

Difference between Power & Authority

Power	Authority
Power is the ability/ capacity to influence the behavior or attitudes of other individuals.	Authority is right to guide & direct the actions of others.
Legitimate & Illegitimate	Legitimate : resides in position
Flows in all direction	Always flow downward
Power is derived from reward, coercion, dominating personality.	Authority is derived from organizational position
Power is not visible from organizational Chart	Authority is visible from organizational Chart

Sources of Power

John French & Bertram Raven have identified five sources of power.

1. **Reward Power** : This is an ability to grant or withhold rewards. Reward may be financial, social or psychological.
2. **Coercive Power** : This is an ability to punish others for not carrying out orders.
3. **Expert Power** : A person having expertise or specialised knowledge or information has power over those who seek his expertise.
4. *Referent / Dominating Power* : This is based on personality attributes or virtues of a person. Such a person has a charisma which attracts people towards them. For example – Mahatma Gandhi.
- 5 *Legitimate Power* : This is derived from formal position of a person in the organization.

Meaning Of Delegation Of Authority

The tasks involved in the management of an enterprise are too big for one individual. No individual can perform all the activities himself. So the total work of an organisation is divided among different persons. It is granting of authority from supervisor to subordinate.

Delegation has the following **characteristics**:

1. Delegation takes place when a superior grants some discretion to a subordinate.
2. A manager cannot delegate the entire authority to his subordinates because if he delegates all his authority he passes his position to the subordinates.

- ## Importance / advantages Of Delegation

- ## Steps In The Process Of Delegation

1. **Determination of results expected.** a manager has to define the results he wants to obtain from his subordinates for achievement of objectives.
2. **Assignment of duties.** The manager then assigns specific duties or tasks to each subordinate. He must clearly define the function of each subordinate. Duties should be assigned according to the qualifications, experience & aptitude of the subordinates.
3. **Granting of authority.** Assignment of duties is meaningless unless adequate authority is given to subordinates.
4. **Creating accountability for performance.** The subordinates to whom authority is delegated must be made answerable for the performance of assigned duties & for the exercise of the delegated authority. The extent of accountability depends upon the extent of delegation of authority & responsibility.

Difficulties In Delegation

(i) Superior & (ii) Subordinate.

On the Part of Delegator (Manager / Superior)

Managers are often reluctant to delegate adequate authority due to the following reasons:

1. Some managers may not delegate authority because of their lure for authority.
2. Some managers feel that none can do the job as well as they can do.
3. When a manager is incompetent his work methods & procedures are likely to be faulty.
4. Few managers are inclined to accept the risk of wrong decisions which the subordinates might take. They are unwilling to take calculated risk.
5. A manager may not delegate - because he feels that his subordinates are not capable & reliable. He lacks confidence in his subordinates.
6. A manager is not likely to delegate - when he cannot issue suitable directions to guide the activities of subordinates.

On the Part of Subordinates (Non-acceptance of Delegation)

1. Subordinates reluctant to accept delegation when they lack self-confidence.
2. A subordinate who is afraid of committing mistakes and does not like to be criticized by the boss is likely to avoid delegation of authority.
3. When the subordinates are already overburdened with duties, they do not like additional responsibility through delegation.
4. Subordinates are to avoid delegation - adequate information, working facilities & resources are not available for proper discharge of duties.
5. When no incentives are available to them.

Making Delegation Effective / Principles:

- 1. Delegation by results expected.** Authority should be delegated only after the results to be achieved by the subordinates are decided.
- 2. Parity / Balance of authority & responsibility.** There must be a.
- 3. Absoluteness of responsibility.** Responsibility cannot be delegated.
- 5. Unity of command.** At one time a subordinate should receive command & be accountable to only one superior.
- 6. Well-defined limits of authority.** This will avoid overlapping of authority.
- 7. Authority level principle.** Managers at each level should make all decisions within their jurisdiction & Only matters outside the scope of authority should be referred to superiors.

The Concept of Responsibilities

According to **M.E. Hurley** " Responsibility is the duty to which a person is bound by reason of his status or task."

It is the obligation to a subordinate by his supervisor.

Characteristic / Features of Responsibility

- ➡ Responsibility can be assigned to human beings.
- ➡ Responsibility arises from supervisor – subordinate relationship.
- ➡ Responsibility may defined in terms of functions or targets or goals.
Example ; Labour officer - in terms of functions.
Example ; Labourers - in terms of producing units.
- ➡ Responsibility is a derivative of authority / Responsibility should be commensurate with authority.
Example : A subordinate may himself perform the duty assigned to him or he may get it done from his own subordinate. But he remains responsible to his own superior in both the cases.
- ➡ *Responsibility is absolute and cannot be delegated further.*
- ➡ Responsibility flows upward.
- ➡ The person who accepts responsibility is accountable for his performance. Accountability arises out of responsibility & two go together.

What is Centralization ?

Centralization refers to the process in which activities involving planning & decision-making within an organization are concentrated to a specific leader or location. In a centralized organization, the decision-making powers are retained in the head office, & all other offices receive commands from the main office. The executives & specialists who make critical decisions are based in the head office.

In a centralized government structure, the decision-making authority is concentrated at the top, and all other lower levels follow the directions coming from the top of the organization structure.

Advantages of Centralization

An effective centralization offers the following advantages:

1. A clear chain of command

A centralized organization benefits from a clear chain of command because every person within the organization knows who to report to. Junior employees know who to approach whenever they have concerns about the organization. A clear chain of command is beneficial when the organization needs to execute decisions quickly and in a unified manner.

2. Focused vision

When an organization follows a centralized management structure, it can focus on the fulfillment of its vision with ease. There are clear lines of communication & the senior executive can communicate the organization's vision to employees & guide them toward the achievement of the vision. In the absence of centralized

management, there will be inconsistencies in relaying the message to employees because there are no clear lines of authority.

3. Reduced costs

A centralized organization adheres to standard procedures and methods that guide the organization, which helps reduce office and administrative costs. The main decision-makers are housed at the company's head office or headquarters, & therefore, there is no need for deploying more departments & equipment to other branches. Also, the organization does not need to incur extra costs to hire specialists for its branches since critical decisions are made at the head office and then communicated to the branches. The clear chain of command reduces duplication of responsibilities that may result in additional costs to the organization.

4. Quick implementation of decisions

In a centralized organization, decisions are made by a small group of people & then communicated to the lower-level managers. The involvement of only a few people makes the decision-making process more efficient since they can discuss the details of each decision in one meeting. The decisions are then communicated to the lower levels of the organization for implementation. If lower-level managers are involved in the decision-making process, the process will take longer & conflicts will arise.

5. Improved quality of work

The standardized procedures and better supervision in a centralized organization result in improved quality of work. There are supervisors in each department who ensure that the outputs are uniform & of high quality. The use of advanced equipment reduces potential wastage from manual work & also helps guarantee high-quality work. Standardization of work also reduces the replication of tasks that may result in high labor costs.

Disadvantages of Centralization

The following are the disadvantages of centralization:

1. Bureaucratic leadership

Centralized management resembles a dictatorial form of leadership where employees are only expected to deliver results according to what the top executives assign them. Employees are unable to contribute to the decision-making process of the organization, & they are merely implementers of decisions made at a higher level. When the employees face difficulties in implementing some of the decisions, the executives will not understand because they are only decision-makers and not implementers of the decisions. The result of such actions is a decline in performance because the employees lack the motivation to

implement decisions taken by top-level managers without the input of lower-level employees.

2. Delays in work

Centralization results in delays in work as records are sent to & from the head office. Employees rely on the information communicated to them from the top, & there will be a loss in man-hours if there are delays in relaying the records. This means that the employees will be less productive if they need to wait long periods to get guidance on their next projects.

4. Lack of employee loyalty

Employees become loyal to an organization when they are allowed personal initiatives in the work they do. They can introduce their creativity and suggest ways of performing certain tasks. However, in centralization, there is no initiative in work because employees perform tasks conceptualized by top executives. This limits their creativity and loyalty to the organization due to the rigidity of the work.

Conclusion :

Centralization refers to a setup in which the decision-making powers are concentrated in a few leaders at the top of the organizational structure. Decisions are made at the top and communicated to lower-level managers for implementation.

Difference between Authority, Responsibility & Accountability

Authority	Responsibility	Accountability
Authority is right to guide & direct the actions of others.	Responsibility is the obligation to make sure that authority is properly used & duties are properly carried out	Accountability is the answerability for performance of the assigned duties
Authority can be delegated.	Responsibility cannot be delegated.	Accountability cannot be delegated.
Authority flows downward through the organization structure.	Responsibility flows from bottom to top.	Accountability flows from bottom to top.