Division of Authority and Organisation: evaluation of a management method

The subject of this dissertation is the evaluation of a management method for dividing authority and assigning responsibility. The consultancy product within which this method is used, is called the TRA session (TRA stands for Task, Responsibility and Authority). The TRA session is a team-oriented activity in which the participants agree on who needs to have decision-making authority or advisory authority respectively, in each of the areas of responsibility discussed. An area of responsibility is taken here to mean a clearly defined subject area in the organisation in which results have to be achieved. Within a limited span of time of five or six consecutive half days, the division of authority, for example within a management team, is determined for a large number of areas of responsibility (roughly 200 in practice).

The method is founded on two principles taken from classical management theory (compare Fayol, 1916): namely, that there must be a balance between authority and responsibility, and that areas of responsibility must be defined in such a way that there is no overlap between them. It is noteworthy that nowadays scientific papers are seldom written about these still current principles.

In this dissertation, I have attempted to provide a scientific basis for the method for dividing authority. The results of this include a conceptual contribution to current thinking about the concepts of authority and responsibility.
I have also carried out an empirical study to determine whether the method works.

Chapter 1 begins by making methodological observations about the development of methods in general. The empirical claim, the research problem and the research questions are then formulated. Methodological observations are needed because little attention has been paid in the methodological literature to the development of methods. It is argued that the evaluation of a method consists of three activities:

- producing a description of the method;
- working on the basis of the definitions, assertions and procedures used in the method;
- determining how and whether, application of the method leads to the stated goals being achieved.

Reconstruction has shown that theoretical assertions used in the method for dividing authority not only originate from classical management theory, but also from revisionist and contemporary organisation theory. The procedures are related to Management by Objectives.

The description of the method for dividing authority is formulated with the aid of the following research questions:

- What are the method's goals, the definitions used in it, its procedure and the instructions for its use? (Chapter 2)
- What specific skills in facilitating the process of division of authority are involved in using the method? (Chapter 2)

The basis for the method for dividing authority is developed with the aid of the following research questions:

- How are the concepts of authority and responsibility understood and what definitions are used in the method? (Chapter 3)
- What assertions from classical, revisionist and contemporary organisation theory are used in the method, and on what grounds? (Chapter 4)
- What procedures from practice-based management literature about Management by Objectives are used in the method, and on what grounds? (Chapter 4)

How and whether the method for dividing authority works in practice is determined by finding an answer to the following research questions:

- What areas of responsibility is it important to consider in the division of authority within management teams? (Chapter 5)
- What is the effect of the method on the participants' knowledge about, and understanding of, who has authority? (Chapter 6)

Chapter 2 provides a flat normative terms, of the TRA session explains decision-making and authority, authority is awarded to just one manager and decision-making authority is awarded to one method effective. It is argued that the authorisation must be rest a binding and importance are formulated under the TRA session is also another method of notation, literature, and methods for working in the TRA session is confronted with choices: advice, whether or not to additional descriptions, this method - The chapter concludes with a characterise the TRA session.

Chapter 3 is about the concepts are taken from the multifacet approach and organisationality are then defined in the management science, functional level, delegation, as Authority is defined as the Responsibility is the duty
- A person or group of people
- A person or group of people

An account is only provided. Proof that a responsibility is formulated. A direct super-
Chapter 2 provides a flat description, some parts of which are expressed in normative terms, of the TRA session consultancy product. The goals of the TRA session are explained. The different types of authority are discussed: decision-making and advisory authority. Decision-making authority is awarded to just one manager in each area of responsibility. If at all, advisory authority is awarded to one or more managers. Under the TRA method, decision-making authority must be delegated where this is possible and effective. It is argued that the use of decision-making authority in the sense of authorisation must be restricted. It is further argued that advisory authority has a binding and important character. The way in which areas of responsibility are formulated under the method is discussed.

The TRA session is also compared with other knowledge products, such as other methods of notation for authority and responsibility which appear in the literature, and methods for drawing up job descriptions. The method of working in the TRA session is distinguished by a clear contrast. Managers are confronted with choices: whether or not to delegate, whether to decide or advise, whether or not to authorise. In comparison with the formulation of job descriptions, this method is notably more efficient.

The chapter concludes with a summary of 26 assertions and procedures which characterise the TRA session.

Chapter 3 is about the concepts of authority and responsibility. The chapter begins with a multifaceted introduction to the concepts. Views on these concepts are taken from the areas of law and administration, a mathematical approach and organisation theory. The concepts of authority and responsibility are then defined in close relationship to other key concepts in management science, such as structure, hierarchy, direct superior, organisational level, delegation, assignment and instruction.

Authority is defined as the right to carry out an activity.

Responsibility is the duty of a person or group of people to account to:
- A person or group of people who is/are directly superior in the hierarchy;
- A person or group of people with whom an operational or functional relationship exists.

An account is only provided for activities related to a person’s own position. Proof that a responsibility cannot be delegated, whereas an authority can, is formulated. A direct superior therefore remains responsible after delegating.
However, this concerns a special form of responsibility, which we will refer to as the metaresponsibility. This is responsibility for the delegation process. The concept of authority has a formal and a factual variant. Formal authority is the defined and ratified right to carry out an activity. Factual authority is a right which is appropriated or obtained. The right can be obtained formally, or through natural processes. When defined in this way, formal authority is by definition a subset of factual authority (or power). The method for dividing authority now aims to bring about convergence from the formal to the factual structure of the organisation.

Convergence from the formal to the factual structure is not possible in all types of organisations, nor even desirable. The TRA session method is therefore also not equally appropriate for use in all types of organisations. A first attempt is made in this chapter to produce statements about the applicability of the TRA session in different types of organisations. An analysis of the "overlap"-phenomenon is provided. Depending on the form in which they appear, overlaps between areas of responsibility can be eliminated by redesigning the organisation and/or by behaviour modification.

In Chapter 4 the origin of the assertions and procedures listed in Chapter 2 is examined. The grounds on which these assertions are used, are explained. The method is put onto the "dissecting table" in this chapter.

Chapter 5 provides a report on an initial practical study. This study was intended to yield an insight into those areas of responsibility which are important to consider when dividing authority within management teams.

Areas of responsibility can be deduced from performance indicators. This study therefore investigated which performance indicators managers consider to be the most important.

Performance indicators from the literature were included in a questionnaire. Performance indicators which were mentioned in interviews carried out with 43 managers in seven completely different organisations were also added to the questionnaire. This questionnaire was presented to the same managers in the form of a written survey. The result of the study was a ranking of performance indicators in order of importance. Areas of responsibility were deduced from the most important performance indicators. These were included in a reference list of areas of responsibility, which had not previously been available.

Chapter 6 covers the study into the effect of the TRA session. This was determined in an evaluation study carried out in seven organisations. This evaluation study was fully integrated into the Management Project Group (MPG) hypotheses and the measuring took place at some time after and some time after the other.

The findings of the evaluation study:
- In most companies there is concern about who has decision responsibility, after the TRA session.
- The TRA session is an important model of the system being made. It is concluded from the increased opinion about who has decision responsibility.
- In some TRA sessions, it makes less, or the participants in recommendations.
- After the TRA session is another decision taken by the team after the TRA.
- Although this is not a goal, it did result in an increase in the decentralisation, and vice versa.

This chapter also describes the interfaces in which play a role in practice in the structuring intervention.

Chapter 7 sums up the findings and further research. In this study, management teams of organisations in industry and in trade. Further session method in other types of levels would certainly be desirable. Further research can also focus on structuring intervention. Thus far, attention has been given to structuring intervention.
SUMMARY

A study was fully integrated into consultancy by the TNO Quality Management Project Group (PGB). Details of the conceptual model, the hypotheses and the measuring instrument which were used prior to, directly after and some time after the end of the TRA session are provided in this chapter.

The findings of the evaluation study are:

- In most companies there is evidence of more agreement among those concerned about who has decision-making authority and who has responsibility, after the TRA session. This effect also persists for some time after the meeting, but in some cases it is not retained completely.
- The TRA session is an important tool enabling the Manager to test his/her model of the system being managed against the team's model. This can be concluded from the increase in the team's agreement with the Manager's opinion about who has decision-making authority and who has responsibility.
- In some TRA sessions, the facilitator contributes more to the content, or more use is made of these contributions; in other sessions this contribution is less, or the participants in the TRA session make more use of the process recommendations.
- After the TRA session is over, people comply fairly strongly with the decision taken by the team about the division of authority.
- Although this is not a goal, in five of the seven companies the TRA session did result in an increase in the degree of vertical centralisation. This can be explained by the low starting level in four of these five companies. Looking at the results together, it would appear that centralisation demands decentralisation, and vice versa.

This chapter also describes in more detail the considerations and arguments which play a role in practice in discussions about the division of authority at interfaces in the organisation, and about the delegation of authority.

Chapter 7 sums up the findings of this study, and provides suggestions for further research. In this study I have confined myself to using the method in management teams of organisations with 25 to roughly 1,000 employees, in industry and in trade. Further research into the applicability of the TRA session method in other types of organisations and at lower organisational levels would certainly be desirable.

Further research can also focus on the TRA session as a form of cultural intervention. Thus far, attention has been largely confined to the TRA session as a structuring intervention.

Now, having obtained experience in dozens of TRA sessions, I am more
strongly convinced that the facilitator makes not only a contribution to the process, but also a substantial contribution to the content. In my opinion, this contribution should also be increased. Interventions in the area of content can be drawn from design theory.

Finally, I have made a plea for more attention to be paid to the development of management methods in scientific research. In my opinion, there is great interest in this area among management consultants.