

organisation as a whole system and analyses formally described structures such as decision making and conflict resolution. Micro-research studies the work group of the organisation (sub-system) - an organisation's human resources - career and attitude toward employees, the latter which will be discussed in section 3.3.

3 CAREER AND ATTITUDE TOWARDS EMPLOYEES

3.3.1 INTRODUCTION

In a previous era, organisations looked after their employees and gave them job security. Job security was appropriate in a static world with routine work. In the Information Age, routine work is done by machines, competition is intense, and the employee skills needed are changing fast.

The purpose of this section (3.3), is to discuss the career of and attitude towards employees, and includes the so-called changing employment contract, the reasons for these changes, entrepreneurship, career planning and communication. The discussion is categorised in similar but non-identical categories, under Western, Japanese and African management.

3.3.2 WESTERN MANAGEMENT

3.3.2.1 Introduction

Hennesy, Killian and Robins (1995:161) argue that trends are now apparent that seem to indicate we may be in a transitional period between two different ways of dealing with the challenges of business and of society as a whole. The outgoing order is the age of specialisation, and the incoming, the era of integration. The world is becoming more integrated, customised, individualised and global. Each

of these four forces can be seen to relate to this change from specialisation to integration. Globalisation - and in particular the unification of Europe - takes the separate pieces of our world and integrates them into one global economy.

Environmental concerns integrate the organisation with the physical environment in which it operates. The shortage of qualified labour in developed countries, along with the increased involvement in education and training requires of business, integrates the organisation with the society (supra-system) in which it does business - the society from which it draws both its customers and its workforce.

3.3.2.2 A changing employment contract

The strategy-structure-systems management doctrine rests upon a relationship between the organisation and its employees that is fast becoming irrelevant. It was previously assumed capital was the organisation's most critical and scarcest resource and that labour's role was simply to leverage the organisation's investment in equipment and machinery. An implicit employment contract held that top management's job was to ensure the organisation's short-term profitability and long-term competitiveness by making sound investment decisions, and employees were to support those investments by doing as they were told. In exchange for their loyalty and sacrifice of autonomy, employees got wages and job security. Those assumptions provided the foundation for the modern organisation's authority-based structure and the logic for the systems and processes that were required to pull plans, proposals, and performance data up the hierarchy for top management's input and control (Bartlett and Goshal 1995b:28).

In a post-industrial environment, most companies are no longer well served by the old management doctrine or its implicit employment contract (Stewart 1995:97). In the emerging Information Age, the critically scarce resource is knowledge - composed of information, intelligence and expertise. Unlike capital, knowledge is most valuable when it is controlled and used by those on the front lines of the organisation. In a fast-changing, competitive, global environment, the ability to exploit knowledge gives organisations their competitive advantage.

The implications for top-level managers are profound. If frontline employees are vital strategic resources instead of mere factors of production, corporate executives can no longer afford to be isolated from the people in their organisations. Furthermore, roles and responsibilities must be re-allocated, with those deeper in the organisation taking on many of the tasks formerly reserved for those at the top. In short, corporate executives must adopt the people-oriented model of management that General Electric's (GE) Jack Welch described in an interview with Tichy and Charan (Harvard Business Review, HBR September-October 1989:33): "Above all else ... good leaders are open. They go up, down, and around their organization to reach people ... It is all about human beings coming to see and accept things through a constant interactive process aimed at consensus."

Behind the delayering and downsizing in most companies, a quieter revolution has been taking place. It has redefined employees' roles and, in doing so, has rewritten the implicit contract they have with their employers. GE's old assumption of *lifetime employment* produced what Welch calls "a paternal, feudal, fuzzy kind of loyalty." Welch advocates

a change: “My concept of loyalty is not “giving time” to some corporate entity and, in turn, being shielded and protected from the outside world. Loyalty is an affinity among people who want to grapple with the outside world and win ... The new psychological contract, if there is such a thing, is that jobs at GE are the best in the world for people who are willing to compete. We have the best training and development resources and an environment committed to providing opportunities for personal and professional growth.” (Welch, as cited in Tichy and Charan 1989:34).

What Welch and other corporate leaders advocate is a complete reversal of the traditional company-employee contract. When employees “grapple with the outside world and win”, as Welch puts it, they are essentially taking over what was previously assumed to be a corporate responsibility. Meanwhile, many organisations are seeing their responsibility not in terms of ensuring long-term job security, but, what Welch describes as providing opportunities for personal and professional growth: changing the implicit contract from a guarantee of employment to *employability* as O’Reilly (1994:29) describes this process.

Such a change demolishes the core tenets of the strategy-structure-systems doctrine, which instructs managers to minimise risk by controlling the idiosyncratic individual. Today’s top-level managers recognise that the diversity of human skills and the unpredictability of the human spirit facilitate initiative, creativity and entrepreneurship. The most basic task of corporate leaders is to recapture those valuable human attributes by individualising the organisation. To do so, they need to adopt a management philosophy that is based on purpose, process and people (Bartlett and Goshal 1995a). Byron (1995) supports the existence of the new corporate contract.

In an interview with a displaced senior vice-president of a large company, Byron (1995) reports that he felt that an employee used to have a contract, but now he was virtually working on a *per diem*. The contract with corporate America is a thing of the past and if an employee joins the corporate ranks, he has to understand that he won't be there with one company for more than ten years. An employee guiding concept has to be: The corporation doesn't get him; he gets them. There was an innocence about it in the past; and that innocence is gone.

These employees think like free agents. They have to look out for themselves, find out how much they are worth and consider offers from other teams. Free agents make a point of always knowing their alternatives, having a clear idea of where they could jump if unexpected roadblocks arise in the present job. They work hard at their current jobs but never take them for granted. They direct much of their energy toward shaping and securing their futures. The free agent will not "jump" unless a safe landing is assured; he or she is well aware that the best way to get a new job is to be effective, and appear to be content, in an old one. Lieber (1996:28) argues that an employee has to have a sense of what he contributes to the company and how his skills can be improved.

3.3.2.3 Why the change?

Byron (1995:8) argues the change in management style that has made the axe a prominent management tool is not easily explained. In part, it is a move towards delegating authority, granting autonomy, and fixing responsibility at lower levels. The discovery that "half our management team is writing reports for the other half to read" strengthens the will of those who think a weight-reduction programme for the elimination of

middle-management spread may be overdue. They are willing to try and see what happens. Grove (1995:141) argues that first of all, everything happens faster; secondly, anything that can be done will be done, if not by you, then by someone else, somewhere. These changes lead to a less kind, less gentle and less predictable workplace.

According to an editorial "The salaryman rides again", that appeared in the Economist (1995), management theorists started looking at middle managers. The more they looked at the ranks of besuited functionaries who separated the board room from the shop-floor - the product managers, department heads, divisional bosses and executive editors - the more they saw time-servers to be cut. Middle managers' problem is that, at first sight, they seem to be in the way of everything associated with progress. Successful companies are devolving responsibility to self-managing teams of workers - but middle managers make their living by telling people what to do. Desktop computers are giving everybody access to data about the business world - but middle managers are specialists in controlling the flow of information. Collapsing product-cycles are forcing companies to become more agile - but middle managers thrive in a world of bureaucracies.

3.3.2.4 Entrepreneurship

Delayed managers - or "redundant executives," as they are known in England - have to wait to see what happens from an observation post on the outside (Grove 1995:141). Something could happen that would re-engage but not re-employ them with the former employer. Once out, it is a short attitudinal step, though a large one entrepreneurially, to stop thinking of oneself as an outsider - a former employee - and to begin seeing oneself in an "outsourcer" capacity (one who supplies

resources to the company from the outside); the former employee becomes a new entrepreneur who can provide a necessary service to his former employer. From the outside, in fact, he can provide the service he used to provide from within, as an employee. His former employer “outsources” the need and he meets it - for a fee. He does it for other firms too. This is his new business. The firm pays him more on a *per diem* basis but less in total compensation (no benefits) than they would if he were on their payroll. He makes it up in volume and takes care of his own benefits. He also has independence and the challenge of being his own boss.

3.3.2.4 The entrepreneurial process

Perhaps the most widespread and harmful effect of the growth of bureaucratic structures in organisations has been the erosion of managerial entrepreneurship - the externally oriented, opportunity-seeking attitude that motivates employees to run their operations as if they owned them. Few frontline initiatives survive the bureaucracy’s smothering assumption that top managers are the best visionaries for their organisations and alone are responsible for leading their companies into new areas. Any bottom-up ideas that survive the top-down directives are likely to be crushed in the documentation, review and approval processes that supply senior managers with the information and feedback they need to operate as their organisations’ strategic gurus (Goshal and Bartlett 1995a).

Essentially, it requires of an organisation to drop its assumption that those at the top are in the best position to exercise entrepreneurial initiative. A bottom-up entrepreneurial process can occur only when frontline management’s role is transformed from implementer to initiator

and when senior management's role is to provide a context in which entrepreneurship can happen.

At the foundation of an institutional entrepreneurial process is a culture that sets great store by the ability of the individual. That may seem a relatively simple matter for top management to recognise; in fact, many companies include in their annual reports such homilies as "our employees are our most important assets."

In hierarchichal structure specifically designed to control behaviour and minimise the risk of individual idiosyncrasies, Goshal & Bartlett (1995a) argue, it takes more than jawboning and sloganeering to re-establish a genuine faith in the ability of individual organisation members.

3.3.2.5 Career planning

Otte and Kahnweiler (1995:2) believe that a new model of career planning is emerging. It is developmental and takes a long-term view, while laying a foundation for short-term survival. In this approach, "success" has been enlarged to include spiritual and emotional dimensions, as well as traditional economic measures of "making it". From this perspective, finding personal meaning in work is important, and the question "What do you want to be when you grow up?" receives attention throughout one's life. Finding meaning requires attending to "being" goals that go beyond "What do you want to do?" "Being" goals involve the answers to "What is worth doing?" and "What is my purpose in life?" These goals originate from meditating on ideals for living completely. Answering these questions can be highly motivating; ignoring them leads either to eventual burnout or to a lack of joy. How does one engage in effective career planning, given this new situation

of turbulent times and uncertain potential career paths? Otte and Kahnweiler (1995) follow the nonlinear model depicted below. It is a very brief synthesis of some current career literature and emerging practices.

What does an employee do when he follows this model, and how does it work in practice? Otte and Kahnweiler (1995) explains their introspective, individualistic model:

Make each day a quest for learning and personal development, and

1. As you seek to grow, clarify and honour your resistance.
2. Dream of the future; clarify an ideal future vividly, in detail.
3. Study yourself; seek self-understanding.
4. Analyse competencies used in the past.
5. Analyse competencies depicted in an "ideal future."
6. Draft a tentative plan for a next step toward an ideal future.
7. Explore this plan with others you trust.
8. Execute one learning step at a time, reflectively.
9. Rethink; recycle.

McClelland and Burnham (1995:126) define a good manager as one who, among other things, helps subordinates feel strong and responsible, rewards them properly for good performance, and sees that things are organised so that subordinates feel they know what they should be doing. Above all, managers should foster among subordinates a strong sense of team spirit, of pride in working as part of a team. If a manager creates and encourages this spirit, his or her subordinates should certainly perform better.

3.3.2.6 Communication

Denton (1995:16) argues that when people speak of continuous improvement, they are really talking about continuous change. To have continuous change, there has to be some factor that binds people together. There must be a common purpose, and each member must understand his or her role. It is like a jigsaw puzzle in which everyone knows the location of the pieces and where they fit. If an organisation wants real, long-lasting change, it must have a way of focusing people on the change - not as individuals, but as a cohesive unit.

Most employees fail to understand how they fit in and why they are important. They just do their job and wait for the next crisis to subside. Great things can happen only when change brings with it an understanding by all individuals, departments, and functions of their roles (D'Aprix 1996:19).

In the West, people are important to organisations, but the belief that they are the most important asset is a misconception. The most important asset of an organisation is not its people, its technology, or even the highly paid managers. Each can be important, but each is simply a tool. Even the most gifted personnel will fail if they operate in a system that is designed to fail (Denton 1995:18).

It is therefore an organisation's "system" of drawing people together for a common purpose that is the one crucial factor to success. If some great unifying factor draws normal, hard-working people together and helps them see their importance and their place in the organisation, those people can do great things. On the other hand, a disjointed effort or approach to introducing change will likely fail (D'Aprix 1996:19). Even

extraordinary people working extraordinarily hard will fail if they have no focus. Denton (1995:20) concludes by arguing that obviously, it would be best to have both extraordinary people and an extraordinary system of introducing change, but it is the latter that creates a great organisation.

Denton in his argument tried to marry the concepts of *Kaizen* (continuous improvement) with change. He (1995:18) emphasises speed as change agent for this continuous improvement, giving it a short term, results-oriented perspective.

3.3.3 JAPANESE MANAGEMENT

3.3.3.1 Introduction

Warner (1992:510) states that Taylorism, by which is meant the concepts and techniques developed by FW Taylor (1856 - 1915) and his followers, subsumed under the rubric of Scientific Management was introduced into Japanese industry on a wider scale in the inter-war years than was commonly thought. Its impact was mediated by specifically Japanese cultural understanding. As absorbed into Japanese industrial practices, Taylorism became an important factor in the creation of what has been held by some observers to be a uniquely Japanese system of organisation and management given the “societal” context in which it became dominant and successful. In the inter-war period, Japanese employers set out to build organisational cultures, involving high levels of worker commitment and flexibility, for example the cotton textile industry. In industrial relations terms, this model came to be characterised in terms of:

- Seniority (*nenko*) wages;

- life-time employment (*shushin koyo*); and
- enterprise unionism (*kigyobetsu rodo kumiai*).

These “three pillars” of the system have been seen as resting on a fourth, namely “social norms within the enterprise,” involving the notion of an enterprise as a community. The above view must however, be seen as having evolved from an earlier state of affairs, perhaps less “structured” and less “harmonious” (Warner 1992:511).

3.3.3.2 Group versus individual

In the Japanese workplace, group goals and tasks have priority over individual ones; roles and responsibilities are seen as less sharply delineated than in comparable Western firms. Work groups have more autonomy on how tasks are carried out *vis-a-vis* individual accomplishment, with more information shared with the workforce by managers, who place a premium on competence (Lincoln 1989:89).

3.3.3.2 Organisational structure

Organisational structure has received less attention than other functions of Japanese management.

A review of available research on Japanese organisational patterns uncovered three unique features: An unusually large number of vertical levels, overlapping organisations, and corporate research units reporting to top management levels exist. A survey of 51 Japanese and 55 American plants found that Japanese organisations of even smaller mean size, averaged 5.5 management levels compared with 4.9 for the American organisations (Lincoln 1989:94). In spite of this finding, the unusual number of levels in the typical Japanese organisation

actually fosters commitment to the company. Status differentiation is minimal in Japanese firms and numerous, finely layered levels are necessary to support small career steps in the lifetime employment process. Another explanation reported by Hull and Azumi (1988:429), posits that Japanese firms have been able to grow to bureaucratic sizes while still retaining high morale, largely due to good interpersonal relationships of first level supervisors with workers on the plant floor. In the Hull and Azumi (1988) study, morale of workers was correlated with high influence on the part of managers, not workers, suggesting that status differentiation between Japanese workers and managers may be significant. Moreover, workers were more concerned about their supervisors' influence than with their own company-wide participation in management. In most Japanese companies, the chief executive officer's (CEO) total compensation is six to ten times that of the lowest paid factory worker (Ouchi, 1994). Compare this with Chrysler in the US, where the CEO's salary is roughly a thousand times greater than that of his factory worker. Ouchi warns that this great disparity can kill company loyalty (Ouchi 1994:55).

More plausible as a producer of positive results, than organisational levels, is the frequent use by the Japanese of overlapping project and product management teams. Most Japanese cross-functional design teams have members assigned to them who would be considered superfluous in the Western world, but who assist in adding diverse viewpoints. In the ideal sense, the overlapping assignments of product development team members, (the *sashimi* approach), allows employees to involve themselves in the specialties of others and, according to Lincoln (1989), "... ultimately sense tacit knowledge which cannot be articulated." Japan is attempting to improve breakthrough product

development by stimulating creativity through the constant exchange of laboratory and production personnel.

Those who have reviewed productivity per worker agree that the Japanese made significant gains in the 1960s and 70s, and that the Japanese productivity increase plateaued in the late 1980s (Lieberman, Lau and Williams 1990:1196). More recently, productivity gains have been company specific, with some registered by Japanese firms and some by US firms (Lieberman *et al*, 1990). However, productivity advantages existing in the 1990s are largely attributed to Japanese innovations in technology, a few select management practices, and top management selection, rather than to any unique characteristics of the Japanese workers. Based on the literature reviewed, it appears that the forces of change are permitting and even enhancing the continuance of most Japanese manufacturing practices, both domestically and in transplants (Japanese organisations operating outside Japan), except for just-in-time (JIT) purchasing (Lieberman *et al*, 1990:1197). However, Henkoff (1995) disagrees. Refer to his argument in section 3.2.5.

Sullivan (1992:73) reasons that JIT purchasing is declining in Japan because supplier plants are locating near factories, forcing competition for labour, and because the practice merely shifts costs from large manufacturers to suppliers. He also argues that the practice will prove ineffective where labour costs are high and control over vendors is limited. Other JIT systems are also subject to criticism and probably require selective implementation.

US manufacturing capabilities are probably reaching parity with the Japanese (Reitsperger and Daniel 1990:290). Technology is very mobile

and most Japanese manufacturing methods have been adopted by the more alert US firms.

3.3.3.3 Training

A competitive advantage that the Japanese possess and which will be difficult to duplicate in the US, is their passion for self-improvement and an unrivalled persistence in educational pursuits (Warner 1992:63). Most qualitative studies stress the importance of a prestigious university background to career progress, but statistical studies suggest that success in Japan is determined more by management potential and hard work. Since the Japanese usually major in science or engineering and obtain their management training in-house, few Japanese universities include business schools. Open recruitment, testing and selection of applicants are rare. Organisations submit requests for a specific number of workers or supervisors to various trade schools/universities. The educational institution matches the characteristics of the student with the demands of the corporate position and provides a list of prospective employees.

3.3.4 AFRICAN MANAGEMENT

3.3.4.1 Introduction

As mentioned previously, there is limited but sufficient empirical and theoretical research evidence on the nature of managerial work in Africa to make a reasonable attempt at portraying it.

It has been asserted too often that the development of non-Western countries - those of Africa, in particular - is highly dependent upon their assimilation of Western management techniques.

The economic development schemes in Africa since the 1980s are marked by an increasing interest in Western strategic management models as a major supporting component to economic development and growth. In most African countries, the focus is on the strengthening of management capacity and related training. For decades, African bureaucracies have remained the main institution to guide and implement development schemes. The managerial capabilities of African countries have been questioned because performance has been inadequate for the task at hand. Indeed, most of the failure of development programmes, from a *Western* point of view, is attributed to indigenous management incapacity and the weakness of the “soft state” that characterises most African bureaucracies (Hyden 1983 and Thomas 1996:7). The diffusion of modern Western management styles, skills and innovations is viewed to potentially contribute to sustained development for Africa.

Authors such as Crozier, Friedberg and Bourgoin as cited in Vengroff *et al* (1991) assert that the management function is responsive to culture, and/or the level of development or “structural differentiation”. According to Healy, Ketley & Robinson (1993:33), Western models of management are inappropriate to developing countries. These models, they argue, are based on the Weberian ideal type bureaucracy which “is above all a form of organisation dedicated to the concept of rationality, and to the conduct of administration on the basis of relevant knowledge”. This calls for a series of arrangements such as recruitment based on achievement, a career orientation for professionals, specialised and differentiated roles, a well-understood hierarchy and well-defined spheres of competence. Such arrangements do not exist in developing countries.

3.3.4.2 Management styles

When compared to Western management, relatively little is known about leadership and management styles in Africa. There is some consensus about the predominant management style in the continent's formal organisations: It is generally reckoned to be towards the authoritarian end of the continuum (from participative to authoritarian, *i.e.* more "tell" than "join"). Kiggundu (1989:226), for example, in his usual forthright style observes that "there is an acute shortage of quality leadership and management in Africa," yet this is a critical but neglected element in linking the "hopes ... of the vast majority of Africans, and the harsh realities of scarcity, deprivation, despair, and powerlessness that have come to characterise the continent". In the face of this desperate situation, Kiggundu asserts that prevailing management styles are authoritarian, personalised, politicised, and "not conducive for management development and the emergence of new leadership. Entrepreneurial, creative, and development talents are suppressed in favour of bureaucratic risk-averse administration based on absolute obedience".

Choudhry (as cited in Blunt 1983:93) is of similar opinion: "... the general tone of management in Africa is prescriptive ... often authoritarian, inflexible, and insensitive...". It is the view of Abudu (1986:18) that some of the causes of this style of management can be traced to Africa's colonial past. Colonial administrators had scant faith in the ability of their African subordinates and therefore tended to keep all managerial authority in their own hands (Khapoya 1994:25). The menial work which was assigned to subordinates was closely supervised. No real authority was delegated. The typical African management style was created that tends to concentrate managerial authority and functions in a small number of positions at the apex of the organisation.

In a typical African organisation, the human resources management function is characterised by routine activities that focus on short term considerations (Kaijage 1993). Task performance receives low priority and is likely to be relegated further by more urgent concerns.

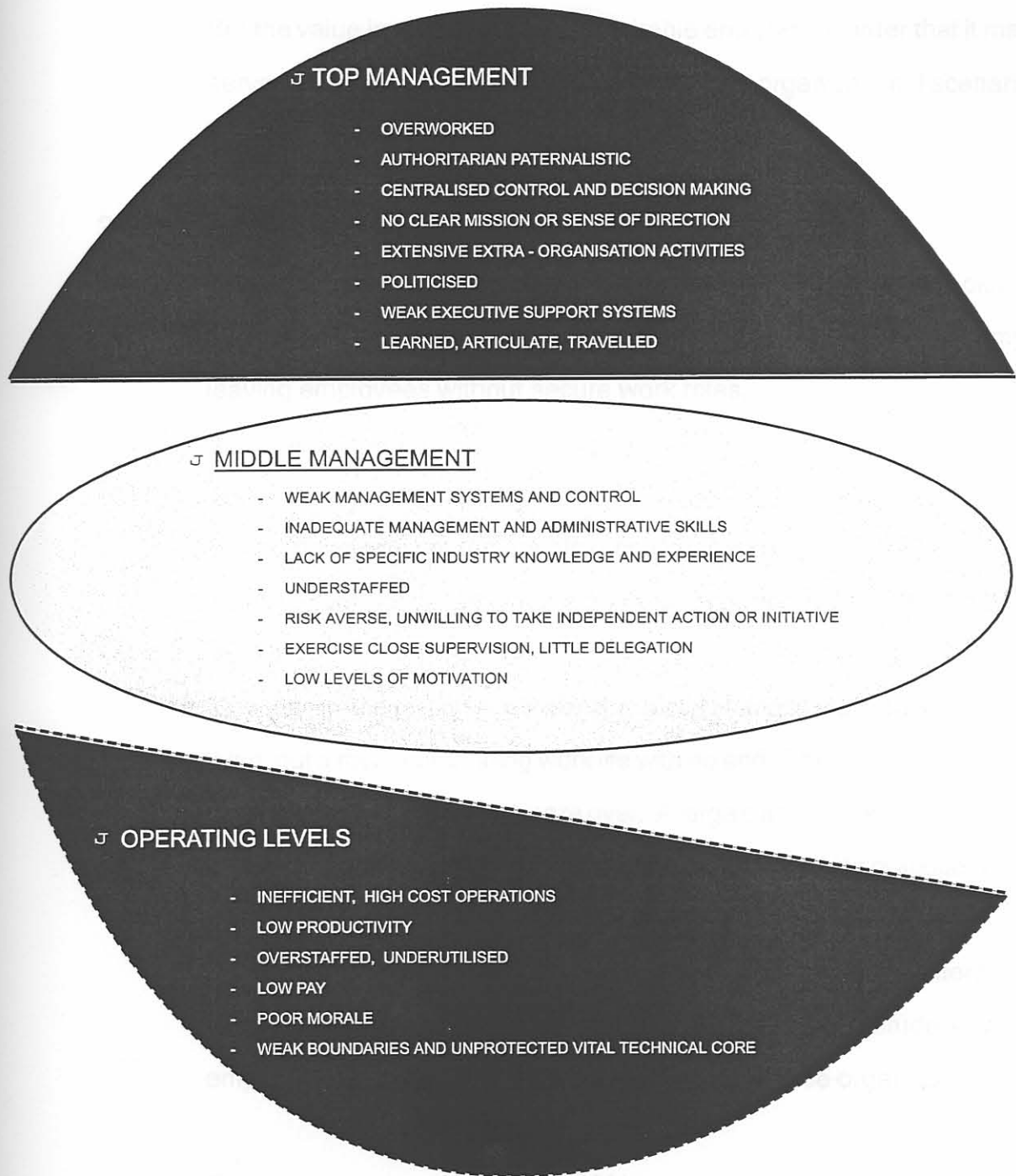
Brown (1989:376) sees this as a distinctive feature of some Third World bureaucracies, which involve a high degree of solidarity among administrators observable in “an extraordinarily forgiving attitude towards individual misdemeanours and an apparent absence of linkage between performance and reward”. Brown continues by providing an insight into such aspects of managerial behaviour that a Western executive would probably find perplexing, when he perceptively observes that “the motivation to participate is not of the same quality analytically as the motivation to perform”. Here Brown touches on a distinctive and significant element in many African cultures - the strong social bonds that are so important to the individual. This element, Brown suggests, finds expression in formal organisations in what he calls “incorporation,” which means inclusion in the social group. This motivation, Brown argues, will be stronger than the motivation to perform tasks for the organisation, and will involve loyalties to individuals rather than to the organisations.

3.3.4.3 Organisational systems and control

Kiggundu (1989) suggests that top managers in a typical organisation in a developing country are authoritarian and paternalistic, autocratic, overworked, highly educated, articulate and widely travelled. However, they also tend not to provide much in the way of visionary leadership or example. Organisations typically do not have clearly stated and widely understood missions or objectives; they are heavily politicised, and have

Figure 3.2 weak executive support systems. In Kiggundu's view (1989), senior managers also devote too much of their time to extra-organisational activities that have little to do with the organisation's interests, such as political, tribal, religious, or personal family and business activities. Middle managers, on the other hand, are seen by Kiggundu (1989) as possessing inadequate management and administrative skills, insufficient industry specific knowledge and experience, low levels of motivation, and as being risk averse, unwilling to take independent action or initiative, favouring close direct supervision over other methods of co-ordination and, like senior management, to be unwilling to delegate. As a whole, middle lines in organisations in developing countries are understaffed and are characterised by weak and/or inappropriate management and organisation systems and controls. At the operating levels, developing country organisations are judged by Kiggundu (1989) to be inefficient, costly and overstaffed. Operators tend to be under-utilised, underpaid, and not rewarded according to performance. This results in low morale, lack of commitment, high turnover and absenteeism. Moreover, he sees the boundaries of the organisation as being "rather porous, leaving the vital technical core of the organisation unprotected and susceptible to abuse" (Kiggundu 1989:10). In Figure 3.2, the extended connecting lines between different levels represent inadequate co-ordination and communication between the different parts of the organisation, while the broken line surrounding the operating core indicates the permeability of organisational boundaries at that level.

Figure 3.2 A general profile of a developing country organisation



Source: Blunt & Jones (1983:132).

Like Kiggundu, this researcher acknowledges that there will be exceptions to this model in Africa and elsewhere in the developing world. But the value in describing an undesirable end state in order that it may serve as a stark reminder of a common African organisational scenario cannot be ignored.

3.3.5 Summary

The old employment relationship in which people were paid for holding a “position” is dying because it is too confining for a turbulent economy, leaving employees without secure work roles.

This restructuring of work life is not without its problems. New technologies must automate old processes, work must be reorganised into self-contained clusters of activities performed by teams.

There is also a dawning realisation that these changes are not a temporary thing, but a more demanding work life with no end. The comfortable days of coasting along in hierarchy are over. A large class of unskilled workers may be unable to compete in the demanding new world of knowledge work.

Seniority, life-time employment, enterprise unionism and the enterprise as a community seem to form the four pillars of the attitude toward employees and career opportunities in the Japanese organisation.

Prevailing management styles in Africa are authoritarian, politicised and demand obedience and risk-averse administration from employees.

In the next section decision making and conflict resolution will be discussed.