
UNIT 8 DELEGATION AND DECENTRALISATION

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8.0 OBJECTIVES

After studying this unit you should be able to:

- explain the concept and process of delegation of authority and importance of delegation
- describe the principles of delegation
- identify the barriers to delegation and suggest how to make delegation effective
- analyse the implications of centralisation and decentralisation and differentiate between delegation and decentralisation
- appreciate the merits and demerits of decentralisation
- describe the factors determining the extent of decentralisation of authority in an organisation.

8.1 INTRODUCTION

Delegation is one of the important requirements of successful management. Delegation is a concept as well as a process. As a concept, it refers to manager's sharing of work with his subordinates. However, the manager's sharing of the burden of his work with subordinates is different from division of labour. It is also different from the routine of giving order. The special kind of **work sharing** in delegation involves planning, **assessment of subordinates**, interpersonal communication and relationship of trust between the manager and his subordinates. In this unit we shall discuss the meaning and process of delegation, its importance, **the principles** of delegation, and how delegation can be made effective. You will also learn the concepts of centralisation and decentralisation of authority, the difference between delegation and decentralisation, and the merits and limitations of decentralisation.

8.2 DELEGATION

In any **organisation** no individual can **perform** all duties and accomplish all tasks **by** himself. It is physically **impossible** for a single individual to look after the affairs of a **large business**. His skill lies in **his** ability to get things done through others. As an organisation grows in size and the manager's job increases beyond his personal capacity,

his success lies in his ability to multiply himself by training his subordinates and sharing his authority and responsibility with them. The only way he can achieve more is through delegation—through dividing his work load and sharing responsibilities with others. Thus, the sharing of power or authority with another for the performance of certain tasks and duties is known as delegation.

To delegate means to grant or confer; hence the manager who delegates grants or confers (authority) on others (subordinates) to accomplish certain duties in the form of work.

According to O. Jeff. Harris it is an authorisation to a subordinate manager to act in a certain manner independently. The delegation of authority is the delivery by one individual to another of the right to act, to make decisions, to acquire resources and to perform other tasks in order to fulfil job responsibilities.

L.A. Allen has defined delegation as the entrustment of a part of the work, or responsibility and authority to another, and the creation of accountability for performance. Responsibility is the work assigned to a position. Authority is the sum of powers and rights entrusted to make possible the performance of the work delegated. Accountability is the obligation to carry out responsibility and exercise authority in terms of performance standards established. It is the obligation of an individual to render an account of the fulfilment of his responsibilities to the boss to whom he reports.

8.2.1 Delegation of Authority

Just as no one person in an enterprise can do all the tasks necessary for accomplishment of goals so it is impossible, as an enterprise grows, for one person to exercise all the authority for making decisions. As was discussed in Unit 6, there is a limit to the number of persons managers can effectively supervise and for whom they can make decisions. Once this limit is passed, authority must be delegated to subordinates, who will make decisions within the area of their assigned duties.

Then the question is how authority is delegated when decision-making power is vested in a subordinate by his superior. Clearly, superiors cannot delegate authority they do not have. It is equally clear that superiors cannot delegate all their authority without, in effect, transferring their position to their subordinates. The entire process of delegation involves four steps. They are

- 1 The determination of results expected from persons in a position ;
- 2 The assignment of tasks to persons;
- 3 The delegation of authority for accomplishing these tasks;
- 4 The holding of people responsible for the accomplishment of these tasks.

Thus, delegation is the process that a manager follows in dividing the work assigned to him so that he performs that part, which because of his position he can perform effectively.

But there is a difference between delegation and work assignment. Delegation constitutes a master agent relationship while work assignment constitutes master servant relationship. An employee's work assignment may be reflected in his job description while delegated duties may not form the part of the employee's normal duties.

Delegation is legitimate authorisation to a manager or employee to act in specified ways. It enables him to function independently without reference to the supervisor but within the limits set by the supervisor and the normal framework of organisational objectives, policies, rules and procedures.

From the above discussion, it is clear that delegation involves; a) entrustment of work to another for performance b) grant of power, right or authority to be exercised to perform the work, c) creation of an obligation on the part of the person accepting delegation.

8.2.2 Elements of Delegation

There are three distinct elements of delegation: a) assignment of task or duties, b) conferment of powers or authority, and c) creation of obligation, responsibility or accountability.

- a) **Assignment of task or duties:** In the first step, the delegator (superior) assigns duties to delegatee (subordinate). While assigning the duties, the delegator must be clear in his mind as to what tasks he should assign to subordinates. Thus, the work or task to be assigned is identified and clearly defined before it is assigned. For example, when a sales manager asks his subordinate to set up a divisional sales office, he must explain clearly the objectives, the sales territory, etc.
- b) **Conferment of power of authority:** Granting of authority is the second step in delegation. Authority may be defined as the powers and rights granted to another to perform the delegated work. These powers may include the authority to acquire necessary resources for the performance of the assigned work. Without adequate authority, the subordinate (delegatee) cannot be expected to perform his task or duties. For example, in the above case when the sales manager asks his subordinate to set up a divisional office he has to give him the right to procure and use necessary resources.
- c) **Accountability:** Once the duties are assigned and authority is given to a subordinate, the delegator creates an obligation/accountability to perform the tasks. The obligation to carry out the task and bear responsibility in terms of the standards established and specified is known as accountability. Thus, accountability is the obligation of an individual to render an account of the fulfilment of his responsibilities to the principal to whom he reports. The subordinate is always answerable to the superior for the task assigned to him. He cannot shift his responsibility to anyone else, that is accountability is fixed to the position. Thus, the superior can control the performance of his subordinate through accountability. The delegatee is accountable to his delegator through reports, meetings and evaluation.

Check Your Progress A

- I Which of the following statements are True or False?
 - i) Delegation takes place when one person gives another a free hand to perform all types of work on his behalf with no responsibility.
 - ii) The purpose of delegation is to share work with another, which means division of work.
 - iii) Delegation involves entrustment of work, grant of authority and creation of obligation.
 - iv) A manager can control the performance of his subordinate through his accountability.
 - v) Delegated duties are always a part of the subordinate's normal duties.
- 2 Fill in the blanks choosing the appropriate word from those given within brackets.
 - i) Delegation constitutes a relationship (master-servant/ master-agent/master-worker)
 - ii) As a process, delegation implies the transfer of a portion of superior's to his subordinate (activities/authority/obligation)
 - iii) The obligation to carry out the delegated task in terms of specified standards in known as, (responsibility/accountability)
 - iv) Accountability is fixed to the (person/position/superior)
 - v) The delegatee must function within the limits set by the (job description/superior/subordinate)

8.2.3 Principles of Delegation

Delegation is one of the most important elements in the organising process. It is through delegation that interrelationships are created in any organisation. There are certain principles which may be followed as guidelines for effective delegation. These principles are:

Principle of delegation by results: The purpose of delegation is to get work done through another more effectively and efficiently than it may be accomplished by the delegator himself in a given situation. It is, therefore, essential that the assignment of task or duty and the entrustment of authority should be done keeping in view the results expected.

Delegation by result implies that goals have already been set and properly communicated to the delegatee and understood by him and that the job assigned fits the objectives.

Principles of competence: The person selected as a delegatee should be competent for the task assigned to him.

Principle of trust and confidence: It is necessary that there is an atmosphere of trust and confidence in the organisation as a whole and that there is a feeling of trust between the delegator and the delegatee. The delegatee should enjoy mental freedom in his work. He would be able to use his initiative and drive in work if he is mentally free.

Principle of parity between authority and responsibility: Authority delegated should be adequate in relation to the responsibility. It is logical that the responsibility for actions cannot be greater than the authority delegated, nor should it be less.

Principle of unity of command: The principle of unity of command describes the authority-responsibility relationships. The principle stresses that each subordinate should have only one boss to whom he should be accountable to avoid confusion and conflict. In delegation, it is assumed that the right of discretion over a particular activity will flow from a single superior to a subordinate.

Principle of absolute responsibility: Responsibility is an obligation which can neither be delegated nor be temporarily shifted. No superior can escape the responsibility for the activities of his subordinates through delegation, because it is the superior who has delegated the authority and has assigned duties. Similarly, the responsibility of the subordinate to his superior for performance of the delegated duties is absolute and cannot be shifted.

Principle of adequate communication: There should be free flow of information between superior and subordinate to enable the latter take decisions and interpret correctly the nature of the task to be completed with the nature and degree of authority vested in him.

Principle of effective control: As the delegator delegates his authority but not the responsibility, he should ensure that the authority delegated is properly used.

Principle of reward: Effective delegation and proper exercise of authority should be rewarded. A rational rewarded system of reward would act as an incentive to subordinates to willingly take the responsibility and assume authority and also create a healthy environment within the organisation.

Principle of receptiveness: Delegation needs and it also creates an understanding between the superior and subordinate. Decision-making involves some discretion. This means that no two decisions or two persons can exactly be the same. It is therefore necessary that the superior who delegates authority accommodates the ideas of his subordinates.

8.2.4 Importance of Delegation

Delegation of authority is one of the most important element in the process of organisation. Organisations are characterised by a network of activities and roles. Delegation is the process through which the interrelationships are created among individuals in their different roles in the organisation.

Delegation is necessary because it is physically impossible for a single man to look after the affairs of a large organisation. The success of a manager lies in his ability to multiply himself through other people. The organisations of today are not only large but also complex in character. No manager can claim to have all the skills and expertise to perform all the diverse kinds of jobs. Again, large scale business activities are not confined to one place. It may have several branches and units at several places. Delegation becomes a necessity for running these branches.

An organisation is a continuity. Managers may go and come but the organisation continues. Delegation provides continuity of operations in the organisation. The process of delegation helps managerial development in an organisation.

Thus, delegation is important for any organisation because it reduces the burden of the manager and leaves him free to look after important matters of the organisation. It is a

method by which subordinates can be developed and trained to take up higher responsibilities. It provides continuity to the organisation and creates a healthy organisational climate by creating better understanding among the employees.

Check Your Progress B

- 1 Fill in the blanks **with** appropriate words from those given within brackets:
 - i) Delegation by result implies that goals have been properly
(**assigned/communicated/discussed**)
 - ii) Responsibility can be neither delegated nor shifted. **It** is
(fixed/absolute/rigid)
 - iii) Subordinates often avoid responsibility due to fear of
(penalty/criticism for **mistakes/discharge**)
 - iv) Subordinates should be to accept delegation (forced/
ordered/trained)
 - v) Managers are reluctant to delegate when they have no confidence in the
..... of subordinates (**morality/sense of responsibility/**
integrity)
- 2 Which of the following statements are True or False?
 - i) The responsibility of the delegatee cannot be greater than the authority delegated to him.
 - ii) Delegation is not possible if the managers are younger than the subordinates.
 - iii) Delegation provides continuity of operations in the organisation.
 - iv) Objectives have nothing to do with the effectiveness of delegation:
 - v) For effective delegation managers must have trust in their subordinates,

8.2.5 Barriers to Effective Delegation

The problem of delegation is essentially one of human leadership. 'Delegation is not only a technique of management; it is a part of the attitude of business itself.' As such what is necessary is the atmosphere of giving and taking responsibility in the organisation. This is possible by creating an atmosphere of mutual trust and confidence. The reluctance of the superior to delegate and the reluctance or avoidance of the subordinates to accept delegation are the major barriers to delegation which are discussed below.

Why are managers reluctant to delegate

Managers are sometimes reluctant to delegate authority due to the following reasons:

- 1 Lack of confidence in the capability of subordinates: A **manager** may not have confidence in the capability and competence of subordinates. We may consider that he can do the **job** better than his subordinates.
- 2 Lack of confidence in the subordinate's sense of responsibility: The manager's lack of confidence in the sense of responsibility of subordinates may also stand in the way of delegation of authority to others.
- 3 Fear of loss of power: **Managers** who feel insecure and fear that if the subordinates perform well they may lose their power, are usually reluctant to delegate.
- 4 Lack of self confidence: Some managers may lack self-confidence or may be too conscious of their own incompetence, and therefore, reluctant to delegate authority. This is true in organisations where professional management is lacking.

Why subordinates avoid delegation ?

subordinates are also found to avoid delegation under certain circumstances discussed as below:

- 1 Reluctance to bear responsibility: Researches have shown that many subordinates prefer controlled existence with minimum responsibility. Such employees are unwilling to accept responsibility which goes with delegation of authority.
- 2, Fear of criticism: Another factor which prompts subordinates to avoid responsibility is the fear of criticism for inefficiency or mistakes.

3. **Fear of inadequacy of resources:** Many subordinates hesitate to accept responsibility for fear of inadequacy of necessary resources for completion of the task and uncooperative attitude of the delegator.
4. **Lack of motivation:** In many cases, the organisational climate is not motivating enough. It prevents subordinates in accepting responsibility. Some studies undertaken in India show that delegator's love for authority, the tendency on the part of the superiors to hold back information needed by subordinates and delegators' lack of confidence in the subordinate are important reasons for the reluctance of the subordinate in taking up delegated tasks.

8.2.6 Means of Effective Delegation

Effectiveness of delegation is governed largely by the general attitude of business which depends on various factors, like management policies, organisational culture, professional outlook and willingness on the part of key managers to delegate authority and the willingness as well as competence of the subordinates to accept delegation. The studies undertaken have shown that poor or inept delegation is one of the most prominent causes for the lack of delegation or failure of delegation. For effective delegation, the following measures may be taken.

1. Improvement in the organisational climate and general management policies: The organisational climate depends on several factors, the most important of which is the general attitude of the key managers and the overall personnel policy of the organisation. A forward looking, progressive organisation believes in the development of its people and as such throws open more and more opportunities for the younger managers to develop.
2. Trust in subordinates: If the key managers create an atmosphere of trust and repose their confidence in the subordinates, the subordinates will be motivated to take responsibilities. Once trust prevails, the feeling of fear disappears.
3. Establish clear objectives: Effective delegation depends on clarity of objectives. The delegatee should clearly know what he has to achieve.
4. Define responsibility and authority: The delegatee should know the degree of authority he enjoys to perform the job, and its adequacy in relation to his responsibilities.
5. Motivate subordinates: Motivation is the moving force in delegation. About the best leader, the Chinese philosopher Lao-tzu said "when their task is accomplished, their work done, the people feel 'we have done this ourselves'." It is difficult to say what would motivate people. The true motivation is internal. What clicks in motivating an individual is not easy to know. Yet it is for the superior to know as to what the urgent needs of their subordinates are. Research studies have shown that group recognition and group cohesiveness encourage participative management. The introduction of participative management in the organisation must be encouraged at all levels — lower, middle and top levels.
6. Improve communication: Communication is an effective tool for promoting better understanding and improving the organisational climate. There should be a free flow of information about the policies and programmes of the organisation.
7. Provide necessary training: Subordinates should be trained to accept delegation and the manager should master the skill of delegation.
8. Establish adequate controls: Effective delegation requires a system of controls to free the manager from routine inspections and yet enable him to maintain accountability.

8.3 DECENTRALISATION

Delegation of authority is closely related to the concepts of centralisation and decentralisation of authority.

Centralisation

Centralisation is the reservation or withholding of authority by individual managers within the organisation. According to Henry Fayol, 'everything that goes to increase the importance of the subordinates' role is decentralisation, everything which goes to reduce it is centralisation.' In centralisation little delegation of authority is the rule; power and discretion are concentrated in a few executives. Control and **decision-making** reside at the top levels of management. However, absolute centralisation is untenable because it would mean that subordinates have no duties, power or authority.

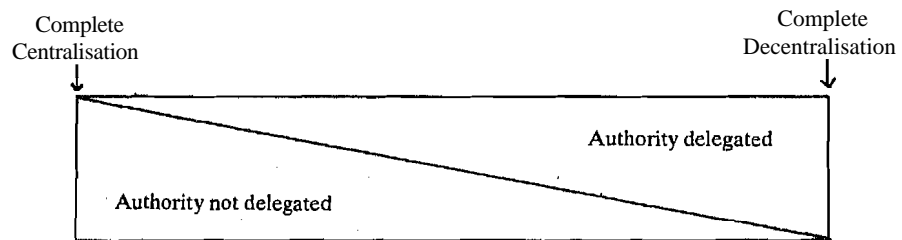
Centralisation may be essential in small organisations to survive in a highly competitive world. But as the organisation becomes more complex in terms of increasing size, interdependence of work-flow, complexity of tasks and spatial physical barriers within and among groups, a function requisite for efficiency is to move decision-making centres to the operating level. Thus, the larger the size of an organisation, the more urgent is the need for decentralisation. This does not mean that decentralisation is good and centralisation is bad.

Decentralisation

Decentralisation is the systematic effort to delegate to the lowest levels all authority except that which can be exercised at central points. It is the pushing down of authority and power of decision-making to the lower levels of organisation. The centres of decision-making are dispersed throughout the organisation. The essence of decentralisation is the transference of authority from a higher level to a lower level. It is a fundamental principle of democratic management where each individual is respected for his inherent worth, and constitution.

As you know, decentralisation is a correlate of delegation; to the extent that authority is not delegated, it is centralised. Absolute centralisation decreases the role of subordinate managers which in turn **encourages** decentralisation. Absolute decentralisation is also not possible because managers cannot delegate all their **authority**. If he does so, his status as manager would cease and his position would be eliminated. The degree of centralisation and decentralisation is shown in Figure 8.1

Figure 8.1 Degree of Centralisation and Decentralisation



8.3.1 Distinction between Delegation of Authority and Decentralisation

Although decentralisation is closely related to delegation, there are some differences between **decentralisation** and delegation which are discussed below.

- 1 Delegation is a process of systematic transfer of authority while decentralisation is the end result of planned delegation.
- 2 Delegation refers to the transfer of authority from one individual to another. Decentralisation refers to the systematic delegation of authority to all units in an organisation-wide context.
- 3 Delegation can take **place from** one person to another and be a complete process. But decentralisation is complete only **when** the fullest possible delegation is made to all or to most of the people.
- 4 Delegation is between a superior **and a** subordinate while decentralisation is company-wide delegation as between top management and divisions or departments.
- 5 Delegation is necessary for effective **management** because no individual manager can afford to look after everything. But decentralisation is optional, necessitated by the growth of the organisation.

- 6) In delegation, operational control is exercised by the delegatee but in decentralisation, the overall control is by the top management.

8.3.2 Merits and Limitations of Decentralisation

Centralisation and decentralisation are extensions of delegation. The belief that complete decentralisation is always desirable is fallacious. Equally fallacious is the belief that complete centralisation is good. The merits and limitations of decentralisation are discussed below.

Merits

- 1 **Facilitates growing and complex organisation** : Centralisation of authority may be desirable under certain special circumstances to accomplish specific results or when the company is small. But when organisation grows in size and becomes complex, even a hardcore autocratic manager is forced to delegate some authority and bring about decentralisation.
- 2 **Reduces the burden of executives**: Decentralisation is always preferable when an organisation has grown in size and complexity, and there is a need to reduce the burden of the top executives.
- 3 **Facilitates diversification**: Decentralisation is required when business needs to be expanded by diversifying its activities or product lines.
- 4 **Quick decision making**: Decentralisation facilitates consultative as well as quick decision-making at the action point. This promotes interaction among the different functionaries giving them an opportunity for self development and training and stimulating them to put in their best effort in the growth and development of the organisation as whole.

Limitations

- 1 **Leads to disintegration**: Extreme decentralisation, however, is a cure. It may lead to looseness and also ultimately to the disintegration of the organisation. It may bring about the diseconomy of scale with the increase in the overhead expenses of each decentralised unit. The duplication in functions may further add to the total cost.
- 2 **Does not suit specialised services**: For specialised services like accounting personnel, research and development etc., decentralisation is unwarranted. Moreover, there are certain areas of control and responsibility like setting up overall organisational objectives, long-term planning, formulation of policy, capital investment etc. which need to be under central control only.
- 3 **Conflict**: Decentralisation puts increased pressure on divisional heads to realise profits at any cost. This encourages the managers to become department conscious. Sometimes the top management deliberately encourages competition between different departments to increase the profitability. This competition results in bitter inter-divisional rivalries and conflict.

Thus neither extreme centralisation nor decentralisation is desirable. What is required is a golden means — a balance between centralisation and decentralisation. The question before managers, therefore is, not whether an organisation should be decentralised but to what extent it should remain centralised.

8.3.3 Factors Determining the Degree of Decentralisation

Decentralisation helps in achieving the organisational objectives more efficiently.

Following factors are usually considered in determining the degree of decentralisation.

- 1 **Size of operations**: As an organisation grows in size and complexity, need for decentralisation tends to increase. More decisions are taken at different places and coordination of a large number of departments becomes difficult. Thus as the size increases, decentralisation becomes inevitable.
- 2 **Cost and risks of decision-making**: As the organisation grows in size the decisions involving heavy costs also multiply. With decentralisation of authority the high cost and high-risk decisions may be taken at the top level but routine decisions can be

taken at lower levels. "Thus decentralisation helps and quickens **decision-making** process.

- 3 **Top management philosophy:** The attitude of top executives and their philosophy have an important influence on the extent to which authority is decentralised.
- 4 **Availability of managerial resources:** The extent of decentralisation is limited to the extent of availability of trained and competent managerial personnel.
- 5 **Environmental influence:** The most important environmental forces affecting the degree of decentralisation are: Government controls, tax policies, and unionism.

For example where prices of a product are controlled, the sales manager's freedom is curtailed. Similarly, labour legislations and the decisions of worker's unions may limit the authority of managers.

Check Your Progress C

- 1 Which of the following statements are True or False?
 - i) **Decentralisation of authority and delegation of authority are closely inter-related.**
 - ii) **Delegation is essential for management but decentralisation is optional.**
 - iii) **Decentralisation of authority is not good for large organisations.**
 - iv) **Centralisation of authority is bad under all circumstances.**
 - v) **Delegation is not possible in all units of an organisation.**
- 2 Fill in the blanks
 - i) **Decentralisation** is the or planned delegation in the **organisation-wide context.**
 - ii) **Centralisation may** be desirable when the organisation is
 - iii) When business needs expansion by diversifying the product line, the **organisation** should be
 - iv) As of a business **increases** centralisation is not preferable.
 - v) For specialised services like accounting is unwarranted.

8.4 LET US SUM UP

Delegation may be defined as assigning **formal** authority and responsibility to another person for the performance of certain activities. As a process it is followed by managers in **dividing** up work with subordinates by entrusting a part of their duty and assigning them the necessary authority to accomplish it. **Delegation** involves entrustment of duties and responsibilities, assignment of authority and creation of accountability.

Delegation facilitates effective utilisation of resources, relieves top executives of their extra work-load, improves decision-making and encourages initiative and self-development.

The superior executives are **often reluctant** to delegate and **the subordinates** hesitate to take responsibility. These constitute barriers to effective delegation.

Managers may **be** reluctant to delegate authority **due to: lack** of confidence in the capability of subordinate's or in the subordinate's sense of responsibility, fear of loss of power, or lack of self-confidence. **Subordinates are often** reluctant to accept delegation on **account of** their preference to avoid responsibility, fear of criticism for mistakes or inefficiency, inadequacy of resources, and lack of motivation.

Effective delegation can be possible by improving the organisational climate, creating an atmosphere of trust in the subordinates, establishing clear objectives, precisely defining authority and responsibility, motivating the subordinates to accept delegation, improving communication, providing necessary training, and establishing adequate a golden mean — abalance between the two.

Centralisation is the withholding or reservation of authority by individual managers

within an organisation. **Decentralisation** refers to the systematic delegation of authority to **all** units in an organisation-wide context. It is complete only when the fullest possible delegation is made to all or most of the people lower down the level in an organisation.

Centralisation of authority may be desirable under special circumstances to accomplish **specific results** or **when** the company is small in size. Decentralisation is always **preferable** when **an organisation** has grown in size and complexity and there is a need to reduce the burden of the top executives.

Delegation is closely related to decentralisation. Delegation leads to decentralisation. **The degree of decentralisation** in any organisation is determined by several factors like **the size of organisation**, the rate of growth and the nature of organisation. It is influenced by the management philosophy and the environment in which an organisation operates. Whatever may be the size of the **organisation** there is nothing **like** a complete **centralisation** or complete decentralisation in an organisation: Neither complete **centralisation** nor complete decentralisation is desirable. What is required is a golden mean—a balance between the two.

8.5 KEY WORDS

Absoluteness of responsibility: The principle that responsibility can neither be delegated nor shifted to another person.

Accountability: Subordinate's responsibility to account for the performance of the task delegated to him.

Chain of command: Superior-subordinate relationship in an organisation which follows a hierarchical order of ranks from top to bottom.

Centralisation: The systematic and consistent reservation of authority to make major policy decisions at one or a very few central points within the organisation.

Decentralisation: Systematic delegation of authority pushing down the decision-making process to lower levels in the organisation.

Delegation: The act of assigning formal authority and responsibility to a subordinate for the achievement of specific objectives.

Parity of authority and responsibility: The principle that grant of authority should be at par with the responsibility of the delegatee.

Responsibility: The obligation owed by subordinates to their superiors for exercising authority delegated to them to accomplish a given task.

Unity of command: The principle of each subordinate being responsible to only one superior.

8.6 ANSWERS TO CHECK YOUR PROGRESS

- A) 1) i) False ii) False iii) True **iv) True** v) False
 2) **i) master-agent** ii) **authority** iii) accountability, iv) position v) superior.
- B) 1) **i) Communicated** ii) absolute iii) criticism for mistakes iv) trained v) sense of responsibility.
 2) **i) True** ii) False **iii) True** iv) False v) True
- C) 1) **i) True** ii) True **iii) False** iv) False v) False
 2) **i) end result** **ii) small** **iii) decentralised** iv) size v) decentralisation.

8.7 TERMINAL QUESTIONS

- 1 Define delegation. **What are** the elements of delegation?
- 2 Discuss the **principles** of delegation of authority.

- 3 What are the barriers to effective delegation? How can they be overcome?
- 4 Distinguish between delegation and decentralisation.
- 5 What do you understand by the terms centralisation and decentralisation? What are the advantages of decentralisation?
- 6 Extreme decentralisation is as bad as extreme centralisation. Discuss.
- 7 What are the factors that determine the degree of decentralisation of authority in an organisation?
- 8 What is the importance of delegation of authority? How is it related to decentralisation of authority?

Note: These questions will help you to understand the unit better. Try to write answers for them. But do not submit your answers to the university. These are for your practice only.

8.8 SOME USEFUL BOOKS

Bhushan Y.K., 1985. *Fundamentals of Business Organisation and Management*. Sultan Chand & Sons : New Delhi. (Chapters 4,5)

Herbert M. Engel, 1985. *How to Delegate*. Jaico Publishing House.

Koontz Harold and Cyril O'Donnell, 1987. *Management*, McGraw-Hill Book Company : New Delhi. (Chapters 11 to 14 and 16)

Rao VSP and PS Narayana, 1987. *Principles and Practice of Management*. Konark Publishers Pvt. Ltd. : Delhi. (Chapters 13 to 22)

Singh B.P. and T.N. Chhabra, 1985. *Fundamentals of Business Organisation and Management* Sultan Chand & Sons : New Delhi. (Chapters 4, 5).