

Article 4

The Decentralizing Manager – An Ideal or A Dream

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Key Concepts:

1. **"Path –goal theory"** – according to this model, the role of the leader is to reward his underlings who act in such a way as to achieve their goals, to pave the proper path to the goals through clarification and removal of obstacles that may hinder such achievement. According to this model, the role of the leader of an organization, as the one who should activate the chain of motivation , that is to motivate his staff to succeed. Such behavior includes satisfying their needs as those being led to effective performance of the task through training, guidance, support and reward necessary for efficient performance. Where there is no clear correlation between effort, goals and connection, and between reward and achievement of goals, the leader must supply the clarification, guidance, support and reward.
2. **Transformational leadership** - this type of leadership is charged with incurring positive values within those led. In this type of leadership motivation, morale and job performance of the group are increased by the leader. The concept of transformational leadership was first presented by the researcher of leadership, James MacGregor Burns, in 1978. Burns performed theoretical research on political leaders and described transformational leadership as a process where " leaders and followers cause one another to rise to a higher level of morality and motivation". Burns related to the difficulty in distinguishing between management and leadership and claimed that there is a difference between the characteristics and the leadership. It is his claim that transformational leadership creates significant changes in the lives of the people and of the organization. It re-forms the perceptions and values, changes expectations and ambitions of the employees. It is not based on barter but on the character of the leader, his qualities and abilities to bring about a change through inspiration, vision and goals.

3. **Motivation** – since productivity is the goal of every organization, managers need to deal with the perception of motivation of employees. Part of the role of the leader is to encourage underlings to behave in ways to encourage organizational productivity. In order to become a motivator of others, the leader must understand the perception of motivation and the complex system of factors which influence it, and to be ready to influence others towards being more productive. The leader must learn to cope with problems involved in motivation.

4. **Strategic management** – Strategic management is the process by which an organization and its leaders determine: the goal for the mid- and long-term – the strategic intention. How they intend to arrive at the goal – the strategy of planning for the long-term, which may be expressed in concepts of the company program. How to ensure that they will reach the goal – the direction the organization and its various departments will take in order to proceed toward realizing the strategic plan.

5. **Decentralization** – the process of division of authority or centralized roles instead of having all the authority in one role. The opposite process is called centralization. Decentralization usually occurs as a result of four main causes:
 - Inability of one person to deal with all the issues
 - Creating balanced systems with stop each other, thus preventing total authority in one role; this principle, when used in a government, is called separation of powers.
 - Wish to include additional elements in the process of decision making
 - Managerial view encouraging staff unit rather than line unit decision making

6. **Concentration of authority** - this managerial system usually sees decision made in the upper echelons of the hierarchy. Advantages of concentration:
 - a. Heightens the level of decision making – decisions made by senior managers having higher abilities to make decisions
 - b. Allows for unity in mode of actions of the different departments
 - c. Allows for efficient use of manpower and for saving on equipment which may be transferred between departments.
 - d. Tight supervision over departmental activity – greater involvement by managers.

Disadvantages of centralization:

- a. Greater load on the manager and misuse of abilities since he is responsible for decision making.
 - b. Possibility of making wrong decisions since the manager is distant from the actual activity center and may make decisions according to misinformation and incorrect data, jeopardizing the decision.
 - c. Hitches in flow of work since the sub-managers have no authority to decide and must wait for the senior level, making work processes inefficient and flawed.
 - d. Overloaded communication lines and instruction to employees, reports to management which plug lines of communications and may cause slowdown of work.
 - e. Blow to the moral of employees and their desire to contribute – employees with no authority do not show enthusiasm and involvement since they do not see themselves as partners in the organization, they feel that their lack of authority is a reflection on their professional ability.
7. **Hierarchy structure** - the leveled structure is built like a pyramid – at the top of the pyramid is the head of the organization, while at the base of the pyramid are the lowest level employees. The more the manager is higher about others on the pyramidal hierarchy, so his senior status gives him more authority and responsibility. This is in accordance with monetary reward, salary and bonuses. The hierarchic structure makes sure of discipline at work, so determined by the clear understanding of who is at the top, and who gives the orders to whom. According to the hierarchic structure- directives go from top to bottom and the reports come from the bottom to the top. Instruction and reports are transferred through permanent stages called the chain of command.
8. **Development of employees** – professional promotion is a sign of the development of a employee's career, expressed by a higher level of the employee in the organization and an improvement in his employment conditions both professionally and personally. Usually this is expressed by a raise in salary. From the point of view of the organization, a professional promotion is the way to examine the promotion of career, and from the point of view of the employee a promotion is a way to examine the stages of professional development.

9. **Delegation of authority** – an interactive process of directed communications, through which the leader instructs the employee on areas of responsibility and authority which did not exist previously and provides conditions for their application. The process includes interpersonal communication (two-way messages), intention and direct action – both by the leader and the underling. The quality of the process is characterized by the occurrences of change and growth by the employee, the leader and the interaction between them.

10. **Decision making** – the ability to make decisions is an important trait for leaders at every level, for president, prime ministers and for low-level managers in business organizations. Each person has their own style of making decisions. Each person is the result of every decision he has made in his life time up to a certain point in time. The ability to make wise decisions is actually one of the most important skills for a manager. Decision making in an organization is the systematic process of identifying a problem, asking questions and finding appropriate answers.

Abstract

"...people are not born with the skill, or perhaps the talent, to delegate power and to empower others. This process must be learned. There is no doubt that certain people find the process easier than others, but in any case learning is necessary (Burke, 1986).

The dilemma of centralization as opposed to decentralization is well-known in the world of management; how a manager may delegate authority and still remains the 'manager who is in the know' on the one hand, while decentralizing his authority on the other. How? Why are some managers concerned about from doing this? Which techniques and perceptions can promote the delegation of authority? How does one support delegation of authority in time management and priorities? Is a centralized manager worse than a decentralized manager? In this article I will attempt to strengthen some points on the manner of management and the characteristics, with the highlight on decentralization as one of the most important tools for effective management.

House & Mitchell (2001) present the model "Path-Goal Theory" to explain how the effective path to fulfilling the role of manager is to motivate his staff through transfer of fields of

responsibility, trust and support. By so doing he will satisfy the needs of the staff and, additionally, will cause raised quality of results within a short time frame. If that is so, why does decentralization not occur in practice? Many managers claim that the need to train employees and to explain how to perform the work will take valuable time away from the manager, time that the manager himself could use to perform the task, which could lead to feelings of intolerance on the part of the manager. Moreover, the concern exists that the delegation of authority may bring about inferior results than those had the manager himself performed the task, which may lead to jeopardizing the performance of organizational tasks or the responsible manager, personally. Another concern connected to this is that the employee's vision as to the entire system may be partial or missing, which may present difficulty in taking into account the entire spectrum of variables and to choose a suitable decision befitting the entire organization.

Why, then, should a manager consider delegating powers? Bass (1985) researched "Transformational Leadership" and found that the transformational leader motivates those he leads by charisma, intellectual stimulation, transferring responsibility, security and trust in the performance by staff and especially by being considerate. Delegation of authority in an effective manner can be a lever for the manager to achieve higher organizational profit. The manager is obligated to train employees through providing tools and gradual training, toward new roles that will result as a product of the change. The employee is obligated to learn and create a receptive environment for new and enriching trials and information, whether it is performing tasks or if the employee is granted authority for decision making. The feeling of responsibility for accomplishing the task now experienced by the employee will increase the feeling of responsibility toward the manager and toward the task. The process allows for empowerment and development of employees. This opportunity provides also for development of the manager who may now set new expectations for himself, to occupy himself with top priority fields and will allow him time for thought and plan which may develop and profit the organization in the long term – actually everyone profits, the employee is empowered and the manager decreases his work load and is freer to engage in thought and managerial, organizational activities while decreasing engagement with specifically focused tasks.

Advantages of delegating authority:

Delegation of authority, when done properly, can save time, so that the CEO is free to use his time and energy to enhance the business and deal with other priority issues.

Good delegation of authority helps the CEO to increase motivation in the organization and to encourage growth from within, which is from within the organization. Growth from within the organization means that the employees what they can expect as to promotion and they have a channel within which higher motivation is expressed, leading to higher quality of work.

Nearly every CEO and manager you meet will say that it is his dream to delegate authority to his underlings. If that is so, why does it not happen more often in practice?

One of the problems that many managers face is the difficulty in actually delegating authority, the experience, trying to do everything on their own for fear that the result won't be good enough. Additionally there is the problem of delegating authority in a fitting manner.

When a manager does not devote time to performing organizational strategic management and ties himself to work that others are in fact supposed to be doing, the reality is that the organization will find itself without continuous management and will not be able to make plans for the future, formulate goals or strategic planning. There are instances where the manager has failed in an attempt to delegate authority, therefore hesitating to try again in the future, or alternatively, does delegate authority but in an improper fashion, leading to the staff feeling they won't be trusted again to receive power or promotion within the organization. These situations are called: blocks. These blocks do not allow growth of the organization, does not leave the manager time to take care of what he should be doing and does not allow the staff to achieve potential by actually carrying out the task.

Popular myths about delegation of authority (Bacal, 1994)

1. Every staff is interested in being delegated with authority.
2. Something is wrong with a staff not interested in being delegated authority.
3. If the manager only delegates, the rest will be done by the staff.
4. Delegation of authority is always beneficial to the organization.
5. Delegation of authority always makes the manager's work easier.

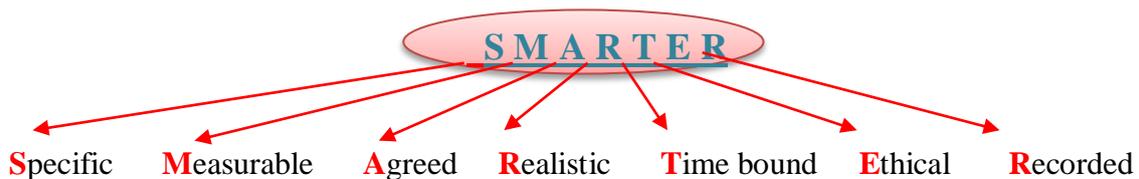
Levels of Delegations of Authority and Empowerment:

- The most basic level of delegation of authority – sharing the burden
The **result** is – leaving the "big" jobs for the manager
- The highest level is – sharing power and redefinition
The result is – increased ability of employees to consider and make decisions
- The highest level – realizing potential and development in employees of the organization
The **result** is – growth of the employee as a role player



Delegation of authority according to SMART/SMARTER

The acronyms SMART ,or more to the point, SMARTER are a way of expressing delegation of authority. They point out key words for performing the task of delegating authority.



Two more important elements that should be added are: centralized pleasure from the process and enthusiasm even though high motivation often comes when the employee succeeds in achieving merit due to a task given and performed to satisfaction, and may in itself provide the pleasure and enthusiasm, but the reality is different since it is not always possible to ensure that people who have received authority will work with pleasure and enthusiasm.

Task Definition	Which task is suitable for delegation? Will the task fit SMART standards?
Choose individual or group	What is the reason for choosing this individual or this group? What will they achieve? What will you achieve?
Evaluate skills and necessary training	Would some other individual or group be more suitable for the task? Do they understand what is involved? If not, delegation of authority is not an option
Explain the reasons	Why the task or responsibility is being delegated. Why it is being delegated to them. What is the importance and relevance? Where does the task fit into the larger picture?
Declaration of expected results	What can be achieved? Check through request and receive feedback: understanding of the task, measurement of results. Ensure that the task is performed according to clear measurements which are understood by the employee.
Expected use of resources	Discuss what is required for completion of the task. Take into account the people, location, equipment, finances, materials and anything else relevant to the particular task.
Agree on due date	Setting a due date for completion of the work or, if it is an ongoing project, date for presentation? Dates for handing in reports? If it is a complex task that should be performed in stages, what are the stages in priorities?
Support and communication	Inform all relevant parties of delegation of authority. Don't let the people who you have delegated them power be the ones to tell their colleagues about their new role. Inform them of what they need to know concerning protocol, definition, policies, etc.
Feedback on results	It is important that a person performing a task know how he is progressing and if he is achieving goals. If there is a problem, it needs to be resolved. You must accept failures and reward success.

Different levels of delegation of authority

What, then, is meant by delegation and decentralization? Delegation of authority is not just telling another person what to do. It is a wide spectrum of variable freedom given in order to accomplish a task. The more a person is trustworthy and skilled, so the amount of freedom given may be increased. As the importance of the task increases so must there be a larger amount of control and care taken in the amount of freedom, especially if the task is dependent on a good result. Make sure to choose the most suitable option according to the situation. It is important to ask the individual what measure of responsibility he feels comfortable with. Why take a guess?

When the question is posed, agreement on the measure of responsibility may be agreed upon. Some people are decisive, others, less so. It is your responsibility to agree on the amount of freedom that is suitable so that their role will be performed in the most effective way with minimum intervention from you. Involving the individual in the agreement on freedom of action allows for the creation of a type of work contract.

Examples for different levels of delegation of authority

The following examples show how delegation of authority allows for a freer range of one kind or another to perform tasks. Level one level is the lowest level of freedom (no freedom at all) while Level ten is the highest and most rare level found in companies.

1. "Wait till you're told" or "do exactly as I say" or "follow these instructions precisely" - these are focused instructions and leave no freedom whatsoever.
2. "Look at this and tell me what the situation is. I will decide." – This is a request for investigation and analysis of the situation, but not for a recommendation. The person delegated with authority is still responsible.
3. "Look at this and tell me what the situation is – we'll decide together" – here there is a significant change from Level 2. This level of delegated authority encourages and makes it possible to perform analysis and to make a cooperative decision, which could be beneficial for both sides and to their development.
4. "Tell me what the situation is and how I can help you to deal with it. Then we shall carry out the decision." – This level opens the possibility for more freedom to analyze and make a decision on a suitable course of action.

5. Give me your analysis of the situation (reasons, options, pros and cons) and recommendations. I will let you decide how to proceed – this Level requires analysis and a recommendation, but you will still have the final word before actually carrying out the decision.
6. "Decide and tell me what you've decided, then wait for approval from me before proceeding" – the person is confident in managing the situation and the options and is apparently skilled enough to make decisions and carry them out, but because of the importance of the task or for reasons of personal skills or other variables, the manager prefer to reserve control on the timing. This Level of delegation of authority may be frustrating for some people if it is used often and for long periods of time, after people need to wait after they have invested time and effort.
7. "Decide and tell me what you've decided, then proceed and I'll tell you when to stop. – Now the employee starts to control the action. Slowly increased responsibility saves time. Now the default is positive and not negative. This is a change for freedom in delegating authority and a way to bring about effective growth of people within the organization.
8. "Decide and act – let me know what you've done (and the result) – this level of delegation of authority saves even more time. This level gives the option of follow-up by the manager after performing the task, a necessary element when employees are given more space.
9. "Decide and act – no need to let me know what you've done (and the result) – This Level gives the greatest amount of freedom to the employee to act. A high level of self-confidence is necessary here and usually there is an evaluation of the operation according to the general results, usually weeks or months later. Feedback remains a central and important tool even though the relationship becomes a bit different.
10. "Make a decision where necessary and deal with the situation accordingly. This is your area of responsibility now" – this is the most freedom given to a person who would not ordinarily be given such responsibility if not for the change in role. This is strategic delegation of authority. It gives the employee responsibility to define what is happening on a project. The tasks, analysis and decision making are necessary for managing the project. Delegation of authority here becomes part of your role – not only a task or project.

Conclusion:

Decentralization and centralization provide a solution for the differing needs existing in an organization. The choice of combining between the two is based on the characteristics of the organization, its strategies and its structure, the training system and its goals. Each choice needs to be supported with processes and tools that will make it possible to find hidden opportunities and for superior organizational management. The manager who decentralizes is the ideal for achievement and realization.

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