

# Organizing



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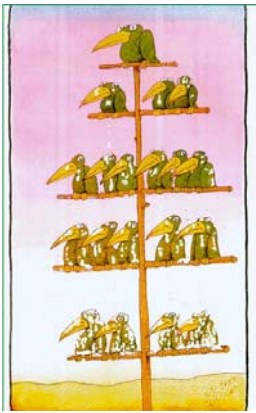
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## Organization Theory



- We have discussed types of organizations, and why they exist.
- Nonprofit organizations are our focus; the Board is in control and decides how to organize
- Organizing results in an organizational structure

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## Definitions



- Organizing: “the process of dividing work into manageable components (tasks) and assigning activities to most effectively achieve the desired results” (Quinn et al., 1996, p.233).
- In other words: deciding what needs to be done to achieve a goal, who will do what work, and how you will coordinate/manage it

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## Organizing Functions



1. Task identification
2. Task analysis
3. Division of labour; task allocation to units/people
4. Coordination of units/people
5. Communication among units
6. Decision making centralization/decentralization

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## Example:



- Edmonton Oilers

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## Strategy of the Organization



- “Structure follows strategy” – Drucker
- What is the strategy of the Edmonton Oilers organization
  - “Create a sustainable professionally managed organization that returns a profit to the ownership”
  - “Provide an entertaining on-ice product”
- How does strategy impact organizing and organizational structure?

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## Example: Task Identification



- 1. Review of NHL By-Laws
- 2. Recruitment of staff and players
- 3. Increasing awareness of team (marketing)
- 4. Increasing revenue generation (sponsorship and development)
- 5. Game Day Operations
  
- **ARE ALL OF THESE TASKS OF EQUAL SIZE, LENGTH, IMPORTANCE (priority)?**
- **ARE SPECIAL SKILLS REQUIRED?**

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## Task analysis (Increasing awareness)



- What needs to be done in marketing?
  
- How many people?
- What skills?
- For how long?
- Priority?

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## Task analysis (Increasing Revenue Generation)



- What needs to be done?
  
- How many people?
- What skills?
- For how long?
- Priority?

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## Division of labor; task allocation to departments/committees



- After task analysis -
- For “Increasing awareness”
  - Develop an operational plan that includes who needs to do what and when
- Example: For “Review of NHL By-Laws”
  - Develop an operational plan that includes who needs to do what and when
- Probably need two different “committees or departments” for these two tasks

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## Departmentalization



- Departmentalization combines tasks, and jobs and/or workers into working units
- Setting up committees is a common way of “departmentalizing” in a nonprofits sport or recreation organization (not the case for professional teams ☺)
- These “departments” require coordination between them;
- The individuals within the “departments” also require coordination
- The more specialized the tasks, the more coordination is needed

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## Ways to Departmentalize



- By Customer (demographics, interests)
- By Function (marketing, game ops, etc.)
- By Geography (Alberta Division, BC Division)
- By Product (CP Rail, CP Airlines, CP Hotels)
- Other? (give examples)

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## Specialization of a job



- Reduces the variety of tasks in a person's job
  - Example: Marketing Director of Oilers
  - Focused on increased awareness that should result in more season tickets being sold
  - Not involved in Game Day Operations
- Focus skills/abilities in one area; repetition and simplicity of tasks
- Saves time (person avoids moving between tasks)
- Facilitates hiring/training of employees (specific job descriptions)
- Increases efficiency

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**If you don't have staff, creating the "departments" takes discussion. There are several ways for a non-profit volunteer based organization (like KidSport) to organize**



- Functional (KidSport Edmonton has this)
  - Governance, marketing, fundraising, human resources
- Territorial (KidSport Alberta has this)
  - Edmonton, Calgary, Red Deer
- Product-Service
  - Team sports; Individual sports
- Customer
  - Sponsors, Participants, Sport Clubs

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## Departments



- Departments, once created, will have goals, with measurable outcomes
  - “increased awareness” outcome would be increased season ticket sales for Oilers
- There will be expectations about how a department will function
- The people in the department will also have expectations, and there will be expectations of them

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## Centralization



- How much authority will be kept with the Board for Non-Profits or Ownership Group for Private businesses; how much to the staff; how much will be given to the committees or departments
- More authority at the top (Board or Owner) means more centralized authority
- Classic Board / staff argument in non-profits in particular.

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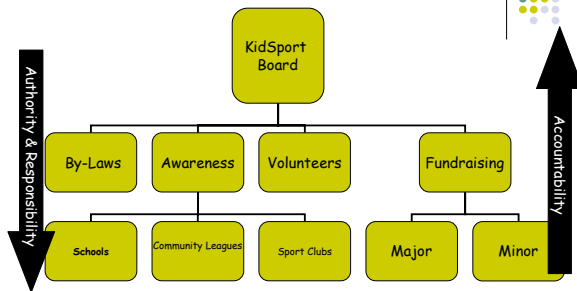
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## Structure and Delegation



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## Delegation and Pitfalls



Delegation moves authority down the structure; decentralizes;  
Subdivides the organization vertically

### PITFALLS:

- Failure to communicate what to do, and when
- Subordinate lacks desire to complete task
- Task is beyond subordinate's capabilities
- Giving RESPONSIBILITY WITHOUT AUTHORITY

Accountability remains with the person at the top!!

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## Organizational Structures



- Span of Control
  - Number of people directly under an individual
- Departmentalization
  - Task division
  - Subdivides the organization horizontally

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## How wide a Span of Control?



Span of control can be wider (can supervise more people) when:

- The work output is measurable (requires less supervision time)
- Subordinate more competent (less supervision needed)
- More mutual respect in supervisor-subordinate relationship (less supervision needed)
- Low production pressure (less direct supervision)

Span of control subdivides an organization horizontally

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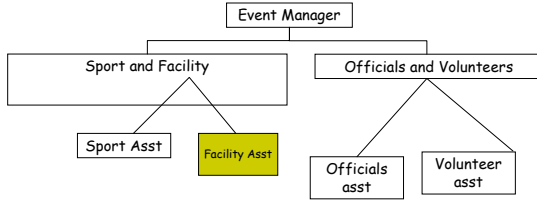
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Tall Structures – have smaller span of control – here the Event Manager has a span of control of 2




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Flat Structures – have wider span of control – here the Event Manager has a span of control of 4




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## Bureaucracy



- When you have:
  - Division of labour
  - Hierarchical authority structure
  - System of policies and rules
    - Formalization – policies and rules are written;
    - Standardization – standard rules and procedures are consistently applied and enforced throughout the organization
  - Technical competence (specialization)
  - Not very flexible

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## The Advantages and Disadvantages



- Tall vs Flat structure
- Specialized vs diverse jobs
- Centralized vs decentralized authority
- Formalized vs non-formalized
- Departmentalized vs non-departmentalized

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## You are offered a job:



- What do you need to know?  
(see next page)

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## You get offered a job:



- How much am I getting paid?
- What are the benefits?
- What are my roles and responsibilities?
- What do you expect of me? "outcomes"
- Who do I report to?
- What is my level of authority?
- How am I evaluated?

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