Chapter 6

Company Organisation under Current Globalisation

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ABSTRACT

Under the current globalisation conditions, the existence and development of any industrial company depends on the type of formal and informal organisation that it adopts. This chapter analyses how the industrial companies are organised under the current global conditions. The structural organisation of any industrial company depends on a number of endogenous and exogenous factors, which leads to the existence of several forms of organisational structure also characterised by certain forms of communication. Under the conditions of current globalisation (industrial company’s internal), the informal organisation is closely related to the formal organisation. The chapter concludes with the discussion of the advantages of the harmonisation of the formal structure with the informal structure within the industrial companies.

STRUCTURAL ORGANISATION

The formal organization - organizational structure of the firm - represents the group of persons, organizational subdivisions and the intercourses between them that are being constituted so that it would ensure organizational premises for an adequate realization of the predetermined objectives. The parts of organizational structure are: the administrational structure (functional), that represents the group of persons, compartments and organizational intercourses that are being constituted and placed so that it would ensure economical, technical and personnel conditions, necessary for an adequate management process as well as for the process of production; the operational execution process, includes the group of persons, compartments and organizational intercourses that are being constituted for the direct realization of firm’s objectives.

Basic components of the formal organization of the firm are:

- The post, formed of the totality of tasks’ objectives, competencies and responsibilities designated for each component of the firm on a certain period. Every post is characterized by objectives of the post (exist in
the pyramidal system of firm’s objectives, as individual objectives); organizational competence or the formal authority (expresses action limits of the titular of post in order to realize individual objectives; it can be hierarchical - by acting on persons - functional - exercised on some activities, competence or professional authority - expressed by the level of education and experience of person that hold this post - responsibility - the obligation to fulfill certain duties or attributions, to realize individual objectives of every post);

- The position(function), is the generalizing factor of some similar posts under the aspect of authority and responsibility area. There are leading positions (high weight of competences, duties and responsibilities that are determining the exercising of leading attributes) and execution positions/competences, duties and responsibilities that are referring to the application of decisions taken by the titular of leader position);

- Compartments represent the totality of positions and posts with a similar or/and complementary content, where persons are developing relatively homogeneous activities that need specialized knowledge of a certain type, as well as a totality of adequate methods and techniques, that have a certain space position and are being subordinated to one single leader. Compartments can be operational (have a direct contribution to the realization of firm’s fundamental and derivative objectives, materialized in basic, auxiliary and service activities) and functional compartments (are contributing towards the goals setting because they are substantiating decisions taken by firms superior and medium administration);

- Organizational intercourses, are constituted of the totality of connections between the components of structure instituted by law. They can be authority relations, are being instituted by legal provisions and have a compulsory nature. There are: hierarchical relations (are being instituted between titular of leading positions and the ones of executives positions), functional relations (are being exercised by the functional authority), general staff relations (are being created when exists a disorder in duties, authorities and responsibilities), co-operational relations (are being created between posts of the same hierarchical level but from different compartments because of the common realization of some complex actions), control relations (exist between compartments specialized in control and the ones that are being controlled) representation relations (exist between firm’s leadership and agents of professional and union firms of the firm or natural and juridical persons from out of firm);

- Hierarchical level, defines, the totality of organizational subdivisions, placed on horizontal lines at equal distances from the leadership. The number of hierarchical levels is influenced by firm’s dimension, diversity of activities and attributions, complexity of production (direct ratio influence), leader’s competences (inverse ratio influence);

- Hierarchical weight, represents the number of persons managed directly by a management staff, being a modality of ordering posts and positions in the interior of compartments. It has variable values, on the vertical of the organizational structure - by growing till inferior levels, on horizontal - by amplifying itself on passage from conception compartments to executive compartments.

All this elements of the formal structure constitute a unitary whole, whose elements are well dimensioned. The organizational structure of every firm, legally constituted, is the exponent of formal organization.
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