

## **3.4 DECISION MAKING AND CONFLICT RESOLUTION**

### **3.4.1 INTRODUCTION**

The purpose of this section is to consider the different facets influencing decision making and conflict resolution within Western, Japanese and African organisations. Leadership, power, empowerment, new attitudes and beliefs, role of management, planning and control mechanisms will be discussed.

### **3.4.2 WESTERN MANAGEMENT**

#### **3.4.2.1 Introduction**

The definitions of managerial work most favoured by practitioners and management textbooks still rely primarily on the writing of authors such as Fayol and Drucker. In these definitions, management is considered to be involved in broadly stated activities such as planning, motivating, and achieving goals through the work of others. On the whole, management researchers are less easily persuaded by the classical and popular schools, although some argue that classical definitions in particular should not be dismissed out of hand.

The main dissenting voices have been those of Mintzberg (1973, 1989) and Kotter (1982, 1988, 1990) who, in their observations of managerial work, have found that the manager "is not a systematic, reflective planner, deciding on the basis of "hard" information and following through decisions; but a responsive intuitive decision maker, with complex tasks, and decisions based on informal contacts and "soft" information, taken at a hectic pace, (and) constrained rather than intuitive" (Harrow & Willcocks 1990:283). Hecht (1994:27) argues that intuition is rapidly

becoming a key element in business thinking and practice. In a recent survey among managers in nine countries by the Institute for Management Development (IMD) in Lausanne, Switzerland, a surprisingly large number of them admitted to the use of intuition in their business dealing. More than 1300 senior managers from industrialised and service organisations from Japan, the US and UK (they were found to be the most intuitive) followed by those in Austria, Brazil, Holland, India, France and Sweden were included in the summary. More than half the managers surveyed claimed to use intuition and logic or reasoning in roughly equal measures. Martinko and Gardener (as cited in Hecht 1994:29) argue that research has paid insufficient attention to differences between the behaviour of good and bad managers.

### **3.4.2.2 Leadership**

Drucker (1992) argues that leadership is in essence performance. In the first place, leadership is not in itself good or desirable. Leadership is a means. Leadership to what end is therefore the crucial question. History knows no more charismatic leaders than the twentieth century's Stalin, Hitler, and Mao - the *misleaders* (as coined by Drucker), who inflicted as much evil and suffering on humanity as have ever been recorded.

Pretorius (1995) argues that visionary transformational leadership involves the development of an inspiring vision transforming all the people into a cohesive team, infusing them with enthusiasm and creating a climate in which all employees will want to identify spontaneously with the organisation and its ideals.

Drucker (1992) continues to say that precisely because an effective leader knows that he, and no one else, is ultimately responsible, he is not afraid of strength in associates and subordinates. Misleaders are afraid of strength; they always go for purges. But an effective leader wants strong associates; he encourages them, pushes them, indeed glories in them. He holds himself ultimately responsible for the mistakes of his associates and subordinates and sees the triumphs of his associates and subordinates as his triumphs, rather than as threats. A leader may be personally vain - as the US's General MacArthur was to an almost pathological degree. Or he may be personally humble - both the US former presidents Lincoln and Truman were considered to be this, almost to the point of having inferiority complexes. But all three wanted able, independent, self-assured people around them; they encouraged their associates and subordinates praising and promoting them. Tichy (1999:82) refers to this phenomenon as a mechanism he calls *teachable point of view* which turns leaders into teachers and their students into teachers and leaders, and so on.

Hans Smith, Communicator of the Year 1995 and Executive chairman of Iscor Limited, argued at a South African Association of Industrial Editors (SAAIE) seminar held on 7 November 1995 in Johannesburg that an effective manager had to be sincere and have good "ideas" to sell.

Huey (1994:18) argues that effective leaders do not expect to solve all problems themselves. They realise that no one person can deal with the emerging and colliding tyrannies of speed, quality, customer satisfaction, innovation, diversity and technology.



Leaders say no to their egos. They are confident enough in their vision to delegate true responsibility, both for the tedium of process and for the sweep of strategic planning. They are careful to “model,” or live by, the values they espouse. In a distinction that has been around for a while but is now taking on new meaning, they are leaders, not managers. Rutter (1995:27) argues that there are two fundamental questions that any leader must ask: “Where are my followers and where am I leading them?” This argument is echoed by Burke (1998).

Huey (1994:18) refers to this leadership as virtual leadership and explains that it still requires many of the attributes that have always distinguished the best leaders - intelligence, commitment, energy, courage of conviction, integrity. But the difference is this: It expects those qualities of just about everyone in the organisation. The time when a few rational managers could run everything with rational numbers, it seems, was just an anomaly, or part of an era very different from the fast-paced, continually shifting present. Those who cling to the past are in danger of losing their way, while the pioneers who forge ahead are most likely to claim the future.

Chevalier (1995) advises rather cynically that when people at the top start getting involved in petty issues, it may be a good idea to start looking for an alternative “position” where top management is focused on what they are really supposed to be doing (and being paid for).

Spears (1995) argues that servant-leadership has influenced many noted writers, thinkers and leaders. Max De Pree, Chairman of the Herman Miller Company and author of *Leadership is an Art* and *Leadership Jazz* has said, “The servanthood of leadership needs to be

felt, understood, believed, and practiced.” (As cited in Spears 1995:13). And Peter Senge, author of *The Fifth Discipline* has said that he tells people “not to bother reading any other book about leadership until you first read Robert Greenleaf’s book, *Servant-Leadership*. I believe it is the most singular and useful statement on leadership I’ve come across.” (As cited in Spears 1995:13). In recent years, a growing number of leaders and readers have “rediscovered” Robert Greenleaf’s own writings through the writings of De Pree, Senge and others.

### **3.4.2.3. What is servant-leadership?**

In all his works, Greenleaf discusses the need for a new kind of leadership model, a model that puts serving others - including employees, customers, and community - as the number one priority. Servant-leadership emphasises increased service to others, a holistic approach to work, a sense of community, and shared decision-making power.

Who is a servant-leader?

Greenleaf (as cited in Spears 1995) says that a servant-leader is one who is a servant first. In *The Servant as Leader* he writes: “It begins with the natural feeling that one wants to serve, to serve first. Then conscious choice brings one to aspire to lead. The difference manifests itself in the care taken by the servant - first to make sure that other people’s highest-priority needs are being served. The best test is: Do those served grow as persons; do they, while being served, become healthier, wiser, freer, more autonomous, more likely themselves to become servants?”

3.4.2.5 Empowerment

Empowerment of frontline managers

It is important to stress that servant-leadership is not a “quick-fix” approach. Nor is it something that can be quickly instilled within an institution. As its core, servant-leadership is a long-term, transformational approach to life and work. In essence, it is a way of being that has the potential to create positive change throughout society.

#### **3.4.2.4 Power**

Power has to be legitimate. Otherwise it has only force and no authority, is only might and never right. If power is an end in itself, it becomes despotism and both illegitimate and tyrannical (Drucker 1986).

Management must have power to do its job, whatever the organisation. In that respect there is little difference between the church, the university, the hospital, the labour union and the business enterprise. And because the governing organ of each of these institutions has to have power, it has to have legitimacy.

McClelland and Burnham (1995:127) argue that a top manager of an organisation must possess a high need for power, that is, a concern for influencing people. This need must be disciplined and controlled so that it is directed toward the benefit of the organisation as a whole. Moreover, the top manager’s need for power ought to be greater than his or her need for being liked. McClelland and Burnham (1995) confirm earlier convincing evidence that a constant concern for improvement, for growing the business in a cost efficient way, characterises successful managers of *small* organisations.

#### **3.4.2.5 Empowerment**

Empowerment of frontline managers does not mean abdication or



anarchy. One of top management's most important tasks is to establish internal discipline and so set the performance standards that will motivate frontline managers to superior performance (Goshal and Bartlett 1995b).

Top management's objective must be to reduce reliance on formal control systems and increase self-discipline instead. In a self-disciplined organisation, employees come to meetings on time, work towards agreement on defined agendas, and do not question in the corridors the decisions they agreed to in the conference room. Above all, they deliver on their promises and commitments.

For example, every management meeting at Intel (a US based manufacturer involved in technology who has been on Fortune's list of the top ten US organisations for the previous seven years), must have a clear agenda and must close with decisions, action plans, responsibilities and deadline. Such rules do not mean that debate is restricted. In fact, the company calls its management style and shapes as modelled by CEO and president Andy Grove, constructive confrontation (as cited in Goshal and Bartlett 1995a). Management expects everyone with opinions on an issue to contribute. But once an issue has been discussed fully and decisions have been made, dissension stops. The company's philosophy is clear: Everyone is expected to agree or disagree but eventually to commit.

In companies with successful entrepreneurial processes, top management's efforts to infuse the organisation with self-discipline must go hand in glove with a supportive and nurturing management style (Goshal and Bartlett 1995a).

### 3.4.2.6 New attitudes and beliefs

Gradually, new awarenesses are assimilated into basic shifts in attitudes and beliefs. This does not happen quickly. But, when it does; it represents change at the deepest level in an organisation's culture - "the assumptions we don't see," as Schein (as cited in Senge 1995:20) puts it.

Deep beliefs are often inconsistent with espoused values in organisations. The organisation might espouse an ideal of "empowering" people, but an attitude that "they won't let us do it" prevails. Thus, even though espoused values change, the culture of the organisation tends to remain the same. It is a testament to an employee's naïvety about culture that management think that they can change it by simply declaring new values. Such declarations usually produce only cynicism.

The set of deep beliefs and assumptions - the story - that develops over time in a *learning organisation* is so different from the traditional hierarchical, authoritarian organisational worldview that it seems to describe a completely different world. Indeed, in a way it does. For example, in this world an individual surrenders the belief that a person must be "in control" to be effective. He becomes willing to reveal his uncertainties, to be ignorant, to show incompetence - knowing that these are essential preconditions to learning because they set free the innate capacity for curiosity, wonder and experimentalism. He starts to give up faith in the analytic perspective as the answer to all of life's problems. Eventually, a deep confidence develops from within. He begins to see that individuals have a far greater latitude to shape the future than is commonly believed. This is no naïve arrogance. It develops in concert



with awareness of the inherent uncertainties in life, and the knowledge that no plan, however well thought out, is ever adequate. This confidence is based simply on firsthand experience of the power of people living with integrity, openness, commitment, and collective intelligence - when contrasted with traditional organisational cultures based on fragmentation, compromise, defensiveness, and fear.

#### **3.4.2.7 From structuring tasks to shaping behaviours**

The structural element of the strategy-structure-systems doctrine that most managers know about allocating resources, assigning responsibilities, and controlling their effective management. The purpose-process-people doctrine of management rests on a different premise: That the organising task - accomplished through the three organisational processes described - is to shape the behaviours of people and create an environment that enables them to take initiative, to co-operate and to learn.

The new philosophy of organisation and management is built on different assumptions about motivation and behaviour. The entrepreneurial process and the competence-building process both assume and shape an environment for collaborative behaviour. And the renewal process capitalises on the natural human motivation to learn by creating the resources and tools that people need to do so. Developing an organisation that fosters those behaviours is something structure alone cannot achieve. To create those fundamentally new organisational processes at the core of the organisation requires top management to use all its tools - structure, systems, and culture (Goshal and Bartlett 1995b).

### 3.4.3 JAPANESE MANAGEMENT

#### 3.4.3.1 Introduction

Japanese long-term planning and persistence in pursuit of goals are legendary. One of the factors supporting this lengthy planning horizon is the “patient capital” produced by the close relationship between Japanese firms and their banks and by the sharing of stock holdings by *keiretsus* (Keys and Miller 1994). Large debt-to-equity ratios allowed by these relationships free firms from heavy reliance on stock financing and the requisite short term profit reporting. Furthermore, Japanese banks are typically among a member firm’s largest stockholders, a practice forbidden in the US by the Glass-Steagall Act. *Keiretsus* also hold some of the largest blocks of stock of group members and competing groups, practices which remove stock shares from the volatility of public trading and promote the stability needed for long term planning. An econometric study of the top 50 Multinational Enterprises (MNE’s) in the world, revealed that US MNE’s report significantly higher profits than Japanese or European firms. The findings of this study support the hypothesis that Japanese firms are not as dependent on profit reporting and are consistent with expectations from *keiretsu* banking support and joint stockholdings. As a result of these *keiretsu* related practices, mergers and acquisitions rarely take place with foreigners (even though Japanese joint ventures are common) and hostile take-overs are almost non-existent (Keys and Miller 1994:383).

Like many of the Japanese management practices, it appears that decision making styles are culturally influenced, in this case, by the preference for collective responsibility and accountability. Japanese decision making has typically been described as a consensus decision process in which emphasis is placed on building agreement. This is

reportedly done through *ringi*, (moving a decision around throughout the organisation), and *nemawashi*, (the process of planting ideas and information throughout the organisation so that informal understanding is obtained before implementation is attempted). It is also posited that the social cohesiveness of Japanese groups promotes consensus between all employees affected by the decisions made. Decision making and control procedures, indeed all general communications in Japan, are often described as being implicit and ambiguous (Ouchi 1981:388). However, the great homogeneity of the Japanese culture and consequent group cohesiveness are said to facilitate *implicit* communications (Barnlund 1993:157). On the negative side, Japanese firms have often been accused of being too ambiguous and slow in their decision making, incorporating little creativity, and often plagued with “group think.”

### 3.4.3.2 The role of top management

Success is felt to come not from “grand strategy” but from building up skills and capabilities that will allow the company to develop in an uncertain future. This kind of reservoir is built up by husbanding technical skills, by extensive training and by sharing information and responsibilities between the head office and divisions. Plans and policies are developed on the basis of extensive consensus building, so that there is a store of information about the market, competition, costs and technologies (Campbell 1994:22; Japan restructures, grudgingly, 1999:65).

The approach pays more attention to the long-term “health” of the company than to the short-term wealth of shareholders. The drop in the Japanese stock market has led to pressure for shareholders to



receive a better return. Some necessary changes are taking place, but this will have only a minor influence on how top management thinks it should behave.

Campbell argues that Japanese top managers fulfil a custodial function. They aim to ensure the overall health of the community that comprises an extended network of business partners, and work to create a positive balance between the forces of competition and co-operation. The most appropriate metaphor for the president of the company is as the conductor of an ensemble of traditional Japanese instruments. The conductor sits inconspicuously on the end of the last row of musicians. Each musician pays close attention to the sound of those nearby. From the rear the conductor can see if the group is functioning well together. Forceful intervention is always possible and sometimes necessary, but the ideal is a performance based on each player striving to create a whole that is much greater than the sum of the parts (Campbell 1994:23).

### **3.4.3.3 Planning**

The long term planning horizon and the less explicit planning of the Japanese are evolving in favour of a more Western style of formal corporate planning. Yet the Japanese system remains more visionary and is subject to change less often than those systems employed by the US. Recent financial downturns in Japan have caused great harm to some highly leveraged Japanese companies and may have prompted more short-term thinking (Lincoln 1989:105).

### **3.4.3.4 Control**

Consensus decision making based on employee-management participation appears to have been built more on ritual than substance,

and to be even less authentic in transplanted Japanese operations utilising Western employees. Questions about this process have intensified recently because of experiences with Japanese owned and managed US based firms (Keys and Miller 1994:392). One of the few empirical studies testing decision styles of Japanese managers, provides greater evidence for such doubts. It was found that Japanese employees do not express a preference for participative decision making, but rather prefer consultative decision making in which subordinates are asked for their opinions while managers make the final decisions, or a persuasive decision-making style, in which managers make decisions and explain the reasons for them to their subordinates (Keys and Miller 1994:393).

Recent research based on open-ended interviews with a number of leading Japanese and US companies, discovered that the Japanese incorporate creativity through structural techniques such as job rotation, employee suggestion systems, quality circles and a compelling focus on product and process improvements (Basadur 1992:34). Basadur also found that employees were taught to be *constructively* discontented with their jobs, to use "problem-finding cards" and to consider work problems as "golden eggs".

Similarly, the traditional assertions in the literature about the Japanese's lack of appreciation for explicit control have been challenged. One survey of the 500 largest US and Japanese firms reported that Japanese controllers attached more importance to monetary control and analytical methods in examining budgetary performance, than did US controllers. Another study that collected company documents and data from headquarters personnel in seven of the giant electronics firms in Japan,

found that even the most clan-like firms in the sample, used formal rules and surveillance-type control extensively (Beechler 1992). Beechler (1992:31) also discovered that regardless of the degree of integration of international subsidiaries owned by the survey companies, there existed a “persistent trend of Japan-centric control of overseas operations”.

The real source of Japanese productivity is the expertise of production workers who are flexible and capable of solving complex problems. Shimuzu (1994:46) argues that in recent years, it has become clear that Japanese take too much time to make decisions, and sometimes make no decisions at all, an argument correlating with the discussion on decision making in section 3.3.1. Corporate profits have been declining over the previous four years, yet almost no CEO's have stepped down to take responsibility as is the practice in the US. One example illustrating the differences between the US and Japanese approaches, is the case of the huge American company that reduced its payroll by 40 per cent in the US ... its Japanese operation (run by Japanese) cut its staff by only 10 per cent. A number of writers argue that Japanese companies seem to have, in the past, made better use of modern Human Resources Management (HRM) practices such as quality circles, consensus decision making, and co-operative union relationships than US companies (Lincoln 1989:104), probably because of cultural biases for informal social interaction and collective decision making.

Henkoff (1995:75) argues that Japanese organisations are, of necessity, becoming world-class experts at managing through tough times due to the comatose Japanese economy. The Japanese secret to prospering



in lean times can be summed up in one word: Simplicity. They are conjuring the courage to let go of some of their more celebrated managerial concepts, and in the process, they are starting to achieve extraordinary gains in productivity.

### **3.4.4 AFRICAN MANAGEMENT**

#### **3.4.4.1 Introduction**

One of the few empirical investigations that touches upon questions of leadership in African organisations is the large-scale study of managerial behaviour in the SADCC countries of southern Africa, reported by Montgomery (1987:911-929) and supported by Healy, Ketley and Robinson (1993:31-38). One of its findings was that the managers in the study appeared “conservative, preferring the unacceptable present to the unpredictable future” (Montgomery 1987:913). Data from the investigation also seem to support the assumption that African managers are more concerned with matters of internal administration than with policy issues, developmental goals, and public welfare. Montgomery (1987:916) remarks on the “aloofness of public managers from public responses”, which may be a symptom of their concerns with internal issues of resource allocation and relationships, and consequent lack of attention to the achievement of organisational goals. In Montgomery’s (1987:917) view “this finding may well be unique to Africa. It suggests that African managers find their greatest concerns (and triumphs) in administrative rather than substantive issues”. From the orthodox viewpoint of Western notions of leadership in organisations, this finding does appear unusual. As Leonard (1987:900) observes, “the largest part of a leader’s efforts is probably directed at factors that are external to his (or her) organisation”. If Montgomery’s finding is correct, it has serious implications for the performance of African organisations. Such

emphatic concern for internal organisational issues and relative neglect of the organisation's purpose and objectives - the classic caricature which has earned the once neutral word 'bureaucrat' its now pejorative associations - is hardly likely to provide the dynamic organisational performance which Africa so urgently needs.

#### **3.4.4.2 Primary task of management**

Associated with this inward-looking tendency, Montgomery (1987:919) found that the main task of managers in government was the management and allocation of resources. Data indicated that managers were heavily involved in "even trivial details of resource management". Montgomery further observes that this is not especially surprising, given that many African nations are so poor in resources. This argument is also advanced by Brown (1989:376) when he says that "an important and undervalued function of bureaucracies in politically unstable societies is the search for stability, and that incorporation plays as important a role as task performance in defining their rationale."

The SADCC study reported by Montgomery (1987) also provides support for the picture of the authoritarian leadership styles and hierarchical structures. Kiggundu (1988) remarks that this type of organisational milieu promotes fear in the system, "as power is so concentrated at the top". Data from the SADCC study suggest that "the most successful strategies in interorganisational transactions involved appeals to higher authority rather than attempts to reach new agreements..." (Montgomery 1987:924). One serious consequence of this type of management style reported by Montgomery (1987:925), is that top managers in Africa ... "rarely display leadership by undertaking administrative reforms". This is hardly surprising because, in any

system, initiatives for organisational change involve some form of risk taking - or at least perceived risk taking. This is the last type of managerial behaviour to be encouraged by the kind of autocratic culture that appears to be typical of many African organisations.

In contrast to the position that is claimed to prevail in Western enterprises, African managers are not primarily driven by organisational missions and objectives; neither, if the very limited available evidence is to be believed, do their loyalties lie mainly with their organisations.

A consequence of this, according to both White (1987) and Leonard (1987), is that the link - assumed in Western organisations - between organisational goals and the manager's career rarely exists in Africa; "to a much greater extent than is true in the West, then, commitment must be internally generated by the manager" (Leonard 1987:903).

### **3.5 SUMMARY**

Whenever leadership is discussed, attention invariably gravitates to that illusive issue of power. The very essence of leadership is to get others to do something. In this broad sense everyone is a leader.

Rather than acting with bold determination and extending a brilliant vision to guide others, today's leaders must direct attention away from themselves to focus on the followers. They must unite their vision with the many other visions also waiting to be realised. Handy (1989:112) sums it up by concluding: "The wise organisation realises that intelligent individuals can only be governed by consent and not by command; obedience cannot be demanded and a collegiate culture of colleagues and a shared understanding is the only way to make things happen."



In order to understand the context of Ubuntu as core value for a Afrocentric management approach, the next chapter will be devoted to the origin, history and the components that constitute Ubuntu.