Achieve Organisational Effectiveness by Decentralisation

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Abstract
The study seeks to determine the extent of the relationship between decentralization and organisational effectiveness, identify the types of decentralization applicable in public sector organisations, determine the extent of the relationship between empowerment and job satisfaction and assess the extent of decentralization in public sector organizations.

The study was carried out primarily through the survey method and interview of employees in three public sector organizations in Nigeria. Secondary data were obtained through books, journals, and internet. A sample size of 286 was obtained from the population of 1000 at 5% error tolerance and 95% degree of freedom. Empirical works of other scholars were consulted.

The implication of the study is that decentralizing authority makes an organization and its employees to behave in a flexible way even as the organization grows and become taller. Nevertheless, too much decentralization has certain disadvantages: if divisions, functions, or teams are given too much decision-making authority, they may begin to pursue their goals at the expense of organizational goals.

If managers are in a stable environment, using well understood technology then there could be no need to decentralize authority and managers at the top can maintain control of organizational decision making. However, in an uncertain, changing environment, top managers must empower employees and allow teams to make important strategic decisions so that the organization can keep up with the changes taking place.

The advisability of decentralization must be considered in terms of: the nature of the product or service provided, policy making, the day-to-day management of the organization, and the need for standardization of procedures, or conditions or terms of employment of staff.

Key Words: Decentralisation, Organisational Effectiveness, Empowerment and Job Satisfaction.

1. Introduction
Decentralisation of authority refers to conscious/syetematic effort to bring dispersal of decision making power to the lower levels of the organization. In decentralization, only broad powers will be reserved at the top level. Such powers include power to plan, organize, direct, and control. Decentralisation is just opposite to centralization. In centralization, authority is mostly concentrated at the top level management. Centralisation and decentralization is mutually dependent. In a large organization, the process of centralization and decentralizedotation co-exist and reinforce each other. Decentralisation is a natural development when the organization grows large and complex (http://kalyan-city.blogspot.com).

Decentralisation is the process of dispersing decision-making governance nearer to the people or citizen. It includes the dispersal of administration or governance in sectors or areas like engineering, management science, political science, political economy, sociology and economics.

In centralized organizations, the decisions are made by top executives or on the basis of pre-set policies. These decisions or policies are then enforced through several tiers of the organisation after gradually broadening the span of control until it reaches the bottom tier (http://en.wikipedia.org/wiki/Decentralization).

As an organization grows in size, its hierarchy of authority normally lengthens, making the organisation’s structure less flexible and slow manager’s response to changes in the organizational environment may result. Communication problems may arise when an organization has many levels in the hierarchy. It can take a long time for the decisions and orders of top-level managers to reach lower-level managers and it can take a long time for top managers to learn how well their decisions worked out (Ezigbo, 2007).

In a decentralized organization, the top executives delegate much of their decision-making authority to lower tiers of the organizational structure. Thus, the organization is likely to operate on less rigid policies and wider spans of control among each officer of the organization. The wider span of control also reduces the number of tiers within the
organization, giving its structure a flat appearance. This is why managers are interested in empowering employees, creating self-managed work-teams, establishing cross-functional teams, and even moving to a product team structure. Decentralisation of authority among other executives at all levels in the organization relieves the top executive of the excessive burden, saving his valuable time which he can devote to more important and long-term problems. This is bound to improve the quality of his decisions regarding such problems. An organization structure which facilitates delegation, communication and participation provides greater motivation to its managers for higher productivity. Decentralized organization structure is most favourable for raising the moral and motivation of subordinates which is visible through better work performance. Decentralisation makes decision-making quicker and better: since decisions do not have to be referred up through the hierarchy. Decentralisation provides opportunity to learn by doing: Decentralisation provides a positive climate where there is freedom to make decisions, freedom to use judgement and freedom to act. It gives practical training to middle level managers and facilitates management development at the enterprise level (http://kalyan-city.blogspot.com).

1.1 OBJECTIVES
The study has the following specific objectives:
1. To determine the extent of the relationship between decentralization and organizational effectiveness
2. To identify the forms of decentralization applicable in public sector organisations
3. To determine the extent of the relationship between empowerment and job satisfaction
4. To assess the extent of decentralization in public sector organizations.

1.2 Hypotheses
These hypotheses were proposed for the study.
H1: There is a significant relationship between decentralization and organizational effectiveness
H2: Political, administrative, fiscal, and economic decentralization are applicable in public sector organisations
H3: There is a significant relationship between empowerment and job satisfaction
H4: The extent of decentralization in public sector organizations is high

1.3 Research Method
The study was carried out primarily through the survey method and interview of employees in three public sector organizations in Nigeria. Secondary data were obtained through books, journals, and internet. A sample size of 286 was obtained from the population of 1000 at 5% error tolerance and 95% degree of freedom using Yamane’s statistical formula. 275 (96.15%) of the questionnaire distributed were returned while 11 (3.85%) of the questionnaire distributed were not returned. The questionnaire was designed in likert scale format. Empirical works of other scholars were consulted. The researcher conducted a pre-test on the questionnaire to ensure the validity of the instrument. Data collected were presented in frequency tables. Correlation Coefficient and Chi-Square statistical tools were used to test the hypotheses.

2. Literature Review
2.1 Forms of Decentralisation
Decentralisation is a complex and multifaceted concept. Different types of decentralization show different characteristics, policy implications, and conditions for success. Political, administrative, fiscal, and market decentralization are the types of decentralization (http://en.wikipedia.org/wiki/Decentralisation).

Political Decentralization aims to provide citizens or their representatives with more power in public decision-making. It is often connected with pluralistic politics and representative government. Political decentralization also supports democratization by offering citizens, or their representatives, more freedom in the formulation and implementation of policies. Advocates of political decentralization assume that decisions made with greater participation will be better informed and more relevant to diverse interests in society than those made only by national political authorities. The concept implies that the selection of representatives from local electoral constituency allows citizens to know better their political representatives and allows elected officials to know better
the needs and desires of their constituents. Political decentralization often requires constitutional or statutory reform, creation of local political units, and the encouragement of effective public interest groups.

**Administrative Decentralization** seeks to redistribute authority, responsibility and financial resources for offering public services among different levels of governance. It is the transfer of responsibility for the planning, financing and management of public functions from the central government or regional governments and its agencies to local governments, semi-autonomous public authorities or corporations.

**Fiscal Decentralization**

Dispersal of financial responsibility is a core component of decentralization. If local governments and private organizations are to carry out decentralized functions effectively, they must have an adequate level of revenues—either raised locally or transferred from the central government—as well as the authority to make decisions about expenditures. Fiscal decentralization can take many forms, including

- self-financing or cost recovery through user charges
- co-financing or co-production arrangements through which the user participate in providing services and infrastructure through monetary or labour contributions
- expansion of local revenues through property or sales taxes, or indirect charges
- intergovernmental transfers that shift general revenues from taxes collected by the central government to local governments for general or specific uses
- authorisation of municipal borrowing and the mobilization of either national or local government resources through loan guarantees.

According to Wikipedia.org/wiki/Decentralisation; in many developing countries local governments or administrative units possess the legal authority to impose taxes, but the tax base is so weak and the dependence on central government subsidies so ingrained that no attempt is made to exercise that authority.

The concept of fiscal federalism is not to be associated with fiscal decentralization in officially declared federations only; it is applicable even to non-federal states.

Thus, Fiscal federalism and fiscal decentralization are related: fiscal federalism constitute a set of guiding principles, a guiding concept, which helps in designing financial relations between the national and sub-national levels of the government while fiscal decentralization is a process of applying such principles (Sharma, 2005).

**Economic and Market Decentralisation**

The privatization and deregulation shift responsibility for functions from public to the private sector and is another type of decentralization.

Privatisation is done by allowing private enterprises to perform functions that had previously been monopolized by government: contracting out the provision or management of public services or facilities to commercial enterprises. Deregulation reduces the legal constraints on private participation in service provision or allows competition among private suppliers for services that in the past had been provided by the government or by regulated monopolies.

**Delegation of Authority**

Delegation is a more extensive form of decentralization. Through delegation, central governments transfer responsibility for decision-making and administration of public functions to semi-autonomous organizations not wholly controlled by the central government, but ultimately accountable to it.

Government delegate responsibilities when they create public enterprises or corporations, usually these organizations have a great deal of discretion in decision-making.

Delegation of authority is the process by which managers assign to subordinates the right to make decisions and act in certain situations. Delegation means the conferring of a specified authority by a higher authority. It involves a dual responsibility. The one to whom authority is delegated becomes responsible to the superior for doing the job, but the superior remains responsible for getting the job done.

This principle of delegation is the centre of all processes in formal organization. Delegation, therefore embraces both authority and responsibility. Responsibility must be supported by authority, and by the power to influence the areas of performance for which the subordinate is to be held responsible. Authority can be delegated readily, but many problems of delegation stem from failure to provide the necessary information and resources in order to achieve expected results, or from failure to delegate sufficient authority to enable subordinates to fulfill their responsibilities.
To hold subordinates responsible for certain areas of performance without also conferring on them the necessary authority within the structure of the organization to take action and make decisions within the limits of that responsibility is an abuse of delegation (Mullins, 2005).

Authority is the right to make decisions which the superior would otherwise have done. Responsibility is an obligation of an individual to perform the duties assigned to him to the best of his capability and in accordance with the information received from his superior; and having to accept reprimand from his superior for unsatisfactory performance (Ezigbo, 2010).

To Improve Delegation
- Establish goals and standards: subordinates should participate in developing goals they will be expected to meet. They should also agree to the standards that will be used to measure their performance.
- Define authority and responsibility: the work delegated to subordinates should be clearly understood by them. They should recognize the scope of their authority and should be willing to be held accountable for results of their work.
- Training should be provided to subordinates from time to time. The aim of such training should be on building strengths and overcoming deficiencies.
- Establish adequate controls: subordinates’ performances should be compared to agreed upon standards and correction if there is deviation from the standard (Hellriegel, et al, 1999).

Empowerment

Empowerment is the process of enhancing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes. Empowered people have freedom of choice and action. This in turn enables them to better influence the course of their lives and the decisions which affect them (http://go.worldbank.org).

Empowerment is a form of decentralization that involves giving subordinates substantial authority to make decisions. Under empowerment, managers express confidence in the ability of employees to perform at high levels. Employees are also encouraged to accept personal responsibility for their work. In situations where empowerment takes place, employees gain confidence in their ability to perform their jobs and influence the organisation’s performance. Under true empowerment, employees can bend the rules to do whatever they have to do to take care of the customer. One result of empowerment is that employees demonstrate more initiative and perseverance in pursuing organizational goals. Organisation’s actions to implement empowerment are effective, thus
- restructure organizational units to be smaller, less complex and less dependent on other units for decision making and action
- emphasize a change throughout the organization that focuses on empowerment and personal accountability for delivering results
- provide the education and training necessary to enable people to respond to opportunities for empowerment (Rue and Byars, 2000).

Empowerment provides for greater job satisfaction, motivation and commitment.

Benefits of Empowerment

An empowered employee is thus given more space to use his or her talents, thereby facilitating much more decision-making closer to the point of impact. Mullins, 2005, suggests that empowering employees give the following advantages.

The decision-making process can be speeded up, as can reaction times.

It releases the creative innovative capacities.

It enables employees to gain a greater sense of achievement from their work and reduces operational costs by eliminating unnecessary layers of management and the consequent checking and rechecking operations.

Empowerment provides for greater job satisfaction, motivation and commitment.

Job Satisfaction

Job satisfaction represents a person’s evaluation of his or her job and work context. It is an appraisal of the perceived job characteristics and emotional experiences at work. (McShane and Von Glinow, 2000).
Armstrong, 2003 opines that job satisfaction refers to the attitudes and feelings people have about their work. Positive and favourable attitudes towards the job indicate job satisfaction. Negative and unfavourable attitudes towards the job indicate job dissatisfaction. The level of job satisfaction is affected by intrinsic and extrinsic motivating factors, the quality of supervision, social relationships with work group and the degree to which individuals succeed or fail in their work.

Job satisfaction describes how content an individual is with his or her job. The happier people are within their job, the more satisfied they are said to be. Job satisfaction has been defined as a pleasurable emotional state resulting from the appraisal of one’s job; an effective reaction to one’s job, and a feeling towards one’s job.

Mood and emotions while working are the raw materials which cumulate to form the effective element of job satisfaction (Weiss and Cropanzano, 1996). It was found that suppression of unpleasant emotions decreases job satisfaction and the amplification of pleasant emotions increases job satisfaction. Employees can be satisfied with some elements of the job while simultaneously dissatisfied with others (McShane and Von Glinow, 2000).

RESULTS AND DISCUSSIONS

This section presents the analysis of data collected in the course of this study. Data were presented in tables for analysis. Hypotheses 1 and 3 were tested by correlation coefficient. Hypothesis 2 and 4 were tested by Chi-square test statistics using SPSS.

Table (1) What is the Extent of the Relationship between Decentralisation and Organisational Effectiveness

<table>
<thead>
<tr>
<th>S/N</th>
<th>AGREEMENT</th>
<th>DISAGREEMENT</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>260 (142.5)</td>
<td>15 (132.5)</td>
<td>275</td>
</tr>
<tr>
<td>2</td>
<td>25 (142.5)</td>
<td>250 (132.5)</td>
<td>275</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>285</strong></td>
<td><strong>265</strong></td>
<td><strong>550</strong></td>
</tr>
</tbody>
</table>

Source: Field Survey, 2012

H₁: There is a significant relationship between decentralization and organisational performance

Table (2) Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decentralization</td>
<td>1.4836</td>
<td>.86850</td>
<td>275</td>
</tr>
<tr>
<td>Organisational Performance</td>
<td>2.7891</td>
<td>1.16169</td>
<td>275</td>
</tr>
</tbody>
</table>
Table (3) Correlations

<table>
<thead>
<tr>
<th></th>
<th>decentralization</th>
<th>organisational performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decentralization</td>
<td>Pearson Correlation</td>
<td>.583(**).000</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>275</td>
</tr>
<tr>
<td>Organisational</td>
<td>Pearson Correlation</td>
<td>.583(**).000</td>
</tr>
<tr>
<td>Performance</td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>275</td>
</tr>
</tbody>
</table>

Source: SPSS Version 15.00.

Table (2) shows the descriptive statistics for Decentralization and Organisational Performance. With a mean response of 1.4836 and std. deviation of .86850 for Decentralization and a mean response of 2.7891 and std. deviation of 1.16169 for Organisational Performance and number of respondents (150); by careful observation of standard deviation values, there is not much difference in terms of the standard deviation scores. This implies that there is about the same variability of data points between the dependent and independent variables.

Table (3) presents the Pearson correlation coefficient for Decentralization and Organisational Performance. The correlation coefficient shows 0.583. This value indicates that correlation is significant at 0.05 level (2tailed) and implies that there is a significant relationship between Decentralization and Organisational Performance ($r = .583$). The computed correlations coefficient is greater than the table value of $r = .195$ with 273 degrees of freedom ($df. = n-2$) at alpha level for a two-tailed test ($r = .583, p< .05$). Since the computed $r = .583$, is greater than the table value of .195 we reject the null hypothesis and conclude that there is a significant relationship between decentralization and organisational performance ($r = .583, P< .05$).

Table 4 What are the Forms of Decentralisation Applicable in Public Sector Organisations

<table>
<thead>
<tr>
<th>S/N</th>
<th>AGREEMENT</th>
<th>DISAGREEMENT</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Political decentralization supports democratization by offering citizens or their representatives, more freedom in the formulation and implementation of policies.</td>
<td>240(253.75)</td>
<td>35(21.25)</td>
</tr>
<tr>
<td>2</td>
<td>Administrative decentralization seeks to redistribute authority responsibility, and financial resources for offering public services among different levels of governance.</td>
<td>260(253.75)</td>
<td>15(21.25)</td>
</tr>
<tr>
<td>3</td>
<td>Fiscal decentralization refers to self financing or cost recovery through user charges.</td>
<td>250(253.75)</td>
<td>25(21.25)</td>
</tr>
<tr>
<td>4</td>
<td>Economic and market decentralization refers to privatization and deregulation which shifts responsibility for functions from public to the private sector.</td>
<td>265(253.75)</td>
<td>10(21.25)</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>1015</td>
<td>85</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2012

H2: Political, Administration, Fiscal, and Economic decentralization are applicable in public sector organisations
Table (5) Chi-Square Tests Computed from the Frequency Cross Tabulation

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>Df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>363.851(a)</td>
<td>6</td>
<td>.000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>405.830</td>
<td>6</td>
<td>.000</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>82.144</td>
<td>1</td>
<td>.000</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>1100</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: SPSS Version 15.00

Table (5) presents the output of the computed Chi-Square values from the cross tabulation statistics of observed and expected frequencies with the response options of agree and disagree based on the responses of the research subjects from three public sector organizations. Pearson, Chi-Square computed value ($X^2_c = 363.851$) is greater than the Chi-Square tabulated value ($X^2_t = 12.59$) with 6 degrees of freedom (df) at 0.05 level of alpha ($X^2_c = 363.851$, p < .05)

Decision Rule
The decision rule is to accept the alternate hypothesis if the computed Chi-Square value is greater than tabulated Chi-Square value, otherwise, reject the alternate hypothesis and accept the null hypothesis.

Decision
Since the Pearson Chi-Square computed $X^2_c = 363.851$ is greater than Chi-Square table value $X^2_t = 12.59$, the null hypothesis is rejected and alternate hypothesis is accepted. Thus, we conclude that political, administration, fiscal and economic decentralization are the forms of decentralization that are applicable in public sector organizations.

Table: (6) What is the Extent of the Relationship between Empowerment and Job Satisfaction

<table>
<thead>
<tr>
<th>S/N</th>
<th>AGREEMENT</th>
<th>DISAGREEMENT</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>270(147.5)</td>
<td>05(127.5)</td>
<td>275</td>
</tr>
<tr>
<td>2</td>
<td>25(147.5)</td>
<td>250(127.5)</td>
<td>275</td>
</tr>
<tr>
<td>Total</td>
<td>295</td>
<td>255</td>
<td>550</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2012

$H_3$: There is a significant relationship between empowerment and job satisfaction

Table (7) Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empowerment</td>
<td>1.5127</td>
<td>.91361</td>
<td>275</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>2.2836</td>
<td>.97763</td>
<td>275</td>
</tr>
</tbody>
</table>
Table (8) Correlations

<table>
<thead>
<tr>
<th></th>
<th>Empowerment</th>
<th>Job Satisfaction</th>
</tr>
</thead>
</table>
| Empowerment          | Pearson Correlation | .682(**)
|                      | Sig. (2-tailed) | .000            |
|                      | N           | 275             |
| Job Satisfaction     | Pearson Correlation | .682(**)
|                      | Sig. (2-tailed) | .000            |
|                      | N           | 275             |

Source: SPSS Version 15.00.

Table (7) shows the descriptive statistics for Empowerment and Job satisfaction. With a mean response of 1.5127 and std. deviation of .91361 for Empowerment and a mean response of 2.2836 and std. deviation of .97763 for Job Satisfaction and number of respondents (275); by careful observation of standard deviation values, there is not much difference in terms of the standard deviation scores. This implies that there is about the same variability of data points between the dependent and independent variables.

Table (8) presents the Pearson correlation coefficient for Empowerment and Job Satisfaction. The correlation coefficient shows 0.682. This value indicates that correlation is significant at 0.05 level (2-tailed) and implies that there is a significant relationship between Empowerment and Job Satisfaction (r = .682). The computed correlations coefficient is greater than the table value of r = .195 with 273 degrees of freedom (df. = n-2) at alpha level for a two-tailed test (r = .682, p< .05). However, since the computed r = .682, is greater than the table value of .195, we reject the null hypothesis and accept the alternate hypothesis which states that there is a significant relationship between empowerment and job satisfaction (r = .682, P<.05). This result was supported by Mullins (2005) where he stresses that empowerment provides for greater job satisfaction, motivation and commitment.

Table (9) What is the Extent of Decentralisation in Public Sector Organisations

<table>
<thead>
<tr>
<th>S/N</th>
<th>AGREEMENT</th>
<th>DISAGREEMENT</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>100(125)</td>
<td>175(150)</td>
<td>275</td>
</tr>
<tr>
<td>2</td>
<td>150(125)</td>
<td>125(150)</td>
<td>275</td>
</tr>
<tr>
<td>Total</td>
<td>250</td>
<td>300</td>
<td>550</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2012

H4: The extent of decentralization in public sector organizations is high
Table (10) Chi-Square Tests Computed from the Frequency Cross Tabulation

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>Df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>11.534(a)</td>
<td>6</td>
<td>.000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>50.684</td>
<td>6</td>
<td>.000</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>83.828</td>
<td>1</td>
<td>.000</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>550</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: SPSS Version 15.00

Table (10) presents the output of the computed Chi-Square values from the cross tabulation statistics of observed and expected frequencies with the response options of agree and disagree based on the responses of the research subjects from three public sector organizations. Pearson Chi-Square computed value ($X^2_c = 11.534$) is less than the Chi-Square tabulated value ($X^2_t = 12.59$) with 6 degrees of freedom (df) at 0.05 level of alpha ($X^2_c = 11.534$, $p < .05$).

**Decision Rule**
The decision rule is to accept the alternate hypothesis if the computed Chi-Square value is greater than tabulated Chi-Square value, otherwise, reject the alternate hypothesis and accept the null hypothesis.

**Decision**
Since the Pearson Chi-Square computed $X^2_c = 11.534$ is less than Chi-Square table value $X^2_t = 12.59$, the alternate hypothesis is rejected and Null hypothesis is accepted. Thus, we conclude that the extent of decentralization in public sector organizations is not high.

This result is supported by Mullins (2010), where he states that decentralization generally tends to be easier to implement in private sector organizations than in public sector organizations where there is a greater demand for the accountability of their operations, regularity of procedures and uniformity of treatment.

**Conclusions**
Decentralisation focuses attention on the growing emphasis on participation and empowerment. As a system becomes decentralized, the more it relies on lateral relationships, and the less it can rely on command or force. Decentralisation generally tends to be easier to implement in private sector organizations than in the public sector organizations where there is a greater demand for the accountability of their operations, regularity of procedures and uniformity of treatment. Thus, government embarks on privatization and deregulation which shift responsibility for functions from public to the private sector.

**IMPLICATIONS OF THE STUDY**
Decentralising authority makes an organization and its employees to behave in a flexible way even as the organization grows and becomes taller.

Nevertheless, too much decentralization has certain disadvantages: if divisions, functions, or teams are given too much decision-making authority, they may begin to pursue their goals at the expense of organisational goals. If managers are in a stable environment, using well understood technology then there could be no need to decentralize authority and managers at the top can maintain control of organizational decision making. However, in an uncertain, changing environment, top managers must empower employees and allow teams to make important strategic decisions so that the organization can keep up with the changes taking place (Jones et al, 2003). The advisability of decentralization must be considered in terms of the nature of the product or service provided, policy making, the day-to-day management of the organization, and the need for standardization of procedures, or conditions or terms of employment of staff (Mullins, 2010).
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Hellriegel,D, Jackson, S.E, Slocum, J. W (1999), Management, Ohio, South Western College Publishing.
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