



Does Decentralization Make a Difference for the Organization? An Examination of the Boundary Conditions Circumscribing Decentralized Decision-Making and Organizational Financial Performance

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Recently, there has been increased interest in the organizational gains that can be achieved by decentralizing decision-making authority to lower level employees. Yet, literature examining the relationship of decentralization to organizational performance is both scarce and equivocal. The current study examines decentralization's influence on financial performance in a sample of behavioral healthcare treatment centers. As expected, the decentralization–financial performance relationship is moderated by key organizational characteristics. Implications of the findings are presented.