

# Delegation and decentralization

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Delegation of Authority Delegation is the process by which authority passes from one organizational level to another. But for delegation of authority, organizations would remain forever small.

Delegation is the only solution to cope with the increasing work load of managers as the organization grows. Because of the constraints of time and ability, a manager cannot perform all the tasks himself. Therefore, he delegates certain of the tasks to the subordinate and gets them done. The process of delegation has the following steps: a) Entrustment of duties or assignment of responsibilities b) Granting of authority: ) Creation of accountability: Entrustment of duties or Assignment of responsibilities This is a crucial step in that a few important questions like what to delegate? when to delegate? whom to delegate? and how to delegate are answered. The effectiveness of delegation depends on how clearly these questions are answered. First of all, the manager has to decide the tasks to be delegated to the subordinates. For this, he must be able to distinguish between the routine and non-routine tasks, Routine and single tasks can as well be performed by the subordinates while the non-routine and very important tasks must be performed by himself.

Granting of authority: When the subordinates are assigned certain tasks or responsibilities. it goes without saying that they need authority also to perform the tasks. Authority is required by them to make use of the resources of the organization in the execution of the tasks. The superior therefore, parts with his authority to enable the subordinate to perform. Responsibility and authority both go together. One of the Important principle of organizing - parity of authority and responsibility emphasizes the need for <https://assignbuster.com/delegation-and-decentralization/>

a proper balance between the two. Creation of accountability: Delegation does not end with just entrusting of duties and the granting of authority.

The superior has to create an obligation on the part of the subordinate to perform. In other words, the subordinate is accountable to his superior for the tasks delegated. Thus, while authority flows downwards, responsibility flows upwards. Normally, accountability is created by asking the subordinate to submit performance reports / status reports from time to time. ?

**Decentralization of Authority** The term 'decentralization' should not be confused with that of delegation. Although the two are closely related decentralization is much more wider in scope reflecting management's philosophy regarding which decisions to be taken at the top as well as down the line in the organization. While in delegation authority is transferred on one-to-one basis from the superior to the subordinate.

Decentralization of authority is broader in scope and involves the transfer of authority in the organizational context from top to the lower rungs of management in the hierarchy. Thus the greater the amount of authority delegated throughout the organization. The more decentralized the organization is it must also be understood that both absolute centralization and absolute decentralization are undesirable for the former refers to an autocratic structure while the latter results in a chaotic situation. For this reason, decentralization must be viewed as a relative concept. not as an absolute one. Ernest Dale a well-known management writer has described the following conditions where decentralization is greater: •The greater the

number of decisions made lower down the management hierarchy. The more important the decisions made lower down the management hierarchy.

For example, the greater the sum of capital expenditure that can be approved by the plant manager without consulting anyone else, the greater the degree of decentralization in this field. •The more functions affected by decisions made at lower levels. Thus, companies which permit only operational decisions to be made at branch/plant levels are less decentralized than those which permit financial and personnel decisions at branch / plant level. The less checking required on the decision.

Decentralization is greatest when no check at all must be made; less when superiors have to be informed decision after it has been made, still less if superiors have to be consulted before the decision is made. The fewer people to be consulted, and the lower they are on the management hierarchy, the greater the degree of decentralization. The advantages of decentralization are similar to the advantages of delegation.

Unburdening of top managers, improved decision making, because decisions are made closer to the scene of action, better training, morale and initiative at lower levels, and more flexibility and faster decision making are some of the advantages of decentralization. These advantages are widely acclaimed so much so that decentralization is often regarded as good and centralization as 'bad' But total decentralization, as mentioned earlier with no coordination from the top would be undesirable. That is why, the question before manager is not whether an organization should be decentralized, but to what extent it should be decentralized. On the whole, the appropriate

amount of decentralization for an organization will vary with time and circumstances. It will also vary for the different units of the organization. For example, production and sales departments, in general, have gained a high degree of decentralization in many organizations, whereas financial departments have tended to remain relatively centralized.

**Barriers to effective delegation** Though delegation is a powerful device whereby managers reduce their workload, unless adequate care is exercised the result may be considerable anxiety for both superiors and subordinates.

Delegation requires effective communication. The subordinates while accepting delegation must understand exactly what the superior wants.

Delegation also involves motivation, influence and leadership. To make delegation effective, the spirit and willingness of both the parties are crucial.

Following are some of the reasons why delegation often fails in

organizations, to which both superiors and subordinates are responsible.

**Superior's resistance to delegation** i) The "I can do it better myself fallacy":

Some managers always suffer from a feeling that they only can do the job better.

Consequently two things happen. First, spending time on a task a subordinate could perform means the manager may not be able to perform other important duties like policy formulation and supervision. Second, unless the manager allows subordinates attempt new tasks, they will be unable to develop their skills. Thus by insisting on doing things themselves managers often fail to meet their responsibility for training and growing subordinates for promotion to higher levels. ii) Lack of ability to direct: Some

managers become so involved in day-to-day operations that they neglect the broader picture. Unable to understand the long term perspective of the work flow, they do not fully realize the importance of distributing work among subordinates. Some managers deliberately do this because of lack of confidence in their supervisory abilities.

iii) Lack of confidence in subordinates: Lack of trust and confidence on subordinates abilities and skills make the superiors reluctant to delegate. As a result, subordinates lose initiative and frequently seek the guidance of the bosses to know whether they are doing the things correctly. iv) Aversion to risk: Since the superior can not absolve himself of the final performance of the task, he may fear that delegating the job will cause problems. Further those superiors who see a threat in the subordinates always try to avoid delegation. This is mostly due to the mind set where the superior fears that he may be outsmarted by the subordinate and eventually the latter may become a potential threat to his position. v) Absence of selective controls: When certain duties are delegated to subordinates the superior has to ensure proper controls in the form of feedback about performance. It gives the superior the security of knowing the problem before much damage takes place.

If controls are not adequate and effective, manager has good reason to avoid authority delegation. Subordinates resistance to delegation It should not be construed from the above discussion that superiors are only responsible for poor or ineffective delegation. The subordinates role in the whole exercise cannot be lost sight of. Their attitude and skills play a significant role.

Sometimes subordinates may avoid responsibility and block the delegation process for the following reasons: The subordinate finds it easier to ask the boss what to do rather than taking the initiative himself. •The subordinate fears criticism for mistakes. Since greater responsibilities increase the chances of making an error.

The subordinates for the sake of security try to avoid additional responsibilities. •The subordinate lacks the information and resources needed to do the job successfully. Some managers with a view to let down their subordinates may deliberately make the delegation unclear. As a result the subordinate lands himself in confusion as to the exact nature of the duties and the authority that he can exercise. The motive of the superior in such cases may be to make the subordinate fail in the execution. •The subordinate believes he or she has more work than he or she can do.

For fear of over burdening himself he may not show any interest to accept new responsibilities. •The subordinates lack self-confidence. Added to that the fear that they will get into trouble in the event of failure puts them in a still worse situation. •The subordinate is not offered any incentives or benefits in terms of pay rises, importance and status for assuming additional responsibilities.