

# Notes on the Effects of Management Techniques on Group Performance in Business Organizations

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## INTRODUCTION

Most economists will probably agree that economic development in any country or region depends upon the availability of the factors of production which economists classify as land - including all natural resources; labour, skilled and unskilled; capital - money or physical assets - what money can buy and entrepreneurial skills which we will call management.

Much of the current outcry found in the developing African countries is about lack of capital and technical know-how. These latter are considered to be the major impediments to rapid economic development. It is often stressed that an increased flow of capital goods along with skilled manpower and managers from developed nations to developing Africa is what is needed, to affect rapid economic development. This argument is valid only when looked at from the purely narrow economist's point of view which tends to regard management as a concrete factor just like capital; that, one concept of management can be used in all situations across different nations and cultures and be equally effective.

While the same piece of capital equipment used in Japan can be successfully used in England or Botswana, the situation is different when we come to management techniques. The management style so successfully used in Japanese industries cannot be transplanted lock, stock and barrel into an African environment without

serious modifications. It is the duty of enlightened managers to recruit, train, develop and motivate workers to higher levels of productivity. But people with different cultural backgrounds and values are motivated by different things. This being the case, management concepts and techniques used in Western Europe, North America or Japan may not be in many respects be of much value in developing Africa.

Management style is neither universal nor structurally homogeneous though management per se is. The purpose of this paper is not only to highlight the importance of management, its lack or availability in so far as economic development is concerned, but more importantly to show that there are alternative management techniques available to managers in their quest for higher productivity levels in organisations. Furthermore, it is the author's aim to indicate that, a successful management style or technique in cultural society A, may be disastrous when applied in society B. What is important is not a mere recognition of the lack of managerial expertise in a given nation but rather to go further and determine the necessary and correct management techniques which when used will be able to motivate workers in developing countries with their limited reservoirs of knowledgeable employees.

In any organisation, whether it be an industrial or commercial corporation, a parastatal body or government department, the employees are the most important resource the management of that organisation has. Their skills, morale, sense of duty, motivation and commitment determine the success and continuity or failure of that organisation. In business organisations management is concerned with increasing the wealth of the owners, though in nationalised industries the primary concern may be slightly different. The attainment of increased wealth in business organisations is achieved not only by recruiting the right type of workers, but also by having the ability to hold them and more importantly, motivate them to a higher level of productivity, which is a management task.

The assumption here is that we have enough of all the other factors of production and, that what is missing is their proper management. The question is, what management technique to be adopted in developing Africa in order to achieve the objective of speedy economic development through increased productivity.

Our argument is, that generally speaking there are two different types of management techniques (leadership style); although in both cases there may be found variations. One is 'PARTICIPATIVE' management technique. This is basically a people centered or relationship oriented technique. Under this technique, management will allow subordinates to participate in decision making. Participative leadership style here is equated to McGregor (Theory X and Y).<sup>1</sup> In this theory; (Theory "Y"), the subordinate is allowed a greater degree of autonomy. He is less supervised and is assumed to be a responsible worker who requires only a minimum amount of the boss's supervision. Within this type, there are some variations, while here the worker is taken as a single individual, in the other versions subordinates are seen developing into groups and are allowed to make decisions as a group without being actively supervised by the boss. Whatever version one adopts, the essential thing is that in a participative environment, individuals, singularly or as a group are allowed a high degree of assessment and decision making.

The second type of management technique is the 'AUTHORITARIAN' and autocratic type. This is a task centred and work-oriented style of management. Subordinates singly or in concert are not allowed to make any decisions. Work is structured and orders come from above with strict supervision.

From the various literature covered in this research, it was discovered that the participative management technique was superior to the authoritarian type in as far as increasing productivity in an organisation. The important point to note here is that different styles of management produce different response from subordinates and as such group performance is greatly influenced by it if not being a direct function of management technique itself.

Since participative management technique was found to be the most productive of the two, we will devote the rest of the discussion to it, by analysing its meaning, possible weaknesses and how to best implement it in an organisation.

#### THE ARGUMENT

Is there anything like participative management at all? This is essentially a conceptual problem. We saw that participative management is a situation where subordinates are included in

the decision making process of the organisation, singly or in a group. The problem here is: how do you know that you have achieved participation? There is often a tendency towards pseudo-participation, (making a person believe you are seeking advice even though the decision is already made) and exercise participative.

Furthermore how can you implement participation if subordinates are not prepared to take part or are just incompetent as the case could be in most situations among African workers with little or no education? It seems that, participative management if it exists, is contingent upon two factors. Participative DESIRE and ABILITY of subordinates (ability to contribute worthwhile information in a decision) and the particular organisational ENVIRONMENT (what is the nature of the organisation - are decisions made at top level or at all levels?) In other words who and where are decisions made?

In order to have positive results from participation we must have real participation clearly defined. Rosenfeld<sup>2</sup> argues that many managers invite participation with the results already known. This could have demoralising effects on participation, which could result in blocking existing communication channels. Therefore, management must make a total commitment to participation and take participation seriously. The second question to be answered is: Is participative management universally applicable. According to H. J. Leavitt<sup>3</sup>, decisions made with participative management have generally resulted in better solutions. He argues that participative management is preferable since it encourages people to accept decisions and implement them more readily since they have had a voice in their formation. However, Rosenfeld emphasises that a participative network is less effective if it begins only after management has decided a change is necessary. In addition, true participation is a valuable tool to an organisation since it can activate the latent talent of its members (assuming, of course, members have something to offer). Furthermore, the employee has greater desire to succeed in the task because the decisions involved him.

The manager (leader) must be aware that participative management offers no simple, easy solution to all organizational problems. However, for managers and supervisors who are willing

to use it, if offers increased morale and productivity and decreased costs when used with the right people. Once management has chosen to use it, it must have total commitment from its subordinates. Furthermore, individuals who are going to participate in a decision must first understand the significance of their contribution. Secondly, they must have the ability to communicate their views and ideas to others. Finally, they must accept participation as a viable means to achieve organisational goals.

Now the question to pose and answer as we go along are: How much participation is needed to achieve positive results? Recent research<sup>4</sup> has shown that unless the supervisors succeed in getting a fairly high level participation with an organisation the chance of worthwhile performance gains are extremely low. It was found that the medium to high level of participation resulted in significant improvement in both attitude and performance. This points to the fact that if a firm is going to implement a participative programme it should be thoroughly applied, because superficial or partial participation is probably no better than one completely void of it. To a considerable degree, the key to successful programmes was found to be in the hands of the supervisors. Their behaviour strongly influences the level of participation achieved. They are helped to achieve this by striving for an open atmosphere, by listening attentively to all employees' suggestions as well as provide feedback to them on what has been done about them.

Group goal setting is not inevitable but results that are achieved with its use seem to justify its adoption. The workers seem more eager to participate in organisation if they know the group as a whole had a hand in the decision making process. If goals are set individually, naturally less decision making interaction takes place which means production processes become uncoordinated and slower. However, it may be the case in an organisation that group goals cannot be set, since production or marketing goals may be predetermined by higher authority. Here, the supervisor should explain thoroughly why goals are pre-set by allowing subordinates to ask him questions and identify problems that might occur.

So far we have established the fact that supervisors play a role in achieving participation. What we want to know is

whether the degree of participation is the only factor that must be considered, or should we also look at the nature of the subordinate-supervisor relationship?

In social investigations carried out by Miles and Ritchie,<sup>5</sup> the researchers concluded that not only is the degree of participation important but also the degree of confidence the supervisor has in his subordinates. This was achieved by codifying and identifying the amount of subordinate-superior consultation, and a dimension of quality of his interaction, by obtaining the superior's attitude of his subordinate's role (which effects the degree of confidence he has in his subordinate's ability) From this study it appears that the supervisor who values his subordinates' capabilities the least rarely consults them on organisational problems. In addition those managers who are both high in respect for their subordinates' capabilities and who consult with them regularly achieve most effective results.

Other social scientists, Steinmetz and Greenage,<sup>6</sup> suggest that participation should be specifically defined at each organisational level, and that it should be applied in pragmatic and flexible terms. In other words a manager at operative level is likely to employ a participative system differently than a manager in the middle or top echelons.

In work done during the late sixties, Walton,<sup>7</sup> contrasted primarily two leadership designs: Participation through a worker-management committee, and direct participation in management (leadership). The former plan works primarily through the committee which encourages, collects and passes on suggestions that specifically increase productivity, the latter system emphasises the sharing of information with the subordinates, eliciting their ideas by encouraging interchange of information. He found the committee approach to be superior at least at the worker level, since they are more in a position to adapt to the requirements of the structure. Also, more attention is centred on submitting suggestions. Workers, can easily choose their own levels, and the work of supervision is designed in such a way that ideas get handled at a top screening level (doesn't rely entirely on hierarchical channels). Probably the greatest advantage of the committee approach is its relevance on financial incentives. Since workmen are not notorious for working closely with higher echelons (or

vice versa) they may therefore need extrinsic rewards to participate, thereby sharing in the fruits of success by means of increased wages, bonus, and profit sharing.

Walton found that direct participation in leadership style, is generally ineffective at the worker level but more successful at higher echelons of the organisation.

### CONCLUSION

In contemporary developing Africa, the social and economic cleavages amongst members of a business organisation are much sharper than in the industrialised societies of the west. Here the particularly democratic orientation of the participative type of management is probably superior to the more centralised authoritarian management style, which probably most African-based business organisations adopt. We are inclined therefore to conclude that the low productivity of African workers is not only due to lack of capital, equipment, and technological know-how. Also management techniques have been often unsuitable to the specific problems of developing Africa.

### FOOTNOTES

- <sup>1</sup>McGregor, D., "The human side of Enterprise". McGraw-Hill Book Co., New York 1960. After X and Y Comes "Z". Personnel Journal, January 1971, page 56.
- <sup>2</sup>Rosenfeld, E., "Participative Management Overview" Personnel Journal Vol. 46, 2 February, 1967, pp. 101-104
- <sup>3</sup>Leavitt, H. J., "Unknown Organisation" Harvard Business Review July/August, 1972, pp. 53-61
- <sup>4</sup>Grubber, H.W., and Co., "Participative Management, A Practical Experience" Personnel Vol. 49 No. 6 Nov/Dec 1972, pp. 8-19
- <sup>5</sup>Miles, N. & Ritchie, I., "Participative Management Quality versus Quantity". California Management Review, Vol. 13 No. 4 Summer 1971, pp. 48-56
- <sup>6</sup>Steinmetz, S., and Greenage, L., "Does personality affect delegation?" Business Horizons, Vol. 13, No. 5, October 1970 pp. 25-33
- <sup>7</sup>Walton, S., "Contrasting Designs in participative systems" Personnel Journal, Vol. 46, No. 2, February 1967, pp. 101-106