

# Advantages of Centralisation

- ▶ Coordination of activities of subordinates are better achieved.  
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- ▶ There is no duplication of efforts or resources.
- ▶ Decisions take into account the interest of the entire organization.
- ▶ Strong central leadership develops which may be required in time of crises.

# How much Decentralisation

1. Size of the organization. I
2. History and age of organization.
3. Philosophy of the organization.
4. Abilities of lower-level management.
5. Strategy and the organization's environment.
6. Available controls.
7. Costliness and significance of decisions.

# Importance and need for proper Staffing

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- ▶ It is estimated that the labour costs constitute from 25% of the production costs to 40% of the selling costs in manufacturing enterprise. Therefore, a business cannot be successful for any length of time unless it is capable bringing in and developing the right kind of people. There are number of advantages of proper and efficient staffing.
- ▶ 1. It helps in discovering talented and competent workers and developing them to move up the corporate ladder.
- ▶ 2. It ensures greater production by putting the right man in the right job.

# Importance and need for proper Staffing

- 3. It helps to avoid a sudden disruption of an enterprise's production

Run by indicating shortage of personnel, if any in advance.

4. It helps to prevent under-utilization of personnel through overmanning and the resultant high labour cost and low profit margins.

5. It provides information to management for the internal succession of managerial personnel in the event of an unanticipated turnover.