

**Organisation of Engineering Systems and Human Resources Management**  
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**Module - B**  
**Effectiveness and Performance**  
**Lecture - 21**  
**Dealing with Efficiency and Excellence (Contd.)**

We had in the last presentation looked at the relationships, which need to be established in a synergistic sense; in the sense of systemic consistency between the environment the organization and the individual, if effectiveness is to be managed appropriately. We would like to continue this discussion into the concepts of delegation, which is a way of bridging growth of individual and growth of the organization, because when you delegate, you are delegating through individuals; and, when you are delegating, you are delegating a set of tasks. So, individuals working through tasks in a situation, where somebody superior has assigned some activity to somebody reporting to him, creates a concept of measuring effectiveness bridging the two areas. And then, we will see how it can be put in an organizational frame.

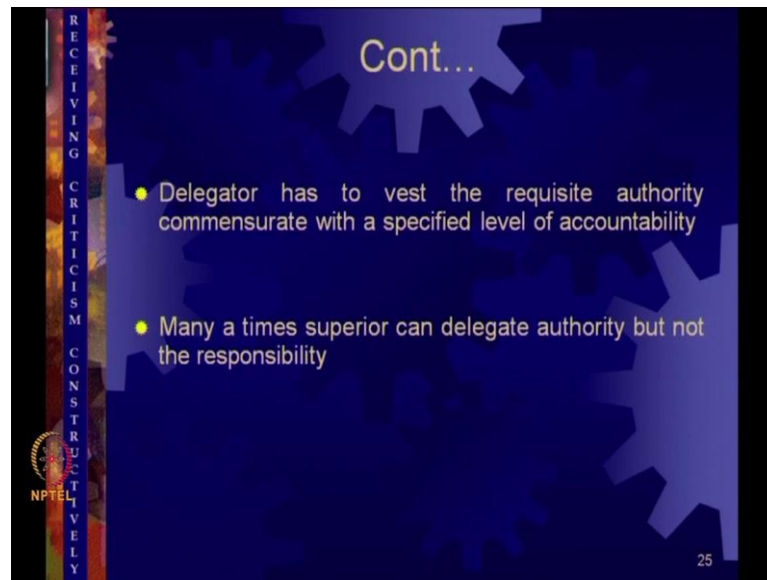
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Delegation is therefore, taken to be a process; it is not an act. It continues in a regular manner and it continues in a manner, where the entire process has to be operated through responsibility staying with the delegator, but the action being vested in the delegatee. It

therefore, becomes a dynamic and a flowing situation. Hence, there are at least two parties involved in the process: the delegator, who delegates and the delegate, who receives. The delegatee is expected to act for and on behalf of the delegator.

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The delegator has to vest the requisite authority commensurate with specified levels of accountability. Now, this is a difficult task. When you delegate a task, you have to give to the person carrying out the task, the commensurate authority; otherwise, nobody is going to listen to him. But delegating to a person a task with commensurate authority by itself is half a step, because you cannot really exercise authority in an organizational frame without having some accountability for the authority, which is vested in you.

You will recall, at an earlier stage, I had talked to you of an information audit. We need to build into the system and accountability audit also. Unless you build an accountability audit, the measurement of effectiveness will always be limited, because we are in an era, where results must be through accountable means; and, means cannot be taken for granted. Many a times, superior can delegate authority, but not the responsibility.

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The slide features a dark blue background with a vertical banner on the left side containing the text 'RECEIVING CRITICISM CONSTRUCTIVELY' and 'NPTEL'. The main title is 'Delegation and Development' in a light blue font. Below it, the sub-heading 'Institutional Delegation' is underlined. Three bullet points are listed in yellow text, each preceded by a yellow dot. The slide number '26' is visible in the bottom right corner.

**Delegation and Development**

Institutional Delegation

- Delegation by capitalist to professional managers in private sector has contributed to the growth of business houses
- Delegation by politicians and bureaucrats to professional managers in public enterprises has been requirement for better performance
- Growing business houses have used delegation to subsidiaries as one of their strategies for growth.

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So, we need to spend some time looking at the issues of delegation and development. And, if you deal with the issues of delegation and development, then we have got to understand that, delegation is very often practiced by the superior to prepare the subordinate for the next level of responsibility. And, preparing the person for the next level of responsibility creates a situation, where delegation is not for the sake of shedding tasks, but delegation is for the purposes of institutional development. Therefore, looking at delegation as an instrument of institutional development, delegation by the person, who has invested in the organization, the person who holds the capital to the professional, the task of running an organization then becomes the primordial task of delegation.

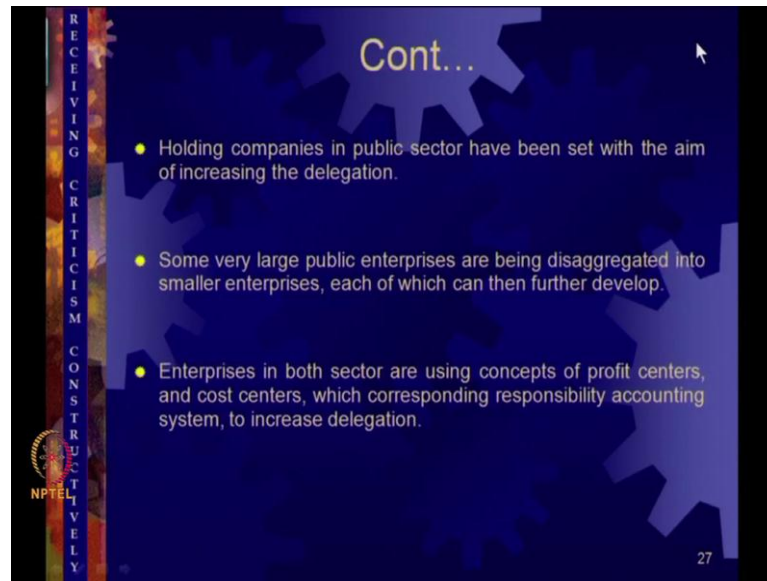
The first delegation takes place, where somebody says in effect, it is my money; I am investing it; the losses will be mine; the gains will be mine; you are a professional; you are a professional manager; now, you run the organization. Very often, this is taken as an act in the private sector. And, many people have seen this as an element of the redeeming features of the private sector. But like everything else, there are huge caveats here. This delegation is there even in the public sector. The money there belongs to the public. The public expresses its will and goes around the action points through the legislature or the parliament, which in turn has a system of working, where cabinets exist, where there are chief ministers at the state level and where there is a prime minister at the central level. And, they decide through the new processes to create a public sector enterprise.

There also, is a delegation on behalf of these people to the professional managers for running an organization. And, they are supposed to develop the enterprise into a functioning hold. So, be it private sector, be it public sector, both of them begin with delegation of what could be called the primordial power. And, yet experienced has it that, in many business houses, the delegation is not to the professionals as it were, but the share holders themselves have acquired the skills, the talent, the competencies of running an organization; in other words, have developed professional skills. So, they are owner, professional, managers. And, this trend is growing, because there is nothing (( )) in a person who has the capital, also doubling up as a professional manager and vice versa.

There are cases where professional managers, who began as professional managers have subsequently decided to set up an enterprise of their own and have gone entrepreneurial. So, that case has a process reversal as it were and people, who have professional skills get the capital and set up an enterprise. There is no delegation there then. So, it is that, the process of delegation has many shades of meaning, many layers and no over simplification will do justice to the concept of understanding the multiple manifestations of the delegation process.

Then, there are other manners of delegation. Typically, the business house – it is conventional to refer to private enterprises as business houses; but public enterprises can also be business houses, because they transact business. So, it is a question of the meaning you are tribute to the word business. But irrespective, what happens is, when subsidiaries are created, the holding company delegates to the subsidiary certain prerogatives and then incorporates their results into its own. And, the performance of the subsidiary then becomes a part of the performance of the overall holding company. This strategy, where the growth of a subsidiary becomes the growth of a holding company is also a delegation of sorts. And, the larger proposition is, in each case, the human element is involved and so is the structural component of an enterprise action.

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There are other layers to this discussion to which I would like to draw your quick attention. The holding companies in public sector have been set with the aim of increasing the delegation. So, at least in public sector, there is a virtue attributed to delegation at least so far as the managerial principles are concerned. Though in practice, it has been noticed that, in public sector also, the will of the top management often reflects itself in an implicit manner on the actions of the subsequent levels of management. Be that as it may, it is important to understand that, a holding company in the public sector can afford to practice delegation in a wider sense than the private sector; because after all is set and done, the public accountability of the public sector is definitely higher than the public accountability of the private sector.

In the same breath, it needs to be pointed out that, with the increasing role of SEBI or the other regulatory agencies, the pristine autonomy of the private sector now is in many ways (( )) by the compulsion to put the operation of the private sector in the frame work of the will of the regulatory agencies. So, what is it that is happening for effectiveness in some of the clusters of enterprise and corporate function be it private, be it public, be it joint venture; or, what is becoming very popular now today in terms of reference – public-private model.

One is noticing a certain effort at this aggregation of very large public enterprises into smaller enterprises. But historically, this is not a new process, which is unprecedented in

terms of antecedents. Remember, how Fertilizer Corporation of India was segregated into different fertilizer units. So, nothing needs to be read beyond a point in these patterns; and, one should confine oneself to the focus of this presentation namely, elaborating upon the effectiveness parameter of assessment of organizations to make sure that one is somewhat familiar with what is it that makes an organization effective.

Enterprises in both sectors – private as well as public are using concepts of profit centers and cost centers, which corresponding responsibility accounting system, to increase delegation. Now, this is a very important concept, which is why I am projecting it on the screen (Refer Slide Time: 18:36). Enterprises in both the sectors, that is, public sector and private sector are using concepts of profit centers and cost centers, which corresponding responsibility accounting systems, to increase delegation. To put it simply therefore, in operational terms, delegation has become an instrument of management.

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RECEIVING  
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Cont...

Inter-personal Delegation

- Delegation is potentially the greatest encouragement that many institutions can offer for individual development.
- Self development through delegation leads to high motivation, low resistance, and economies of psychic self-development.

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And, as has been pointed out, operates both through the individual and through the structural components. Delegation is potentially the greatest encouragement that many institutions can offer for individual development. Power is a basic driving force. And, the option of exercising power on behalf of the organization is important in as much as it caters to one of the basic and natural instincts for action; which is why, in many organizational management organizational behavior courses, the study of power and authority is an integral part of the exercise. Indeed self-development through delegation

leads to high motivation, low resistance, economies of psychic self-development. This is a proposition, which very often is true, but is not a universal recipe. Wide wise say that, it is not a universal recipe. The reason for that is simple. If delegation alone and single handedly could cause high motivation, low resistance, and economies of various order, then motivating people would be the least problematic effort; and, one will only have to delegate and the problem of motivation is solved.

To carry the argument further, one needs to understand that, there are difficulties in delegation. And, in fact, the results cannot always be either programmed or indeed predicted. What are some of the basic underpinnings of human behavior, which are well acknowledged though they may not be universally true. First, let us talk of the delegator. The delegator may be unwilling to delegate, because the sheer feeling of people coming to you to make a request, to persuade you, to convince you and make you feel important, is indeed one of the very sought after perquisites, which arise out of being an authority. It gives a great sense of purpose to many people; especially those with those fragile egos; especially those who have not been oriented in proper use of authority or power. But that is not a discussion we can get into here.

What I am trying to put across to you is a simple proposition. For whatever reasons – psychological, social, personal, you name it, the delegator may be unwilling to delegate. After all, what is the point of rising to particular level and then discovering that all the parts, which are invested in you are anyhow meant to be exercised by people other than you. Then, there can be issues of the delegator unable to delegate. He is unable to delegate, because the risks are very high. And, if the act went wrong, his head would roll and he is not willing to walk through that. And, there is another shade of inability, which is perhaps worse – the delegator has no skills of delegating. He does not know how to delegate. A typical example would be, he delegates the tasks; does not delegate the control over resources. So, the person has to keep coming back to him to get access to the resources. It is amazing, where people sense of power get tickled.

I have known CEOs of enterprises worth or institutions worth more than a 100 crores of operation keeping with themselves the prerogative of allocation of the cars as to which car will go where; and, with whom through the day. And, when I asked, why the seemingly trivial task was still vested in the CEO, who presumably should have better things to do, the reply as you can imagine was a classical one. When you see doc, if I

were to give the prerogative to my subordinates, they will be huge misuse and there will be tremendous wastage.

Now, that is an answer, which I was not willing to arguments. But what went through me is if you have as a CEO, a COO, that is, Chief Operative Officer, a person who cannot be even trusted to be objective and scientific in the allocation of cars through the day; and, you are worried about misuse and you are worried about losses. Why (( )) do have such a person as CEO, I cannot understand. But I was not willing to push for that discussion beyond the point, because as we all know, pushing for a perspective beyond a point with a person, who is basically not in sympathy with that perspective is straining the relationships considerably.

I have been so far talking to you about the delegator. The same two options of unwillingness and inability or incapability – choose your word – applies to the delegatee. The delegatee may be unwilling to accept the tasks delegated to him, because the approach is very simple – why should I add to my work? I am quite happy; doing what I am supposed to do; my salary is not going to increase; my time commitment to work will increase; my risk of being faulted increase; and, how does it matter to me? So, why should I accept any delegation?

And, there are many people, who turned down what is delegated to them only because they do not want to take all that extra work. And, like in the case of the delegator, there is the other dimension of the delegatee being unable or incapable of discharging the tasks, which like in the case of delegator. I told you, is an infinitely more worrying proposition, because this raises huge issues of skill, competency and ability to operate the system. If that be accepted, then there is a managerial prerequisite of delegation.

And, the managerial prerequisite really is, prepare your subordinates to receive authority and power. If you do not prepare your subordinates to receive authority and power, then when you do delegate, it may misfire. In operational terms, field experience has very often shown that, at specially at the top level, action points are given to a delegatee in domains, where the delegatee really does not have any experience; but given his seniority, his is not willing to accept it; and, worse – his superior is keen to delegate, because there is a risk involved in that action and the superior does not want to have the primary responsibility if anything goes wrong. To sum up therefore, this part of the



discussion, effectiveness parameter is sought through the instrument of delegation, have several inbuilt constraints. And, those constraints will have to be negotiated and worked through before progress can be registered.

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And, typically, there can be delegator unwillingness; there can be delegator inability; there can be delegatee unwillingness; and, there can be delegatee inability. More can be said, but just about on every topic, more can be said. For the purposes of our present elaboration, they should work. But then the story does not conclude. A misfired delegation will cause the delegator to lose faith. And, this loss of faith maybe hurt his values to a point, where once bitten, twice shy becomes the rule. You delegated a couple of times; it did not seem to work, because it misfired and you had to do the mopping up and you had to step in and you had to do it anyhow in much less time. So, next time, when opportunity comes to delegate, you are triply conscious and you do not really want to.

I would urge potential managers and practicing managers to desist from this pitfall. And, the reason for this is very simple. Let me put it in a light-hearted way, but you remember, the example. Remember, the first time you fell in love and the love turns sour. Love has a strange propensity to turn sour. But did that prevent you from falling in love all over again and yet again? And, if I might say so, yet again? Now, if you do not stop, falling in love merely because it turns sour, why do you stop delegating if it turns sour? Now, you

might feel amused at that analogy. But the analogy is extremely relevant. It is rooted in two observations and both of them serious social science observations. First is, if one social science experiment; in this case, with managerial overtone misfires, you do not assume that the same causative factors will be available in the second experiment. And, the scientific basis for that is very simple. It will be a different person as a delegatee there; he may not botch it up. 2 – Delegation is the logical way of multiplying yourself and raising effectiveness; it cannot be abundant only because it turns sour.

It is like saying, because an aircraft has a crash, you call off the flights of all other aircrafts. The done thing would be to find out why that aircraft crashed and done thing would be to take preemptive measures to ensure the flights of other aircrafts. And, that is the art of management. The same thing applies to delegation. If delegation does not work out, find out why it did not work out. And, please put in place, please install ways of making it work.

The principle of delegation is without questioned worthwhile and needs to be pursued to make management work as it should. So, I have been discussing with you a situation, where the delegator lost faith. There can be an equal situation, where the delegatee has lost face. And, the delegatee feels that he is never given proper authority; he is always hold up for targets, which he could not achieve, because they were not achievable. And, what is more? It creates all types of jealousies at a peer level; but just not worth it; he loses faith in receiving delegation.

And, that is an equally sad situation for the organization. But it is my case that, before practicing delegation, one should be clear that delegation per se is a sound principle of multiplying time, training people, creating a culture of confidence and accountability. And therefore, if there is loss of face at the delegator level or the delegatee level, it needs to be analyzed and cleaned up.

One of the other limitations could be organizational rejection. The organization as such does not enable delegation to be practiced, because the person to whom the authority has been delegated is either unable to exercise the delegation or is unable to understand how to negotiated it. In either case, it is necessary to prepare the organization to take it forward.

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That brings us to the study of behavioral dynamics of the delegation and the delegator. Take a look at this slide. And, then I will be walking you through. I have been talking to you about the inability, unwillingness, reservations of the delegator and the delegatee. And, I thought it useful to elaborate in a projection mode, some of the contributory factors, which lead to unwillingness and inability on the part of the delegator.

Unwillingness would be because of need of power; I have already referred to it. It may be lack of confidence; it may be fear of better performance by subordinates. So, the superior does not want to upstage. This is a bigger truth in organizational life that most people suspect. There is in many people, tremendous reservation against talent. And, I will sight to you two illustrations of this, which will help you to understand, where there would be unwillingness on the part of the delegator.

Talent has a strange way of manifesting itself. And, if the superior that does not have the necessary confidence in his own position, his own ability or necessary confidence in his role to develop people, he will be very worried about delegating to a person, who he knows he is more capable than him, because his fear may be – he may acquire greater respect and task discharge than the person who delegated par to him. I will narrate to you a hypothetical situation, where a deputy director of an institution was a very powerful and capable man. The director of that institution was neither that capable nor that powerful. So, for all practical purposes, the tail was wagging the dog; and, people knew

that it is the deputy director who matters. Once the deputy director decided to go on leave; so, people asked, who will officiate when the deputy director is on leave? And, the answer came, the director of course. In other words, when the deputy director is on leave, the director will officiate for him.

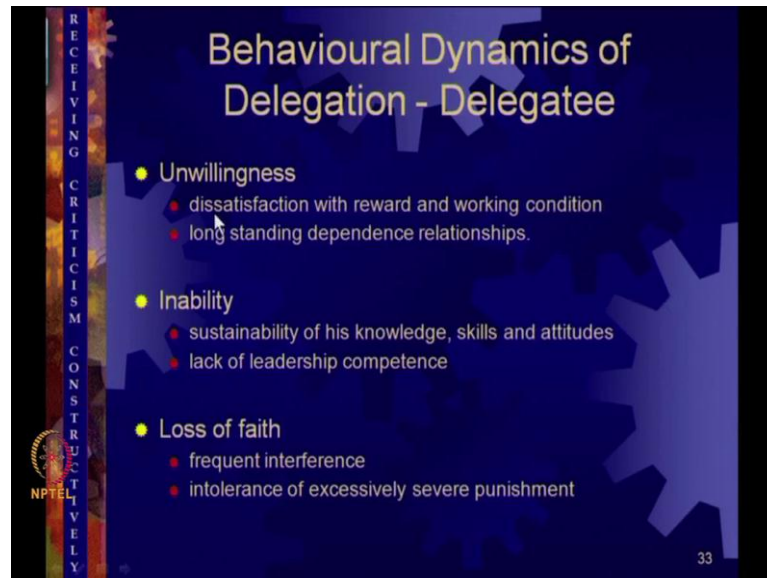
Now, if you see the irony of the place and the irony of the situation, you will understand the parody. There is a fear of better performance by the subordinate; and, the superior does not want to risk it. In that situation, there will be unwillingness of the delegator. Similarly, there will be inability of the delegator, because the person is incapable of planning; the person has administrative weakness; the person has weak communication. All these are possibilities. And, the superior officer has limitations of planning; has limitations of the administrative ability; has weak communication. Then, you can rest assure, he will be reluctant to delegate.

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And finally, there is loss of faith. If I delegate, I will be upstage. There is perceived disloyalty; perception that delegation cannot work in India; which I would rather not discuss, because perceptions are not often correlated to reality; but in any discussion on management, it is just as well to document the observation.

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Similarly for the delegate; the unwillingness may cover dissatisfaction with the reward and working conditions. So, why should I accept it? After all, there is no reward in my doing it. So, I do not want to do it. Very commonly heard; a little childish perhaps, because people accept reward almost task for task, which can never be the situation. But I do not want to enter into a debate on that; I am like in many other things, expressing it clinically, so that you can understand what will lead to a behavioral rejection by the delegatee of the opportunity to receive delegation. And, remember, whether this is inability on part of the individual receiving the delegation or individual giving the delegation. It really affects effectiveness.

Another reason for this delegatee's unwillingness to accept delegation would be the longstanding dependency relationship. He has always been so dependent upon the superior that, he just cannot handle power when it is given to him. For the inability, sustainability of his knowledge, skills and attitudes, and he does not know whether he will be able to keep up with it; which is why it is called inability. Lack of leadership competencies; he is just not a leader. So, there is no point in delegating to him. And finally, like in the case of a delegator, there can be loss of faith; that is, frequent interference; intolerance of excessively severe punishment. And, in both cases, it can lead to loss of faith.

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Now, there are dynamics of limitations of delegation in the organizational frame. And, I am sure you saw it coming, because if I was discussing the personality, I was also going to get into a discussion on the structural process, components of the organization to look at the issues of delegation and see how it affects effectiveness. And, I will walk you through this in a brisk manner, because some of this you may already have anticipated in light of the discussions, which we had. And, the limitations of delegations structurally would be on clear roles. This is the structural limitation to delegation. Another limitation in the structure for delegation would be inappropriate span of control. Be it unclear roles or be it inappropriate span of controls, both of them would limit the act of delegation.

In terms of processes, there can be structural constraints by way of low motivation, sharp conflict, poor interpersonal relations, defective inter-group cooperation. Not the best place to get into extended elaboration; but the larger point you have to understand is, the process factor in the organization may be less than perfect. Therefore, may prove to be an impediment in causing delegation, which in turn will have its effect on the effectiveness parameters of the organization. And, therefore, processes have to be tuned up if you want effective delegation to take place.

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There can be other constraints. And, they can be under the heads control or plan or information. Control can be a factor in limiting delegation, because there can be partial or distorted information. Control can be a factor in making delegation redundant, because there is an absence of control data. In both cases, whether it is partial or distorted information or absence of control data, delegation will be imperfect, because the person, who is getting the delegated parts – delegatee will not have the necessary... where without a deliver.

Similarly, if the organization has a lack of deficiency, in a wider planning process, delegation would not work. And, in having a wider planning process, you will have to have a place in it for delegated action. There may be a simple lack of awareness of the advantages of delegation. So, people do not see the significance and are not up to handling it. Unsystematic generation and use of data; inadequate joint planning and control – are all factors, which would require you to understand that information has an over role in action points so far, as delegation is concerned.



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RECEIVING CRITICISM CONSTRUCTIVELY

## Making Delegation Effective

Delegator

- Develop confidence in self
- Repose faith in the delegatee
- Prepare him for increased responsibility
- Adopt systematic discipline of planning and control
- Develop own vision of self-actualization beyond the ego

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That brings us to summing up of the factors, which make delegation effective. Develop confidence in self; repose faith in the delegate; prepare him for increased responsibility; adopt systematic discipline of planning and control; develop own vision of self-actualization beyond the ego; and, you have got delegation going. You have effectiveness reinforce and you have at hand a recipe for success.

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RECEIVING CRITICISM CONSTRUCTIVELY

## Making Delegation Effective

Delegatee

- Develop visions for self-actualization beyond utilitarian bargaining
- Develop confidence in self
- Overcome guilt in exercising legitimate authority
- Understand delegator's anxiety and be open to feedback and counseling
- Seek opportunities for training and development

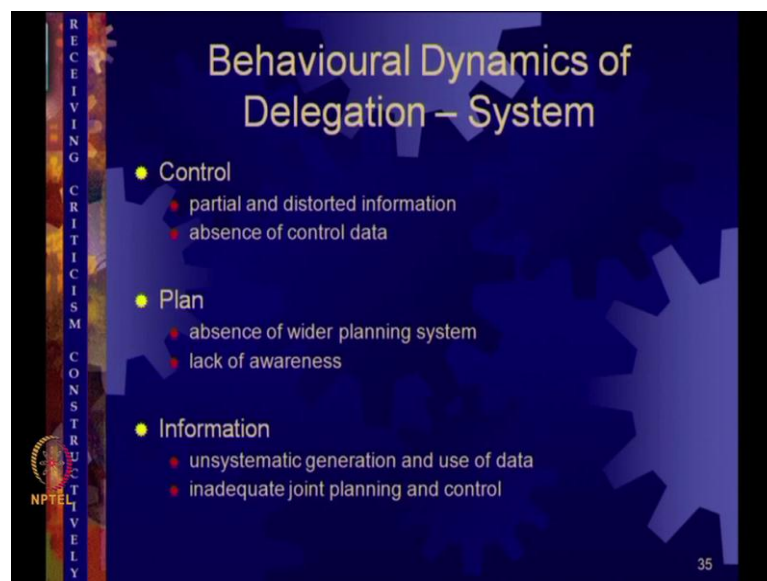
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And, the same would apply for a delegate, where the list would include developing vision for self-actualization beyond utilitarian bargaining; develop confidence in self;



overcome guilt in excusing legitimate authority; understand delegator's anxiety and be open to feedback and counseling; seek opportunities for training and development. Let me leave this here for a while to make sure you grasp the full implication of it, because for making delegation effective, be it the delegatee or be it the delegator, these elements are extremely important; not only for making delegation effective for making the organization effective; which again, as I told you, would require efficiencies and excellence in everything.

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In a systems frame, delegation can be impaired if the control patterns are partial or distorted, because of inadequate information. The delegatee may not be able to perform, because he never had the information, which he was looking for. There can be an absence of control data. If you do not have the control data, then you are not in a position to have any idea of the interventions, which you as a person in authority are meant to exercise. So, for us, plans are concerned if there is an absence of a wider planning process in the organization.

Then, delegation will not work, because systemic integration across the vertical will be absent. And, indeed you may have a plan, but you are not even aware of what the plans are. In many organizations, there is nothing wrong with the planning process; but there is every deficiency in the awareness of the plan both longitudinally and laterally. Furthermore, unsystematic generation and use of data will create a situation, where

uneffective delegation will be the rule and inadequate joint planning and control would be the result.

One then, moves on to the ways of making delegation effective and the organization effective. And, I want to run you through certain concerns, which will make the delegator effective; and, I will then show to you certain concerns, which will make the delegatee effective and conclude with an analysis of certain concerns, which will make the institution more effective if they are practiced. First, let me project it; and then, I will try to put in a few words of explanation.

If you read the five ideas listed there; which help to make the delegator effective in a delegation situation, the first would be developing confidence in self; the second would be repose confidence in the delegate; the third would be prepare him for increased responsibility; the fourth would be adopt systematic discipline of planning and control; and finally, develop own vision of self-actualization beyond the ego. If you are a delegator with these traits, you will find that you will be able to make the organization more effective by the act of delegation.

Similarly for the delegate. There are five suggestions: develop vision for self-actualization beyond utilitarian bargaining; develop confidence in self; overcome guilt in exercising legitimate authority; understand delegator's anxiety and be open to feedback and counseling; seek opportunities for training and development. And, if you read these five elements carefully, you will notice that, you have the makings of an effective delegate. However, to clinch the issue, you need institutional instruments of making delegation effective and thereby making for a more effective organization. And, that is where the discussion on effectiveness will be concluding.

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But, let me draw your attention to four propositions, which are worth internalizing. Create and sustain long term visions of corporate development – then, an organization is effective. No organization can survive from day-to-day; it must have a long term vision. There needs to be faster role clarity, constructive human relations and positive organizational culture – that should be observed. Faster role clarity, because roles keep evolving; constructive human relations – relationships between the people should be based on faith and operational significance; and, positive organizational culture – there should be no nitpicking; even if errors are made, make sure you support the other person to higher levels of performance. Demand that managers use proper systems of control – and, remember the word control here, is a concept of keeping an organization on track. And finally, include effective delegation and subordinate development as criteria and performance appraisal.

Now, if you have these four ideas ingrained in your institutional operation, you have at hand, an operational situation, which is conducive to effectiveness. It is not by any means and exhaustive (( )) of ideas, but in listing to what I had to say on making an organization effective; or, what is really termed as dealing with efficiency and excellence. Converging on effectiveness of the organization, you will have had some interventions, suggestions – some behavioral modification suggestions and some organizational development suggestion, which will help you not only to understand what

effectiveness is, but help you to see more clearly, the measures of effectiveness, which is the ultimate conclusion of all managerial action.