

Chart of difference between Centralization and Decentralization

Points of differences	Centralization	Decentralization
Meaning	It refers to an organization's working is under one authority.	Decentralization refers to the adequate distribution of power at different levels.
Authority	Top-level management retains the maximum authority in the organization.	In decentralization, authority is divided into several departments.
Suitability	Centralization is suitable for small-scale organizations.	Decentralization is applicable and suitable for large-scale business units.
Freedom of actions	Managers of other departments have less freedom because the majority of power is in the hands of top-level management.	Departmental managers having more freedom of action.
Communication pattern	In Centralisation, proper hierarchy is followed and there is a direct interaction	But in Decentralization, there is an informal communication line that is flexible and can be changed according to the requirement.
Example	An owner of a general store appoints a salesman, sweeper, cashier. He delegates the work among the staff according to the skills and positions of the workplace.	For example, Hotels, Supermarkets having different branches and it is not possible to manage all the operations by one person.