

Advantages of effective delegation

- ▶ It relieves the manager of his heavy work load.
- ▶ It leads to better decisions.
- ▶ It speeds up decision making.
- ▶ It helps train the subordinates.
- ▶ It serves as compensation to those employees who faces the prospect of limited advancement.
- ▶ It helps create formal organization structure.



Decentralization of Authority

- ▶ Every organization has to decide as to how much decision-making authority should be centralized in the hands of the chief executive and how much to be distributed among the lower level managers.
- ▶ In the words of Fayole, “everything that goes to increase the importance of subordinate’s role is decentralization and everything that goes to reduce it is centralization.”



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Distinction between Delegation and decentralisation

- ▶ Delegation mainly refers to the granting of authority and the creation of responsibility between one individual and another., decentralization is the result of systematic delegation authority throughout the organization.
- ▶ In delegation, superior is responsible for the work delegated to his subordinates, while in decentralization the superior is relieved from his responsibility for the work decentralized

Advantages of decentralization

- ▶ Decentralisation reduces the problem of communication and red tape.
- ▶ Permit quicker and better decision making.
- ▶ Employees are able to exercise more autonomy.
- ▶ Leads to competitive environment within the organization.
- ▶ Ensures development of employees.
- ▶ Decentralization facilitates diversification of products, activities and market.