

## DEPARTMENTATION

Departmentation (or Departmentalization) is the process of grouping an organization's activities into manageable units or "departments." It is a fundamental step in organizational design that helps divide labour, assign responsibility, and improve efficiency as a company grows.

### Importance of Departmentation

- \* **Specialization:** Allows employees to become experts in their specific fields (e.g., accounting, engineering).
- \* **Accountability:** Makes it clear who is responsible for specific tasks or goals.
- \* **Expansion:** Provides a framework for the business to scale by adding new units without disrupting the entire structure.
- \* **Coordination:** Groups related tasks together to ensure smoother internal workflows.

### Common Types of Departmentation

#### 1. Functional

Similar skills or tasks.

Finance, Marketing, HR, Production.

Smaller firms or those with stable environments.

#### 2. Product

Specific product lines.

A tech company with "Laptops," "Smartphones," and "Software" divisions.

Large companies with diverse product ranges.

#### 3. Geographical

Territory or location

East division, north division

Global companies or those with regional customer needs.

#### 4. Customer

Types of clients served.

Retail Banking, Corporate Banking, Wealth Management. Service-oriented industries like banks or law firms.

## 5. Process

Stages of production.

In a textile mill: Spinning, Weaving, Dyeing, and Finishing.

Manufacturing and industrial plants. |

## 6. Time/Shift

When work is performed.

Day Shift, Evening Shift, Night Shift.

24/7 operations like hospitals or factories.

