To co-ordinate these authority–responsibility relationships of various activities.

TYPES OF ORGANIZATION

The character and the size of organisation depends on the size and nature of the enterprises. Although there are many types of organizations but generally there are only 3 types of organization in vogue:

- **Line Organization:**
  
  Authority flows vertically from the top of the hierarchy to the bottom. For eg;

- **Functional Organization:**
  
  In this the work has been divided into different departments and each departments deals in one type of work and they specialise in that one work only. The advantages of this function is;
  
  - Recognition of the importance of the major functions,
  - Assurance of functional control,
  - Helps build and sustain skill and specialization, and
  - Ensures manager’s training and development.

- **Line and Staff Organization:**