

THE IMPACT OF DELEGATION OF AUTHORITY IN ENHANCING ORGANISATIONAL EFFICIENCY: A STUDY OF SELECTED MANUFACTURING FIRMS IN DELATA STATE NIGERIA

Omogbiya Shulammite O.

Department of Business Administration and Management Delta State Ploytechnic Ozoro

Okoh Lucky

Department of Business Administration and Management, Delta State Polytechnic Ozoro

Corresponding Email: luckyokoh81@yahoo.com Tel: +234 8037919609

Abstract

The study was carried out to investigate the impact of delegation of authority in enhancing organizational efficiency – A study of selected manufacturing firms in Delta State, Nigeria. A set of structured questionnaire was used as the instrument for data collection and administered on one hundred (100) employees of the organizations under study randomly selected using Yaro Yemane formula, the sample size from a population of 134 is 100 respondents at 95% confidence level. Data analysis was made and the hypotheses formulated were tested using the pearson moment correlation co-efficient at 0.05 level of significance. The results showed that positive and significant relationship exists between delegation of authority and effective and efficient functioning of an organization. Other results showed that significant and positive relationships exist between delegation of authority and accountability, maintenance of healthy relationship between the manager and his subordinates. It was concluded that delegation of authority is imperative for the development and growth of business organizations. The study, however, recommended clearly define goals and objectives, provision of adequate training, effective communication, studying subordinates closely to locate their competences, interests and capabilities and a host of other measures for effective and successful delegation of authority in manufacturing organizations.

KEYWORDS: Impact; delegation; authority; enhancing; organization; efficiency; effectiveness

1. INTRODUCTION

The concept of delegation is indispensable part of the process of administration. The chief executive in an organization is responsible to carry out every work himself but he cannot do the entire task himself. In order to lessen his burden, he delegates or passes on some of the powers to his immediate subordinates in the managerial hierarchy. The powers are usually delegated to the departmental heads or managers who in turn re-delegate some of the powers to their immediate subordinates in their respective departments.

Delegation of authority is an important managerial practice of getting things done through others by sharing the authority with them it is the ability to get results through others. It enables the managers to distribute their workload to others and concentrate on more important functions which they can perform better because of their position in the

organization. The process of delegation greatly helps in managerial and executive development. By delegating important operations to the lower ranks, their morale can be enhanced as it provides an ample opportunity to them for showing their capabilities and talents.

Koontz, H. and Donnel (2004), have rightly emphasized the importance of delegation of authority by saying “just as the authority is the key to the managers’ job, delegation of authority is the key to organization. They referred delegation as the dynamics of management. In brief, it can be said that delegation of authority reduces the burden of the top executive, provides opportunities for the expansion of business, administrative convenience and is greatly helpful in improving the morale and overall development of subordinates. It has been rightly said that delegation is one of the main springs of effective management.

1.1. Statement of the Problem

Delegation is a necessary mechanism for the efficient functioning of any organization. since no superior can accomplish or completely supervise all the organization’s task because of human, physical and mental limitations. Thus, some part of top management activity is usually entrusted to management/subordinates. The managing director/general manager of a firm has the total responsibility for the smooth running of the organization at a profit. However, he cannot perform all the functions in the company. Hence, the authority to do things and the responsibilities for achieving results have to be delegated to the other managers. Furthermore, all the functions within a department or division cannot be performed by a manager. Consequently, responsibility and authority are also delegated down the line of organizational structure.

2. OBJECTIVES OF STUDY

The broad objective of this study is to investigate the impact of delegation of authority in enhancing organizational efficiency. The specific objectives include:

- a. To examine if there is any significant relationship between delegation of authority and effective and efficient function of the organizations under study.
- b. To examine the relationship between delegation of authority and accountability of the organizations under study.
- c. To examine if there is any positive and significant relationship between delegation of authority and maintenance of healthy relationship between the managers and their subordinates of the organizations under study.

3. HYPOTHESES

For the purpose of this study, the following hypothetical statements are considered relevant.

H₀₁: There is no significant relationship between delegation of authority and effective and efficient functioning of the organizations under study.

H₀₂: There is no significant and positive relationship between delegation of authority and accountability of the firms under study.

H₀₃: There is no significant relationship between delegation of authority and maintenance of healthy relationship between the managers and their subordinates of the organizations under study.

4. REVIEW OF RELATED LITERATURE

4.1. Meaning of Delegation of Authority

Many authors have given different definitions on delegation of authority. Agu (2011) defines delegation of authority as the assignment of authority and responsibility to carry out a specific activity by a superior to subordinates. Delegation is also described as decentralization of authority. When the manager refuses to delegate, authority could be said to be centralized. Nomuoja (2009) defines delegation as a process of transfer or assignment of authority and responsibility to subordinates for the carrying out of specific duties.

Delegation of authority is the dynamics of management, it 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 (Allen, 2012). Delegation is conferring authority from one executive or organizational unit to another in order to accomplish particular assignments (George, 2011).

Douglas (2013) views delegation as consisting of granting authority or the right to decision making in certain defined areas and charging the subordinates with responsibilities for carrying through an assigned task. Delegation of authority merely means the granting of authority to subordinates to operate within prescribed limits (Theo Haimann, 2013). Delegation of authority means in brief, passing to others of a share in the four elements of the management process (Brecht, 2009).

4.1.1. Advantages of Delegation of Authority

Nomuoja (2009) identifies the following advantages of delegation of authority:

- i. Managers are free to concentrate on the most important tasks which no one but he can do.
- ii. Managers have more opportunity to seek and accept increased responsibilities from higher-level managers.
- iii. It frequently leads to better decisions since the persons close to the situation have the best view of the facts.
- iv. It makes for effective and uninterrupted performance on the job.
- v. It encourages initiative.
- vi. It spreads up decision making since valuable time is lost from constant reference to superiors before decision is made.
- vii. It causes subordinates to accept responsibility and exercise judgment.
- viii. It helps train and develop subordinates (i.e. it serves as a training method).
- ix. It improves subordinate self confidence and motivation.
- x. It leads to more flexibility and faster decision making in rapidly changing environment.
- xi. It brings about spread of company's activities.

4.1.2. Barriers to effective Delegation

Lawal (2010) identifies the following barriers to effective delegation.

1. Reluctance by the superior to delegate. A manager may feel reluctant to delegate to his/her subordinates because of the following reasons:
 - a. Insecurity. Since managers are held accountable for their subordinates actions, they may not want to delegate and risk failure. In addition, the manager may fear a loss of power if the subordinates does too good a job.
 - b. Manager may assume that the work can be done better by him than subordinates.
 - c. Managers may lack the ability to delegate. Some managers may not be able to decide which tasks should be delegated and to whom. In addition, they may not be able to set up a monitoring system for the subordinates actions.
 - d. A manager may fear being looked upon as being lazy if he delegates.
 - e. Lack of confidence and trust in subordinates by the superior or boss.
 - f. Lack of ability to direct subordinates.
 - g. Subordinate is not competent.
2. Insufficient training of subordinates to take additional responsibilities.
3. Nature of work: (i) Works requiring experienced staff e.g. research and development. (ii) Complex work that requires few persons for its safe and correct execution.
4. The existence of poor control techniques.
5. Little or no delegation as an organizational history. In this case, some employees may restrict the introduction of delegation.
6. The need for effective co-ordination.
7. Geographical scattering of employees.

4.2. Principles of Delegation

The following are the well recognized principles which govern delegation of authority (George, 2011).

1. Authority should be co-extensive with responsibility. If a subordinate is given responsibility to do a task, he is also to be given authority to do it. And when authority is delegated, the subordinate becomes responsible for doing the job. Since both authority and responsibility are concerned with some task, it is reasonable that the two are co-extensive i.e. both extend to equal lengths. Authority should always be delegated equal to responsibility.
2. Assignment of duties in terms of results expected. It is a very important guideline to effective delegation since it rests on the assumption that goals are set and plans made, and that jobs are set up to accomplish or implement them. The principle further helps minimizing the dangers of delegating too much or too little authority. The authority delegated to a manager should be adequate to assure his ability to accomplish the results expected of him.
3. Responsibility cannot be delegated. By delegating authority, a manager cannot free himself from his own obligations rather it increases his responsibility. He will now be accountable to his superior for the acts of his subordinates also. Ultimate responsibility for the accomplishment of the tasks is his (manager's) even though it has been assigned to a subordinate.
4. Unity of command. There should exist unity of command in the sense that an employee should receive orders and instructions from one superior only. Multiple superiors virtually vitiate the effort in getting right things done from the people. Nevertheless, this provides changes of shirking duties, abusing authority and evading responsibility. One boss for one man only should be the rule.
5. Duties should not be overlap. Overlapping of duties puts a person in an untenable position and is a surest way to develop clashes between the two. The result of overlapping duties is that the workers find that cooperation is difficult to achieve.
6. Authority to delegate. The delegator in all circumstances should know that he has the requisite authority to delegate because it is the who will be ultimately responsible and answerable to his superior and not his subordinate to whom delegation is made.

5. METHODOLOGY

All the manufacturing organizations in Nigeria constituted the population of the study. The number is somewhat infinite. Therefore the researchers decided to limit the target population to selected manufacturing organizations in Warri, Asaba, Sapele, Ughelli in Delta State. A sample size of 100 respondents was selected from a population of 134 using the Yaro-Yamane formula which is given as:

$$n = \frac{N}{1 + N(e)^2}$$

Where;

n = Sample size sought

e = Level of significance = 0.05 or 95%

N = Population size = 134

$$n = \frac{134}{1 + 134(0.05)^2}$$
$$= \frac{134}{1.335}$$

= 100 respondents at 95% confidence level

The simple random sampling method was used to select the respondents. The researchers made use of survey design. The data used in this study were obtained from both primary and secondary sources of data. The instrument of primary data collected was through the questionnaire and face-to-face interview.

The questionnaire was pre-tested before use to suit the respondents level of understanding. Secondary data were collected from textbooks. Data collected were collated and analyzed using percentages. In addition, the hypotheses formulated were tested using the pearson product moment correlation, co-efficient and the t-test at 0.05 level of significance.

6. FINDINGS AND DISCUSSIONS

The tables presented below contain the analytical details relating to our findings from the respondents.

Table 1: Firms studied with number of respondents

S/N	Organization	No. of Respondents
1.	Beta Glass Plc, Ughelli	28
2.	Asaba Textile Mill Plc	20
3.	Eternit Plc, Sapele	30
4.	Mix and Baker Plc, Warri	22
5.	Delta Steel Plc, Aladja	34
	Total	134

Source: Field Survey, 2017

6.1. Testing of Hypotheses

Ho₁: There is no significant relationship between delegation of authority and effective and efficient functioning of the organizations under study

Table 2: Calculation of product moment correlation co-efficient

Options	X Points	Y Reponses	XY	X ²	Y ²
Strongly Agree	5	41	205	25	1681
Agree	4	31	124	16	961
Undecided	3	16	48	9	256
Strongly Disagree	2	8	16	4	64
Disagree	1	4	4	1	16
Total	15	100	397	55	2978

Source: Field Survey, 2017

A 5-point likert scale was used with the following response categories

- Strongly Agree (SA) - 5 points
- Agree (A) - 4 points
- Undecided (UD) - 3 points
- Strongly Disagree (SD) - 2 points
- Disagree - 1 point

The formula for the pearson product moment correlation co-efficient is:

$$r = \frac{N\sum XY - \sum X \sum Y}{\sqrt{[N\sum X^2 (\sum X)^2 - (N\sum Y^2 - (\sum Y)^2)]}}$$

$$r = \frac{5(397) - (15)(100)}{\sqrt{(5 \times 55) - (15)^2 (5 \times 2978 - (100)^2)}}$$

$$r = \frac{1985 - 1500}{\sqrt{(275 - 225) - (14890 - 10000)}}$$

$$\frac{485}{494.40}$$

r = 0.9808

The above result shows that there is positive and significant relationship between delegation of authority and effective and efficient functioning of the organizations under study. But there is a greater need to test further in order to justify the stated hypothesis. In doing so test of significance will be employed.

$$T_{cal} = \frac{r}{\sqrt{\frac{1 - r^2}{n - 2}}}$$

$$\frac{0.9808}{\sqrt{\frac{1 - 0.9808^2}{5 - 2}}}$$

$$\frac{0.9808}{\sqrt{\frac{1 - 0.96196}{3}}}$$

T_{cal} = 8.7100

t_{tab} = df α 0.05

$$t_{tab} = n - 2, \alpha 0.05 = 5 - 2, \alpha 0.05 = 3 \alpha 0.05$$

$$t_{tab} = 2.35$$

The decision rule here is to reject H_0 if $t_{cal} > t_{tab}$. Since t_{cal} is $> t_{tab}$, H_0 is rejected, which means that there is a positive and significant relationship between delegation of authority and effective and efficient functioning of organizations. This finding was supported by the views of Peretomode and Peretomode (2010), which stated that delegation of authority is of vital importance for effective and efficient functioning of an organization. Delegation is widely recognized as an art of getting best results. It lessens the burden of top executives by relieving them of the botheration of taking routine decisions which others can take efficiently. This enables them in concentrating on vital aspects of management. Delegation facilitates quick decisions relating to various matters because the authority of decision making has been distributed to so many persons. It is considered to be one of the effective means of training subordinates and building morale by providing ample opportunities for executive development.

H₀: There is no significant relationship between delegation of authority and accountability of the organizations under study

Table 03: Calculation of product moment correlation co-efficient

Options	X Points	Y Reponses	XY	X ²	Y ²
Strongly Agree	5	43	215	25	1849
Agree	4	28	112	16	784
Undecided	3	14	42	9	196
Strongly Disagree	2	9	18	4	81
Disagree	1	6	6	1	36
Total	15	100	393	55	2946

Source: Field Survey, 2017

$$\Sigma X = 15, \Sigma Y = 100, \Sigma XY = 393, \Sigma X^2 = 55, \Sigma Y^2 = 2946$$

$$r = \frac{5(393) - (15)(100)}{\sqrt{(5 \times 55) - (15)^2 (5 \times 2946) - (100)^2}}$$

$$r = \frac{1965 - 1500}{\sqrt{(275 - 225) - (14730 - 10000)}}$$

$$r = 0.95617$$

from the above analysis, the result implies that there is significant relationship between delegation of authority and accountability of the firms under study, but there is also the need to test further so as to justify the stated hypothesis. In doing so, test of significance will be employed.

$$T_{cal} = \frac{r}{\sqrt{\frac{1 - r^2}{n - 2}}}$$

$$\frac{0.95617}{\sqrt{\frac{1 - 0.95617^2}{5 - 2}}}$$

$T_{cal} = 7.9106$

$t_{tab} = n - 2, \alpha 0.05 = 5 - 2, \alpha 0.05 = 3 \alpha 0.05$

$\therefore t_{tab} = 2.35$

Since t_{cal} is $> t_{tab}$, H_0 is rejected, which means that there is significant relationship between delegation of authority and accountability. This finding is in support of the view of Nwachukwu (2002) which stated that delegation involves accountability. Accountability means answering for the use of your formal authority by someone else. Delegation of formal authority to another person does not relieve one of the necessity of accounting for it. A subordinate must account for the use of delegated authority because an obligation is created. A subordinate is held responsible for assigned tasks and he is accountable for the satisfactory completion of the duty.

H₀₃: There is no significant and positive relationship between delegation of authority and maintenance of healthy relationship between the managers and the subordinates of the organizations under study.

Table 4: Calculation of person product moment correlation coefficient

Options	X Points	Y Reponses	XY	X ²	Y ²
Strongly Agree	5	46	230	25	2116
Agree	4	30	120	16	900
Undecided	3	13	39	9	169
Strongly Disagree	2	7	14	4	49
Disagree	1	4	4	1	16
Total	15	100	407	55	3250

Source: Field Survey, 2017

$$r = \frac{N\sum XY - \sum X \sum Y}{\sqrt{[N\sum X^2 (\sum X)^2 - (N\sum Y^2 - (\sum Y)^2)]}}$$

$$r = \frac{5(407) - (15)(100)}{\sqrt{(5 \times 55) - (15)^2 (5 \times 3250) - (100)^2}}$$

$$r = \frac{2035 - 1500}{\sqrt{(275 - 225) - (16250 - 10000)}}$$

$r = 0.9570$

The above result shows that there is positive and significant relationship between delegation of authority and maintenance of healthy relationship between the managers and the subordinates of the firms under study. but it is essential to test further in order to justify the stated hypothesis. In doing so, the test of significance will be employed.

$$T_{cal} = \frac{r}{\sqrt{\frac{1-r^2}{n-2}}}$$

$$\frac{0.9570}{\sqrt{\frac{1-0.915849^2}{5-2}}}$$

$$\frac{0.9570}{\sqrt{0.28050}}$$

$$T_{cal} = 5.7140$$

$$t_{tab} = n - 2, \alpha 0.05 = 5 - 2, \alpha 0.05 = 3 \alpha 0.05$$

$$\therefore t_{tab} = 2.35$$

The decision rule here is to reject H_0 if $t_{cal} > t_{tab}$. Since t_{cal} is $> t_{tab}$, H_0 is rejected, which means that there is positive and significant relationship between delegation of authority and maintenance of healthy relationship between the managers and the subordinates. This finding is in support of the view of Aibieyi (2009) which stated that delegating of authority helps in maintaining healthy relationship between the manager and his subordinates by clearly defining the authority and responsibility of the subordinates. Delegation can be one of management’s best technique for satisfying needs and for motivating subordinates to better performance. In terms of technical aspect of business, delegation, through task assignment, can achieve faster decisions and eliminate cumbersome information system

6.2. Conclusion

The study examined the impact of delegation of authority in enhancing organizational efficiency – A study of selected firms in Delta State, Nigeria. The study revealed that there is positive and significant relationship between delegation of authority and effective and efficient functioning of organizations. There is also a significant relationship between delegation of authority and accountability in organizations, and maintenance of healthy relationship between the managers and subordinates of organizations.

To conclude, delegation of authority is imperative for the development and growth of organizations in Nigeria.

6.3. Recommendations

In view of the findings and conclusion of the study, the following recommendations were proposed for effective and efficient delegation of authority in organizations.

1. **Clearly define goals and objectives.** It is necessary for employees to have a clear understanding of goals and objectives, and how responsibilities delegated to them will affect the achievement of goals.

2. **Provide adequate training.** Subordinate should be properly trained on skills and knowledge considered vital for performing certain jobs in the organization. It should be realized that one of the major barriers to effective delegation is lack of the necessary skill. Possession of the necessary skill not only guarantees performance effectiveness, but also raises the subordinate's motivation to accept delegations.
3. **Effective communication.** It is very necessary for superiors to possess effective communication skill in order to clearly and adequately inform the subordinates on the requirements of a specific delegation. An essential aspect of effective communication in a delegation process is the ability of the superior to maintain an open and two-way communication. This enables the superior and subordinates to clarify issues and understand each other concerning a matter of delegation.
4. **Study subordinates closely to locate their competences, interests and capabilities.** This enables the superior to know who to delegate to and what type of functions to delegate to a particular staff. Certain skills, talents or knowledge may be required for specific tasks. It becomes necessary therefore to spot the persons who possess the necessary skill for such an assignment. The best result will certainly be realized if responsibilities are delegated to those who are adequately equipped with the necessary skill and motivation required for the task.
5. **The superior should develop the habit of working with people.** Unless the manager realizes the importance of working with people, he or she may not see any need for delegation. To be able to work with others requires managers to develop trust and confidence on their subordinates.
6. **Responsibility, authority and accountability.** In delegating responsibilities to subordinates, it is necessary to let them understand the total picture of what to do, i.e. what is expected of them, including the expected standard. It is also necessary to give a subordinate to whom a responsibility is delegated the necessary authority. He or she should understand where this begins and end. Subordinates should be held accountable for their activities. This presupposes that they are given the necessary authorities. He or she should also be adequately informed on this. By holding subordinates responsible, it means that they will agree to accept the credit or blame for the way they carry out their assignments.
7. **Subordinates should be encouraged to contain the problems and challenges of their responsibilities.** Unless when something seems radically wrong or when a solution is not in sight, then they should resort to the superior. When subordinates are not encouraged to contain the challenges of their assignments it leads to loss of initiative and sense of responsibility. Consequently they resort to the superior at all times including where they will be required to supply common sense. Effective delegation requires the superior to be consulted only under difficult and extreme conditions.
8. **The superior should be informed of the outcome of accomplished assignments.** Feedback should be communicated to the superior as soon as the assignment is accomplished. The superior should insist on completed work. This enables the superior to carry out the assessment of the subordinate's performance and make the necessary corrections to avoid working under pressure.

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