

THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

A Critical Analysis of the Relationship between Delegation and Organisation Design, Authority, Responsibility, Accountability

Dr. Ogbu, Cyril Gabriel

Lecturer, Department of Business Administration, Caritas University, Amorji Nike, Enugu, Nigeria

Ugwu, Ikechukwu Virginus

Ph.D. Student, Department of Accountancy, Nnamdi Azikiwe Federal University, Awka, Anambra State, Nigeria

Abstract:

Delegation is seen as an important management tool for success in corporate governance. Among management concepts associated with delegation include authority, responsibility, and accountability; other variable that could also be associated with the concept, is organization design, two important elements of which include job design and job description. The relationship of these variables with delegation appears complex and confusing in the literatures. While some literatures opine that delegation involves transference of “responsibility” and “authority”, some others insist that responsibility is not transferable; that only “tasks” and “authority” could, while responsibility is exacted. Those who opine that responsibility is delegated bifurcate it into two “operational responsibility” and “ultimate responsibility”, the first is delegated; the second retained. The confusion arises when, in the literatures one sees only “responsibility” without qualification as to whether it is operational or ultimate. Another problem is how could a manager exact responsibility from a subordinate in respect of delegated task? We intend, in this discussion, to evaluate the concept of delegation, appreciate its relevance or otherwise, analyse these variables and identify their relationship with delegation, and offer recommendations where needed for proper understanding. We recommend that the confusion could be removed by applying the concepts of “responsibility” and “accountability” differently, though their meanings could be interchanged. Thus instead of taking the tortuous way of qualifying responsibility as to the one that is delegated and the one that is retained, or to say that responsibility is entirely non-transferable, and/or to save the manager from the fussy task of exacting responsibility, let it be known for all times to come that it is better to delegate responsibility and retain accountability.

Keywords: Delegation, organization design, authority, responsibility, accountability

1. Introduction

Delegation is one management concept that is assumed to have a magical effect on the success or otherwise of running an organisation depending on whether the manager is delegation-friendly or delegation-averse. Managers are accountable to the shareholders, that is, shareholders look up to them to run the business organisation in a manner that will guarantee sufficient profit to give them commensurate return on their investments. Quite understandably many managers, in order to meet the expectations of their employers (the shareholders) and to save their jobs, stick out their necks, applying their skills, competence and experience in the discharge of their responsibilities; refusing to delegate part of their own functions to their subordinates in their conviction that delegation constitutes serious risk factor for failure. They are genuinely afraid that the subordinate might make a mess of the assignment and then they would not only be required to spend much more precious time to correct the deviations with the additional expenditure of company resources, and also the expected charge against them for dereliction.

Given the nature of delegation in which the manager transfers part of his responsibility and the corresponding authority in reference to particular tasks to the subordinate and yet retains accountability, it is reasonably justifiable not to delegate. In delegation, the biblical injunction, that “the soul who sins, he shall die”¹ is reversed so that the consequences resulting from the failure of the subordinate is visited on the manager. The consequences could be anything – reprimand, surcharge, demotion or completely being fired for the failure of another person! This is the precarious position which a manager or group leader finds himself or herself when a subordinate messes up a delegated assignment. It is also the reason many managers find it difficult to delegate. Other reasons may include fear of insubordination, manager’s perfectionist tendencies, doubtful competence of subordinates, etcetera.

In spite of the reluctance of many managers to delegate for the reasons above, there are other disadvantages associated with delegation which have been identified to include loss of control over critical and sensitive tasks; confused lines of authority as subordinates might displace the manager and be consulted on other issues that rightly belongs to the manager; even the so-called time saving advantage of delegation may be challenged as managers are known to take much time explaining the delegated task and processes by which it will be done to the subordinate; besides, there is still the likelihood that in spite of the explanations the subordinate could still fall short of the expectation in the execution of the delegated task.²

Another difficult situation associated with delegation is that since it involves two persons, there must be a willing superior to delegate and a willing subordinate to accept the delegated responsibility. What happens when the manager or team leader desires to delegate but the subordinate does not want to take responsibility? Research has shown that in many occasions, what drives the efforts of subordinates to accept delegated responsibility in respect of particular goal-attainment is the extent the assignment will lead to the achievement of their individual goals.³ The situation is further compounded when research evidence indicates that subordinates prefer in an unmistakable terms to remain subordinates, rather than accepting delegated responsibility that would require them to make “a costly and apparently demanding decision”⁴, for though ultimate accountability resides with the superior, subordinates do not want to be associated with the reason for their superiors’ downfall.

2. The Other Side: the Presumed Gains of Delegation

In spite of these apparent justifications that challenge the wisdom and propriety of delegation, majority opinions in the literature favour delegation and accuse managers who do not delegate of fear of exposing their incompetence and lacklustre performance as subordinates might even outshine their masters and accomplish the delegated task in a more wonderful way with less expenditure of company resources. Managers averse to delegation are equally accused of both lacking skills in the art of delegation and lack of confidence in their ability to be able to reward subordinate’s effective performance of the delegated responsibility. These scholars insist that every manager that wants to succeed must necessarily, not only learn the skill of delegation but also seek opportunity to delegate.⁵ It is further argued that delegation is one of the most important management skills provided it is done well. This caveat draws the attention of managers to the fact that delegation, in itself, is neither good nor bad. It is seen as a two-edged sword, the effect of which, on the organisational performance, is a function of how it is handled by managers. Skilful and intelligent handling of delegation, it is opined, saves time, relieves the manager, develops people, grooms successors, and motivates subordinates, while poor delegation, on the other hand, causes frustration, failure, de-motivation and confusion, with the consequent waste of organisational materials.⁶ The proponent of delegation opine⁵ that the benefits of the concept are three dimensional – to the organisation, to the subordinate and to the delegator (manager).

Among benefits claimed to accrue to Organisations include: 1. *Training tool* – Delegation is considered an effective training tool that provides stock of able and trained staff that would succeed retiring managers and ensure continuity in the operational standards. 2. *Overhead Cost Reduction* – the amount of time, money and other resources which should have been deployed for hiring and training new managers are saved and used for other organisational needs as delegation makes fresh hiring unnecessary. 3. *Promotional Tool*: Delegation serves as a kind of trial of the competence of the subordinate for possible promotion up the ladder of the organisational hierarchy. If a subordinate is able to deliver and achieve expected results on delegated responsibilities overtime, it constitutes enough evidence that if the delegatee is substantively elevated to the position that is in-charge of such responsibilities, he or she would sufficiently and effectively occupy the position and discharges the responsibilities thereon. 4. *Commitment to Duty* –assignment of higher responsibility to subordinates increases their commitment to duty and love of the organisation; gives them sense of responsibility and belongingness. They want to prove they could do it.⁷

Practice of delegation benefits subordinates (delegatee or agent) as follows:1. *Growth and Development*: Delegation is a means of growth and development for the subordinate. It affords the opportunity to know more about and to do more for the organisation; 2. *Learning Tool*: it provides subordinates the opportunity to gain management skills sufficient for their needs to effectively perform in the organisation. This, however, may not replace the need of getting management education from formal educational institutions such as a university; 3. *Confidence and Sense of Belonging*: Delegation is a means of building confidence and sense of belonging for the subordinate. It indicates the rising importance or relevance of the subordinate or delegatee in the organisation.⁷

The final dimension is the Manager or Supervisor. Delegation confers on the manager or the supervisor or the superior the following benefits. 1. *Time Saving*: Delegation saves time for the supervisor or manager. It relieves him of certain responsibilities and affords him adequate time to attend to more pressing issues such as planning, organising, leading, and controlling; 2. *Increases Efficiency*: The manager or supervisor performs better when he/she has fewer responsibilities to attend to. Take for example, a head of department in a higher institution who also lectures. If he delegates the lecturing job to subordinates in the department and concentrates in administrative/management functions of planning, organising, leading and controlling he would do that better than when he is combining the two functions; 3. *Promotional Tool*: When a manager or supervisor delegates effectively, it is an indication he could be made the General Manager when the situation arises.⁷

3. Organisational Design and Delegation

In fact, the entire concept of delegation has been questioned by some management gurus who argue that each individual in the organisation was hired to perform specific organisational function just like the managers or team leaders, so that the issue of delegation does not even arise at all, unless the manager wants to completely abdicate his responsibilities or wants to be lazy and idle.⁸ This school of thought, no doubt, might have recourse to some elements of organisational design–job design and job description–for its justification. Job design and job descriptions which proceed from organisational design represent the act of articulating, designing and eventual allocation of responsibilities (tasks) to individual workforce according to individual training, skills and competences. From this perspective, it could absolutely be feasible to conclude that in organisation design, delegation is implied, and might not be separately induced without making the manager idle and overburdening the subordinate with additional responsibilities with the resulting negative consequences to the enterprise.

What is organisation design? Before we answer this question, we have to introduce a particular concept that gives meaning and relevance to and upon which organisation design is based. This concept is *business objectives or purposes*. Objectives or purposes are the core reason the organisation exists. They represent what an organisation is out to achieve or what needs it seeks to fill – what products or services it offers to the customers and the general public, often expressed in the organisation’s mission and vision statements. How an organisation is able to combine resources available to it to achieve its objectives is the function and concern of *organisation design*. It matches organisation structure to business goals or objectives to make realisation of the latter possible. It is the process of integrating organisational resources—the people, their competences, skills or knowledge; technologies, information, processes, complex relationship among tasks, work-flow, authority and responsibility; etcetera (already articulated in the structure) with the objectives the organisation is out to achieve. Another definition puts it simply as “*the process of aligning organisation structure to business goals*”.⁹

The purpose of organisation structure is to ensure that the organisational parts and resources work together as a single whole. Organisation design is based on three factors –work specialisation, differentiation, and work integration: work specialisation and work differentiation (division of labour)are implied in delegation; while work integration coordinates different delegated responsibilities towards achievement of organisational goals. A good job design should at once achieve two separate objectives: increased high level quality productivity for the organisation, and job satisfaction for the job holder. This congruence of interest for both the organisation and the employee is a very important issue in job design. This point is underpinned in the following definition of the concept: “*job design is the application of motivational theories to the structure of work for improving productivity and satisfaction.*”¹⁰

The point is that given the fact that each of the responsibilities both for the manager or team leader and those of the operational staff having all been articulated and prescribed right from the outset of the organisation, it becomes difficult to find a place for delegation in the strict sense of its usage. When a manager relinquishes his responsibility assigned to him by virtue of job design and description, in the name of delegation, he makes himself idle, lazy, and undeserving of any remuneration; and at same time burdens the subordinate with additional responsibilities. However, if the executive or manager is so busy that he has need to delegate part of his “core” responsibilities; then let him consider those items of responsibilities that are taking much of his time. He will surprisingly discover that they are extraneous and irrelevant to the reason he was hired as a manager. He will equally discover that those irrelevant responsibilities could safely be avoided without effect on his effectiveness or productivity. Such events have been rightly described as “time-wasters”¹¹ as they are not part of the task schedule as articulated in organisation design. They include invitations to dinner; invitations to lunch; invitations to deliver speeches, invitation to social events, attendance to club meetings, lengthy discussions of unofficial issues with friends and acquaintances during office hours, etcetera. Any manager who effectively acts on these invitations and meeting is actually very busy, but he is busy doing nothing! The core functions of a manager are to plan, organise, lead and control and none of these invitations fits to his job description. These are the things the superior could push on to any other person among the subordinates, but then, that would not represent delegation in the strict sense we use it. As a matter of fact, it is doubtful if there could be found a manager or group leader, however very busy, who would delegate his core functions of planning, organising, leading and controlling to a subordinate without being charged for dereliction.

4. Delegation in History (Historical Overview)

Perhaps, the origin of delegation could be traced to the Biblical account of what transpired between Jethro and his son-in-law, Moses on the former’s visit to the later. Jethro had observed carefully the activities and the dangerous administrative path-way treaded by Moses and came to the conclusion that Moses was grossly incapable, like any other person, to work alone round the clock from morning till evening every day for any reasonable length of time without serious consequences. The administrative burden and experience of Moses as he laboured relentlessly to administer justices and settlement of disputes among his people, the Israelites after they gained freedom from slavery in Egypt called for immediate adjustment. In other to prevent the inevitable consequences of delays and eventual breakdown of Moses, Jethro ran to his rescue and offered an all time advice that gave birth to the concept of delegation in the following quotation:

- “Why do you do this for the people, why sit here alone with the people standing round you from morning till evening? What you are doing is not right. You will tire yourself out and the people with you too, for the work is too heavy for you. You cannot do it all yourself. Now listen to the advice I am going to give you, and God be with you!...from the people at large choose capable and God-fearing men, men who are trustworthy and incorruptible, and put them in charge of them as heads of thousands, hundreds, fifties and tens, and make them the people’s permanent judges. They will refer all important matters to you, but all minor matters they will decide themselves, so making things easier for you by sharing the burden with you.”¹²

What followed was immediate compliance by Moses to his relief. Some scholars argue that both the principles of *delegation* and *organisation design* were derived from the above advice and so, it may sufficiently and justifiably be plausible to ascribe to Jethro the honour as the “Father of Delegation and Organisation Design”, respectively.¹³ It is also interesting to note that within the advice were contained the qualities needed in the subordinate before the principal decides to take the risk of delegation. Those qualities are that the delegatee (subordinate or agent) should be capable, God-fearing, and trustworthy and also incorruptible.¹⁴ *Capability* involves both mental and physical equipment and disposition in terms of readiness, willingness, necessary skills, training and competence to handle the responsibility or task that is delegated. *God fearing* implies believe in and reverence for the Supreme Being and His unchanging laws that guide the universe. The subordinates have to align their activities with these universal laws. That means possession of sound moral character, integrity and fair play, a good sense of judgment to be able to discharge the delegated responsibility without compromising acceptable ethical standards. *Trustworthiness* involves dependability, truthfulness, sincerity and integrity. It means that for subordinates to qualify to be trusted they should possess sound moral character; tactfulness and sense of confidentiality to keep

secret what are secrets concerning official matters delegated. *Incorruptibility* is the refusal to take undue advantage of the trust reposed on the subordinate. This involves selflessness and strict application of justice to issues, refusing to bend the rules or shift the posts in favour of the wrong person because of monetary and other enticements.

This paper is of the opinion that those qualities cannot be improved upon even when they appear sanctimonious and moralistic to find admittance in the modern-day society where anecdotal assumption holds that there is no morality in business. Without prejudice to this assumption, it is interesting that modern management thinking strongly support those qualities and advocates that “the best executive is the one who has enough sense to pick good men to do what he wants done, and self-restraint enough to keep from meddling with them while they do it.”¹⁵ The point is that managers should be careful as to whom they delegate – the subordinates have to have the capacity, the integrity, the talents and abilities necessary, not only to accomplish tasks, but also be able to face challenging situations. Of course, such subordinates must have been observed overtime and their previous performances convincing enough before the manager could consider taking the risk to delegate. There is also a research evidence that the free market economy rewards polite, accommodating, tolerant, open, honest, realistic, trustworthy, discerning, creative, fair-dealing businessmen, and in the long run, profitable businesses tend to be populated by people who conduct the business in accordance with basic ethical principles calling for honesty, respect for persons and property, fidelity to commitments, and justice.¹⁶ The simple logic is that people who are honest and trustworthy succeed more in business than those who are dishonest, untrustworthy and cheats, and in the same vein, subordinates who bear these characters are likely to be favoured with advancement to positions of trust such as chief executive officer/managing director of organisations whenever such positions become vacant.

5. Concept Definitions and Dimensions

Delegation is the assignment by another person of formal authority and accountability for carrying out specific activities, especially when the manager has excessive work load.¹⁷ It is also defined as management or seen as a process which transfers authority from a superior to a subordinate.¹³ Another scholar says it is the organisational process that permits the transfer of authority from a superior to a subordinate to make commitment, use resources and take action in relation to duties assigned to him within explicit limits without checking with the supervisor or principal.¹⁴ Yet, one other scholar sees the concept as the authorization granted to a subordinate manager to act in a certain manner independently or the delivery by one individual to another the right to act, to make decisions, to requisition resources and to perform other tasks in order to fulfil job responsibilities.¹⁸

A careful examination of some of the above definitions will reveal that the two important elements involved in delegation were not apparent. Those elements are “responsibility” and “authority”. When responsibility is delegated, commensurate authority for the discharge of the responsibility is also delegated. All the authority, that is, the position power of a manager to command company resources – human, material, and finances –, in respect of the delegated responsibility (task), must be transferred to the person to whom the responsibility is delegated. This represents full and perfect delegation. The paradox, however, is that though responsibility and authority have been delegated, accountability still resides in the delegator, that is, the success or failure (particularly failure) of the performance of the delegated function belongs to the delegator. In order to capture these two elements in the definition, this paper offers the following definition: delegation is the transference of a part of the total responsibility and decision-making-authority of a manager to a subordinate to perform in the manager’s place. This means that respecting the delegated responsibility, the delegatee is not only given responsibility, but also given requisite authority over all necessary organisational resources adequate to discharge the responsibility as though it was the manager. Delegation could be **partial** or **full**. It is partial when the manager dictates the methods and styles and monitors closely the actions of the delegatee in respect of the assignment. It is full when the manager simply delegates and waits for the result without any interference with the process or method which the subordinate may wish to adopt in the discharge of the delegated responsibility.

6. Authority, Accountability, and Responsibility in Delegation

Authority is an organisational privilege or position power conferred on positions with inherent understanding that the occupants of the positions are to take decisions and act as deemed appropriate for the interest of the organisation.¹⁹ In exercise of this authority, the occupant of the position has powers within the confines or limits of this position to give directives and orders; and to expect obedience and compliance from people under him, pertaining organisational resources in order to enable him achieve his positional targets or objectives which is a partial and necessary fulfilment of the organisation-wide mission. In delegation, a portion of this authority commensurate and necessary for the accomplishment of the responsibility (task) delegated are relinquished also to the subordinate to enable him perform, otherwise it will be impossible for him to achieve results.

Accountability is the expectation that employees perform a job, take corrective action when necessary, and report upward on the status and quality of their performance.¹⁹ It means that people who have authority and responsibility are subject to reporting and justifying task outcomes to those above them in the chain of command. In delegation, both the superior and the subordinate owe accountability to different levels of hierarchy about their responsibilities. The subordinate reports to the delegator on the outcome of a delegated responsibility (task), while the delegator ultimately reports to the Board of Directors or shareholders about the outcome of his responsibilities, including those delegated. This is so because in delegation, the arrangement is a gentleman’s agreement between the superior and his subordinate. It has no legal implications or connotations. The point is that during the time of accountability (reporting task outcomes to the authorities, including those delegated), the subordinate is entirely and completely off the picture such that any cost or consequences resulting from poor execution or complete failure of execution of the delegated responsibility by the subordinate are squarely on the manager.

Responsibility is the assigned task or job. A person to whom any responsibility is assigned has personal obligation to ensure that the assigned responsibility is performed to the best of his knowledge and within the deadline. Obligation is a personal concern for the task. Even if the subordinate gets part of the task done through other people, he must accept responsibility for timely completion of the task as well as the quality of the output.¹⁹

Here, there is conflict of opinions among scholars about the application of responsibility and accountability. Though the two words mean nearly the same thing and could be used interchangeably, there is need to apply them differently to avoid this conflict or confusion. For example, when a manager delegates a responsibility and the corresponding authority to a subordinate, it is still said that the manager retains the responsibility, by which is meant that the manager is accountable, in the sense that the organisation will not seek accountability from the delegatee but from the manager. This same confusion may be the reason for the bifurcation or categorization of responsibility into two, namely, “operational responsibility” and “ultimate responsibility” by some authors. In this wise, operational responsibility is delegated, while ultimate responsibility remains with the delegator²⁰. But the problem is that this qualification of responsibility never appeared in all the literatures consulted, hence the confusion.

Some scholars, for the same reason, opine that “responsibility” cannot be delegated at all, and that only “authority” could. This school of thought believes that tasks could be delegated along with commensurate authority, and then responsibility would be exacted from the subordinate. The question is: how could a manager exact responsibility? Exaction or extraction of responsibility, if as its meaning implies, is micromanaging and forcing the subordinate to perform the delegated task, then it is equivalent to non-delegation in the first place because that is not how to delegate. Another problem with exaction of responsibility is that when the subordinate fails to actualise satisfactorily a delegated task, the failure will not be a failure of performance on the part of the subordinate, but a failure of exaction of responsibility from subordinate by the group leader or manager. The point is that there is no difference between responsibility and task or duty and separating or distinguishing one from the other is not necessary at all as that constitutes the reason for this confusion. Some modern authorities do not see any difference between delegating a task and delegating responsibility, they see both as intertwined and inseparable, one from the other.²¹ It is also burdensome to discriminate operational responsibility and ultimate responsibility each time responsibility is mentioned.

7. Recommendation

To clear this confusion and strengthen the line, it is the opinion of this paper, therefore, that instead of taking the tortuous way of qualifying responsibility as to the one that is delegated and the one that is retained, or to say that responsibility is entirely non-transferable, let it be known for all times to come, that it is better to delegate **responsibility** and retain **accountability**.

8. References

- i. Ezekiel the Prophet (nd), The Holy Bible, the Book of Ezekiel Chapter – The Holy
- ii. Kenya, L., (nd), The Disadvantages of Managers delegating to employees.; Online: <http://oureverydaylife.com/disadvantages-managers-delegating-employees-37156.html> (Accessed 04/08/16)
- iii. Bernard, C: in Ogbu (2014), A study on the degree of applicability of Chester Barnard’s Authority Interpretation in some Nigeria Organisations,
- iv. Angst L., and Borowiechi, K. J. (2011), Delegation and Motivation, TEP Working Paper No.1611, Trinity Economics Papers, Department of Economics, Trinity College, Dublin, <https://www.tcd.ie/Economics/TEP/2011/TEP1611.pdf>(Accessed 30/09/2016)
- v. Chartered Management Institute, United Kingdom (2006), Delegating without Guilt, Management Checklists, Business: The Ultimate Resource, New edition A & C Black Publishers, London, p. 671-2.
- vi. <http://www.businessballs.com/delegation.htm> (17/08/2016).
- vii. Ogbu (2016), Management: Functions, Theories and Principles, Unpublished Study Materials (Mimograph), Caritas University, Amorji, Nike, Enugu.
- viii. Drucker, P. F., (2006), The Effective Executive: the Definitive Guide to Getting the Right Things Done, HarperCollins Publishers, New York, p.37-38.
- ix. McColum, J. K. “The Matrix Structure: Bane or Benefit to High Tech Organisation?” Project Management Journal 24, no.2 (June 1993) in Bateman and Snell, Management: Building Competitive Advantage, p. 292.
- x. http://www.mindtools.com/pages/article/newPPM_95.htm, Organization Design: Aligning Organisa-tional Structure with Business Goals, (accessed 08/08/2013)
- xi. Drucker, P. F., (2006), op. Cit.
- xii. Jethro (nd), The Holy Bible, the Book of Exodus, Chapter 18, verse 14.
- xiii. Ogbu, C. G. (2016), *ibid*.
- xiv. Theodore Roosevelt in Rao, M. G., and Rao, V. S. P, (1999), Organisation Design, Change and Development, Discovery Publishing House, United State, p.91
- xv. Younkins, E. W., “The Reality and Morality of Business”, in Ogbu (2016), Management: Functions, Theories and Principles, Unpublished Study Materials (Mimograph), Caritas University, Amorji, Nike, Enugu.
- xvi. Nsiadu L. C (2015), Delegation of Authority as a Management Strategy for Improved Performance in Enugu State College of Education (Technical), Unpublished Degree Research Project, p.3
- xvii. Nwandu in Nsiadu, L. C. *Ibid*.
- xviii. Rao, M. G., and Rao, V. S. P, (1999), Organisation Design, Change and Development, Discovery Publishing House, United State, p.91
- xix. Daft, R. L. (2003), Management, Sixth Edition, Thomson, South-Western Publishing Inc. , United States, (p. 313).
- xx. Rao, M. G., and Rao, V. S. P, (1999), *Ibid*
- xxi. Daft, R. L. (2003), *ibid*, p.315.