

1. Details of Module and its structure

Module Detail	
Subject Name	Business Studies
Course Name	Business Studies 03 (Class XII, Semester - 1)
Module Name/Title	Delegation: concept, elements and importance: Part – 4
Module Id	Lebs_10504
Pre-requisites	Knowledge about Delegation: concept, elements and importance
Objectives	After going through this lesson, the learners will be able to understand the following: <ol style="list-style-type: none">1. Meaning of Delegation2. Features, elements and process of Delegation3. Difference between Authority, Responsibility and Accountability4. Inter-relationship between Authority, Responsibility and Accountability5. Importance of Delegation
Keywords	Delegation: concept, elements and importance

2. Development team

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Introduction

A manager, no matter how capable he is, cannot manage to do every task on his own. The volume of work makes it impractical for him to handle it all by himself. As a consequence, if he desires to meet the organisational goals, focus on objectives and ensure that all work is accomplished, he must delegate authority.

Meaning

Delegation refers to systematic transfer of authority from superior to subordinates

According to Louis Allen, *"Delegation is the process a manager follows in dividing the work assigned to him so that he performs that part which only he, because of his unique organizational placement, can perform effectively and so that he can get others to help him with what remains"*.

Delegation does not mean abdication/ Principle of Absoluteness of Accountability

The manager, who assigns the job to the subordinates, shall still remain accountable for the performance of the assigned tasks. It means that accountability is absolute. It can never be passed or delegated. After creating accountability on subordinates, the superiors also remain accountable.

Example 1: The director of P&R ltd, an organization manufacturing Electronic items, have asked Mr. Raj, their marketing manager to achieve a target sale of Rs.1,00,000 per day. Mr. Raj has delegated the task to Mr. Aman, his deputy sales manager working under him. Mr. Aman could not achieve the targets. Mr. Raj responsible and accountable for the failure of Mr. Aman. Thus, irrespective of the extent of delegated authority, the manager shall still be accountable to the same extent as before delegation.

Example 2: If the chief executive asks marketing manager to achieve a sales target of sale of 100 units/day. The marketing manager delegates this task to deputy sales manager, who fails to achieve the target.

Then marketing manager will be answerable for the work performance of his subordinates. Thus, accountability is always of the person who delegates authority.

Features of Delegation:

1. Does not mean abdication of responsibility
2. Delegated from higher to lower level
3. Authority granted to a subordinate can be taken back and re delegated to another person

Elements of Delegation



1. **Authority:** Authority refers to the right of an individual to command his subordinates and to take action within the scope of his position.
 - The concept of authority arises from the established scalar chain which links the various job positions and levels of an organisation.
 - In the formal organisation authority originates by virtue of an individual's position

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- The extent of authority is highest at the top management levels and reduces successively as we go down the corporate ladder. Thus, **authority flows from top to bottom**, i.e., the superior has authority over the subordinate.
 - Authority relationships help to maintain order in the organisation by giving the managers the right to exact obedience and give directions to the workforce under them.
 - Authority determines the superior-subordinate relationship wherein the superior communicates his decision to the subordinate, expecting compliance from him and the subordinate executes the decision as per the guidelines of the superior.
 - The extent to which a superior can exact compliance also depends on the personality of the superior.
 - Authority is restricted by laws and the rules and regulation of the organisation, which limit its scope.

2. **Responsibility:** Responsibility is the obligation of a subordinate to properly perform the assigned duty.

- It arises from a superior-subordinate relationship because the subordinate is bound to perform the duty assigned to him by his superior.
- Responsibility **flows upwards** i.e., a subordinate will always be responsible to his superior.
- An important consideration to be kept in view with respect to both authority and responsibility is that when an employee is given responsibility for a job he must also be given the degree of authority necessary to carry it out. Thus, for effective delegation the authority granted must be commensurate with the assigned responsibility.
 - If authority granted is more than responsibility, it may lead to misuse of authority,
 - If responsibility assigned is more than authority it may make a person ineffective.

Example : A manager enhances the production target from 500 units to 700 units per month but the authority to draw raw material was not given by him. The production manager could not achieve the revised production target.

3. **Accountability:** Accountability implies being answerable for the final outcome.

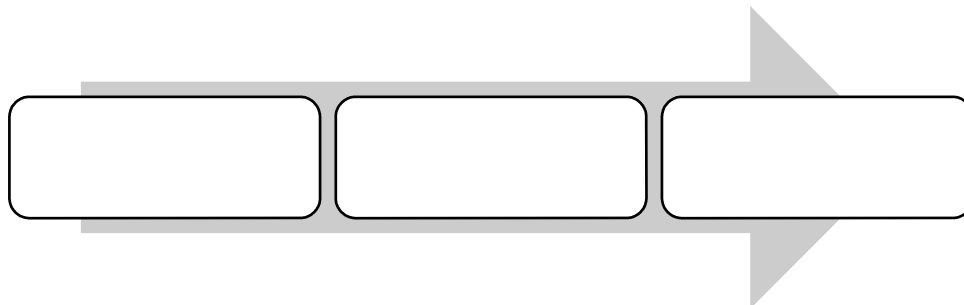
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- Delegation of authority, undoubtedly empowers an employee to act for his superior but the superior would still be accountable for the outcome
 - Once authority has been delegated and responsibility accepted, one cannot deny accountability. It cannot be delegated
 - It **flows upwards** i.e., a subordinate will be accountable to a superior for satisfactory performance of work. It indicates that the manager has to ensure the proper discharge of duties by his subordinates. It is generally enforced through regular feedback on the extent of work accomplished.
 - The subordinate will be expected to explain the consequences of his actions or omissions.

Conclusion

It can be stated that while authority is delegated, responsibility is assumed, accountability is imposed.

Process of delegation:

1. **Assignment of Work/ Responsibility:** In the process of delegation every superior has to define the jobs to be performed by his subordinates. He must also define the results expected. He has to further decide on the allocation of duties to his subordinates.
2. **Delegation of Authority:** In the process of delegation every superior has to define the jobs to be performed by his subordinates. He must also define the results expected. He has to further decide on the allocation of duties to his subordinates.
3. **Creation of Accountability:** The subordinates are assigned responsibility that creates obligation to carry out the tasks assigned. They also have to give an account of the results achieved, in terms of the standards of performance laid down.



Difference between Authority, Responsibility and Accountability.

Basis	Authority	Responsibility	Accountability
Meaning	Authority refers to the right of an individual to command his subordinates and to take action within the scope of his position	Obligation to perform the assigned task	Answerability for an assigned task outcome of the assigned task
Origin	Arises from formal Position.	Arises from delegated authority.	Arises from Responsibility.
Flow	Flows downward from superior to subordinate.	Flows upward from subordinate to Superior.	Flows upward from subordinate to superior
Delegation	Can be delegated.	Cannot be entirely delegated.	Cannot be delegated at all.
Withdrawal	Can be withdrawn anytime by giving notice	Cannot be withdrawn once created	Cannot be withdrawn once created

Inter Relationship between Authority, Responsibility and Accountability

- Authority is delegated, responsibility is created and accountability is imposed.
- Responsibility arises out of authority and accountability arises out of responsibility.
- Authority flows downwards whereas responsibility and accountability flow upwards.

E.g when the MD authorizes the departmental heads to manage their respective departments, they become responsible to the MD for the due performance of their assigned jobs. They are also answerable for the results of their departments.

Importance of Delegation:

1. Effective management:

- Delegation [≡] permits a manager to share his workload with his subordinates.
- They can thus utilize their time in more important and creative works instead of works of daily routine.

2. Employee development:

- Subordinates are required to exercise their authority to handle situations and to solve managerial problems. This makes them better leaders and decision makers.
- Through the experience and competence acquired, they are prepared to take up higher responsibilities in course of time.

3. Motivation of employees:

- Delegation provides a feeling of status and importance to subordinates, builds their self-esteem and enhances their job satisfaction and confidence level. They become more willing to work hard and achieve targets laid down by higher authorities.

4. Facilitation of growth:

- Of an organization by providing a ready workforce to take up leading positions in new ventures.
- These trained and experienced employees are able to play significant roles in the launch of new projects.

5. Basis of management hierarchy:

- Delegation of authority establishes superior subordinate relationships, which are the basis of management hierarchy.
- It directs and regulates the flow of authority from top to bottom of the organization. It gives meaning and content to the managerial jobs.

6. Better coordination:

- Delegation helps to define the authority, responsibility and accountability related to the various positions in the organization.
- Such clarity in reporting relationships help to avoid duplication of work and facilitate effective co-ordination amongst departments, levels and functions of management.

Conclusion

From the above discussion it is clear that delegation of authority is necessary for the smooth functioning of work and facilitates higher efficiency levels in the organization. Infact, the success of managing is determined by the effectiveness of delegation of authority.