**DECENTRALIZATION**

**Advantages**

* 1. **Lower-level managers can react more quickly to problems or changes in operations.**
  2. **Lower-level managers are closer to the customer and more responsive to the customer's needs.**
  3. **The operation provides a better training ground for managers.**
  4. **Delegation improves employee morale.**
  5. **Top management is free to devote time to strategic planning.**

**Disadvantages**

* 1. **Assets and operating costs are duplicated (e.g., each division has its own administrative staff).**
  2. **Managers may pursue their own goals, interests**