CHAPTER 7. ORGANIZATIONAL STRUCTURE/PRINCIPLES

- 7-1. GENERAL. The reason for establishing a formal organization is to provide for an orderly division of labor and accomplishment of tasks. While there is no "one best way" of structuring an organization to achieve its mission, there are some general principles which have been developed by experience. These are provided in this chapter for the benefit of those offices which are engaged in organizational development or revision. Also, these are factors which will be considered by the respective approval levels in the review and analysis of organizational proposals.
- 7-2. IMPORTANT CHARACTERISTICS OF GOOD ORGANIZATION STRUCTURE.
 - a. Group functions logically. Avoid putting either very similar or competing functions in separate organizational elements. Avoid over-organizing by defining or splitting functions too narrowly. Establish definite and well-defined roles and responsibilities for each organizational element. Establish clear relationships with other parts of the organization.
 - b. Avoid excessive organizational elements. An element should be subdivided only if:
 - There are distinct differences in functional or programmatic responsibilities which require separate supervisory arrangements;
 - (2) There are no such differences, but the number of employees is so large as to require subdivision for purposes of maintaining a limited span of control, or for effective supervision and management. There is no strict rule as the number of employees which one can effectively supervise will depend on the type of operation and occupation of the employee. Normally, there should be a higher ratio of employees to supervisory positions in a routine or mechanical operation than in a managerial or professional category. Civil Service Commission criteria for a supervisory position is one that supervises three or more employees engaged in performance of the line work of the unit.
 - c. Avoid delegating responsibility which is not matched by corresponding delegations of authority to make decisions.

6/78

HUD-Wash., D. C.

- d. Establish clear lines of responsibility and channels of communication and reporting. Definite and clear-cut responsibility should be assigned each supervisor and each organization unit.
- e. Ensure that specialists are used economically and effectively.
- f. Ensure that the organization provides for effective coordination.
- g. Avoid special purpose organization such as small elements reporting directly to an Office Director or Primary Organization Head. Instead, the organizational pattern should be related as closely as possible to the primary mission of the organization.
- h. Avoid creation of supernumerary positions such as Executive Assistant, Special Assistants, and Deputies. Creation of such positions tends to dilute responsibilities of the regular organization and confuses lines of authority and responsibility. Deputies should normally be provided only for Primary Organization Heads or in very large or complex organizations with line responsibility in which a Deputy is needed to function as an Executive Officer.
- i. Use short and simple, but descriptive organizational titles.

6/78

7-2

HUD-Wash., D. C.