

Line Authority

In the organization chart at Figure 1, X is the senior line manager from which all authority in the organization is derived. X will assign responsibilities to A and Y and, at the same time, must delegate authority to A and Y so that they may direct the activities of their subordinates which are designed to discharge those responsibilities. X while assigning responsibility and delegating authority to act on his behalf with regard to those responsibilities, does not lessen his own responsibility; he does, however, reduce his workload to a manageable level and, in this regard, delegation is inevitable. It is only the degree of delegation which must be determined. The extent of delegation and the limitations placed on authority should be clear.

A is a line manager and is assigned responsibility and delegated authority with respect to all the activities of B, C, D, E, F and G. These activities, if very complex in nature, may require specialization in order to bring a high degree of expertise, or the detailed knowledge of current circumstances resulting from study of a particular aspect of the whole, to bear on the day-to-day problems.

Functional Authority

By exercising functional authority in the organization in regard to all political or economic policy, for example, and its application to specific problems, can reduce the load of line manager A and of his superior X, by ensuring the proper and consistent application of approved policy and the development of new policy with respect to his special area of responsibility. B as a functional authority derives his authority from A, and ultimately from X. B exercises functional authority in his own name over E, F and G because that authority has been delegated by X to A, and by A to B. It is important that such delegation of functional authority be made clear to E, F and G as well as to B. It is also important to recognize in this relationship that E, F and G have the option of appeal to A in regard to direction