DELEGATION OF AUTHORITY IN CONSTRUCTION PROJECT MANAGEMENT : CASE IN PUBLIC ORGANIZATIONS IN SRI LANKA

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Abstract

A considerable portion in the construction industry of Sri Lanka is covered by the government sector and organizational structure of most of them is different and they use different strategies for performing projects. There is no unique organizational structure for all the organizations in the government sector in the construction industry. Most of organizations in government sector follow a centralized management system and decentralized system not much significant.

Central Engineering Consultancy Bureau (CECB) as a government organization bare a large portion of construction and consultancy works in the construction industry of Sri Lanka at present and it is a grate example for practicing decentralized management system to perform project undertaken by it. It has separate eighteen sub divisions under Additional General Managers and this separate sub divisions function independently with sub organizations structures using delegations of authority. Deputy General Managers, project managers and other technical staff members directly working under Additional General Managers. Five AGM divisions of CECB out of eighteen were selected for the case study done under this research and three persons namely AGM, DGM and PM were interviewed from each division according to a semi-structured interview. Content analysis and cognitive mapping techniques were used for data analysis in this research. Cross-case analysis includes a comprehensive comparison between the selected cases and with the extant literature.

It was observed that there are three most significant features affect to superiors in delegation of authority Viz.; saving time and energy, releasing of operational working load, opportunity for real top management functions and five most significant features affect to subordinate in delegation of authority Viz.; autonomy, decision making, responsibility, participation, and motivation and satisfaction and six most significant factors leading to effective delegation of authority Viz.; goals and roles, authority, communication, control mechanisms, trust and understanding, and rewarding and training.

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ABBREVIATIONS

CECB   - Central Engineering Consultancy Bureau

AGM   - Additional General Manager

DGM   - Deputy General Manager

PM   - Project Manager

RE   - Resident Engineer

SE   - Site Engineer

KLN   - Kilinochchi

SP   - Special Projects

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A Study Submitted In Partial Fulfillment of the Requirements of the Degree of Master of Science in Project Management

Declaration

I hereby declare that this submission is my own work and that, it contains no materials previously published or written by another person nor material which, to a substantial extent, has been accepted for the award of any other degree or diploma or a University or other institution of higher learning, except where an acknowledgement is made in the text.

UOM Verified Signature

J.A.D.R. Sujith Kumara

19th February 2010

I hereby acknowledge that Mr. **J.A.D.R. Sujith Kumara** has followed the dissertation process set by the Department of Building Economics

UOM Verified Signature

Dr. Sepani Senaratne

Dissertation Supervisor

Date

CHAPTER 01

INTRODUCTION

1.1 Back Ground of the Study

A considerable portion in the construction industry of Sri Lanka is covered by the government sector and this involvement is very much important in every aspect. It is observable that the organizational structure of most of them is different and they use different strategies for performing projects. There is no unique organizational structure for all the organizations in the government sector in the construction industry. Not like in private sector, most of organizations in government sector follow a centralized management system. But, it can be identified some decentralized management systems in government sector also.

An organization has to make strategic and operational decisions. Where and by whom should these decisions be made? How should the organization structure be adapted? Centralization and decentralization are two opposite ways to transfer decision-making authority and to change the organizational structure of organizations accordingly.

According to a case study carried out by Patrick et al (1999) on a major road construction project in UK, it was identified that by revising the project management structure from traditional form of managerial control which is the top down with the tendency to operate in an authoritarian and adversarial manner to a flatter management structure based around autonomous self managing teams, the project was completed very successfully moving from the brink of collapse. In their case study, they investigated the decentralization of control of work and observed the several features of the management system, such as a multi-functional team with considerable autonomy and a "no blame culture" for completing the project successfully.

The success of a project depends on several factors and the decision-making authority at field level is very important in achieving the set targets of a project. It is observable that most of the projects are delayed unnecessarily due to some difficulties in making decisions at the real

occasions as the site staff does not have the required authorities to make some needy decisions. They have to contact the senior management of the organization to get the approval even for small minor matters. Normally it takes more time to follow the procedures and to communicate with the senior management as they are in busy schedules. This process creates an unnecessary time delay as well as an additional cost without having any useful outcome. Real time decision making is very important in a construction project and failure to make correct decisions which should be made in particular occasions, mainly leads to delay the projects and hence cost over run and bad quality outputs could be occurred. Bottlenecks in decision making that are often caused in governmental organizations affect to fail some construction projects due to impossibility to do proper planning and control of important activities (Litvack, 2009). Jensen and Meckiing (1992) argued that the limited capacity of the human mind and the costs of producing and transferring knowledge mean that knowledge relevant to all decisions can never be located in a single individual or body of expert. Thus, if knowledge valuable to a particular decision is to be used in making that decision, there must be a system for assigning decision rights to individuals who have the knowledge and abilities or who can acquire or produce them at low cost.
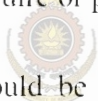
This issue should be discussed deeply to analyze the real causes of insufficient decision making authorities at the field level and the positive outcomes of the delegation of authority in government sector organizations for the successful completion of construction projects. It can be proposed to delegate the authorities for the project staff of government sector organizations which are dealt with construction industry. But, not like in private sector, it is a very difficult task to introduce such a system to government sector as it needs following several procedures and those organizations are wrapped with very tight rules and regulations. Hence, it should be done in a proper way by analyzing all the ways and means to develop a well planned decentralized organization structure to facilitate for the delegation of authority. Transference and accountability act a vital role in this type of structures.

Hence, giving more attention and concentration on delegation of authorities to the site staff is very valuable and it facilitates to complete construction projects more successfully without having many disputes which generally occur in construction projects.

1.2 Aim of the Research

Aim of the research is to identify the effects of delegation of authority to superiors and subordinates and the factors leading to effective delegation of authority in construction project management of government sector organizations in Sri Lanka.

1.3 Objectives

(01)   To identify the benefits in decentralization and delegation form of decentralization.

(02)   To identify the concepts and ways of delegation of authority in project based organizations.

(03)   To identify the effects to superiors and subordinates in delegation of authority in construction projects of government sector organizations in Sri Lanka.

(04)   To identify the factors leading to effective decentralization and delegation of authority in construction projects of government sector organizations in Sri Lanka.

(05)   To propose a system for an effective delegation of authority for successful completion of construction projects undertaken by government sector organizations in Sri Lanka

1.4 Research Problem

Though the government sector organizations in construction industry bear a considerable potion in construction projects, always there is a complaint to them for not completing the given projects within the allocated time frame and cost budget with the required quality aspects. Among the several general factors affecting for this, the insufficient decision-making authority and financial authorities that prevail in the field level could be considered as a significant cause for this issue. According to external literature, it is noticeable that most of site staff in government sector organizations does not have the required authorities to make decisions at field level due to their organizational structure and the level of the delegation of authority. In most of projects, an unnecessary time delay could occur by following some

unsuitable procedures when making decisions which could have easily be made at the field level and avoid unnecessary expenditure and time that incur in current construction projects.

1.5   Methodology

Mainly this research will be done using case studies. The main reason for selecting a case study method is availability of sample populations for this particular research topic is very less within the government sector organizations in Sri Lanka in construction context. Therefore, it is very important to do a deep observation on the influences of decentralization through delegation of authority using the existing systems. Already there is one government sector organization which has been introduced decentralization methods to their organization structure to perform construction projects. The Central Engineering Consultancy Bureau (CECB) is the one that has being decentralized effectively. In CECB, there are many projects available to do a detail study and there is a great opportunity to touch some critical occasions where the delegation of authority helped to overcome some issues for the successful completion of the projects. Thus, five projects within CECB will be selected for case studies.

1.6   Scope and Limitations

In this research only one organization which is CECB will be selected for the case studies as it is the most suitable government sector organization which has been already decentralized in construction context. Considering the time constraint it is decided to select only five divisions of CECB for this case study. But these five divisions covered seven provinces in Sri Lanka namely: North, North Central, East, North Western, Central, Uva and Sabaragamuwa according to the physical dispersion of these divisions. Hence, limiting to five divisions may decrease the complexities while providing a good sample population.

CHAPTER 02

LITERATURE REVIEW

2.1 Introduction

The aim of this chapter is to review the literature on delegation of authority and decentralization in organizations and how it affects to the superiors and subordinates of the organization in project management decision making. Some of them will provide a better understanding of the most important aspects of delegation of authority in organizations and how it supports decision making at the lower tiers. Further this chapter aims to identify some general features and discuss key aspects of decentralization through delegation of authority and to search the factors that affecting for an effective delegation of authority.

2.2 Centralization and Decentralization

Centralization and decentralization are two opposite ways to transfer decision-making authority and to change the organizational structure of organizations accordingly. The aim of this section is to observe main differences of these two concepts.

As observed by Fayol (1949), everything which goes to increase the subordinate's role is decentralization; everything which goes to reduce it is centralization. According to Koontz and Weihrich (1988), decentralization is the tendency to disperse decision making authority in an organizational structure and it is centralized when the authority is not delegated. As indicated in Figure 2.1, there could be absolute centralization of authority in one person. But that implies no subordinate managers and therefore no structured organization. On the other hand, there cannot be absolute decentralization, for if managers should delegate all their authority, their status as managers would cease, their position would be eliminated, and there would again, be no organization. Centralization and decentralization are tendencies as in the Figure 2.1.

Complete centralization   Complete decentralization

(no organization structure)   (no organization structure)
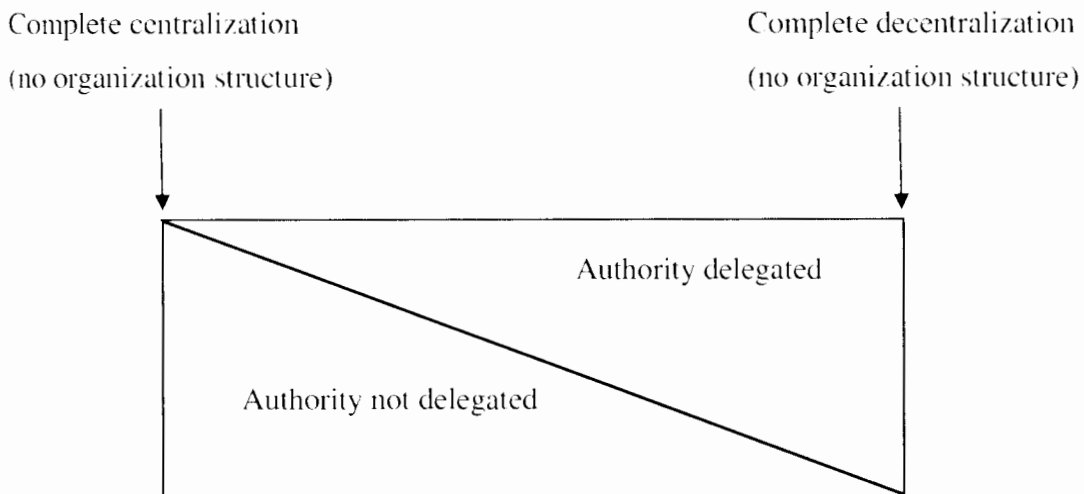
Figure 2.1: Centralization and decentralization as tendencies

Source: Koontz and Weihrich, 1988, Management, P 219

According to Newcombe (1996), centralization is defined as the process of transferring and assigning decision-making authority to higher levels of an organizational hierarchy. In a centralized management system, the process of transferring and assigning decision-making authority to higher levels of an organizational hierarchy and knowledge, information and ideas are concentrated at the top, and decisions are cascaded down the organization. In this system, the span of control of top managers is relatively broad, and there are relatively many tiers in the organization. But, in a decentralized management system, all above factors are opposite and the decision - making authority has been moved to lower levels or tiers of the organization, such as divisions, branches departments or subsidiaries. Here knowledge, information and ideas are flowing from the bottom to the top of the organization. In a decentralized organizational structure, the span of control of top managers is relatively small, and there are relatively few tiers in the organization, because there is more autonomy in the lower ranks. The Figure 2.2 illustrates a Skelton to get an idea about centralization and decentralization. It clearly indicates that in a centralized organization all the divisions are directly connected to the central point of the organization while in decentralization the sub divisions are connected to the semi autonomous divisions not to the central point.
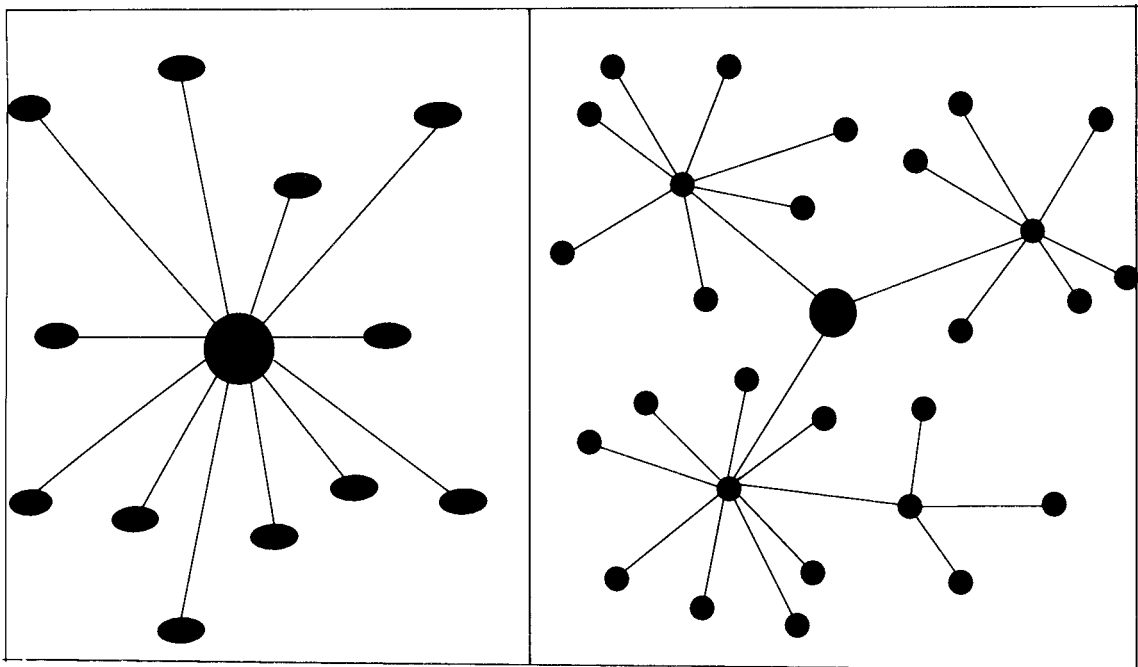
Figure 2.2: Centralization and Decentralization

Source: http://www.12manage.com web site

A main objective of this research is to study about decentralization and delegation form of decentralization. Hence, this study is focused only to decentralization which is discussed in detail next section.

2.3 Decentralization

The aim of this section is to review the literature on decentralization briefly to identify the concepts, benefits and main features of it. It can be noticed that there are two closely related concepts in decentralization namely decentralization as distribution of authority through out the organization and decentralization resulting from the establishment of semi-autonomous divisions or profit centers. The decentralization as distribution of authority is mainly related with the delegation of authority to subordinates by superiors to facilitate them for making decisions as required to perform their duties effectively. In the decentralization resulting from the establishment of profit centers, the divisional managers are delegated full operating authority and held responsible for the performance and profitability of their divisions.

Robbins and Coulter (2005) described decentralization as 'distribution of authority'. According to him, organizations in which decision making is pushed down to the managers who are closest to the action as decentralized organizations. As organizations become more flexible and responsive, there is a distinct trend toward decentralizing decision making. In large companies especially, lower level managers are closer to the action and typically have more detailed knowledge about problems and how best to solve them than do top managers. Agarwal (1982) further described that decentralization means wide distribution of authority throughout the organization so that managers at various levels have adequate authority to make their job-related decisions. Hence, in decentralized organizations, more decisions are made at lower levels (Bateman and Snell, 2002). Ideally, decision making occurs at the level of people who are most directly affected and have the most intimate knowledge about the problem. This is particularly important when the business environment is fast changing and decision must be made quickly and well.

Dale (1952) advanced the following criteria for evaluating the extent of decentralization in an organization. According to him, greater is the extent of decentralization when the larger is the number of decisions made by managers at lower levels of hierarchy. More important are the decisions made by lower-level managers. For example, in an organization where the first line supervisor can made a purchase decision, decentralization is greater than in another organization where he cannot do so. More the decisions made at lower levels affect a number

of functions. For example, decentralization is greater in an organization where the first line supervisor is permitted to make monthly production decision than in another company where he cannot make such a decision.

On the other hand, Agarwal (1982) described decentralization through divisionalisation. Companies organized as semi-autonomous divisions with decentralized operations and centralized controls are often called as decentralized companies. In such organizations, policy making in vital areas such as capital investment, bonus, marketing strategy, etc is centralized at the corporate headquarters. A control system is instituted to ensure that the managers of semi-autonomous units, often called divisional managers, have full operating responsibility and authority for managing their units.

Curtice (1955) stated that the management technique used by Alfred J. Sloan for managing General Motors to move from the brink of collapse to one of the most successful companies in the world by applying decentralization in following way. He divided the company into as many parts as can be done, place in charge of each part the most capable executive that can be found, develop a system of coordination so that each part may strengthen and support each other part ; thus not only welding all parts together in common interest of a joint enterprise, but importantly developing ability and initiative through the instrumentalities of responsibility and ambition-developing men and giving them an opportunity to exercise their talents, both in their own interest as well in that of business.

Thus Curtice (1995) viewed decentralization is indeed a philosophy, a technique and a tool of management. It is the top management's belief that employees at all levels have the abilities and willingness to take initiative and responsibility. It is also a technique of organizing wherein the company is divided into semi-autonomous units with decentralized operations and centralized policy making and control. Decentralization is also a tool of motivating and developing employees. Entrusting people with responsibility provides them recognition and a sense of worth. It also provides them room for initiative and satisfies their need for autonomy and challenge.

According to above explanations, the term decentralization has been used to refer to two closely related concepts, namely, Decentralization as distribution of authority throughout the organization and Decentralization resulting from the establishment of semi-autonomous divisions or profit centers. Figure 2.3 shows these two closely related concepts.
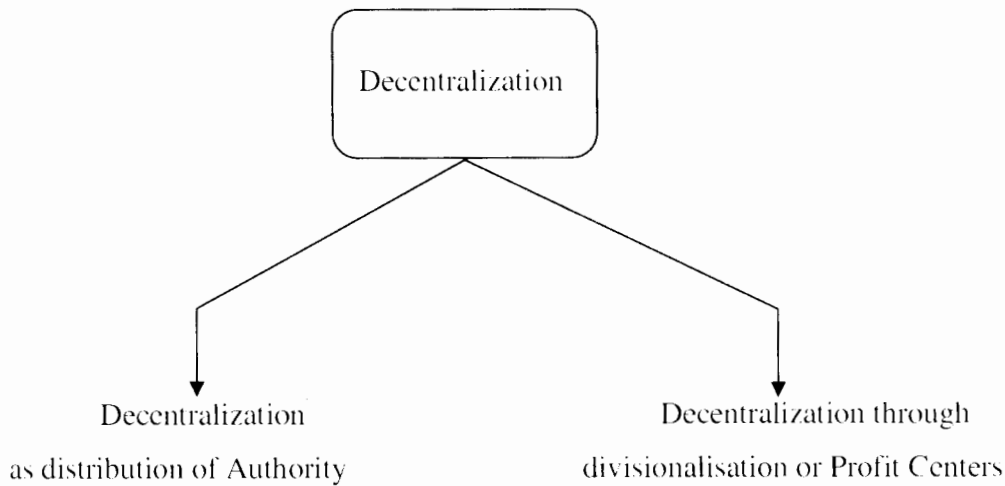
Figure 2.3: Two closely related concepts of decentralization

As shown in Figure 2.3, in one concept, decentralization is done by forming sub divisions or profit centers. According to Agarwal (1982), decentralization through creation of semi-autonomous divisions or profit centers is called federal decentralization. These divisions became responsible for their outputs as well as for their overall performance and profits. They functioned with fully responsibility and corresponding authority within the framework of broad corporative objectives, strategies, plans and policies. In a divisionalized organization, the management has a very important role to play. Among its major functions are determination of long and short range objectives, strategies and policies which provide a framework for the operation of its divisions. The divisional managers are delegated full operating authority and held responsible for the performance and profitability of their divisions.

In the other concept, decentralization is considered as distribution of authority through out the organization. Agarwal (1982) pointed out that while delegation refers to the transfer of

authority by the superior to the subordinate, decentralization connotes distribution of authority throughout the organization. Decentralization is thus the result of delegation. More authority is delegated by managers to their subordinates, more it will lead to its decentralization.

Out of these two closely related concepts of decentralization, only decentralization as distribution of authority concept will be focused in this research. Decentralization as distribution of authority is mainly related with the delegation of authority to subordinates by superiors to facilitate them for making decisions as required to perform their duties effectively. Hence, in next sections the literature will be reviewed to identify the nature, process, effects of delegation of authority to superiors and subordinates and factors leading to effective delegation of authority.

2.4   Delegation of Authority

The aim of this section is to review the literature in important areas of delegation of authority to identify concepts and ways of transferring decision making authority in organizations and to identify the benefits of delegation form of decentralization. Mainly this literature on delegation of authority is organized under three main areas namely; perspectives on nature and process of delegation, effects of delegation of authority to superior and subordinates, and factors leading to effective delegation of authority as shown in Figure 2.4.
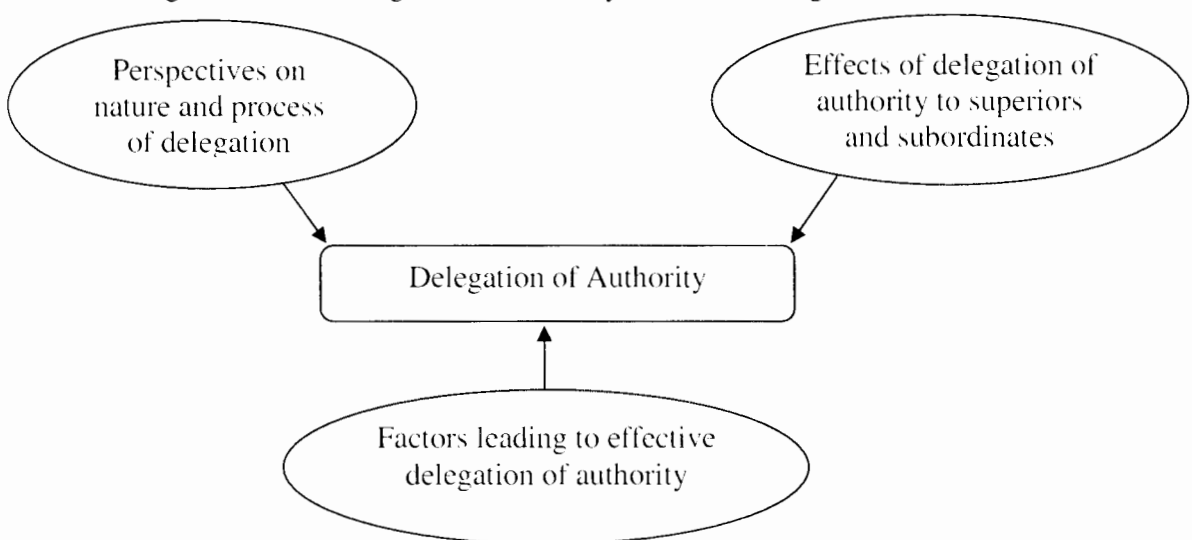
Figure 2.4: Different areas of delegation of authority

2.4.1 Perspectives on Nature and Process of Delegation of Authority

There are several perspectives for 'Delegation of Authority'. Among them, five distinctive perspectives can be identified such as 1.assignment of authority to subordinate by a superior, 2. as an effective system to develop subordinates, 3. as a system to achieve goals in complex project, 4. as an integral component of organizing process and 5. as a flexible system to modify on requirements.

First perspective of delegation of authority is assignment of authority to subordinate by a superior. According to Robbins and Coulter (2005), the delegation as the assignment of authority to subordinates by the superiors to carry out specific duties by making their own decisions as there are limits to any superior's time and knowledge. Jenson (2005) also argued that all the information cannot be moved to a central decision maker, whether a central planner or the Chief Executive Officer in a firm, most decision rights must be delegated to those people who have the relevant information. Robbins and Decenzo (2001) expressed the delegation as an assignment of authority to another person in the lower level for making decisions. According to them the authority should be pushed down through the ranks of an organization for an effective delegation as illustrated in Figure 2.5. As Figure 2.5 shows, Top Managers are in the higher position of the organization pyramid with higher authority while the Middle Managers and Site Managers are in lower tiers of the organization. For effective delegation of authority the authority which is with Top Managers should be pushed down through the ranks of an organization.

Authority

Top
Managers

Middle
Managers

Site
Managers
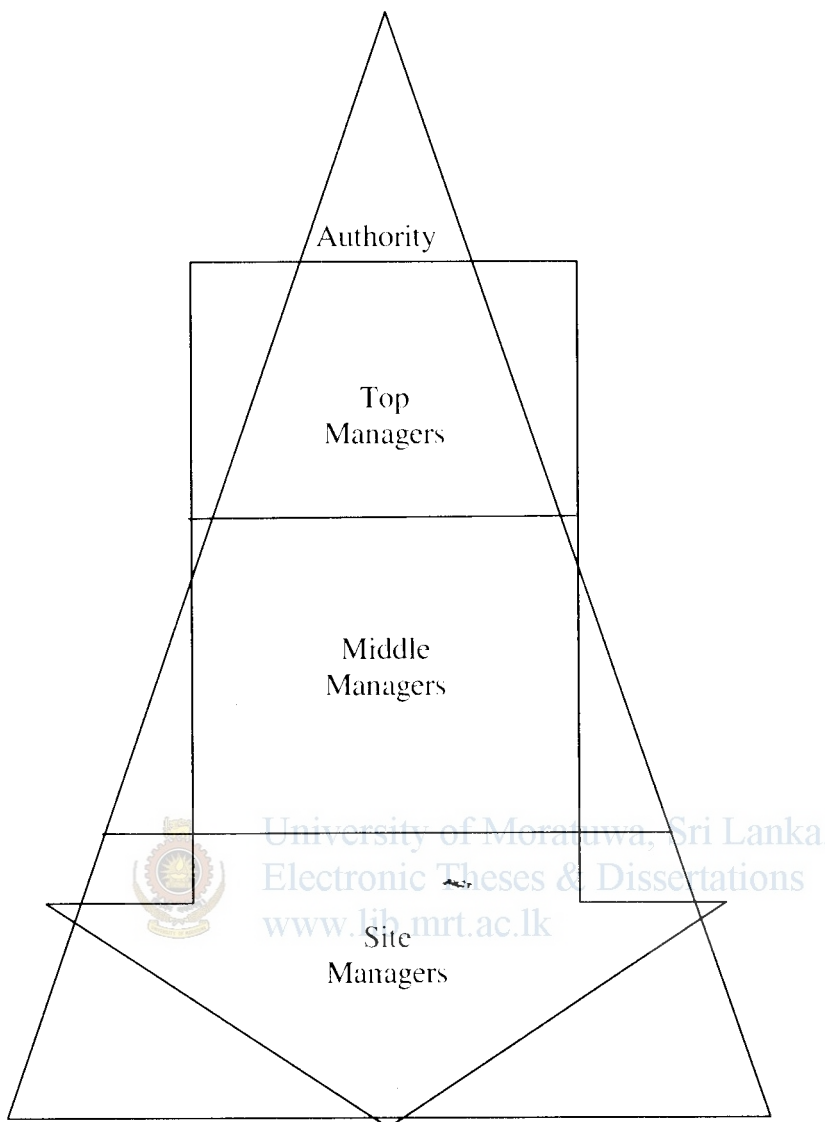
Figure 2.5: Effective Delegation pushes down vertically through the ranks of an organization

Source: Robbins and Decenzo, 2001, Fundamnetals of Management, P 413

Bateman and Snell (2002) stated that delegation is not only the assignment of authority but also the responsibility to a subordinate at a lower level. Responsibility means that a person is assigned a task that he is supposed to carry out. Authority means that the person has the authority and the right to make decisions, give orders, draw upon resources, and to whatever else is necessary to fulfill the responsibility. Further they explained that activities of the subordinate should be accountable when he performs his duties. Accountability means that

the superior has the right to expect the subordinate to perform the job, take corrective action when necessary, and report upward on the status and quality of their performance. According to Agarwal (1982), delegation is the process through which a manager assigns tasks and goals to his subordinates and vests in them formal authority to make their job related decisions, take appropriate actions for performing their tasks, initiate action on others and utilize the resources of the enterprise. Delegation thus enables a manager to assign a part of his works to his subordinates and transfer them corresponding authority to perform tasks and discharge their responsibilities. It creates accountability on the part of delegates for the accomplishment of assigned tasks and achievement of desired goals Cole (1993) deviates from this view when he explains delegation as the process by which a superior transfers part of his legitimate authority to a subordinate but without passing on the ultimate responsibility which has been entrusted to him by his own superior. Hence, according to above views, delegation of authority is very much useful to perform the works of projects through giving more authority to subordinates for making quicker realistic decisions as there are limits to superior's time and knowledge.

Second perspective is delegation of authority as a mechanism to develop subordinates to perform his duties with autonomy to achieve the project goals successfully. Peters and Waterman (1982) explained that the autonomy gives people confidence to experiment for instance, stemming from stable expectations about what really counts. This management philosophy was clearly recognized by Jolivet and Navarre (1996) who described decentralized management developments. They explained the importance of delegation of authority to the staff or the segments in the organization at the lower tiers to take quicker realistic decisions. Further it is very important to motivate the staff and to give them confidence to perform works effectively. Zabojnik (2002) stated that it may be less costly to motivate the project staff who is allowed to work on their own idea than the project staff that is forced to follow the head management orders. Melville (1995) stated that if the purpose of management is to ensure that "things get done," then delegation is the key to successful management. According to these views, the subordinates are given adequate authorities to motivate them for performing works by making their own decisions without forwarding all the issues in a project to the superiors. It helps to develop their confidence and allows doing experiments to achieve project goals while developing creativity and innovation by themselves.

Third perspective about delegation of authority defined that it is a system to achieve the goals of a complex project. Anthony et al (1992) argued that by granting more autonomy to segments of a complex operation, one gains a better utilization of local knowledge, quicker responses to needs and improved motivation to succeed through clearly identified responsibility. According to eighteen (18) case studies done in construction projects, Shirazi et al (1995) suggest that when the projects are done under a complex environment and the requirement of technology to perform the work is complex it leads to greater decentralization of authority, mainly by delegation to achieve the project goals. Normally the project staff in a complex project needs to make many instant decisions to perform their duties as the site situations may be varied from time to time in such a project. For this purpose they should be given adequate authorities to make such decisions independently and quickly to do the works smoothly without any interruption of the works flow. Ultimately it greatly helps to achieve the set target goals of the project successfully. Hence, the delegation of authority is very important for the projects in a complex environment.

The forth perspective of delegation of authority is defined as an integral component of the organizing process. Agarwal (1982) stated that delegation is an integral component of the organizing process. It is through delegation that organization work is divided among employees, authority is distributed throughout the organization and obligations are created for the performance of assigned task and achievement of predetermined goals. He described that the delegation of authority may be based on three fold analysis namely, activity analysis, decision analysis and relation analysis. Drucker (1974) suggests that the activity analysis should involve identification of key activities. This can be done by answering questions such as in what areas excellence is required to obtain company's objective?, in what areas would lack of performance endanger the results?, what the values those are important to us?. The answers to these questions will provide guidance to head management as to what activities he should keep with himself, and what he can assign to his subordinates. This is very much important to avoid the risk involving with the delegation. Agarwal (1982) argued that an important aspect of delegation is transfer of adequate authority to subordinates in order to perform effectively. This involves decision analysis in the duties assigned to them. According to him impact of decisions and qualitative factors involved in decisions should be considered by the subordinates. Further he explains that the relation analysis will indicate to the superior

and subordinate about the relationships involved in the performance of activities. Hence, delegation of authority should be performed according to an integral analysis of activities, decisions and relationships of the project and authorities are delegated to the staff members accordingly.

In the fifth perspective, delegation of authority is defined as a flexible system to modify time-to-time according to the requirements arising within the organization structure, objectives, policies and procedures. Agarwal (1982) emphasized that the authority once delegated may be enhanced or reduced depending on changes in the kind and nature of duties of the executive concerned, and the effectiveness with which he exercises it. It is completely withdrawn in case of his termination from the organization. Thus an executive, who delegates authority to his subordinates, does not permanently dispossess himself of the authority that was initially vested in him. Delegated authority is frequently modified when the needs arises due to changes in the organizational structure, objectives, policies, and procedures, etc. since organizations exist and operate in a dynamic environment and are themselves in a perpetual process of change, delegation is also reviewed and modified from time to time to be organizationally functional. Hence, it is very clear that the delegation of authority is not a rigid and fixed system to be maintained for a long period. It is flexible to modify the system time to time according to the requirements arising with the changes in the organization structure, objectives, policies and procedures.

According to all above perspectives it can be noticed that by delegation of authority, the subordinates of an organization are given more authorities to make quicker realistic responses to the issues arising in the field utilizing local available knowledge. It is very much effective and helps to save valuable time of superiors which can be utilized for better benefits of the organization. Also delegation of authority builds the confidence of subordinates and it is a motivation tool for them to use their innovative decisions and they are given an adequate autonomy to display their talents to get more outputs. The subordinates have to bear more responsibilities as they are delegated more authority to make decisions. Their decisions should be transferable and they are accountable for their all activities and also they have a great responsibility to maintain the trust kept on them. Also delegation of authority is very useful to perform the activities in complex projects as there are many instant decisions to be made

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quickly with varying situations of the project. Further in fourth perspective it was described about three analyses namely activity, decision and relation to be made before delegation of authority. Hence, it is very much important to analyze all the related factors connected with delegation of authority before promoting it. According to the fifth perspective, delegation of authority is not a rigid or fixed system to maintain for ever. It is very much flexible to modify according to the requirements.

Normally in a construction project it is very worth if the subordinate can make quicker decisions for better benefits for the project and the organization as real time real decision is very valuable for more benefits. Authority should be granted to field staff for this purpose. Then they can make more suitable decisions using available local knowledge. It greatly helps to develop the subordinates in the construction industry by building their confidence and experience. Normally, there is a good opportunity in construction projects to take more experience while practicing their innovative talents in the field and it helps to motivate them and to get more outputs. Also, the staff in construction projects faces to many complex and varying situations according to the nature of projects. The subordinates should have sufficient authorities and facilities to face to those situations in the field of construction. In addition to above, in a construction project, there are many activities, decisions and relationships are involved in different levels to perform the project attributes. Those factors should be analyzed in the field to allocate duties for the staff members of the organization. Normally the nature of projects and the requirements of the organizations are varied with the time in construction industry in Sri Lanka. Hence, it is obvious that delegation systems in construction industry have to be runs with some changes according to the prevailing situations of the field.

2.4.2 Effects of Delegation of Authority to Superiors and Subordinates

In delegation of authority, it is mainly discussed the effects on relationships built among superiors and subordinates. The aim of this section is to search the literature to identify the effects of delegation of authority to superiors and subordinate separately. Adequate delegation significantly contributes to the enhancement of organizational effectiveness. It enables executives to make their job related decisions. It frees them from less important work so that

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they can devote more time and energy to more important aspects of their job. It acts as a tool of employee and development and motivation. It also acts as a tool of pushing decisions down to the operational level so that decisions are likely to be timelier as well as realistic.

2.4.2.1   Effects to Superiors in Delegation of Authority

Delegation of authority is very important to superiors in an organization. In this section, effects to superiors in delegation of authority are discussed. According to the literature review, this will be discussed under three sub topics namely; saving time and energy, releasing of operational working load and opportunity for real top management functions.

- **Saving time and energy**

A main objective of delegation of authority to subordinates is saving time and energy of a superior for better benefits of the organization. Aghion et al (1997) emphasized that delegating a choice to a subordinate raises his utility and enables the superior to recoup authority on another decision, while keeping the subordinate's individual rationality constraint satisfied. Hence, by delegating authority to lower tiers the superior can save his time to devote for another important matters while the participation and satisfaction to the subordinate. Agarwal (1982) has described some objectives are expected through delegation of authorities. An important objective of delegation is that an executive can apportion that part of his works to his subordinates which he need not to do himself, so that he can devote his time to more important areas of his duties like planning, coordination and control. According to Bateman and Snell (2002), the superiors can save time and free to devote energy to important areas of his duties. William et al (1974) mentioned that a manager's time can be viewed as divided into boss-imposed time, system-imposed time, subordinate-imposed time and discretionary time. Since he cannot do anything about the boss and the system-imposed time, he should reduce the subordinate-imposed time in order to increase his discretionary time. Hence, it is evident that the superiors can save his time and energy through delegation of authority to subordinates.

- **Releasing of operational working load**

Releasing of operational working load of superiors is another objective of delegation of authority. Cole (1993) stated that decentralization prevents top management overload by freeing them from many operational decisions and enabling them to concentrate on their strategic responsibilities. It speeds up operational decisions by enabling lower units to take local action without reference back all the time. Agarwal (1982) emphasized that there is a freedom to top management from operational responsibilities in a decentralized management system. According to him, superiors can apportion that part of his works to his subordinates which he need not to do him self. Thus, it is greatly helps to release the operational working load of superiors through delegation of authority.

- **Opportunity for real top management functions**

It is evident that subordinates can save his time and energy by releasing operational working loads through delegation of authority. It is very much essential to superiors to have more free time to involve in real top management functions. Agarwal (1982) has described some objectives are expected through delegation of authorities. An important objective of delegation is that an executive can apportion that part of his works to his subordinates which he need not to do himself, so that he can devote his time to more important areas of his duties like planning, coordination and control. Further he stated that there is a freedom to top management from operational responsibilities in a decentralized management system. Then top management is thus enabling to devote its time, attention and energy to the real top management functions of determination long and short range goals, strategic planning and formulation of major policies. According to him, sub divisions have full operational authority and divisional managers have considerable freedom to operate within the broad framework of corporate objectives, plans and policies. According to Bateman and Snell (2002), the superiors can save time and free to devote energy to important, higher level activities like planning, setting objectives, and monitoring performance. Further they explained that allowing managers to devote more time to important managerial functions while lower level employees carry out assignments means that jobs are done in a more efficient and cost effective manner.

According to above explanations. it is noticed that by delegation of authority, the superiors have the opportunity to save time and energy by releasing the operational working loads of the projects and then they can devote more time on real top management functions of their duties. The real situation in Sri Lanka construction industry is that most of superiors in government sector. mainly involve in day-today routing works as they are entrapped with many operational works with existing systems. Hence. it is very important introducing a decentralized system mainly through delegation of authority for those organizations to attend superiors in real top management functions.

2.4.2.2   Effects to Subordinates in Delegation of Authority

Subordinates are the other important party in delegation of authority as they are the main actors to perform the activities in projects using granted authorities. It can be identified mainly five features affect to subordinates through delegation of authority namely: autonomy. responsibility. decision making. participation and motivation and satisfaction as effects to subordinate in delegation of authority according to the literature.

It is observable in the literature that autonomy. decision making. responsibility and participation are inter related and motivation and satisfaction mainly builds up with those four features.

- **Autonomy**

The subordinates in a division are granted more autonomy through delegation of authority to perform projects attributes. According to Agarwal (1982). delegation is legitimate authorization to an executive to act in specified ways. It enables him to function independently without reference to his superior within the limits set by the superior. Anthony et al (1992) pointed out that by granting more autonomy to segments of a complex operation: one gains a better utilization of local knowledge. quicker responses to needs and improved motivation to succeed through clearly identified responsibility. According to the literature. it is evident that the subordinates should be granted more autonomy to perform their duties within the frame work set by the organization.

- **Decision making**

In delegation of authority, subordinates have the opportunity to make decisions as required in the site with granted autonomy to them. Cole (1993) stated that decentralization prevents top management overload by freeing them from many operational decisions and enabling them to concentrate on their strategic responsibilities. It speeds up operational decisions by enabling lower units to take local action without reference back all the time. According to Jolivet and Navarre (1996) who described decentralized management developments explained the importance of delegation of authority to the staff or the segments in the organization at the lower tiers to take quicker realistic decisions. Agarwal (1982) described that decentralization results into speedier and better decisions as the decision making authority is delegated nearest to the levels of operations. Man nearest the scene of action is in a relatively better position to understand the complexities of the problem and make a qualitatively better decision to meet the situation. Decisions are also made speedily by cutting-off bureaucratic delays. Also the decisions are more adaptable and flexible in situations of rapid change in the local conditions. It focuses attention on to important cost and profit-centers within the total organization, which sharpens management awareness of cost effectiveness as well as revenue targets.
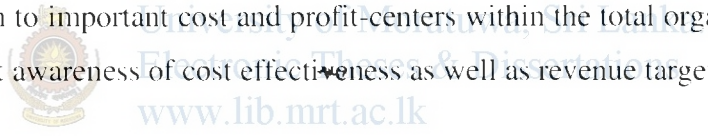
- **Participation**

When the subordinates involve in decision making, they have to participate in all the project activities for better performance of their duties. Peters and Waterman (1982) explained that the autonomy gives people confidence to experiment for instance, stemming from stable expectations about what really counts. Thus, subordinates have to really participate in the works of projects with granted autonomy. Aghion et al (1997) emphasized that delegating a choice to a subordinate raises his utility and enables the superior to recoup authority on another decision, while keeping the subordinate's individual rationality constraint satisfied. Hence, by delegating authority to lower tiers the superior can save his time to devote for another important matters while the participation and satisfaction to the subordinate.

- **Motivation and Satisfaction**

According to Cole (1993), decentralization can contribute to staff motivation by enabling middle and junior management to get a taste of responsibility, and by generally encouraging the use of initiative by all employees. Aghion and Tirole (1997) stated that the delegation needs to motivate and to increase initiative at lower layers of the hierarchy. Anthony et al (1992) pointed out that by granting more autonomy to subordinates helps to motivate them and it is greatly assist to succeed the projects effectively and efficiency. According to Jolivet and Navarre (1996) delegation of authority is very important to motivate the staff and to give them confidence to perform works effectively. With all the above explanations, it is obvious that delegation of authority is a very good tool to motivate subordinates for better performance in the projects.

- **Responsibility**

The subordinates in an organization are vested with responsibilities once they have been given autonomy and decision making authority to perform project activities. Agarwal (1982) argued that the decentralization enables a company not only to utilize its managerial personnel more effectively but also forces the development of managerial abilities by giving them full responsibility and corresponding authority to run their divisions. In a decentralized management system divisions function on the basis of predetermined objectives set in mutual consultation between the top management and divisional managers. These objectives become the criteria of measurement of their performance. Further he emphasized that the subordinates have to perform their duties within the limits set by top management and the subordinates have a responsibility are not to exercise authority arbitrarily but only within the framework of organizational objectives, policies, rules, procedures, traditions and culture. Newman (1963) indicated that the delegation process is composed of four inter-related steps: such as assignment of duties by a manager to his subordinates, delegation or transfer of authority for making necessary decisions, creation of an obligation on the part of each subordinate and installation of an adequate control system to ensure that delegated authority is utilized judiciously and the desired results are achieved. These steps clearly indicate that the project staff is granted adequate authorities with their duties by the delegation of authority and the

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same time they have to bear more responsibilities and have to perform the works with accountability.

According to the above findings through literature review it can be identified that delegation of authority is more useful to grant autonomy to subordinates allowing them to make realistic decisions in the field. With this decision making authority to subordinates more responsibilities are vested on them and they need to practice real participation in the projects to perform their responsibilities. Real participation in projects improves the subordinates and they are motivated to perform their duties with a great satisfaction. Hence, delegation of authority in construction context is very useful.

As discussed above there are more advantages identified in decentralization and delegation of authority and those are more important for the success and the development of an organization. Those advantages help to perform activities in organizations effectively and therefore the future of such organizations would be successful. Normally it creates a competition among the divisions and hence the efficiency of such divisions goes up.

2.4.3 Factors Leading to Effective Delegation of Authority

Normally it can be notified that some challenges and difficulties in any system and identification of those issues are the most important matter to overcome those issues effectively. The aim of this section is to identify those existing matters for the better understanding of the delegation of authority process and searching the factors leading to effective delegation of authority.

In this section, before discussing the factors leading for effective delegation of authority, it will be discussed the obstacles exist within the organizations for effective delegation of authority. Sometimes third person can observe that the delegation of authority is not adequate and effective due to some facts. The reasons of inadequate delegation lie not only on the attitudes of the superiors but also of the subordinates. Agarwal (1982) has explained some

obstacles to effective delegation under two categories. Those are superior related reasons and subordinate related reasons.

➤ Superior Related Reasons

Firstly the superior related reasons will be discussed. These obstacles have to be understood by the superiors and those should be avoided for an effective delegation of authority in an organization.

According to Agarwal (1982), some managers are reluctant to delegate because of their belief that they can make better decisions than their subordinates. Even if it were true that they could make better decisions than their subordinates and if they were to do so, they will end up doing the subordinates' work to the neglect of their own work.

Further he explained that some managers like the comfortable feeling of authority and fear that if they delegate authority, it will diminish their importance. This fear is based on a misconception. In delegating, a manager transfer to his subordinates only that part of his authority which are related to their job responsibilities. He still retains his authority as a positional superior.

Third reason according to Agarwal (1982) is that some managers are often apprehensive that they will lose control by delegating authority to their subordinates. They seem to think that they are responsible to their own superiors for the subordinates' job performance and if they delegated authority to their subordinates, they would not be sure of results produced. This fear is genuine in case of managers who are incapable or unwilling to establish proper controls to ensure that subordinates are performing satisfactorily and achieving the desired results. Delegation does not mean abdication, and managers can and should watch and guide subordinates' performance through a proper control mechanism.

Further he stated that some managers are reluctant to delegate as they fear it will expose their own shortcomings to set goals, define tasks of subordinates, specify their respective boundaries of authority, and coordinate their activities. They will better realize that keeping all

the ropes in their hands is no solution to these problems. They can learn to delegate by delegating just as subordinates learn to use authority by exercising it. Mistakes are likely to occur on both sides but mistakes are learning experience.

Also he emphasized that managers often fail to delegate because of their authoritarian leadership style. They believe in making decisions themselves, giving detailed instructions to their subordinates and exercising close supervision. As a result, they overburden themselves to the extent that they never find enough time to devote to their own responsibilities of planning and organizing.

➤ Subordinate Related Reasons

Secondly the subordinate related factors will be discussed. These reasons have to be understood by the subordinates and should be avoided for an effective delegation of authority.

According to Agarwal (1982), subordinates are often unwilling to accept or utilize delegated authority because they lack self confidence in their abilities. Some managers are often afraid of making mistakes. This particularly happens when their superiors are either looking for mistakes or turn every mistake into an occasion for reprimanding them. Mistakes are indeed all in the game and should be used as learning experience. Further he argued that upward delegation should not be allowed for effective delegation. Just as superiors tend to be reluctant to delegate authority, subordinates are also often reluctant to use authority, particularly when they lack self-confidence in their abilities, apprehend disapproval if decisions do not turn out to be good from the superior's viewpoint, or if they perceive that their superior expects them to check with him before making the decision. In these situations, they follow the policy of upward delegation; that is to say, refer problems to the superior rather than tackling them at their own level. This practice frustrates the very purpose of delegation and increases pressure on the limited time of the superior. It is for the superior not to allow his subordinates to delegate upward by insisting that they should themselves make their job related decisions.

Brinckloe and Coughin (1977) indicated that delegation includes the "authority to make errors. The manager must accept that errors will be made as part of the process of learning". Subordinates who have low need for autonomy feel comfortable in the relationship of dependence with their superiors. They feel confused and a sense of loss of direction if they are entrusted with authority to make decisions. Such subordinates will have to be trained and developed to be independent through gradual delegation accompanied with guidance and support. Subordinates feel reluctant to accept authority when delegation is so broad that they do not know what precisely they are expected to do and how much authority they can use for making decisions. Delegation to be effective should be specific without being rigid. Some subordinates feel lack of motivation to take responsibility and accept authority. This happens particularly when rewards like recognition, pay increases, promotion, etc., are not linked with performance. Delegation will be successful only when subordinates perceive that by accepting responsibility and authority they will be advancing toward the satisfaction of their needs.

Delegation significantly depends on the value that an organization puts on it as a managerial function and the availability of subordinates with requisite abilities, knowledge, motivation and commitment to goals. External and internal environment of an organization also influence the extent to which authority can be delegated to managers at lower levels.

The all above obstacles should be removed from the superiors and subordinates for having a better system of delegation of authority. As identified from above explanations there are six factors namely; trust and understanding, authority, control mechanism, goals and roles, communication, and rewarding and training. These factors are to be discussed with this section separately with sub headings.

- **Trust and Understanding**

First of all for effective delegation, the obstacles discussed as superior related reasons and subordinate related reasons as above are mainly depend on both the parties and those reasons should be avoided by building trust and understanding between superior and subordinates. This should be done while performing their duties together and both the parties should understand the issues related to their own attitudes. They should think and plan some ways and

means to build up the trust and understanding among them. It will be greatly help to reap the real outputs of delegation of authority.

- **Authority**

According to Agarwal (1982), some principles could be used as guide-posts to delegate authorities with discretion with reference to the organizational unique operating situations. He described that the authority delegated to an executive should be closely related to his responsibilities. It should be adequate-neither more nor less than adequate to enable him to make all those decisions and take all those actions that are required for effective job performance. Also interference should be minimized for effective delegation. Once an executive has delegated authority to his subordinate to make certain decisions, he should resist the temptation of 'telling' him what, when and how to do. Of cause, if a decision turns out to be too complex to be handled by the subordinate, the superior must help and guide him, or even he make the decision if its consequences appear to be more far-reaching than what had been visualized earlier. There should be a tolerance of mistakes for effective delegation. It is possible that the subordinates may at times make sub-optimal or even wrong decisions but if he is subjected to strong disapproval, he may refrain from making decisions himself, and adopt the safer course of asking the boss. It will not only overburden the already busy superior, but he is also never going to learn to make sound decisions. It does not mean that the subordinate should be allowed to make as many mistakes as he may. It only means that minor mistakes should be ignored, and serious mistakes turned into learning experience. As per above explanation, the authority granted to subordinate should be sufficient to perform his duties effectively and efficiently.

- **Control mechanisms**

Agarwal (1982) emphasized that for effective delegation of authority adequate controls should be established. Since an executive can delegate authority but not responsibility, it becomes necessary for him to establish adequate controls to ensure that his subordinates exercise authority properly and achieve predetermined goals. But it should be borne in mind that controls should not be so detailed and so frequent as to inhibit the subordinates' initiative.

Further he explained that the policies, rules and procedures should be established to guide decisions. One of the problems in delegation is to ensure that the subordinate uses his authority judiciously and that his decisions are consistent with broad policies of the organization. It can be done by establishing definite guidelines for decision making in the form of policies, rules and procedures. These will provide the subordinates a framework for decision making and serve as standards for testing appropriateness of their decisions.

Jenson (2005) suggested some precautions and some proposals to mitigate the problems that results from the fact that self-interested people who exercise decision rights as agents on behalf of others as well as to improve the decentralized systems. He proposed three major functions to be provided namely; a system for allocating decision rights among sub divisions in the firm, a system for measuring and evaluating performances in the firm and a system for rewarding and punishing individuals for their performances.

According to Robbins and Coulter (2005), there are some practices to be considered for effective delegation of authority namely; clarifying the assignment, specifying the subordinate's range of discretion, allowing the subordinate to participate, informing others that delegation has occurred and establishing feedback channels. These practices are very much important for keeping accountability and monitoring the process while giving adequate autonomy to subordinate for performing duties correctly and successfully.

Control mechanisms as discussed above very important with delegation of authority as a precaution to avoid misuse of authorities in the projects.

- **Goals and Roles**

Agarwal (1982) stated that the goals should be predetermined for effective delegation. As the purpose of delegating authority is to enable the subordinates to make decisions and take appropriate action for job performance, it is essential that their jobs should be clearly defined and performance goals established. This will provide direction to the efforts of subordinates and enable the superior to decide the kind and extent of delegation. Further he emphasized that the role of top management should be defined in a decentralized division. The most important

principle of decentralization through the creation of semi-autonomous divisions is that the role of the top management should be clearly defined. Top management must concentrate on determining the objectives for the entire company, developing strategies, long term plans and broad policies in various areas. It should not supervise, and control the operations of its divisions. It should not worry about operations, and pay greatest attention to providing direction, objectives, strategies, plans and key decisions of the future. Both the top management and each divisional manager should clearly know what is expected from him in terms of variable objectives. It is on the basis of these objectives that centralized control and measurements can be established.

According to him, authority of divisions should be clarified. Often friction and conflicts arise between top management and divisional managers, and also among various divisional managers if boundaries of their authority are not set out clearly. This can be done by means of a chart of authority delegation showing what kind of decisions a divisional manager can make himself, what matters he has to refer to headquarters and whose approval at the company headquarters is needed in various kinds of decisions, in what matters he is required to consult his superiors. He further explained that a balance should be maintained between decentralization and centralization. Decentralization has its own costs in terms of problems of coordination, duplication of staff specialists, etc. If decentralization is to be applied successfully it should be balanced by careful centralization. It implies that while divisional units are to be given full autonomy, their decisions should be guided through centralized planning, policies, coordination and control. It needs careful consideration of what is to be centralized and what is to be decentralized and maintaining a balance between the two.

Cleland and King (1988) stated that a good manager delegates effectively. In doing so he negotiates some sort of compromise between the extreme of "abdication" which is letting subordinates do everything and "autocratic management" which is doing everything himself. According to them, the capability of the subordinate, importance of the decisions and the work load of the superior are the other important factors in delegation.

Therefore it is needed to be considered this nature of delegation and the capability of subordinate, importance of the decision, superior's work load, authority level for an effective

delegation of authority in an organization. It should be given a great attention for establishing goals and selecting capable managers for the position for getting more benefits through delegation of authority.

- **Communication**

When sufficient authority delegated to subordinates, they can work with more freedom in the projects according to the rules and regulations set within the organization. But it is very important to share the information as much as possible with superiors to update them with the project situation. Also the superiors should send all the relevant information to the projects to direct the subordinates with changes and new directions.

Cleland and King (1988) explained that using and sharing of relevant information and decision authority requirement for delegation as very important factors for effective delegation of authority. According to them delegation often fails when the communication is unclear on either or both of these dimensions. Hence, sharing relevant information and communication in the process of delegation is very important.
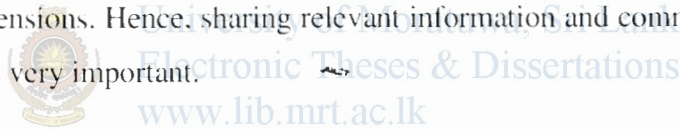
- **Rewarding and Training**

Agarwal (1982) further stated that delegation should be rewarded for effective delegation. In order to encourage executives to delegate adequately and effectively, organizations should establish a policy of rewarding delegation. This can be done by making delegation as one of the criteria of performance evaluation. Similarly, subordinates should be encouraged to accept responsibility and take initiative. Bateman and Snell (2002) stated that, the subordinate acquires an opportunity to develop new skills and to demonstrate potential for additional responsibilities and perhaps promotion. In essence, the subordinate receives a vital form on the job training that could be paying off in the future.

Shortcomings discussed in subordinates' related reasons could be solved as described there by developing self confidence of subordinates, giving more training and guiding them as required in the delegation process.

The ultimate purpose of the delegation of authority should be the success of the organization and the development of the staff members. Hence, it is very much essential to consider above factors to achieve the set targets in delegation and those are very important for the improvement of the system. Giving more attention and taking required arrangements to fulfill above factors are very important for developing a better decentralized system in an organization.

Generally all above factors are visible within the organizations in construction industry of Sri Lanka in different weights. But there are so many shortcomings to be understood and those should be corrected using some techniques for having a advanced organizing system in the field. As discussed above all the factors leading to effective delegation of authority should be considered in the construction context in Sri Lanka for better performances and for the sustainability of delegation system within the organization.

2.5   Development of the Concept Model

Considering all the areas discussed above, it can be concluded the main features and effects of delegation of authority under two main categories and factors leading to effective delegation of authority as in Figure 2.6. According to Figure 2.6, effects of delegation of authority are discussed as effects to subordinates and effects to superiors.

Firstly, the effects through delegation of authority to superiors will be discussed. According to the literature review, a superior can save his valuable time and energy to use it in higher scale activities for more improvements and the success of the company while releasing his massive work load. Superiors in an organization have a great responsibility to make managerial decisions and they need to devote energy and time to important higher level activities like planning, setting objectives, scheduling, coordinating, monitoring and controlling the works of projects under taken by the organization. As top management is freed from operational responsibilities through delegation of authority they are enabling to devote their time, attention and energy to the real top management functions of determination long and short range goals,

strategic planning and formulation of major policies (see Section 2.4.2.1). Hence, it is very worth delegation of authority to subordinates by the superiors and it affects to the development of the organization as well.

Secondly, the effects through delegation of authority to subordinates will be discussed. Mainly the effects to subordinates through delegation of authority were discussed in the literature review namely; autonomy, decision making, participation, motivation and satisfaction and responsibility. As discussed in the literature review, through the delegation of authority, a subordinate is granted adequate authorities to make timely realistic decisions utilizing local available knowledge and to make quick responses for the matters arises in projects time to time. In this process the subordinate is given more autonomy, more responsibilities, better motivation, more satisfactions and it helps to build up his self confidence through a real participation to the activities showing his innovative talents. Then the subordinate has a good opportunity to get developed his skills as well as to get good experiences by involving with managerial activities while doing some learning experiments. In delegation process the subordinate has a great responsibility for the success of the project and he should perform the duties effectively to achieve the desired goals of the project. The superior also has a great responsibility to delegate his authority to subordinate effectively and adequately for the success of the project (see Section 2.4.2.2).

As indicated in Figure 2.6, there are some factors leading for effective delegation of authority. According to the literature review, six factors leading for effective delegation of authority were identified. Those are trust and understanding, authority, control mechanism, goals and roles, communication and rewarding and training, sufficient authority should be granted to subordinates to perform their assigned tasks successfully. Selecting capable managers for the positions is also very important for effective delegation of authority. The goals should be established and predetermined for the responsible managers to facilitate for proper planning the works. Since the superior does not delegate all authority or abdicate responsibility, there should be open lines for effective communication. Sharing information between the superior and the subordinate is very important for effective delegation and avoid mistakes. Establishing proper control mechanisms is also very important to achieve the set targets of decentralization. Because no manager can relinquish responsibility, delegations should be

accompanied by techniques to make sure the authority is properly used. But controls are not to interfere with delegation, they must be relatively broad and designed to show deviations from plans rather than interfere with routine actions of subordinates. The subordinates should use their authorities judiciously and their decisions should consistent with broad policies of the organization. Trust and better understanding between the subordinate and the superior helps to build a good relationship among them and it leads for better practicing the activities of projects. Rewarding for successful performances greatly help to motivate subordinates and it is very useful for effective delegation. It would be promotion to a higher position, granting more facilities or incentives and reputation. Also the training in delegation of authority is more important to train subordinates as require to suit to the system (see Section 2.4.3).

Effects to Superiors and Company

-Saving time
& energy

-Releasing
working load

-Opportunity
for real top
management
functions

Authority

**Trust &
Understanding**

Communication

Factors leading to
**Effective Delegation of
Authority**

**Control
Mechanism**

**Goals &
Roles**

**Rewarding
and
Training**

-Autonomy

-Decision making

-Responsibility

-Participation

-Motivation and
Satisfaction

Effects to Subordinates
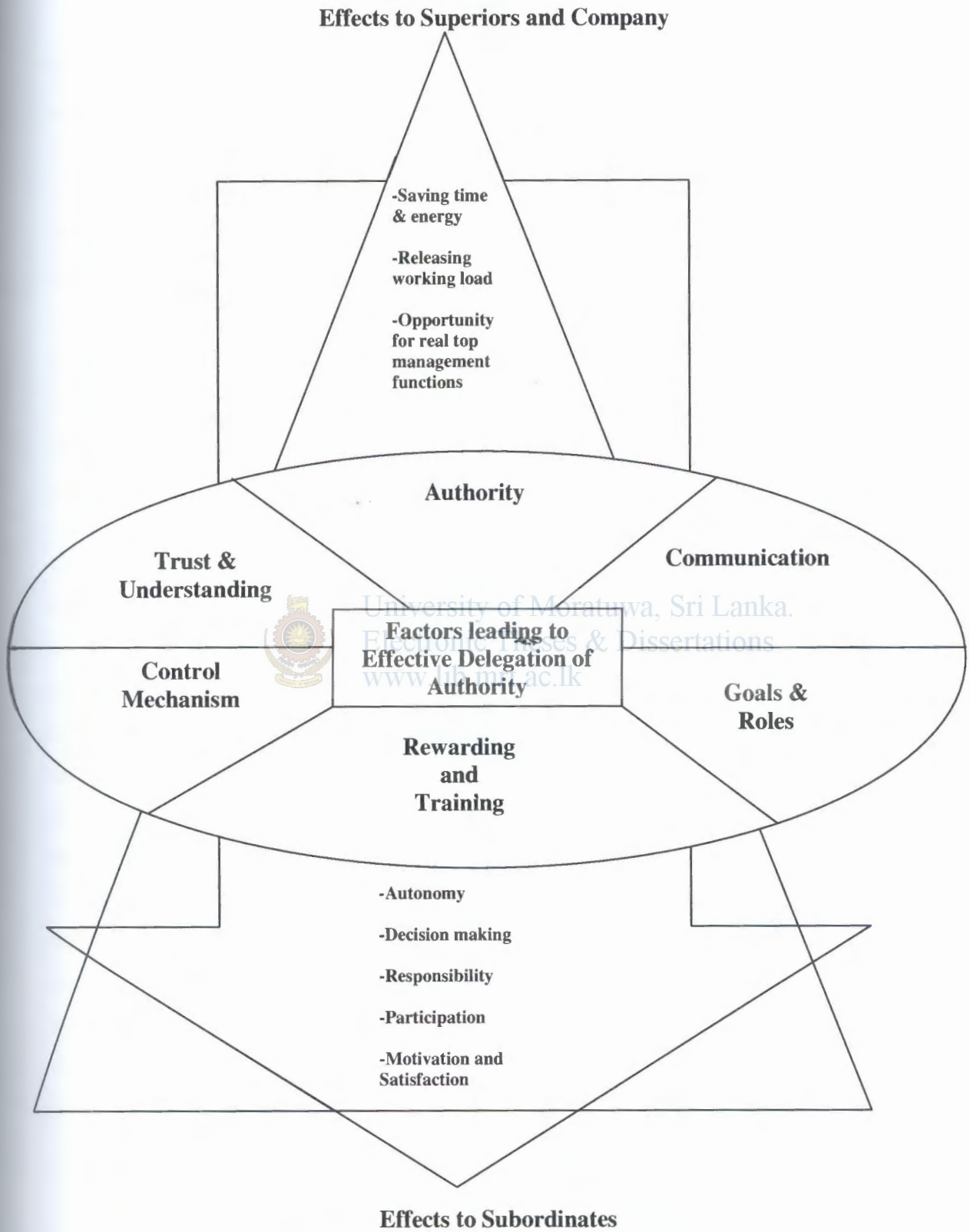
Figure 2.6: Effects and factors leading to effective delegation of authority

2.6 Summary

In this chapter, delegation of authority, some areas related with delegation, decentralization and its nature in an organization were discussed for getting a better understanding about them. In reviewing the literature it was found that the delegation of authority and decentralization are significantly important for the success of an organization as well as for the development of the staff members in an organization. It facilitates to take quick responses for site issues arise in a complex project environment where the decision should be made quickly for the success of the project and to avoid unnecessary wasting of money and time using the available local knowledge and experiences. There is a great possibility to take realistic decisions in such a system as the site staff is very much familiar to the nature of the problems arise in site environment as well as those decision can be made at a less cost as the involvement of the superiors is less.

Through reviewing the literature it was possible to identify main features in delegation of authority as described with the Figure 2.6 and they would be very much useful in this research to observe the real conditions of the projects which are going to be analyzed. Further it was found very important features of decentralization in this literature review chapter. According to the findings of literature review it can be clearly observed that the features of decentralization and delegation of authority are very much related. The decentralization is analyzed in the view of authority level of the organizational structure while the delegation of authority is analyzed in the view of authority level of the staff members of the organization. In this chapter, special attention is paid for the selection of the criteria to evaluate the delegation authority and decentralization for project management decision making and finally to make proposals through the case study findings for effective delegation of authority for project management decision making in government sector organizations in Sri Lanka construction industry.

CHAPTER 03

Research Methodology

3.1 Introduction

This chapter is designed to introduce the research methodology which is the basis for this study on delegation of authority in project management decision making. There are several ways to undertake a research.

A research may use alternatives from the three dimensions in different combinations. What matters is that the research methodology is appropriate for addressing the questions that define the focus of the research. The methodology can be demonstrated to give acceptable validity and reliability choices of strategy, methods and data types depending primarily on the information needs stemming from the research questions.

The research methodology is the core for successful outcomes of a research. It denotes the systematic way of solving the research problem. In research analysis, the most appropriate science and technique should be selected with an understanding about the logic behind the scene. As such, a qualitative research has been selected in this context.

This chapter will be structured under three main headings namely; research design, research process and research validity. Research philosophy, research approach and research techniques are to be discussed under research design.

3.2 Research Design

Research design is the plan for getting from the research question to the conclusion. The Nested research model (Kagioglou Et al., 2000 cited in Senaratne, 2005); is adapted in this research. As indicated in Figure 3.2, this model illustrates the method of study contains of

...arch techniques which are selected based on the research approach and, research approach ...elected based on the philosophical stand of the research.

Research Philosophy

Research Approach

Research Techniques
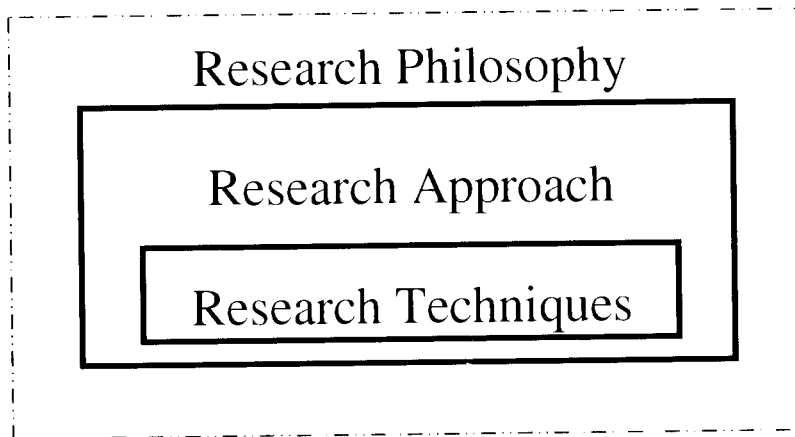
Figure 3.1 – The "Nested" Research Model

Source : (Kagioglou et al, 2000)

3.2.1 Research Philosophy
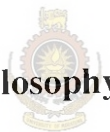
Research philosophy is the first issue in the research design. According to Easterby –Smith et al.(2002), there are three reasons for the importance of the research philosophy. Firstly, researcher needs to clarify the research design and, research philosophy helps in clarifying it. Secondly, it helps in identifying the circumstances on which the research design functions. Finally, it helps researcher to identify and create research designs which may be beyond his past experiences.

Easterby – Smith et. al. (2002) explained that interpretivism is one of these philosophies which believe that the reality is subjective and interior to the people. Especially this research needs a vigilant observation of human interactions and behaviors according to the research aim and the nature of this research. This particular issue forces the researcher to assume that the reality which the research problem seeks is within the people who have been observed. Hence, interpretivism research philosophy was adapted in this research.

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3.2.2 Research Approach

It is very important to select a suitable research approach to deal with research problem, after defining the research philosophy. According to, Esterby- Smith et. al. (2002), that the research approaches helped to organize research activities, including the collection of data, in ways that are more likely to achieve research aims.

According to Yin (1994), the case studies are appropriate when the research problem is "how" and "why" type of questions. In this particular research it is aimed to search "how delegation of authority affects to the staff in a sub division of a decentralized government sector organization in Sri Lanka for performing the project activities". Yin (1994), further stressed that the case studies can be very useful when a little is known about a particular phenomenon. It is observable that the many government organizations which are available in construction industry of Sri Lanka follow a centralized management system for their operations. Available knowledge is little in this research area due to this reason. Patton and Appelbaum (2003) stated that case studies are more suited for qualitative data predominate. Lee et al. (2007) discussed the importance of usage of case study research approach in unique cases which has qualitative tradition and came across as management researches. This research also dealt with qualitative data as generated through human interactions and behaviors. Therefore, it is more suitable to select a case study approach for this research according to above factors.

3.2.3 Research Techniques

Selecting appropriate research techniques is important after selecting the research approach. Data collection techniques and data analysis techniques were used in this research. Semi structured interviews were used as the main data collection tool in this research. For analyzing data Cross-case analysis, content analysis and cognitive mapping were used as described in section 3.3.7.

3.3   Research Process

The stages of qualitative research process identified by Senaratne (2005) were followed as this research falls into the qualitative research category. The stages of that process are initial impetus, literature synthesis, problem statement, case study design, data collection, data analysis and write-up in sequential manner. These stages are discussed in next sections.

3.3.1 Initial Impetus

The researcher got the opportunity to join with Central Engineering Consultancy Bureau (CECB) after the graduation and mainly has been involving in construction projects. Though CECB was a major government engineering organization, it was involved with only few construction projects while involving with consultancy works in mega projects in Sri Lanka when the researcher joined with CECB. But little by little the construction division of CECB was grown up and it was needed to be expanded with more resources. Then CECB decided to form more sub divisions mainly through decentralization and the researcher has been involving in these sub divisions in his career. While involving in project management activities, the researcher was able to practice some important aspects of delegation of authority as a superior as well as a subordinate and some factors affecting for effective decentralized divisions. The initial impetus to carry out this study was generated with these experiences to the researcher and the researcher decided to follow a Master of Science Degree in Project Management at the Department of Building Economics, University of Moratuwa to enhance the knowledge on project management. When following this study, the researcher was curious to explore the factors affecting for an effective delegation system and the effects of delegation authority to superiors and subordinates. As decentralized management systems are uncommon in government sector organizations, it is hard to find a proper existing decentralized system for searching the details in such a system. Therefore, it is very much useful to discover delegation of authority in project management decision making in government sector organizations" to identify the effects of such a system for superiors and subordinates and to identify the factors affecting for effective delegation of authorities. With this requirement the

researcher decided to explore more details on delegation of authority. This research is a result of that requirement as well as to fulfill the requirement of dissertation under the Degree of Masters of Science.

3.3.2 Background Study

The researcher carried out a background study with the subject area of decentralization and its different forms. Mainly this background study was concentrated to decentralization through delegation of authority due to prevailed time constraint. Special attention was given to journal articles, books, relevant web sites, e-articles and unpublished dissertations in this background study. It is observed that, though the issues regarding decentralization and delegation of authority are frequently addressed by the management researchers, only a limited number of those have focused on delegation of authority in government sector organizations. Hence, a literature synthesis was undertaken to identify research issues in broad way and with relevance to the organizations in construction industry.

3.3.3 Literature Synthesis

The literature synthesis was more focused on the publications by the key authors and journals in the study domain. The literature synthesis was carried out by referring several sources such as books, magazines, reports, journal articles, e- journals and unpublished dissertations. The literature review was also included by usage of internet web search to study concepts of decentralization and its form of delegation of authority. Decentralization, delegation of authority, process, objectives, advantages, principles and obstacles of delegation, main features of delegation and factors affecting for effective delegation of authority were discussed in depth in the literature synthesis.

3.3.4 Research Problem Statement

The research problem statement was established as "how delegation of authority affects to the staff in a sub division of a decentralized government sector organization in Sri Lanka for performing the project activities?" using the findings of the literature synthesis. The research problem was graphically explained as in Figure 2.5, through a process model in order to get a better understanding.

3.3.5 Case Study Design

After establishing the research problem, the next step is the case study design. Case study design is the plan for getting the research problem to the conclusion. According to Yin (1994), a carefully designed case study can increase the generalisability of the study, which is one of the main criticisms over the case study approach. Hence, in the case study design a special attention was taken to enhance the generalisability. The procedure which was adapted in designing the case study including the identification of unit of analysis, defining the number of cases and selection of cases are discussed below.

3.3.5.1 Identification of Unit of analysis

Yin (1994) stressed the idea that the identification of 'unit of analysis' or the 'case' is of paramount importance to any research design and it is much linked with the way in which research problems have been created. In this study the objective is to explore how delegation of authority affects for project management decision making in government sector organizations which are operated in construction industry in Sri Lanka. Central Engineering Consultancy Bureau (CECB) as a government sector organization which is involved in construction industry of Sri Lanka has adopted a decentralized management system by establishing sub divisions to perform the operations of projects under taken by it. Most of other government organizations which are involved in the construction industry of Sri Lanka

follow a centralized management system to perform their project activities. Hence, the unit of analysis or the case in this research was decentralized sub divisions of CECB practicing in Sri Lankan construction industry among other government sector organizations operated in construction industry as illustrated in the figure 3.2.
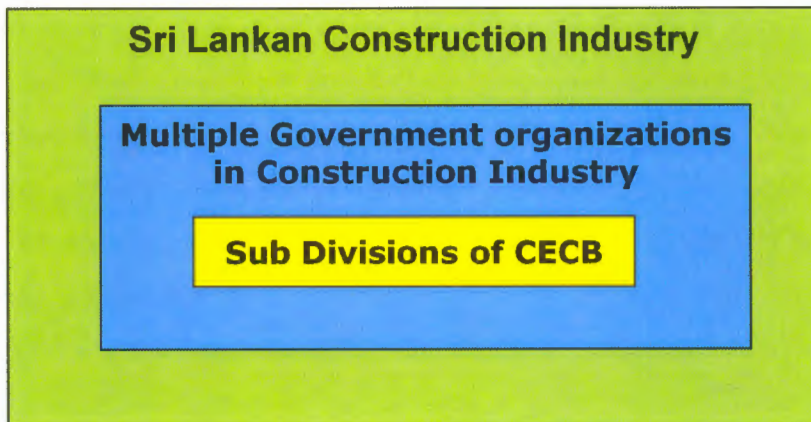
Figure 3.2: Unit of analysis

3.3.5.2   Defining Number of Cases

Next step is to define the number of cases for the study. Yin (1994) stated that the number of cases in case study could vary from one to eight as per the nature of the research. According to Perry (1998) there are no precise guides to the number of cases to be included in a case study and decision is left to the researcher. By considering above and the availability of cases, the researcher decided to select five cases for this study. The criteria which were used to select these five cases are discussed under the next heading.

3.3.5.3   Selecting the Cases

When selecting the cases special attention should be given to select relevant cases which are directly related with the research. According to Yin (1994), the criteria for selecting cases, is a matter of discretion and judgment, convenience, access and to be those which are subjective for the purpose of the research. In this research also above issues were considered when

selecting the cases. The graphical way which was used in selecting the cases is illustrated in figure 3.3.

Five cases were selected for this research from Central Engineering Consultancy Bureau (CECB). When we consider the government sector organizations operated in Sri Lankan construction industry, it is very clearly observable that the CECB is the only organization which has been decentralized into sub divisions completely for performing the activities of the projects under taken by CECB. These sub divisions are assigned to Additional General Managers (AGM) and those divisions are operated by using delegation of authority among the staff members of the divisions. There are two important layers namely Deputy General Manager (DGM) and Project Manager (PM) exist under AGM in each division and other subordinates like Resident Engineer (RE), Site Engineer (SE) and technical staff directly managed by PM. Also it is noticeable that the each of these divisions is run as separate cost centers or profit centers. Although all the sub divisions of CECB are functioning under same policies and procedures, it is observable some deviations in each division due to many reasons. Some of reasons are related to superiors and others are related to subordinates. Decentralized management systems are mainly depending on the persons who are in the key positions of the division. Therefore selecting of five separate divisions of CECB is very useful to study the similarities and deviations of decentralized management systems while searching the main features of decentralized management systems. In this research five AGM divisions were selected from five provinces namely Central, Eastern, Northern, Sabaragamuwa and Uva. By studying on those particular divisions, a better understanding of delegation of authority in government sector organizations in Sri Lankan context could be obtained.
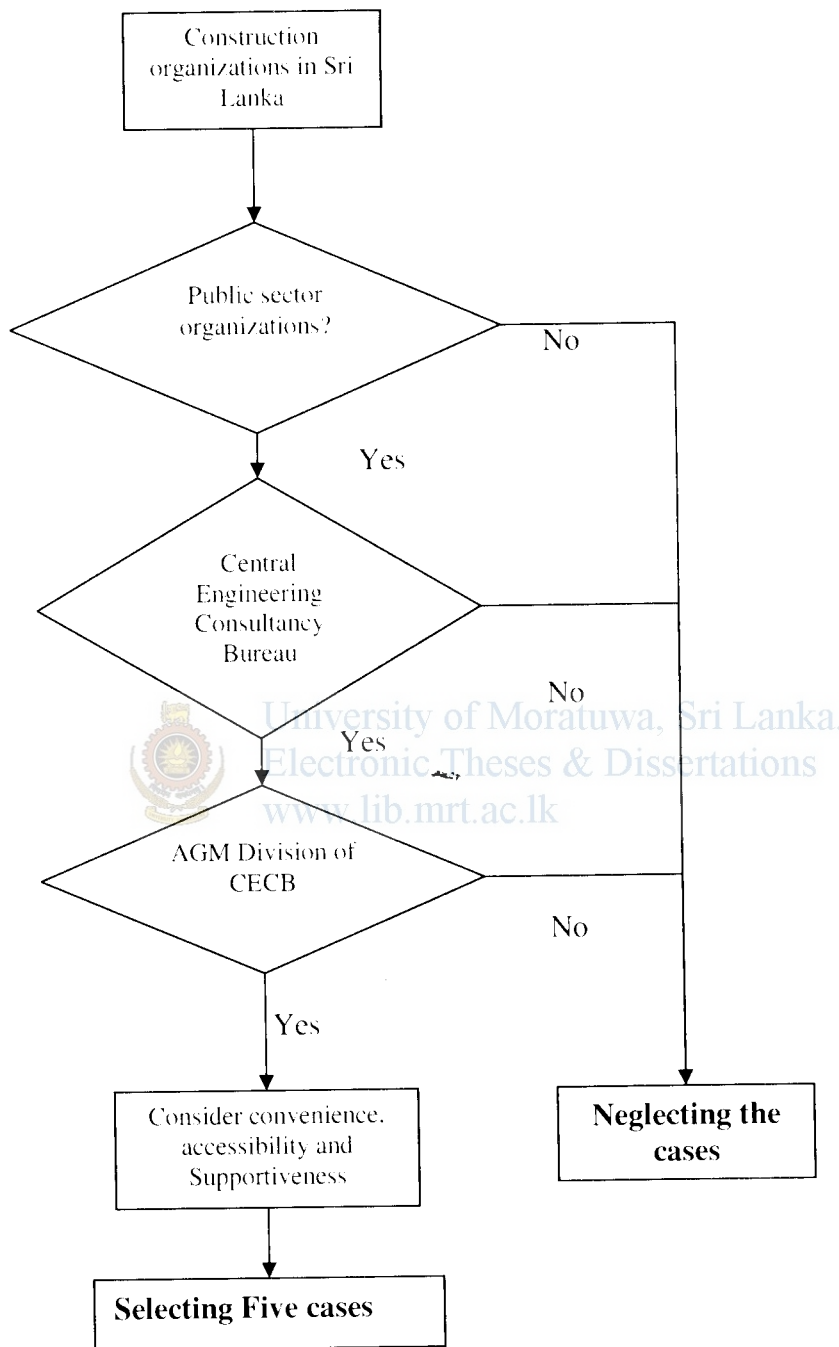
Figure 3.3: Criteria for selecting the cases

3.3.6 Data Collection

How the data was collected is explained in this section. Yin (1994), has identified six sources of data collection under case study approaches, namely: documents, archival records, interviews, direct observation, participant observation and physical artifacts. Out of these techniques, interviews were used as the main data collection tool, as it is the most accessible and affordable method as the researcher is working in the same organization.

According to Sekaran (2003), if the interviews are carried out face to face, researcher can pick up the nonverbal cues from the respondent and it is beneficial to understand the responses effectively and evaluate whether the respondent's mental condition is suitable to answer the questions clearly. He further explained that when interviews are conducted in semi- structured manner, it enables to adapt the questions necessary, clarify doubts and ensure that the response is properly understood by repeating and rephrasing the questions. Thus, the interviews were carried out face-to-face in semi structured manner. The following sections explain the structure of the interview and the interview process.

3.3.6.1 Interview Structure

The guidelines for the interviews were prepared to collect required data around the research problem and those were developed based on the literature synthesis and the objectives established in Chapter 01. Table 3.1 illustrates how the interview guidelines were developed with reference to the literature synthesis and objectives of the study. These guidelines were structured under four main headings namely: background information, effects to superiors, effects to subordinates and factors affecting for effective delegation of authority. The developed interview guideline structure to capture the required data is illustrated in Appendix 01.

Table 3.1: **Structure of Interview Guidelines**

Section in the Interview Guidelines	Reference to Literature Synthesis	Reference to Research Objectives
Background information		
Effects to superiors in delegation of authority	2.4.2.1	Objective 3
Effects to subordinates in delegation of authority	2.4.2.2	Objective 3
Factors affecting for effective delegation of authority	2.4.3	Objective 4

3.3.6.2   Interview Process

The interviews were conducted with three key participants of each sub division namely Additional General Manager (AGM), Deputy General Manger (DGM) and Project Manger (PM) and it is help for keeping a consistency within an interviewee sample of each case. AGM, DGM and PM in each division act a vital roll in the division and their experience and performance are very important for the success of each division. They have to interact with each other in all operations of the division and other sections in the division mainly controlled by these key persons. Also the attitudes, views, talents, skills and competencies of these key persons affect for better development of the division. Considering all the above reasons it was focused to conduct the interviews only with AGM, DGM and PM of each division to identify the effects of delegation of authority and the factors affecting for effective delegation of authority. Also two group interviews were conducted in this process and the groups were consisted with Additional General Managers, Deputy General Managers and Project Managers.

In this interview process, 15 interviews were conducted and each was taken about two hours to complete. Some of interviews were video recorded with the permission of the interviewee and

were note taking. Video recorded interviews were taken into notes as a summary after
... them later. Appendix 01 illustrates a sample of interview transcript. Details of the
... viewees and the divisions were not disclosed in this report for maintaining the
... identiality as guaranteed in the questionnaire guidelines. During interviews, a brief
... retical explanation about main features in delegation of authority relevant to the objectives
... comparison with the existing government sector construction organizations were given
... erviewees for giving a better understanding about the questionnaire and to explain the
... ement of the research.

3.3.7 Data analysis

... this section it is described how the collected data were analyzed. First, the key themes
... odes) emerging from the findings were identified within each case for analyzing collected
... ata. Perry (1998) stressed that these findings should be justified by using 'cross-case
... alysis' which is the process in identifying interrelationships and differences between each
... ses and afterwards, the conclusions should be made. This data analysis process was based on
... o data analysis techniques namely; content analysis and cognitive mapping which will be
... discussed in subsequent sections.

3.3.7.1 Content Analysis

According to Senaratne (2005), code-based content analysis enables to find similar cognitions
... nder a particular concept and consider its significance rather than the actual content of the
... egment. Hence, code-based content analysis was used in this study to capture important
... oncepts from the transcripts and for effective interpretation of those. The QSR NVivo -7
... Copyright 1999 -2007 Qualitative solutions and Research Private Limited); computer
... oftware was used in this study to ease the clerical works relating to content analysis.

At the beginning, coding structure was developed with major themes which were formulated
... n the basis of the developed concept model as indicated in Figure 2.6 in Chapter 2 which was

ntified in the literature survey. This coding structure is illustrated in Appendix 02. In next
p. all the interview transcripts were coded based on the assistance of aforesaid software.
sequently coding reports were generated by the software for each sub themes. These
ing reports allowed identifying similar cognitions under these themes, and rooted in those,
aled cross- case analysis write-ups were developed. During write-ups, key findings were
ss- referred with the corresponding literature findings.

3.7.2   Cognitive Mapping

though, content analyzing enables better interpretation of qualitative data, it lacks with
displaying capabilities. According to Miles and Huberman (1994), it is hard on analysts
ase, it is dispersed over many pages and not easy to see as a whole. It is sequential rather
simultaneous, making it difficult to look at two or three variables at once. It is usually
ly ordered and it can get very bulky. Thus, to overcome these shortcomings, it is obvious
a content analysis alone is not enough and effective. There should be a better technique to
alyze such data sets. Senaratne (2005) stressed the idea that the cognitive maps which one of
possible data displaying techniques along with, matrices and networks; provides a holistic
w by allowing the reader to move back and forth between understandings of the whole.
herefore, cognitive mapping was selected as the data displaying technique to offer
nvenient understanding to the reader in this research.

3.3.7.3   Conclusion Drawing

this is the final stage of data analysis. Conclusion drawing was described by Miles and
Huberman (1994, cited in Senaratne 2005, p.91) as

> "Conclusion drawing involves researcher in interpretation and drawing meaning from
> the displayed data."

Thus, findings through the empirical study; their inter relationship with the existing literature;
and, the implications from this study to both the theory and to the practice were elaborated

under conclusions. Also, new research directions which emerged from this study were highlighted in the conclusion.

3.3.8 Write- Up

Writing up of the dissertation is the final stage of the research process. Throughout the research process it was done simultaneously according to a sequential pattern. At the beginning of the write-up it was done in a broad way and gradually it was narrowed towards the objectives of the research. It was taken every possible effort to explain the matters arose in the research in understandable manner using figures and tables as much as possible for easy reference to the reader.

3.4 Research Validity

Any method of study was incomplete without considering the fundamental issues relating to evaluation of the validity of any research outcomes. Yin (1994) stated that any research study, for it to be valid should confirm to, and pass certain design tests with regards to various levels of research validity as explained below.

- *Construct validity* - Establishing correct operational measures for the testing of the concept being studied is considered here.

- *Internal validity* – Establishing casual relationships, whereby certain conditions are shown to lead the other conditions, as distinguishes from the spurious relationships considered under this.

- *External validity* – Establishing a domain to which research findings can be generalized is considered here.

- *Reliability-* Demonstrating that the operations of study such as data collection procedures can be repeated with the same results considered under this.

In this research the measures were taken to ensure the validity under each of above levels of validity and those are indicated in the Table 3.2.

Table 3.2: Measures taken to ensure the validity of the research

Test	Measures taken in this research
Construct Validity	• **Triangulation:** Interviewing three people on the unit of analysis • **Conducting semi structured and face- to- face interviews:** Adapting the questions necessary, clarify doubts, picking up the nonverbal cues from the respondent for greater understanding • **Selecting interviewees:** Selecting key individuals of the division who have regular interactions.
Internal Validity	• **Developing research problem and process model:** Developing the research problem and process model progressively in a logical manner. • **Logical analytical process:** Cross-reference to literature and process model when producing results.
External Validity	• **Multiple case studies:** Selecting five cases to investigate the research problem. • **Logical case selection:** Adapting logical criteria for selecting cases
Reliability	• **Transparent interview process:** Video recording or note taking during interview and developing interview transcripts to ensure accurate data capture. Maintain confidentiality. • **Consistent interview guidelines:** interviewing all the interviewees based on the same defined interview guidelines. • **Consistent interviewee sample:** Additional General Manager, Deputy General Manager and Project Manager from each division

3.5 Summary

This chapter has described and justified the research process and the methodology adopted for the purpose of the research. The case study method was selected as the research method in order to fulfill the requirements of the research and it was described in this chapter. From the literature survey and desk study on documents were carried out to explore the main and sub criteria that affect the delegation of authority in a government sector organizations. Finally the research validity was discussed to enhance the quality of the research. In the next chapter, research findings from the case studies will be presented and analyzed.

CHAPTER 04

RESEARCH FINDINGS

4   Introduction

purpose of this chapter is to analyze the empirical data collected through the interviews in descriptive manner and comparing those data with the literature review. Cross-case analysis is to explain the similarities and differences of the considered five cases in detail and those similarities and differences are discussed with literature review indicating the main important points. A description of the selected five cases is illustrated before the cross-case analysis.

4.2   Description of the Case Study

this research, five Additional General Manager (AGM) Divisions of Central Engineering Consultancy Bureau (CECB) were considered for the case study and those divisions were selected from five provinces as the external conditions such as availability of resources, political, cultural and social are differed from province to province. It is observable that the structure of each division is almost same and AGM, Deputy General Manager (DGM) and Project Manager (PM) are the key positions in each division. A brief description about the selected five cases is given in Table 4.1.

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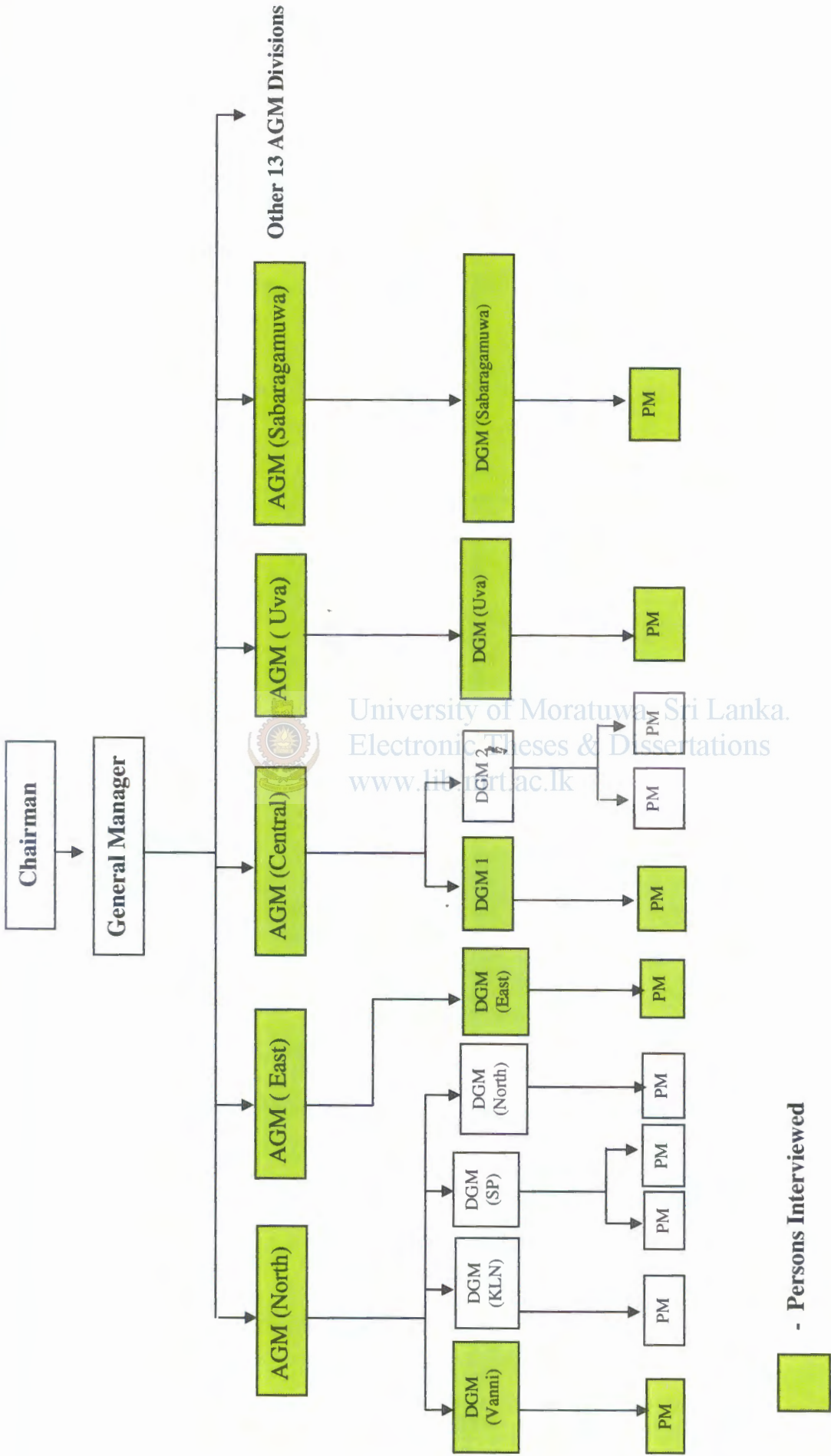
Table 4.1: Brief description of the selected cases

Case	Case 1	Case 2	Case 3	Case 4	Case 5
AGM Division	Northern	Central	East	Uva	Sabaragamuwa
Physical dispersion of the division	Polonnaruwa, Anuradhapura, Vavuniya, Mannar, Killinochchi, Mulathiv and Jaffna districts	Kandy, Nuwara Eliya, Kurunegala and Matale districts	Trincomalee, Batticola and Ampara districts	Badulla and Monaragala districts	Ratnapura and Kegalle districts
Number of ongoing projects	48	18	14	12	14
Total worth of ongoing projects	Rs.1500 million	Rs.850 million	Rs.500 million	Rs.900 million	Rs.500 million
Strength of the technical staff including Engineers	150	55	46	48	50

4.3   Cross-Case Analysis

In this section, the selected five cases are analyzed to check the similarities and differences of each case while highlighting those similarities and differences with the literature review. This cross case analysis is done under three main headings namely effects to superiors in delegation of authority, effects to subordinates in delegation of authority and factors affecting for effective delegation of authority.

4.3.1 Effects to superiors in delegation of authority

Effects to superiors in delegation of authority are discussed in this section. The coding structure related to this heading is illustrated in Figure 4.1. According to Figure 4.1, saving time and energy, releasing operational work load, and opportunity for real top management functions are analyzed under separate sub headings. Figure 4.2 shows the cognitive map related to this topic and it is also discussed under sub headings of the coding structure.
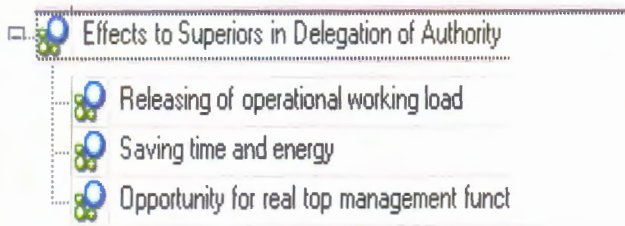
Figure 4.1: Coding structure for effects to superiors in delegation of authority

4.3.1.1   Releasing of Operational Working Load

The superiors of a division have to be involved with many management activities for the success of the division. Thus, they should be freed from day-to-day operational activities to facilitate them to involve in top management activities. All the interviewees of all five cases expressed that releasing of operational working load is possible in their divisions through delegation of authority to subordinates. As per the PM of case 3, *"it's true. The management can use their time to solve managerial problems without wasting time on routine operational works."* The DGM of Case 5 indicated that *"operational working load of superior has been released completely in this division. It has been helped to develop the position of the division."* The AGM of case 4 expressed that *"I am not involving in any operational work in projects and those works have been handover to my subordinates totally. Sometimes I prepare duty lists for subordinates covering all the operational duties in the projects and monitor them. Especially I am very much careful to select subordinates for the key positions and I never take*

incapable officers for the key positions". These expressions clearly show that releasing of operational working load through delegation of authority is possible in construction projects.

Although all the interviewees agreed with releasing working load of superiors through delegation of authority, some interviewees indicated some points to be considered for the effectiveness of the process. According to AGM of Case 3, *"subordinates should have enough experiences to take over the operational working load".* Further he expressed that *"superiors can not delegate responsibility to subordinates. However the superiors have to monitor the subordinates and random checks are essential."* As per the PM of Case 5, *"releasing of operational working load of superiors is possible through delegation of authority. But need to be monitoring the activities of subordinates".* DGM of Case 5 indicated that *"releasing the operational working load is possible through delegation of authority to subordinates. But this decision has to be taken by considering the real working capacity of subordinate and his attitudes".* DGM of Case2 expressed that *"releasing operational working load of superior is possible through delegation of authority. But prior identification about subordinate is needed for this."* According to AGM of Case 5, *"releasing the operational working load of superior is possible provided that subordinates are loyal."*

When consider all the empirical data, it can be summarized that releasing of operational working load of superiors to subordinates is possible through delegation of authority. But interviewees pointed out as indicated above, some important factors to be considered when doing this. Mainly those factors are related with subordinates. Capacity, attitudes, loyalty, experience, skills and competencies of subordinates are to be considered before releasing working load of superiors to subordinates. Hence, selecting capable managers for the positions is very important for effective delegation of authority. This will be further discussed in the Section 4.3.5.1 under factors affecting for effective delegation.

Also some interviewees emphasized a requirement of proper monitoring system for an effective delegation of authority. It is noted in the empirical data that the responsibility of superiors should not be delegated completely to the subordinates. Agarwal (1982) stated that since a superior can delegate authority but not responsibility, it becomes necessary for him to establish adequate controls to ensure that his subordinates exercise authority properly and achieve predetermined goals (see Section 2.4. in Chapter 2). Hence, above two factors are

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compatible with literature review. This point also will be discussed further in the Section 4.3.5.4.

According to all above explanations, basically it is possible to release the operational working loads of superiors to subordinates through delegation of authority and some subordinate related factors as indicated above should be considered for an effective delegation. Also it was noticed in the empirical data that releasing of operational working load of superiors greatly helps for saving time and energy of superiors.

4.3.1.2   Saving Time and Energy

In the above section, it was identified that releasing of operational working load of superiors through delegation of authority greatly helps for saving time and energy of superiors in the division. As per the concept model (see Figure 2.6) and literature review (Chapter 2), saving time and energy of the superiors is very important and it is a main objective in delegation of authority. Time for key positions such as AGM, DGM and PM is more essential in a division and it should be used for the development of the division as they are responsible to run their division as a separate cost center with profit.

According to the empirical study carried out, saving time and energy of superiors is possible through the delegation of authority to subordinates. Majority were strongly agreed with the possibility of saving time and energy. DGM of Case 2 division expressed that, *" it saves time, energy and money as well. As an example, I attend site progress review meetings with clients when crucial problems come. Otherwise, my PM handle meetings even with ministers."* As per the opinion of DGM of case 4, *"by saving time and energy through delegation of authority, superior is more relaxed to plan and forecast future complexities that may badly affect the progress of the projects in the division"*. According to AGM of Case 1, *"if the subordinates are capable to achieve time targets and required quality while maintaining the cash flow, then the superiors can save time and energy to use in other managerial activities."* As per the opinion of DGM of case 4, *"according to my experience it is very helpful to save my time by delegating of authority to subordinates and it is very useful for arranging my management works effectively"*. Hence, it is evident that saving time and energy is possible for superiors

through delegation of authority   subordinates and they can utilize their time and energy in more important areas of their duties.

Few interviewees argued that sometimes superiors are not able to save the time and energy when the subordinates are not capable and their commitment is less. Mainly the DGM and PM of Case 5 explained that they had to give more attention and devote more time and energy in some projects where the subordinate were weak. According to them, saving time and energy of superiors is dependent on the attitudes of the subordinates. This issue was revealed in the literature (see Section 2.4.3 in Chapter 2) as subordinate related reasons for effective delegation of authority. Also it will be discussed in Section 4.3.5.1 under selecting capable managers for effective delegation of authority. Hence, even though their arguments are true and exist, that matter would be solved by selecting capable managers for the important positions of the structure. It is evident with the empirical data that with capable subordinates, superiors can save time and energy through delegation of authority and then they have more opportunity to involve in real top management functions of the division and organization.

4.3.1.3   Opportunity for Real Top Management Functions

It is expected in the delegation of authority to give more opportunity to superiors to involve in real top management functions of determination of long and short range goals, strategic planning and formulation of major policies. By releasing operational working loads to subordinates the superiors can save time and energy to attend in important areas of the superior's duty like planning, coordination and controlling.

According to empirical data, above explanations are tallied in some divisions. For example, the AGM of Case 5 indicated that *"the superiors are possible to attend in policy matters, overall planning, controlling, obtaining more jobs and improving relationships with clients."* The DGM of case 4 expressed that *"in our division, authority is delegated to subordinates and superior monitors and takes corrective actions whenever a non-conforming is observed."* These divisions are evident for using saving time by delegation of authority for real top management functions. AGM of Case 3 stated that the superiors are need to be involved in

strategic planning and they are involving in preparing co-operate planning for the organization as 5 years co-operate plan and 10 years co-operate plan.

But some interviewees have given some contradictory explanations due to some reasons in their practice. For example, PM of Case 1 expressed that even though the superiors can save time and energy by delegation of authority, they do not think to attend in strategically planning as there is a slight uncertainty of getting jobs continuously for the divisions. According to him this is mainly related with the attitudes of the superior. Because finding new projects for the division also is a duty of the superior. He can use his available time for searching new projects. It is also a top management activity for the development of the division. DGM of Case 3 stated that superiors do not consider much to make new policy planning as they follow the existing system of the organization. Further he indicated that superiors devote their available time for taking remedial measures to correct non performing projects, for searching new projects for the division and for improving the relationships with the clients.

Hence, it is observable that the superiors of each case have more opportunities to involve in top management functions by saving time and energy through delegation of authority and they are involving in many management activities for the development of their divisions. Magnitude of usage of this opportunity is varied from superior to superior depending on their capacities and attitudes.

4.3.2 Summary of effects to superiors in delegation of authority

According to the empirical data, it was observed that releasing operational working load and saving time and energy of superiors are possible in a decentralized management system through delegation of authority to subordinates. But, if the subordinates are not suited enough to their positions, it will be a big issue for the project as well as for the organization. Hence, it is more important to select most suitable managers for the positions for the success of the system. Otherwise the top managers of the divisions are not able to involve with real top management functions as they need to be attended for taking remedial measures to correct the mistakes made by their subordinates. Therefore releasing of operational working load of

superiors mainly depends on the attitudes and capacities of subordinates. When releasing of operational working load of superiors is possible, superiors can save their time and energy to use for real top management functions of the division as well as the organization. Thus, it can be identified a clear relationship among these three features. But, it was noticed that utilizing of saved time and energy mainly depends on the superior's attitudes and capacities. Hence, selecting capable managers for the positions of superiors and subordinates is a most important factor for the success of a decentralized management system.

Need prior identification of subordinate

Can not delegate the responsibility of superior

Subordinate should have good experiences

Capacity of subordinates

Operational works bared by subordinates.

Loyalty of subordinates

Depends on subordinates attitudes

Uncertainty of new projects

There should be a good monitoring system

Skills and competencies of subordinates should be considered

Releasing operational working load

Subordinates attending in many important activities at field level

When capable subordinates are available

Maintaining the cash flow

Achieve required quality

Achieve time targets of the project

Saving time and energy

Capacity of superiors

Attitudes of superiors

Effects to superiors in delegation of

Opportunity for real top management functions

Improving relationship with clients

Overall

Attend to policy matters

Controlling projects

Obtaining more projects

Taking control measures

Recoup authority in another managerial decision

Monitoring projects

Figure 4.2: Cognitive map for Effects for Superiors in Delegation of Authority

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4.3.3 Effects to Subordinates in Delegation of Authority

Effects to subordinates in delegation of authority are discussed in this section. According to the literature review in Chapter 2, the main features related with subordinates were identified and those were described in Section 2.4.2.2 and illustrated in Figure 2.5. The coding structure related to this heading is illustrated in Figure 4.3. According to the Figure 4.3, autonomy, decision making, responsibility, participation, motivation and satisfaction are analyzed under separate sub headings. Figure 4.4 shows the cognitive map related to this topic and it is also discussed under sub headings of the coding structure.
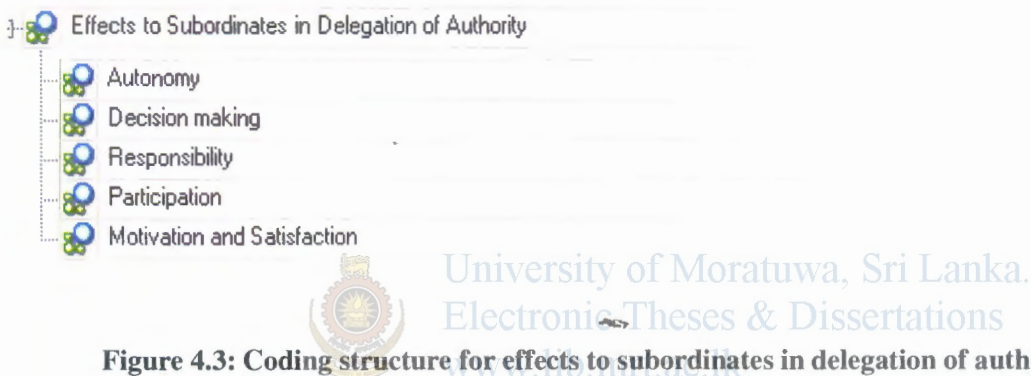
Figure 4.3: Coding structure for effects to subordinates in delegation of authority

4.3.3.1 Autonomy

One objective of delegation of authority is granting more autonomy to subordinates for performing activities effectively in the projects. Under such system they are not forced to follow orders of superiors by point to point for doing their duties. Subordinates should have enough freedom for planning and executing the works under him for better performance of activities with a decentralized management system.

When considering the empirical data, the most of interviewees agreed about granting more autonomy to subordinates for performing the activities of projects more effectively. According to them, when the subordinates are given adequate autonomy, they can make quicker responses for the issues that arise in the field using local knowledge. It helped to make correct decisions at correct time. Thus, the time and money can be saved and unnecessary delays

could be avoided. As per AGM of Case5, *"it avoids delays in getting approvals and information from superiors who are in base offices. Dealing with clients and correspondents, and taking decisions at site is easier if more autonomy is given. For negotiations with clients, it is very essential."* According to DGM of Case 4, *"granting more autonomy is very important when a project has to be expedited with a crash program. We observed this in several projects."* The PM of Case 3 indicated that *"it can be saved time and money by taking quicker decisions for small and possible matters without referencing to the superior when the decisions are justified".*

Some interviewees argued that granting more autonomy to subordinates is more risky if the subordinates are not suited to bare it. The DGM of Case 2 stated that *"control should be there. Otherwise some might misuse the autonomy. It is very important to consider when deciding to grant autonomy to subordinates who have already failed in achieving given targets in previous projects.* The AGM of Case 1 stated that *"when more autonomy is granted, it should be done under thorough supervision and some conditions only."* According to DGM of Case 4, *"when granting more autonomy, close monitoring is needed in certain areas likes financial control and material handling".* Hence, it is very important to select most suitable managers for the positions when granting more autonomy to subordinates through delegation of authority. But applying good control mechanisms and through thorough supervision, those subordinates could be managed for achieving set targets.

The PM of Case 3 stated that *"some superiors are reluctant to grant autonomy as required for performing works".* According to the PM of Case 1, *"sometimes superiors are interfering in activities unnecessarily and it is disturbed to the autonomy granted through delegation of authority".* Hence, those superior related reasons should be minimized for granting autonomy to subordinates effectively. As the autonomy is granted to the subordinates through delegation of authority, they are having decision making authority in the projects for performing the project activities using available local knowledge and resources.

4.3.3.2   Decision Making

With granted autonomy to subordinates through delegation of authority, the subordinates obtain the authority for making decisions as required in the projects while saving time and money. Decision making authority at field level is very essential in projects and it is a main objective in delegation of authority.

Case study findings indicated that decision making authority at lower level is essential for making quicker decisions as required information and resources are available in the field. All the interviewees agreed with granting decision making authority to the field level and currently they are practicing this in their divisions. The AGM of Case 5 stated that *"when the field staff is given the decision making authority, they can easily coordinate with the relevant field officers and they can use the available relevant information for making quick decisions at site"*. The DGM of Case 2 indicated that *"by granting decision making authority to subordinates in the division, it can be easily facilitated to take quick responses for the matters arose in projects while saving time and money"*.

But most of interviewees highlighted some important factors to be considered when making decisions on particular situations. The AGM of Case 3 indicates that *"transparency is very important when making decisions. Subordinates should be able to justify the decision with facts if it is needed to be explained."*   According to AGM of Case 1, *"before taking the decisions, the local conditions should be properly informed to the higher authorities with the alternative proposals and select the correct proposal jointly. As the communication facilities are available, getting instruction from senior experience managers is more important for better solutions."* The DGM of Case 4 explained that *"the person nearest the scene of action is in a relatively better position to understand the complexities of the problem and make a qualitatively better decision to meet the situation. But the subordinate has to carefully distinguish the weight of the decision whether further advice is needed or not."* When consider all above explanations it is clear that even though the subordinates have been given more freedom to make decisions as required at the field level through delegation of authority, they should make decisions with higher responsibility and should take advices of superiors if it seems to be required. Also the accountability of decisions is more important in this scenario.

Hence, the subordinates in the division are assumed to be taken more responsibilities for completing the projects successfully with the granted decision making authorities to them.

4.3.3.3   Responsibility

It is very important to vest more responsibilities on subordinates with granting more autonomy to them. Basically, when the subordinates are given more authorities for making decisions, they should have a great responsibility to perform their duties according to the policies, procedures and regulations of the organization and the project outcomes.

According to empirical data, interviewees argued that the subordinates should be given more responsibility with granting more autonomy. The AGM of Case 5 stated that *"after delegation of authority, subordinate is responsible to act as per administrative and financial regulations of the organization and to complete jobs with the profit expected."* According to DGM of Case 4, *"authority and responsibility is inter-related."*

Many interviewees mentioned that development of leadership qualities, career development, developing confidence and getting more experiences by facing to challenges could be obtained for the subordinates by taking more responsibilities through delegation of authority.   The DGM of case 2 stated that *"when the responsibilities are vested on subordinates they are facing to a challenge for achieving set goals. It helps to develop their confidence."*   According to DGM of case 4, *"it is a challenge and it makes subordinate more active and be alert all the time even off official hours."*   The AGM of Case 5 indicated that *"performing responsibilities helps to develop leadership qualities of a subordinate."*

The AGM of Case 1 and the AGM of Case 3 expressed the importance of having a good training, following guidelines and maintaining good communication among superior and subordinate for performing the responsibilities of subordinates more successfully. Also they should be more active and alert in all the time for covering their responsibilities in the projects. It is very important and needed to be practiced a real participation in the projects for fulfilling their responsibilities successfully.

4.3.3.4   Participation

As mentioned in the previous section, it is very important to participate actively in project activities for covering the responsibilities vested on the subordinates. Hence, delegation of authority raises subordinate's utility and his real participation in the projects.

All the interviewees emphasized the requirement of real participation of subordinates in the projects and discussed the benefits to the subordinates through participation. According to them, subordinates get the opportunity to use their innovative talents with their real participation and getting more experience, self improvements and possibility to do some experiments are the other benefits. The AGM of Case 5 stated that *"real participation of the subordinates is needed to fulfill his responsibilities vested on through delegation of authority."* DGM of Case 4 expressed that, *"when authority is delegated to subordinate, he feels that he is eligible for participation in many occasions in the project."* The AGM of Case 1 indicated that *"skills are come with experience. To get experience, we should work hard with real participation. This real participation has to be made in delegation of authority to fulfill the responsibilities of subordinates in the projects".* The AGM of Case 5 emphasized that *"delegation of authority creates a person with more responsibilities. He is responsible for the project in every aspect. He has to deal with all the problems and ensure the completion of the project to the satisfaction of the client and the staff. For these things to be fulfilled, the subordinate has to participate in the projects actively".*

When consider literature review and empirical data, it is observable that expressions in both scenarios are same and could not notice any contradictory point or improvements to be made. Almost all the empirical data urged that real participation of subordinates is very important in the projects to cover up their responsibilities vested on them through delegation of authority.

4.3.3.5   Motivation and Satisfactory

Delegation of authority is a good device to motivate subordinates in an organization. When searching the empirical data it is clearly concluded that the delegation of authority improves the subordinates' satisfaction and it greatly helps to motivate the subordinates in a division.

The AGM of Case 5 stated *that "the person, who is vested authority in decision making, feels that he has the responsibility to run the organization. Then he will be motivated and also he will try to motivate other staff and all will be satisfied."* The DGM of Case 4 indicated that *"when authority is delegated, motivation comes through self dignity that is enhanced by acceptance of others."* The DGM of Case 2 expressed that *"when the subordinates are given more autonomy, decision making power and responsibilities, they feel that they have been recognized by the organization and also widening their working range with promotion. This leads to motivate them and as a result, most probably they may work to bring the organization towards the great heights".* According to the AGM of Case 1 *"more autonomy and more responsibilities give a sense of prestige to the subordinates".* The DGM of Case 3 stated that *"through real participation in projects, the subordinates can show their talents and innovative and it develop a high moral in them. This helps to motivate the subordinates and they are really satisfied with their own outputs".* Some more interviewees explained that giving more authority to subordinates helps to build up high moral through real participation and it builds up the motivation of subordinates. The AGM of Case 4 indicated that *"taking more responsibilities by the subordinates helps for getting developed in their careers. This self improvement helps to motivate them to develop their careers while performing well in the field".*

In brief with all the explanations of interviewees, delegation of authority can be identified as a real motivation tool to subordinates through other features; autonomy, decision making authority, responsibility and participation.

4.3.4 Summary of effects to subordinates in delegation of authority

According to the findings of the empirical study, subordinates are given more opportunity to participate actively in projects through delegation of authority and it leads to motivate them for performing their duties effectively with a higher satisfaction. It was identified through the findings of this study that there is an inter-relationship among the effects to subordinates in delegation of authority. Autonomy granted in delegation of authority leads to give more decision making authority for the subordinates in the organization. With this decision making

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authority, the subordinates are vested with more responsibilities and they have to make a real participation in projects to fulfill their duties. These all the features lead to motivate the subordinates and they are given more satisfaction with their own outputs in the projects. Hence, delegation of authority in an organization is more useful for achieving the project goals effectively and efficiently.

According to the empirical data, it was observed some special matters to be considered in delegation of authority for better practice. When autonomy, decision making and responsibility are considered, it was observable that even though those features are applicable in real practice, there are some control measures and more attention to be taken for avoiding the risk involved with those features to gain the real benefit of delegation of authority to subordinates. According to empirical data, it was noticed that by selecting most suitable managers for the positions, the risk could be minimized. In the next section these aspects will be discussed with more details under factors leading to effective delegation of authority.

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Relevant information available

Need proper training and guidelines

Misuse of autonomy

Easily coordination

Earning profit

More active and be alert all the time

Career development

Developing confidence

Get experience

It is a challenge

Communication is essential

Feeling as an important person in the division

Enhance the self dignity

By acceptance of others

Close monitoring in financial and material handling

Taking decision at site

Development of leadership qualities

None performed subordinates

Act as per regulations

Expediting works with crash programmes

Negotiation with clients

Under thorough supervision

Responsibility

Motivation and Satisfaction Development

Give a sense of prestige

More autonomy and more responsibility

Local

Correct decision in correct time

Autonomy

Effects to subordinates in Delegation of Authority

Develop a high moral

Real participation is needed to fulfill responsibilities

Feels he is eligible to participate

Taking Quick responses

Saving time and money

Avoid unnecessary interference of superiors

Participation

Get experiences

Opportunity for experiments

Self improvements

Subordinate should have the adequate knowledge

Using local knowledge

Subordinates can show their own talents and innovative

Capacity and capability of subordinate

On pending approval of superiors

Decision making

Selecting best option jointly

When transparency exists

Following relevant guidelines, procedures and limitations

Inform local conditions with alternative proposals to superior

In higher level important decisions

Figure 4.4: Cognitive map for Effects to subordinates in delegation of authority

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4.3.5 Factors Leading to Effective Delegation of Authority

There are many factors to be considered in delegation of authority for an effective decentralization system. As illustrated in Figure 2.6, establishing goals and selecting capable managers, granting sufficient authority, effective communication, establishing proper control mechanism, maintaining trust and better understanding, and rewarding for effective performance are most important factors found through literature review (see Section2.4.3 in Chapter2). The aim of this section is analyzing the empirical data on above factors and comparing with literature findings. The coding structure related to this heading is illustrated in Figure 4.5 and cognitive map is shown in Figure 4.6. The above mentioned factors are discussed under sub headings of the coding structure.
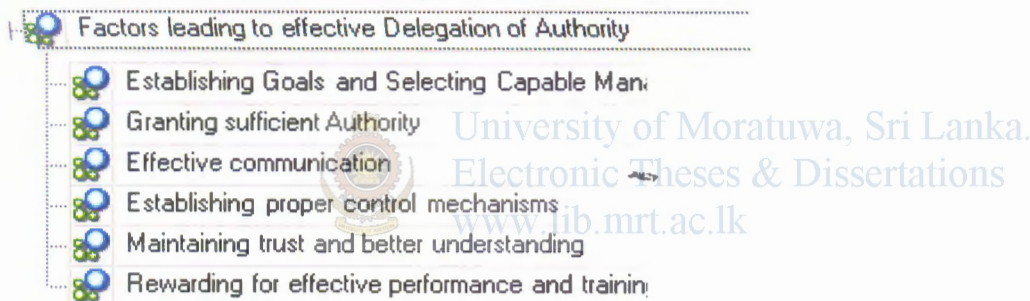
Figure 4.5: Coding structure for factors leading to effective delegation of authority

4.3.5.1 Establishing Goals and Selecting Capable Managers

The empirical data revealed that establishing goals for projects and selecting capable managers for the positions as a key factor for an effective delegation of authority. As per the AGM of Case 3, *"established goals are indicators to check achievements."* The AGM of Case 1 indicated that *"delegated goals and necessary guidance to be provided for an effective delegation of authority."* Hence, the empirical data shows that establishing goals is very important in a decentralized system as indicated in literature review. Some interviewees expressed their views supporting to this factor. The AGM of Case 5 stated that *"when goals*

are established, subordinates develop the system". According to the DGM of case 4, *"assigning subordinates with goals get productive outputs".* As per the DGM of Case 5, *"the subordinates view a direction with established goals".* With these views it can be concluded that establishing of goals for the divisions and sub divisions are very important for an effective delegation system.

According to empirical findings, all the interviewees expressed that selecting capable managers for the positions as a must for en effective delegation system. Some of their expressions as follow. The AGM of Case 3 stated that *"if capable managers are not available, it will be disaster."* The AGM of Case 1 indicated that *"for an effective delegation system, it needs capable managers with good communication skills and better performance."* As per the AGM of Case 5, *"delegating authority to incapable managers has no meaning."*

As discussed in the sections 4.3.1.1 and 4.3.1.2, selecting of subordinates for the positions is very essential for releasing of operational working load of superiors for saving time and energy of superiors to participate in real top management functions. If it fails to select suitable managers for those positions, it would be very difficult or not possible to achieve the set targets through delegation of authority. On the other hand, as discussed in the sections 4.3.1.3 and 4.3.2, selecting managers for superior positions is also very important to get the planned outcomes through delegation of authority.

4.3.5.2 Granting Sufficient Authority

Granting sufficient authority is a key factor leading for effective delegation of authority. Most of the interviewees expressed the requirement of having sufficient authorities for performing the duties in projects smoothly without any interruption. It was identified in the empirical study that the authority should be adequate-neither more nor less than adequate to enable the subordinate to make all those decisions and take all those actions that are required for effective delegation.

According to the AGM of Case 3, *"without sufficient authority, the subordinate may be in doubtful situation."* The DGM of Case 4 expressed that *"sufficient authority is needed for*

better job performances." The PM of Case 3 indicated *that "if authority is not sufficient, the delegation is meaningless."* The DGM of Case 2 explained that *"for an effective delegation, sufficient authorities are needed while introducing a controlling mechanism in constructive manner".*

In the case study findings, most of interviewees indicated that interference should be minimized for an effective delegation while granting sufficient authority as mentioned above. All the interviewees agreed with this statement. According to them, more interference may lead to demoralize the subordinates. Also they indicated that when more interference is done then the delegation may not be fulfilled. The AGM of case 1 proposed to have regular interference without having ad-hoc interference. The DGM of Case 2 indicated that "interference should be done in constructive manner while providing sufficient authorities for the subordinates". The DGM of Case 4 stated that *"if more interference is made, then the delegation may not be fulfilled. It will demoralize the subordinates".*

All the interviewees in this case study expressed that they have been given sufficient authority to perform their duties.

In the interviews, it was noticed that most of interviewees expressed some controlling mechanism to prevent from misusing the delegated authorities. It will be discussed in detail under the Section 4.3.5.4.

4.3.5.3 Effective Communication

Effective communication is one of the major factors leading for successful delegation of authority. The empirical data revealed the requirement of an effective communication for an effective delegation of authority. The AGM of Case 1 indicated that *"free flow of information is appreciated. Then only we can correct each other and go for a better output."* According to the DGM of Case 4, *"delegation of authority is a bi-lateral issue and each has to know basic details and information about the projects that has to be fulfilled only through free flow of information."* The AGM of Case 5 stated that *"in Sri Lankan construction industry, sharing basic details and information between superior and subordinate is very essential as they have*

to express some details in some urgent occasions at once, when dealing with external parties''. These empirical evidences prove the requirement of an effective communication system for having an effective delegation of authority in organizations.

The DGM of Case 2 argued that *"all the information should not be flowed to the subordinates".* According to him, only information regarding to the works should flow freely to the subordinates and other information should be retained at the central hub to manage subordinates properly. It is not much contradictory with delegation of authority. Because, if all the necessary information related to the works are flowed in the each direction, that is sufficient for performing the duties and to get the required outputs of the projects.

All the interviewees explained that they have given more attention for the communication in their divisions and they have been given all the available facilities to maintain a proper communication practices among all the staff members of the division. In brief, the effective communication is very much important for performing the activities of the projects and to maintain a good relationship among the superiors and the subordinates.

4.3.5.4   Establishing Proper Control Mechanism

With delegation of authority to subordinates, they are given more autonomy for performing their duties with a higher freedom. Basically the top management expects more outputs by granting more autonomy to subordinates through motivation and giving more authorities and more responsibilities to them. But for the sustainability of the system it is needed to ensure that the subordinate uses his authority judiciously and that his decisions are consists with broad policies of the organization. For an effective delegation of authority adequate control should be established. Since an executive can delegate authority but not responsibility, it becomes necessary for him to establish adequate controls to ensure that his subordinates exercise authority properly.

As the decentralized system of CECB has a long history, it has already established some proper controlling mechanisms to avoid misusing of authorities and maintaining an effective delegation system within the organization. All the empirical data was based on the common

existing controlling systems and there were some introduced formats for monitoring the activities of sub divisions prepared by each base according to their visions. As the common control mechanisms, each division follows all the governmental regulations, administrative regulations and financial regulations of the parent organization and all the divisions are audited frequently by internal audit department and randomly by ministry audit department and twice a year by government general audit under Auditor General. All the interviewees discussed the value of having proper controlling mechanisms for having an effective decentralized system within the organization.

4.3.5.5 Maintaining Trust and Better Understanding

Trust and understanding among superiors and subordinates are very important to maintain an effective delegation system. Even though there are exist many controlling mechanisms for taking better performance and maintaining an effective decentralized system, trust and better understanding among the superior and subordinate is more important for the successful performance in the division. A rigid bond among the superior and the subordinate builds up the confidence for taking challenges and better performances.

The empirical data showed the importance of having a trust and understanding among the staff for better performance within the division. The DGM of Case 4 stated that *"without trust and mutual understanding no delegation of authority will be effective and further such situations may have negative results."* The DGM of Case 2 indicated that *"trust and understanding ensure the assurance other than the procedures and guidelines."* Most of interviewees expressed that the effective communication is very much important to maintain the trust and understanding among the staff. Some interviewees explained that working loyalty with transparency and maintaining accountability also leads to build up the trust and understanding.

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4.3.5.6 Rewarding for Effective Performance and Training

Rewarding for successful performances leads to motivate the staff members. It is very useful to develop the staff members of the division and ultimately the division would be benefitted with the performance of the staff.

All the interviewees highlighted the requirement of having a proper rewarding system within the organization for motivation of the staff members and for increasing the performances of the staff members. The DGM of Case 4 stated that *"everyone is delighted to see others admire him. This is applicable in this field also and rewarding for good performancres will definitely enhance the positive results all the time."* As per the AGM of Case *1 "there is no doubt that successful performance is to be rewarded."* Some interviewees indicated that CECB has shown rewarding for better performance in many occasions such as awarding scholarships, local and foreign training programmes, giving promotions, increasing facilities and awarding bonus.

Some interviewees argued that the rewarding system which is practiced in CECB is not in proper manner and sometimes it can be seen an ad-hoc practice from time-to-time. According to them it is not a regular practice. Thus, sometimes it leads to demoralize the subordinates. Then it is affected to the whole organization. This matter should be taken into account by the top management of CECB for having a better system of rewarding for better performances of the staff. Hence, it is worth to establish a proper system and criteria of performance evaluation to avoid unnecessary incidents in rewarding.

4.3.6 Summary of Factors Leading to Effective Delegation of Authority

According to the research findings, all the discussed factors are very important for an effective delegation of authority as discussed in the literature review. Only in rewarding, it was unable to find a proper existing system. But there is an ad-hoc system prevailed in the cases studied. Hence, it is better to introduce a proper system for rewarding as all the interviewees expressed the importance of rewarding for better performance to motivate the staff and to develop the decentralized system.

CHAPTER 05

CONCLUSIONS AND RECOMMENDATIONS

5.1   Introduction

Research findings through the empirical study were discussed, analyzed and compared with the findings of literature review in the previous chapter. The main objective of this chapter is to draw out conclusions and recommendations considering the research findings of the empirical study.

In the first section, conclusions will be presented with the research findings. The delegation of authority process model which was developed based on empirical study findings is illustrated in Figure 5.1 and a summarized cognitive map is presented to explain a summary of empirical findings is illustrated in Figure 5.2. in the conclusion section for having a better understanding. Then the recommendations will be presented according to the research findings for better practices of delegation of authority. Two sub sections namely 'Implication to Theory' and 'Implication to Construction Project Management Practice' will be discussed under the recommendation section. Finally, the limitations of the research and further research directions find out through this study will be discussed in this chapter.

5.2   Conclusions

The aim of this section is to discuss the conclusions of the research findings according to the main features analyzed with empirical and literature findings. For this purpose the delegation of authority process model as in Figure 5.1 and the cognitive map illustrated in Figure 5.2 will be used to explain the relevant features in detail.

The main purpose of this research is to explore "how delegation of authority affects to the staff in a sub division of a decentralized government sector organization in Sri Lanka and what are the factors affecting for effective delegation of authority for performing the project activities".

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Effects to Superiors and Company

Releasing operational working load

↓

Saving time & energy

↓

Opportunity for real top management functions

Authority
-should be sufficient
-constructive interference

Communication
--should be effective for less issues & mistakes

Trust & Understanding
-Ensure the assurance

Factors for Effective Delegation

Goals & Roles
-selecting capable managers & establishing goals are very essential

Control Mechanism
-very essential for sustainability

Rewarding & Training
-proper system for rewarding and training to motivate staff

Autonomy

↓

Decision making

↓

Responsibility

↓

Participation

}

Motivation and Satisfaction

Effects to subordinates

Figure 5.1: Delegation of authority process model developed based on empirical findings

Releasing operational working load depends on the subordinate's performance

Saving time and energy gives more opportunities to superiors to involve in real top management functions.
Utility of this time and energy depend on the superiors.

Saving time and energy mainly depend on releasing of operational working loads

Effects to superiors in Delegation of Authority

Should have a proper system for rewarding and training to motivate the staff

Control mechanisms such as administration and financial regulations, proper guidance and monitoring is very essential for sustainability

Authority should be sufficient for better performances interference should be in constructive manner

Real participation is needed to fulfill the responsibilities

Factors affecting for Effective Delegation of Authority

Trust and understanding ensure the assurance

Autonomy is essential for quick responses. But needs monitoring and control mechanisms

Effects to subordinates in Delegation of Authority

Quick decision making possible following guidelines, procedures and limitations with effective communication

Responsibilities must be given with autonomy and decision making authority
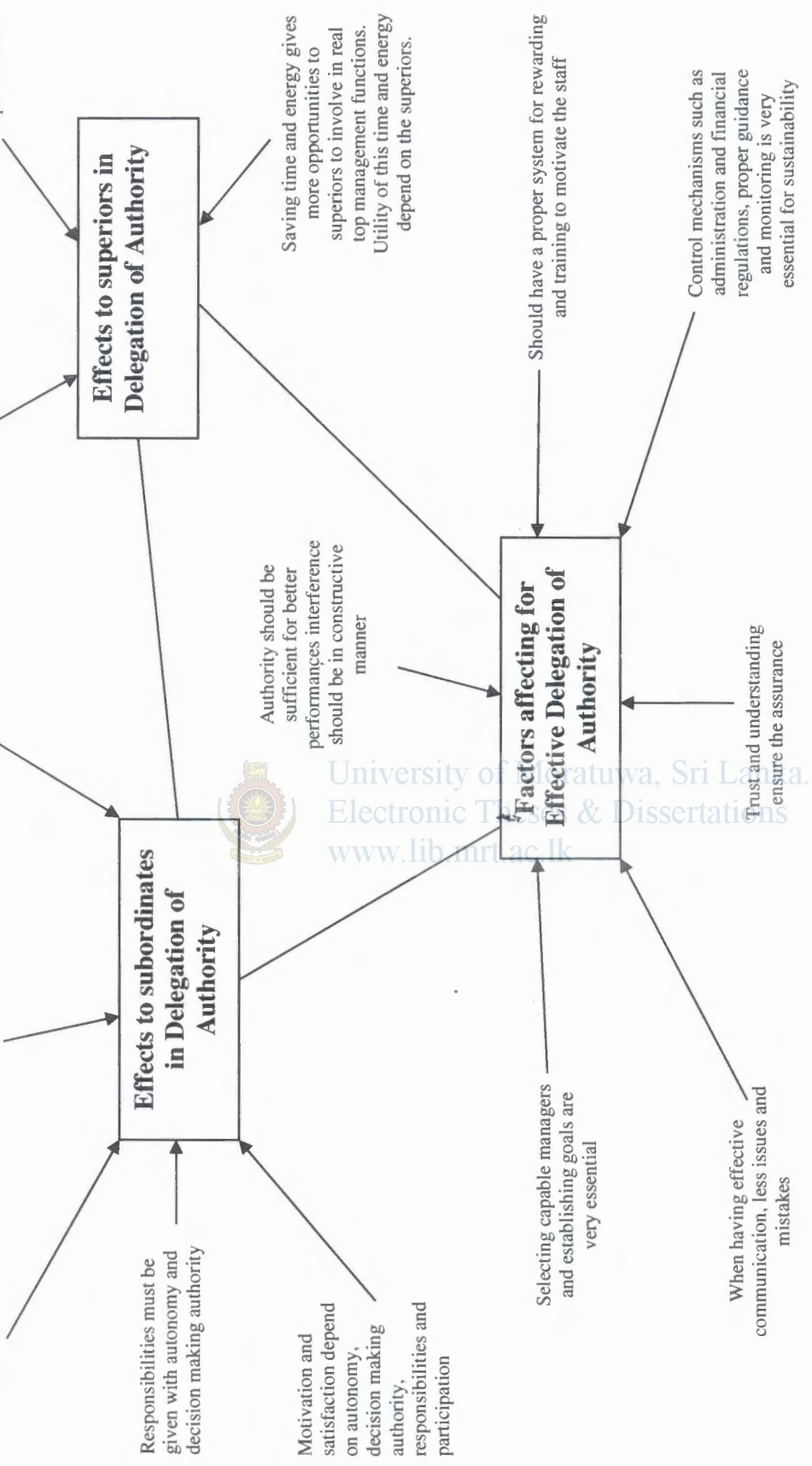
Motivation and satisfaction depend on autonomy, decision making authority, responsibilities and participation

Selecting capable managers and establishing goals are very essential

When having effective communication, less issues and mistakes

Figure 5.2: Cognitive map for the overall research problem

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In this conclusion, firstly, it is discussed the features relevant to the effects to the superiors in delegation of authority. The empirical findings revealed that the main considered features; releasing operational working load, saving time and energy and opportunity for real top management functions are have a dependent inter-relationship. For attending in real top management functions while doing his routing works, the superior should have enough free time and energy. For having enough free time and energy to the superior he has to be released from operational working load in projects. This process is illustrated in Figure 5.3 for better understanding. The requirement of having a decentralized management system mainly through delegation of authority is arose for releasing the operational working load of the superiors in an organization. But when searching the empirical data it was noticed that the superiors would not be able to release the operational working load of the projects if the subordinates in the lower tiers are not capable enough to bare the responsibilities given through delegation of authority. Then the superior may have to devote more time and energy than the normal requirement for taking remedial measures to correct the mistakes made by the subordinates. Hence, selecting capable subordinates is a very important factor in delegation of authority.

On the other hand, there are some superiors who are reluctant to involve in real top management functions and only they like to involve in day-to-day routing works. Then it is meaningless saving additional time for them through delegation of authority. Thus, not only the subordinates, it should be given a special attention for selecting capable superiors also for the positions to gain the real outputs expected in delegation of authority.

Releasing operational working load ⟹ Saving time and energy ⟹ Opportunity for real top management functions
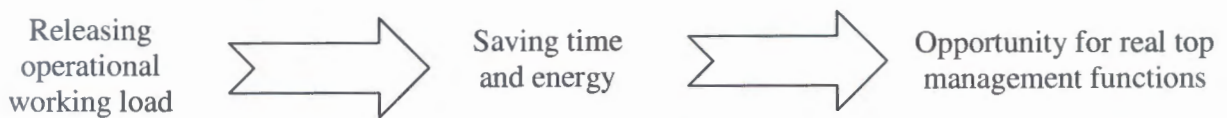
Figure 5.3: Effects to the superior in delegation of authority

Next, the special indications related to the effects to subordinates in delegation of authority are discussed. Most important features in this scenario are autonomy and decision making. It is very essential to pay more attention when granting more autonomy and decision making authority to subordinates through delegation of authority. Main advantage of delegating

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authority to subordinates is better performance in project outcomes through quick responses to the matters arose in the projects and, planning and executing the works in the projects to suit to the environment prevailing in the site. Responsibility, participation, motivation and satisfaction are mainly depending on the autonomy and decision making authority of the subordinates. Figure 5.4 illustrates the relationships of the effects to the subordinates in simple manner for easy understanding.

Autonomy

↓

Decision
Making   ⟹   Motivation
                                         and
↓   Satisfaction

Responsibility

↓

Participation
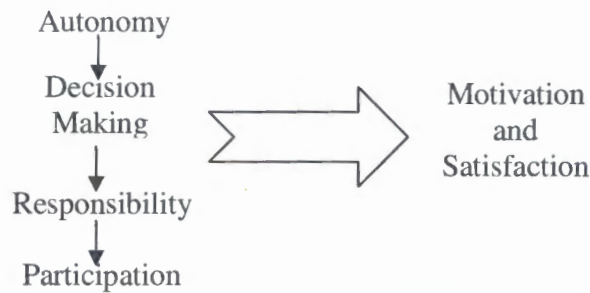
Figure 5.4: Relationship of effects to the subordinates in delegation of authority

Finally the factors affecting for effective delegation of authority are concluded according to the empirical study findings. According to the interviewees, the most important factors in delegation of authority to subordinates are selecting capable managers for the key positions of the organizational structure, effective communication and trust and understanding among the superiors and the subordinates. All of these are depend on the personal qualities. The other factors namely granting sufficient authority, establishing proper control mechanisms, rewarding for effective performance and training discussed in the literature review and in the empirical study are basically the systems to be developed for having a better decentralized system through delegation of authority. In summary, all of the factors discussed for having an effective delegation system are important in different weights and those are directly related with the superiors, the subordinates and the organization.

5.3   Recommendations

According to the research findings there are some recommendations to be made to improve theory and for better practice of delegation of authority in organizations which are dealing with construction projects. Recommendation is discussed under two sub headings namely; 'Implication to Theory' and 'Implication to Construction Project Management Practice'

5.3.1 Implication to Theory

This research unearthed a new model (see Figure 5.1) for decentralization of organizations which are involving with construction project management through delegation of authority. Though there are many literatures on decentralization of organizations through delegation of authority it is very difficult to find literature focus to organizations which are in construction industry and construction projects managements. This major deficiency is prevailed in construction project management related literature over the years. Also in the available literature, it is noticeable that the relevant information is not concentrated to a one model like in Figure 5.1 and those information are scattered all over the area. Especially in Sri Lankan construction context, this situation is prevailed in very bad condition and it is very difficult to find relevant literature in the industry. Hence, this new model would help to enhance the knowledge on delegation of authority in construction project management in Sri Lanka. Also this research has shown further research directions (see section 5.5) to widen this concept and to develop new models to suit to Sri Lanka construction industry for more application of decentralization in the future.

5.3.2 Implications to Construction Project Management Practices

Followings can be recommended to the organizations in construction industry of Sri Lanka as implications for delegation of authority in construction project management by considering the case study findings. Though this research mainly done considering the cases in government

sector organization, it is applicable for any organization which has decentralized management system for performing construction project management.

The research findings revealed that for achieving more benefits through delegation of authority, it should be given more attention to select capable managers for the positions. It is a key factor for the success of a decentralized management system. The managers should have a good experience in the field and they should have the required capacity for fulfilling their responsibilities without fail. The attitudes and commitments of the managers are very important for achieving real outputs of delegation and those should be considered before placing the managers at their positions. Hence, the top management of the organization has a great responsibility to do a thorough observation on the staff members to search how they are working in their normal duties and should do an evaluation before selecting them for key positions. There should be a policy to select staff members for key positions. It is not a matter the seniority to be considered if they are incapable in performing duties.

It was observed in the empirical findings that the staff members are not getting a proper training before coming to their positions. Sometimes only they have the experience obtained through working with seniors and do not know really what they have to do in their positions. Then they start to practice their own ways and ultimately stuck with many issues. Hence, it is recommended to have a regular training programme for the staff members before coming to the key positions.

According to the research findings, it was noticed that even though the managers at key positions have been given sufficient authority, unnecessary interference of the superiors disturbs the works of subordinates in some cases. This is very unfair and it leads to demoralize the subordinates. Then the achievements targeted in implementing a decentralized management system would be failed due to those unnecessary issues. Thus, it is proposed to practice interference in constructive manner without disturbing to the subordinate's activities. Agarwal (1982) indicated that interference should be minimized for effective delegation. Once an executive has delegated authority to his subordinate to make certain decisions, he should resist the temptation of telling him what, when and how to do (see section 2.4.6).

The other important factor to be discussed is effective communication. This is very important to have an effective delegation system. In Sri Lankan construction industry, especially in government sector involved projects, most of the time higher rankers from client's party sometimes may be a secretary of a ministry or even a minister may call to the superior to ask some special matters of the project. Also there may be some special information to be sent to the lower tiers of the division. According to the interviewees, these both the cases are common in their divisions and updating both the parties with information frequently is very essential for an effective delegation system. Each division of an organization should have an effective communication system to run their divisions with fewer issues and less mistakes. Hence, it is needed to select the appropriate communication mode for a division for sharing information through all the required tiers of the division for better performance of the delegation system.

The empirical results disclosed that trust and understanding among the superior and the subordinate act a vital roll in delegation of authority. Though there is no particular regulation or a rule to have this in a division, it is recommended to maintain trust and understanding among the staff following some innovative suitable methods. It also can be built up with the past good behaviors and performances. Trust and understanding help to ensure the assurance of the activities and performances.

The empirical study indicated that establishing proper control mechanisms as a must to have a sustainable system with delegation of authority. It is recommended to have administrative and financial guidelines and regulations, some monitoring systems and working with transparency and accountability for a better system of delegation of authority.

As per the research findings, there was a significant issue in rewarding for effective performance. Rewarding for effective performance is mainly done for motivating the staff. This should be handling with carefully within the organization. Even though it is a good practice appreciating staff members who are doing their duties effectively, it would be a disadvantage to the organization if it is practice in improper way without having a system. It will lead to demoralize the effective doers. Hence, it is strongly recommended to have a proper system for rewarding effective performance in a manner to motivate the staff.

5.4   Limitations of the Research

The measures that were taken to validate the research have been discussed in detail in section 3.4. As discussed in the chapter 3, even though this research was limited to five cases it covered seven provinces in Sri Lanka. Also it was observed considerable similarities in research findings and only few deviations among all the cases. Hence, the case study sample population may suits to any division within Central Engineering Consultancy Bureau (CECB) as the operational style of CECB is almost same all over the country. But this case study findings cannot be generalized to a wider population or universe as this research was limited to sample population of CECB due to availability of decentralized government sector organizations in Sri Lanka is almost nil except CECB.

5.5   Further Research Directions

➢ **A study on decentralization through divisionalisation or profit centers**
In this research, it was focused only to decentralization as distribution of authority. The other concept of decentralization is decentralization through divisionalisation or profit centers. Thus, there is a great opportunity to do a further study on above topic and comparing both the systems.

➢ **A study on same unit of analysis in same context with different government sector organizations**
It is obvious that the findings in this research can be changed in different government organizations in Sri Lanka. Therefore, it is proposed to test this model which was developed from this case study with other government organizations to check the suitability to use this model in the same context of construction project management.

➢ **A study of same unit of analysis in same context with private sector organizations**

This research was limited only to the government sector organization. When it is searched the case study findings, there is a slight feeling about the suitability to use this developed model for the private sector organizations in the same context. Sometimes they may use different patterns for decentralization in construction project management context. Thus, testing this developed model with private sector organizations may be a good further research direction.

➢ **A study on some special features deeply to improve the decentralized management system through delegation of authority.**

The case study findings revealed that the deficiency of capable managers within the organization is a major issue for smooth functioning and sustainability of the decentralized management system in this particular organization. Also it was noticed that there is not available any perfect mechanism or system to build up and training the managers for the positions in future operations. Hence, there is a great opportunity to touch this feature deeply for building and training the subordinates for the positions in a decentralized system through delegation of authority. This can be done for other features also separately.

➢ **A study on same unit of analyzing in different context**

It is evident that the findings of this study would be changed in different context, especially in different type of projects. Hence, a study on different context would be a good research option and the developed model for effective delegation of authority in this research would be tested in that study.

➢ **A boarder study on delegation of authority**

Even though a great effort made in this study to find out the relevant effective features on delegation of authority considering the human beings and the systems, it is not sufficient enough to have a clear understanding about the domain of delegation of authority. Hence, it is very important to do a comprehensive study on decentralization through delegation of authority to find out a suitable and acceptable decentralized management system to match to any organization in any context using the findings of this research as the basis.

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APPENDIX 01

INTERVIEW AND QUESTIONNAIRES GUIDE

Case study on Delegation of Authority in Project Management Decision Making: case in Public Organizations in Sri Lanka

I would like to thank you for consenting to fill this questionnaire which would be only used for academic purposes. I hereby guarantee that the information you provide me will be kept in the strictly confidential and not divulge any information in the questionnaire with individual names or other identities.

The findings of this interview will be used as one of the main data set fulfilling the requirement of the dissertation topic **'Delegation of Authority in Project Management Decision Making: case in Public Organizations in Sri Lanka'** for the Master of Science in Project Management, Department of Building Economics, University of Moratuwa.

Base on the following main areas the questionnaire will be prepared.

1. Identification of Background information.

    1.1   Information of Parent Organization

    1.2   Information of the Division

    1.3   Information of Respondent

2. Identification of effects to superiors in delegation of authority under following features

    2.1   Saving time and energy

    2.2   Releasing operational work load

    2.3   Opportunity for real top management functions

3. Identification of effects to subordinates in delegation of authority under following features

    3.1   Autonomy

    3.2   Responsibility

    3.3   Decision making

3.4   Participation

3.5   Motivation and satisfaction

4. Identification of factors leading to effective delegation of authority

    4.1   Establishing goals and selecting capable managers

    4.2   Granting sufficient authority

    4.3   Effective communication

    4.4   Establishing proper control mechanism

    4.5   Maintaining trust and better understanding

    4.6   Rewarding for effective performance and training

The study expects to collect data from selected five construction projects of Central Engineering Consultancy Bureau (CECB) which is already being decentralized to sub divisions under Additional General Managers (AGM). According to the organizational structure of CECB when we consider the construction projects, the Additional General Managers are in Top Management, the Deputy General Managers (DGM) are in Middle Management and Project Managers (PM) are in site management work as a team with the site staff who are directly worked under PM. Hence, this study aims to select five construction projects from five AGM divisions and the interviews will be conducted with three key participants of each project namely AGM, DGM and PM.

1. Identification of Background information.

    1.1 Information of Parent Organization

Could you please give me a introduction about your parent organizationon the following?

- Background information
- Organization structure
- Number of employment and category
- main objective and task of the organization

    1.2 Information of the Division

Could you please give me following details of your division? (Only to be filled by AGM)

- Name:...

- Main objective of the division:

    ....

    ....

    ....

- Physical dispersion of the division:

    ....

    ....

    ....

- Number of ongoing projects:

    ....

- Total strength of the technical staff including Engineers:

    ....

- Total worth of works under your division at present:

    ....

1.3 Information of Respondent

Could you please give me an introduction of your self?

- Name: ....

- Designation: ....

- Experience: ....

- Responsibility in the project: ....

    ....

    ....

    ....

    ....

2. **Identification of effects to superiors in delegation of authority**

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2.1 Saving time and energy

2.1.1   An important objective of delegation is that superior can apportion part of his works to his subordinates which he need not to do him self. Is this help the superior to recoup authority on another decision by saving time and energy?

Yes, in construction projects. Delegation of power is essential in order to maintain progress in par with the program by saving time and energy.

2.1.2   Why saving time and energy of superior is so important in construction projects?

By saving time and energy, superior is more relaxed to plan and forecast future complexities that may badly affect the progress of the projects in the division.

2.1.3   Does delegation of authority help to save time and energy of superior in this particular project? How it useful for performing the construction works of the project?

In our division, one manager has to plan and manage several projects simultaneously and delegation of power is very useful for maintaining of progress.

2.2 Releasing operational work load

2.2.1   Delegation of authority prevents top management overload by freeing them from many operational decisions. What is your opinion about this statement?

Delegation of power inevitably releases the superior from information overloading that leads to make him a correct decision maker.

2.2.2 Does the superior of this project able to release the operational working load through delegation of authority? How it affect to the construction works of the project?

Power delegation in our division is very effective in the progress in construction projects.

2.2.3 Do you think that releasing the operational working load of the superior would not affect to the project?

Yes. And it would affect the projects in positive manner.

2.3 More opportunity to superior for real top management functions

2.3.1 Is there any opportunity to the superiors to involve in real top management functions of determination long and short range goals, strategic planning and formulation of major policies by delegating authority to subordinates? How it affects to your division?

Yes. In our division, power is delegated to subordinates and superior monitors and takes corrective actions whenever a non-conformity is observed.

2.3.2 Does saving time by delegating authority to subordinate help to involve in important areas of the superior's duty like planning, coordination and control? How it affects to the development of your division and the organization?

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Yes certainly. We started our EPC division in 1994 as a small group and no delegation of power was needed. But we realized that when the group becomes larger, superior is not able to go into details and power delegation is naturally demanded by the organization.

2.3.3 Do you think that releasing the operational working load from the superiors help to involve in more important aspects of their job? How it affects to your division?

Yes and practically it is happening in our division.

3. Identification of effects to subordinates in delegation of authority

3.1 Autonomy

3.1.1 Is granting more autonomy to subordinates helpful for performing activities in construction projects? Support your answer giving reasons.

Yes in most cases. However, we experienced that close monitoring is needed in certain areas like financial control and material handling.

3.1.2 Are you satisfied with the given freedom to perform duties of the project? What are the areas to be improved?

Yes. Sufficient freedom and authorities are given to our division at the moment.

3.1.3 Granting more autonomy to subordinates help to make quick responses for the matters arises in projects time to time. How can you justify this statement using your experience in construction projects?

Granting more autonomy is very important when a project has to be expedited with a crash program. We observed this is in several projects.

3.1.4 Could you please give some examples to explain the impotency of the autonomy in delegation of authority from this particular project?

I have more experiences. In one urgent project I changed the structure type to avoid some delays in construction due to bad weather condition.

3.2 Responsibility

3.2.1 Do you think that more responsibilities are vested on subordinates with delegation of authority? What are the reasons for your answer?

Yes. Authority and responsibility is directly inter-related and delegation of power is virtually granting a fraction of authority that the superior has.

3.2.2 How can be developed a subordinate by giving more responsibilities?

When a subordinate is given more responsibilities, he starts to think that he is an important person in the division and is likely to deliver more precise and correct output.

3.2.3 Do you have given more responsibilities with delegation of authority in this project? What are them?

Financial and administration responsibilities are given. Most of the times, I represent the superior when dealing with a third party.

3.2.4 What do you feel having more responsibilities in this project?

It is a challenge and it makes me more active and be alert all the time even off-official hours.

3.3 Decision making

3.3.1   Do you think that decision making authority should be granted to subordinates through delegation of authority? If yes, why?

Yes. They have to take quick decisions of their level of sites. Otherwise delay may create problems and additional cost.

3.3.2   Do you have adequate decision making authority to perform your duties? How it helps for this project?

Yes. Technical and handling of staff and vehicles are very effective to keep the projects of the project.

3.3.3   The process of delegation makes it possible to push decision making to the lowest level where information, competence and willingness to make decisions are available. How do you take this benefit using available local knowledge in this project?

At the site level, in charge of the site is able to gather all the information relevant to the contract, local resources and easily coordinate with client and consultant. He is able to coordinate all the categories of site level and can take immediate decisions and able to convey any information to others.

3.3.4   Delegating decision making authority to subordinates speeds up operational decisions by enabling lower units to take local action without reference back all the time. How does it help to take speedier decision in your project?

Most instances, projects are far apart and superior is not able to visit the
sites frequently. Local actions by lower units are essential in this situation.

3.3.5   The person nearest the scene of action is in a relatively better position to
understand the complexities of the problem and make a qualitatively better
decision to meet the situation. Also the decisions are more adaptable and
flexible in situations of rapid change in the local conditions. What is your
opinion about this statement?

This is correct. But one has to carefully distinguish the weight of the
decision whether further advice is needed or not.

3.3.6   Does decisions make by subordinates nearest the scene of action are likely
to be more realistic? Please argue your answer.

Yes, most of the time. But that depends on the knowledge of the subordinate
and the caliber of the problem.
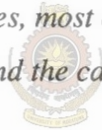
3.4 Participation

3.4.1   How does delegation of authority facilitate to subordinate for a real
participation in the project?

When power is delegated to a subordinate, he feels he is eligible for
participating in many occasions in the project.

3.4.2   Does it encourage using subordinate's innovative talents? How it affects to
the site works?

Yes. Existing systems and procedures will be improved by him and it will
affect the work positively.

3.4.3   Does participation of subordinates help to develop their skills and confidence while getting more experience? Explain.

Yes. Participation in activities as well as training programs are definitely helpful for one to gain more experience.

3.5 Motivation and Satisfaction

3.5.1   Delegation of authority could be used as a device to motivate the subordinate. Please discuss with this statement.

When power is delegated, motivation comes through self dignity that is enhanced by acceptance of others.

3.5.2   With delegation of authority subordinates are given more autonomy and responsibilities to perform duties. It is given a sense of prestige for him in the organization. How does it motivate subordinates to succeed the activities in the project and do they manage more by self-control than by external control?

Naturally when power and responsibility are granted to a person it is very likely to have a self control rather than any external control.

3.5.3   Subordinates feel satisfaction of performing works in the project with their real participation. What is your opinion on this statement?

He feels that his role is essential for the project and also he can attend work without forcing by somebody. He will be self motivated and he feels satisfaction of performing his work.

4. **Identification of factors affecting for effective delegation of** authority

4.1 Establishing goals and selecting capable managers

4.1.1   Does it necessary to establish goals for subordinates with delegation of authority? Does it affect for effective delegation of authority in the division? Explain.

Yes. One has to assign with goals and targets with delegation of power in order to get productive output.

4.1.2   Do you have enough capable managers to perform delegated authorities in your project?

Yes. I have.

4.1.3   Does it important to select capable managers for effective delegating authority in the division? Explain.

Yes. It is obvious to select capable managers. Otherwise entire system will be collapsed. Delegating power to incapable managers, have no meaning.

4.2 Granting sufficient authorities

4.2.1   Delegation of authority should be adequate to enable the subordinates to make required decisions and take necessary actions for effective job performance. Please argue on this statement.

Inadequacy of power delegation will definitely not support to the intended purpose of effective decision making that is required for better job performance.

4.2.2 Should interference be minimized for effective delegation? Explain.

This is very sensitive issue. After delegation of power, the subordinates must be mostly free to perform effectively and interference while he is performing should be on essential issues only.

4.2.3 Do you have sufficient authorities to perform your duties? How it affects to your project works?

Yes. I have authority to deal with external parties, purchasing hiring of machineries, design office, selection of subordinates that have favorable affect to perform better.

4.3 Effective communication

4.3.1 There should be a free flow of information between superior and subordinate for en effective delegation. Do you agree with this statement? Explain.

Yes. Delegation of authority is a bi-lateral issue and each has to know basic details and information about the project that has to be fulfilled only through free flow of information.

4.3.2 Do you have given a special attention for communication in your division? Does it affect to effective delegation of authority in your division?

Yes. Frequent meetings, discussions will useful in communication and it will affect the effective delegation of authority.

4.4 Establishing proper control mechanism

4.4.1 Does it necessary to establish a proper control mechanism for effective delegation of authority? Explain.

Yes. There should be limits of power components that have to be delegated. Control mechanism is hence needed.

4.4.2 Since an executive can delegate authority but not all responsibility, it becomes necessary him to establish adequate control to ensure that his subordinate exercise authority properly and achieve predetermined goals. How do achieve this requirement in your division?

We practice delegation of authority on step wise basis. i.e. from lowest level of authority and then increase it by monitoring performance with time.

4.4.3 One of the problems in delegation is to ensure that the subordinate uses his authority judiciously and that his decisions are consistent with broad policies of the organization. It can be done by establishing definite guidelines for decision making in the form of policies, rules and procedures. What kind of measures you have adopted in your division for this purpose?

We have already established a set of forms and procurement procedures that are suited for the current legal system.

4.5 Maintaining trust and better understanding

4.5.1 Do you think that trust and understanding among superiors and subordinates affect to an effective delegation of authority? Explain.

Yes. Without trust and mutual understanding, no delegation of authority will be effective and further, such situations may have negative results.

4.5.2   How do you maintain trust and understanding in your division?

By fortnight meetings and organizing entertainment occasions jointly and communicating freely all the time.

4.6 Rewarding for effective performance

4.6.1   Rewarding for successful performances greatly help to motivate subordinates and it is very useful for effective delegation. Do you agree with this statement? Explain.

Yes. Everyone is delighted to see others admire him. This is applicable in this field also and rewarding for good performers will definitely enhance the positive results all the time.

4.6.2   In order to encourage executives to delegate adequately and effectively, organizations should establish a policy of rewarding delegation. Do you have any system for this in your division? Explain.

Yes. We practice timely payments and proportions of subordinates and also granting scholarships and training opportunities.

APPENDIX 02

CODING STRUCTURE FOR ALL EFFECTS AND FACTORS

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