

Objectives pursued by, organizations should be directed to the satisfaction of demands resulting from the wants of mankind. Therefore, the determination of appropriate objectives for organized activity must be preceded by an effort to determine precisely what their wants are. Industrial organizations conduct market studies to learn what consumer goods should be produced. City Commissions make surveys to ascertain what civic projects would be of most benefit. Highway Commissions conduct counts to learn what constructive programmes should be undertaken. Organizations come into being as a means for creating and exchanging utility. Their success is dependent upon the appropriateness of the series of acts contributed to the system. The majority of these acts is purposeful, that is, they are directed to the accomplishment of some objectives. These acts are physical in nature and find purposeful employment in the alteration of the physical environment. As a result utility is created, which, through the process of distribution, makes it possible for the cooperative system to endure. Before the Industrial Revolution most cooperative activity was accomplished in small owner managed enterprises, usually with a single decision maker and simple organizational objectives. Increased technology and the growth of industrial organization made necessary the establishment of a hierarchy of objectives. This in turn, required a division of the management function until today a hierarchy of decision makers exists in most organizations. The effective pursuit of appropriate objectives contributes directly to organizational efficiency. As used here, efficiency is a measure of the want satisfying power of the cooperative system as a whole. Thus efficiency is the summation of utilities received from the organization divided by the utilities given to the organization, as subjectively evaluated by each contributor. The functions of the management process is the delineation of organizational objectives and the coordination of activity towards the accomplishment of these objectives. The system of coordinated activities must be maintained so that each contributor, including the manager, gains more than he contributes.

#### Benefits of hierarchy

Industrial organisations must fulfill the demands of all the people. For this to happen, they must know what their consumers want. In fact, the purpose of making an organization is to create ease in the life of people. Thus, acts done by organisations are mostly useful. The reason is that duties are distributed due to which people cooperate with one another. In pre-industrial revolution times, a manager would perform most of the activities in an organisation. However, in these days, a hierarchy of managers is seen, which leads organisations to work in an efficient manner. In short, system of hierarchy must continue, so that maximum people take benefit.

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