

DELEGATION OF AUTHORITIES AS AN EFFECTIVE TOOL OF ORGANISATION MANAGEMENT

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Summary: *The paper describes the features of delegation of authorities in construction industry. Potential capabilities of organizations using decentralization experience in decision-making are described. It is concluded that the process of delegation of authorities in a staff management system of a modern construction organization must take into account the peculiarities of construction industry, its current challenges and global trends in the development of approaches to staff management and delegation of authorities.*

Keywords: *staff management, delegation of authorities, effective management, construction industry staffing*

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1 INTRODUCTION

One of the trends of modern society transformation is movement to intensive information development. Growth of information sector complicates the procedure of effective administrative decision-making. Thus, the process of delegation of authorities is becoming currently important in decision-making management. Besides, the focus on an effective utilization of scientific and technical, investment and financial resources is necessary for concentration on the structure of the companies which are characterized by reduction in the levels of management, general decrease of the number of top and middle managers with simultaneous improvement of staff quality.

2 OBJECTIVE OF THE RESEARCH

consists in disclosing the essence of delegation of authorities in managing a construction organization from the view point of various methodological approaches and formulating an integrally built toolkit in the context of economic theories possible to be applied to the process of solving the problem of a construction organization development.

According to the strategy of social and economic development of Russia till 2020 the basic element of modern economy modernization is an innovative development of the country as well as effective functioning of enterprises based on the development of the mechanisms of self-

regulation and mental potential of organizations. Construction industry which is a constituent and most important part of economic system is intended to solve many problems of social and economic development of the country as a whole. New requirements to competitiveness of construction organizations put forward modern trends of development from the view point of self-regulation. Major factors for quality assurance of production at the enterprise level are as follows: material resources, qualified staff, material and technical facilities and the enterprise management efficiency aimed at the production to meet quality requirements. Each of these factors is necessary, but they can be sufficient for stable functioning of an enterprise only in aggregate.

It turned out that only 15-20 % of quality problems are the fault of the workforce and 80-85 % are caused by top managers of companies. One of the key parameters influencing product quality as a whole is quality of a staff management system. Quality of building production grows out of all previous work done by the company. It concerns, first of all, quality managerial staff, functions of quality and decisions on quality management. Thus, revealing and development of competence of leaders in modern organizations is a problem to be solved, taking into account current requirements to company management efficiency.

As a whole, the trends of human resources management are global and are characterized by the search of leading organizations in the sphere of formation of effective systems of implementation of their both creative and productive potential. The theoretical basis of the new concept is considered to be recognition of not only economic utility but social value of human resources which development requires the same investments as in other kinds of economic resources.

For the enterprises using vertically descending organizational structure the majority of innovative decisions are more likely made on the basis of emotions and policy rather than on the basis of the information available and logics. In the situation given, the skills to create unions, to gain support of top-managers, as well as to redirect the process of managerial decision-making to the most convenient direction are becoming most necessary and highly demanded. In this case information becomes supporting for making a necessary political decision. Frequently, top-management considers revealing drawbacks in checking the reliability of information to be the basic task.

The fact that companies pay more attention to the process of functioning and activity rather than to the end result negatively influences the situation. In such realities, the result is in the increase in the time necessary for decision-making at corporate level, decrease in the degree of responsibility for the decision made and promotion of non-risky offers. At present, the situation is unfolding, when the importance of the process of delegating authorities and conditions required for the growth of its efficiency are overlooked. Many top-managers failed in the very moment of their organization growth.

Considering delegation one of the basic elements of organizational structures management creation, it is necessary to find an optimum allowable ratio of principles of centralization and decentralization depending on such factors as the size of the enterprise or the organization, the "know-how" used, and the existing environment. It is necessary to consider the decision-making process at the lowest levels so that it supplemented the system of a higher level management and was a component of the decision-making processes occurring daily.

If the process of delegation of authorities is based on the principle of decentralization, the process of managerial decision-making is downwarded to the managers closely connected with certain problematic situations. In case of denying the stereotypes of centralization, when instructions are delivered from the top level through the system of commands and control, and transition to the collective decision-making and problem-solving, the conditions for integration of functions are created and the basis for adaptation of structures to changing conditions of both external and internal environment is formed.

The experience of decentralization in organization management structures testifies to a lot of advantages of such organizational reconstruction. Implementing flat organizational structure arises more conditions for perfection of professional skills of managers of various levels, significant growth of creative nature of administrative work, and preconditions to bring one's own contribution into the growth and development of the organization.

Nowadays, the system of effective non-formalized communicative channels and procedures of communication with people is acknowledged. The most part of the employees of an organization are ready to work better and more effectively provided that s/he is given an opportunity to take part in solving the problems related to their work.

Accumulation of information and working out advice can be useful when delegating authorities to lower levels of management without allotting corresponding resources to them. A higher degree of decentralization assumes transfer of decision-making to lower levels of management and is based on the condition that various organizational functions are significantly influenced by the decisions made at lower levels. Reduction of an administrative distance between the levels of management is typical of flat organizational structures with maximal decentralization under the condition of professionally trained managers.

It is necessary to take into account, that decentralization is not a synonym of control cancellation. The organizations with smaller number of managerial levels and wider scope of control systems are finally faster and more adaptive than centralized structures. One of the main and basic preconditions of productive delegation is well organized control over the results of the work. Before delegating the responsibility and powers for solving any problem it is necessary to understand the results to be awaited from the subordinates and when exactly those results should be submitted.

Frequently, delegating authorities appears ineffective and unsuccessful due to the difficulties of overcoming such properties embedded in the model of human behavior as fear for the status and position, fear to take risk, lack of self-confidence, lack of ability to entrust somebody to execute certain tasks which you are personally responsible for. In most cases leaders prefer to employ people who seem their own reflection to them. In such a situation there is high probability that the process of delegation the authority 'adhered' to the nature and style of work of the executor and the manager will be inefficient. The process of delegation of authorities depends in most cases on the ability to adequately perceive new ideas, readiness to delegate decision-making on some problems to lower managerial level, as well as the ability to trust workers and aspirations to carry out general control of the tasks being fulfilled.

Increase and growth of a social role of a person along with complication of technical and economic operating conditions of organizations determine the necessity of transformation of personal methods of decision-making to group ones, keeping the principle of hierarchy. Great uncertainty of external and internal environment increases the desire of the organizations using non-routine methods to the process of decentralization and the necessity of delegation of authorities for decision-making.

Before delegating the authorities it is necessary to classify the problems facing the organization, form the list of powers which can be delegated, calculate probable risks and benefits, and define the skills level and moral and psychological qualities of the workers. The primary goal of the leader is not to perform the work himself, rather to organize the working process with the capabilities of the organization staff, take the responsibility upon himself and apply the authority for achieving goals and tasks set. In turn, the process of delegation of authorities allows the employee to use his knowledge and experience effectively showing the leader his competence in view of knowledge and skills. The efficiency of this process will in many respects be defined by the ability of the leader to transfer a part of his powers, which requires corresponding skills, psychological readiness to trust the subordinates decision-making on the tasks delegated.

It is necessary to note, that delegation of authorities possesses some advantages:

- impose a leader with dealing with the problems of a high level;
- allows to reveal the potential of an employee, namely, his abilities, knowledge, skills and qualifications;
- forms synergy effect and additional motivation of employees;
- allows to keep the personnel in the organization;
- subordinates are capable to execute some kinds of work better than their leader.

It is necessary to take into account that not all problems can be delegated to employees easily. There are a number of specific tasks which can and must be carried out by a highly skilled manager only (Tab. 1).

Table 1 - Authorities delegated and tasks for independent decision-making

Subject to be delegated	Not subject to be delegated
Everyday routine work	Making important decisions on the development of the organization policy
All types of preparatory works	The control of results performance
Small side issues	Problems of strictly confidential nature
Highly specialized activity requiring certain qualification	Staff management and motivation
Urgent but not important work (see Eisenhower matrix)	Highly important tasks
	Highly risky tasks
	Unique, exclusive, unusual cases
	Urgent current cases which do not leave time for explanation and control

Utilizing Eisenhower matrix (Fig.1) in the practice of management and delegation of authorities allows top- and medium-level managers to efficiently plan the time and determine the tasks that could be successfully delegated to subordinates to be solved. This requires distributing of all the tasks for the time line to come, either a day or a week, among four cells of the matrix. This given, to improve the efficiency of work, all the tasks and works in the cell “urgent / not important” should be delegated to the subordinates of the organization.

Figure 1. Eisenhower matrix

	URGENT	NOT URGENT
IMPORTANT	Urgent / important Urgent current cases which do not leave time for explanation and control	Not urgent / important Strategic cases Need pre-planning
NOT IMPORTANT	Urgent / not important You are a manager – it is necessary to delegate these authorities to your subordinates	Not urgent / not important You may forget about these cases Nothing serious will happen if you do not do them

3 CONCLUSION

It is necessary to understand distinctly that delegation of authorities is not the tool of avoiding one’s own responsibility. For the delegation of authorities to be effective it is necessary to analyze the authorities delegated and the responsibility laid. Leaders should

delegate such powers to the employees of the organization which are sufficient for performing all works and tasks they made themselves responsible for. In turn, this does deprive the supreme official of the responsibility for the actions of all the subordinates. The given form of division of labor of a top-manager facilitates considerably the work of a leader, but leaves him a duty to make the final decision.

If the process of delegation of authorities is carried out in full correlation with the results expected and unequivocal distribution of all powers and personal responsibility among the bottom levels of management, this will be the best way to increase the efficiency of managerial decision-making by the heads of various departments of the organization. Unfortunately, in practice the given principle of conformity is broken frequently, resulting in refusal of workers to accept additional powers. In this case initiatives which are connected with the efforts on 'erection' of mutual relations, pointing out the main task, clear comprehension of the essence of division of powers, duties and responsibility will act as the guarantor of correct decision-making.

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