

## **AUTHORITY**

When individuals assigned certain job or tasks, they are also given certain rights or power required to perform the job. The power given to employees to make decision is called authority. It is a legitimate or positional power and right to influence the action of sub-ordinates to achieve goals. Authority is the right or power assigned to an executive or a manager in order to achieve certain organizational objectives,

**According to Stephen Robbins, "Authority is the right to act or command others, towards the attainment of organization goals."**

**According to Henri Fayol, "Authority is the right to give orders and the power to exact obedience."**

Authority is the principle at the root of organization and so important that it is impossible to conceive of an organization at all unless some person or persons are in a position to require action of others.

### **Types of Authority**

Mainly authorities are following two types:

#### **Line Authority**

The line authority is also called direct authority. The right or power which a superior exercise over his or her subordinate is called line authority. This authority always moves downward that is from superior to the subordinates. Decisions can be made without consulting anyone. When a manager has line authority s/he is called line manager. It is delegated. The line authority is based on the scalar principle.

#### **Staff Authority**

The power or right to counsel, advice to line managers is called staff authority. Manager having such authority can only give suggestions and advices but do not have right to make any decisions. Managers holding staff authorities are called staff managers. When the size of organization becomes larger & larger, the line managers feel that they cannot complete their jobs by the existing skills, experience & knowledge which are not updated accordingly. Therefore, staff authority is generated for the staff whose main purpose is to assist, support, advice & decrease the work burden of the line managers.

### **Sources of Authority**

There are mainly three schools of thought regarding the source of authority. They are as follows:

#### **(1) The Formal Authority Theory:**

It is traditional concept and theory is also known as 'immediate source theory'. It assumes that authority stems from the top. The board of director is the main source of authority. Such boards may delegate part of their authority to chief executive, who in turn may delegate to lower officials and so on. So, according to this principle, the authority flows from the top to down through the organization. Such authority may be expressed or implied.

#### **(2) The Acceptance Theory:**

This theory of authority has been advocated by Barnard and Simon. According to this source of authority is based on the behavioral approach of management. Acceptance of superior by subordinates is the real sources of authority. It explains that the manager has no real authority until and unless the individual subordinate confers it upon him. It depends to a large extent on the personal traits of leadership, ability to persuade others to work well to accomplish organization goals.

### **(3) The Competence Theory:**

In this theory a man gets ample authority from his managerial position. The technical competence or personal qualities of a manager too. It explains about personal capacity of an individuals to influence others. According to this theory, personal competence or capacity is essential to control, guide and direct subordinates.

#### **Responsibility**

When a person holds the position, s/he has to perform the duty assigned. It is his responsibility. So, responsibility indicates the duty assigned to a position. The term responsibility is often referred to as an obligation to perform a particular task assigned to a subordinate. In an organization, responsibility is the duty as per the guidelines issued.

***In the words of Theo Haimann, "Responsibility is the obligation of a subordinate to perform the duty as required by his superior ".***

***McFarland defines responsibility as "the duties and activities assigned to a position or an executive ".***

Responsibility is an obligation of individual to perform assigned duties and activities to the best of his or her ability under the direction of his/her superior.

#### **Characteristics of Responsibility**

The essence of responsibility is the obligation of a subordinate to perform the duty assigned.

It always originates from the superior-subordinate relationship.

Normally, responsibility moves upwards, whereas authority flows downwards.

Responsibility cannot be delegated.

The person accepting responsibility is accountable for the performance of assigned duties.

It is hard to conceive responsibility without authority

#### **ACCOUNTABILITY**

When a superior assigns certain job to his subordinates and delegates necessary authority to complete the assigned work, it is the responsibility of subordinates to get discharged from obligation or responsibility, that is called accountability. Accountability is the liability created for the use of authority. It is the answerability for performance of the assigned duties.

***According, to McFarland, "accountability is the obligation of an individual to report formally to his superior about the work he has done to discharge the responsibility. "***

So, accountability is the obligation of subordinates to report back to his/ her superior about the accomplishment of the work entrusted him/her.

#### **Creating Accountability**

Accountability is the obligation of subordinate to report back to their superior about the job entrusted to him/her and that has been completed. Managers who want to create more accountability follow this five step process:

### 1. Establish clear goals.

Remember this phrase: "Ambiguity Breeds Mediocrity." In order to hold someone accountable you must give them very specific, clear, measurable goals and outcomes. The imaginary and ambiguous objectives must be avoided.

### 2. Assign jobs and roles.

In the second stage of creating accountability, jobs and roles are assigned to subordinates. Jobs should be divided among subordinates on the basis of their skills, efficiency and their knowledge. This means assign the right job to right employees.

### 3. Making Enquiry

As Visibility Drives Accountability, in order to make employee accountable, managers need to interact with employees. It helps to understand their needs, attitudes, expectations etc. in the present role and position by which managers can take corrective actions if any.

### 4. Provide Resources and Guidance.

Managers need to provide necessary resources and timely guidance to employees for their smooth performance. He/she needs to meet individual employees and counsel and mentor their activities to make the employees more accountable and perform the job in time.

### 5. Celebrate.

If someone does a fantastic job in delivering the required results, you should praise them lavishly, celebrate their success, make a positive example of them and give them lots and lots of positive reinforcement.

S.No.	Basis of Distinction	Authority	Responsibility	Accountability
1.	Concept	It is the right to give orders and power to exert obedience.	It is an obligation to do the work assigned.	It is a liability for the proper discharge of duties.
2.	Emergence	It arises from responsibility.	It arises from assignment of work.	It arises from the use of authority.
3.	Delegatability	It is delegated.	It is assumed.	It is imposed.
4.	Nature of flow	It flows down-ward.	It flows upward.	It flows upward.
5.	Obligation	It is the right to do something.	It is the obligation to perform the assigned task.	It is the obligation to report on performance of the task.
6.	Longevity	It is more stable and lasts longer.	It does not last long.	It does not last long.

## **Emerging Issues in Organization design and architecture**

Organization designs the process of determining structure and framework of organization. It must adapt to changing needs and complexities of the environment. The common emerging issues in organization design are as follows:

### **Team Organization**

Teams are the effective means of achieving goals of modern organization. In simple term, team is a specific group where members have complementary skill and they are self-motivated to achieve common goals. There is strong trust between members of a team and each member is accountable towards responsibilities. They are formed to achieve synergy. Modern organizations use different types of teams such as autonomous work team, cross functional work team, self-managed team, quality circle etc.

Team members are provided full autonomy, power and right to make decision. No supervision is required in team and there is self-supervision. In team all members are skilled and qualified therefore it contributes better productivity and high creativity.

### **Virtual Organization**

Virtual organization is also called network organization or spider web organization. It is composed of different independent agencies on non-hierarchical arrangement that they perform tasks together to accomplish goals. This means it involves several contractual agencies with specialty services where each agency perform task by collaborating with headquarter.

Under this design, the headquarter is located in one place and agencies are physically dispersed at different geographical locations. There is no face to face communication between the staffs of headquarter and agencies and connected electronically. The objective of this design is to outsource the expertise service such as distribution, packaging, advertising, and designing etc.

### **Boundaryless Organization**

In this organization, communication and information flow everywhere without any barriers and restriction. This means the decisions, opinions, ideas, views etc. are conveyed every place, where individuals intend to flow. It uses empowered work team and cross functional work team. It also reduces the number of divisions or departments by integrating similar divisions and departments. So, there is low chain of command with limitless span of control. Its objective is to free flow of communication with minimum cost.

### **Learning organization**

Learning organization is an organization that has developed continuous capacity to learn, adapt and change. It is the outgrowth of knowledge-based organization. It manages knowledge and promotes system thinking. A learning organization is an organization skilled at creating, acquiring, and transferring knowledge, and at modifying its behavior to reflect new knowledge and insights.

Learning organizations are skilled at five main activities: systematic problem solving, experimentation with new approaches, learning from their own experience, learning from the experiences and best practices of others, and transferring knowledge quickly and efficiently throughout the organization.

Learning organization facilitates life-long learning and personal development of all employees. It continuously responds to demand of changing environment. It consists of knowledge workers who efficiently use information technology.

### **Organizational rightsizing**

It is the planned reduction in positions or jobs. It also called downsizing. It is the process of purposely making the organization slimmer, smarter and smaller by reducing the size of workforces or removing units. It includes eliminating functions, hierarchical levels or units. The rightsizing decreases size of organization and flattens the structure. Its objective is to make the organization more flexible and respond the pace of change effectively.

### **Reengineering design**

Reengineering refers to a radical redesign of all or part of business work processes to achieve major gain in cost, service or time. It is a procedure in which traditional assumptions and approaches are questioned and work activities are radically changed and redefined.

It involves changes in structure, technology and people. It redesigns operation. It asks the question, “How the structure and processes in the business will be designed if start is made from the scratch?” or what is the better way of performing this activity? Its goal is to improve productivity, financial performance, service or time speed and reduce cost.

## **Nepalese Practices Organizational Structure**

Organizational structure is concerned with the separation of activities and integration of efforts. The development of private sectors organizations is not long. So, the practices of organization structure is not sound in Nepal. Most of the organization in Nepal is following simple functional structure with centralized authority. However, the practices of organization structure are mentioned below:

### **1 Manufacturing Industry**

Manufacturing organization are the factories that involve in producing and delivering goods. They can be small, medium and large in size. The structure of the organization is different in terms of their size and nature. Generally small sized organizations follow functional structure. Organizations producing different products follows divisional structure, organizations scattering in geographical structure and big business houses are following multidivisional structure, creating different business units. Multi-dimensional structure with different business unit.

### **2. Trading Organization**

Organizations involves in selling goods or services are called trading organizations. They can be domestic trade and foreign trade. Home trades are wholesale and retail. International trades are import and exports. Almost trading organizations are following simple structure and network structure can be found in some trading organization.

### **3. Auxiliaries**

Auxiliaries are business organizations are established to support other business organization. They are transportation, warehousing, communication, banking, insurance etc. Transportation, warehousing follows simple structure. Banking, communications are following geographical structure. Authority is centralized in these organization.

### **4. Social and Service Sector Organization**

Education, health, hotel, travel and tour etc. are social and services sector organization. There is no uniformity on organizational structure among service sectors organization. Educational institution like universities are mixed of geographic and permanent type of matrix structures. Hospital and other social organizations follows functional structure but they are giving autonomy to lower management. In universities and hospitals, autonomy about work related activities provided to lower-level employees.

#### **5. Government Institutions**

Government organizations are government authorities and agencies such as police, army, bureaucracy, and public enterprises. Police and army organizations are following tall structure where top level employees hold maximum authorities. There is strict chain of command and they are dispersed into different geographical location. However, public enterprises are following geographic structure with low chain of command.