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Purposes of Different Types of Organization

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Purposes of Different Types of Organizations

Introduction

A group of people which are working together to accomplish any task or goal to satisfy the needs and wants of the people. Organizations can be affected by their environment. There are number of legal types of organizations including corporations, governments, non – governmental organization, armed forces, charities, nonprofit organizations, partnerships, and universities. There is an organization which operates in both public and private sector and that is the hybrid organization having the duty to fulfilling the public needs and developing the commercial market activities.

Discussion

There are four types of business organization working in the private sector of U.K which are 1, Sole trader or sole proprietorship 2, partnerships 3, companies 4, franchises. The Sole proprietorship is the most common form of business ownerships; there are a lot of advantages of sole trader because decision can be made very easily and quickly and all profit gone to the owner but there are also some disadvantages of sole trader because the liability is not limited and if there is any loss in the business then it will also be bears by the owner, employees are not responsible for that. In U.K about 20% of sole traders operate in the construction industry, and other 20% operate in retailing and about 10% operate in finance, and 10% in catering.

Partnership is another type of business organization in which minimum 2 members are required and maximum 20 members took part in partnership (Daft, 2010). Partnership can be made by signing an agreement in which the terms and conditions was agreed by all the parties which are interesting in it. There are a lot of benefits of partnership because in this people merge their

businesses and raise their capital that will help them to increase the efficiency of their work and get the maximum profit from it. Another business organization is company which is a legal entity and the company will thus be sued and it can be sue in its own name. There are two types of company's private company and public company the major difference between private and public company is that the shares of public company is trade in stock exchange and It is also called listed companies and the shares of private company cannot be trade in stock exchange and it is also called unlisted company. Franchising is also a business organization and most of the organization sale their products wit help of franchisers and its becoming increasingly popular in all over the world. The benefits of franchisee are that they are trading under a well known name and enjoy a local monopoly. McDonalds, Clarks Shoes, Pizza Hut, Holiday Inn are the examples of franchises in U.K (Salaman, 2001).

Purposes of Different Types of Organization:

There are three main types of business organizations which are mostly consider 1, Public sector Organizations 2, Private Sector Organizations 3, Voluntary Sector Organizations. The public sector organizations which are run and owned by the State or Government to provide facilities to the public and the taxes are paid to the government and that money is used for the betterment of the public. There are two important parts of States.1 Central Government 2, Local Government. The role of central government is to established universities, make roads, and to provide health service social security and etc. The role of local government is to provide primary and secondary education, make parks, and also provide sports facilities etc. The organizations which are not for profit having an objective to help the people and working for the betterment of people, to earned profit is not the objective of those types of organization (Rahim, 2011). Mutual Benefit organization which are made by individuals to join together for their own self interest

and the examples of these organizations are clubs, trade union etc. Another organization which is known as Commonwealth organization and the working of this organization is to provide service to all members by giving fire service, police and etc. A private sector organization is those organizations which are owned and controlled by the individuals, and mostly the objective of that organization is to earn maximum profit for their shareholders (Daft, 2010).

Conclusion

There are different types of organization having different goals and objective, and most of the organizations are working for the betterment of the people. Some of the organizations which are only working for the betterment of the society and general public and their objective were not to earned profit but they are helping those people who are needy and need some assistance and nonprofit organizations are the biggest example of it.

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