

Delegation and decentralization

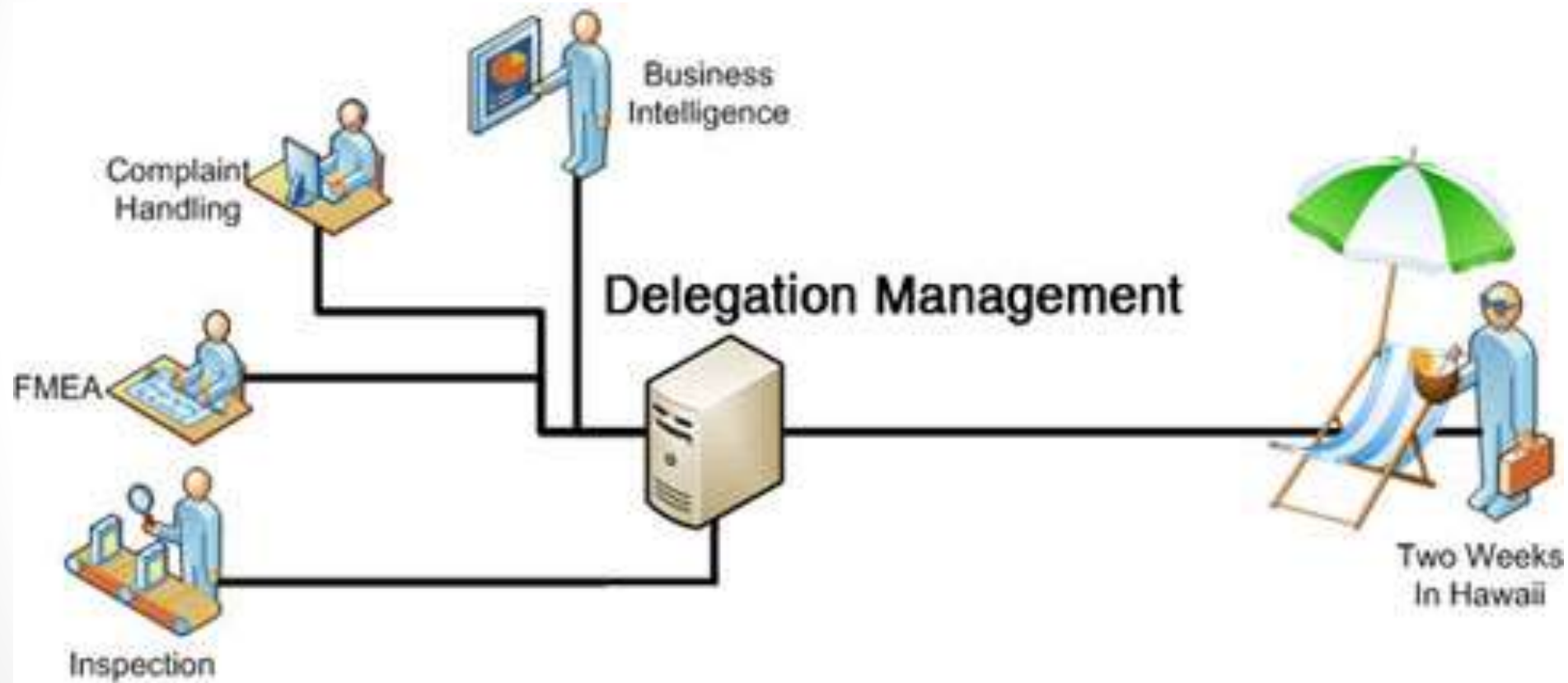
Module 3 continued

Bottle necks for delegation





Effective delegation



BENEFITS OF DELEGATION

Manager

- Less stress
- Better time management
- More trust

Employee

- Knowledge and skills development
- Confidence
- Motivation

Organization

- Teamwork
- Productivity & efficiency
- Employees' satisfaction
- Innovation

Five Stages of Delegation

I DO	Realization
I DO, YOU WATCH	Observation
WE DO	Collaboration
YOU DO, I WATCH	Evaluation
YOU DO	Delegation



Disadvantages of Poor Delegation

Delegating to weakness

- ❑ Delegating tasks outside the scope of one's competence.
- ❑ Classic examples of this include putting the financial officer in charge of marketing.

Decentralization

WHO
[]

How
[]

WHAT
[]

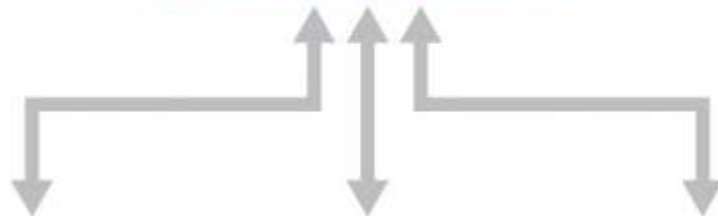
[]
WHEN

[]
WHERE

[]
WHY

Decentralized Organization

President of Game Products



Manager, Sporting Goods Division



Manager, Board Games Division



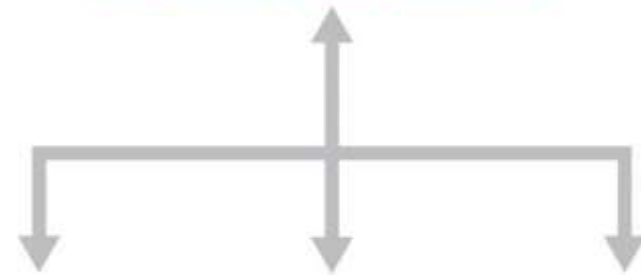
Manager, Computer Games Division



Division managers report to president.

Centralized Organization

President of Game Products



Sporting Goods Division



Board Games Division

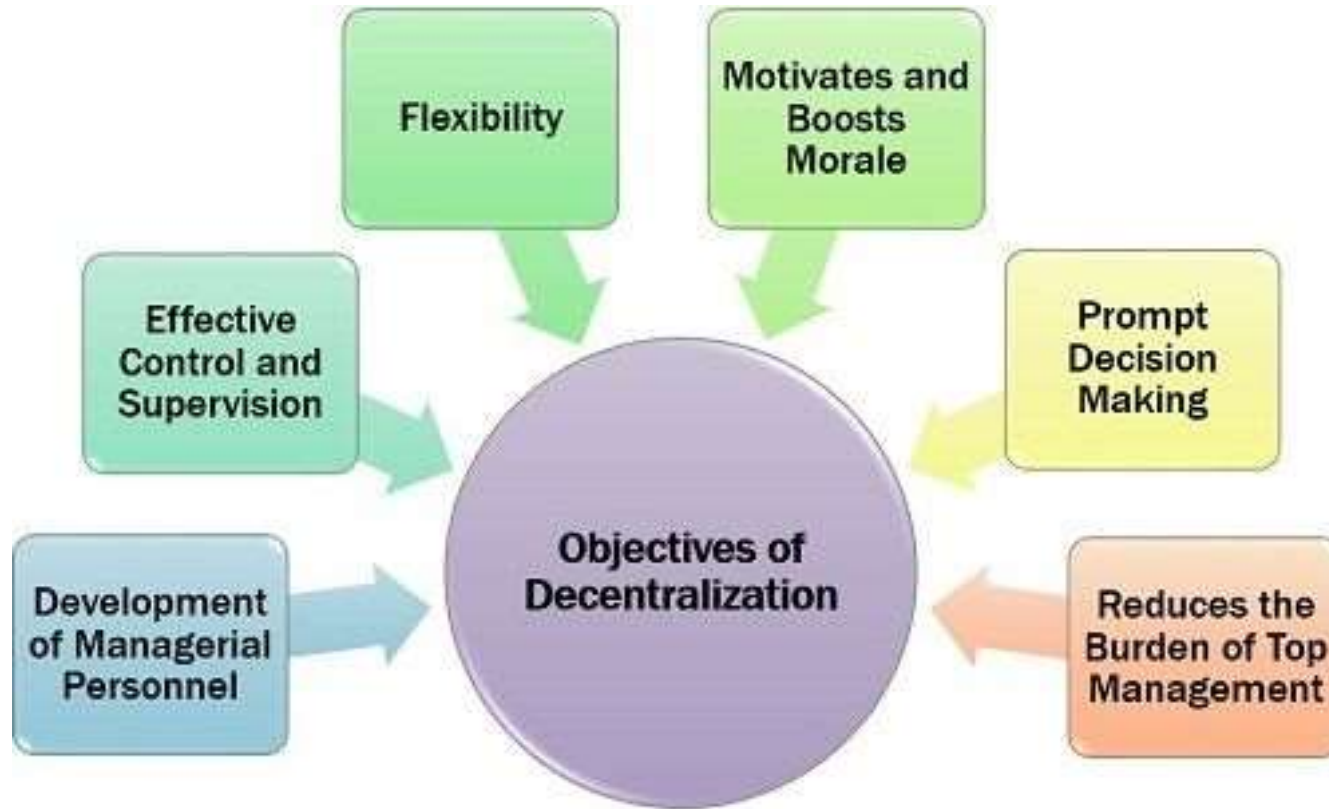


Computer Games Division



President retains direct control over each business unit.

Decentralization

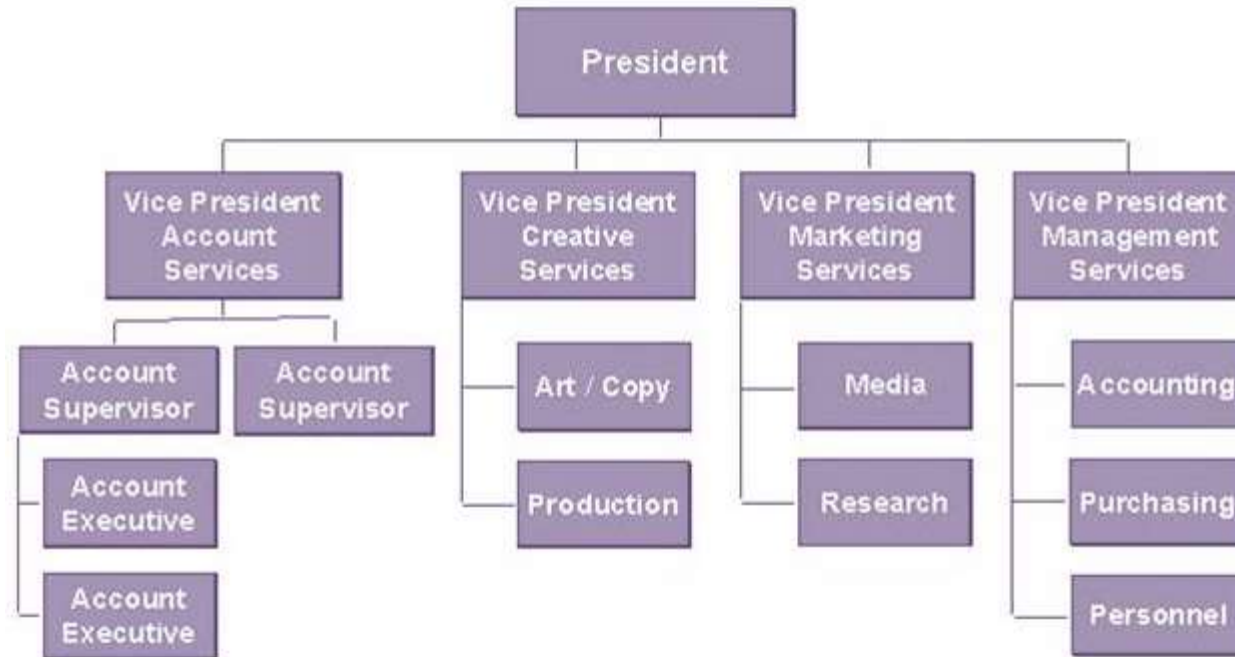


Factors Affecting Decentralisation

- 1 • Size of the organisation
- 2 • Cost and Importance of decisions
- 3 • Uniformity
- 4 • History of organisation
- 5 • Management Philosophy
- 6 • Availability of efficient managers
- 7 • Control Systems
- 8 • Types of Business
- 9 • Branches of organisation
- 10 • Type of organisation

Formal and informal organization

Agency Department System



Difference between Formal and Informal Organisations

Formal Organisation	Informal Organisation
1. It is created by the top management.	It is not created by top management. It arises out of the natural desire of the people to associate.
2. It is created to get the jobs of an organisation performed in a planned and systematic manner.	It is formed to satisfy those needs of members which can not be satisfied through formal organisation.
3. It is managed by officially appointed managers.	Members of the informal group select some one as their leader to take care of the interests of the group members.
4. Managers of formal organisation have formal authority.	The authority of the leader of the informal group depends upon the combined support of group members.
5. Formal organisation is permanent and stable.	Informal organisation is of temporary nature. It changes its size and membership from time to time.

Exploration & Production

Senior Vice President

Jones

Exploration
Williams

Drilling
Taylor

Production
Stock

G&G Petrophysical

Production Reservoir

Cohen

Cross

Sen

O'Brien

Shapiro

Smith

Andrew

Moore

Paine

Hughes

Ramirez

Bell

Cole

Hussain

Kelly

Miller

Paine

O'Brien

Stock

Shapiro

Paine

Cohen

Cole

Jones

Kelly

Andrew

Smith

Hughes

Miller

Williams

Cross

Hussain

Taylor

Moore

Ramirez

Sen

Advantages of Informal organization

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01. Job Satisfaction

02. Meet the personal need

03. Effective work system

04. Lighten management workload

05. Good communication

06. Fill the gaps of Management ability

07. Encourage improved management practice

08. Makes a more effective total system

09. Gives satisfaction and stability to work groups

10. Improves communications

11. Plan and act more carefully