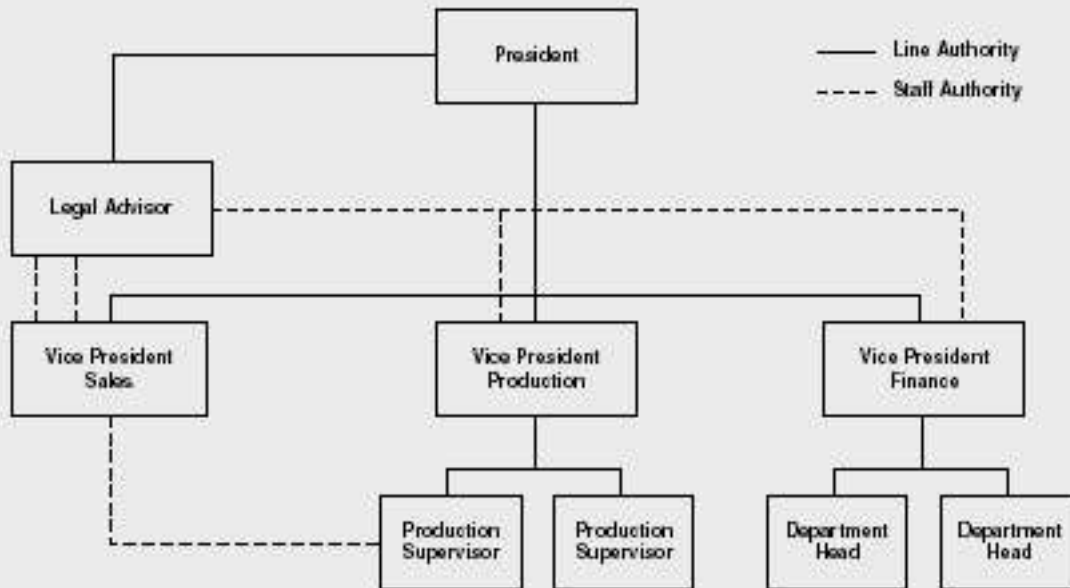
Line and Staff Organization Structure
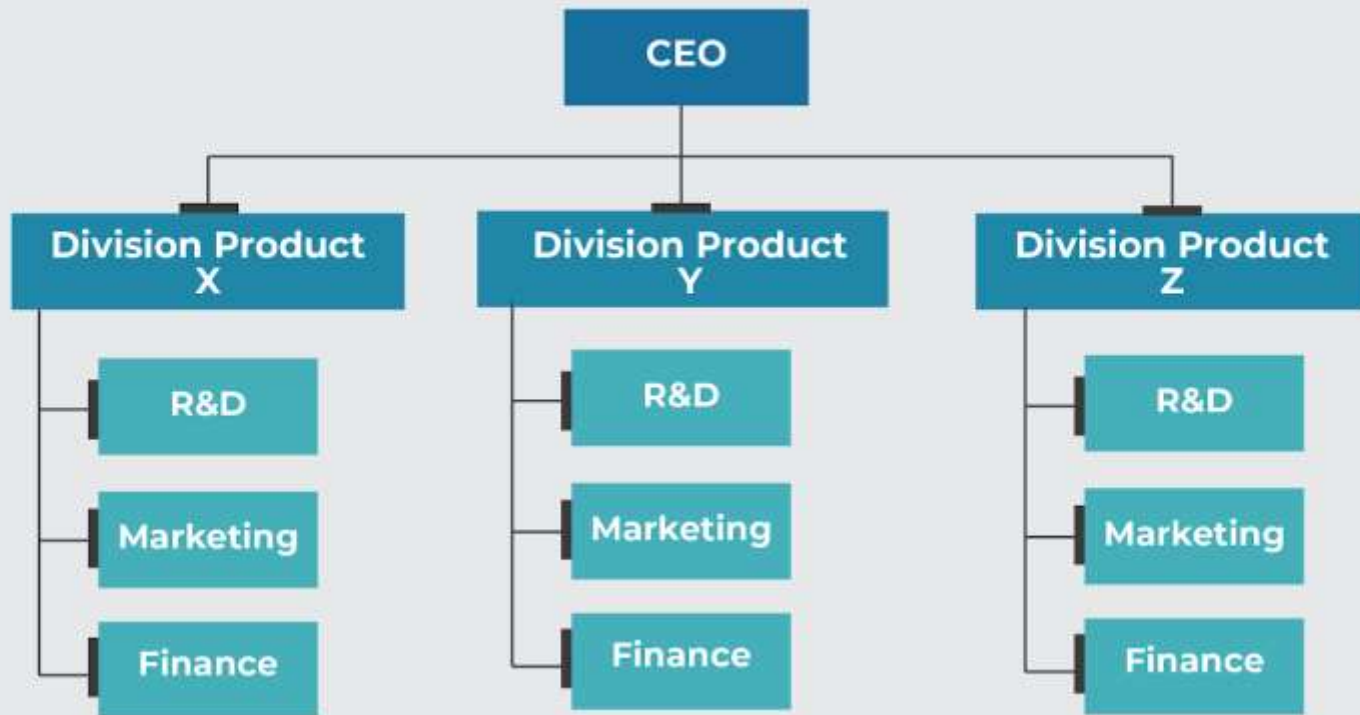
Advantages
- Line and staff organization is more suitable in large enterprises.
- Line and staff structure allows higher flexibility and specialization.

Disadvantages
- It allows higher flexibility and specialization it may create conflict between line and staff personnel.
- Staff people may dislike their lack of authority and this may cause line and staff conflict.

Divisional Organization Structure

Divisional Organization

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                          ┌───────────┐
                          │    CEO    │
                          └─────┬─────┘
        ┌───────────────────────┼───────────────────────┐
┌───────────────┐       ┌───────────────┐       ┌───────────────┐
│Division Product│      │Division Product│      │Division Product│
│       X        │      │       Y        │      │       Z        │
└───────┬────────┘      └───────┬────────┘      └───────┬────────┘
        │  ┌──────────┐         │  ┌──────────┐         │  ┌──────────┐
        ├──│   R&D    │         ├──│   R&D    │         ├──│   R&D    │
        │  └──────────┘         │  └──────────┘         │  └──────────┘
        │  ┌──────────┐         │  ┌──────────┐         │  ┌──────────┐
        ├──│Marketing │         ├──│Marketing │         ├──│Marketing │
        │  └──────────┘         │  └──────────┘         │  └──────────┘
        │  ┌──────────┐         │  ┌──────────┐         │  ┌──────────┐
        └──│ Finance  │         └──│ Finance  │         └──│ Finance  │
           └──────────┘            └──────────┘            └──────────┘
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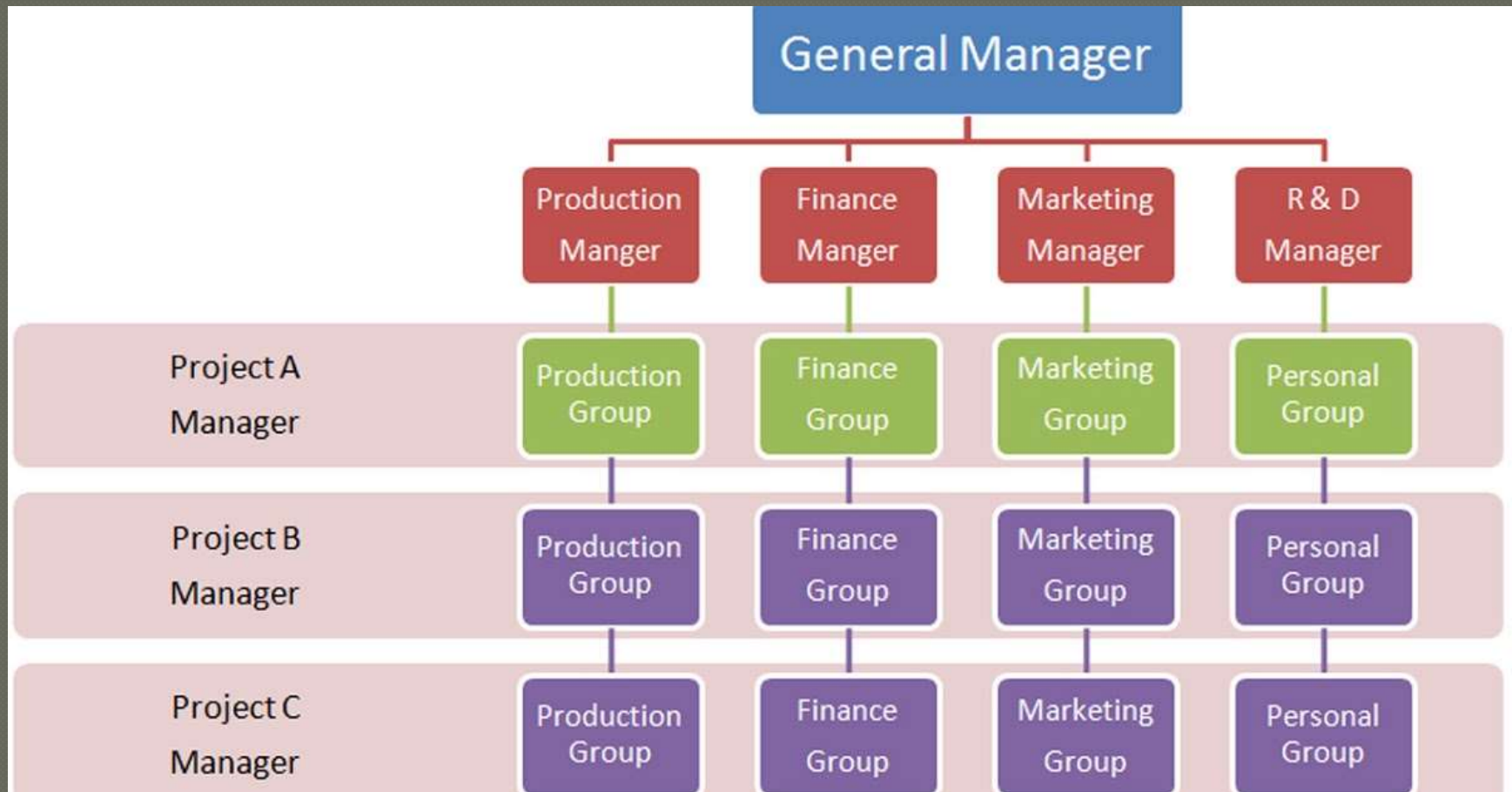
- **Advantages**
- Key interdependencies and resources within the division are coordinated towards an overall outcome.
- **Disadvantages**
- Too much duplication of resources, skills, and expertise as each division has its own function.

Matrix organization structure

Advantages and Disadvantages of the Matrix Approach

Advantages

- **Efficient utilization of scarce, expensive specialists**
- **Flexibility that allows new projects to start quickly**
- **Development of cross-functional skills by employees**
- **Increased employee involvement in management decisions affecting project or product assignments**

Disadvantages

- **Employee frustration and confusion as a result of the dual chain of command**
- **Conflict between product and functional managers over deadlines and priorities**
- **Too much time spent in meetings to coordinate decisions**

Books to refer

- **"Human Resource Management":** by *Gary Dessler*
- **"Strategic human resource planning and management":** by rothwell & kazanas
- **"Human resource management":** by karen legge
- **"Human Resource Development"** by Jon M Werner and Randy L DeSimone