CHAPTER II
Objectives, Principles and Measurement of Delegation
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OBJECTIVES OF DELEGATION

It is rightly said that overworked managers are often those who do not know how to delegate, for they are conspicuously deficient of the skill to extract results through others. By dividing one's load of work and sharing his responsibility with others i.e., by delegation a superior can accomplish much more task than what he can perform all by himself. Thus, it is through delegation that he can make himself more effective and useful to the organisation.

It is through the process of delegation that an organisation can be made more effective and efficient in its work performance. As organisation grows in size and complexity no one person can perform all the tasks or exercise all the authority that is needed to accomplish goal. Delegation of authority is the process through which superior-subordinate relationships are created by vesting decision making power in the subordinates, and, thus linking various positions in such a manner so that organisation effectiveness for attaining the goal is ensured. To meet this central objective, delegation has to serve following important objectives :-
i) **Improvement of the organisational efficiency**

Large size, and complexity of functions, geographical diffusion and product-diversification are some of the characterising features of the present day organisation. These things make it almost impossible for a single individual executive to discharge all his duties himself with optimal efficiency. Since he is constrained with finite limitation in terms of capacity, productivity and knowledge he is left with no alternative but to take help from others in accomplishment of organisational objectives. If it is not done the organisational efficiency will be jeopardised and the objectives will remain mere dreams only.

Thus, delegation of authority serves as a tool into the hand of superior to assign that part of his work which he is not required to do necessarily himself. In this way, he relieves himself from that part and gets time and energy to devote his fullest attention to more important managerial work which he alone can do because of his position and expertise. Thus, a superior extends his personality by delegation to the subordinate for optimising the total performance of the organisation. "This may result in delegating to the subordinate duties at which subordinate is not specially proficient but which
by being so delegated free the superior to concentrate on other activities in such fashion that the total organisational performance will be improved. Also as he anticipates future demands on the organisation the manager may delegate these duties which he believes should be strengthened and emphasised in preparation for whatever values may be foreseen by the executives in meeting these new demands.¹

ii) Development of Potential Manager

The supply of good managers is a critical factor in deciding the growth of a concern. Hence, developing prospective managers is equally an important function of a manager in any concern. The real managers cannot be developed by theoretical programmes and courses alone. What is most needed, is the exposure of the subordinates to important decision-making related to their job. It is only with the process of learning by doing through proper training that subordinates can be made to develop self-confidence. This opportunity can be provided to them

through delegation of authority which, in due course of time, will instill them with self-confidence and induce them to accept more responsibility and challenging assignments. In addition, it provides an opportunity to the superior for locating not only strong points in the subordinates but also their deficient faculties, so that they can be improved by necessary training and other steps. A superior can widen the best of experience, expertise and self-confidence of his subordinates by varied delegation. Henry A. Albert remarks, "A willingness to risk delegation to lower levels reduces the hazard of promotion and helps provide a reservoir of qualified executives. It also helps indicate which executives do not have the capacity to assume greater responsibility".  

iii) Decentralisation of Decision-making

The process of delegation makes it possible to take decision at lower levels when necessary information, competence and willingness etc., are available. This ensures correct decision-making because they are made by the persons who are nearest from the scene of action. This infuses the decisions with optimum realism. In addition,

decision-making becomes a quick exercise as lengthy process of consultation, guidance, permission and approval etc., is cut short to the minimum. Since the decisions are made by those who are responsible for implementing them, effective implementation is more or less guaranteed. The reason is that such subordinates feel morally bound to implement their own decisions.

iv) **Motivation of Subordinates**

Delegation may also be used by the superior as a device to motivate the subordinates to put in their best performance. The human-needs as dominant motivaters are broadly classified into lower level needs and higher-level needs. By now, it stands well established that lower-level needs i.e., physiological and safety needs as motivaters, have short lived significance. The real motivaters are high level psychological and egoistic needs. It is delegation of authority which satisfies these human needs of subordinates, since it grants them freedom of decision-making, they develop a feeling of importance and recognition. A subordinate who has made some decision or has been a party to such a decision is bound to be committed to its implementation. It has been well demonstrated by various researchers that "to the extent that the organi-
sation structure facilitates participation, communication and delegation, it also motivates managers to highest productivity. The type of organisation structure most favourable to motivate would tend to emphasise small group, close interaction and mutual inter-dependence.\textsuperscript{3} Delegation of authority by placing decision-making authority in the hands of subordinates asks them to drive the car granting them full control of the steering wheel. As such, they have a feeling of satisfaction and they are well equipped to run the show. Hence, real motivation is bound to flow from the real delegation of authority. To be more specific for motivating the subordinates in real sense of the term, the delegation should be real and not merely formal.

v) Promotion of Human Relation

The delegation of authority leads to the emergence of harmonious relationship between the superior and subordinates. It serves as a looking process of all the individual elements through status consciousness leading to conformity and personal obedience in the organisation. It creates a feeling of recognition in the minds of subordinates which increases the level of their satisfaction. As such they have better appreciation of the fact that

\textsuperscript{3} Louis A. Allen: Management and Organisation, p. 170.
they are a part of the organisation. Such a feeling increases their commitment and loyalty to the organisation, consequently the employees' turnover becomes minimal. The delegation causes increased mutual interplay between superior and subordinates. Thus, it frees the subordinates from the bad taste of anonymity and monotony. The increased inter-play provides an opportunity to the subordinates to fully understand and appreciate the organisational policy and the reasons for it. These things combined together, in ultimate analysis provide a feeling of increased satisfaction to the subordinates which is the corner stone of better human-relations upon which the edifice of organisational effectiveness rests.

PRINCIPLE OF DELEGATION

The effectiveness of a superior is determined by the degree of delegation he makes to the subordinates, as it influences his relationship with the subordinates to a great extent. In delegation the superior parts with some of his authority and responsibility. As such, it calls for the mental make-up and personality trait ripe enough to relish its taste. Delegation, as a matter of fact, is a fine art calling more for highest skill than
any parameter laid down by principles, yet certain principles have been propounded by management experts. They serve as general guidance as to what precautions a superior should take in order to make delegation really effective. Following are the principles that should govern delegation in order to make it really work -

i) **Principle of Results Expected**

This principle stands for objectivity and not subjectivity in delegation of authority, meaning thereby that the nature and extent of authority delegated should be based on the result expected of the subordinate. If it is based on subjectivity of the superior it will be neither complete nor effective. So the superior and the subordinate must confide with each other in defining the result expected of the subordinate. Accordingly the necessary plan as to the nature and quantum of authority and the manner in which it should be delegated should be prepared in specific terms well understood by parties concerned. Participation by the subordinate in defining result expected is a pre-condition to the compliance.

ii) **Principle of Functional Definition**

In order to make the system of departmentation work effectively, the activities must be properly grouped and
well defined with a view to facilitate the accomplishment of goal, and the manager of each group must have the authority to coordinate its activities with the organisation as a whole. "The more a position or a department has clear definition of results expected activities to be undertaken, organisation authority delegated, and authority and informational relationship with other positions understood, the more adequately the individual responsible can contribute towards accomplishing enterprise objectives". 4 To do otherwise is to invite confusion as to what is expected of whom. Thus, principle of both delegation and department-ation appears to be very simple concept, but its practice calls for high degree of patience and intelligence, and clarity of objects and plans.

iii) The Scalar Principle

It refers to the establishment of a chain for direct authority relationship between superior and subordinate through the organisation. The subordinate must know who will delegate authority to him and he will report to whom. "The clear the line of authority from the top manager in an enterprise is to every subordinate position, the more effective will be responsible decision-making and

organisation communication". It stresses upon the fact that there should be normally no deviation from the scalar chain for the purpose of decision-making because such a deviation may endanger the functioning of decision-making system.

iv) **Authority Level Principle**

It is authority level principle which ensures the application of the principle of functional definition and scalar principle. In order to make delegation effective it requires the superior to exercise restraint upon himself and not to be tempted for making decision for the subordinate in regard to matters delegated. It, therefore, requires that delegation must be clear and superior should insist on independent decision-making by the subordinate, of course, within the limit of the delegation. This will confer upon the subordinate a feeling of satisfaction and recognition and as such high degree of motivation will follow.

v) **Principles of Unity of Command**

"The more completely an individual has a reporting relationship with a single superior, the less the problem

of conflict in instruction and greater feeling of personal responsibility for result". The principle of unity of command states that one subordinate should report to only one superior. It suggests that misunderstanding, confusion and conflict arising out of dual subordination in actual practice should be avoided to the maximum. It will really be a very embarrassing situation when a subordinate receives orders from a number of superiors. This will place him in a delicate, awkward and precarious position because of obligation to each of the several bosses. Hence, this principle pleads for the concept of single line superior unless emergency warrants otherwise.

vi) **Principle of Absoluteness of Accountability**

The accountability of subordinates to their superior for performance is absolute, once they have accepted an assignment and power to carry it out. No superior can escape responsibility (accountability) for the organisational activities of his subordinates on the ground that he has delegated authority to them. Thus, this principle places ultimate responsibility on the superior for the action of his subordinates.

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vii) **Principle of Parity of Authority and Responsibility**

"Since authority is the power of a manager to undertake assigned duties, and responsibility is his obligation to use authority to accomplish these tasks it logically follows that the authority of a particular manager should correspond to his responsibility. This parity between them is not a mathematical equality, they are, rather, co-extensive because they relate to the same group of service".  

An individual who has been assigned responsibility, for which he is accountable must be given appropriate authority for achieving result. Similarly, he should know the exact source of control to which he must respond. If a manager is conferred with more authority than what his responsibility calls for, it will be useless as he will get no opportunity to exercise it. To enforce this principle in the right manner, a number of precautions should be taken. A clear cut distinction must be made between 'authority' and 'power'. A superior with necessary formal authority may conspicuously lack necessary power to make the subordinates do a particular job. It is, therefore, quite logical that he should be held responsible for making his best effort to use his authority in a most effective manner. Secondly, the

superior should be held responsible only for taking reasonable action in the given context, because his authority is generally circumscribed by operating rules and a number of other internal and external factors. Lastly, no authority can be delegated for moral responsibility. "Thus the principle of parity of authority and responsibility is sound provided we recognise that -

i) the authority that can and should be delegated is often limited and consequently an individual can be held strictly accountable only to the extent that actions are really subject to his control, and

ii) a person can be expected to feel a sense of responsibility even though his authority is confined to studying present condition and promoting improvement and can be held accountable for sensing trouble and trying to get it corrected". 8

These principles, however, should not be mistaken as sure shot tools, to make delegation effective. They only indicate certain steps which will make delegation work in an effective manner, provided these steps are taken in right perspective. It will be quite apt here to make it clear once again that delegation is a fine art which calls for managerial skill of high order to make it work.

Knowledge of general principles, discussed above, will not be of much help. What is most needed, is right interpretation, and earnest application of these principles which is not so easy a job. This is, rather, a complex job to be performed by the manager in the light of his own environment. Delegation, is as a matter of fact, a philosophy and way of life. In order to practice it effectively one has to develop a possessive attitude for it. It is for this reason that it becomes a slow process. "Delegation is not gadget one can put on top of the desk, wind it up on Monday morning and then forget until the next Monday. It is a pattern of human-relationship that is woven into the executives' hour by hour activities and decision". 9

Delegation cannot be set out as a charter and forgotten for all times to come. It is, on the other hand, a dynamic process and depends upon many adjustments in relationship between people and also in the underlying factors which the executive have to read just in themselves. Like all other managerial functions delegation requires continuous monitoring. A drift in managing delegation is in no way less harmful than the drift any where else in the organisational life.

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EXTENT OF DELEGATION

The success of delegation depends to a great extent on the extent of delegation. Unless it is to the optimum extent the desired result leading to accomplishment of organisational goal will not flow. The most critical question to be answered by the delegator is as to what kind of authority and how much of it should be delegated. There are conflicting views about as how to answer this question. P.F. Drucker has most probably given the best suggestion. He says, "a decision should always be made at the lowest possible level and as close to the scene of action as possible. Moreover, a decision should always be made at a level ensuring that all activities and objectives affected are fully considered. The first rule tells us how far down a decision should be made. The second how far down it can be made, as well as which manager must share in the decision and which must be informed of it".10

Contrary to above suggestion, there had been a general notion that the higher level managers are best placed to make decisions which concern or unit of the enterprise. By virtue of their position they had the perspective, balance and objectivity which are highly essential for determining

the best course of action for all the units and the enterprise as a whole. The continuity, consistency and uniformity are said to be the plus points in support of this belief. In addition, it is said to provide a basis for control by establishing comparability in the performance standards. As such, advocates of this view suggest that supplementary decisions alone should be delegated to the lower level. Louis A. Allen remarks, "because of his unique organisational position the manager must always reserve responsibility and authority for initiation and formal decision with respect to planning, organising, motivating, coordinating and controlling the work of those who report to him. He can safely delegate the detail and routine leading up to final decisions and operating work he, otherwise, would perform himself". The same suggestion is given to the manager accountable for a number of units affected by his decision. It will be quite relevant to quote Rensis Likert, when he says, "we would suggest as a general rule that at each level the problems considered should be those for which the chief of the group has responsibility. Thus, for example, if he is the departmental head, the problems should be problems of the department and not those of the section whose heads report to him. The

problems of the subordinate i.e., the section head, are the appropriate agenda for the group of which the subordinate is the chief. The agenda items appropriate for consideration by the president and his work group are matters of company wide concern. A group can appropriately address itself to the problem of subordinate member of the group when such a member seeks advice and counsel. If the problem is one which the other subordinates are likely to encounter in one form or another, an analysis of it by the group not only draws fully upon all the resources available within the group for solving it, but benefits all the subordinates as well. It enables them to recognise such problems at early stages, when they are easier to handle.12

If above observations are taken into consideration by the delegator, the delegation will be ignoring the objective needs of the enterprise. Rather it will be more on the basis of personalities and their preferences. As such, nature and degree of delegation will be determined by the delegator. Commenting on such a suggestion P.F. Drucker says, "indeed if personal preferences rather than the objective needs of the business are allowed to control when decision are being made, effective organisation and good performance become impossible. It is no accident

that the greater single cause for the failure of business
to coordinate their growth and for their relapse into
smallness, if not into bankruptcy, is the failure of the
boss to give up making decisions when they are no longer
his to make". ¹³

The underlying idea in delegation is to ensure
effective decision making which depends to a great extent
upon the fact that all relevant information to the decision-
making are available to the person whose business it is to
make decision. Not only this but he should be in a position
to communicate the decision to the person responsible for
its execution. Thus, the whole exercise of delegating the
decision-making authority calls for a complete information
base on the communication net-work. Simon has rightly
observed "the possibility of permitting a particular indi-
vidual to make a particular decision will often hinge on
whether there can be transmission to him of the information
he will need to make a wise decision and whether he, in
turn will be able to transmit his decision to other members
of the organisation whose behaviour it is supposed to
influence. An apparently simple way to allocate the function
of decision-making would be to assign to each member of the

organisation those decisions for which he possesses the relevant information". 14

Here at this stage one is faced with a practical difficulty that there is no single individual who possesses all the information relevant to a particular decision-making. Naturally, one has to look for such a person in the organisation who is in the center of the net-work i.e., with the maximum information necessary for decision-making. Such a man will make the best and quickest decision and communicate also quite rapidly. This method is based on the assumption that all persons have almost equal amount of information and decision-making skill which may not happen in reality. Again it talks of quickest decision ignoring quality, cost and economy aspects of decision-making.

The delegation to be effective must be based on the requirements of goal accomplishment. In the light of organisational goal the manager should make a study of activity decision and relation in order to decide what to delegate and what not to delegate. Peter F. Drucker opines, "to place authority and responsibility for various kinds of decision required first that they be classified

according to kind and character. Such standard classification as 'policy decisions' and 'operating decisions' are practically meaningless however, and give rise to endless debates of a highly abstruse nature. As a solution he describes four basic characteristics, of decision i.e., degree of futurity, impact on other functions, qualitative elements and programme and unprogramme nature. Decisions with high degree of futurity, decisions with impact on many functions or calling for value consideration should be made at a higher level and degree of delegation has to be determined accordingly. In case the decisions are of recurring nature higher management should frame the policy in respect of them. Implementation of the policy in regard to particular case can very safely be delegated downwards. Whereas unprogrammed decision-making demands thorough thinking from beginning to the end because of its unique nature.

While defining the extent of delegation one should never lose sight of the fact that delegation is a means to an end i.e., effectiveness of the whole organisation. As such it has to be done with maximum care and higher degree of skill. Naturally, one has to take full stock of the nature of decision, the relationship in the organisa-

tion, supply of information needed for decision making and the capability of the subordinate.

COMPERATIVE MANAGERIAL EFFICIENCY THEORY

Comparative managerial efficiency theory provides answer to the question as to how the organisational efficiency can be optimised through delegation. Thus, it negates the idea that superior should make all decisions because of his greater skill and better perception of the situation.

The theory is very much akin to the theory of comparative cost as applicable to international trade. The theory of comparative managerial efficiency suggests that total organisational efficiency can be increased if the superior, who can make all decisions more efficiently, concentrates only on such matters in which his comparative efficiency is maximum and leaves other matters to his subordinate. It stresses on the advisability that strategic and policy decisions should be taken by superior, whereas tactical and operative decisions should be made by subordinate.

The theory of comparative managerial efficiency can best be explained by an example. Suppose the efficiency of superior because of his greater skill and better
perception is 400% in strategic matters and 200% in tactical matters of the corresponding efficiency of the subordinates. The following is the table which presents efficiency index of superior and subordinate in strategic matters.

<table>
<thead>
<tr>
<th>STATUS</th>
<th>STRATEGIC DECISIONS</th>
<th>TACTICAL DECISIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUPERIOR</td>
<td>320</td>
<td>240</td>
</tr>
<tr>
<td>SUBORDINATE</td>
<td>80</td>
<td>120</td>
</tr>
</tbody>
</table>

It is clear that superior's relative efficiency vis-a-vis subordinate's efficiency is higher as tactical decision. Suppose there is inadequate delegation. Naturally the superior will be busy with both the types of decisions except very minor and routine tactical decisions leading to the utilisation of 50 percent of subordinate's capability. The superior is devoting 50 percent of his time to each of strategic and tactical decision. The total organisational efficiency in such a situation will be 340 i.e., $\frac{1}{2}(320+240) + \frac{1}{2}(120)$.

The total organisational efficiency can be increased by extensive delegation of authority which ensures full utilisation of subordinate's capability in tactical matters.
Naturally, superior can devote more time to strategic matters say 90 per cent to strategic matters and 10 per cent to the supervision of subordinate about tactical matters. The subordinate, on the other hand, will deal with tactical matters devoting 90 per cent of his time and remaining 10 per cent of the time in participating with superior in strategic matters. Total organisational efficiency will now be 428 (i.e., 90 per cent of 320+10 per cent of 240+10 per cent of 80+90 per cent of 120).

It is, thus, clear from the example that organisational efficiency can be maximised by superior concentrating on matters in which he has maximum comparative efficiency and delegating other matters to the subordinate. This emphasises the logical necessity of delegation as a tool for effective functioning of an organisation to the maximum with given human and other resources.

The extent and level of delegation will have altogether a different treatment and interpretation if it is perceived as an integrating process. It will be quite appropriate to recall the observation made by Rensis Likert when he says, "If the newer theory were put into operation, forces would be created within the interaction influence system to push decisions to the appropriate level. If a decision were made
at too low a level and adversely affected work groups other than those represented or involved in the decision, these groups would insists on being represented through the linking process and would push the decision to the level where their influence would be felt. If decisions were made in the organisation at higher levels then warranted the lower levels in the organisation would exercise influence, upward to change the level at which the decisions were made. This would also occur if the decisions were too detailed and specific. The interaction influence systems of the newer theory would provide a mechanism for organisational self-correction. 16

DEGREE OF DELEGATION AND ITS MEASUREMENT

It is quite inconceivable to come across any organisation with complete delegation or no delegation at all. In reality delegation is a universal feature in organisations. Of course, there may be difference in the degree of delegation in different organisations. It is a continuous moving from minimum degree of delegation to higher degree of delegation. What will be the optimum degree of delegation will depend upon environmental factors, organisational anatomy and psychological and social sub-systems. No single factor can help us measure the degree of delegation in an

organisation as it differs from level to level in the management from individual to individual and also from function to function. The following four tests prescribed by Ernest Dale for measuring the degree of delegation will be a good guide:

i) Greater the number of decision-making by lower levels in the hierarchy of management, higher is the degree of delegation in the organisation.

ii) The more important the decisions made at lower levels, the greater is the degree of delegation.

iii) If decisions made at lower levels affect many functions the degree of delegation will be higher.

iv) The checking needed for decision-making exercise will also determine the degree of delegation. If there is no check there will be higher degree of delegation. On the other hand, the degree of check exercised or required whether there is lesser or lest degree of delegation. The fewer people to be consulted in decision-making and lower they are on the management hierarchy, higher is the degree of decentralisation.

Another method of measuring the degree of delegation is known as “Manager’s time span concept. It is based on

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'Glacier Project Series' of Wilfred Brown and Elcott-Jacques. They have explained time span of job as "the longest period which can elapse in a role before the manager can be sure that his subordinate has not been exercising marginally sub-standard decision continuously in balancing the pace and quality of work". To make it clear it is the time span during which a decision made by the subordinate will be effective in the organisation till it is reviewed by his superior and the decision is changed. The longer is the time span, higher is the degree of delegation.

In the light of differing views as to how and on what basis the degree of delegation can be measured, it is clear that no single factor is adequate to measure the degree of delegation. Delegation is intended at giving autonomy to the subordinates and as such totality of the situation has to be all along in view. It is with this thing in mind that Anant R.Ne Gandhi has suggested a complete index of delegation based on following nine factors:

1. hierarchy layers from top to the bottom.
2. decision-making levels in regard to major policies.

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iii) decision-making points with regard to Sale policy.
iv) levels of decision-making regarding product-mix.
v) levels of decision-making regarding standard setting in production.
vi) levels of decision with regard to man power policy.
vii) decision-making levels with respect to selection of executives.
viii) the degree of participation in long range planning and
ix) the degree of information sharing.

Mr. Gandhi devised a three point-ranking scale for each of the above described nine factors to calculate a composite index. The final index was calculated by adding the point of each factor and dividing the same by the number of factors. The result was an index ranging from 1.0, highest degree of delegation to 3.0 (minimum degree of delegation)\(^9\)

The present study makes an attempt to measure the degree of delegation in terms of following variables :-

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