

# Delegating in the Workplace

By Olivier Serrat

## Delegation Rules

*No man is an island, entire of itself; ...*, meditated John Donne. In more ways than one, too: cooperation, especially the trust and graduated delegation of authority it usually implies when people come together to realize societal and organizational goals, determines how we live, learn, work, and play.

The act of delegating calls for and rests on trust. In organizations, delegation had better be understood as a web of tacit governance arrangements across quasi-boundaries rather than the execution of tasks with definable boundaries.

Because the perceived benefits from cooperation normally outstrip those from going it alone—for instance, by reducing transaction costs, collaboration mechanisms are integral to necessary management of (scarce) natural, human, tangible, and intangible resources—we delegate (and pay for), say, procurement of foodstuff, health care, education, entertainment, and protection to supermarkets, doctors, schools, the film industry, and armed forces. We do so by framing obligations for exchange of valuable things in marketplaces. Most exchanges are straightforward, self-executing matters giving satisfaction, e.g., the sale and purchase of a soft drink—if this were not so, controversy and dispute would soon suffocate society at large and the commerce that nurtures it; however, others are not.<sup>1</sup>



## A Diversion on Contract Law, Oral Contracts, and Psychological Contracts

Without contract law, agreements would immediately become impractical at many levels, even in the simplest of cases. Contract law is based on the principle that what has been agreed upon must be kept. In this respect, a formal contract is a voluntary, binding promise between two or more persons or entities to produce or undertake in good faith works or services in relation to a particular subject. To be enforceable, certainly by law, it must include certain factual elements: (i) an offer; (ii) an acceptance of the offer; (iii) a promise to perform; (iv) a valuable consideration, which can be a promise or payment in some form; (v) a time or event when performance must be made; (vi) terms and conditions for performance, which includes the fulfillment of promises; and (vii) performance. (Nonviolation of public policy is, of course, expected.) The remedy at law for breach of contract

<sup>1</sup> In addition to its palpably omnipresent role in daily life, delegation is a central feature of government and governance. Representative democracy can be considered a chain of delegated power: to simplify, in a parliamentary democracy, voters assign authority to representatives in parliament; the parliamentarians entrust power to act to a prime minister and cabinet who later deputize that to ministers heading government departments; in turn, the ministers task civil servants in the departments with related roles and responsibilities (as well as accountability). Without a doubt, the modern nation-state could not exist without delegation: lawmakers would have to personally enforce every law they pass. Nowadays, many use the language of agency theory to describe the logic of delegation.

to produce or undertake is “damages” or monetary compensation. Contracts can be written or oral.

*An oral contract isn't worth the paper it's written on.*

—Samuel Goldwin

Oral contracts are ordinarily valid and therefore legally binding if their terms can be proved or are admitted by contracting parties. However, in the absence of proof of the terms of an oral contract, the parties may be unable to enforce the agreement or may be forced to settle for less than the

original bargain. Therefore, in most jurisdictions, certain types of contracts must be reduced to writing to be enforceable (and prevent frauds and perjuries).

*The best way to appreciate your job is to imagine yourself without one*, quipped Oscar Wilde. Since most of us work for a living, formal contracts of employment<sup>2</sup> are a familiar cornerstone of cooperation in the workplace, thereby embedding contract law in the heart of legal systems. For this reason, formal contracts serve as the foundation of entire societies and their economies. To be sure, Chris Argyris<sup>3</sup> coined the notion of the “psychological contract” 50 years ago to refer also to the quid-pro-quo expectations that exist between employers and employees, namely, aspirations, diligence, loyalty, mutual obligations, and corporate values. These operate over and above formal contracts of employment to impact behavior over time. His delineation of implicit understandings was and certainly remains of strategic significance. Even so, the erosion of corporate career structures in the last 20 years and far-reaching changes in society and the global economy have since emphasized, beyond individuals and their career niches, how organizations can leverage psychological contracts to sustain performance.<sup>4</sup> In *The Individualized Corporation*, Sumantra Ghoshal and Christopher Bartlett<sup>5</sup> promoted the idea of a new “moral contract” whereby organizations and senior management respect the individual as a value creator and bear a responsibility to help him or her develop to full potential.

### Defining Delegation

In broad terms, delegation is the grant of authority by one party to another for an agreed purpose. In the language of agency theory, it is the transfer to an agent of the right to act for a principal that can take place only with the acquiescence of the principal, where it is customary or where it is necessary for the performance of the entrusted duty. From a management perspective, it is the sharing or transfer of authority and associated responsibility from an employer or “superior” having the right to delegate to an employee or “subordinate.”

*The finest plans are always ruined by the littleness of those who ought to carry them out, for the Emperors can actually do nothing.*

—Bertolt Brecht

<sup>2</sup> The features of a contract of employment, specifically, its conditions, detail in labor law the terms to which an employer and an employee agree. They include the start and end dates. Specifics on the services to be rendered are detailed therein, including the general tasks or functions of the position filled, key roles and responsibilities, location of work performance, reporting requirements, evaluation metrics, etc. Of course, the contract specifies what compensation and other rights an employee will receive in exchange for the work delivered. (If the contract is eligible for renewal, the method and circumstances for that might also be listed.)

<sup>3</sup> Chris Argyris. 1960. *Understanding Organizational Behavior*. The Dorsey Press. If the term is new, the notion of mutual expectations goes back thousands of years; social exchange theory posits that human relationships are shaped by negotiated give-and-take. While Chris Argyris originally referred to a specific understanding between a work group and their foreman or team leader, Edgar Schein later focused on the high-level collective relationship between individuals and senior management of the organization on the other. (He is credited with inventing the term “corporate culture.”) See Edgar Schein. 1965. *Organizational Psychology*. Prentice Hall.

<sup>4</sup> Boundary-less organizations that emphasize knowledge work are typified by horizontal career moves and a diversity of employer–employee relations. Michael Wellin sees that, in support, they also operate a range of psychological contracts, a summary of which would read: (i) the organization and its personnel are both “adult,” (ii) staff define their own worth and identity, (iii) a regular flow of people in and out of the organization is healthy, (iv) long-term employment is unlikely—one should expect and prepare for multiple employments, and (v) growth is through personal accomplishment. See Michael Wellin. 2007. *Managing the Psychological Contract: Using the Personal Deal to Increase Performance*. Gower Publishing Ltd.

<sup>5</sup> Sumantra Ghoshal and Christopher Bartlett. 1997. *The Individualized Corporation: A Fundamentally New Approach to Management*. Harper Paperbacks. In that book, and in three admirable articles published in 1994–1995, Sumantra Ghoshal and Christopher Bartlett explained that great organizations are defined by purpose, processes, and people, not outmoded concerns for strategy, structure, and systems. Managers should focus on leveraging the individual's unique talents and skills, an organization's most important source of sustainable competitive advantage. See Sumantra Ghoshal and Christopher Bartlett. 1994. Changing the Role of Top Management: Beyond Strategy to Purpose. *Harvard Business Review*. November–December; \_\_\_\_\_. 1995. Changing the Role of Top Management: Beyond Structure to Processes. *Harvard Business Review*. January–February; \_\_\_\_\_. 1995. Changing the Role of Top Management: Beyond Systems to People. *Harvard Business Review*. May–June.

## The Relevance of Contracts to Delegation

To delegate well in the workplace and help transform that into a place that works for all, it is important to appreciate contract law, oral contracts, and psychological contracts as well as the transactional, implicit, and inferred deals they severally promulgate. Why? Because the act of delegating, meaning, empowering, calls for and rests on trust.<sup>6</sup> However, the sociality of work and the complex actions and interactions in social networks that characterize workflows can never be accurately codified (even if software applications sometimes model workflows in particular domains). If trust, the fundamental basis of all value, does not come easily in traditional exchange agreements over price and quantity, it is even more difficult to build and maintain when it must also embody elements of responsiveness, creativity, innovation, quality, and reliability in fleeting interpersonal relationships.<sup>7</sup>

Delegation is a fundamental, win-win management process that cannot be readily contracted in the hustle and bustle of the workplace.<sup>8</sup> Hence, within organizations, it had better be understood as a web of tacit governance arrangements across quasi-boundaries rather than the execution of tasks with definable boundaries. To a much greater extent than contract-based forms of transaction, disaggregated structures require high-powered incentives along a continuum of “boss”-centered and distributed leadership. The predictors of delegation along that continuum would be distinctions based on the characteristics of supervisors, the (real or perceived) characteristics of their subordinates, and situational factors.

*Only free men can negotiate; prisoners cannot enter into contracts. Your freedom and mine cannot be separated.*

—Nelson Mandela

## Of Continuums, Predictors, and Consequences

Forces in the supervisor, in the subordinate, and in the situation drive delegation in the workplace. The continuum that depicts the locus of authority in decision making is typically anchored at one end by completely autocratic decision making and at the other by a delegation process that permits maximum influence by subordinates.<sup>9</sup> Participation is the midpoint between autocratic and delegative arrangements.

The Tannenbaum and Schmidt Continuum is the best known model of areas of freedom for supervisors and subordinates.<sup>10</sup> In the range of behaviors the model depicts, a supervisor makes the decision and announces it; sells the decision; presents his ideas and invites questions; presents a tentative decision subject to change; presents the problem, gets suggestions, and then makes the decision; defines the limits and requests the

*You must trust and believe in people or life becomes impossible.*

—Anton Chekhov

subordinate to make a decision; or permits the subordinate to make decisions within prescribed limits. We are all familiar with the subtle nuances between telling, selling, checking, including, involving, and empowering.

<sup>6</sup> Delegation entails a transfer of power and the danger is that trust will be abused. This can only be avoided if the principal and the agent share interests and if the principal is knowledgeable about the activities of the agent as well as their possible consequences.

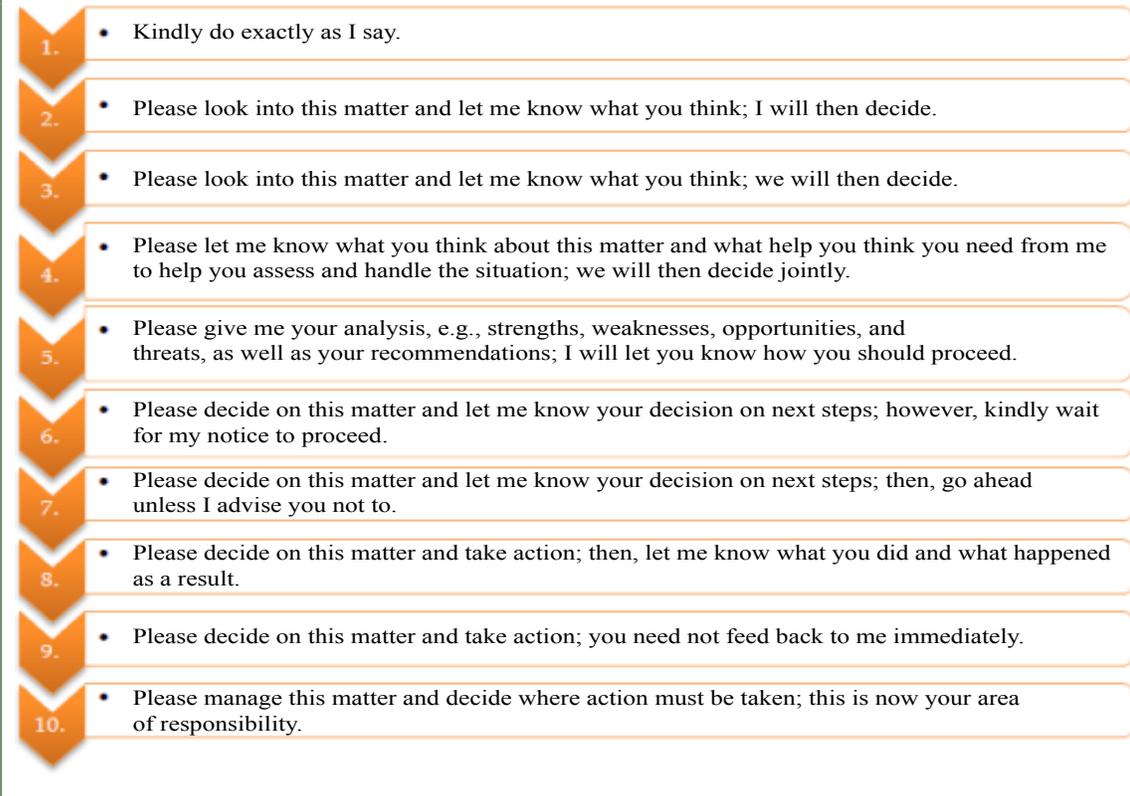
<sup>7</sup> Again, agency theory provides valuable insights. In delegation, an agent is granted freedom to make decisions subject to constraints that the principal may have specified. Full delegation can only come about if information and preferences are fully congruent or, more usually, the principal feels secure about an uncertain situation.

<sup>8</sup> Of course, SMART delegation rules are supposedly at hand to help formalize the process. [The acronym stands for Specific, Measurable, Agreed, Realistic, and Time-bound. SMARTER rules are also Ethical (to which Enjoyable or Exciting are sometimes substituted) and Recorded.] In truth, not all delegated work can ever be subject to such precision (let alone be enjoyable or exciting).

<sup>9</sup> Many argue that, however he or she may vest others with authority, a supervisor can never entirely delegate final accountability for results. The only resort is to make sure things go right through executive participation.

<sup>10</sup> Robert Tannenbaum and Warren Schmidt. 1958. How to Choose a Leadership Pattern. *Harvard Business Review*. March–April.

**Figure 1: A Continuum of Delegation**

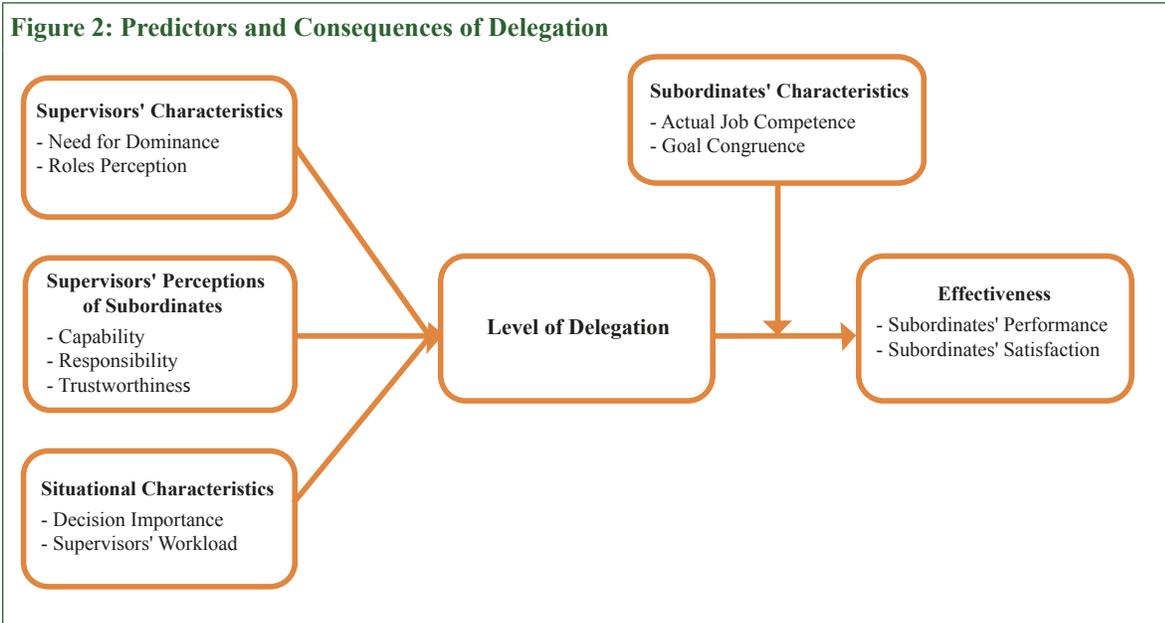


Source: Author. Developed from Robert Tannenbaum and Warren Schmidt. 1958. How to Choose a Leadership Pattern. *Harvard Business Review*. March–April.

Carrie Leana<sup>11</sup> has conducted useful work on delegation as a distinct management practice that complements better known investigations of delegation as one point in a continuum of involvement in (un)participative decision making. She hypothesized sensibly and then demonstrated that the perceptions that supervisors have of subordinates, e.g., capability, responsibility, and trustworthiness, as well as situational characteristics, such as the importance of the decision to make and the supervisor's workload, are significant predictors of delegation. To boot, the actual job competence of subordinates and the degree of congruence in the goals of supervisors and subordinates moderate the effects of delegation on the performance of subordinates. Interestingly, neither the characteristics of supervisors nor the satisfaction of subordinates were found to be significantly related to delegation.<sup>12</sup>

<sup>11</sup> Carrie Leana. 1986. Predictors and Consequences of Delegation. *Academy of Management Journal*. 29 (4). pp. 754–774. The survey that underpinned research covered 19 branch offices of a large national insurance company in the United States, or 198 claims adjusters reporting to 44 supervisors. Research in other sectors, professions, and disciplines might reveal different weights in the predictors and consequences.

<sup>12</sup> Those who see job enrichment as a basic function of delegation, besides efficient completion of assigned work and enhanced effectiveness of a supervisor's performance—these, habitually, being deemed the higher benefits from delegation—might be troubled by that last finding.



Source: Carrie Leana. 1986. Predictors and Consequences of Delegation. *Academy of Management Journal*. 29 (4). pp. 754–774.

### Spieglein, Spieglein an der Wand ...

Literature offers many tips on how one should delegate; linear advice commonly runs thus: (i) define the task, (ii) assess ability and training needs, (iii) explain the reasons, (iv) state the results required, (v) consider the resources needed, (vi) agree on deadline, (vii) support and communicate, and (viii) feedback on results. A little more introspection would certainly help if, as argued earlier, it is more sagacious to frame delegation as a web of inferred governance arrangements.

Following a modicum of soul-searching supervisors might even say *mea culpa*. From the health sector, where professionals and patients alike need clear knowledge for decision making and so much rests on nurses, comes pithy advice on delegation from the receiving end. In the United States, the following principles guide delegation of nursing activities, for which nurses must ultimately bear accountability for. The five “rights” of delegation are (i) the right task (one that is delegable); (ii) the right circumstances (appropriate setting, available resources, and other relevant factors considered); (iii) the right person (the right person is delegating the right task to the right person); (iv) the right direction and communication (clear, concise description of the task, including its objective, limits, and expectations); and (v) the right supervision (appropriate monitoring, evaluation, intervention as needed, and feedback).<sup>13</sup>

*She generally gave herself very good advice,  
(though she very seldom followed it).*  
—Lewis Carroll

<sup>13</sup> These parallel the five rights of medication safety: (i) the right patient, (ii) the right drug, (iii) the right dose, (iv) the right route, and (v) the right time.

### Further Reading

ADB. 2009a. *Building Trust in the Workplace*. Manila. Available: [www.adb.org/documents/information/knowledge-solutions/building-trust-in-the-workplace.pdf](http://www.adb.org/documents/information/knowledge-solutions/building-trust-in-the-workplace.pdf)

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Robert Tannenbaum and Warren Schmidt. 1958. How to Choose a Leadership Pattern. *Harvard Business Review*. March–April.

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