

B.Com 1st semester PPM

Planning: An Introduction

A plan is a forecast for accomplishment. It is a predetermined course of action. It is today's projection for tomorrow's activity. In other words, to plan is to produce a scheme for future action, to bring about specified results at a specified cost, in a specified period of time. Management thinkers have defined the term, basically, in two ways:

1. Based on futurity: "Planning is a trap laid down to capture the future" (Allen). "Planning is deciding in advance what is to be done in future" (Koontz). "Planning is informed anticipation of future" (Haimann). "Planning is 'anticipatory' decision-making" (R.L. Ackoff).

2. As a thinking function: "Planning is a thinking process, an organised foresight, a vision based on fact and experience that is required for intelligent action" (Alford and Beatty) "Planning is deciding in advance what to do, how to do it, when to do it and who is to do it." – Koontz and O'Donnell

Types of Plans

Plans commit individuals, departments, organisations, and the resources of each to specific actions for the future. Effectively designed organisational goals fit into a hierarchy so that the achievement of goals at low levels permits the attainment of high-level goals. This process is called a means-ends chain because low-level goals lead to accomplishment of high-level goals.

Three major types of plans can help managers achieve their organisation's goals: strategic, tactical, and operational. Operational plans lead to the achievement of tactical plans, which in turn lead to the attainment of strategic plans. In addition to these three types of plans, managers should also develop a contingency plan in case their original plans fail.

1. Operational plans: The specific results expected from departments, work groups, and individuals are the operational goals. These goals are precise and measurable.

Examples: (a) Process 150 sales applications each week

(b) Publish 20 books this quarter

Thus an operational plan is one that a manager uses to accomplish his or her job responsibilities. Supervisors, team leaders, and facilitators develop operational plans to support tactical plans. Operational plans can be a single-use plan or an ongoing plan.

2. Tactical plans: A tactical plan is concerned with what the lower level units within each division must do, how they must do it, and who is in charge at each level. Tactics are the means needed to activate a strategy and make it work. Tactical plans are concerned with shorter time frames and narrower scopes than are strategic plans. These plans usually span one year or less because they are considered short-term goals. Long-term goals, on the other hand, can take several years or more to accomplish. Normally, it is the middle manager's responsibility to take the broad strategic plan and identify specific tactical actions.

3. Strategic plans: A strategic plan is an outline of steps designed with the goals of the entire organisation as a whole in mind, rather than with the goals of specific divisions or departments. Strategic planning begins with an organisation's mission. Strategic plans look ahead over the next two, three, five, or even more years to move the organisation from where it currently is to where it wants to be. Requiring multilevel involvement, these plans demand harmony among all levels of management within the organisation. Top-level management develops the directional objectives for the entire organisation, while lower levels of management develop compatible objectives and plans to achieve them. Top management's strategic plan for the entire organisation becomes the framework and sets dimensions for the lower level planning.

4. Contingency plans: Intelligent and successful management depends upon a constant pursuit of adaptation, flexibility, and mastery of changing conditions. Strong management requires a “keeping all options open” approach at all times - that’s where contingency planning comes in. Contingency planning involves identifying alternative courses of action that can be implemented if and when the original plan proves inadequate because of changing circumstances. Keep in mind that events beyond a manager’s control may cause even the most carefully prepared alternative future scenarios to go awry. Unexpected problems and events frequently occur. When they do, managers may need to change their plans. Anticipating change during the planning process is best in case things don’t go as expected. Management can then develop alternatives to the existing plan and ready them for use when and if circumstances make these alternatives appropriate.

Characteristics of Planning

Planning has a number of characteristics:

1. Planning is goal-oriented: All plans arise from objectives. Objectives provide the basic guidelines for planning activities. Planning has no meaning unless it contributes in some positive manner to the achievement of predetermined goals.
2. Planning is a primary function: Planning is the foundation of management. It is a parent exercise in management process. It is a preface to business activities.
3. Planning is all-pervasive: Planning is a function of all managers. It is needed and practised at all managerial levels. Planning is inherent in everything a manager does. Managers have to plan before launching a new business.
4. Planning is a mental exercise: Planning is a mental process involving imagination, foresight and sound judgment. Planning compels managers to abandon guesswork and wishful thinking.

5. Planning is a continuous process: Planning is continuous. It is a never-ending activity. Once plans for a specific period are prepared, they are translated into action.

6. Planning involves choice: Planning essentially involves choice among various alternative courses of action.

7. Planning is forward looking: Planning means looking ahead and preparing for the future. It means peeping into the future, analysing it and preparing for it.

8. Planning is flexible: Planning is based on a forecast of future events. Since future is uncertain, plans should be reasonably flexible.

9. Planning is an integrated process: Plans are structured in a logical way wherein every lower-level plan serves as a means to accomplish higher level plans. They are highly interdependent and mutually supportive.

10. Planning includes efficiency and effectiveness dimensions: Plans aim at deploying resources economically and efficiently. They also try to accomplish what has been actually targeted. The effectiveness of plans is usually dependent on how much it can contribute to the predetermined objectives.

Steps in the Planning Process

Planning is a vital managerial function. It is intellectually demanding. It requires a lot of time and effort on the part of planners. They must adopt a systematic approach so as to avoid pitfalls, errors and costly mistakes which may upset the whole business later on. Such a systematic approach may consist of the following steps:

1. Establishing objectives: The first step in the planning process is to identify the goals of the organisation. The internal as well as external conditions affecting the organisation must be thoroughly examined before setting objectives. The objectives so derived must clearly indicate what is to be achieved, where action should take place, who is to perform it, how it is to be undertaken and when is it to be accomplished. In other words, managers must provide clear guidelines for organisational efforts, so that activities can be kept on the right track.

2. Developing premises: After setting objectives, it is necessary to outline planning premises. Premises are assumptions about the environment in which plans are made and implemented. Thus, assumptions about the likely impact of important environmental factors such as market demand for goods, cost of raw materials, technology to be used, population growth, government policy, etc. on the future plans are made. The demand for fuel efficient vehicles in the late 1980s has compelled virtually all automobile manufacturers in India to go in search of collaborative agreements with foreign manufacturers from Japan, Germany, USA, etc. Plans should be formulated by the management, keeping the constraints imposed by internal as well as external conditions in mind.

3. Evaluating alternatives and selection: After establishing the objectives and planning premises, the alternative courses of action have to be considered. Liberalisation of imports and the use of high technology in recent times has encouraged manufacturers to produce colour television sets, electronic sets, electronic equipments, videos, computers, fuel- efficient vehicles, etc. Thus, changes in government policy, technology, competition, etc. pose several alternatives before manufacturers, from time to time, regarding the product they should manufacture. Such alternatives have to be carefully evaluated against factors like costs, associated risks involved, benefits likely to arise, availability of spare capacity, etc. The pros and cons as well as the consequences of each alternative course of action must be examined thoroughly before a choice is made.

4. Formulating derivative plans: After selecting the best course of action, the management has to formulate the secondary plans to support the basic plan. The plans derived for various departments, units, activities, etc., in a detailed manner are known as 'derivative plans'. For example, the basic production plan requires a number of things such as availability of plant and machinery, training of employees, provision of adequate finance, etc. To ensure the success of a basic plan, the derivative plans must indicate the time schedule and sequence of performing various tasks.

5. Securing cooperation and participation: The successful implementation of a plan depends, to a large extent, on the whole-hearted cooperation of the employees. In view of this, management should involve operations people in the planning activities. Suggestions, complaints and criticisms from operating personnel help management rectify the defects in plans and set things right in the beginning itself. Involvement of subordinates in planning has the unique advantage of getting a practical view of those closer to the scene of operations. According to Koontz, 'plans have to be set in an atmosphere of close participation and a high degree of concurrence'. Participation enables employees to give their best to plans. They are also motivated to carry out the plan to the best of their ability.

6. Providing for follow-up: Plans have to be reviewed continually to ensure their relevance and effectiveness. In the course of implementing plans, certain facts may come to light that were not even thought of earlier. In the light of these changed conditions, plans have to be revised. Without such a regular follow-up, plans may become out-of-date and useless. Moreover, such a step ensures the implementation plans along right lines. Management can notice shortcomings in time and initiate suitable remedial steps. A continuous evaluation of plans also helps to develop sound plans in future, avoiding mistakes that have surfaced while implementing the previous plans.

Decision Making

Introduction

- Individuals in organisations make decisions. That is, they make choices from among two or more alternatives. Decision-making is almost universally defined as choosing between alternatives. Decision-making is a critical activity in the lives of managers.
- The decisions a manager faces can range from very simple, routine matters for which the manager has an established decision rule (programmed decisions) to new and complex decisions that require creative solutions (non-programmed decisions).
- The word "decision" is derived from the Latin words "de ciso" which means, "cutting away" or to come to a conclusion. A decision is the selection of a course of action.
- According to Felex M Lopez, "a decision represents a judgement; a final resolution of a conflict of needs, means or goals; and a commitment to action made in the face of uncertainty, complexity or even irrationality."

- According to Philip Marvin, "decision-making may be viewed as the process by which individuals select a course of action from among alternatives to produce a desired result. It is a process made up of four continuous interrelated phases: explorative, speculative, evaluative and selective."
- Thus, decision-making is the process by which the decision-maker tries to jump over the obstacles placed between his current position and the desired future position. Decision-making occurs as a reaction to a problem.
- A discrepancy exists between some current state of affairs and some desired state, requiring consideration of alternative courses of action. Moreover, every decision requires interpretations and evaluation of information.
- Data is typically received from multiple sources and it needs to be screened, processed, and interpreted. What data is relevant to the decision will depend on the perception of the decision-maker.

Components of Decision-making

Decision-making involves certain components like:

1. Decision environment:

➤ Every decision is made within a decision environment, which is defined as the collection of information, alternatives, values, and preferences available at the time of the decision. An ideal decision environment would include all possible information, all of it accurate, and every possible alternative. However, both information and alternatives are constrained because the time and effort to gain information or identify alternatives are limited.

➤ The time constraint simply means that a decision must be made by a certain time. The effort constraint reflects the limits of manpower, money, and priorities. (You wouldn't want to spend three hours and half a tank of gas trying to find the very best parking place at the mall.) Since decisions must be made within this constrained environment, we can say that the major challenge of decision-making is uncertainty and a major goal of decision analysis is to reduce uncertainty.

- We can almost never have all information needed to make a decision with certainty, so most decisions involve an undeniable amount of risk. The fact that decisions must be made within a limiting decision environment suggests two things. First, it explains why hindsight is so much more accurate and better at making decisions than foresight. As time passes, the decision environment continues to grow and expand. New information and new alternatives appear even after the decision must be made.
- Armed with new information after the fact, the hindsighters can many times look back and make a much better decision than the original maker, because the decision environment has continued to expand.
- The second thing suggested by the decision-within-an-environment idea follows from the above point. Since the decision environment continues to expand as time passes, it is often advisable to put off making a decision until close to the deadline.

2. Effects of Quantity on Decision-making:

Many decision-makers have a tendency to seek more information than required to make a good decision. When too much information is sought and obtained, one or more of several problems can arise.

- A delay in the decision occurs because of the time required to obtain and process the extra information. This delay could impair the effectiveness of the decision or solution.
- Information overload will occur. In this state, so much information is available that decision-making ability actually declines because the information in its entirety can no longer be managed or assessed appropriately. Example: A manager spent a day at an information-heavy seminar. At the end of the day, he was not only unable to remember the first half of the seminar but he had also forgotten where he parked his car that morning.

- Selective use of the information will occur. That is, the decision-maker will choose from among all the information available only those facts which support a preconceived solution or position.
- Mental fatigue occurs, which results in slower work or poor quality work.
- Decision fatigue occurs, where the decision-maker tires of making decisions. Often the result is fast, careless decisions or even decision paralysis—no decisions are made at all.

3. Decision Streams: A common misconception about decision-making is that decisions are made in isolation from each other: you gather information, explore alternatives, and make a choice, without regard to anything that has gone before. The fact is, decisions are made in a context of other decisions. The typical metaphor used to explain this is that of a stream. There is a stream of decisions surrounding a given decision, many decisions made earlier have led up to this decision and made it both possible and limited. Many other decisions will follow from it.

Decision-making Process

Managers have to make decisions, whether they are simple or extremely complex. Making a good decision is a difficult exercise. It is the product of deliberation, evaluation and thought. To make good decisions, managers should invariably follow a sequential set of steps. Decision-making is a process involving a series of steps as shown below.

First Step: The first step is recognition of the problem. The manager must become aware that a problem exists and that it is important enough for managerial action. Identification of the real problem is important; otherwise, the manager may be reacting to symptoms and fire fighting rather than dealing with the root cause of the problem. In order to monitor the problem situation (decision-making environment), managers may have to look into management reports, check progress against budgets, compare the results against industry competitors, and assess factors contributing to employee efficiency or inefficiency, etc. They have to use judgement and experience in order to identify the exact nature of the problem. In other words, the manager must determine what is to be accomplished by the decision.

Second Step: The second step in the decision-making process is gathering information relevant to the problem. A successful manager must have the ability to weed out the wheat from the chaff before deciding on a specific course of action. Once aware of a problem, he must state the real problem. He must try to solve the problem, not the symptoms. The manager must pull together sufficient information about why the problem occurred. This involves conducting a thorough diagnosis of the situation and going on a fact-finding mission.

Third Step: The third step is listing and evaluating alternative courses of action. Developing alternative solutions (to the problem) guarantees adequate focus and attention on the problem. It helps managers to fully test the soundness of every proposal before it is finally translated into action. During this step, a thorough "what if" analysis should also be conducted to determine the various factors that could influence the outcome. It is important to generate a wide range of options and creative solutions in order to be able to move on to the next step.

Therefore, managers should encourage people to develop different solutions for the same problem. The ability to develop alternatives is as important as making a right decision among alternatives. The development of alternatives is a creative, innovative activity. It calls for divergent thinking; it calls for "systems thinking". In other words, managers should try to seek solutions outside the present realm of their knowledge; they are forced to look into all the relevant factors before coming up with a novel solution.

Fourth Step: Next, the manager selects the alternative that best meets the decision objective. If the problem has been diagnosed correctly and sufficient alternatives have been identified, this step is much easier. Peter Drucker has offered the following four criteria for making the right choice among available alternatives:

1. The manager has to weigh the risks of each course of action against the expected gains.
2. The alternative that will give the greatest output for the least inputs in terms of material and human resources is obviously the best one to be selected.

3. If the situation has great urgency, the best alternative is one that dramatizes the decision

and serves notice on the organisation that something important is happening. On the other hand, if consistent effort is needed, a slow start that gathers momentum may be preferable.

4. Physical, financial and human resources impose a limitation on the choice of selection. Of these, the most important resources whose limitations have to be considered are the human beings who will carry out the decision.

Final Step: Finally, the solution is implemented. The manager must seek feedback regarding the effectiveness of the implanted solutions. Feedback allows managers to become aware of the recent problems associated with the solution. It permits managers to monitor the effects of their acts to gauge their success. They can evaluate their own decision-making abilities. Consistent monitoring and periodic feedback is an essential part of the follow-up process.

Management by Objectives

Introduction

We all know that good management is characterised usually by the accomplishment of desired objectives. Management by Objectives or MBO is a technique which helps a manager to achieve his objectives in an efficient manner. MBO insists that a manager be very clear about his objectives before he starts a task. If a manager is not sure about his destination, he is unlikely to arrive, and in all probability he may not even know whether he is on the right road or not, or if he has arrived or not. MBO is as old as management itself. In fact, management has to be always with and by objectives. Unfortunately, however, most managers are really not sure about their objectives. They are usually not clear as to what their organisation, department or section should achieve within a particular period of time. If properly implemented MBO can provide the dynamism, purpose and trust that are essential characteristics of effective management. It is like inflating back to shape a tube which has become somewhat flat.

Core Concepts of MBO

Management by Objectives (MBO) was first outlined by Peter Drucker in 1954 in his book ‘The

Practice of Management’. It is a systematic and organised approach that allows management to focus on achievable goals and to attain the best possible results from available resources. MBO aims to increase organisational performance by aligning goals and subordinate objectives throughout the organisation. It managers focus on the result, not the activity. They delegate tasks by “negotiating a contract of goals” with their subordinates without dictating a detailed roadmap for implementation. Management by Objectives (MBO) is about setting yourself objectives and then breaking these down into more specific goals or key results. Ideally, employees get strong input to identify their objectives, time lines for completion, etc. MBO includes ongoing tracking and feedback in the process to reach objectives.

According to Drucker managers should “avoid the activity trap”, getting so involved in their day to day activities that they forget their main purpose or objective. Instead of just a few top managers, all managers should:

1. Participate in the strategic planning process, in order to improve the implement ability of the plan, and
2. Implement a range of performance systems, designed to help the organisation stay on the right track.

Characteristics of Management by Objectives Notes

Management by Objectives has following characteristics.

1. MBO emphasises participation in setting goals that are tangible, verifiable and measurable.
2. MBO focuses attention on what must be accomplished (goals) rather than how it is to be accomplished (methods).
3. MBO, by concentrating on key result areas translates the abstract philosophy of management into concrete phraseology. The technique can be put to general use (non-specialist technique). Further, it is ‘a dynamic system which seeks to integrate the company’s need to achieve its profit and sales growth with the manager’s need to clarify and achieve its profit and sales growth with the manager’s need to contribute and develop himself.
4. MBO is a systematic and rational technique that allows management to attain maximum results from available resources by focusing on achievable goals. It allows the subordinate with plenty of room to make creative decisions by himself.

Process of MBO

1. Defining the Goal

Any MBO programme must start with an absolute enthusiastic support of top management. It must be consistent with the philosophy of the management. The long-term goals of the organisation must be outlined initially, like: What is the basic purpose of the organisation? What business are we in and why? What are the long-term prospects in other areas? After these long-term goals are established, management must be concerned with determining specific objectives to be achieved within a given time capsule. Goal setting is a powerful way of motivating people. Goals provide a clear idea of what we are trying to achieve. Goals allow us to measure our progress. We are able to plan what we need to do to achieve these goals through people, time, resources etc. Keeping all this in mind companies should set SMART goals. S - Specific, M - Measurable, A - Achievable, R - Realistic and T - Time-base

2 Action Plan

The action plan is the means by which an objective is achieved. The action plan gives direction

and ensures unity of purpose to organisational activities. It will state in detail, exactly what is to be done, how the subordinate will proceed, what steps will be taken, and what activities will be engaged in as the subordinate progresses. It provides a specific answer to the question: 'What is to be done?' Questions like who is responsible for each activity, what resources are needed, what the time requirements are would also be answered. Example: Nitin Albert and his sales manager might agree upon the following standards of performance for Nitin: . increase sales of mobile phones in the Southern region by 10 percent by the end of the current year; reduce travelling expenses during the above period.

There are two ways of developing specific action plans: They may be developed by both manager and subordinate or by the subordinate alone. To ensure success, the superior must be willing to sit with each subordinate and review the action plan (such as the above one), once it has been developed. The periodic review process helps the superior to monitor progress towards goal achievement. It helps in finding out better and more efficient methods of accomplishing goals, in finding out the feasibility of implementing the earlier goals uncovering barriers to accomplishment etc. If the subordinate does not appear to be on the right course, the performance objective can be modified or the subordinate can be redirected into more productive behaviours. The emphasis in periodic review sessions should be on checking the progress toward goal achievement. If the performance is not satisfactory, the superior must try to isolate the causes of lack of progress without criticising the subordinate and indicate specific steps, as to how to proceed in future so as to achieve the goals. The emphasis should be on improving performance rather than degrading subordinates.

3 Final Review

This is the last phase of the MBO programme. In this step, the actual results are measured against predetermined standards. Mutually agreed-on objectives provide basis for reviewing the progress. While appraising the performance of subordinates, the manager should sit with his subordinates and find out the problems encountered while accomplishing the goals. The subordinate, as in the periodic sessions, should not be criticised for failure to make sufficient progress; the atmosphere should not be hostile or threatening. A give-and-take atmosphere should prevail and the appraisal should be based on mutual trust and confidence between managers and subordinates. In actual practice, this type of give-and-take session is extremely difficult to achieve and rarely reaches its potential value, unless managers are gifted with necessary interpersonal skills. Often, appraisal takes place for the purpose of determining rewards and punishments; judging the personal worth of subordinates and not the job performance. As a result, appraisal sessions become awkward and uncomfortable to the participants and intensify the pressure on subordinates while giving them a limited choice of objectives. Insecure subordinates may come to 'dread' the sessions and they may not feel free to communicate honestly and openly, without fear of retaliation. Appraisals can be really useful, if the person being evaluated knows and accepts in advance the grounds upon which he is being appraised.

Organising

Introduction

Organising as a function of management involves division of work among people whose efforts must be co-ordinated to achieve specific objectives and to implement pre-determined strategies. Organisation is the foundation upon which the whole structure of management is built. It is the backbone of management. After the objectives of an enterprise are determined and the plan is prepared, the next step in the management process is to organise the activities of the enterprise to execute the plan and to attain the objectives of the enterprise. The term organisation is given a variety of interpretations. In any case, there are two broad ways in which the term is used. In the first sense, organisation is understood as a dynamic process and a managerial activity which is necessary for bringing people together and tying them together in the pursuit of common objectives. When used in the other sense, organisation refers to the structure of relationships among positions and jobs which is built up for the realisation of common objectives.

Organising – The Process

Organisation is the process of establishing relationship among the members of the enterprise. The relationships are created in terms of authority and responsibility. To organise is to harmonise, coordinate or arrange in a logical and orderly manner. Each member in the organisation is assigned a specific responsibility or duty to perform and is granted the corresponding authority to perform his duty. The managerial function of organising consists in making a rational division of work into groups of activities and tying together the positions representing grouping of activities so as to achieve a rational, well coordinated and orderly structure for the accomplishment of work. According to Louis A Allen, "Organising involves identification and grouping the activities to be performed and dividing them among the individuals and creating authority and responsibility relationships among them for the accomplishment of organisational objectives." The various steps involved in this process are:

1. **Determination of Objectives:** It is the first step in building up an organisation. Organisation is always related to certain objectives. Therefore, it is essential for the management to identify the objectives before starting any activity. Organisation structure is built on the basis of the objectives of the enterprise. That means, the structure of the organisation can be determined by the management only after knowing the objectives to be accomplished through the organisation. This step helps the management not only in framing the organisation structure but also in achieving the enterprise objectives with minimum cost and efforts. Determination of objectives will consist in deciding as to why the proposed organisation is to be set up and, therefore, what will be the nature of the work to be accomplished through the organisation

2. Enumeration of Objectives: If the members of the group are to pool their efforts effectively, there must be proper division of the major activities. The first step in organising group effort is the division of the total job into essential activities. Each job should be properly classified and grouped. This will enable the people to know what is expected of them as members of the group and will help in avoiding duplication of efforts. For example, the work of an industrial concern may be divided into the following major functions – production, financing, personnel, sales, purchase, etc.

3. Classification of Activities: The next step will be to classify activities according to similarities and common purposes and functions and taking the human and material resources into account. Then, closely related and similar activities are grouped into divisions and departments and the departmental activities are further divided into sections.

4. Assignment of Duties: Here, specific job assignments are made to different subordinates for ensuring a certainty of work performance. Each individual should be given a specific job to do according to his ability and made responsible for that. He should also be given the adequate authority to do the job assigned to him. In the words of Kimball and Kimball, "Organisation embraces the duties of designating the departments and the personnel that are to carry on the work, defining their functions and specifying the relations that are to exist between department and individuals."

5. Delegation of Authority: Since so many individuals work in the same organisation, it is the responsibility of management to lay down structure of relationship in the organisation. Authority without responsibility is a dangerous thing and similarly responsibility without authority is an empty vessel. Everybody should clearly know to whom he is accountable; corresponding to the responsibility authority is delegated to the subordinates for enabling them to show work performance. This will help in the smooth working of the enterprise by facilitating delegation of responsibility and authority.

Organisation Structure

An organisation structure shows the authority and responsibility relationships between the various positions in the organisation by showing who reports to whom. Organisation involves establishing an appropriate structure for the goal seeking activities. It is an established pattern of relationship among the components of the organisation. March and Simon have stated that-

"Organisation structure consists simply of those aspects of pattern of behaviour in the organisation that are relatively stable and change only slowly." The structure of an organisation is generally shown on an organisation chart. It shows the authority and responsibility relationships between various positions in the organisation while designing the organisation structure, due attention should be given to the principles of sound organisation.

Significance of Organisation Structure

1. Properly designed organisation can help improve teamwork and productivity by providing a framework within which the people can work together most effectively.
2. Organisation structure determines the location of decision-making in the organisation.
3. Sound organisation structure stimulates creative thinking and initiative among organisational members by providing well defined patterns of authority.
4. A sound organisation structure facilitates growth of enterprise by increasing its capacity to handle increased level of authority.
5. Organisation structure provides the pattern of communication and coordination.
6. The organisation structure helps a member to know what his role is and how it relates to other roles.