

Management performance measurement of business school educated managers in the North West and Vaal triangle areas

by

Thabo Abel Thekiso

12176850

M. Admin (Industrial Psychology), MBA

A thesis submitted in fulfilment of the requirements for the degree of Doctor of Philosophy
at the North-West University (Potchefstroom campus)

Promoter: Prof C.A. Bisschoff

August 2011

ACKNOWLEDGEMENTS

I wish to acknowledge my indebtedness to all who have contributed towards the successful completion of the study:

- My deep gratitude goes to my promoter Prof. C.A. Bisschoff who helped me to refine my ideas, provided consistent support and encouragement throughout the process;
- I would like to thank my parents Daniel and Catherine, for granting me an education through their sacrifices and their teachings that I should never give up, and whatever I start, I must finish regardless of how long it takes;
- I would like to thank my siblings Mmamongale, Morwesi and Letlhogonolo for their unconditional support when I really needed them;
- I would like to thank my in-laws Edward and Roti for their unwavering support and encouragements throughout the process;
- I am especially grateful to Mayron, my lovely wife, Tebogo, Khotso, Mohale, Palesa and little Mojaki for all the sacrifices they have endured to see me through this study;
- I also need to send my gratitude to Mrs Antoinette Bisschoff for the meticulous way in which she handled the editing and her support throughout the process;
- I would like to thank Mrs Christine Bronkhorst at the Library of the North West University (Potchefstroom campus) for the manner in which she found sources and provided me with the necessary relevant material for this study.

There were a number of organizations whose MBA graduates rendered invaluable information of which I am thankful for: Unilever, S.A Breweries, Colgate Palmolive, SASOL, ESKOM, Premier Foods, Daimler Chrysler, ABSA Bank and BMW S.A.

Had it not been through the one by whom all things are possible.....

ABSTRACT

The age of industrialisation in the nineteenth century and the subsequent emergence of large corporations called for new approaches to the way in which organisations are managed. Business today operates in a world of constant change. Technology and society are changing more rapidly than ever before. The workplace has become increasingly diverse, as pressure is mounting for the previously disadvantaged and women to ascend the echelons of organisations. Concern for the environment has forced companies to think about how their actions affect the quality of the air, land, and water. Competition is more fierce than ever, because companies from all over the world now try to sell their products and services to the same customers. All these changes not only require of those who manage these organisations to be in possession of relevant professional skills, but it also require of them to be competent in conducting their business of managing.

The aim of the study was to construct a conceptual framework to measure the identified skills for management competence. The study builds a conceptual framework using identified skills and also presents the interrelationships between the skills. The primary theoretical background and concepts about skills for managerial competence for this study, range from the historical perspective of MBA education as it is the cutting edge of business education to management models identified from the literature.

The extensive review of the literature and three different management models and the key common managerial competencies led to the development of an initial model based on the literature wherein the required skills for managerial competence were identified as self awareness skills (SA), self directed career planning skills (SP), general interactive skills (IS), planning and control skills (PC), organising skills (OS), leading skills (LS), and managing change skills (MC).

The empirical study which followed was conducted among a sample of 395 business administration students from the three campuses of the North West University business school in Mafikeng and the Potchefstroom Business School. The empirical study based on the seven skills for managerial competence yielded results that measured the strength of each managerial skill and the interrelationship among different skills.

The results were analysed by the process of factor analysis and it was clear from the analysis that there are a number of unreliable factors which led to a number of questions having to be discarded. As a result the original model had to be restructured to develop an alternative managerial skill model.

After the initial model was restructured, the results wherein thirteen factors loaded heavily on the factor were realised. Of the thirteen factors, factor 1 had nineteen factors that loaded heavy and had to be restructured again in order to make sense of the data. Once a further restructuring was done the results were that factor 1 had three sub factors that loaded heavy on the factor which led to the conclusion that the alternative managerial skill model comprised thirteen factors wherein factor 1 had three sub factors.

The value of the study lies in the fact that managerial models identified in the literature are orthodox in nature, and they do not progress further to explore skills for managerial competence. Given the orthodox nature of models identified in the literature, this study purports to suggest a framework that could be adapted to measure skills for management competence. This study further contributes to the discipline of organisational leadership and management, particularly with regard to practices regarding leader and manager development within the context of a dynamic, changing organisational environment.

Key words: managerial skills; managerial competence; management; leadership; conceptual framework; managerial models; organisation

TABLE OF CONTENTS

	Page
CHAPTER 1: BACKGROUND AND OVERVIEW OF THE STUDY	01
1.1 INTRODUCTION	01
1.2 BACKGROUND AND CONTEXT	03
1.3 PROBLEM STATEMENT	07
1.4 OBJECTIVES OF THE STUDY	09
1.5 RESEARCH PROPOSITIONS	09
1.6 DEFINITIONS	10
1.7 METHODOLOGY	13
1.7.1 Sources of information	13
1.7.2 The population	13
1.7.3 The sample	13
1.7.4 The questionnaire	14
1.7.5 Data analysis	14
1.7.6 Interpretation of results	15
1.8 RATIONALE OF THE STUDY	15
1.9 ETHICAL CONSIDERATIONS	16
1.10 STRUCTURE OF THE THESIS	16
1.11 SUMMARY	18
 CHAPTER 2: BUSINESS EDUCATION (MBA)	19
2.1 INTRODUCTION	19
2.2 EVOLUTION OF MANAGEMENT EDUCATION	19
2.2.1 Formative years	25
2.2.2 The dark age	25
2.2.3 The turning point	26
2.2.4 Knowledge based economic era	27
2.3 MBA ACCREDITATION IN SOUTH AFRICA	28
2.4 ENTRY REQUIREMENTS INTO THE MBA PROGRAM	33
2.4.1 Comparing entry requirements to other masters' degree	34
2.4.2 Work experience in the MBA admission	35
2.5 PROGRAM CONTENT	36

2.5.1 Teaching methods	37
2.5.2 Research in business schools	38
2.6 TYPES OF MBA DEGREES	39
2.6.1 The general MBA program	40
2.6.2 MBA with specialization	41
2.6.3 General MBA and specialization options	42
2.6.4 MBA with numerous specializations in niche areas	43
2.7 WHY STUDY an MBA DEGREE	43
2.8 EMPLOYERS PERSPECTIVES ON MBAs	46
2.9 FUTURE EXPECTATIONS OF MBA TRAINING	47
2.10 CONCLUSION	47
 CHAPTER 3: MANAGEMENT	 49
3.1 INTRODUCTION	49
3.2 EVOLUTION OF MANAGEMENT	49
3.2.1 Classical Approaches to Management	51
3.2.1.1 Scientific management	51
3.2.1.2 Administrative principles	54
3.2.1.3 Bureaucratic organization	56
3.2.2 Human Resources Approaches to Management	57
3.2.2.1 The Hawthorne studies	58
3.2.2.2 Maslow's theory of human needs	60
3.2.2.3 McGregor's theory x and theory y	62
3.2.2.4 Aegyri's theory of personality and organization	64
3.2.3 Qualitative Approaches to Management	64
3.2.3.1 Management science foundation	65
3.2.3.2 Latest quantitative analysis	66
3.2.4 Modern Approaches to Management	66
3.2.4.1 Systems thinking	66
3.2.4.2 Contingency thinking	69
3.2.5 Continuing Management Themes	68
3.2.5.1 Quality and performance excellence	69
3.2.5.2 Global awareness	69
3.3 DIFFERENCE BETWEEN MANAGEMENT AND LEADERSHIP	71
3.4 THE ROLE AND WORK OF MANAGERS	75

3.4.1 Management as a General Human Activity	75
3.4.2 Management as a Specialist Occupation	76
3.5 THE CHANGING NATURE OF MANAGEMENT	77
3.6 MANAGEMENT ACTIVITIES	79
3.7. ENVIRONMENTS WITHIN WHICH MANAGERS OPERATE	80
3.7.1 A Purely Operational Environment	80
3.7.2 A Diagnostic Accumulation Environment	81
3.7.3 An Alternative Paths Environment	83
3.7.4 A Parallel Processing Environment	84
3.7.5 A Pure Strategic Environment	85
3.8 SKILLS REQUIRED FOR ONE TO MANAGE	86
3.9 THE IMPORTANCE OF MANAGEMENT SKILLS	87
3.9.1 General Skills That a Manager Needs	87
3.9.2 Specific Skills That a Manager Needs	88
3.10 REQUIRED SKILLS FOR MANAGERIAL COMPETENCE	89
3.10.1 Self Awareness Skills	89
3.10.2 Self Directed Career Planning	90
3.10.3 General Integrative Skills	90
3.10.4 Planning and Controlling Skills	93
3.10.5 Organizing Skills	94
3.10.6 Leading Skills	96
3.10.7 Managing Change	97
3.11 SUMMARY	97
 CHAPTER 4: KEY MANAGERIAL SKILLS	 99
4.1 INTRODUCTION	99
4.2 MODEL 1 (MANAGERIAL SKILLS AND FUNCTIONS)	99
4.2.1 Planning	100
4.2.1.1 Forms of planning	101
4.2.2 Organizing	103
4.2.2.1 Elements of organizing	104
4.2.3 Leading	108
4.2.3.1 Leaders and managers	109
4.2.3.2 Leaders and followers	109
4.2.3.3 Power and leadership	110

4.2.3.4 Sources of power	110
4.2.3.5 Agenda of leadership	113
4.2.3.6 Substitutes for leadership	114
4.2.4 Controlling	117
4.2.4.1 Types and strategies of control	118
4.2.4.2 Non budgetary control techniques	121
4.2.4.3 Budget and budgetary control techniques	124
4.2.4.4 Budgets and financial ratios as control devices	124
4.3 MODEL 2 (Managerial Skills)	127
4.3.1 Technical skills	129
4.3.2 Human skills	130
4.3.3 Conceptual skills	130
4.3.4 Motivation to manage	131
4.4 MODEL 3 (Ten roles managers play)	131
4.4.1 Interpersonal skills	132
4.4.2 Informational roles	147
4.4.3 Decisional roles	152
4.5 MODEL 4 (Key common managerial competencies)	172
4.5.1 Communication competency	173
4.5.2 Planning and administration competency	175
4.5.3 Team work competency	175
4.5.4 Strategic action competency	177
4.5.5 Multicultural competency	178
4.5.6 Self management competency	179
4.6 IDENTIFIED SKILLS FOR MANAGEMENT COMPETENCE	181
4.7 SUMMARY	191
 CHAPTER 5: RESEARCH METHODOLOGY	 192
5.1 INTRODUCTION	192
5.2 RESEARCH METHODOLOGY	194
5.2.1 Problem identification and objectives (STEP 1 AND 2)	194
5.3 THE RESEARCH DESIGN (STEP 3)	196
5.4 DEVELOPMENT OF SAMPLE PLAN	197
5.4.1 Sample population	198
5.4.2 Sample frame	198

5.4.3 Sample method	199
5.4.4 Sample size	199
5.5 SELECTION OF A PRIMARY DATA COLLECTION METHOD (STEP 5)	200
5.6. DESIGN OF THE DATACOLLECTION INSTRUMENT (STEP 6)	201
5.6.1 Developing the questionnaire	202
5.7 GATHERING OF DATA (STEP 7)	202
5.8 DATA PROCESSING (STEP 8)	203
5.8.1 Data preparation	203
5.8.1.1 Editing	203
5.8.1.2 Coding	204
5.8.1.3 Data capturing	204
5.8.1.4 Data cleaning	204
5.8.2 Data analysis	205
5.9 VALIDATING THE QUESTIONNAIRE (STEP 9)	206
5.9.1 Validity	206
5.9.2 Reliability	208
5.9.3 Factor comparison	210
5.9.4 Bartlett's test of sphericity	211
5.9.5 Kaizer-Meyer-Olkin measure of sampling adequacy	212
5.9.6 Factor analysis	213
5.10 SUMMARY	215
 CHAPTER 6: EMPIRICAL RESULTS	 216
6.1 INTRODUCTION	216
6.2 EMPIRICAL RESULTS: MODEL 1	216
6.2.1 Descriptive statistics	217
6.2.1.1 Self awareness skills (SA)	217
6.2.1.2 Self directed career planning skills (SP)	218
6.2.1.3 General interactive skills (IS)	218
6.2.1.4 Planning and controlling skills (PC)	219
6.2.1.5 Organizing skills (OS)	221
6.2.1.6 Leading skills (LS)	221
6.2.1.7 Managing change skills (MC)	223
6.2.1.8 Grand means of all the skills	224

6.2.2 Reliability	224
6.2.3 Ranking of all managerial skills	225
6.2.4 Correlations	226
6.2.5 Validity of the model	227
6.2.5.1 Self awareness skills (SA)	227
6.2.5.2 Self directed career planning skills (SP)	228
6.2.5.3 General interactive skills (IS)	230
6.2.5.4 Planning and controlling skills (PC)	231
6.2.5.5 Organizing skills (OS)	232
6.2.5.6 Leading skills (LS)	233
6.2.5.7 Managing change skills (MC)	234
6.3 CONCLUSION OF ANALYSIS	236
6.4 ALTERNATIVE MANAGERIAL SKILLS MODEL: EXPLORATORY FACTOR MODEL	238
6.4.1 K-M-O Bartlett's tests	238
6.4.2 Exploratory factor analysis	238
6.4.2.1 Factor 1	240
6.4.2.1.1 <i>Analysis factor 1</i>	240
6.4.2.1.2 <i>Reliability</i>	243
6.4.2.1.3 <i>Pearson correlation coefficients</i>	244
6.4.2.2 Factor 2: Communication and organizational diagnosis	244
6.4.2.3 Factor 3: Creation of harmonious working environment and human resources skills	244
6.4.2.4 Factor 4: Putting systems and processes in place	245
6.4.2.5 Factor 5: Ability to know what managers need to do in planning their careers	245
6.4.2.6 Factor 6: Creative problem solving and ethical behavior	245
6.4.2.7 Factor 7: Sensitivity to employees personal circumstances	246
6.4.2.8 Factor 8: Initiate and embrace change	246
6.4.2.9 Factor 9: Taking charge of own work environment	246
6.4.2.10 Factor 10: Self career development and moral behavior	246
6.4.2.11 Factor 11: Optimal performance in current job	247
6.4.2.12 Factor 12: Career planning skills	247
6.4.2.13 Factor 13: Sensitivity to people with disability	247
6.4.3 Variance explained by factors	247

6.4.4 Reliability	248
6.4.5 Summary of alternative model for managerial competence	249
6.5 SUMMARY	250
 CHAPTER 7: CONCLUSIONS, IMPLICATIONS AND RECOMMENDATIONS FOR FUTURE RESEARCH	 252
7.1 INTRODUCTION	252
7.2 CONCLUSIONS	252
7.2.1 Conclusions from the literature study	252
7.2.2 Conclusions from the research methodology	253
7.2.3 Conclusions on results	255
7.3 RECOMMENDATIONS	256
7.3.1 Recommendations on the literature study	256
7.3.2 Recommendations from the research methodology	257
7.3.3 Recommendations on the results	258
7.4 MANAGERIAL IMPLICATIONS	259
7.5 CONTRIBUTION OF THE STUDY	261
7.6 LIMITATIONS OF THE STUDY	261
7.7 ACCEPTANCE OR REJECTION OF THE RESEARCH PROPOSITIONS	 262
7.8 AREAS FOR FUTURE RESEARCH	263
7.9 SUMMARY	263
 APPENDIX A Research Questionnaire	 291
APPENDIX B Letter of confirmation of language editing	297

LIST OF FIGURES

	Page
Figure 1.1: MBA graduates in South Africa between 2000 and 2010	05
Figure 1.3: Structure of the study	17
Figure 3.1: History of management thought	50
Figure 3.2: Major branches in the classical approach to management	52
Figure 3.3: Foundations in the human resource approach to management	58
Figure 3.4: Maslow's hierarchy of human needs	62
Figure 3.5: Organizations as complex systems	68
Figure 3.6: A purely operational environment	81
Figure 3.7: A diagnostic accumulation environment	82
Figure 3.8: An alternative paths environment	83
Figure 3.9: The parallel processing environment	84
Figure 3.10: A pure strategic environment	85
Figure 4.1: Management skills and functions	100
Figure 4.2: Basic element of organizing	104
Figure 4.3: Sources of power	112
Figure 4.4: Agenda implementation view of leadership	113
Figure 4.5: March revenue and expenses budget for a nightclub and restaurant	125
Figure 4.6: Relative importance of managerial skills to different managerial jobs	129
Figure 4.7: Ten roles managers play	132
Figure 4.8: Characteristics of a learning organization	142
Figure 4.9: New venture formations	154
Figure 4.10: Factors that encourage new venture formation	156
Figure 4.11: Steps in problem solving and decision making	160
Figure 4.12: The steps in effective delegation	167
Figure 4.13: The bargaining zone in classic two party negotiations	170
Figure 4.14: The key common managerial competencies	172
Figure 4.15: Model for managerial competence	182
Figure 5.1: The research process	193
Figure 5.2: Data analysis decision tree	205
Figure 6.1: The proposed managerial skills model	216
Figure 6.2: Grand mean of all skills	224

Figure 6.3: Evaluation of the proposed model	236
Figure 6.4: Alternative model of managerial competence	250
Figure 7.1: Conceptual framework for managerial competence	260

LIST OF TABLES

	Page
Table 1.1: The NQF framework diagram	02
Table 2.1: Historical overview on business education	23
Table 2.2: Admission requirement	34
Table 3.1: The manager's guide to performance excellence (1)	53
Table 3.2: The manager's guide to performance excellence (2)	70
Table 3.3a: Distinctions between management and leadership (various views)	72
Table 3.3b: Distinctions between management and leadership (Zaleznik)	73
Table 3.4: Distinctions between management and leadership (Kotter)	74
Table 4.1: Functions of boards of directors	107
Table 5.1: Sample size	200
Table 6.1: Descriptive statistic of self awareness skills (SA)	217
Table 6.2: Descriptive statistic of self directed career planning skills (SP)	218
Table 6.3: Descriptive statistic of general interactive skills (IS)	219
Table 6.4: Descriptive statistic of planning and controlling skills (PC)	220
Table 6.5: Descriptive statistic of organizing skills (OS)	221
Table 6.6: Descriptive statistic of leading skills (LS)	222
Table 6.7: Descriptive statistic of managing change skills (MC)	223
Table 6.8: Reliability of managerial skills	225
Table 6.9: Order of importance of managerial skills	225
Table 6.10: Pearson correlation coefficients between managerial skills	226
Table 6.11: K-M-O and Bartlett's test for self awareness skills (SA)	227
Table 6.12: Factor analysis for self awareness skills (SA)	228
Table 6.13: K-M-O and Bartlett's test for self directed career planning skills (SP)	229
Table 6.14: Factor analysis for self directed career planning skills (SP)	229
Table 6.15: K-M-O and Bartlett's test for general interactive skills (IS)	230
Table 6.16: Factor analysis for general interactive skills (IS)	230
Table 6.17: K-M-O and Bartlett's test for planning and controlling skills (PC)	231
Table 6.18: Factor analysis for planning and controlling skills (PC)	232
Table 6.19: K-M-O and Bartlett's test for organizing skills (OS)	232
Table 6.20: Factor analysis for organizing skills (OS)	233
Table 6.21: K-M-O and Bartlett's test for leading skills (LS)	234
Table 6.22: Factor analysis for leading skills (LS)	234

Table 6.23: K-M-O and Bartlett's test for managing change skills (MC)	235
Table 6.24: Factor analysis for managing change skills (MC)	235
Table 6.25: K-M-O and Bartlett's test of sphericity	238
Table 6.26: Factor loading (skills for managerial competence)	239
Table 6.27: K-M-O and Bartlett's test of sphericity (FACTOR 1)	240
Table 6.28: Factor loadings for FACTOR 1	241
Table 6.29: Sub-factor variance explained for FACTOR 1	243
Table 6.30: Reliability statistic for FACTOR 1	243
Table 6.31: Pearson correlations between sub-factors	244
Table 6.32: Variance explained by the 13 factor table	248
Table 6.33: Reliability of factors	249

LIST OF EXHIBITS

	Page
Exhibit 4.1: Planning from top to bottom	102
Exhibit 4.2: Leadership substitutes and neutralizers	115
Exhibit 4.3: The links between controlling and other managerial functions	117
Exhibit 4.4: Three types of time based controls	120
Exhibit 4.5: Quantitative control techniques	122
Exhibit 4.6: Qualitative control techniques	123
Exhibit 4.7: Shareholder view of social responsibility	136
Exhibit 4.8: The components of motivation	137
Exhibit 4.9: A basic model of work motivation and performance	138
Exhibit4.10: Needs satisfaction	138
Exhibit 4.11: Needs classification of different theories	140
Exhibit 4.12: Steps in the monitoring process	147
Exhibit4.13: Two performance standards established for a customer service operation	148
Exhibit 4.14: Questions for each identified skill	183
Exhibit 4.15: Summary of skills identified	190

LIST OF ABBREVIATIONS

AACSB	Association to Advance Collegiate School of Business
ABET	Adult Basic Education and Training
AIDS	Acquired Immune Deficiency Syndrome
AMOS	Analysis of Moment Structures
ASGISA	Accelerated Shared Growth Initiative for South Africa
BATNA	Best Alternative To a Negotiated Agreement
BCG	Boston Consulting Group
CFA	Confirmatory Factor Analysis
CFI	Comparative Fix Index
CHE	Council on Higher Education
CPA	Cognitive Processing Analysis
DET	Department of Education and Training
EFA	Exploratory Factor Analysis
EMBA	Executive Masters in Business Administration
EOQ	Economic Order Quantity
ERSC	Easter Seal Rehabilitation Center
GMAC	Graduate Management Admissions Council
GMAT	Graduate Management Admission Test
GRE	Graduate Record Examination
GSBA	Graduate School of Business Administration
GSIA	Graduate School of Industrial Administration
INSEAD	Institut Europeen d'Administration des Affaires
JIPSA	Joint Initiative Priority Skills Acquisition
KMO	Kaizer-Meyer-Olkin measure of sampling
LISREL	Linear Structural Relations
MANCOSA	Management College of South Africa
MBA	Masters in Business Administration
MIT	Massachusetts Institution of Technology
N-Arch	Need for Achievement
NQF	National Qualification Framework
RMSEA	Root Mean Square Error of Approximation
ROE	Return On Equity

SAQA	South African Qualification Authority
SAS	Statistics Analytical System
SDA	Skills Development Act
SDLA	Skills Development Levies Act
SEM	Structural Equation modelling
SETA	Sector Education Training Authority
SPSS	Statistical Package for Social Sciences
UKZN	University of KwaZulu-Natal
UPS	United Parcel Services
WPP	Wire and Plastics Products

CHAPTER 1

BACKGROUND AND OVERVIEW OF THE STUDY

1.2 INTRODUCTION

The last six decades have witnessed a significant increase in the demand for the development of managers in both the public sector and private sectors in Europe, the USA, the East and also in Africa, more particularly, South Africa. These increases in demand for management and leadership development are as a result of globalisation, liberalisation of trade, spread of education and the democratisation of governments. A related trend in South Africa, certain European countries, and the USA has been a concern with the integration of women and previously disadvantaged individuals into the mainstream of organisational life (Gold *et al.*, 2008:29).

In South Africa, however, the majority of the population has historically been excluded from managerial positions through an inferior educational system, formal legislation and social exclusion. These exclusionary policies created a society which was highly undermanaged, causing not only the dampening of economic and social growth but also the skewing of the normal functioning of the forces of demand and supply of management development. As a consequence the development of managers in South Africa is poorly and unevenly developed (Human, 2005:96). According to Brook (2007:78), the present status of management development in South Africa reflects a highly concentrated nature of demand and can be reduced to a small number of institutions (universities and private training institutions) which concentrate their efforts on producing an elite group of managers for profit-oriented organisations with a few institutions offering management training geared for the public sector.

In recognition of the skills shortage in South Africa, particularly managerial skills, the Joint Initiative for Priority Skills Acquisition (JIPSA) was initiated as part of the Accelerated Shared Growth Initiative for South Africa (ASGISA) that was launched by the Presidency to develop a second economy in the country. The Skills Development Act (SDA) of 1998 and the Skills Development Levies Act (SDLA) of 1999 was introduced by the Department of

Labour as a way to incentivise employers who participate in the skills revolution in that they can recover 50% of the 1% skills levies paid via the Sector Education Training Authority (SETA) skills grants. Table 1.1 shows how the South African National Qualifications Framework (NQF) is arranged (Nkomo, 2009:17).

TABLE 1.1: THE NQF FRAMEWORK DIAGRAM

NQF Level	Band	Qualification type
8	Higher Education and Training	• Doctorate and other further Research Degrees
7		• Higher Degrees, Professional Qualifications
6		• First Degrees, Higher diplomas
5		• Diplomas, Occupational Certificates
Further Education and Training Certificate (FETC)		
4	Further Education and Training	• School/College/Trade Certificates
3		• School/College/Trade Certificates
2		• School/College/Trade Certificates
General Education and Training Certificate (GETC)		
1	General Education and Training	• ABET Level 4: Grade 9 (std 7) • ABET Level 3: Grade 7 (std 5) • ABET Level 2: Grade 5 (std 3) • ABET Level 1: Grade 3 (std 1)

Source: South African Qualification Authority (2011:3)

Allie and Mitchell (2005:161) state that engineering skills were critical in earlier times of the South African history. During the pioneering phase of South Africa's industrialisation the skills of the engineer, the geologist, the fitter and turner, were sought after skills as these were in high demand. Financial skills became of paramount importance during the consolidation phase. Indications are that from the past two decades and going forward, South African organisations are becoming participative organisations as they try to involve all employees in a more meaningful commitment to their organisations. New management styles and culture changes would require the vision, the flexibility, the leadership, the

willingness to change, and new attitudes will be prime issues for management education (Allie & Mitchell, 2005:162).

The management training interventions initiated by Government to address the skills shortage problem are based on the orthodox or generic traditional academic models of management training. The study will therefore only focus on the Master of Business Administration training as it is the cutting edge of management education and most people who are managers and those that aspire to be managers believe that an MBA degree is a necessary qualification that would equip students with the relevant managerial skills.

1.2 BACKGROUND AND CONTEXT

The Master of Business Administration (MBA) programmes have enjoyed growing prestige in the business world and increased respectability in the academic fraternity over the years. What sets the MBA apart from other management training programmes, according to Pola *et al.* (2007:307) is that it exposes managers to a holistic perspective of business and management and it provides them with skills that enable them to assist their organisations to deliver superior performance.

Merritt and Lavelle (2005:80) claim that opportunities for increased salaries and career advancement are reasons for many students for pursuing an MBA degree. They view an MBA as the quickest path to the senior levels of management. In addition, according to Purcell *et al.* (2003:27), MBA students can expect their salaries to increase by approximately 18% upon graduation and 53% 3 to 5 years after graduation. Another survey conducted on the MBA schools accredited by the Association to Advance Collegiate School of Business (AACSB) indicated that an MBA education has a positive impact on graduates' employment, income, and job promotions in the short and long term (Zhao *et al.*, 2006:262).

Enrolments at business schools have soared and business education has become big business; however, little evaluation of the extent to which business schools' training meets expectations of South African industries and that of students exists (Currie & Night, 2008:17). Bennis and O'Toole (2005:97) concurred that neither possessing an MBA degree nor grades earned in courses correlate with career success, nor that there is little

evidence that research conducted in business schools is influential on management practice.

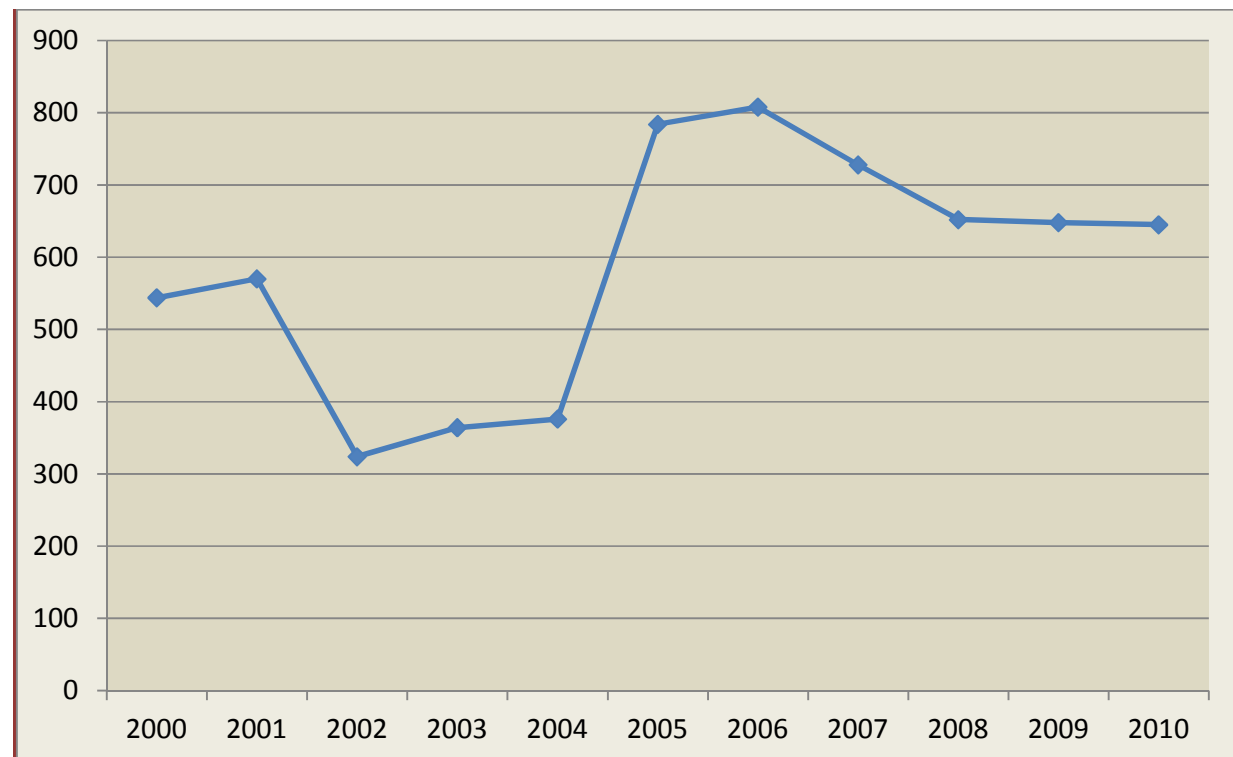
According to Pola *et al.* (2007:309), the twentieth century management education has witnessed business schools becoming financial success stories. Colleges and universities that offer management education have seen an increase in the uptake of both the undergraduate and graduate business administration enrolments (Bissoux, 2005:28). For instance, graduate business education was virtually nonexistent in 1955-56, and only 3,200 MBA degrees were awarded in the United States. This number had grown to over 102,000 by 1997-98 (Zhao *et al.*, 2006:262). The U.S. News and World report (2002) indicates that there were 341 masters' programmes in business that were accredited in the United States by the fall of 2000. American universities that offered a masters' degree in business were 900 (Gerdes, 2005:71), and some 1,292 schools, or 92% of all accredited colleges and universities, offered an undergraduate major in business in the spring of 2001 (U.S. News and World Report, 2002).

The first MBA degree courses outside the United States were introduced by the University of Western Ontario in Canada in 1950, followed in 1951 by the University of Pretoria in South Africa (Pola *et al.*, 2007:307). The Department of Education and Training unfortunately only has the data of MBA graduates from the years 2000 to 2010. As depicted in figure 1.1, by the year 2000, there were 544 MBA graduates that were reported to the Department of Education and Training (D.E.T. Database, 2011:31). The number increased to 570 in 2001. Between 2002 and 2004 the number of MBA graduates declined to an average of 354. By the year 2005 the number of graduates rose to 784 and peaking at 808 in 2006. In 2007 the numbers declined to 728 with a further decline to 652 in 2008 and 648 in 2009 and a further 245 in 2010 (See figure 1.1).

The Association to Advance Collegiate School of Business (AACSB Newslines, 1999) indicates that more than a quarter million undergraduate degrees in business management were awarded in 1996-97. This increase in business education gave rise to new business education programmes, and caused the existing ones to expand in the U.S. as well as around the world. For instance, in Britain, business schools have risen from 20 to 120 in the early 1980s (Jordan, 2004:40). An informal study conducted by the Graduate Management Admissions Council (GMAC) indicates that whilst business education has spread throughout Asia and continental Europe, within the U.S. 93% of

business schools surveyed indicated that they intend to either increase or maintain their target class size, because many prospective students and organisations see the benefits of MBA training (GMAC Application Trends Survey, 2001).

FIGURE 1.1: MBA GRADUATES IN SOUTH AFRICA BETWEEN 2000 AND 2010



Source: Adapted from the Department of Education and Training Database (2011:39)

Binedell (2004:2) states that the benefits of being an MBA graduate are that graduates will gain significant skills that will enable them to make major contributions to their companies. Barnett and Billington (2008:23) add that the MBA degree improves the candidate's competitiveness in an ever changing economic environment. In today's world, according to Barnett and Billington (2008:24), not many people will be able to stay with the same company for 25 years. Therefore, the MBA degree will help the individual graduate to be competitive in his or her company, or when they decide to leave, the MBA will make them more attractive to other companies.

Pfeffer and Fong (2002:142) on the other hand state that consulting firms had always hired people without MBA degrees. Consulting firms who hired people without MBA degrees, some of them lawyers, doctors, and philosophers had to provide training so that

these people could go out to give advice to companies using business language and business knowledge. Many of the companies started or expanded relatively short, 3-week programmes in which new hirees learned the basics of business. These programmes focused and attempted to cover the core of the MBA curriculum in only 3 to 4 weeks. Zhao *et al.* (2006:259) state that internal studies conducted by the Boston Consulting Group (BCG) on behalf of firms to determine how the new hirees without MBA degrees fared; the firms found that the non MBA did not do worse and, in some cases they did better than their MBA counterparts. The office of the Boston Consulting Group (BCG) reported that the non-MBAs were receiving better evaluations, on average, than their peers who had MBA degrees (Pola *et al.*, 2007:310). A study conducted at McKinsey of people on the job 1, 3, and 7 years found that at all three points, the people without MBAs were as successful as those with the degree. Similarly, according to Pola *et al.* (2007:311), an internal study conducted by Monitor Consulting had determined that the people hired from high-end business schools were no better at integrative thinking than the undergraduates hired from top notch liberal arts programmes.

Although business schools and business education have been commercial successes, there are substantial questions about the effects on both the careers of their graduates and on management practice due to issues raised above. These concerns, coupled with the rise of many competitors including consulting and training companies, e-learning and company in house programmes, as well as the fact that, according to Robert Hamada, former Dean of the University of Chicago's Business School, "*the [MBA] industry is overbuilt, meaning that business schools may soon confront some substantial challenges*" (Wallace *et al.*, 2003:12) poses a major challenge to business schools to ensure that the MBA programme meet the needs and expectations of both the students and organisations.

There has been criticism of the education product of the business schools throughout the modern history; the specifics of these criticisms have changed dramatically over time. American business education was described as a collection of trade schools lacking a strong scientific foundation by the Gordon Howell report in the 1950s (Demski & Zimmerman, 2000:2). The continuing trajectory by business schools to embark on achieving academic respectability and legitimacy on their campuses by becoming social science departments, or perhaps, applied social science departments was as a result of the Gordon and Howell report and funding from the Ford Foundation and the Carnegie

Council (in Pierson, 1959). In the process of achieving academic legitimacy, business schools took on "*the traditional ways of mainstream academia*" (Bennis & O'Toole, 2005:97). Quantitative, statistical analyses gained prominence, as did the study of decision-making. Business schools took on and applied a scientific paradigm that applies criteria of precision, control, and testable models in both their teaching and research (Bailey & Ford, 1996:8).

Adopting the ways of other academic social science departments have, however, given rise to a new set of challenges, including concerns about the relevance and centrality of business schools and business education to the world of management. Merrit and Lavelle (2005:80) revisited the Gordon and Howell report and noted that the curricula of the business schools were seen to be too focused on analytics, with insufficient emphasis on problem finding contrasted with problem solving and implementation (Zhao *et al.*, 2006:263), and as insufficiently integrative across the various functional areas.

1.3 PROBLEM STATEMENT

Mintzberg (2005:5) indicates that the initial objectives of the business schools as one of the major role-players in managerial education were to address the issue of management skills of corporate America post Second World War. When the business schools started, their focus was to educate managers and create knowledge through research. In fact, business schools were similar to trade schools where those who were teaching at these schools, were managers who were good in their departments and were sharing their experiences and wisdom with students during the first half of the twentieth century. Now of late, the inability to impart useful managerial skills, failure to instil norms of ethical behaviours, failure to prepare leaders, and even the failure to lead graduates to good corporate jobs are some of the criticisms levelled against the MBA programmes (Davenport *et al.*, 2003:55).

Bennis and O'Toole (2005:101) state that criticisms that are levelled against management education can be traced to a shift in the culture of the business schools as the criticisms are broader in their scope. A self defeating model of academic excellence was adopted by business schools over the past several decades (Bennis & O'Toole, 2005:101). According to Mintzberg (2005:6), business schools measured themselves

almost solely by the rigour of their scientific research, instead of measuring themselves on how well their faculties understand important drivers of business performance, or measure themselves in terms of the competence of their graduates in the work environment. This is as a result of adopting scientific models that use abstract statistical multiple regression, financial and economic analysis and laboratory psychology (Merrit & Lavelle, 2005:82).

This scientific model, according to Bennis and O'Toole (2005:101), was adopted as a result of the assumption that business is an academic discipline like chemistry or biology instead of regarding business as a profession like law and medicine that would require business schools to be professional. Pfeffer and Fong (2002:138) state that the degree of separation from the profession that is served by professional schools such as social work, law, medicine, architecture, education, and engineering degrees makes the business schools relatively unique. This takes into consideration the fact that, business school faculty does teach in company executive programmes and also consult for business, and it also takes into account the fact that students from business schools go on to practice management. However, the extent to which curricula in the various professions are or are not linked to the concerns of the profession and directly oriented toward preparing the students to practice that profession including incorporating a clinical component, and the proportion of faculty who move in and out of the profession or who practice it regularly, are a degree of separation that differentiates business from other professional schools.

According to Gerdes (2005:72), it is imperative that business schools get closer to industry and their students in order to understand their needs and structure their programmes to match these needs if they are to have a long-term survival in the management and executive development business. Research conducted by Matheson indicates that the greater percentage of the skills training budget in South Africa (which is well under half of the national average) that employers spend on training is now undertaken in house. There are mixed perceptions of what is the most appropriate mode of delivery towards the attainment of management education which continues to be a priority in most businesses (Davenport *et al.*, 2003:56). It is against this background that the present study aims to comprehensively construct a conceptual framework to measure skills for management competence, empirically test the relationship between the identified

managerial skills from the literature and to determine the relative importance of each skill to managerial competence.

1.4 OBJECTIVES OF THE STUDY

The primary objective of the study was to construct a conceptual framework to measure the identified skills for management competence.

To address the primary objective the following secondary objectives were formulated, namely to:

- Identify skills for management competence from existing managerial models and from the literature;
- Compile a conceptual framework of managerial skills;
- Empirically evaluate these skills through quantitative statistical analysis;
- Determine the validity of the management models from the literature;
- Ensure satisfactory reliability of the data pertaining to the identified managerial skills;
- Empirically determine the inter-relationships between the identified managerial skills; and to
- Determine the relative importance of each skill to managerial competence.

1.5 RESEARCH PROPOSITIONS

The following research propositions are formulated for this study:

P₀: A conceptual framework to measure managerial skills can be developed according to existing skills identified from the literature.

P₁: The literature research identifies managerial skills that can be used to develop a conceptual framework.

P₂: The questionnaire is a valid tool to measure managerial skills.

P₃: The proposed model is a reliable tool to measure managerial skills.

P_A: A conceptual framework to measure managerial skills cannot be developed according to existing managerial skills identified from the literature. An exploratory conceptual framework better suits the measurement of managerial skills.

1.6 DEFINITIONS

The following definitions were used as key concepts of this study:

- **Arbitration** refers to getting the services of a third party who is neutral and has the power to act as a “judge”.
- **Authority** is the prerogative that is legitimately being given to an individual to make decisions and to give reasonable instructions to others on what to do.
- A **budget** is a plan, expressed in numerical terms, for allocating resources.
- **Competency** is the combination of knowledge, skills, behaviours, and attributes that contribute to personal effectiveness.
- **Conceptual skills** refer to the ability to see the organisation as a whole, how the different parts of the company affect each other, and how the organisation fits into or is affected by the external environment (such as the local community, social and economic forces, customers, and competition) within which it operates.
- **Control** is the process of monitoring activities to ensure that they are being accomplished as planned and correcting any significant deviations.
- **Coordination** is the integration of tasks and activities that employees perform and the units of the organisation.
- **Corporate social performance** is the extent to which a firm responds to the demands of its stakeholders for behaving in a socially responsible manner.
- **Corporate social responsibility** is the idea that beyond the economic obligations that the organisation has to its owners or stockholders and the prescriptions of the law, firms has obligations to society as well.
- **Ethics** are those rules that govern people in order to encourage behaviour that is good and the goods that are worth seeking.
- **Human skills** are the abilities to work well with others.

- **Interpersonal skills** refer to the ability of a manager to understand, motivate, and work with other people both at individual and group level.
- **Leadership** is the ability to influence people toward the attainment of organisational goals.
- **Leadership** is the management function that involves the use of influence to motivate employees to achieve the organisation's goals.
- **Leadership** is the process of energizing others, providing direction, and obtaining their voluntary commitment to the vision of the leader.
- **Leadership** is the process of influencing others to achieve group or organisational goals.
- **Leadership** is the process of motivating and directing the members of the organisation so that they contribute to the achievement of the goals of the organisation.
- **Leadership neutralisers** are subordinates, tasks, or organisational characteristics that can interfere with a leader's actions or make it impossible for a leader to influence followers' performance.
- **Leadership substitutes** are subordinate, task, or organisational characteristics that make leaders redundant or unnecessary.
- **Management** is concerned with achieving results by effectively obtaining, deploying, utilizing and controlling all the resources required, namely people, money, facilities, plant and equipment, information.
- **Management** is defined as the process of administering and coordinating resources effectively and efficiently in an effort to achieve the goals of the organisation.
- **Management** is getting work done through others.
- **Management** is the effective and efficient attainment of organisational goals through planning, organizing, leading, and controlling organisational resources.
- **Management** refers to the process of getting things done, effectively and efficiently, through and with other people.
- The term **management science** or operations research, are often used interchangeably to describe the scientific applications of mathematical techniques to management problems.

- **Mediation** is a process where a third party is brought in to try and get the negotiating parties to focus on relevant issues and to try and improve communication between parties.
- A **mission** is the organisation's purpose or reason for existing.
- **Motivation** refers to the set of forces that initiates, directs, and makes people persists in their efforts to accomplish goals.
- A **need** is a psychological or physiological deficiency that creates the compulsion to be satisfied.
- **Negotiation** is when different parties with different preferences come together to make joint decisions.
- **Objectives or goals** refer to the desired outcomes for individuals, groups, or entire organisations.
- **Planning** is the process of setting objectives and determining in advance exactly how objectives will be met.
- **Political skills** refer to the manager's ability to build his or her power base, the ability to enhance one's position, and the establishment of the right connections.
- **Power** is the ability to get things done and accomplished in organisations.
- **Qualitative control techniques** are methods based on human judgments about performance that result in a verbal rather than numerical evaluation.
- **Quality** is defined as the ability to meet all the customer needs all the time.
- **Quantitative control techniques** are described as methods based on numerical measures of performance, such as lines of computer code produced per hour.
- The term **return on equity (ROE)** is an indicator of how much a firm is earning on its investment.
- **Specialisation** is the process of identifying particular tasks and assigning them to individuals, teams, departments, and divisions.
- **Standardisation** is the process wherein uniform practices that have to be followed by employees when doing their jobs are developed.
- A **strategy** is a process of allocating skills and resources with the intention of achieving the goals and objectives of the organisation.
- **Tactical planning** is the translation of broad strategic goals into specific functional goals of a portion of an organisation like human resources or marketing.
- **Technical skills** are specialise specialised knowledge, techniques, and procedures required to fulfil a job task.

- **Technical skills** refer to the ability to apply specialised knowledge or expertise.
- A **vision** is a statement of a company's purpose or reason for existing.

1.7 METHODOLOGY

The detailed discussion of the research methodology employed in the study appears in Chapter 5. As such, an overview of the methodology employed is given below.

1.7.1 Sources of information

A wide array of literature sources has been consulted. Text books, electronic media, articles (accredited as well as business journals), policy documents and the like were consulted. The library staff of the North-West University played a crucial role and assisted a lot by searching in their local resources and through their interlibrary facilities for relevant sources.

1.7.2 The population

The population of the empirical research was all higher institutions that provide management, leadership and executive training throughout the Republic of South Africa.

1.7.3 The sample

A convenience sample consisted of part-time students enrolled on a Master of Business Administration (MBA) degree or post-graduate business courses in the following institution:

- NWU (Potchefstroom campus);
- NWU (Mafikeng campus); and
- NWU (Vaal Triangle campus).

The rationale behind the selection of this sample was to measure what students think is important skills that managers should possess in order to be competent in their positions

as managers, and also because all these students were in full-time employ and were either in leadership or in management positions and those who were not in these positions, had aspirations to ascend to positions of management and leadership in future. All the MBA students at these campuses were requested to complete the questionnaire.

The selected sample consisted of 143, 132 and 120 students on the Potchefstroom, Vaal Triangle and Mafikeng campuses, respectively. A total of 89, 82 and 87 responses were collected from the campuses, respectively, totalling in 258 questionnaires that were completed. The respective response rates were 62.2%, 62.1% and 72.5%.

1.7.4 The questionnaire

The questionnaire was developed based on the skills identified from the literature study of management competence. This questionnaire consists of seven skills obtained from the literature study that are attributed to managerial competence. The skills are self awareness skills, self directed career planning skills, general integrative skills, planning and control skills, organising skills, learning skills, and change management skills. A total of 71 multiple choice questions, ranked from totally disagree to totally agree, were developed, while seven open-ended questions, and eleven demographic questions were added to the questionnaire. Each of the management skills is catered for by five items.

1.7.5 Data analysis

The data was captured by the Statistical Consultation Services of the North-West University, and statistically analysed by Prof J.L. du Plessis (formerly employed at the North-West University's Statistics Consulting Services), using the SPSS program (SPSSnc, VS 18 (2010)). Descriptive statistics (frequencies, means and standard deviations) were used to analyse the data. Construct validity of the questionnaire was assessed by means of employing a single-factor exploratory factor analysis. This was done to confirm that the questions pertaining to each skill in fact do measure the specific skill. The Cronbach alpha coefficients were used to assess the reliability of the measuring instrument.

The data was also subjected to multivariate statistical analysis. Exploratory factor analysis and a Varimax rotation was used to extract and rotate the initial factors in order to find

a final solution which was then interpreted. In each case, the suitability of the data for factor analysis was tested by means of Bartlett's measure of sphericity, while the sample adequacy was checked by the Kaiser-Meyer-Olkin test. Reliability tests by means of Cronbach alpha coefficients on each of the extracted factors then ensued. Factor scores were then generated and explored in detail to determine if sub-factors existed in the factor structures.

1.7.6 Interpretation of results

The results of the empirical study were used to construct the conceptual framework that measure skills for managerial competence. Results were also used to empirically test the relationship between the identified managerial skills and to determine the relative importance of each skill to managerial competence.

1.8 RATIONALE OF THE STUDY

The value of the research resides in the construction of a conceptual framework to measure skills for management competence. More specifically the study:

- identifies skills for management competence from the literature;
- scrutinised existing models of management skills; while
- the managerial skills framework was compiled;
- the relationship between the identified managerial skills were empirically tested; and
- the relative importance of each skill to managerial competence was determined.

The significance of the study is to make a contribution to the discipline of organisational leadership and management, particularly with regard to practices regarding leader and manager development within the context of a dynamic, changing organisational environment.

1.9 ETHICAL CONSIDERATIONS

Saunders *et al.* (2009:187) are of the opinion that research has to conform to academic research etiquette and all written conventions at all stages of the research process. The etiquette that the study conformed to include the following:

- Literature used for the study was referenced and sourced from where it was found and clearly indicated;
- The actual research results gathered in their entirety are revealed by the results provided;
- An erroneous impression to the public was avoided by providing information that is not distorted;
- Care was taken to ensure that the research does not contain unnecessary information or information directed at wrong or irrelevant problems;
- The questionnaire were designed in such a way that they protect the anonymity of the respondents during and after the completion of the project;
- There was no intentional or deliberate misrepresentation of research methods or results. An adequate description of methods utilised and the original questionnaires were made available to the promoter.

In addition, the research project was registered with the Ethics Committee of the North-West University (NWU). The necessary forms have been completed and the research was approved by the Ethics Committee.

1.10 STRUCTURE OF THE THESIS

This study is divided into seven chapters. **Chapter one** introduced the study and provided the background information. The area of research has been defined as well as the necessity to execute the study. The objectives of the study were set.

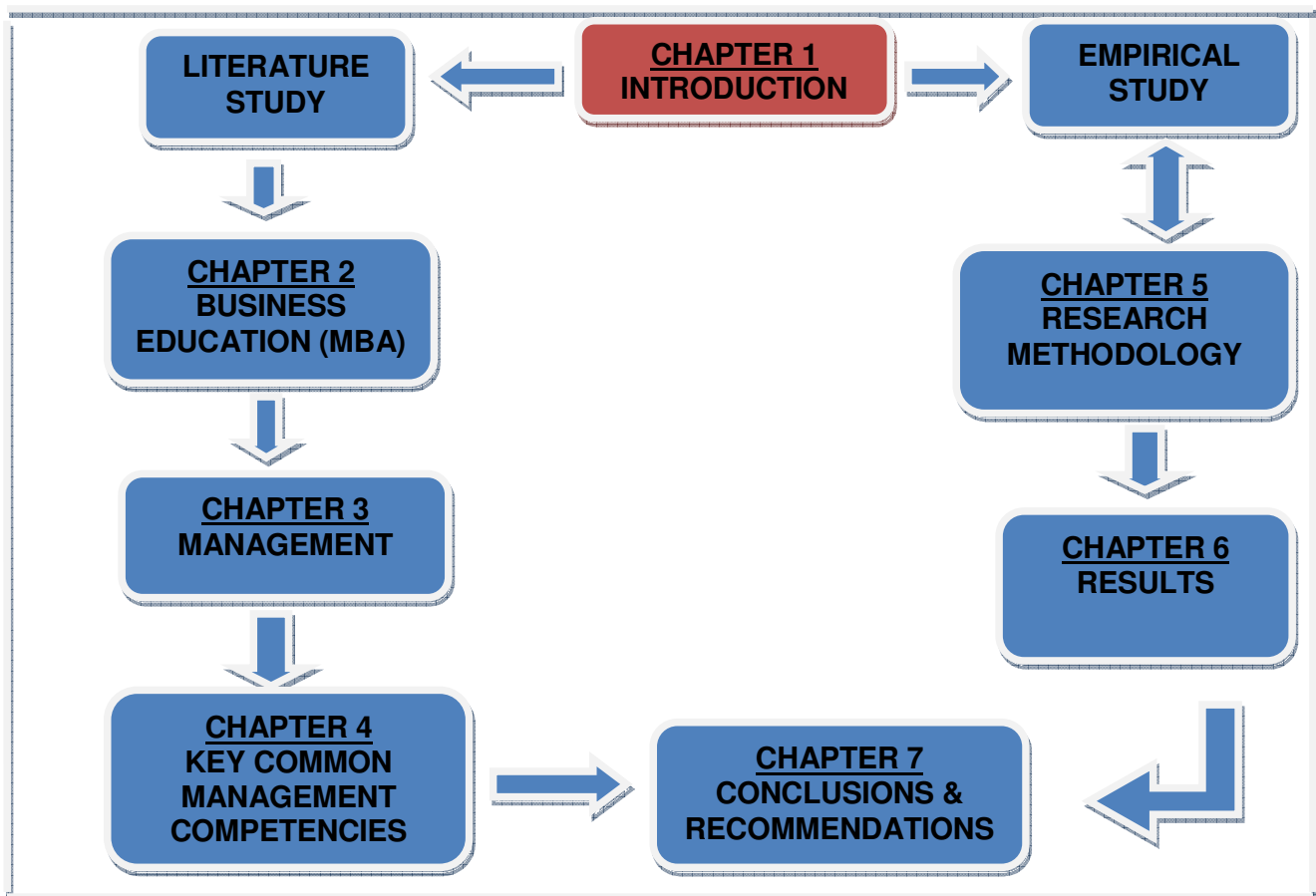
Chapters two, three and four present the theoretical base for the study. **Chapter two** consists of a literature discussion on the Masters of Business Administration, its evolution, what gets taught, the Council of Higher Education's take on the MBA programme, different types of MBA programmes and future expectations. The MBA is the area of focus as it is at the cutting edge of business education. **Chapter three** discusses

management, the role and work of managers, and the environment within which managers operate. Different managerial models are provided in **Chapter four** and key common management competencies are identified. The research problem, objectives and research propositions are explained in **chapter five**, as well as the research methodology that were used in the study.

The research findings are discussed in **chapter six** by analysing the results from the empirical phase of the study. The statistical results are provided, interpreted and discussed. Quantitative analyses are conducted to determine the similarities between the skills and to validate the conceptual framework.

The final chapter, **chapter seven**, summarises the major findings from the study and draws a number of conclusions and recommendations. The chapter ends by indicating the limitations of the study and making recommendations for future research. The layout of the study is shown in the figure below.

FIGURE 1.2: STRUCTURE OF THE STUDY



1.11 SUMMARY

This chapter introduced the study and provided the background information. The area of research has been defined as well as the necessity to execute the study. The objectives of the study were set. Research propositions, the significance of the study and the research methodology were outlined.

The next chapter consists of a literature discussion on the Masters of Business Administration, its evolution, the Council for Higher Education's take on Master of Business Administration accreditation, what gets taught, different types of MBA programmes, reasons for studying towards an MBA degree, employers' perspectives on the MBA programme and future expectations.

CHAPTER 2

BUSINESS EDUCATION

(Master of Business Administration)

2.1 INTRODUCTION

According to Purcell (2005:27), the Master of Business Administration (MBA) is a university graduate degree program, which is a compulsory requirement for many business-related careers and has been proven to enhance skills and qualifications in others. Pola *et al.* (2007:307) add that the competitive benefits of the MBA programme is to impart a holistic perspective of management and business to managers and prepare them to assist their companies to deliver superior business results.

2.2 EVOLUTION OF MANAGEMENT EDUCATION

Mast (2001:17) states that the process of educating managers at universities is almost as mature as formal business is. The MBA degree originated from the United States during the early 20th century. The United States during this period experienced rapid industrialisation that was characterised by automated machines which were replacing manual labour. This then led to a dramatic change in the way in which companies set up their manufacturing plants. It also had an effect on employees as labour intensive companies became mechanised.

The MBA degree made its first appearance during this time of change to mechanisation. These changes in the manufacturing process required that employees had to be educated in order to operate these machines. There was also a need for supervisors and managers to coordinate the labour force and automation while mechanisation took care of the actual production. The demand for newer and even more sophisticated methodologies to manage businesses increased as industrialisation expanded (Mast, 2001:18).

According to Pfeffer and Fong (2007:116), many American universities started to offer the MBA degree courses due to the increased demand for MBA degrees. The United States was the only country that offered an applied business management degree at that point in time. The first business school to offer MBA degrees in the United States was the Wharton Business School which was established in 1881. However, the first management school in the United States to begin awarding masters' degrees in the commercial sciences (the predecessor of the MBA as it is known today) was the Tuck School of Business. Other universities followed suit in offering these programmes.

The Graduate School of Business Administration (GSBA) at Harvard University was established in 1908. The first MBA programme was offered by this institution, with a faculty of 15 lecturers, 33 regular students and 47 special students. The Executive MBA (EMBA) was introduced in 1940 by the University of Chicago Graduate School of Business, which most management schools offer today (Leonhardt, 2008:18).

Leonhardt (2008:18) continue to state that there are currently a substantial number of universities throughout the world that offer MBA degree courses. The Institut European d'Administration des Affaires (INSEAD) became the first business school in Europe to offer MBA degree courses in 1957. This was followed by other European universities, including London's Webster Graduate School and the Cass Business School. The first MBA degree courses outside the United States, however, were introduced even earlier in 1950 by the University of Western Ontario in Canada, followed by the University of Pretoria in South Africa in 1951.

On the other hand, Ozakazi-Ward (2006:24) indicates that management development in Japan has mostly been the concern of corporations themselves. The Japanese have business (or commerce) departments in their universities, but these have concentrated almost exclusively on undergraduate education, and they are highly theoretical (Ozakazi-Ward, 2006:25).

According to Mendoza (2008:176), systematic in-company management training became prominent in 1945. The Japanese organisations have been recruiting their key managers straight from the university into lifetime employment since the late nineteenth century, but aside from rotation, these people were left to themselves to acquire the necessary skills. After the Second World War, however, in-company education for managers became

prominent, while job rotation remained important. Apart from the development aspect, this rotation allows individuals to form a wide inter-personal network within the organisation.

Ishida (2007:186) states that the MBA programs have remained rather rare in Japan (although that is now changing). One private university, Keio, has had one since 1978, which is modeled after Harvard, while some foreign schools, such as Dartmouth and McGill, have set up Western style programs. A 2005 survey of the Keio alumni (Ishida, 2007:188) found that the exchange of views and friendship with other students greatly exceeded what they had expected upon entering, while learning advanced professional/specialized knowledge did not come anywhere near expectations.

Hiro Itami, the director of Hitotsubashi university, which is respected as a centre of business scholarship in Japan, wrote in the *Journal of Business* (2007:8) that his institution has been offering an MBA program from 2000, and that the aim of their program is to teach how to think and analyse, and he made it quite clear to students that they are not being educated as managers in two years, "the aim of our program is Masters in *Business Analysis*."

China's MBA education on the other hand had evolved from the traditional management education under the planning economy to the Western approach in the 1980s. According to Ikujiro and Konno (2008:42), China was a central command economy model from 1949 to 1979. All the production activities were planned by the central or provincial governments under the centrally planned economic system. The objective of the management system at this period was to ensure that Chinese managers were trained for the planning economy.

Ikujiro and Konno (2008:42) state that the planning economy was transformed by Deng Xiaoping to market economy after taking over the leadership of the Mainland China in 1977. This move led to state owned enterprises being gradually transformed from government production units to independent economic entities with increased autonomy to decide what to produce and how to market their goods and services. The challenge facing Chinese managers have been to improve their managerial competencies and administration to match the changing business environment.

China's booming economy increased the demand for professional managers with consequences that the Chinese government decided to import Western MBA education to China. The Western style MBA programs were introduced by the international cooperative MBA program into China. The Chinese government decided to embark on its own domestic MBA education program in the 1980s (Thirunarayana, 2006:13).

Nowadays, MBA program in China is designed to prepare both Chinese and foreign managers for senior leadership positions in China. In general, it aims to provide managerial students with the ability to lead, design and implement suitable systems and practices for organisations operating in China and also international business environments (Junko, 2006:888).

Talent is the main concern for foreign companies doing business in China. According to Junko (2006:889), most senior Chinese managers are not familiar with western management techniques and leaves multinational companies to import talent from overseas. But then these companies are headed by managers who may have little understanding of Chinese.

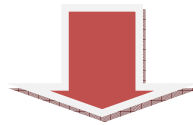
Management education evolved over the following four stages (as depicted in table 2.1):

- The formative years;
- The dark ages of business;
- The turning point; and
- Knowledge based economic era.

Table 2.1: HISTORICAL OVERVIEW ON BUSINESS EDUCATION

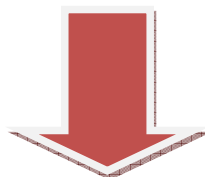
FORMATIVE YEARS (1881)

- 1881 was the year in which business education at undergraduate level was introduced.
- 1900 The inception of the MBA programme was at this stage characterised by practical business training.
- The whole idea of the MBA programme was to improve U.S. management capabilities.
- 1912 was the year in which business cases were introduced as a teaching aid in the business schools.



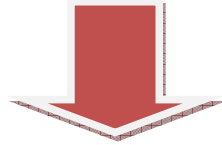
THE DARK AGE OF BUSINESS (1930)

- Management was taught as a collection of vague principles .
- 1940s: Business was changing, but the knowledge available to students through both textbooks and cases was not.
- Cold War: Pressure was mounting to improve U.S. management capabilities from the Graduate School of Industrial Administration (GSIA).
- The GSIA was more concerned about getting its academic house in order, to its status in the university and not outwards to the needs of the practising manager.



THE TURNING POINT (1959)

- Pressure for academic respectability mounts.
- The Pierson report proposed solutions that were sophisticated command of analytical and research tools derived from the fundamental principles as well as sound training in the physical and social sciences and mathematics and statistics.
- The Pierson report conveyed the message of increased academic standards, serious academic work, and the primary role of research.
- The assumption was that effective management could thus be achieved through formal university training programmes.



KNOWLEDGE BASED ECONOMIC ERA (1980s-1990s)

- Management and managerial skills have been identified as a core competence required for economic prosperity and possibly even economic development.
- In an increasingly knowledge based economy, the ability to mobilise and use knowledge is a critical skill.
- The demands for better managers and more and better leaders, and the demands for business knowledge are inexorable.
- These demands have already generated numerous alternative sources of supply.
- Greater numbers of education and research organisations exist separately from business schools.
- Business schools face competitors that, for the most part, are not necessarily playing by the same rules because they don't operate in the same normative environment with the same history as most business schools.

2.2.1 The formative years

Mintzberg (2005:21) points out that the formative stage was when the business school education first surfaced at the undergraduate level. The business training was characterised by the application of scientific methods, meaning rigorous measurement, data collection, record keeping, statistical analysis and the development of rational legal modes of order, decision-making and control over social activities. Something akin to cases was also used, as well as field studies.

Bhide (2006:38) states that business schools were similar to trade schools at this stage; there was a time when MIT's Massachusetts Institute of Technology was known as MIT School of Industrial Management and its production class was taught by the manager of a nearby General Motors assembly plant. The training at this institution was very useful but was not seen as comprehensive and professional education because training by these plant managers was not seen as having academic respectability.

2.2.2 The dark age of business

According to Pfeffer and Fong (2007:121), early on in this stage the stage was set for the debate on business education: the theory of the original Wharton scholarship, versus the practice of the Harvard training that was rooted in experience, which believed in training by doing. Harvard persisted with its case studies, but most schools descended into a kind of Dark Age of business education. By the end of the 1930s much of the graduate programmes were close to undergraduate studies, while Columbia experienced the teaching of job specific skills (Pfeffer & Fong, 2007:121).

Mintzberg (2005:22) states that at Wharton, professors who were more interested in consulting than researching conspired with the practical concerns of job conscious students to frustrate Wharton's broad intentions. Management itself was taught in business schools as a collection of vague principles, akin to folk wisdom, for example, that the manager's span of control should not exceed seven. By the late 1940s, the inability of even such elite institutions as Harvard, Stanford, Columbia, and Chicago to respond to the clarion call for a new type of manager was obvious. Business was changing rapidly, but the knowledge available to students through both the textbooks and cases was not.

Mintzberg (2005:22) continues to state that pressure were building during the Cold War to improve U.S. management capabilities, and when a grant of almost \$ 6 million came from William Lorimer Mellon to endow a new school of industrial administration at Carnegie, Bach became its first dean, bringing along his economics department. The vision was clear from the outset that:

- Systematic research matters; and teaching follows. Research was their fundamental engine of progress.
- Research should be descriptive above all, especially to understand business and organisations; prescriptions could follow in practice.
- Such research should be rooted in a set of underlying disciplines, notably economics, psychology, and mathematics. These should also be central to masters-level courses as well as being the foundations of such business functions as finance, marketing, and accounting.
- The classroom is a place to ground the students in the skills of analytical problem solving in the style of operations research, or management science.
- Particular attention should be given to doctoral studies, to stimulate research and have the graduates carry these ideas to other schools.

One thing, however, did not feature much in all of this: the development of managers. GSIA was more concerned about getting the academic house in order and its professors properly respected. So it had to look inward, to its status in the university, and not outwards, to the needs of practicing managers (Mintzberg, 2005:22).

2.2.3 The turning point

Pfeffer and Fong (2007:124) note that the booming post Second World War economy created demand for professional managers. During this stage the Ford and Carnegie foundations came up with ways in attempts to give business schools respectable academic credentials and also offered sponsorships towards the attainment of this objective. Influenced by their conscience and sponsorship money, top tier universities began to treat their business schools similar to law schools. Nearly all leading business schools were offering high calibre curricula which are away and different from the initial approach of trade school curricula of the formative years.

The approach in this stage was a sophisticated command of analytical and research tools derived from the fundamental disciplines as well as sound training in the physical and social sciences and mathematics, combined with the ability to apply these tools to business problems. The assumption was that effective management could be made through formal university training programmes and the focus changed from practical business training to academic training (Wind, 2000:38).

Wind (2000:38) concludes by saying that the Ford and Carnegie foundations also called for the releasing of more faculty time for scholarly and formal research, and it urged business schools to develop closer cooperation with the underlying disciplines, by seeking to interest more behavioural scientists, mathematicians, and statisticians in business problems. It was assumed that general scientific knowledge which would be directly applied to managerial tasks could be produced by research. Therefore, effective managers could be developed through formal university training programmes.

2.2.4 Knowledge based economic era

According to Gerdes (2005:71), core competencies required for economic prosperity and economic development have been identified as management and managerial skills. The ability to use and mobilise knowledge is a critical skill in the knowledge based economy. The ability to effectively manage large-scale private sector organisations is a prerequisite for economic wellbeing in the knowledge based economy where the privatisation of industries and companies around the world is the order of the day. Therefore, business and business education towards managerial skills are topics of conversations in the boardrooms and in the entire society.

The need for business knowledge exerted pressure for better managers and even better leaders, and these demands have already created numerous alternative sources of supply to meet this need. A number of independent educational and research institutions mushroomed separately from the business schools. Management and executive training and education are provided not only by business schools but by consulting companies, education firms and other organisations run in-house management programmes. Business schools face competitors in every domain in which they operate, more so that these competitors for the most part, are not necessarily playing by the same rules as business schools and do not operate in the same environment, and does not bear the same history as the business schools (Gerdes, 2005:72).

2.3 MBA ACCREDITATION IN SOUTH AFRICA

Universities throughout the world have adopted the MBA degree. Developing countries as well as developed countries have adopted and adapted the MBA programme to meet their economic and social needs. To ensure that the business school's educational curriculum meets specific quality standards, business schools may be accredited by external bodies which provide students and employers with an independent view of their quality (Shevel *et al.*, 2004:23).

In 1998, the South African Council on Higher Education (CHE) was established. In terms of the Higher Education Act No. 101 of 1997 (SA, 1997) the South African Council on Higher Education is an independent statutory body and has executive responsibility for quality assurance in higher education and training (CHE, 2004a; Strydom & Strydom, 2000:101). The South African Council on Higher Education (CHE) completed an extensive re-accreditation of MBA degrees offered in the country in 2004. The process attracted widespread international media attention and was viewed as innovative, thorough and was the first of its kind throughout the world. The South African Council on Higher Education (CHE) withdrew the accreditation of 15 MBA programmes in May 2004. Programmes offered in South Africa by Bond University (Australia) and De Montfort University (UK) were amongst those which forfeited their accreditation. The CHE required that all of the de-accredited programmes were to be phased out. No further enrolments were permitted (CHE, 2004b, 2004c)

According to Blackmur (2004:106), the CHE MBA regulatory model consists of four parts, namely:

- the first contains definitions and 13 criteria;
- the second contains standards for each of these criteria;
- the third measures the degree of compliance with the standards; and
- the fourth involves the CHE's allocation of fully accredited or conditionally accredited or de-accredited status to each MBA. These four components are analysed seriatim.

The quality of the MBA provision was evaluated by the CHE (2004k:vii). The CHE, however, rejected the extension of the regulatory model to include market related

outcome criteria (CHE, 2004k:2). The rejection of the extension of the regulatory model to include market related outcome criteria raised serious concerns about the purpose and value of the MBA review. The process of determining the CHE's 13 regulatory criteria were conducted in the exclusion of the South African labour market. The criteria were determined by in-house views of the CHE, the opinions of the heads of the business schools, some of the criteria used by other accreditation agencies were also used, and the opinions of a reference group which was not a representation of the MBA providers in South Africa (Blackmur, 2004:108). The reference group consisted of seven members, out of which six held professional appointments. Some of these were heads of university business schools whose input had also been sought in this capacity (CHE, 2004k:iv). There was a potential conflict of interest involved in heads of business schools whose MBAs were subjected to review also sitting on the Reference Group.

The main area of emphasis was the design and delivery angles of the provision. Little weight was assigned to matters of assessments and certification. The external quality assurance of provision in higher education was compromised by these priorities. (Blackmur, 2004:111). The CHE claimed that its model was based on the conditions that are necessary for training and educating good managers (CHE, 2004k:1). This, however, is the model based on the initial CHE's approach of one size must fit all regulatory approach: The CHE claims that the 13 criteria they have identified encapsulates the necessary conditions for the training and education of good managers, thus excluding any other model that does not subscribe to their 13 criteria (such as the Cambridge MBA model).

The CHE requires that the MBA programme is to be an integral part of the higher education system as well as of the relevant institution (CHE, 2004d). It is however not clear on how this refers to the provision of quality. Putting this matter aside, one is left with no other conclusion than to assume that the CHE included this criterion because they were concerned about the tendency of some business schools to assume a degree of managerial independence and might not apply the same quality assurance procedures and norms as the rest of the higher education institution (CHE, 2004k:35). This, however, is an empirical matter, but nonetheless, the CHE seems to have been content on relying on these untested assertions about the relationship between structure and risk.

The definition of the concept “an integral part” is another key issue. The CHE reviewed all the MBAs that were initially accredited under the South African law, and that they were also all registered on the South African National Framework and all had a physical presence in South Africa, although arrangements for franchising (as was the case, for example, with the Bond MBA) would not be regarded as such by the CHE (Illing, 2004:2; Shevel *et al.*, 2004:23).

This criterion could not be met by some providers. Besides the relationship between the business school and the university, the failure by some of the providers has to do with the application of certain Department of Education and South African Qualification Authority (SAQA) requirements. The Department of Education and SAQA could not implement proper regulations pertaining to the higher education providers. This area however, is seen to be left at the peril of the service providers in question by the CHE (CHE, 2004k: 34).

It is further stated that the learning programmes of the business schools must reflect a clearly stated motivation, with supporting goals and objectives (CHE, 2004d). This would seem to be nothing more than the theory of contemporary strategic management. According to this theory, the organisation is assigned the right to define the purpose and performance measures, taking into consideration the legal requirement. Organisations are therefore given the chance to justify its existence within these constraints (Kagan, 2004:12).

The MBAs that fall under the CHE’s jurisdiction have to mirror the government’s agenda of development in that service providers are not given a lee-way to decide their mission, and goals. Certain core requirements, which service providers must adopt, are defined by the CHE as a way of regulating them (CHE, 2004k:124).

According to Blackmur (2004:109), the commitment to providing the South African MBA must be indicated in the mission and objective of the business schools. This undertaking was realised without considerations of the market. This undertaking by the CHE gives an impression that the objective of the CHE is to implement government policy to the effect that government finances be used to the production of South African MBAs.

The CHE seems to be content with its single approach to the MBA programme. This approach of the CHE is aimed at limiting the variety of MBAs in South Africa. This approach however, seems to contradict the CHE's claim that "one of the purposes of the MBA is to educate managers to operate within their contextual reality" (CHE, 2004k:53), from the CHE's approach to limiting the variety of MBAs in South Africa. One is therefore left with the conclusion that the contextual reality of the South African MBA students is one determined by the CHE and not the market.

The CHE also regulates the means by which students and service providers go about achieving the regulated core missions. This means that the mission to provide a South African MBA has to be achieved by means of case studies which are relevant to "*our particular culture and country*" (Pillay, 2004:36). Service providers are not given any choice in this regard. Service providers are not afforded the opportunity to determine how they would meet the (imposed) objective of providing a South African MBA. The CHE has unilaterally determined that the case study method should be implemented and over and above, that the CHE took it among itself the right to define "our particular culture" in disregard for the multicultural South Africa (Pillay, 2004:37).

The CHE has determined that, "*The internal organisation of the school or faculty must be conducive to teaching, learning and research and that the programme must have an active research focus, through which both faculty [academics] and the students contribute to the knowledge base in the field of management*" (CHE, 2004d). The CHE does not, however, have published weights that it attached to each of its 13 criteria.

Schmidt (2004:12) states that, whilst the definitions of what constitute research differ considerably throughout the world, the CHE has on the other hand not publicly defined what they mean by research. It can only be presumed that the definition of the CHE is the one partially identified in the publicly available material. It is therefore clear that the MBA student research, according to the CHE, should not be limited to theoretical studies. The CHE requires that MBA student research be characterised by practical applications. Schmidt (2004:12) asks a question that the student who may have drafted commercial legislation or may have previously served as a senior executive and, in that capacity may have prepared major policy papers for Ministers or Boards can these publications be regarded as research publications in the model of the CHE?

Pillay (2004:30) adds on to state that one can conclude that the CHE has a highly prescriptive approach to research when one looks at their research requirements. Pillay (2004:30) continues to state that internationally there are different types of high quality MBAs, those students whose careers require that they have research skills can select an MBA that meet this need, while those who wish to develop alternative skills and knowledge may choose a different type of MBA that will cater for their needs. Students should not be forced to develop research skills even if their careers do not require skills for research. It is naïve and irresponsible for the CHE to impose a single model of MBA with the hope that this approach will enhance the welfare of South African students because the student needs and organisational needs might require different skills other than those imposed by the legislative authorities (Pillay, 2004:30).

Ten minimum standards against which the adequacy of research performance is measured were published by the CHE (CHE, 2004e). Some standards permit a degree of flexibility while others are being highly prescriptive on how service providers can go about meeting these. Citing an example of the latter, the CHE dictates that the type of research to be used by MBA providers should be action research (CHE, 2004e). It is important to note that a regulatory authority plays a role in the definition of the range of research methods permissible in institutions of higher education. Professional supervisors of MBA students who might feel that the action research method is not acceptable are presumably not allowed any choice in the matter. This issue brings into question the issue of academic freedom in business schools (Blackmur, 2004:111).

The minimum acceptable requirements of research in an MBA programme is measured through the CHE's research criterion. The research criterion for the CHE requires that at least one fifth of the overall pass mark depends on research (CHE, 2004e). This requirement could be interpreted to mean that either 10% or 20% (the pass mark) or one fifth of 100%. This statement created much confusion and public debate on what is it actually that the CHE meant by one fifth of the overall mark. Some media reports interpreted this to be a 25% research component while the CHE's senior officers were quoted as saying "*In any masters' degree the minimum research component is 50%*" (Pillay, 2004:31).

Proitz *et al.* (2004:736) states that the CHE regulatory model, embraces serious flaws on the quality of a qualification by avoiding the criteria related to labour market outcomes. Proitz *et al.* further state that this model is seriously deficient in that:

- It does not provide guidelines on how to determine if students have met programme objectives.
- It relies on concepts that are poorly defined, like localised intellectual capital, non standards which are specified as standards, inconsistencies and logical inadequacies, and research demands that are not easy to satisfy.

Blackmur (2004:100) concludes that taking these factors into consideration, key parties in the South African MBA programme will be seriously misled if they were to rely solely on the results of the CHE MBA review in making their choices of the MBA programme, policy formulation, recruitment, remuneration and promotion decisions, and to reach employment decisions.

2.4 ENTRY REQUIREMENTS IN THE MBA PROGRAMME

Singh *et al.* (2004:199) indicate that the Graduate Management Admission Test (GMAT) is the basis on which most programmes base their admission requirements, some of the requirements are references or recommendation letters, interviews, academic transcripts, essays, and work experience. According to Brown (2006:17), some institutions would require the Graduate Record Examination (GRE) in lieu of the GMAT. Some business schools look at the extracurricular activities of the student, the service that the student has served in their communities and how the diversity and student body could be improved by the prospective student. All of these requirements are important for admission in the business schools. Some schools, however, do not attach the same value to the GMAT as other criteria. The male-female ratio can also be considered in order to achieve a diverse class.

Selection battery tests are sometimes administered by some institutions on their prospective students. These tests are aimed at determining the practical insight that the prospective student might have on the areas of business and management. The areas of focus are personality characteristics, communication abilities and numeric abilities.

2.4.1 Comparing the entry requirements in the MBA programme to other masters degrees in the economics and management sciences

Table 2.2 shows the entry requirements to the MBA programme compared to the entry requirements in the traditional masters' degree in Economic and Management Sciences.

Table 2.2: Admission requirements (Masters in Economic and Management Sciences compared to the MBA)

Masters in Economic and Management Sciences	Masters in Business Administration (MBA)
a) A student must be in possession of an honours degree or have the status of an honours degree as approved by the Senate of the university. The content of the study of this degree must be presented to the dean and the director involved with the intended masters degree. b) The student must have obtained an average of at least 65% in the honours degrees (with exception of the honours in chartered accountancy and an Honours in forensic accountancy where only a pass is necessary). c) The student must have obtained at least 65% in the honours modules upon which the intended studies are based. d) The research ability of the student must be to the satisfaction of the School Director. e) Prospective masters' students are,	a) A student must at least have a degree or the equivalent thereof. Some institutions, however, would still accept a student with only a Grade 12 or the equivalent thereof. b) To some institutions the student must have passed the Graduate Management Admission Test (GMAT) to be admitted. c) The Graduate Record Examination (GRE) is also accepted by some business schools in lieu of the GMAT. d) Some business schools are also interested in extracurricular activities, like community service activities and how the student can improve the diversity and contribute to the student body as a whole. e) Some institutions require that their students undertake a battery of selection tests.

besides a 65% in their honours, also subjected to a selection programme available at the School Director. f) If the masters' study consists of a research component then the application of a prospective student will be accepted after a research proposal was accepted by the school and if there is a study leader available.	

Source: North-West University (2010:2).

One could clearly see the disparities between the admission requirements to the MBA programme and the traditional masters' degrees in the economic and management sciences. The impression left by these entry requirement disparities is that an MBA degree can be used to short-circuit the normal academic route of getting to a masters' degree and the doctoral degree in the sense that there are some business schools that do not require students to be in possession of an honours degree at 65%. Therefore, a person that did not qualify to proceed to an honours level can enrol for an MBA degree to a masters' degree and thereafter to the PhD level.

The whole idea of changing the MBA degree from a professional qualification to academic qualification was to give the MBA programme academic respectability as alluded to in 2.2.3 of the evolution of business schools. However, the entrance requirements seem to compromise the very essence of promoting academic respectability as it can be seen as a short-cut to a masters' level; this also questions the quality of the student body that gets to the MBA programme without an honours degree versus the one who is going to enrol for the traditional masters' degree in possession of an honours degree.

2.4.2 Work experience in the MBA admission

According to Pfeffer and Fong (2007:134), "work experience" of some sort is a prerequisite in most business schools today from their MBA applicants. The preferences of some business schools are more towards more than that, and while some business

schools are willing to accept students with two years' work experience, others accept applicants straight from the undergraduate studies. Pfeffer and Fong (2007:136) query the value of experience, especially when it is non-managerial. Pfeffer and Fong (2007:136) continue to ask whether, non-managerial experience can impart the necessary understanding about what management means and how organisations operate.

Mintzberg (2005:13) agrees by saying that if one drops an MBA student without managerial experience, into a classroom of experienced managers, irrespective of whether that class is of a specialised function like finance or marketing, such a student would not be able to cope. Such a student will only cope for as long as the class remains with theory and technique (thus at the generic level). This student will, however, be lost as soon as class discussion turns to application.

2.5 PROGRAMME CONTENT

According to Jordan (2004:40), subjects that are covered in the MBA programme are almost similar within their core course requirements. The first year of study is normally characterised by a wide breadth of courses, and then at a later stage students would choose a specialised curriculum in the second year. In the interim, the full time students would look for internships. Accounting; Economics; Entrepreneurship; Finance; International business; Operations management; Organisational behaviour; Marketing; and Strategy, among others are courses that comprise specialisation courses.

Pfeffer and Fong (2007:121) state that the specialised functions take centre stage in almost everything done in almost every business school today, be it a course taught, a programme designed, an idea to be researched or the hiring of a professor. This is done most of the time with the structure of the business school in mind rather than taking these decisions based on the proven best way to manage or the best proven ways to conduct business.

This is not to say that business schools do not teach material that cuts across the specialised functions. Collaborative team working, for example, gets taught within organisational behaviour, without collaboration or team working, and new product development gets taught in marketing or else in strategy. Business managers have to

understand the business functions. The business functions constitute a need-to-know language of business. Moreover, especially for students with work experience in a single function (for instance, sales or production), classroom exposure to all the functions can broaden their understanding of the practice of business (Pfeffer & Fong, 2007:122).

2.5.1 Teaching methods

Not all business schools use the same method of teaching. Some business schools prefer to use the case study method, some prefers a lecture method, and some business schools use a combination. Clinical training or training by doing is provided for in relatively few instances in established business schools, concrete experience is the basis for observation and reflection where experimental learning is provided (Jordan, 2004:43). Mintzberg (2005:35) notes that students at business schools learn to talk about business, but wonders whether talking about business translates into learning about business. Unfortunately, according to Pfeffer and Fong (2007:124), true management cannot be simulated in the classroom. The issue with the case study is that students with little or no managerial experience are told to pronounce on the strategy of a company they hardly know, but were given a case study of. Mintzberg and Lampel (2010:244) argue that, although a scientific approach may be useful for the study of management, it is not all clear that it helps in teaching management. The management practice, according to Mintzberg (2005:14), is best taught as a craft, rich in lessons derived from experience and oriented towards taking and responding to action. But as Gray (2006:73) noted, *“business schools have been designed without practice fields”*.

According to Pfeffer and Fong (2007:125), the explanation for why consulting firms can in three weeks replicate a two year business school experience is through the teaching of wisdom or mastery of practice and not a method of instruction stressing language and concepts. The three week programme provided by consulting firms was teaching their consultants the corporate jargon; it is a question of teaching the vocabulary of the corporate world (Pfeffer & Fong, 2007:125). But as Mintzberg (2005:14) has argued that management is a practice craft and the typical business school experience is too far removed from the context of business.

Bennis and O'Toole (2005:102) have noted that indeterminacy is the characteristics of practice, and that excellent practitioners are distinguished from mediocre ones by their ability to render indeterminate situations. The ability to transcend the rules and plans of

technical rationality will be reflected in the action of a professional artist. The studies of leadership development constantly find that the best way to develop leaders is to provide people with the opportunities to lead. The effectiveness of on-the-job training shows how important clinical experience is; it helps to avoid the problem of generalising what is learned in the classroom to the work setting (Bennis & Toole, 2005:103).

2.5.2 Research in business schools

Pfeffer and Fong (2007:132) indicated that one of the reasons of conducting research is to influence either proximately or remotely, the practice of management. From the study conducted by Barley *et al.* (2004:27) wherein the study of the patterns of mutual influence on organisational culture over time, was conducted by academics and practitioners. The conclusion was that while the academics' conceptualisation changed in a direction to become more similar to the practitioners, the practitioners' stayed constant. The interpretation of these results is that although academics are influenced by practitioners, the same does not reciprocate from academics to the industry.

Bennis and O'Toole (2005:97) state that business school research has adopted a model of science that uses abstract financial and economic analysis, statistical multiple regressions, and laboratory psychology. Bennis and O'Toole further argue that some of the research produced in the business school is excellent. However, the business school research has become less and less relevant to practitioners because a minimal of number grounded in actual business practices.

Jordan (2004:43) compares the business schools with law schools and schools of medicine by saying that today business schools will never appoint a person who is good in managing an assembly plant like the business school used in its initial stages. The business school will rather hire a highly qualified individual even if that person does not have any management experience. Business schools will also not appoint a professor who writes articles only for the practitioner's review. Instead, business schools have moved away from being an apprentice qualification to being more of an academic qualification.

In departments such as economics and physics, according to Jordan (2004:42), these faculties give attention and focus to their disciplines. Demonstration of practical use by

practitioners is not a requirement for these institutions to teach. They are at liberty to conduct research on whatever they choose to, and to produce subsequent generation of scholars. The primary objective of the university in this scientific model is to support the interest of the scholar. The business schools seem to be accepting and are comfortable with these arrangements that “universities help society advance by supporting scientists who push back the boundaries of knowledge”, while in the meantime leaving out the practical implications to others (Jordan, 2004:42).

Pfeffer and Fong (2007:134) conclude by stating that the law and medical schools operate differently, they interact with the outside world. It is expected of faculty members to be first-rate scholars at the law schools; in fact, articles often cited in trials are the articles published in law reviews. Similarly, medical schools carry on advanced biological research, but most of the teaching faculty members are also practicing doctors. The business schools prefer the scientific model of physicists rather than the professional model of doctors and lawyers. This model saves the business schools from having to deal with complex social and human factors and it also eliminates time to be spent in the field having to discover the actual problems facing managers.

2.6 TYPES OF MBA DEGREES

The basic MBA course has evolved into different structures over the years. Students can now choose from an accelerated MBA, part-time MBA programmes, a two-year MBA, and executive MBA programmes. Online MBA courses make use of Internet technologies to provide students with the opportunity to obtain the MBA degree off-campus.

Zhao *et al.* (2006:1) state that the graduate programmes in business education are in a dilemma as students are torn between selecting a general MBA and an MBA with specialisation. The same goes to the faculties who are torn between offering the general MBA or MBA with specialisation. Zhao *et al.* (2006:1) continue to state that it is clear that business schools today offer different types of MBA programmes, including variations of the traditional MBA programmes and MBA programmes with opportunities for specialisation.

According to Pola *et al.* (2007:307), the core business disciplines are the main focus of the traditional MBA programmes, without specialising in the functional areas. Students

are given an opportunity to choose electives based on a variety of interests, often at any time during their programme. Pola *et al.* (2007:307) continue to state that MBA programmes with specialisations have increased over the years due to the belief that businesses need people who have a more in-depth understanding of particular functions and the tasks that they require.

The general MBA is a compromise between the traditional and specialisation degrees. The general MBA provides students with knowledge in all the basic business areas and provides students with the opportunity to study certain functional areas in greater depth (Pola *et al.*, 2007:307).

The business community seems to be sending mixed signals (Bennis & O'Toole, 2005:97). For example, companies hire MBAs with narrow specialisation and then complain that business schools are not producing individuals who will be able to both lead and make practical decisions.

Hunt and Speck (1996:161) did a study to determine the employer preference between the MBA with specialisation and the general MBA. This study was conducted on the analysis of 758 employment advertisements, 27 MBA programmes being offered by universities, including 13 from top business schools in the United States. Pola *et al.* (2007:308) also had reviewed 27 MBA programmes in their research and sorted those programmes into five similar categories:

- General broad MBA;
- General MBA;
- MBA with specialisations; and
- MBA with numerous specialisations in niche areas.

The outcomes determined from both studies are discussed below.

2.6.1 The general MBA programme

The general MBA programme tends to focus on core subjects that are aimed at developing knowledge and skills in all key areas of business. Typically, managers who ascend the corporate ladder, move away from specialisation functions, to positions with

broader responsibilities. Thus, business educators design these general MBA programmes to develop general skills and knowledge in management, rather than expertise in specialised areas (Jenkins *et al.*, 1994:26). This type of MBA is accepted more by employers who desire general business organisation and communications skills over specific functional skills.

According to Elliott *et al.* (1999:56), United States' businesses would prefer to select from a pool of managers who are good communicators, broadly educated in business and are team workers, understand the importance of process, and minimise competition with fellow workers. The employers interpret the purpose of the MBA to produce managers who understand the entire business than a specific segment.

2.6.2 MBA with specialisations

Bisoux (2005:28) states that many business educators have decided that the core MBA curriculum is no longer enough to suit the needs of today's employers. Bisoux suggests that business schools are hoping that students who are exposed to experiential, integrated, special and specialised curricula will be favoured more by recruiting companies.

According to Simon (1999:27), some educators argue that too few details provided in the general MBA programmes may not make students ready for the business world by the time they are to look for employment. The classic general MBA attempts to produce managers who can understand every aspect of the business, but today states (Simon, 1999:28) that MBA graduates will also likely be required to manage specific tasks in a technologically complex environment. Mowrey (2003:2) states that companies want employees to learn specialised skills sets and they will contract with MBA programmes to deliver on site.

Hunt and Speck (1996:163) found that neither corporate employers nor MBA students preferred the general MBA degree. Of the five possible MBA programme types, those with specialisation were consistently selected above those without specialisation by employers and MBA students. However, these findings did not conflict with the need for general knowledge.

2.6.3 General MBA and specialisation options

Pola *et al.* (2007:312) indicate that there are concerns about focusing too much on MBA specialisations. Too much specialisation may cause a glance over the basics such as marketing and finance. This may cause recruiters who prefer the general MBA to be alienated.

A more narrow approach may cause a smaller pool of students to apply, which may cause a less diverse student body, and limited career choices for graduates (Gerdes, 2005:70). According to Gray (2006:73), some of the most respected business schools in the United States and Canada are getting rid of the specialisation trend. Gerdes adds that some schools are compromising by offering management specialisations that have broad applications such as leadership. Many educators are also thinking that specialisation is a fad that is contrary to the purpose of the general MBA. They argue that business schools need to provide students with well rounded capabilities because most companies still look for the criteria they did 30 years ago (Gerdes, 2005:71).

Pola *et al.* (2007:313) state that, ideally students with both a generalist background and specific knowledge should be prepared by business schools. Some business schools offer a combination of general MBA programmes and specialisations in order to cater for this dilemma. Jenkins *et al.* (1994: 22) reported that in order to complement their training as generalists, most schools have divided the MBA curriculum so that students could choose an area of specialisation.

According to Pola *et al.* (2007:314), the option to choose from the general MBA and the MBA with specialisation is provided by some universities. Students could, for example, obtain a general MBA in which they would complete the core courses required to graduate and then take additional electives or select a specialisation in a functional area. A choice of how the general or specific programme should be given to students. This may be seen as business schools to be taking a low risk strategy as they can cater to the needs of two segments of the market: (a) companies that seek general MBAs and (b) others who want MBA with specialisations.

2.6.4 MBA with numerous specialisations in niche areas

Another MBA programme structure is one in which business schools offer MBA degrees in numerous niche areas. According to Elliott *et al.* (1999:57), as business lean towards demand for the informed generalist, narrow specialisation may be more in demand.

According to Gerdes (2005:71), the University of Wisconsin-Madison's School of Business, like many other universities, had seen a drop in applications for full-time MBA programmes. Its full-time applications dropped 30% in 3 years, and the university authorities felt that the situation was likely to get worse. The authorities responded by adding numerous specialisations. The year 2005 saw the university replacing the general MBA with 13 distinct specialisations in everything from arts administration to applied corporate finance. Students were to choose a specialisation before they could take their first class, and then work with a team of students, each with a different specialisation, for the duration of the programme (Bisoux, 2005:30).

The specialisation seems to be working at the business schools like the University of Wisconsin-Madison and Boston University. Students' satisfaction is up, applications have stopped declining, and higher rankings ultimately may be realised (Gerdes, 2005:72). Gerdes continues to state that many educators believe that today's competitive environment requires even more specialised programmes that focus on a single sector, function or industry. The mid-tier schools are made to stand out by the creation of specialised MBA programmes like health care or project management. Other large universities offer similar programmes. Gray (2006:74) concludes by stating that business schools that are not elite schools or do not offer a unique curriculum might face the challenge of going out of business.

2.7 WHY STUDY THE MBA DEGREE?

In a slowly rebounding economy, many people are finding that bachelor's degrees alone are no guarantee of job security. As a result, employees and recent graduates alike have decided to get a leg up on their competition by registering for the MBA degree. Other reasons for enrolling for the MBA degree are:

- **Advancing one's career:** Dugan *et al.* (1999:19) state that an MBA can help a person ascend the corporate ladder in his or her current job and may increase his or her responsibilities and/or pay. A student might have to pay for the degree on his or her own with the hope of a promotion, but sometimes employers encourage more education and reimburse one's tuition fees.

Dugan *et al.* (1999:19) continue to indicate that one's job security with the current employer or within one's current industry can be increased by having an MBA degree. The MBA programmes can also provide good networking opportunities. Getting an MBA is an excellent way to career advancement.

Pfeffer and Fong (2007:122) adds to this view by saying that the private study conducted by Ronald Burt on the careers and career successes of employees of an investment bank, indicated that people with an MBA were on average a year older than those without the degree because it takes time to get an MBA degree.

With respect to remuneration, however, there is no direct correlation between compensation and more education. A study conducted by the GMAC (Graduate Management Admissions Council) of people who registered for the GMAT (Graduate Management Admissions Test) found that seven years down the line, individual graduates from the business schools had higher earnings than their non business school counterparts or those who dropped out of the MBA programme (Dugan *et al.*, 1999:19).

- **Changing careers:** Because MBA is considered to be a management degree, and is considered to develop students into managers, it can lead to a career change in one's career. An MBA can give one the autonomy to move across industries as a result of good management in the industry (Linde & Smith, 2002:24).

Pola *et al.* (2007:309) state that many programmes have specialisations or are specialised in their industry focus (example: Healthcare MBA). Getting a specific MBA can give one's career mobility within that area of specialisation.

Koudsi (2007:408) notes that most people do not go to business schools to increase their managerial capabilities, but instead go to business schools to get rich. Money

was the key criterion for 77% of graduating MBAs who do not plan to stay with one employer for more than five years. Koudsi (2007:408) states that upon graduating, MBAs do not go back as much as they move on; hence the business schools have been referred to as “*switching institutions*.” Gosling and Mintzberg (2003:55) add on to state that many people apply to MBA programmes not just to move up but to move out to find a better job somewhere else; in other words, to get away from the source of whatever limited experience they do have.

- **Starting own business:** A significant number of the students that pursue an MBA do it to eventually start their own businesses. The MBA can be of huge benefit to starting one's business even if an MBA is not a requirement to becoming an entrepreneur (Barnett & Billington, 2008:10).

Barnett and Billington (2008:10) continue to say the MBA covers a broad range of business topics by its very nature. People who own businesses might want to know a little of everything. What is learned in the MBA programme will undoubtedly be applicable in the running of one's business.

One Japanese executive, Ishida Hideo (2006:187), says that in practice the only thing they expect from the Japanese MBA graduates is that they are able to speak English because they often have their MBA graduates interpret for their foreign businessmen visiting their company. These employees do not return to Japan with significantly better business skills, they do not generally learn much in an MBA programme that they could not learn on the job. Hideo also commented that the degree teaches a lot about the workings of American MBA teachings, law, and culture. But so would a degree in theatre. An MBA is sort of like a designer suit, an attractive status symbol that also wears well.

- **Developing business expertise:** One's expertise and business knowledge can be increased by earning an MBA degree. An MBA is a degree that is very much versatile, and even if some people do not have a specific career objective in mind, they think that the MBA will come to their rescue, more so that applicants without business backgrounds are preferred and welcomed by most business schools (Ball, 2005:12).

According to Ball (2005:12), an MBA is recognised by most schools as an academic degree as well as a professional degree, and is also acceptable if one plans on studying for a PhD. The business savvy or business skills the graduate combined with any other field of study can be enhanced by an MBA degree.

In the study conducted by Hill (2007:15), MBA graduates cited that they use their MBA skills marginally or not at all in their first management assignments. Hill (2007:17) concluded that the MBA programme does little to prepare managers for their day-to-day realities, and mastery of an individual's business knowledge is not directly correlated to the mere possession of the MBA credentials. An MBA graduate hired from a leading business school made an investment bank horrified after he could not calculate the net present value of future stream of payments despite having taken a number of courses in finance in the MBA programme.

2.8 EMPLOYERS' PERSPECTIVES OF MBAs

Employers seem to have varying preferences. Some appear to like a specialised education, others prefer a well rounded education, and some employers seem to want both. According to Hunt and Speck (1996:166), when in actuality some employers have a strong desire for technical competence, some express support for a broader orientation in training for careers in business. Purcell (2005:28) states that the MBA maintains its leading position in executive qualification for a number of reasons, and that is why senior managers still choose to invest in the qualification. The MBA is valued as a guarantee of general business skills and knowledge by employers. Purcell (2005:30) reports on the attitude of Sir Martin Sorrell, head of Wire and Plastics Products (WPP), the global advertising giant, who said that, *"faced with two candidates of equal calibre, if one possesses an MBA, I would always employ the candidate with the MBA"*.

Pola *et al.* (2007:309) state that the problem for employers, businesses, and students is determining the best curriculum structure at any point in time that offers the greatest benefits. One of the big curriculum questions today is related to the issue of the traditional MBA and the specialised MBA.

2.9 FUTURE EXPECTATIONS OF MBA TRAINING

Core competence required for economic prosperity and possibly even economic development has been identified as management and managerial skills. The ability to use knowledge and to mobilise is a critical skill required in an increasingly knowledge based economy. The ability to manage large-scale private sector organisations is an imperative for the economic wellbeing of the country given that, industries and companies all over the world are privatising. Management skills are therefore important for the society and business and business education are increasingly becoming topics of conversation in the society.

Demands for business knowledge have created pressure on the demand for better managers and better leaders. These demands have created numerous alternative sources of supply. Alternative to business schools, a number of educational and research institutions has mushroomed in a bid to address these demands (Gaddis, 2000:38). One can, therefore, interpret short courses offered by consulting companies as alternatives to business schools, and the research conducted and published by various professional service firms as alternative business research.

Consulting companies and various training and education firms are offering executive education as an alternative and competition to the business schools. Business schools are facing competition which for most part is not necessarily playing by the same rules because they do not operate in the same environment with the same history as most business schools (Gaddis, 2000:41). It is imperative therefore to determine if the MBA training rises to the challenge of meeting these expectations.

2.10 SUMMARY

Evidence in this chapter indicates that business school training started on a rather positive note. Business schools were initially designed because the world of business was undergoing massive overhaul due to post war economic boom. This economic boom led to highly mechanised industries which in turn exerted pressure on organisations to hire employees who were literate in order to operate these machines. It was also imperative for organisations to employ managers who could mobilise and coordinate this

workforce that was an imperative for the mechanised workplace. It is against this background that business schools were designed.

This objective of business schools took a turn during the 1950s where business schools were under pressure to return to academic respectability. The proposed solution was “a sophisticated command of analytical and research tools derived from the fundamental disciplines” as well as sound training in the physical and social sciences and mathematics and statistics combined with the ability to apply these tools to business problems. The evidence in this chapter also indicates that the MBA programme can help the graduates among others with advancing their careers, help them change careers, can help one start their own businesses and can help graduates develop business expertise.

The following chapter discusses management, the evolution of management, differences between management and leadership, the role and work of managers, the changing nature of management, management activities, the environment within which managers operate, skills required for one to manage, the importance of management skills, and required skills for management competence.

CHAPTER 3

THE DEVELOPMENT OF MANAGEMENT

3.1 INTRODUCTION

Management has often been described as “*getting things done through people*” (Zaleznik, 2004:74). This makes the important point that it is a purposeful activity. It could be extended to include the concept that management is concerned with defining ends as well as achieving them.

Armstrong and Stephens (2005:2) indicate that the basic definition should therefore be extended to read that management is about deciding what to do and then getting it done through people. The definition emphasises that people are the most important resource available to managers. It is through this resource that other resources are managed. However, managers are ultimately accountable for the management of all other resources, including their own. Armstrong and Stephens (2005:3) conclude that the definition of management should therefore be amended to say that management is about deciding what to do and then getting it done through the effective use of resources.

Business practice and business ideas were totally different 125 years ago. They were so different that management ideas that are acceptable today would have been seen as “*self-evident*” as cell phones, internet, and space travel (Williams, 2009:42). In fact, 125 years ago, there were no management jobs and no management careers. Therefore, management was not a field of study then. Today, however, the discipline of management is such an integral part of the business world that it is difficult to imagine organisations without it.

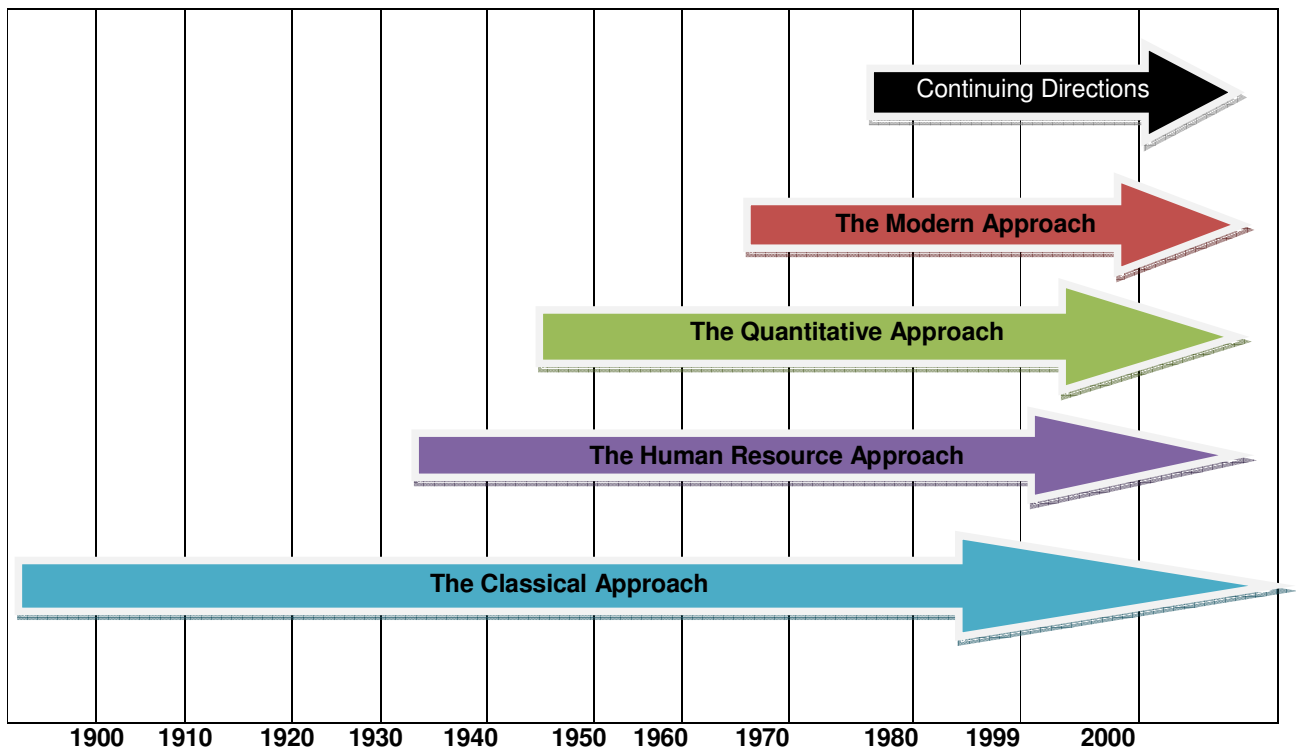
.

3.2 EVOLUTION OF MANAGEMENT

Daniel Wren traces the evolution of management thought as far back as 5000 B.C., where written records were used by ancient Sumerians to assist in governmental and commercial activities. Some examples of managerial success are the Egyptian pyramids, the Roman Empire, and the commercial success of Venice in the 14th century (Robbins &

DeCenzo, 2005:31). A great leap forward in the manufacturing of staple and customer goods was prompted by the great social changes of the Industrial Revolution in the 1700s. The ideas of the economist Adam Smith to mass produce through specialised tasks, and the division of labour, accelerated these industrial changes (Schemerhorn, 1999:70). Henry Ford and others were making mass production a mainstay of the modern economy during the 20th century. This gave impetus to the science and practices of management on a rapid and continuing path of development as illustrated in figure 3.1.

Figure 3.1: History of management thought



Source: Adapted from Hellriegel *et al.* (2002:44)

Hunsaker (2004:24) adds that it is imperative that the history of management be understood as we move into the 21st century management which is characterised by new conditions and challenges. The following framework describes the historical context of management thinking:

- The *classical approach* that put its focus on the development of principles that are universal and its use in various situations of management.

- The *human resource approach* that focuses on the needs of employees, the work group, and the role of social factors in the workplace.
- The *quantitative or management science approach* that focuses on solving management problems by the use of mathematical techniques.
- The *modern approach* to management that focuses on the systems view of organisations and contingency thinking in a dynamic and complex environment.
- *Continuing directions* that include emphasis on quality and performance excellence, global awareness, and leadership roles for a new management approach.

3.2.1 Classical approaches to management (1890 – 1935)

The three branches of the classical approach to management are:

- (1) scientific management;
- (2) administrative principles; and
- (3) bureaucratic organisation.

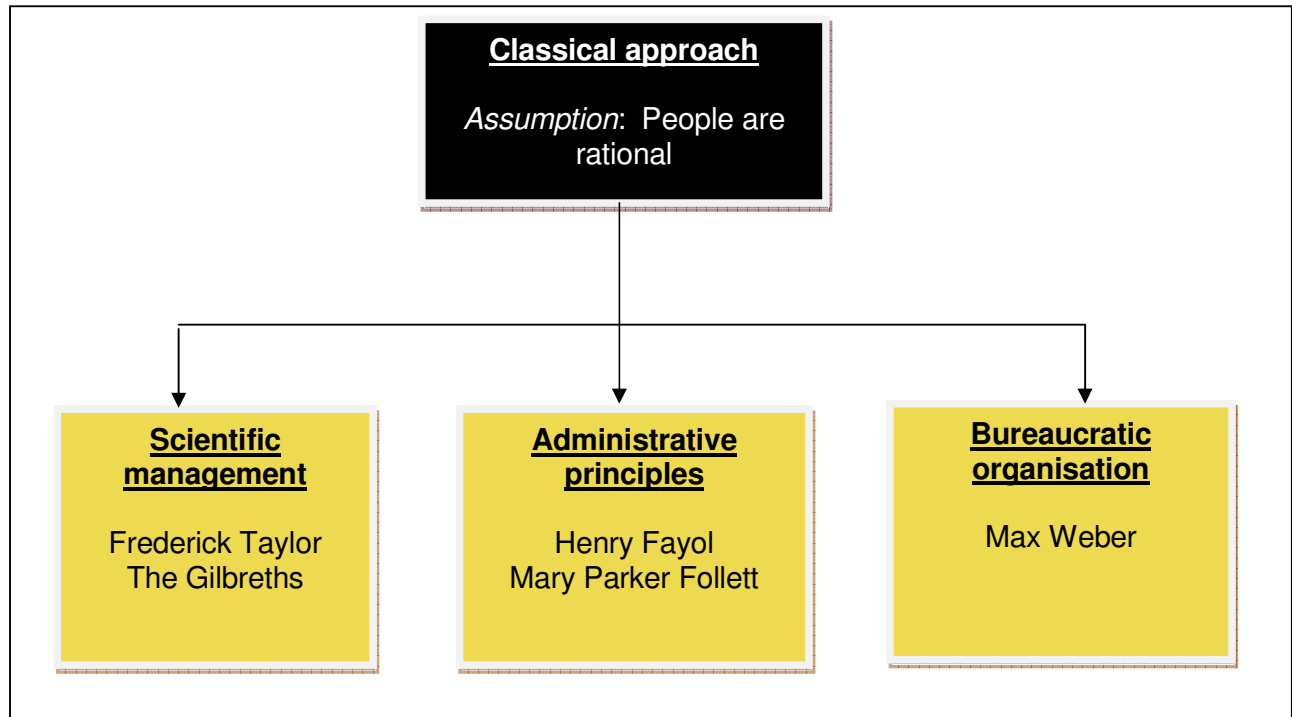
Schemerhorn (1999:73) indicates that each of these branches is associated with a prominent person in the history of management thought and a common assumption about people at work. The classical approach generally assumed that people at work act in a rational manner that is primarily driven by economic concerns. Workers are expected to be rational in considering opportunities made available to them, and do whatever is necessary to achieve the greatest personal and modern gain as shown in figure 3.2.

3.2.1.1 Scientific management

The *Principles of Scientific Management* that was published by Frederick W. Taylor In 1967 had the following statement: “*The principal object of management should be to secure maximum prosperity for the employer, coupled with the maximum prosperity for the employee.*” It was noticed by Taylor, who was often called “the father of scientific management” that many workers did their jobs in their own way and without clear and uniform specifications. He believed that this was the cause for workers to lose efficiency and to underperform to their true potential. He also believed that this problem could be ameliorated by teaching workers how to go about doing their jobs and be helped and

guided by supervision to always perform their jobs in the right way (Schemerhorn, 1999:74).

Figure 3.2: Major branches in the classical approach to management



Source: Adapted from Schemerhorn (1999:73)

According to Hough and White (2001:517), the concept of “*time study*” was used by Taylor to analyse the motions and tasks that were required in any job and subsequently developed the most efficient ways to perform them. He then linked the employee’s training to his job requirements and a systematic management approach in which supervisors offered proper direction, support, and monetary incentives.

The following are Taylor’s four principles of **scientific management** (Hough & White, 2001:519):

- (1) Develop for every job a “science” that includes rules of motion, standardised work implements, and proper working conditions.
- (2) Carefully select workers with the right abilities for the job.
- (3) Carefully train workers to do the job and give them the proper incentives to cooperate with the job “science”.

- (4) Support workers by carefully planning their work and by smoothing the way as they go about their jobs.

An attempt was made by Taylor to use the scientific techniques in the improvement of work productivity. Taylor's scientific management principles are still evident in many management settings of today. A number of these are summarised in Table 3.1. These principles are also illustrated in the management strategy of Dan Bishop as the CEO of the franchise home-cleaning service Maids International. When faced with the problem of high labour turnover, systematic studies were conducted to show how employees worked. Tasks were defined to eliminate unnecessary and/or inconvenient movements, maids were allowed to rotate jobs while working in four person teams, and "downtime" was provided for relaxation. Bishop said, "*Fatigue and boredom are what burn people out. We tried to eliminate them.*" (Hough & White, 2001:590)

Motion study is mentioned as the science of reducing a job or task to its basic physical motions in the first principle of Taylor. Motion studies were engineered as a management tool by the researchers Frank and Lillian Gilbert who are contemporaries of Taylor (Schemerhorn, 1999:74). In one of the studies conducted by Frank and Gilbert, productivity of bricklayers was tripled by the reduction of the number of motions used by bricklayers. Foundations for later advances in the areas of job simplification, work standards, and incentive wage plans were laid that are still used in the modern workplace (Schemerhorn, 1999:74).

Table 3.1: The manager's guide to performance excellence (1)

Manager's guide to performance excellence
Practical Lessons from Scientific Management
• Make results-based compensation a performance incentive.
• Carefully design jobs with efficient work methods.
• Carefully select workers with the abilities to do these jobs.
• Train workers to perform jobs to the best of their abilities.
• Train supervisors to support workers so they can perform jobs to the best of their abilities.

Source: Adapted from McKinley *et al.* (1999:640)

According to McKinley *et al.* (1999:641), the United Parcel Services (UPS) (USA) bears testimony to the ideas of Taylor and Gilbert, where carefully calibrated productivity standards are used to guide workers. Strict task requirements are expected to be adhered to at regional sorting centres, where vans are expected to be loaded at a set number of packages per hour by sorters. Supervisors generally know within a few minutes how long a driver's pickups and deliveries will take; this is made possible by delivery stops on van routes that are regularly studied and carefully timed. Precise routines for drivers are developed by industrial engineers. Rather than spending a few seconds looking for the door bell, drivers are trained to knock on the door instead. Delivery efficiencies are further enhanced by handled computers. Factors that add up to significant increases in productivity at UPS are savings of seconds on individual stops.

3.2.1.2 Administrative principles

Reid (1995:29) states that a second classical approach to management is based on attempts to document and understand the experiences of successful managers. Two prominent writers in this school of thought are Henri Fayol and Mary Parker Follett (1949).

3.2.1.2.1 Henri Fayol

Wren (2001:479) indicates that the early work of Henri Fayol, a career executive, scholar, and writer, represents the administrative principles school of thought. Fayol published a book called *Administration Industrielle et Generale* after a career in French industry in 1916. The book outlines his views on how organisations should be managed. The following five rules or duties of management were identified in this book:

- Foresight: to complete a plan of action for the future.
- Organisation: to provide and mobilise resources to implement the plan.
- Command: to lead, select, and evaluate workers to get the best work toward the plan.
- Coordination: to fit diverse efforts together and ensure that information is shared and problems solved.
- Control: to make sure things happen according to plan and to take necessary corrective action.

Most importantly, Fayol believed that management could be taught. A number of principles to guide managerial actions were set forth by Fayol in an attempt to improving the quality of management. Management vocabulary is still influenced by a number of his originals. These include Fayol's *scalar chain principle*, which says that management must keep a clear and unbroken line of communication throughout the organisation; the *unity of command principle*, which says that each employee should receive instructions or report to one manager or boss; and, the *unity of direction principle*, which says that one person should be in charge of all activities that have the same performance objective (Wren, 2001:479).

3.2.1.2.2 Mary Parker Follett

Graham (1995:322) notes that Mary Parker Follett contributed to the administrative principles school. Her contributions were acknowledged when she was eulogised at her death in 1933 as one of the most important women in America who has contributed immensely in the field of civics and sociology. Follett displayed an understanding of group and a deep commitment to human cooperation in her writings about business; some of her ideas are highly relevant today. Follett regarded groups as a number of diverse individuals who could combine their talents for a greater good. Organisations were viewed by Follett as communities in which managers and workers should labour in harmony, without one party dominating the other and with the freedom to talk over and truly reconcile conflicts and differences. She believed it was incumbent upon managers to ensure that there is a harmonious relationship upon one another and to ensure that an integration of interests is achieved.

Modern applications of Mary Parker Follett's management insight are illustrated by a review of her classical work "*Dynamic Administration: the Collected Papers of Mary Parker Follett*" (Follett, 1995:122). Follett believed that collective responsibility could be created by making every employee an owner in the business. Currently, the same issues are addressed under labels such as "employee ownership", "profit sharing", and "gain-sharing plans". Follett believed that business problems involve a wide variety of factors that must be considered in relationship to one another. The same phenomenon is described by organisations as "*systems*". Follett believed that profits in businesses should be considered vis-à-vis the public good as she regarded

businesses as services. Labels such as “*managerial ethics*” and “*corporate social responsibility*” are used to refer to this phenomenon (Graham, 1995:324)

3.2.1.3 Bureaucratic organisation

Max Weber was a late nineteenth century German intellectual whose ideas have had a major impact on the field of management and the sociology of organisations (Parayitam *et al.*, 2002:1007). Performance deficiencies in the organisation in which Max Weber was involved in were the genesis of his ideas. Among other things, Weber believed that people were in a position of authority because of their social standing or privileged status in German society, not because of their job related capabilities. Because of these and other reasons he believed that organisations largely failed to reach their performance potential.

Fuller and Mansour (2003:428) state that **bureaucracy** was at the heart of Weber’s thinking as a specific form of organisation he believed could correct the problems just described. This form of an organisation was founded on the principles of rationality, idealistic organisation, and efficiency backed by principles of logic, order, and legitimate authority.

Weber’s bureaucratic organisations are characterised by:

- *Clear division of labour*: Jobs are well defined, and workers become highly skilled at performing them.
- *Clear hierarchy of authority*: Authority and responsibility are well defined for each position, and each position reports to a higher level one.
- *Formal rules and procedures*: Written guidelines for direct behaviour and decisions in jobs, and written files are kept for historical record.
- *Impersonality*: Rules and procedures are impartially and uniformly applied with no one receiving preferential treatment.
- *Careers based on merit*: Workers are selected and promoted on ability and performance, and managers are career employees of the organisation.

Weber believed that bureaucracies would help organisations perform well and better. He believed that these organisations would have fairness or equity in the treatment of

employees and would be efficient by utilizing resources and as a result would be advantageous.

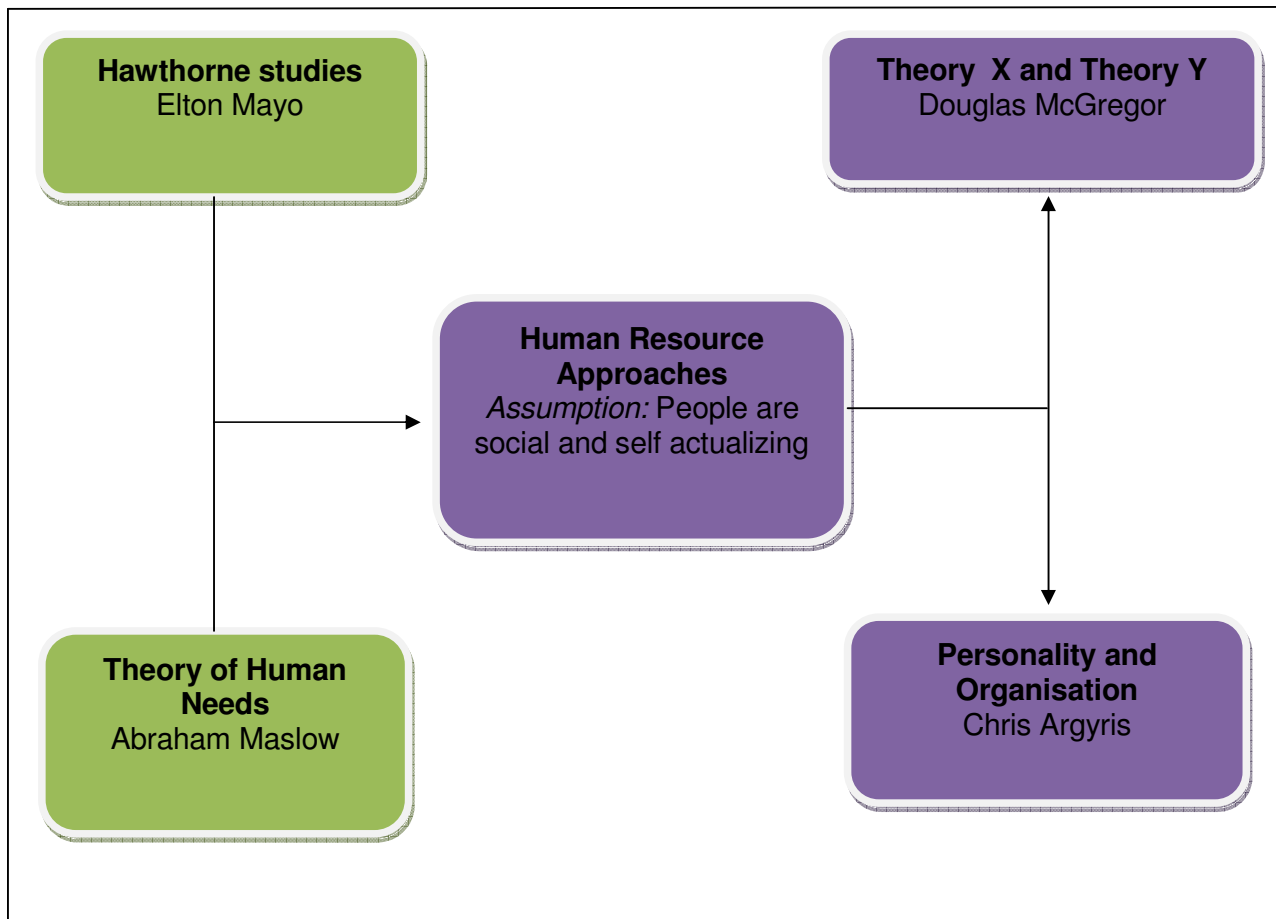
Weber's idea of bureaucracy was based on good intentions and on organisational productivity. However, the term bureaucracy and bureaucrat, however, are now attached to negative connotations. Some of the connotations that bureaucracy are associated with are: excessive paperwork or red tape, slowness in handling problems, rigidity in the face of shifting customer or client needs, resistance to change, and employee apathy. Organisations that need to be flexible and quick in adapting to change circumstances would have a problem with the negative connotations of bureaucracy attached to the term itself (Fuller & Mansour, 2003:428).

3.2.2 Human resource approaches to management (1935 – 1945)

Management thinking was influenced by emphasis on the human side of the workplace during the latter part of the 1930s. Figure 3.3 shows the major branches that emerged in this behavioural or human resource approach to management (Smith, 1998:226).

Figure 3.3 follows on next page

Figure 3.3: Foundations in the human resource approach to management



Source: Adapted from Schemerhorn (1999:76)

Smith (1998:226) continues to state that the Hawthorne studies and the Maslow theory of human needs, as well as general theories from these foundations by Douglas McGregor, Chris Argyris (1957) and others were founded in the human resource approach to management. The human resource approach maintains that people are social and self actualising. The human resource approach assumes that people seek to respond to group pressure, seek satisfying social relationships, and search for personal fulfilment.

3.2.2.1 The Hawthorne studies

A research programme was commissioned by the Western Electric Company (predecessor to today's Lucent Technologies, USA) to study individual productivity at the Hawthorne works of the firm's Chicago plant in 1924. The initial Hawthorne studies had

aimed to determine how economic incentives and the physical conditions of the workplace affected the output of workers using the scientific management perspectives to the study. It seemed reasonable to expect that better lighting would improve employee performance, so the initial focus of the study was on the level of illumination in the manufacturing facilities. The researchers concluded that there was interference to their illumination experiment by some unforeseen psychological factors after failing to find the relationship between lighting and employee performance. This finding directed attention toward human interactions in the workplace, and it ultimately influenced the field of management (Wren, 2001:482).

Wren (2001:482) indicated that, in 1924, more research was conducted by a team led by Harvard's Elton Mayo to examine the effect of worker fatigue on productivity. A scientific test was carefully designed to make it free of the psychological effects that were thought to have confounded the earlier illumination studies. Six workers who assembled relays were isolated for intensive study in a special test room. They were given various rest pauses, and workdays and workweeks of various lengths, and production was regularly measured. Researchers could not find any correlation between changes in physical working conditions and output once again. Instead, productivity increased despite changes made.

Smith (1998:232) states that Mayo and his colleagues made conclusions that the increased productivity in the test room was as a result of the new "*social setting*" that was created for workers in the test room. Group atmosphere and participative supervision were singled out as the two factors that had special importance to the study in that: (1) because of the group atmosphere, workers shared pleasant social relations with one another and wanted to do a good job. As far as (2) participative supervision is concerned, test room workers were made to feel important, were given a lot of information, and were frequently asked for their opinions. In the control group (elsewhere in the plant) workers did not get this social treatment.

Mayo's studies continued to examine these factors until the worsening economic conditions of the Depression forced their termination in 1932. Until then, interest focused on attitudes of employees, interpersonal relations, and group relations. A study of over 21,000 employees was conducted to determine what they liked and disliked about their work environment. The results of the study let to researchers concluding that the same

things (e.g. work conditions or wages) could be the sources of satisfaction for some workers and of dissatisfaction to others after the results of the study came out as “complex” and “baffling”. The bank wiring room was the place where the final Hawthorne studies was conducted, focusing on the role of the work group. It was surprisingly discovered in this study that workers would restrict their output with the intention of avoiding the displeasure of the group; this they would do even if they were to sacrifice pay they otherwise would have earned by increasing their production. It was therefore concluded that, groups may have either positive or negative influences on the productivity of an individual employee (Wren, 2001:484).

Parayitam *et al.* (2002:1007) found that poor research design, weak empirical support for the conclusions drawn, and the tendency of researchers to overemphasise their findings are the reasons why the Hawthorne studies are being criticised. The Hawthorne studies, however, are acknowledged as the turning point in the evolution of management thought. The attention of managers and management researchers from the technical and structural concerns of the classical approaches to the social and human concerns as key to productivity was shifted by the Hawthorne studies. The studies highlighted the importance of the work group; they also showed that the feelings of people, their attitudes, and relationship with co-workers should be of importance to management. The tendency of people who are singled out for special attention to perform as anticipated merely by cause of expectations created by the situation, was also identified as the Hawthorne effect (Parayitam *et al.*, 2002:1007).

According to Kirkman and Rosen (2000:46), the emergence of the human relations movement as an important influence on management thought during the 1950s and 1960s was as a result of the contribution of the Hawthorne studies. The point of premise in this movement was that managers who used good human relations in the workplace would get the best out of their subordinates. The human relations movement further set the stage for the study of individuals and groups in organisations, known as the field of organisational behaviour.

3.2.2.2 Marslow's theory of human needs

Among the insights of the human movement, Abraham Maslow's work in the area of human “needs” is a key foundation. A need is a psychological or physiological deficiency

that creates the compulsion to be satisfied. This is a significant concept for managers because needs create tensions that can influence a person's work attitudes and behaviours. (Kirkman & Rosen, 2000:65).

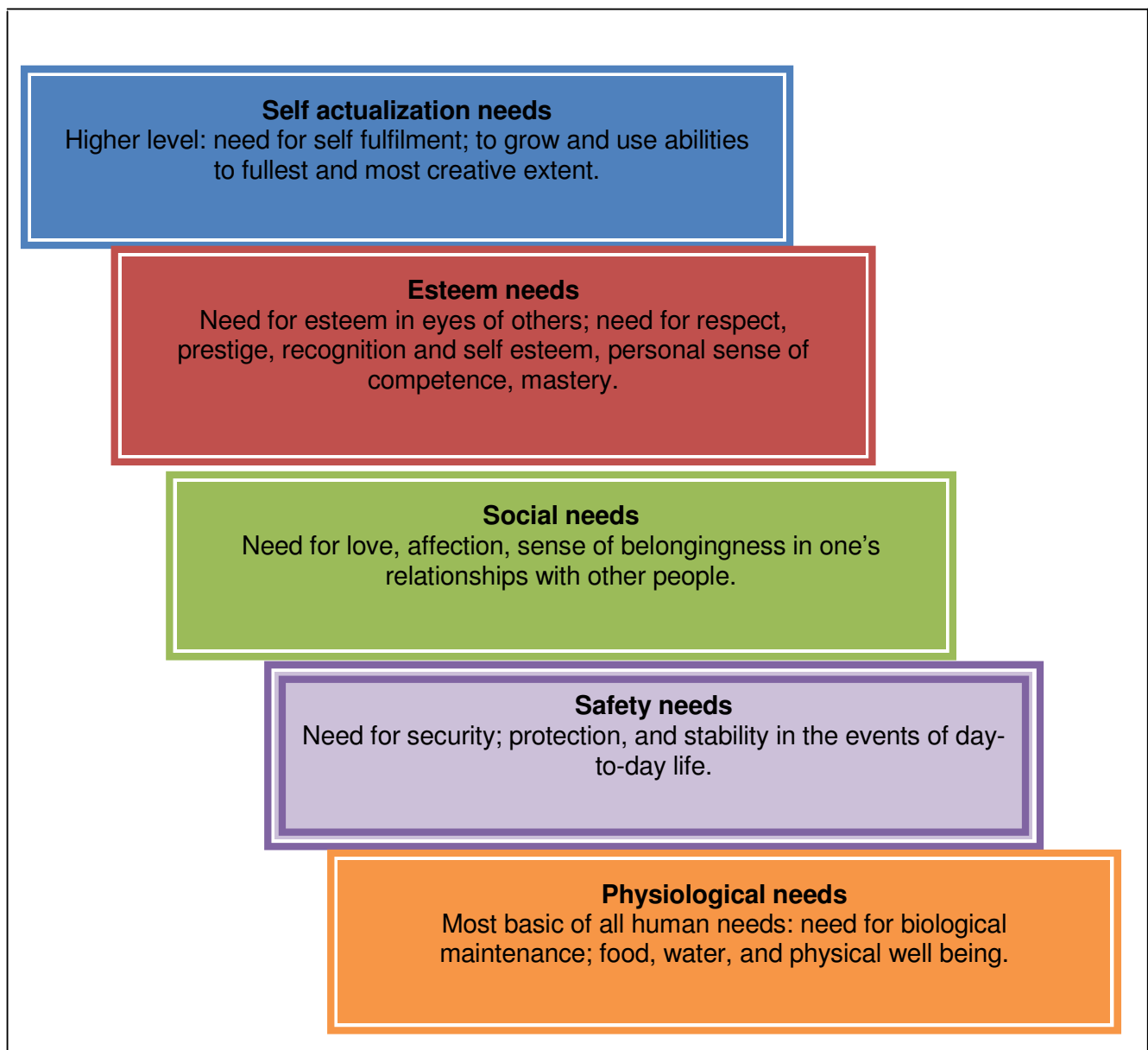
Maslow identified the five levels of human needs, shown in Figure 3.4: physiological, safety, social, esteem, and self actualisation. His theory is based on two underlying principles:

- The **first** is the deficit principle, which says that a satisfied need is not a motivator of behaviour. People act to satisfy "*deprived*" needs, those for which a satisfaction "deficit" exists.
- The **second** is the progression principle, which states that the five needs exist in a hierarchy of "*prepotency*." A need at any level only becomes activated once the next lower level need has been satisfied.

According to Maslow, people try to satisfy the five needs in sequence. They progress from the lowest level of the hierarchy to the highest level in a step by step manner. In the process, the individual's attention is dominated by a deprived need, and a certain behaviour is determined until that need is satisfied. Once the deprived need is met, the next higher need kicks in and would want to be met before proceeding to the next higher need in the hierarchy. At the level of self actualisation, the principle of progression and deficit stops to operate. The more this need is satisfied, the stronger it grows (Kirkman & Rosen, 2000:50).

Schemerhorn (1999:78) states that Maslow's theory subscribes to the human relations thinking and it implies that higher productivity in the workplace will be achieved by those managers who can help their employees meet their needs at work, although scholars now recognise that things are more complicated than this. Maslow's ideas are still relevant to everyday management. Consider, for example, the case of dealing with volunteer workers who do not receive any monetary compensation. Susan Forand, the director of training and volunteer services at the Easter Seal Rehabilitation Center in Hartford, USA has said, "Volunteers have to feel they are fulfilling a need." Should directors in this organisation not create jobs that meet these needs, then people will volunteer their services elsewhere, she warned (Schemerhorn, 1999:78).

Figure 3.4: Maslow's hierarchy of human needs



Source: Adapted from Schemerhorn (1999:78)

3.2.2.3 McGregor's Theory X and Theory Y

The Hawthorne studies and Maslow had a great influence on Douglas McGregor. The thesis that managers should give more attention to the social and self-actualising needs of people at work, are encapsulated in his book called *The Human Side of Enterprise*. McGregor made a call on managers to shift their view of human nature away from a set of assumptions he called "Theory X and towards one he called "Theory Y."

According to McGregor (1960:42), Theory **X** is held by managers who hold the assumption that those who work for them generally dislike work, lack ambition, are irresponsible, are resistant to change, and prefer to be led rather than to lead. This type of thinking, according to McGregor, is inappropriate. He advocates for the values of Theory **Y** where the assumption is that managers believe that those working for them are willing to work, are capable of self control, are willing to accept responsibility, are imaginative, and are capable of self-direction.

Thompson (2000:77) notes that **self-fulfilling prophecies** are important factors that can be created by managers who hold either set of assumptions, meaning that managers can create situations where subordinates act in ways that confirm their original expectations through their behaviour. Carson *et al.* (2000:37) state that employees are given little personal say over their work by being given directive command and control by managers who hold Theory X assumptions. This type of management style often create employees who are passive, dependent, and reluctant subordinates who tend to do only what they are told to or required to do. This then creates self-fulfilling prophecies of Theory X (Carson *et al.*, 2000:37).

Priem and Rosenstein (2000:510) indicate that managers with a theory Y perspective, believe in self-fulfilling prophecies that allow subordinates more job involvement, freedom, and responsibility in contrast to Theory X. This causes workers to perform as expected with initiative and high performance because opportunities to satisfy self esteem and self actualisation have been created leading to a positive self-fulfilling prophesy.

Theory Y thinking is central to the notions of employee participation, involvement, empowerment, and self-management, and is very much consistent with developments in the new workplace and its emphasis on valuing workforce diversity (Priem & Rosenstein, 2000:511).

3.2.2.4 Argyris' theory of personality and organisation

According to Mickelwait and Wooldridge (2003:32), ideas set forth by the well-regarded scholar and consultant Chris Argyris also reflect a belief in the higher order of human nature advanced by Maslow and McGregor. In his book *Personality and Organisation*, the needs and capabilities of mature adults are contrasted with the management practices found in traditional and hierarchical organisations by Aegyri. He concludes that practices influenced by the classical management approaches are consistent with the mature adult personality.

Consider these examples. The principle of specialisation in scientific management, assumes that, as tasks become better defined, people will work more efficiently. Argyris believed that this may inhibit self-actualisation in the workplace (Shirali, 2000:57). Carson *et al.* (2000:42) note that people work in clear structure of authority with lower levels being directed and controlled by top level managers in Weber's bureaucracy. Argyris' concern is that this creates employees who are dependent, passive workers who feel they have little control over their work environments. In Fayol's administrative principles, the concept of unity of direction assumes that when a person's work is planned and directed by a supervisor, efficiency will increase. Argyris suggests that psychological success occurs when people define their own goals, and therefore Fayol's administrative principles may create conditions for psychological failure (Jones, 2006:753).

Mickelwait and Wooldridge (2003:33) conclude on this matter by saying that Argyris' thinking emanates from the belief that productivity could be achieved when managers treat people positively and as responsible adults like McGregor. He advised managers to promote better human relations, adjust supervisory styles to allow more participation, enlarge and enrich the jobs of the subordinates. He believed that outdated management practices and job mismatch may result in employee absenteeism, turnover, apathy, alienation, and the like.

3.2.3 Qualitative approaches to management (1945 – 1965)

Fuller and Mansour (2003:427) found out that at about the same time that some scholars were investigating the possibility of using quantitative techniques to improve managerial

decision-making, others were developing human resource approaches to management. The assumption that mathematical techniques could be used to improve managerial decision-making and problem solving, resulted in the birth of the foundation of the quantitative approaches to management.

3.2.3.1 Management science foundation

The term management science or operations research, are often used interchangeably to describe the scientific applications of mathematical techniques to management problems. A typical approach followed by the management science will start with the identification of a problem, then the problem will be systematically analysed, appropriate mathematical models and computations will then be applied; lastly an optimum solution will be identified (Williams, 2009a:49).

Armstrong and Stephens (2005:65) add by stating that a number of management science applications are commonly used. Future projections that are useful in the planning process are forecasted through the help of *mathematical forecasting*. The control of how much inventory to order and when, is done through the *inventory modelling* which are mathematically inclined. The calculation of how best to allocate scarce resources among competing uses is conducted by *linear programming models*. The allocation of workstations and service personnel to minimise customer waiting time and service costs is done through the *Queuing theory*. Large tasks are broken down into smaller components to allow for better analysis, control of complex projects and planning, through the use of *Network models*. And *simulations* are used to test models of solutions to different problems under various assumptions.

The essence of the quantitative management approach includes these characteristics, regardless of the specific technique used. There is a focus on decision-making that has clear implications for management action. The economic decision criteria, such as costs, revenue, and return on investment are the primary basis for these techniques. They also involve mathematical models that follow sophisticated rules and formulas (Judge *et al.*, 2002:771)

3.2.3.2 Latest quantitative analysis

Schermerhorn (1999:81) states that University courses in management science, operations research, and quantitative business analysis provide a good introduction to these quantitative management foundations. Courses in operations management apply them to the physical production of goods and services. Since many of the techniques are highly sophisticated, organisations often employ staff specialists to help managers take advantage of these scientific measures. According to Porter (2001:64), software developments are making these techniques more readily available through easy to use applications for desktop and even handheld personal computers. This availability greatly expands use throughout the workplace and makes it even more important for managers to understand the value of each technique. In all cases, mathematical solutions to problems must be supported by good managerial judgment and an appreciation of the human factor.

3.2.4 Modern approaches to management

According to Bloisi *et al.* (2003:83), the classical, human resource, and quantitative schools are respected by modern approaches to management. But, they also appreciate that no model or theory is mutually exclusive and applied universally in all situations. Although remaining sensitive to the insights of history, researchers are now working to extend them in the most appropriate directions for the demands of our dynamic environment.

The modern management approaches state that people are complex and variable. Their needs vary and can change over time. The talents and capabilities that they possess can be harnessed and developed. It is therefore incumbent upon organisations and managers to respond to individual differences with job opportunities and managerial strategies. The systems view of organisations and contingency thinking are key foundations of the modern management approaches (Robbins & DeCenzo, 2005:32).

3.2.4.1 Systems thinking

Hellriegel *et al.* (2002:58) indicate that organisations can be viewed as open systems that interact with their environments in the continual process of transforming resource inputs

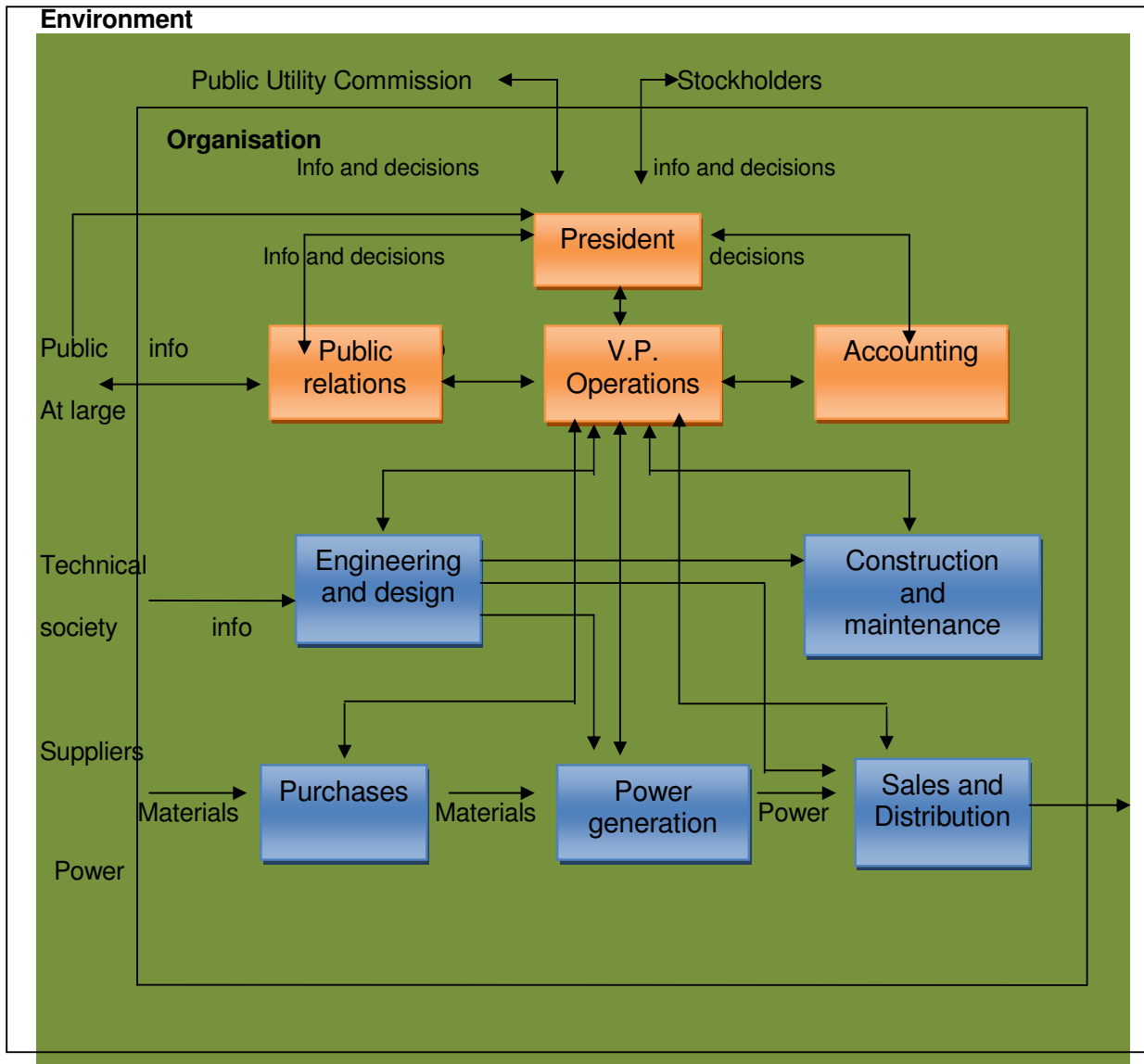
into product outputs (finished goods and/or services). The open systems view of organisations regard the external environment as the critical element. The external environment can have a significant impact on operations and outcomes in that it is a source of customer feedback and a source of resources.

Hellriegel *et al.* (2002:58) continue and state that organisations are informed by the environment as to how well it is meeting the needs of customers and of society at large. It is difficult to operate or stay in business over the long run if customers are not willing to use the organisation's product. The open systems view of organisations, therefore, helps to keep the spotlight on the all important customer. Formally defined, a *system* is a collection of interrelated parts that function together to achieve a common purpose. A *subsystem* is a smaller component of a larger system.

In Figure 3.5 the case of a regional electric utility system illustrates the complexity of organisations as interlocking networks of subsystems (Adler, 1999:40). The figure shows how the utility's different subsystems must work together so the firm can produce and sell electric power to its customers. It is the job of the president, vice president for operations, and the respective subsystems manager to make this coordinated action possible. They must ensure not only that the necessary subsystem tasks are accomplished (such as purchasing, power generation, distribution, and accounting) but that these get done in an integrated fashion. The ultimate goal is for all subsystems to perform in ways that facilitate high productivity for the entire enterprise (Adler, 1999:40).

The figure also illustrates the president, public relations department, engineering and design group, purchasing unit, and sales and distribution section acting as *boundary spanners*. That is, their jobs include working with outsiders and staying informed about external environmental developments. In today's complex and demanding environment, the need to gather and successfully process information from sources external to the organisation is increasingly critical. The open-system view of organisations helps to keep this responsibility well defined (Adler, 1999:41).

Figure 3.5: Organisations as complex systems: the case of regional utility



Source: Adapted from Randolph *et al.* (1974:219)

3.2.4.2 Contingency thinking

Bateman and Snell (1999:44) say that contingency thinking tries to match managerial responses with problems and opportunities unique to different situations, particularly those posed by individual and environmental differences. There is no longer an attempt to find the “one best way” to manage in all circumstances in the modern management approach. Instead, the contingency perspective tries to help managers understand situational differences and respond to them in appropriate ways.

Consider the concept of bureaucracy, something Weber offered as an ideal form of organisation. Strict bureaucratic form is only one possible way of organizing things in the contingency approach to management. What turns out to be the best structure in any given situation will depend on many factors, including the strategy pursued, environmental uncertainty, and the primary technology of the organisation. Bureaucracy works best when the environment is relatively stable and operations are predictable: in other situations, alternative structures may be needed. Contingency thinking also appreciate that a good structure for one organisation does not necessarily mean that that structure may be good for other organisations, and what works well at one time does not mean it will work well in the future as circumstances change (Adler,1999:40).

3.2.5 Continuing management themes

Williams (2009b:52) indicates that among the most important is the recognition that the environment we live in is forever changing and this environment exerts a lot of pressure in the workplace and puts organisations under immense competition and in a unique ever changing and dynamic environment. Major important factors that need to be taken into consideration, in the 21st century include continuing pressure for performance excellence and quality, globalisation, leadership, knowledge workers, and the new management.

3.2.5.1 Quality and performance excellence

The quality theme remains a very important direction in management lately. Quality is usually defined as the ability to meet all the customer needs all the time. As a result, managers that operate in progressive organisations will be conscious of the quality their organisations have to provide. These managers understand that the competitive edge of their organisations rely on their ability to deliver quality goods and services to their customers (Armstrong & Stephens, 2005:65).

Williams (2009a:54) agrees with Armstrong and Stephens that total quality management is a comprehensive approach to continuous quality improvement for a total organisation. Every effort is made in total quality management to build quality into all aspects of the production process from initial acquisition of resources, through the work systems and processes, and all the way to ultimate delivery of the good service to customers.

Importantly, the approach calls for everyone to commit to continuous improvement in all aspects of their work. Not only is total quality management focused on customer needs and interests, it emphasises the importance of employee involvement in all aspects of quality improvement and delivery.

Hellriegel *et al.* (2002:58) state that closely aligned with the pursuit of quality is the commitment of management to performance excellence, a theme that was made popular by the book *In Search of Excellence: Lessons from America's Best-Run Companies* that was published by Tom Peters and Robert Waterman. Based on case investigations of successful companies, they identified the eight attributes of performance excellence as shown in Table 3.2. These attributes are representatives of many themes and directions common in organisations today.

Table 3.2: Manager's guide to performance excellence (2)

Manager's guide to performance excellence (2)	
Eight Attribute Of Performance Excellence	
1.	<i>Bias toward action:</i> making decisions and making sure that things get done.
2.	<i>Closeness to the customers:</i> knowing their needs and valuing customer satisfaction.
3.	<i>Autonomy and entrepreneurship:</i> supporting innovation, change, and risk taking.
4.	<i>Productivity through people:</i> valuing human resources as keys to quality and performance.
5.	<i>Hands-on and value driven:</i> having a clear sense of organisational purpose.
6.	<i>Sticking to the knitting:</i> focusing resources and attention on what the organisation does best.
7.	<i>Simple form and lean staff:</i> minimising management levels and staff personnel.
8.	<i>Simultaneous loose-tight properties:</i> allowing flexibility while staying in control.

Source: Adapted from McKinley *et al.* (1999:663)

3.2.5.2 Global awareness

O'Reilly (2000:17) notes that businesses are just emerging from a decade in which the quality and performance excellence themes have been reflected in the rise of process reengineering, virtual organisations, agile factories, network firms, and other new concepts. But while the best formulas for success continue to be tested and debated, an important fact remains: the highly competitive global economy, exert pressure for quality and performance excellence. Nowhere is this challenge more evident than in the continuing efforts of business throughout the world to transform themselves into truly world class operations.

Evans and Wurster (2000:67) on the other hand state that the lessons of performance excellence, current trends and directions in global awareness have ties back to the 1980s. That was a time when the world paid its attention to the success of the Japanese industry, this prompted both scholars and consultants to rush and identify what could be learned from the Japanese management practices. *Theory Z* by William Ouchi, and *The Art of Japanese Management* by Richard Tanner Pascale and Anthony G. Athos, was among the first books calling attention to the possible link between unique Japanese practices and business success (Krajewski & Ritzman, 2000:46).

The term **Theory Z** is still used to describe a management framework that incorporates into North American practices a variety of insights found in the Japanese models. Theory Z espouses the following ideologies: employee involvement, use of consensus decision making, attention to career planning and development, long term employment, slower promotions and more lateral job movement. And even though Japan's economy and management systems face pressures of their own today, these early global awareness that continues to enrich management thinking today was as a result of the lessons from Japanese business experience (Evans & Wurster, 2000:67).

3.3 DIFFERENCE BETWEEN MANAGEMENT AND LEADERSHIP

There is a need for managers to be leaders; while on the other hand leaders are often, but not always managers. The difference between the definitions of management and leadership can be distinguished as follows in the table below:

Table 3.3a: Distinction between management and leadership (Various views)

MANAGEMENT	LEADERSHIP
<i>Management</i> is concerned with achieving results by effectively obtaining, deploying, utilizing and controlling all the resources required, namely people, money, facilities, plant and equipment, information (Armstrong & Stephens, 2005:5).	<i>Leadership</i> is the process of influencing others to achieve group or organisational goals (Williams, 2009a:512).
The term <i>Management</i> , refers to the process of getting things done, effectively and efficiently, through and with other people (Robbins & De Cenzo, 2005:07).	<i>Leadership</i> is the management function that involves the use of influence to motivate employees to achieve the organisation's goals (Daft & Marcic, 2009:8).
<i>Management</i> is defined as the process of administering and coordinating resources effectively and efficiently in an effort to achieve the goals of the organisation (Goodman <i>et al.</i> , 2007:5).	<i>Leadership</i> is the ability to influence people toward the attainment of organisational goals (Daft & Marcic, 2009:440).
<i>Management</i> is the effective and efficient attainment of organisational goals through planning, organising, leading, and controlling organisational resources (Daft & Marcic, 2007:7).	<i>Leadership</i> is the process of motivating and directing the members of the organisation so that they contribute to the achievement of the goals of the organisation (Goodman <i>et al.</i> , 2007:7).
<i>Management</i> is getting work done through others (Williams, 2009:07).	<i>Leadership</i> , according to Jones (2006:753), focuses on the most important resource: people. It is the process of developing and communicating a vision for the future, motivating people and gaining their commitment and engagement. To lead, according to the Oxford English Dictionary, is "to cause to go with one, to provide guidance". Leaders set the direction and get people to follow them. Leadership has to do with inspiring individuals to give of their best to achieve a desired result, gaining their commitment and motivating them to achieve defined goals.

According to Purcell *et al.* (2003:17), the distinction between management and leadership is important. They further state that management has to do with the provision, deployment, utilisation and control of resources. It is however, impossible to deliver results without providing effective leadership where people are involved. It is imperative to be a good leader of people, as it is not good enough to be a good manager of resources.

Table 3.3b: Distinction between management and leadership (Zaleznik)

Management involves:	Leadership involves:
• Emphasizing rational and control. • Adopting impersonal attitudes towards goals, tending to be reactive and simply responding to ideas. • Acting to limited choices and shift the balance of power towards solutions acceptable as compromises amongst conflicting values. • Being driven by narrow purposes. • Favouring the tried and proven ways of doing things. Tending to be risk averse, a survival instinct dominates the need to avoid risk. • The ability to tolerate mundane, practical work.	• Opening issues to new options. • Adopting a personal and active attitude towards goals, shaping ideas rather than responding to them. • Influencing the thoughts and actions of other people. • Visualizing purpose and generating value in work. • Adopting fresh approaches to long standing problems. Work from high risk positions. • Reacting to mundane work as an affliction.

Source: Adapted from Zaleznik (2004:74)

Berfield (2006:18) states that managers do things right, leaders do the right things. Zaleznik (2004:77) and Kotter (1999:28) make the distinction between leaders and managers as summarised in tables 3.3a and 3.3b.

Table 3.4: Distinction between management and leadership (Kotter)

Management involves:	Leadership involves:
• Focus on managing complexity by planning and budgeting with the aim of producing orderly results, not change. • Developing the capacity to achieve plans by creating an organisation structure and staffing it, developing human systems that can implement plans as precisely and efficiently as possible. • Ensuring plan accomplishment by controlling and problem solving formally and informally comparing results to the plan, identifying deviations and then planning and organizing to solve the problems	• Focusing on producing change by developing a vision for the future along with strategies for bringing about the changes needed to achieve that vision. • Aligning people by communicating the new direction and creating coalitions that understand the vision and are committed to its achievement. • Using motivation to energise people, not by pushing them in the right direction as control mechanisms do, but by satisfying basic human needs for achievement, a sense of belonging, recognition, self esteem, a feeling of control over one's life and the ability to live up to one's ideals.

Source: Adapted from Kotter (1999:28)

Whetten and Cameron (2005:490) indicate that leadership can be described as what “an individual does under conditions of change”. People normally exhibit leadership traits when they operate in a dynamic organisation and are undergoing transformation. Status quo has traditionally been associated with management. A manager’s job is to maintain stability. Leaders set and give direction; they initiate change, and create something new. Managers maintain steadiness, they control variations and refine current performance. Charisma, vibrancy, and dynamism are equated to leadership while control, equilibrium, and predictability are associated with management. Hence, leadership is often defined as “*doing the right things*,” whereas management is often defined as “*doing things right*.”

Recent research indicates that such distinctions between leadership and management, which may have been appropriate in previous decades, are no longer relevant (Quinn, 2004:38). There is no way that managers can be successful without being good leaders, just as leaders cannot succeed without being good managers. The environment people live in does not allow organisations and individuals the luxury of holding on to the status quo. These are the times where individuals and organisations must be more concerned about doing things right and also about doing the right things. In addition to leading change and improvement, organisations and individuals must also strive to keep the system stable, and to creating something new.

According to Whetten and Cameron (2005:490) effective leadership and management are mutually exclusive that you cannot do one without the other. The skills required to conduct leadership are also required to conduct management activities. The capability of individuals to provide both leadership and management is a prerequisite for organisations that operate in the post-industrial, hyper-turbulent, twenty-first-century environment to survive. Success in this environment is characterised by establishing vision and establishing objectives, leading change and managing stability, breaking the rules and monitoring conformance. Most of the time individuals who are effective leaders are also effective managers. The skills required to be effective as a leader are nearly identical to those of being a manager.

On the other hand, Quinn (2004:40) reminds that leadership is not traits that get displayed all the time. Leadership is a temporary condition in which certain skills and competencies are displayed. Leadership exists only when demonstrated. When not demonstrated, there is no leadership. Leadership occurs when people choose to adopt a certain mindset and implement certain key skills.

3.4 THE ROLE AND WORK OF MANAGERS

Many employees and other professionals in other disciplines like medicine, law and engineering require well trained managers in the corporate world.

3.4.1 Management as a general human activity

The skills to run an organisation efficiently are not confined to a group of people called managers. As individuals we run our own lives, and in this respect we are always

managing. Hales (2001:2) distinguishes between management as a general human activity and management as a specialised occupational group. In the first sense, management is visible in social and domestic activities as well as in the business world.

In managing their work, people take account of the purpose of that work, its progress and the results by using their intuition to stand back from the experience and to prospectively anticipate what the outcomes will be; in terms of what is happening; and retrospectively in terms of what has happened. Thus management is an expression of human agency, the capacity to shape and direct the world, rather than simply reacting to it.

Hales (2001:3) argues that this 'general human process' includes five distinct but related elements. These are, deciding what to do and planning how to do it, allocating time and effort necessary to do it, motivating or generating that effort, co-ordinating separate but related efforts, and controlling what is done to ensure that it matches what was intended.

Huy (2001:67) states that, historically, work in agriculture or related industrial trades and professions was done by people working on their own or in close family units. These individuals or family units retained control of their time and other resources used in producing goods or delivering services. People decided what to make, how to make it, how they would make it and how or when to sell it. Management and work were intertwined in the process of creating goods and service. This is still a pattern in many human activities. Self employed craft workers, many professionals in small practices or individuals running their one person business combine both activities.

3.4.2 Management as a specialist occupation (origins)

Huy (2001:72) notes that while work and management were historically combined, the management element is often seen as being distinct from the actual work process. This creates a new occupational group of 'managers' who are in varying degrees separated from those doing the core work. Mickelwait and Wooldridge (2003:73) add that this was not, and is not, the only way to arrange things. People have deliberately separated the roles, and on other occasions have equally deliberately brought them together. The boundary between 'management' works is a human creation, and is fluid and ambiguous.

Walsh *et al.* (1999:9) explain the causes and consequences of this separation. The first step in management becoming distinct occurs if an external agency, such as a private owner of capital, or the state, gains some control of a previously unified work process.

The external agents may have accumulated capital, raw materials or access to markets, the resources necessary for the work to be done, and in return for making these resources available they exact a price. Thus they take control of those parts of the work process which determine what is made and sold. This includes deciding and planning what work is to be done, obtaining materials, controlling outputs to ensure that work has been done properly, and selling the products. The agents thus take responsibility for some elements of management previously integrated with the work process itself. The functions relating to the detail of how the work itself is done, however, remain integrated within the work process.

According to Walsh *et al.* (1999:13), a second stage in the separation of management from work occurs when the direction of the work process itself becomes the responsibility of owners and their agents. In order to secure greater control over the production process, those who previously supplied material and/or bought finished goods from self employed workers begin to employ workers directly. Independent workers become employees, selling their labour, rather than the results of their labour. So, as factory owners took control of the physical and financial means of production they also took control of the time, behaviour and skills of those who were now employees rather than autonomous workers. As employees, they have their own view of what they are prepared to do. They can also try to influence fellow employees to take a similar view, which may be different from that of the owner or manager. Generating action towards objectives then becomes the responsibility and problem of the new, separate, employers.

Rousseau (2006:263) states that the same evolution takes place when an individual or a partnership starts an enterprise. While it is a one or two person operation, management and ownership functions are combined. The owner or the partners perform all the business growth and employees are engaged, certain management functions become the primary province of the owners or partners, with employees having more limited roles.

3.5 THE CHANGING NATURE OF MANAGEMENT

Managers make things happen in business. From the initial stages when one decides to start a business, through determining what resources are required to run a business, the determination of the best ways to use resources needed to run the business, to managing human resources, the failure or success of the company are the responsibilities of the

manager. How well the company will do or not, is determined by the decisions taken by the manager. This view has been challenged by Mintzberg and Steward (2003:44) who conducted a study on how actually managers spend their time at work. Mintzberg and Steward observed that a manager's work is actually fragmented, varied and managers, in doing their job, have to continually adjust to the changing and demanding environment in which they operate. The work of managers is mostly characterised by events that managers do not actually have much control over and by a network of interrelationship with other people. Managers are sometimes controlled by their environment despite their attempts to control it. The manager's days almost inevitably becomes a jumbled sequence of events even if managers may consciously or unconsciously seek to plan, organise, direct and control their days.

To Mintzberg and Steward (2003:45), management is a process involving a mix of rational, logical, problem solving, decision-making activities, and intuitive judgmental activities. It is, therefore, both art and science. However, the classical theorists were not attempting to determine and describe how managers actually spend their time, but were defining the main process of management instead.

According to Atkinson (2003:9), managers make up only a very small percentage of all employees in a company. Employees are responsible for completing the day-to-day work of business. There are often several levels of managers in an organisation. Some managers will be directly responsible for the operation of a part of the business and the work of the employees who complete those operations. Even those managers will usually not be active in the hard work (Atkinson, 2003:10).

High-level managers are not directly involved in the day-to-day running operations. Instead, they will spend their time planning, problem solving, and making decisions on how to make the business more successful. Because most managers do not perform the same type of work that most employees do, employees often do not recognise the contributions that managers make to the business or the difficult work they do. The daily work of managers is quite different from the work employees do. Yet, both types of work are necessary for the business to succeed. Managers must understand and appreciate the work of employees. Employees will be more motivated to cooperate with managers if they understand what managers do, and why is management important to business success (Hymowitz, 2006:B1). Ball (2005:11), states that the nature of management and

employee relations has changed a great deal in the past 20 years. In the past, many managers exerted a great deal of authority and control, expected employees to follow orders without question, and shared little information about the company with employees. Employees and managers did not always share the same views and attitudes about the company and the work that needed to be done. Relationships between managers and employees were very formal and sometimes very antagonistic.

Ball (2005:11) indicates that modern managers work more closely with employees, keep employees informed about company performance and upcoming changes, and involve them in important decision-making. Employees have greater responsibilities in many companies, and employee teams now complete some work previously done by managers. Business in which managers and employees have respect for each other, communicate effectively, and work well together are usually more successful than older style businesses.

3.6 MANAGEMENT ACTIVITIES

Gosling and Mintzberg (2003:56), state that it is not easy to identify exactly what managers do because there are so many types of managers. However, there are a number of activities that must be performed by all managers no matter the type or size of the organisation or in what part of the business they work. The president of a large international corporation made up of several companies and thousands of employees is a manager, but so is the owner of a small service business with one location and only a few employees. Ball (2005:14) adds that the people who are responsible for human resource departments and for purchasing departments, for a company's sales people, or for its information management activities are all managers. So are supervisors of people working on an assembly line, in a warehouse, or at data-entry terminals? Though each of these jobs involves many unique activities, each is also concerned with management.

Management, according to Gosling and Mintzberg (2003:58), is the process of accomplishing the goals of an organisation through the effective use of people and other resources. Those resources include money, buildings, equipments, and materials. The primary work of all managers can be grouped within four functions: (1) planning, (2) organising, (3) implementing, (4) controlling.

- A manager is **planning** when he or she makes decisions about what needs to be done, after analysing information at hand.
- **Organising** has to do with how resources could be arranged in order to complete work and effectively accomplish plans set.
- A manager is **implementing** when he or she is helping employees work effectively and to carry out plans set, and is focusing on the operations of a company or business unit.
- **Controlling is** when he or she determines if the company's objectives have been met as planned by evaluating results at hand.

Managers represent only a fraction of the employees in large firms. Most employees do non managerial work. Receptionists, computer programmers, machine operators, secretaries, graphic designers, and maintenance workers are all important, but they are not managers. What sets managers apart is that managers are evaluated on how well they achieve company objectives through others (Hellriegel *et al.*, 2002:35).

Hellriegel *et al.* (2002:36) add that operating any business is a complex process. Even managers of small organisations must make decisions about the products, what marketing strategy to follow, what type of personnel to employ, and finance decisions on daily basis. Problems will soon develop if managers are not well prepared to operate the business. Managers who are skilled in organising, implementing, and controlling are better placed to make decisions needed to operate a business successfully.

3.7 ENVIRONMENTS WITHIN WHICH MANAGERS OPERATE

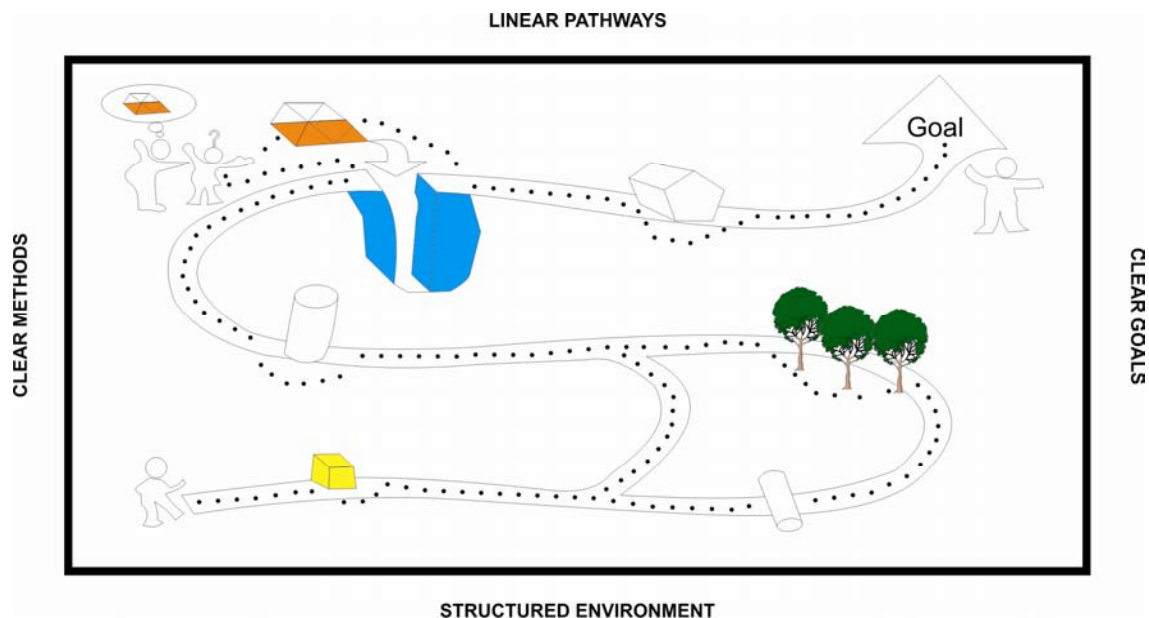
Bate and Khan (2000:74) state that management is dynamic and operates within various environmental influences and decision-making. These environments are:

3.7.1 A purely operational environment

Bate and Khan (2000:74) note that in a purely operational work environment, the information you would have to deal with is concrete, as well as guided by definite rules,

clear and linear procedures. Tasks are normally well defined (rather than ambiguous) and the rules for achieving such tasks are familiar. Examples include: *Clerical Work, Manual Labour, and Hands-on Operations*. As depicted in Figure 3.6 below the people operating at a purely operational environment, do not manage other employees; they get evaluated on the work they do and not on the work performed by others.

Figure 3.6: A purely operational environment



Source: Adapted from Magellan (2001:24)

3.7.2 A diagnostic accumulation environment

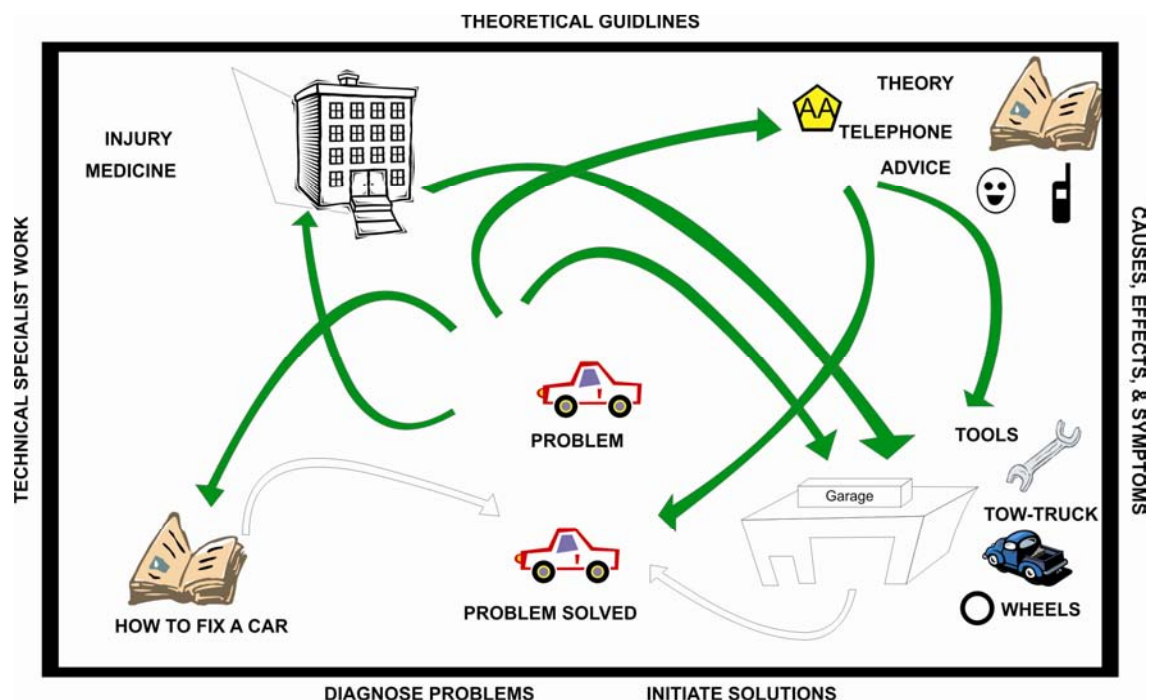
In addition to concrete data, a diagnostic accumulative work environment also involves theoretical information, albeit that there are relatively fixed “rules of thumb”. Notwithstanding the presence of clear, linear procedures, the goals and reality of a diagnostic accumulation are not as clear-cut as in the case of a purely operational work environment (Hunsaker, 2004:219).

In essence, Hunsaker (2004:219) indicates that the work associated with the diagnostic accumulation environment entails accumulating knowledge of a group of tasks and using this to define and initiate action to overcome anticipated problems (*for instance: in case of a first-line supervisor or a first-level technical specialist or professional*). As indicated in Figure 3.7 below, the production of goods and services are the direct responsibilities of

first-line managers. They may be given a title of section chiefs, sales managers, or production supervisors, depending on the organisation. For example, a sales manager at a Toyota dealership supervises the sales people who sell cars to customers in the showroom. A Toyota sales manager in Japan works in an office that has computers and telephones similar to a telemarketing centre and supervises sales people who go to people's homes to sell them their cars.

Williams (2009a:114) states that production or operations of each department is linked by this level of management to the rest of the organisation. However, first-line managers in most organisations spend most of their time side-by-side with their subordinates and spend little time with higher management or with people from other organisations. First-line managers often lead hectic work lives full of interruptions. They communicate and solve problems within their own work areas. Many first-line managers today are team leaders in self managed work groups.

Figure 3.7: A diagnostic accumulation environment



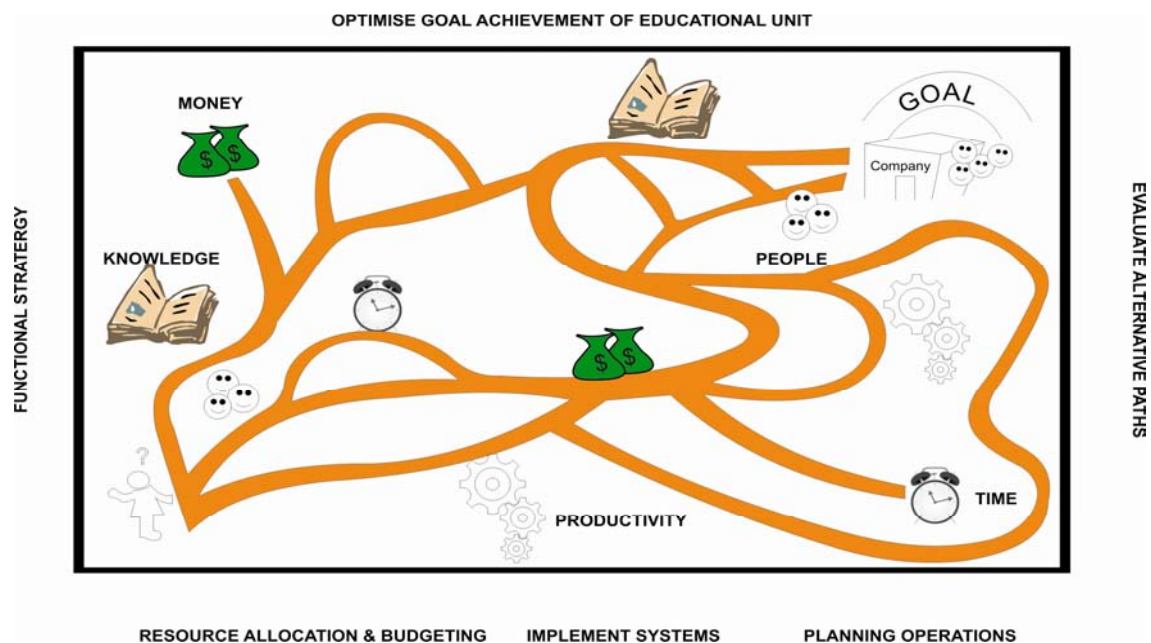
Source: Adapted from Magellan (2001:26)

3.7.3 An alternative paths environment

As is the case with the purely operational and the diagnostic accumulation levels, the alternative paths (or “*tactical strategy*”) work environment, as illustrated in Figure 3.8 below, entail working within one system or functional unit in the organisation (rather than comparing and working across various systems). However, the information dealt with on this level tends to be complex and abstract, with the focus on meaningful wholes, systems, plans, budgets, networks, guidelines for classification, and specialised knowledge incorporating theory and experience. Moreover, reality and goals are not clearly defined (Williams, 2009a:115).

Concrete examples of this work environment as depicted by Bate and Khan (2000:75) include: individual technical specialists, department/unit managers on the middle or senior management levels, as well as professionals and scientists operating independently. Alternative paths work involves working with a whole operating system, finding “best practice” solutions to problems and optimising the use of human, material and financial resources. It may also entail fine-tuning systems to achieve greater efficiency and better quality of outputs by the creative use of all available resources.

Figure 3.8: An alternative paths environment



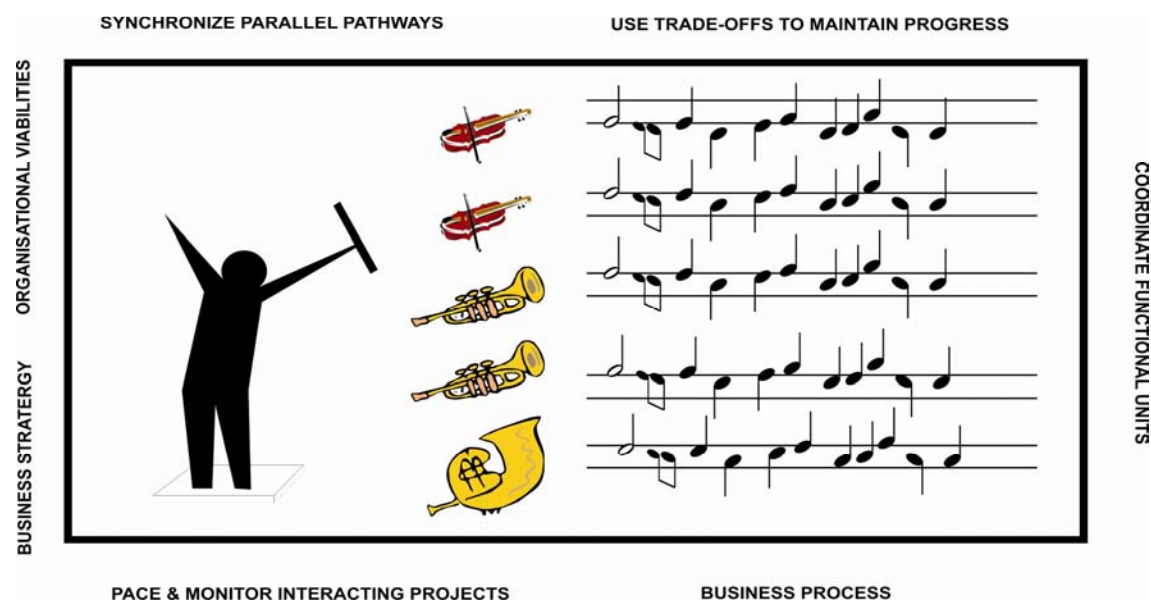
Source: Adapted from Magellan (2001:26)

3.7.4 A parallel processing environment

According to Hunsaker (2004:221), a parallel processing environment involves working across systems and contexts, rather than within one system or functional unit. It usually involves the coordination of various functional units or business units. Programmes need to be devised in relation to one another, and trade-offs must be made in terms of the resourcing of tasks so that the overall goal can be achieved. Compared with the alternative paths environment, the information dealt with in parallel processing environments tends to be more complex, often pertains to intangibles, ambiguities and the unfamiliar, and is more abstract and theoretical (for example, long-term business solutions) concrete examples of this work environment include: new product developers, research scientists, the general management level and senior professional partners.

As Figure 3.9, indicates, managers operating at the parallel processing environment are responsible for the operations of a more complex unit, such as a company or a division, and usually oversee functional managers. Managers at this level, often represent their organisations in business deals, community affairs, and government negotiations. Managers operating at this level spend most of their time talking with other managers in the company and with people outside the company (Williams, 2009a:116).

Figure 3.9: The parallel processing environment



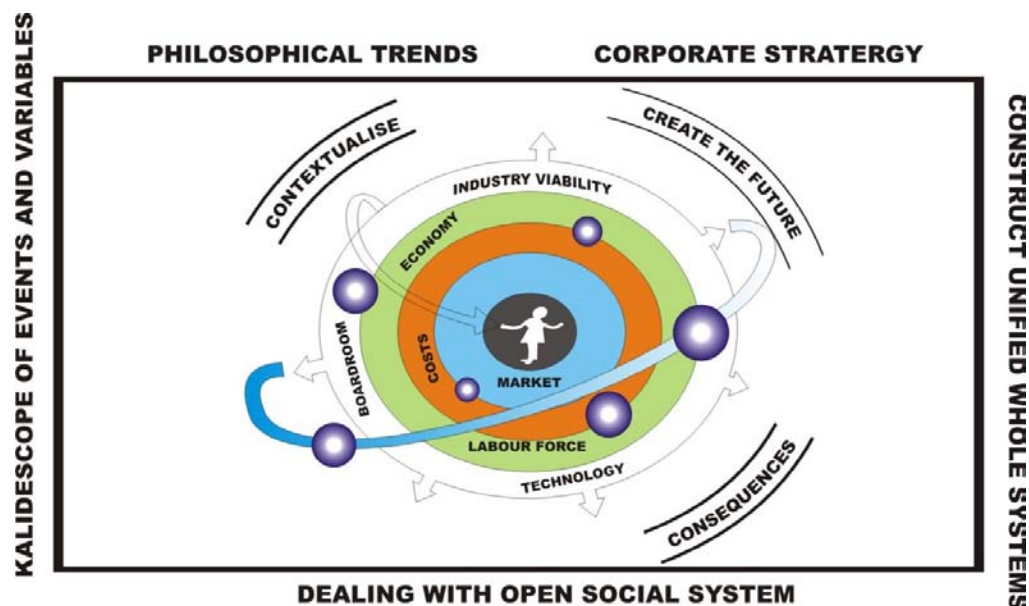
Source: Adapted from Magellan (2001:26)

3.7.5 A pure strategic environment

The work associated with the pure strategic environment involves big picture systems thinking. New relationships are sought between previous unrelated concepts, new rules are formulated and new systems and knowledge fields are shaped in the process. Such a work environments requires the ability to cope with macro issues, chaos, emerging patterns and philosophical leverage (Williams, 2009a:118).

Bate and Khan (2000:77) state that the information dealt with is normally highly abstract and complex, such as philosophical concepts, emerging patterns in a chaotic environment, paradigms and visions of universal trends, long-term strategies, holistic systems, uncertain and ambiguous realities and unstable contexts. Concrete examples of pure strategic work environment include: individual researchers and philosophers developing the frontiers of knowledge, CEOs of a subsidiary company within a large corporation, and chairpersons of multi-national corporations.

Figure 3.10: A pure strategic environment



Source: Adapted from Magellan (2001:27)

It is imperative to understand the environments in which different managers and employees operate under, in that each environment has different types of its complexities and therefore requires specific skills, knowledge, and experience to be able to perform

optimally in that specific environment. This would also assist the management training institutions to tailor their training for a specific level of operations.

3.8 SKILLS REQUIRED FOR ONE TO MANAGE

Andersen (2000:312) notes that three decades ago, managers were valued primarily for their technical know-how. Most organisations identified outstanding people in the ranks, tapped them for promotions, and just trusted them to do well as managers. Today, increasing recognition is given to the importance of having managers and executives with strong interpersonal and communication skills. Andersen (2000:313) continues to state that in any line of work, the ability to be an outstanding technical performer does not always translate into the ability to be a good manager. Top sales people do not necessarily make good sales managers. Top production workers do not necessarily make good supervisors. Top teachers do not necessarily make good principals and so on.

Koestenbaum (2000:222) adds to Andersen's statement above that it does not mean that skills cannot be transferable. The work ethic that helps someone prosper in an entry level job will continue to be a valuable tool in a management position. In addition, skills such as getting along with others are just as important for managers as they are for workers. Consequently, many new managers adapt and prosper. Success is less likely for a star performer who always relied on a skilled but solo route through the company. Camp *et al.* (2001:42) state that the performance of new managers today is rated as much on people skills as on measurable output. Interviews by PriceWaterhouseCoopers indicated that the trend reaches all the way up to CEOs who reported increased demands for sensitivity to human feelings because reshaping corporate culture and employee behaviour was now equal in priority to monitoring financial information.

Whetten and Cameron (1999:12) conclude that today's business organisations expect MBA graduates to possess skills and competencies beyond content knowledge that enable them to effectively solve the problems inherent in a diverse and rapidly changing global environment.

3.9 THE IMPORTANCE OF MANAGEMENT SKILLS

According to Kolb *et al.* (2000:34), no-one would want to submit himself or herself to an appendectomy if the surgeon had read everything available on the appendix and its removal but had never actually removed one before. One would also be apprehensive if one's surgeon had years of experience operating but had never studied the sciences of physiology and anatomy. Just as competent surgeons need both a sound understanding of how the body works and surgical skills finely honed through practice and experience, competent managers need a sound understanding of management functions and the opportunity to hone their behavioural skills through practice and experience.

Business curricula should address interpersonal skills and personal characteristics in an explicit and systematic manner in order to characterise the cognitive category in their business education. This should prepare students for the managerial challenges in the real world ahead (Adriaan, 2001:13)

Hunsaker (2004:6) states that there are four general skills and six specific skill areas that influence managerial effectiveness. He refers to seventeen functional skills vital to succeed as a manager.

3.9.1 General skills that a manager needs

Management scholars generally agree that effective managers must be proficient in four general skill areas.

- **Conceptual skills** refer to the mental ability to diagnose and analyse complex situations. These are the skills that a manager would need in order to see how things fit together and help with the facilitation of good decision-making.
- **Interpersonal skills** has to do with the ability of a manager to understand, motivate, and work with other people both at individual and group level. Managers get the job done through others; therefore, it is imperative for them to possess interpersonal skills that will enable them to delegate, motivate, communicate and resolve conflicts.
- Managers also need **technical skills**, which provide them with the ability to apply specialised knowledge or expertise. These abilities may be related to industry

knowledge, and general understanding of the organisation's processes and products for top level managers. These skills may be related to specialised knowledge required at the relevant work areas for middle and lower level managers; these would apply to areas of work such as marketing, law, manufacturing, finance, human resources, and computer systems. Finally,

- Managers need ***political skills***. This area is related to the manager's ability to build his or her power base, the ability to enhance one's position, and the establishment of the right connections. Organisations are political arenas in which people compete for resources. Managers with good political skills receive higher evaluations, get more promotions and tend to access better resources for their group than managers who have poor political skills.

3.9.2 Specific skills that managers need

Hunsaker (2004:10) indicates that six sets of behaviours that explain more than half of a manager's effectiveness were identified by the research. They can be classified into the following skill categories:

- ***Controlling the organisation's environment and its resources***. Spot decision making, the allocation of resources and planning can only be achieved through the ability of the manager to be proactive and staying ahead of environmental changes. In order to achieve the organisation's objectives, resource decisions need to be based on clear, up-to-date, accurate knowledge.
- ***Organisational coordinating***. In this skill, managers organise around tasks and then coordinate interdependent relationship among tasks wherever they exist.
- ***Handling information***. In this skill, understanding a changing environment, and making effective decisions are achieved by using information and communication channels for identifying problems.
- ***Providing for growth and development***. Managers embark in the process of continual on the job learning in order to provide their own personal growth as well as the personal growth of their employees.

- ***Motivating employees and handling conflicts.*** Managers take out what is best out of their employees by enhancing the positive aspects of motivation and in the process eliminate conflicts that may inhibit employee's motivation.
- ***Strategic problem solving.*** Managers take responsibility for their own actions and decisions, while also encouraging and empowering their subordinates to effectively use their decision-making skills.

3.10 REQUIRED SKILLS FOR MANAGERIAL COMPETENCE

By integrating these specific skills and the previously discussed general skills into the functions of management, 17 skills that are vital to managerial success can be identified. These 17 skills also match up with the primary categories of the 41 skills, tasks, and attributes that literature searches have determined are needed for managers to successfully do their jobs. They include the five skill sets of self awareness, general/integrative, planning and control, organising, and leading (Robbins, 2003:32).

3.10.1 Self awareness skills

According to Sternberg and Zhang (2000:56), it is difficult to improve ourselves unless we know our strengths and weaknesses. But because we all seek to protect, maintain, and enhance our self concepts, we don't often focus on negative information about ourselves, much less seek it out. Sometimes we even avoid awareness of certain personal strengths if that knowledge would entail responsibilities we are not willing to undertake. Nevertheless, "know thyself" has been the cornerstone of advice of intellectuals to leaders for centuries. To manage others well, you must be able to manage yourself. To manage yourself well, you must know yourself well. Knowing yourself is certainly the first step in a skill development program.

Knowing yourself: To know yourself better require new knowledge about what you do, how you do it, and the consequences of your actions. Sometimes this insight can be acquired by self observation of the consequences of your actions, but usually they are provided by others who share feedback about their reaction to your behaviour. Another way to learn about yourself is by taking self assessment inventories that reveal certain attitudes, values, and knowledge base (Sternberg & Zhang, 2000:56).

Developing yourself: Self knowledge according to Hunsaker (2004:12) is not enough for skill development. You also have to want to improve. First, you have to be open to the possibility that you are not perfect and that you can become better. Next, you must be open to acquiring knowledge about yourself, which the majority of the time means listening non defensively to feedback from others. Finally, you must be willing to risk and be assertive enough to try out new behaviours, which may not work perfectly the first time, and to keep practicing them until you become skilled in their application. Skill development requires a high degree of psychological investment. If you are unable or unwilling to make this kind of commitment, you may not even want to know the skills you could improve, let alone put the work into developing them.

3.10.2 Self directed career planning

Hogan and Hogan (2001:77) state that another aspect of self development is career planning. In today's rapidly changing world, organisations no longer accept the responsibility for career development. So, to remain a valuable human resource, it is imperative that managers keep current and constantly upgrade needed skills. In the past, a living for life could be provided for by a skill learned in one's youth. Now, because of the technology that changes so rapidly, what one has learned today may be obsolete in a very short space of time. Learning is a life-long process. Other people out there are keeping current, preparing themselves to take over your work responsibilities if you show signs of falling behind.

According to Hogan and Hogan (2001:78), workers can expect to change careers, not just jobs, but careers three or four times during their working lives. If this statement has anything to go by, it will be incumbent upon the worker of today to go back to school with the intention of learning new skills at a minimum of every 5 to 10 years. Due to the fact that more and more organisations are moving away from providing this type of training, most employees will have to balance the current work responsibilities with studying after hours. Self directed careers require continuous training and learning.

3.10.3 General integrative skills

Baldwin *et al.* (2008:27) say that managers need to have certain skills in order to behave competently across a broad range of organisational situations. They are interrelated to the functional area skills described earlier and need to be integrated into them in order to

perform the functional skills most effectively. Regardless of whether managers are solving problems, working with teams, or creating change, they need to be able to communicate effectively, cope with diversity, uphold ethical principles, and effectively manage their time and stress.

- **Interpersonal Communicating:** The greatest vision, greatest plans, greatest work designs, and high performance teams will not make a manager succeed if he or she cannot effectively communicate what is required. In order to accomplish organisational objectives, communication allows a manager to coordinate all the different activities of many different people. Communication can be used as glue that holds an organisation together (Mayfield & Mayfield, 2004:48).

Mayfield and Mayfield (2004:49) state that managers are frequently required to address various groups of employees, customers, other managers, and the general public. Unfortunately, oral communication skills are often lacking in new managers as well as the majority of today's business school graduates. It is better to get over stage fright and gain self confidence through learning and practicing in a classroom setting than it is to be thrown into a stressful situation on the job where the person is unprepared to deliver an effective oral presentation.

- **Valuing Diversity:** the values, needs, interests, and expectations of workers have never been homogeneous, but the increased diversity in today's workforce requires managers to be on constant alert for differences. Managers need to understand that it is difficult for some employees to put in overtime hours without substantial notice, to work weekends, to be gone overnight on business, or to accept a transfer to a new location. Similarly, physical barriers such as narrow doorways or stairs can be troublesome for some employees. Managers cannot assume that all employees share a common mastery of English. In addition, managers have to be sure that employees are sensitive to co-workers who are different. That means being observant of overt expressions of sexism, racism, ageism, and more subtle biases within the work group. Organisational environments are also filled with change and diversity (Chen *et al.*, 2004:31).

Thompson (2000:38) argues that successful managers in today's unpredictable environment must be able to thrive on change and uncertainty. The manager's job is increasingly one of juggling a dozen balls at once, in the dark, on the deck of the

boat, during a typhoon! It requires turning an environment of chaotic change into an opportunity, the chance for well managed organisations to gain a competitive advantage over rivals by being smarter, more flexible, quicker, more efficient, and better at responding to customer needs. Consequently, flexibility is required for a manager to cope successfully with temporariness and adapt successfully to change.

- **Developing Ethical Guideposts:** Whetten and Cameron (2005:37) state that today's public have high standards for the behaviours of companies. Laws and lawsuits more frequently follow violations of formalised ethical standards, and competitors are quick to market how they are more ethical than other companies. Also, the behaviour of managers is under greater scrutiny than ever before. Because the public has easier access to information, misdeed can almost instantly become widely known, damaging an organisation's reputation and a manager's career.
- **Managing Time and Stress:** Drucker (2002:92) states that reports of high stress levels and job burnout among managers have risen as the work climate has become more chaotic and ambiguous. A workplace that is stressful is created by, among other things, downsizing, reengineering, cost reductions, reduced job security, pressure to learn new skills, and increased workload.

According to Drucker (2002:93), when managers experience high stress levels, their performance is impeded as they become more dogmatic, less tolerant of ambiguity, less able to generate creative thoughts, and more prone to see events in a short term, crisis mentally. Considering that incompetent management is the largest cause of workplace stress for subordinates, it is imperative that managers cope effectively with stress not only for their own well-being, but also for the survival of their employees and the entire organisation.

One good way to reduce stress levels is to effectively manage one's time. Drucker (2002:93) has said that time is a manager's scarcest resource. Of course, every human being has 24 hours in a day, so time management really refers to managing yourself in such a way that you get maximum leverage out of your time. If you cannot manage yourself, you certainly can't manage anyone else.

3.10.4 Planning and Control Skills

Manz and Neck (2004:86) note that a person that does not care much of where they want to get to, would not really mind which way they go. Organisations exist for a reason and a purpose; it is therefore imperative that somebody defines that purpose and the means to achieving it. Managers are the ones entrusted with responsibility of defining this purpose of the organisation. Defining the goals of an organisation, establishing the overall strategy for the attainment of those goals, and the development of comprehensive plans to integrate and coordinate activities.

Turkey and Brewer (2002:83) state that even if the best structural arrangements have been made, and the best people have been appointed, trained, and motivated, a lot of things could still go wrong. It is important to monitor and evaluate the performance of the organisation to ensure that things are going as it should. Previously set goals should be compared with the actual performance. In case of any significant deviations, the manager has to align the deviations back on track. This process of monitoring, comparing and correcting is the control function.

- **Planning and Goal Setting:** one element of planning that permeates just about every manager's job from CEOs to project managers and first-line supervisors is setting objectives. Objectives, or goals, refer to desired outcomes for individuals, groups, or entire organisations. In order to get employees properly focused on what has to be achieved and to help individual organisational members' keep their focus on what matters, setting goals will be important (Turkey & Brewer, 2002:84).

According to Bowman and Hurry (2001:125), creating strategy is the process of identifying and pursuing an organisation's mission by aligning the organisation's internal capacities with the external environmental demands. This alignment is accomplished by developing a long range plan that will obtain stated organisational goals.

Turkey and Brewer (2002:85) indicate that in order to anticipate and interpret changes in their environments, managers in both small and large organisations need to scan their environments continually for information relevant to their present or future situations. Information needs to be obtained from all possible sources about all institutions outside the organisation that might affect the

organisation's performance. Although every specific organisation is different, its environment usually includes suppliers, competitors, unions, government regulatory agencies, and public pressure groups.

- **Evaluating Performance:** Manz and Neck (2004:89) state that control is the process of monitoring activities to ensure that they are being accomplished as planned and correcting any significant deviations. There is no way that managers can know if their units are achieving what they have set to achieve if they do not compare the desired outcome to the actual performance.
- **Creative Problem Solving:** almost everything a manager does, involves making decisions to solve problems. Selecting the organisation's objectives requires making decisions to solve the problems of how one gets from where one is to where one wants to be (Manz & Neck, 2004:89). Time management requires decisions on how to solve the problem of what is the best use of one's time right now to achieve the most important objectives. Other typical managerial problems include how to design the best organisation structure, select among alternative technologies, choose among job candidates, or motivate low performing employees. Effective managers identify critical problems, assimilate the appropriate data, make sense of the information, and decide the best course of action to take for resolving the problem (Drucker, 2002:95).
- **Managing Conflict:** Wilmot and Hocker (2001:37) note that in every relationship, including those in organisations, conflict situations may be caused by incompatible differences. It is true that conflict has the potential to destroy relationships and organisations. On the other hand, an organisation can become static, apathetic, and nonresponsive to the needs for change and innovation due to the lack of conflict. Managers need to be skilled in maintaining optimum levels of conflict and guide employees in productive problem solving efforts to learn and benefit from it.

3.10.5 Organising skills

Fuller and Mansour (2003:427) state that managers have to divide work into manageable components and coordinate results to achieve objectives. Determining what tasks are to be done, by whom should these tasks be performed, how these tasks are to be performed, who reports to whom, and where decisions are to be taken are all part of

organising. Managers need skills to design work, identify and hire employees, create work teams, and modify organisational culture in order to organise effectively.

- **Designing work:** The design of a person's job, according to Ball (2005:A2) has significant motivational impact on behaviour and goal achievement. Managers want to design jobs that maximise their employees' performance. Designing work is the process of incorporating tasks and responsibilities that utilise the employees' important talents into jobs that are meaningful, productive, and satisfying.
- **Diagnosing and modifying organisational culture:** Managers need to understand their own organisation's culture and those of others they interact with because these cultures consist of the shared meanings, values, and accepted behaviours commonly agreed upon by members of the organisations. As such, cultures determine the attitudes of organisation members toward how things are done and the ways members are supposed to behave. Managerial suggestions that are not fitting well into the organisational culture face a formidable barrier. Fortunately, the manager's own behaviour is one of the primary factors that modifies the culture of an organisation (Williams, 2009b:102).
- **Selecting and developing people:** Lawson (2000:128) states that if the employees lack skills, experience, or motivation, their work performance is sure to reflect it. Managers need to know how to identify and attract qualified people and develop into high performing employees.

Lawson (2000:131) further states that today's manager is increasingly more like a coach than a boss. Coaches do not play the game. They create a climate in which their players can excel. They define the overall objectives, set expectations, define the boundaries of each player's role, ensure that players are properly trained and have the resources they need to perform their roles, attempt to enlarge each player's capabilities, offer inspiration and motivation, and evaluate results. As coaches, managers help employees develop as they guide, listen to, encourage, and motivate them. Managers also need the skills to act as mentors and counsellors when appropriate.

- **Creating high profile teams:** Because work in organisations is increasingly organised around teams, employees have had to become team players. This

therefore necessitates the development of skills necessary to contribute to high performance teams. These skills would include group decision-making, active listening, conflict resolution, active listening, problem solving, and other interpersonal skills (Fuller & Mansour, 2003:62).

Fuller and Mansour (2003:63) proceed to state that people who have grown up in cultures that encourage and reward individual achievement find it rather challenging to operate as team players. They submerge to their individual personal ambitions and find it difficult to think like team players and not for the good of the team. Consequently, teams benefit when managers model cooperative team behaviours and instil these in their subordinates.

3.10.6 Leading skills

Cameron and Caza (2002:39) indicate that the leading function of management involves creating a vision of what organisational members are working for and then directing and coordinating it so that they achieve their objectives. Managers are leading whenever they clarify what is to be accomplished, provide desired rewards for goal achievement communicate needed information, initiate changes, and empower people to be more independent or resolve conflicts among team members. Effective managers are skilled in promoting change, motivating others, developing subordinates, managing conflicts, and building power base.

- **Building power base:** Baker (2001:112) states that to accomplish organisational goals, the manager needs to have a power base that allows him to influence others to do what you need done. Managers need politicking skills to develop powerful images, form alliances, gain control of resources, and develop relationships with subordinates that allow them to be influential and functional as leaders.
- **Leading:** Leadership is the process of energizing others, providing direction, and obtaining their voluntary commitment to the vision of the leader. To maximise effectiveness, leaders need to know how to differentiate between management and leadership requirements, act in both transactional and transformational capacities, adapt their styles to follow needs, facilitate followers in finding paths to

goals, use charisma to influence others, and act as stewards and servants of all stakeholders (Cameron & Caza, 2002:41).

- **Motivating others:** A manager cannot do it all by himself. In fact, the manager's job is to get things done through the efforts of others. Effective managers, therefore, understand the needs of their employees at work; they assist employees to meet the organisational needs and in return meet the objectives of the organisation. They also need to be skilled in identifying and eliminating demotivators (Harter *et al.*, 2002:271).

3.10.7 Managing change

According to Adler and Kwon (2002:29), managers are on both the receiving and the giving ends of change. They have to adjust to change, and they also are the catalysts for initiating change within their organisations. Managers design and execute planned change programmes to improve interpersonal interactions within organisations, change work processes and methods, and redesign organisational structures. They also continuously look for changes that will improve performance quality. If confronted with dramatic environmental changes, managers must be willing to implement radical changes that completely reinvent their organisations. It is the responsibility of managers to come to the aid of employees in addressing their anxieties and uncertainties caused by their concerns over impending organisational changes.

3.11 SUMMARY

This chapter highlighted the development of management. The evidence depicted in this chapter indicates that managers are the people that make things happen in organisations. The primary work of all managers can be grouped into planning, organising, implementing and controlling.

The evidence indicated that managers operate at different functions being that of functional management, general management, line management and staff management. There are different environments in which managers operate in. Anyone who wants to become a manager should be familiar with these findings. It is also imperative for learning institutions when preparing their students to prepare them for these conditions.

The next chapter will focus on managerial skills and functions, the roles managers play, and key common managerial competencies.

CHAPTER 4

MANAGERIAL SKILLS MODELS

4.1 INTRODUCTION

Organisations hire people into management positions because they believe that they have managerial competencies that will enable them to become star performers. If one applies for a management job, one is likely to be screened by a person in the Human Resources department for managerial competencies.

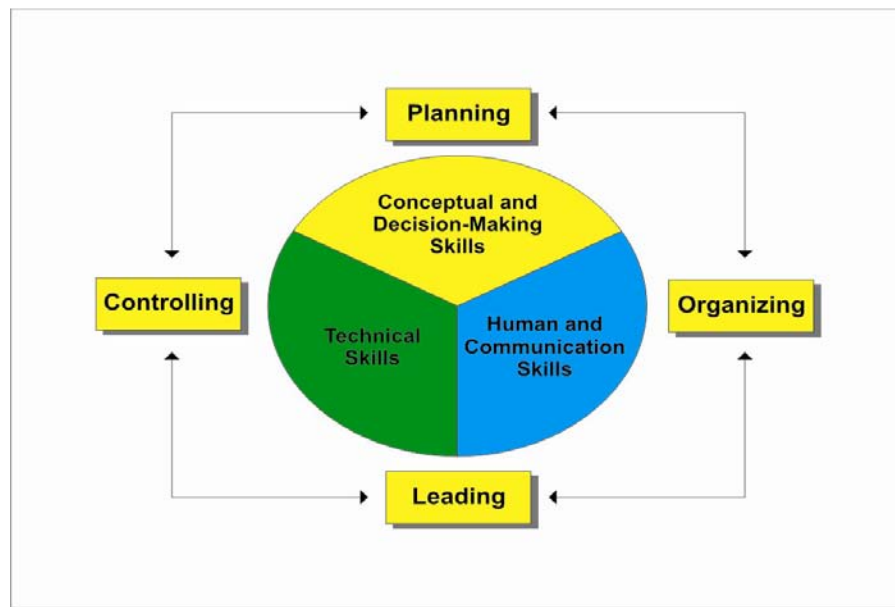
According to Slocum *et al.* (2007:4), a set of skills, knowledge, behaviours and attitudes is management competencies that a person needs to be effective in a wide range of positions and various types of organisations. The nature of work is changing. And managers are being judged by how smart they are, and also by how well they manage others and how they handle themselves. Organisations take for granted that managers are smart and have the technical know-how to do the job. To advance in organisations, managers need to continue to develop managerial competencies. This chapter will therefore focus on relevant models that highlight the key skills that a manager need to possess in order to be a star performer as a manager.

4.2 MODEL 1 (MANAGEMENT SKILLS AND FUNCTIONS)

According to Robert and Lussier (1997:10), managers get the job done through others. A manager plans, organises, leads, and controls resources to achieve organisational objectives. A manager is performing a non management or an employee function when he or she puts up a store display, wait on customers, or run a machine. The four management functions include:

- Planning;
- Organising;
- Leading; and
- Controlling (as indicated in figure 4.1).

Figure 4.1: Management skills and functions



Source: Adapted from Robert and Lussier (1997:12)

4.2.1 Planning

The management process commences with the planning process. To be successful, organisations need a great deal of planning. People in organisations need goals and plans to achieve them. Planning is the process of setting objectives and determining in advance exactly how the objectives will be met (Lussier, 1997:10). Managers commonly have to schedule employees and the work to be performed and develop budgets. A manager's ability to perform the planning function is based on his or her ability to conceptualise and utilise skills to make decisions.

Hellriegel (1996:139) states that planning is the formal process of (1) determining the mission and the overall long-term and short-term goals of the organisation, (2) cascade the organisational goals and objectives down to the divisional level, departmental level and even to the individual level, (3) determine tactics and strategies that will help make those goals be realised, and (4) making resources available (people, money, equipment, and facilities) for these objectives and goals to be met.

If undertaken properly, planning will assist in (1) identifying future opportunities, (2) anticipating and avoiding future problems, and (3) developing courses of action

(strategies and tactics). Thus the organisation will have a better chance of achieving its general goals. These goals include adapting and innovating in order to create desirable change, improving productivity, and maintaining organisational stability. Achieving these general goals should enable the organisation to reach its ultimate goals, long-term growth, profitability, and survival (Williams, 2009a:157).

4.2.1.1 Two forms of planning

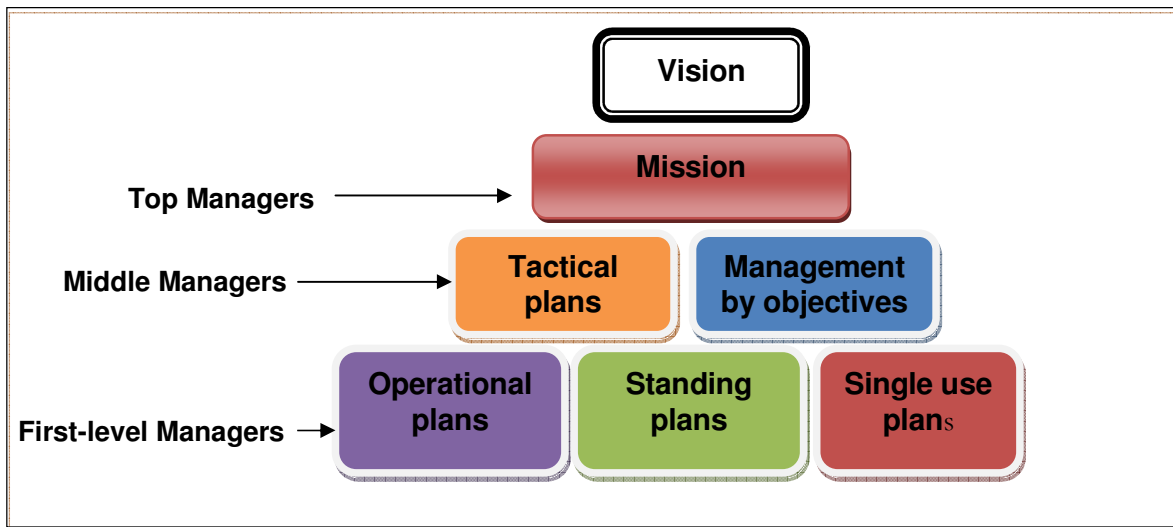
There are many types of planning, but they generally can be encapsulated into strategic planning and tactical planning.

- a. **Strategic planning:** takes place when resources are allocated as a result of developing and analysing the organisation's mission and vision, overall goals and general strategies. In developing strategic plans, managers take an organisation wide approach. To deal effectively with environmental opportunities and threats is the overall objective of strategic planning, as these relate to the strength and weaknesses of the organisation (Armstrong & Stephens, 2005:5).

Williams (2009a:165) says that for planning to work optimally, goals and action plans at the middle and bottom of the organisation must support the goals and action plans at the top of the organisation. If planning is to succeed, everybody has to pull in the same direction. As illustrated in Exhibit 4.1, the planning continuum starts with a clear definition of the company vision, the mission and eventually ending with the execution of operational plans.

It is the responsibility of senior management to determine the long-term strategic plan of the organisation. Strategic plans have to clarify how the organisation will position itself in the marketplace and how it will serve customers in the next two to five years. Strategic planning commences with creating the mission of the organisation.

Exhibit 4.1. Planning from top to bottom



Source: Adapted from Williams (2009a:165)

- A **vision** is a statement of a company's purpose or reason for existing. Vision statements should be brief, no more than two sentences. Robert and Lussier (1997:142) on the other hand say that a vision appeals to the hearts and minds of the members of the organisation, and it expresses the values and gives an idea of where the organisation aspires to be in the future. If the mission statement lacks soul, the vision will provide it.
- The **mission** on the other hand is the organisation's purpose or reason for existing. A statement of mission may answer basic questions such as: (1) what business are we in? (2) who are we? and (3) what are we about? It may describe the organisation in terms of the market it intends to pursue in the future or is currently pursuing, goods and services they supply, brands and customer needs it aims to satisfy (Hellriegel & Slocum, 1996:142). A mission statement will only make sense to the members of the organisation if it plays the role of unifying factor that provide guidance in strategic decision-making and for the attainment of the organisation's long-term objectives. The purpose of the mission statement is to influence the behaviour of the organisational members to think and act strategically on a daily basis and not just once a year.
- **Goals. Organisational goals** are the results that the managers and others have selected and are committed to achieving for the long-term survival and growth of

the firm. The goals may be expressed both quantitatively and qualitatively “*what is to be achieved, how much is to be achieved, and by when it is to be achieved*” (DuBrin, 2009:112).

- **Strategies.** Bateman and Snell (2007:127) indicate that a strategy is a process of allocating skills and resources with the intention of achieving the goals and objectives of the organisation. The implementation of the strategy is an attempt by the organisation to match skills and resources to the challenges and opportunities confronted by the organisation internally and externally in the marketplace; that is every organisation has certain strengths and weaknesses. The actions, or strategies, the organisation implements should be directed towards building strengths in areas that satisfy the wants and needs of consumers and other key actors in the organisation’s external environment. Also, some organisations may implement strategies that change or influence the external environment.

- b. Tactical and operational planning:** After determining the strategic goals and objectives of the organisation, they now will have to be cascaded down to the middle level, lower level and frontline management level. Goals and plans will move from strategic level to operational level and will become more specific and involves shorter periods of time (Bateman & Zeithaml, 1999:129).

Tactical planning is the translation of broad strategic goals into specific functional goals of a portion of an organisation like human resources or marketing. Tactical planning entails developing plans of the unit from the broad plans of the organisation in order to contribute towards the attainment of the general goals of the organisation. Specific procedures and processes that are required at lower levels of the organisation are identified during the **Operational planning** process. Operational planning are usually developed by frontline managers for very short periods of time and focus on routine tasks such as production runs, delivery schedules, and human resources requirements (Armstrong & Stephens, 2005:32).

4.2.2 Organising

To be successful, a manager requires organisation. In order to implement plans, organisational systems must be designed and developed by a manager. Coordinating tasks, allocating resources, and delegating in order to achieve set

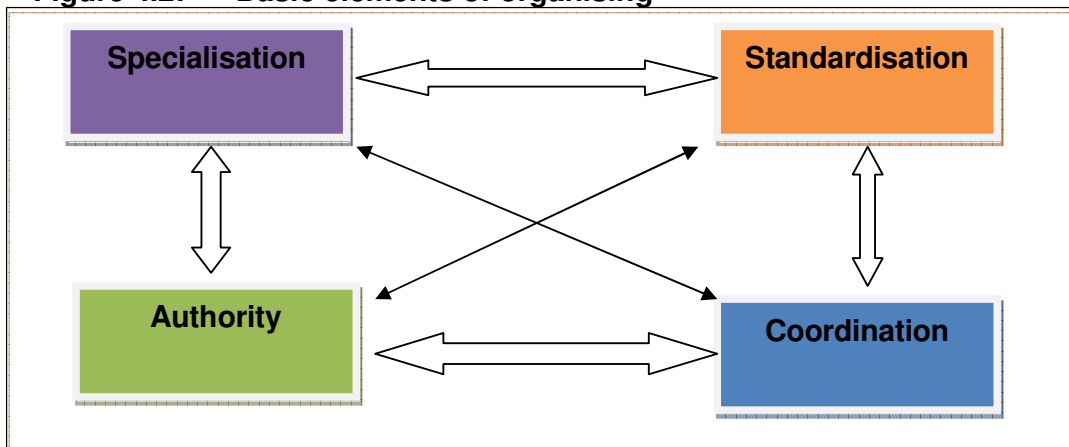
objectives, is the process of organising. Managers arrange and allocate resources. Assigning people to various jobs and tasks is an important part of coordinating human resources. Staffing is an important part of organising and is sometimes listed as a separate function. Staffing consists of selecting, training, and evaluating employees. One's ability to organise is based on a blend of communication skills, human skills, conceptual and decision-making skills.

Organising, according to Hellriegel *et al.* (2002:268), is the process of developing a structure of relationships that enable employees to carry out management's plans and meet organisational goals. **Organisational design** includes the elements of the organising function; its alignment and interrelationship with the planning, leading, and control function; and the complex tradeoffs that must be considered in achieving a “fit” among these functions and other aspects of the organisation.

4.2.2.1 Elements of organising

According to Bateman and Snell (2007:268), there are four elements of the organising function: these are specialisation, standardisation, coordination, and authority. As suggested in Figure 4.2, these elements are interrelated.

Figure 4.2: Basic elements of organising



Source: Adapted from Bateman and Snell (2007:268)

- **Specialisation** is the process of identifying particular tasks and assigning them to individuals, teams, departments, and divisions (Bateman & Snell, 2007:279). Zeithaml (1998:285) states that when various units and individuals throughout the organisation perform different tasks, specialisation takes place.

This process of assigning different tasks to different groups or individuals is sometimes referred to as division of labour. Secretaries and accountants specialise in, and perform, different jobs; similarly, marketing, finance and human resources tasks are divided among those respective departments. Specialisation is made necessary by the numerous tasks that are to be carried out in an organisation.

- **Standardisation**, according to Garvin (1998:90), is the process wherein uniform practices that have to be followed by employees when doing their jobs are developed. These practices are expressed through written procedures, instructions, job descriptions, and rules relating to positions within the organisation, performance of various tasks, and expected employee behaviours are intended to develop a certain amount of conformity. Garvin (1998:91) further states that standardisation permits managers to assess employee performance in relation to established responsibilities and performance indicators. Recruiting procedures, job descriptions, and application forms are used to standardise employee selection. On the job training programmes develop standardised skills and reinforce values important to the organisation's success. Although this process may seem mechanical, if jobs weren't standardised to some degree, many organisations would not achieve their goals.
- **Coordination**, according to Spreitzer (2001:383), is the integration of tasks and activities that employees perform as well as the units of the organisation. To some degree, virtually all organisations make use of rules, procedures, formal goals, and directions to help achieve the desired level of coordination.

Bateman and Snell (2007:78) point out that as organisations differentiate their structures, the issues of integration must simultaneously be considered by managers. All the specialised tasks in an organisation are mutually exclusive and therefore are dependent among each other. Some degree of cooperation and communication has to take place between the different units of the organisation because these units are part of the larger organisation. The procedure to link the various parts of the organisation to achieve the organisation's overall mission is due to an integration process and its related concepts and coordination.

Bateman and Snell (2007:78) continue that the structural measures that encourage interaction and coordination promote integration in the organisation. An integrative function is performed when there is a link between different work units and any job activity. The need for integration among the different units will be greater in the highly differentiated organisations. Ogden and Spreidzer (2006:146) found that high levels of integration contribute towards success in organisations that are highly differentiated. Organisations that fail to adequately integrate their activities while existing in complex environments and being highly differentiated, are more likely to fail.

- **Authority** is the prerogative that is legitimately being given to an individual to make decisions and to give reasonable instructions to other people on what to do. For example, it is the prerogative of a manager to decide how the structure of his or her division should look like, and to have the authority to tell his or her subordinate what to do.

Bateman and Snell (2007:280) state that authority resides in positions rather than in people. Thus, the job of vice president of a particular division has authority over that division, regardless of how many people come and go in that position and who presently holds it. Bateman and Snell (2007:281) also state that the owners have ultimate authority in private business enterprise. The owner will also act as a manager in most small, simply structured organisations. In some instances a manager can be appointed by the owner to manage the business and its employees. While the manager would be given some authority to oversee the operations of the company, he or she would be accountable to the owner who has the ultimate authority.

Authority has been the traditional way of running the organisation. Usually what is being ordered by the boss to a lower level employee is carried out. As this use to be a daily occurrence throughout the organisation, the organisation can move forward toward achieving its goal. Modern-day management styles, however, differ widely from authoritative styles. The 21st century manager is more inclined to involve employees, and resides more popularly to participative management.

Table 4.1: Functions of the board of directors

Control over Management	Legal Adherence
• Selecting the chief executive officer. • Evaluating management performance. • Setting management salaries and benefits. • Charting the corporate course.	• Keep abreast of new laws • Ensuring legal compliance. • Approving capital budgets. • Authorizing borrowings, bonds, and new stock issues.
Consideration of Corporate Interest	Advancement of Stockholder's Rights
• Monitoring product quality. • Reviewing labour practices. • Maintain or improve community relations. • Enhancing government and other contacts.	• Preserving stockholder's equity. • Stimulating growth. • Keeping stockholders informed. • Guaranteeing corporate survival.

Source: Vance (1999:56)

- **The chief executive officer.** The chief executive officer occupies the top of the organisational hierarchy; he or she is assigned the authority that is officially vested in the board of directors. The board of directors and the owners of the organisation hold the chief executive officer personally accountable for the performance of the organisation.

DuBrin (2009:288) states that it is estimated that all three positions of CEO, chairperson of the board of directors, and president are occupied by one person in 15 percent of the Fortune 500 companies. In many instances, however, two of these positions could be held by one individual, while the position of the chairperson of the board or the president of the organisation may be occupied by the CEO. When the

CEO is president, the chair may be honorary and may do little more than conduct meetings. In some cases, the president may be second in command while the chairperson may be the CEO.

- **The top management team.** Increasingly, according to Bateman and Snell (1999:281), CEOs delegate their authority to other key members of the top management team. The CEO, president, chief operating officer, chief financial officer, and other key executives typically comprise the top management teams. CEOs meet with their top management teams to make decisions as a unit, rather than make critical decisions on their own.

4.2.3 Leading

Berfield (2006:58) points out that a manager must work with employees as they perform their tasks on a daily basis in addition to planning and organising. The process of influencing employees to work towards achieving the goals and objectives of the organisation is leadership. In order for employees to be motivated and be able to meet the objectives of the organisation, these objectives must be communicated through to employees by management. The ability to lead is based on human and communication skills.

The influence on employees is greater where the number of followers is greater. Leadership becomes more evident when there is attainment of worthy goals. This definition may be accurate, but it fails to capture the adrenaline rush experienced by students and followers of leadership when they see a great leader in action. Outstanding leaders have vision. They move people and organisations in directions that others would not go. They may change a course of events, win wars, launch enterprises, and build organisation cultures. They are strategists who take advantage of opportunities that others take for granted, they put their attention to detail, are passionate about realities that can make or market the grandest of plans (Berfield, 2006:58).

The leader's job is to create a vision. Byrne (2002:78) points out that a vision was never a word that one would hear managers utter until a number of years ago. Leadership nowadays is characterised by having a vision for the future and the ability

to communicate it through to the entire organisation. There would be no business without a vision.

Byrne (2002:79) states that practicing business people are not alone in this belief; leadership scholars also have brought vision to a position of prominence in management thinking. A vision is a mental image of a desirable and possible future state of the organisation. Great leaders see in their vision what others have not thought of. They visualise the ideal future that surpasses the ordinary for their organisations. This vision goes beyond what others may never have thought possible, and they also strive to achieve what others have not.

4.2.3.1 Leaders and managers

According to Sacks (2005:65), effective management does not necessarily translate into true leadership. There are many people who are not great leaders but executing their responsibilities as administrators, supervisors, and even top executives. These positions, however, provide opportunity for leadership. Excellent managers are set apart by their ability to lead effectively.

On a daily basis, managers deal with challenges and day-to-day complexities of the organisation. True leaders manage effectively and devote their attention to orchestrating change while managers engage in planning and budgeting routines, leaders set direction (create a vision) for the firm. Leadership goes beyond performing the management functions of structuring the organisation, staffing it with capable individuals, and monitoring activities by inspiring people to attain the organisational vision. Leaders create an environment that encourages people to overcome obstacles that lie in the way, and steer them towards the company's ideal future (Sacks, 2005:66).

4.2.3.2 Leaders and followers

The success or failure of the organisation does not only rely on how well they are being led, but also on how well employees follow. Given that being a manager does not necessarily translate into good leadership, so is the case with followership; subordinates do not necessarily translate into good followers. Followers who are effective have the ability to think for themselves, and are actively committed to organisational goals and objectives (Byrne, 2002:80).

Byrne (2002:82) further argues that managers play both roles of being a manager and that of being a follower. While a manager will be leading those that report to him or her, the manager will also be reporting to his or her boss. Managers, in performing their duties, will belong to some committees and may even chair some of those committees. Many people aspire to become leaders due to the glamour attached to these positions, but followers need to conscientiously perform their responsibilities as well.

Judge *et al.* (2002:766) state that what sets effective followers apart from those that are not effective is their commitment and enthusiasm about their organisation, about a purpose, an idea, and a product, other than themselves or their own interests. These employees perform beyond set standards and hold performance standards that are higher than required because they tend to have mastered skills that are useful to their organisation. Effective followers know that their contributions to organisations are valuable even if they may not receive the glory. While employees are performing and contributing to their organisations, they understudy those that lead them in order to prepare themselves for their own leadership roles.

4.2.3.3 Power and leadership

Fuller and Mansour (2003:427) state that power is central to effective leadership: the ability of a manager to get others to do what he or she wants them to. This means, regardless of resistance from others, power is the ability to get things done and accomplished in organisations.

4.2.3.4 Sources of power

One of the approaches to understanding power is to realise that there are five potential sources of power in organisations that a manager can tap into. Figure 4.3 shows these power sources (Bateman & Zeithaml, 1999:38).

- **Legitimate Power:** the leader with legitimate power, according to Mickelwait and Wooldridge (2003:77), has the prerogative, the right, or the authority to delegate to subordinates on what to do and followers are then obliged to carry out those reasonable and legitimate orders. For example, an employee who has been instructed to remove a safety hazard by the supervisor will do so because he or she has to obey the authority of his or her boss. In contrast, the

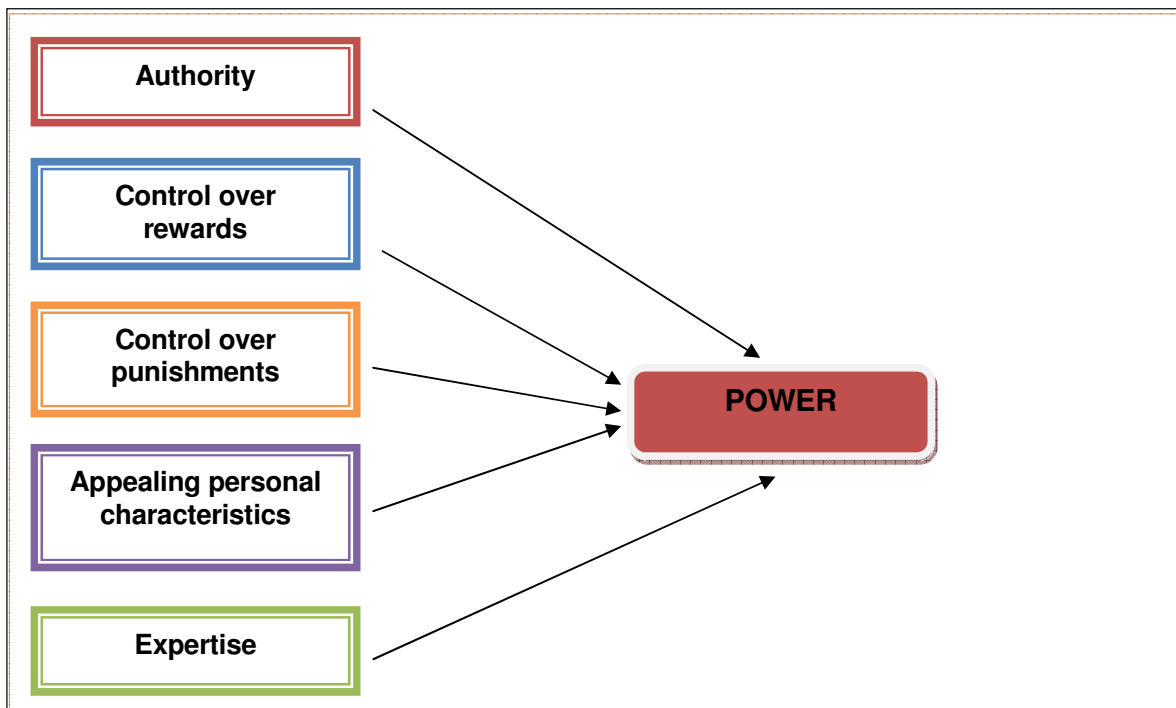
staff person has no legitimate power over the manager because that employee does not have the authority to give orders to the line manager. A manager has legitimate authority over those that report to him or her, and does not have legitimate authority over his or her peers, bosses, and others inside or outside the organisation.

- **Reward Power:** Because of the valued rewards that a leader who has reward power controls, he or she will influence subordinates because those subordinates will comply with his or her wishes in order to access those rewards. For example, in order to get a positive performance review and a big pay raise from his or her boss, a manager works hard to achieve his or her performance goals. On the other hand, a manager's reward power may be decreased if company policy dictates that everyone receives the same salary increase in that the manager will be unable to give a higher raise (Fuller & Mansour, 2003:426).
- **Coercive Power:** The leader with coercive power, according to Mickelwait and Wooldridge (2003:78), has control over punishments; subordinates comply to avoid those punishments. For instance, a manager may use his or her prerogative to discipline those employees who are in violation of the absenteeism policy. A manager's coercive power could be curtailed by the union contract that prohibits the administration of harsher disciplinary sanctions on offending absenteeism employees. Generally, the manager in the higher echelons of the organisation, wield more coercive power than those at lower levels.
- **Referent Power:** This type of power refers to the leader's personal characteristics that appeal to others. A desire to be like the leader, personal liking, a desire for approval, and admiration are the reasons why subordinates comply to whatever the leader want them to do. For example, work habits and personal style of a successful, charismatic executive is emulated by young, ambitious managers. An executive who is incompetent, disliked, and commands little respect has little referent power (Fuller & Mansour, 2003:427).
- **Expert Power:** Certain expertise or knowledge are the attributes that set leaders with expert power apart from those without. The belief that they can

gain from the leaders' expertise, or that they can learn from the leader's expertise make subordinates comply with what the leader wants them to do. For example, the sales people will alter their sales techniques after receiving the tip on how to close the sales deal out of respect for the leader who has expert power over them. On the other hand, accounting may be the area where this leader may lack expert power, and therefore his or her subordinates may ignore the advice given by this leader in this regard (Fuller & Mansour, 2003:427).

Scharf (2004:35) concludes by stating that the powerful members of the organisation are those people who are in a position that gives them the prerogative to tell others what to do, who are well liked and admired, who can reward and punish, and who have expertise on which other people can draw from. Leadership requires all these sources of power. Although people tend to assume that the most powerful leaders are those that possess high legitimate power and control major rewards and punishment, personal sources like expert and referent power are the ones closely related to the motivation of subordinates to perform to their manager's expectations. That is why it is important not to underestimate their influence on individual employees.

Figure 4.3: Sources of power



Source: Adapted from French and Raven (in Bateman & Zeithaml, 2007:133)

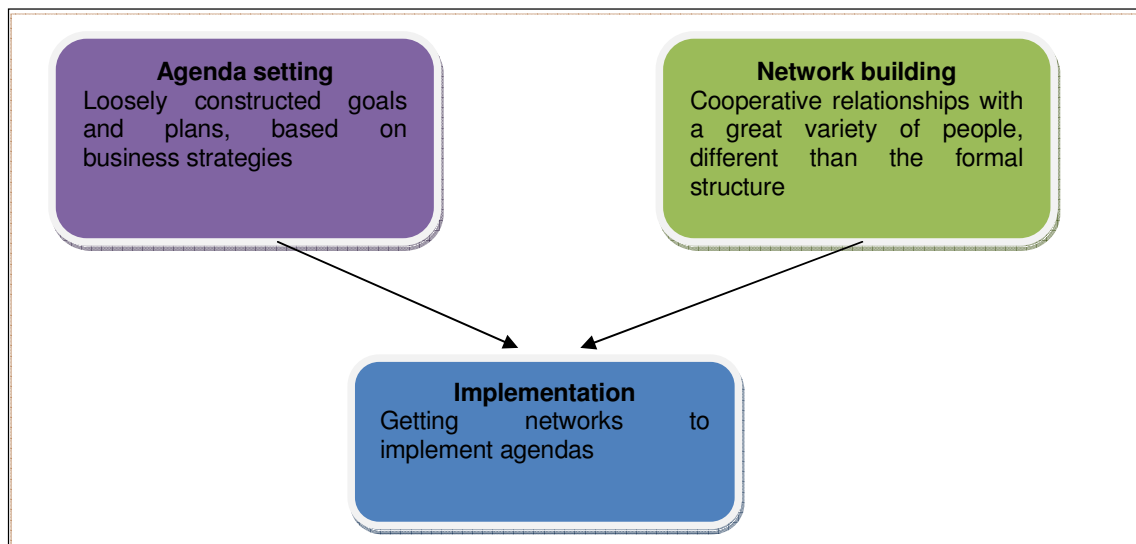
4.2.3.5 The agenda of leadership

According to Quinn (2004:78), leadership is the ability to decide what is to be done, and then to get others to want to do it. This simplification of transformational leadership was supported in a study of successful general managers. Effective leadership focuses on three activities as illustrated in Figure 4.4. Firstly, they create an agenda for change for their business. Such an agenda should take into account the legitimate long-term interests of the organisation's stakeholders. The agenda should also include a strategy for achieving the vision.

At the same time, successful general managers develop interpersonal networks and other resources that could help them accomplish their agendas. The network must include a highly motivated group of people who are committed to making the vision a reality and have the key sources of power needed to implement the leader's strategy. At Arco, Weyerhaeuser, and Motorola, for example, the chief executives had self confidence and wisdom to surround themselves with bright, charismatic staff (Quinn, 2004:78). Finally, once these agendas and networks were largely in place, the successful managers turned their attention to ensuring that the networks were successful at the implementation of the agendas (Quinn, 2004:78).

Creating visionary agendas, building networks, and implementing the agendas are key ingredients of effective leadership.

Figure 4.4: An agenda implementation view of leadership



Source: Bateman and Zeithmal (2007:430)

4.2.3.6. Substitutes for leadership: Does leadership always matter?

One of the basic assumptions about leadership is that leaders always matter. According to Whetten (2005:238), with this type of thinking, without sound leadership, organisations are sure to fail. In fact, when companies struggle, their leaders are almost always blamed for their poor performance. There are situations, however, where leadership is rendered unnecessary, deemed not to make any difference in the organisation, and may not even be blamed for poor performance. These situations are called leadership substitutes and leadership neutralisers. Exhibit 4.2 lists a number of subordinate tasks, or organisational traits that can act as leadership substitutes or neutralisers (some can act as both) for either people related or task related leader behaviours. Leaders' people related behaviours, such as being approachable, supportive, or showing concern for employees, affect how satisfied people are with their jobs. Leaders' task related behaviours, such as setting goals, giving directions, and providing resources, affect the extent to which people are able to perform their jobs well.

- **Leadership substitutes** are subordinate, task, or organisational characteristics that make leaders redundant or unnecessary. For instance, when subordinates have ability, experience, training, and knowledge about their jobs (see subordinate characteristics in Exhibit 4.2), a subordinate's work performance is unlikely to be improved by task related leader behaviour that specifies goals, task assignments, and how to do the job. In this instance, workers are capable of doing their jobs already. Enough information that provides employees with information of how well they are doing or how to go about ameliorating job related problems is provided by the job itself. Workers do not need to be told by leaders of what to do or how to do their jobs in a situation like this (Whetten, 2005:238).

Exhibit 4.2: Leadership substitutes and neutralisers

CHARACTERISTICS	PEOPLE RELATED LEADERSHIP BEHAVIOURS	TASK RELATED LEADERSHIP BEHAVIOURS
SUBORDINATE - Ability, experience, training, knowledge. - Need for independence. - Indifference toward organisational rewards	Neutralise Neutralise Neutralise	Substitute Neutralise Neutralise
TASK - Unambiguous and routine tasks. - Performance feedback provided by the work itself. - Intrinsically satisfying work	No effect No effect Substitute, neutralise	Substitute, Neutralise Substitute, Neutralise Neutralise
ORGANISATIONAL - Formalisation, meaning specific plans, goals and areas of responsibility. - Inflexibility, meaning rigid, unbending rules and procedures. - Highly specified staff functions. - Cohesive work groups. - Organisational rewards - Spatial distance between supervisors and subordinates.	No effect No effect No effect Substitute, Neutralise Neutralise Neutralise	Neutralise Neutralise Neutralise Substitute, Neutralise Neutralise Control Neutralise

Source: Kerr and Jermier (1978:375)

- **Leadership neutralisers** are subordinates, tasks, or organisational characteristics that can interfere with a leader's actions or make it impossible for a leader to influence followers' performance. Leadership neutralisers are not like leadership substitutes that substitute or replace leadership; leadership neutralisers create a leadership vacuum. Leadership neutralisers prevent leadership from working in order to create a need for leadership. For example, when subordinates are indifferent toward organisational rewards (see subordinates characteristics in Exhibit 4.2.), a situation is created where leaders are not empowered to reward good performance. Likewise, inflexible rules and procedures (see organisational characteristics in Exhibit 4.2.), such as equal pay for equal work contract entered into by employers and worker unions. Employee rewards by seniority based on organisational policy, and remuneration policies and procedures that do not empower leaders to substantially reward outstanding performance, the ability of leaders to reward employees being effectively neutralised (Whetten, 2005:239).

Whetten (2005:240) states that leadership can be (as indicated in Exhibit 4.2) neutralised by spatial distance. The situation where supervisors and subordinates do not work in the same place causes spatial distance, as is the case with telecommuters or people working in overseas offices. Spatial distance gives rise to feedback that is not as regular as supposed to and the face-to-face contact is minimised and makes it difficult for leadership to take place as intended.

Leadership substitutes and neutralisers indicate that sometimes leaders do not always matter. This does not mean that leaders never matter, though. Leaders and leadership does matter and are important; however, care should be taken to assume that leaders are superhuman and can do and fix everything all by themselves. While acknowledging the importance of leadership it is also imperative to acknowledge that every organisational crisis is not as a result of poor leadership. Changing leaders is not a solution to every company problem (Whetten, 2005:241).

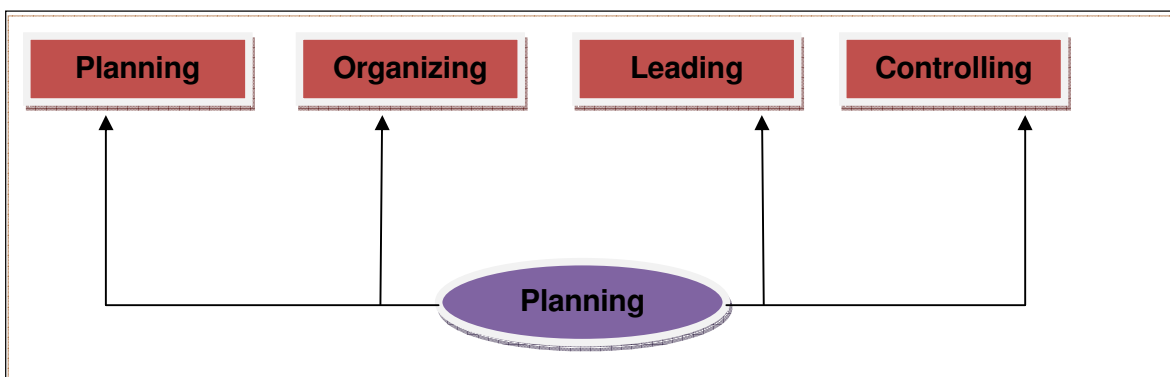
4.2.4 Controlling

Controlling takes place after other management functions have been completed, hence it is sometimes referred to as the terminal management function. The reason for controlling to be associated with planning is because planning establishes goals and the methods for achieving them. Controlling investigates whether planning was successful (Shellenbarger, 2000:B2).

According to Forelle (2004:A1), only 30 percent of people do what they say they are going to do. Therefore, follow through is imperative in order to achieve goals and objectives. Controlling takes place when mechanisms that ensure the attainment of goals and objectives are established. The measurement of progress toward the attainment of organisational goals and the taking of corrective action where necessary, is an important part of controlling. One's ability to control is based on human, communication, conceptual and decision-making skills.

Cappelli (2003:15) points out that the management functions are not a linear process. Managers do not usually plan, then organise, then lead, and then control. Functions are distinct yet interrelated. Managers often perform these functions simultaneously. In addition, each function depends on the others. For example, if a manager starts with a poor plan, the objective will not be met even though things are well organised, led, and controlled. Also, by starting with a great plan, but are poorly organised or poorly lead, the objective may not be met.

Exhibit 4.3: The links between controlling and other management functions



Source: Williams (2009a:23)

The link between controlling and other major management functions are illustrated in Exhibit 4.3. Controlling, according to Forelle (2004:A3), helps measure how well planning, organising, and leading have been performed. The controlling function measures the effectiveness of the control system. On occasion, the control measures are inappropriate; for example, in the case where one measure of sales performance is the volume of sales. Such a measure might encourage a sales representative to push easier to sell products instead of helping the company establish a few new products. Spending more time developing a market for the new products would probably boost the sales representative's effectiveness.

4.2.4.1 Types and strategies of control

The time at which the control is applied to the activity, before, during, and after can be used to classify controls. The source of control, external versus internal control could be another way of describing controls.

a. The time element of control

- **Preventative control** (or pre-control), according to Kahn (2005:91), is executed before performing the activity. Preventative control is aimed at playing a proactive role to prevent deviations before they could happen. Preventative controls are generally the most cost-effective. A manufacturer that specifies quality standards for purchased parts establishes a preventative control. By purchasing high quality parts, the manufacturer prevents many instances of machine failure. Spreitzer (2001:371) states that preventative controls are also used in human resource management. Standards for hiring employees are preventative controls. For example, a company may require that all job candidates are non smokers. This preventative control helps decrease lost productivity due to smoking breaks outside the building and smoking related illness.
- **Concurrent controls** monitor activities while these are carried out. A typical concurrent control takes place when a supervisor observes performance, spots a deviation from standards, and immediately makes a constructive suggestion. For example, suppose a telemarketing manager overhears a telemarketing specialist fail to ask a customer for an order. On the spot, the manager would coach the telemarketer about how to close the order (Weil, 2004:28).

- **Feedback controls** (or post controls) evaluate an activity after it is performed. Feedback controls measure history by pointing out what went wrong in the past. The process of applying the control may provide guidelines for future corrective action. Financial statements are a form of feedback control. If a financial report indicates that one company in a conglomerate lost money, top level managers can then confer with company (or division) managers to see how to improve the situation.

Exhibit 4.4 summarises the three types of time based controls. Most firms use a combination of preventive, concurrent, and feedback controls. An important part of a manager's job is choosing controls appropriate to the situation (Kahn, 2005:92).

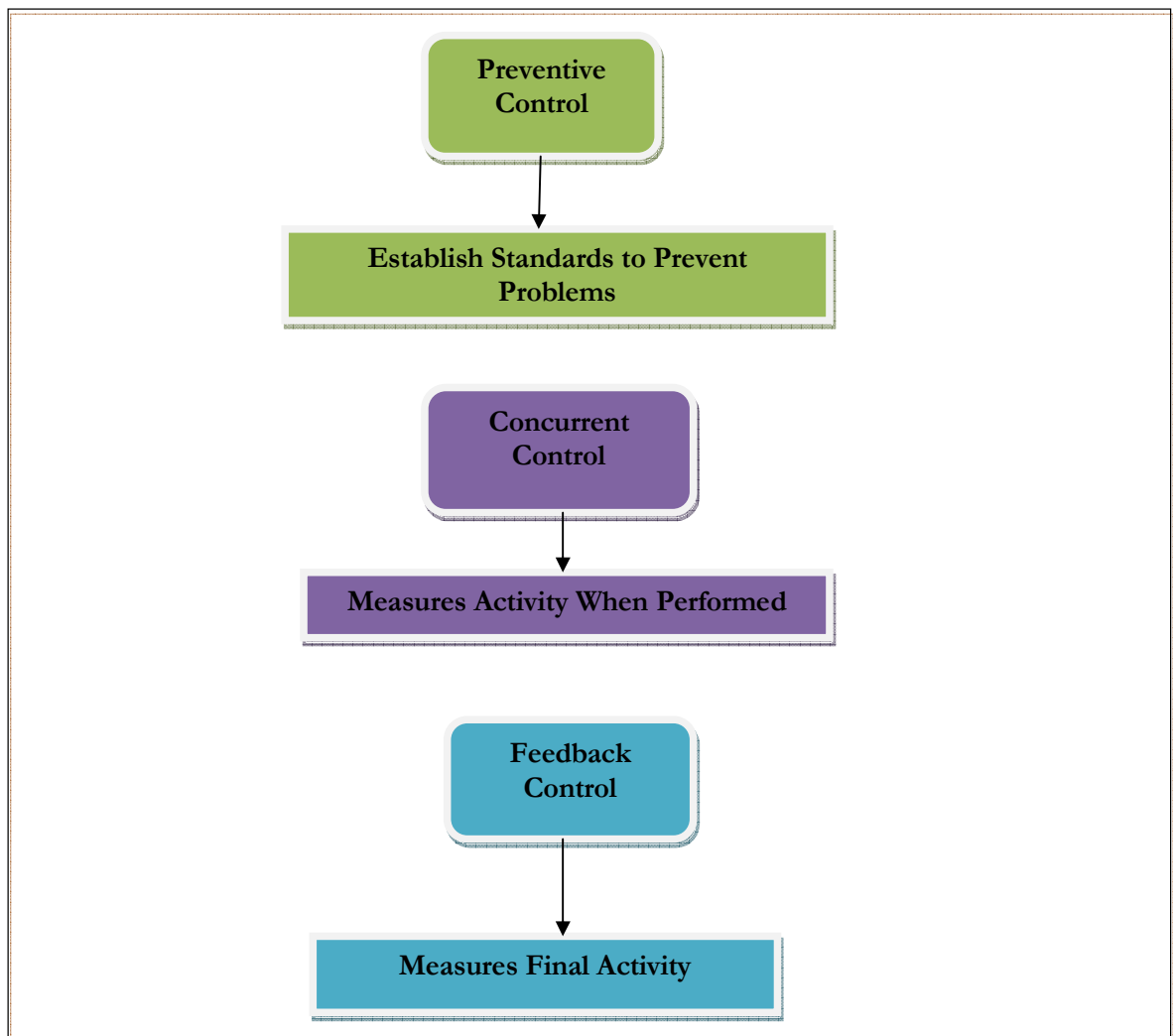
b. External versus internal controls

Controls can be classified according to their underlying strategy.

- **External control strategy** is based on the belief that employees need to be controlled by their managers and are motivated primarily by external rewards. An effective external control system involves three steps. First, in order to gain optimum effort of team members and to leave little leeway in performance, the objectives and performance standard need to be relatively difficult. Second, the objectives and measures must be set in such a way that they are free of manipulation or distortion. For instance, if the measure is customer service, then senior management should determine their own investigation or get an independent reliable outside organisation to determine the levels of customer service rather than taking what their sales force is telling them. Third, performance must be directly and openly be the basis on which rewards are based (DuBrin, 2009:513).
- Kahn (2005:103), on the other hand, argues that external control can create problems, where employees may not be committed to the organisation but yet work towards achieving performance standards. They may reach standards but not be truly productive. Reaching standards without being productive is sometimes referred to as looking good on paper. Suppose the marketing and sales director of a telecommunications company establishes as a performance

standard a high number of customers processed. To achieve this standard the customer service manager instructs the customer service representative to take care of as many calls as he or she can, and to minimise the time customers are kept on hold. As a result, the customer service reps spend brief amounts of time on the phone attempting to resolve problems with most customers. Instead of customers being happy with customer service, many of them are dissatisfied with the abrupt treatment. The standard of taking care of more customers is met, yet at the same time customer service deteriorates.

Exhibit 4.4: Three types of time based controls



Source: DuBrin (2009:512)

- **Internal control strategy** suggests that building employee commitment to organisational goals can motivate them. Self managed work teams and other forms of empowerment rely on an internal control strategy. Management may impose the controls but the employees are committed to them (Kahn, 2005:103).

Three steps would be required to build an effective internal control system. Firstly, group members must participate in the goal setting process. These goals are later used as performance standards for control purposes. Secondly, the performance standards (control measures) must be used to solve problems rather than being used for punitive measures. When deviations from performance are noted, superiors and subordinates work together to solve the underlying problem. Thirdly, although rewards should be tied to performance, they should not be tied to only one or two measures. An internal control strategy calls for evaluation of an employee's total contribution, not one or two quantitative aspects of performance (DuBrin, 2009:515).

External control systems are not necessarily bad, just as internal control systems are not necessarily good. A higher calibre, well motivated workforce creates an environment for internal controls to work satisfactorily. External controls make up for the fact that not everybody is capable of controlling their own performance (or self leadership), or is committed to organisational goals. External control systems work perfectly when applied with good judgment and sensitivity (DuBrin, 2009:515).

4.2.4.2. Non budgetary control techniques

Kahn (2005:79) states that one way of classifying control techniques is to divide them into those based on budgets and those not based on budgets.

Exhibit 4.5: Qualitative control techniques

The competence and ethics of people collecting information for qualitative control influence the effectiveness of these controls		
Technique	Definition	Key Features
External audit	Verification of financial records by external agency or individual	Conducted by an outside agency, such as a CPA firm.
Internal audit	Verification of financial records by an internal group of personnel.	Wide in scope, including evaluation of control system.
Management audit	Use of auditing techniques to evaluate the overall effectiveness of management.	Examines wide range of management practices, policies, and procedures.
Personal observations	Manager's firsthand observations of how well the plans are carried out	Natural part of manager's job.
Performance appraisal	Formal method or system of measuring, evaluating, and reviewing employee performance.	Points out areas of deficiency and areas for corrective action; manager and group member jointly solve the problem.

Source: DuBrin (2009:512)

Qualitative control techniques are methods based on human judgments about performance that result in a verbal rather than numerical evaluation. For example, customer service might be rated as outstanding. Even using a 1 to 5 rating scale could be interpreted as a qualitative technique because the rating is based on an overall human judgment (Kahn, 2005:80)

Quantitative techniques, on the other hand, are described by Weil (2004:25) as methods based on numerical measures of performance, such as lines of computer code produced per hour. Exhibit 4.5 and 5.6 summarise qualitative and quantitative control techniques, respectively. DuBrin (2009:518) further states that interpreting the results of an audit, it is necessary to evaluate carefully the processes used to provide

the information. A key factor to investigate is the political motivation of the people conducting the audit. Are the auditors going out of their way to please management? Are they out to make management look bad? Or are they motivated only to be objective and professional?

Exhibit 4.6: Quantitative control techniques

Quantitative control techniques are widely accepted because they appear precise and objective.		
Technique	Definition	Key Features
Gantt chart	Chart depicting planned and actual progress of work on a project.	Describes progress on a project.
PERT	Method of scheduling activities and events using time estimates.	Measures how well the project is meeting the schedule.
Break even analysis	Ratio of fixed costs to price minus variable costs.	Measures organisation's performance and give basis for corrective action.
Economic order quantity (EOQ)	Inventory level that minimises ordering and carrying costs.	Avoids having too much or too little inventory.
Variance analysis	Major control device in manufacturing.	Establishes standard costs for materials, labour, and overhead, and then measures deviations from these costs

Source: DuBrin (2009:513)

The auditing process according to Bazerman *et al.* (2002:96) has become under considerable scrutiny in recent years because of many reported cases of unethical and illegal reporting of financial information by the firms. The auditors are dependent on the client for their fees, and also the same firm that audits a company's books might be selling consulting services to them. Auditors, being human, suffer from an unconscious bias to see what they want to see and not displease the clients they serve. It is sometimes difficult to be objective because of our unconscious tendencies to survive by not biting the hand that feed us (Bazerman *et al.*, 2002:97).

4.2.4.3 Budgets and budgetary control techniques

A budget, according to DuBrin (2009:519), is a plan, expressed in numerical terms, for allocating resources. The numerical terms typically refer to money, but these could also refer to such things as the amount of energy or the number of laser cartridges used. A budget typically involves cash outflow and inflow.

Virtually every manager assumes some budget responsibility, because a budget outlines a plan for allocating resources. Without budgets, keeping track of how much money is spent in comparison to how much money is available would be nearly impossible.

4.2.4.4 Budgets and financial ratios as control devices

The control process relies on the use of budgets and financial ratios as measures of performance. To the extent that managers stay within budget or meet their financial ratios they perform according to standard.

- **Budgets and control process**

Budgets are a natural part of controlling. Planned expenditures are compared to actual expenditures, and corrective action is taken if the deviation is significant. Figure 4.5 shows a budget used as a control device. The nightclub and restaurant owner operates with a monthly budget. The owner planned for revenues of R40,000 in March. Actual revenues were R42,500 – a positive deviation. The discrepancy is not large enough, however, for the owner to change the anticipated revenues for April. Expenses were R150 over budget, a negative deviation the owner regards as insignificant. In short, the performance against budget looks good. The owner will take no corrective action on the basis of March performance.

Figure 4.5: March revenue and expense budget for nightclub and restaurant

March Revenue and Expense Budget for Nightclub and Restaurant				
Item	Budget	Actual	Over	Under
Revenues	R 40,000	R42,500	R2,500	
Beginning inventory	3,500	3,500		
Purchases	19,250	19,000		R250
End inventory	<u>3,000</u>	<u>3,000</u>		
Cost of goods sold	<u>19,750</u>	<u>19,500</u>		
Gross profit	20,250	23,000	2,750	
Salaries expense	10,500	10,500		
Rent and utilities expenses	1,500	1,500		
Miscellaneous expense	100	250	150	
Maintenance expenses	<u>650</u>	<u>650</u>		
Total operating expenses	12,750	12,900	150	
Nett come before tax	7,500	10,100	2,600	
Taxes (40%)	<u>3,000</u>	<u>4,040</u>		R1,040
Net income	R4,500	R6,060		
Budget summary: revenues and Net Income exceed budget by R2,500 and R1,560 respectively.				
Note: Data analysed according to General Accepted Accounting Principle by Jose L.Cruzet of Florida National College				

Source: Du Brin (2009:596)

- **Financial Ratios and the Control Processes**

According to Kroll (2006:67), a more advanced method of using budgets for control is to use financial ratio guidelines for performance. Four such ratios are presented here.

Gross Profit Margin. One commonly used ratio is gross profit margin, expressed as the difference between sales and the cost of goods sold, divided by sales:

$$\text{Gross Profit Margin} = \text{Sales} - \text{Cost of goods sold} / \text{Sales}$$

This ratio according to Kroll (2006:71) this ratio measures the total money available to cover operating expenses and to make a profit. If performance deviates significantly from a predetermined performance standard, corrective action must be taken.

Assuming that the night club owner needs to earn a 30 percent gross profit margin for March, the figures are as follows:

$$\begin{aligned}\text{Gross Profit Margin} &= \text{R}42,500 - \text{R}19,500 / \text{R}42,500 \\ &= \text{R}23,000 / \text{R}42,500 \\ &= 0.54 \text{ or } 54\%\end{aligned}$$

The night club owner is quite pleased with the gross profit margin of 54 percent, and will take no corrective action. However, for the next budgeting cycle, the owner might raise expectations.

Profit margin. One could argue that the gross profit margin presents an overly optimistic picture of how well the business is performing. Another widely used financial ratio is the **profit margin**, or return on sales. Profit margin measures profits earned per rand of sales as well as the efficiency of the operation. In the business press, the profit margin is usually referred to as simply the margin and calculated as profits divided by sales.

$$\text{Profit margin} = \text{Net Income} / \text{Sales}$$

$$\begin{aligned}&= \text{R}6,060 / \text{R}42,500 \\ &= 0.14 \text{ OR } 14\%\end{aligned}$$

A profit margin of 14 percent would be healthy for most business. It also appears to present a more realistic assessment of how well the nightclub in question performs as a business.

Return on equity. The **return on equity** is an indicator of how much a firm is earning on its investment. It is the ratio between net income and the owner's equity, or

$$\text{Return on equity} = \text{Net income} / \text{Owner's equity}$$

Assuming that the owner of the nightclub and restaurant invested R400,000 in the restaurant, and that the net income for the year is R72,500.

Return on equity = $R72,500 / R400,000$

= 0.181 OR 18.1 percent

The owner should be satisfied, because few investments offer such a high return on equity.

Revenue per employee. A simple financial ratio that is widely used by business managers is **revenue per employee**, expressed as

Revenue per employee = Number of Employee / total revenues

A company with 100 employees that generated R20 million in sales would have revenue per employee of R200,000.

The ratios presented above offer a traditional view of the financial health of an organisation because they emphasise earning a profit. Kroll (2006:74) continue to say that many start ups in the telecommunications, information technology, and biotechnology fields with revenues far below their expenses pay salaries and other expenses out of investor capital. Dozens of other companies do not pay their bills at all because they lacked the necessary cash. Without cash to pay bills and profits to pay investors, most companies eventually fail. Ratios such as profit margin and return on equity are therefore still relevant in today's economy.

4.3 MODEL 2 (Managerial Skills)

"I didn't have a slightest idea what my job was. I walked in giggling and laughing because I had been promoted and had no idea what principles or style to be guided by. After the first day I felt like I had run into a brick wall." (sales representative # 1)

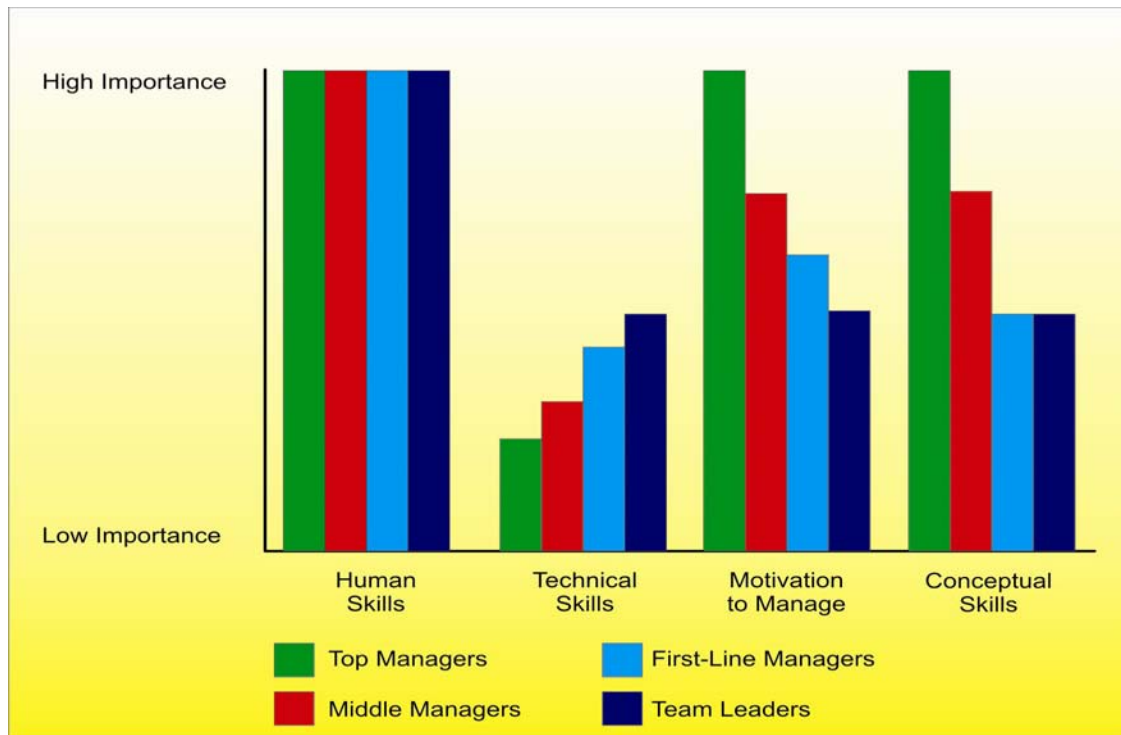
"Suddenly, I found myself saying, boy, I can't be responsible for getting all that revenue. I don't have the time. Suddenly you've got to go from (taking care of) yourself and say now I am the manager, and what does a manager do? It takes a

while thinking about it to really hit you a manager gets things done through other people. That's a hard transition to make.” (sales representative # 2)

Rigby and Bilodeau (2005:6), state that the above statements were made by two star representatives, who, on the basis of their superior performance, were promoted to the position of sales managers. Rigby and Bilodeau (2005:6) further add on to state that the skills, knowledge, and abilities that helped these sales managers ascend to the position of management, would not necessarily help them succeed as managers. This is the first hurdle that people who are promoted to management positions must cross, the realisation that the skills that led to the promotion into the ranks of management would not necessarily help them succeed as managers. As sales managers, they are evaluated on the job done by their sales teams, unlike when they were sales reps where they were only responsible for managing their own performance (Rigby & Bilodeau, 2005:7).

According to Hill (2007:8), the job of a manager requires a range of skills, is multidimensional and complex. Skills that companies look for when looking to appoint an employee who would be a manager in broad terms are human skills, technical skills, conceptual skills and motivation to manage. Figure 4.5 shows the relative importance of these four skills to the jobs of first-line managers, top managers, and team leaders.

Figure 4.6: Relative importance of managerial skills to different managerial jobs



Source: Adapted from Williams (2009a:22)

In order for managers to perform the four functions of management of planning, organising, leading, and controlling in the organisation, they need to have conceptual skills, human skills, technical skills, and they need to be motivated. However, not all managers' jobs are the same. Managers work at different departments that requires different skills and knowledge; they meet different requirements for achieving high performance, and are responsible for different departments (Colvin, 2005:37).

4.3.1 Technical Skills

Hill (2007:12) indicates that technical skills are specialised knowledge, techniques, and procedures required to fulfil a job task. The technical skills for the sales manager would therefore be the ability to find new sales prospects, develop accurate sales pitches based on customer needs, and close the deal. The ability to insert an IV or operate a "crash card" if a patient goes into a cardiac arrest are the skills that a nursing supervisor would need. Managers at lower level need technical skills the most because they supervise workers who produce products or service customers.

Technical skills and knowledge are needed by team leaders in order to help new employees solve problems and to train new employees. Problems that employees cannot handle can be ameliorated by the aid of technical skills and knowledge. As managers rise the echelons of the organisation, their technical skills become less and less important, but lay a good grounding for a manager. Bill Gates, founder and CEO of Microsoft Corporation, spends roughly 40 percent of his time dealing with the technical issues related to development of Microsoft software products (Hill, 2007:13).

4.3.2 Human Skills

According to White (2005:B1), human skill is the ability to work well with others. The ability to listen and communicate, the ability to encourage others to express their thoughts and feelings, and the ability to be sensitive to others needs and viewpoints are characteristics of having “people” skills. All levels of management, from first line supervisors to CEOs, human skills are equally important. As one ascends the hierarchical ladder of the organisation, one would spend much of their time dealing directly with people unlike managers at lower levels would spend much of their time solving technical problems. On average, top managers spend 78 percent of their time dealing with people, middle managers spend 63 percent of their time directly with people, while 57 percent is spent by lower level managers with people.

4.3.3 Conceptual Skills

Rigby and Bilodeau (2005:13) state that the ability to see the organisation as a whole, how the different parts of the company affect each other, and how the organisation fits into or is affected by the external environment (such as the local community, social and economic forces, customers, and competition) within which it operates, are referred to as conceptual skills. Managers need to be smart and intelligent in order to be able to recognise, understand, and make sense of the multiple complex and perspectives. Managers who are said to have above average intelligence typically outperform their average counterparts by approximately 48 percent.

Rigby and Bilodeau (2005:14) warn that care needs to be taken when promoting smart workers into management. As managers rise in the organisational hierarchy, conceptual skills become more important, it is therefore important to recognise that there is much more to good management than intelligence. There is a need for genius

in management, however, management that lacks technical skills, human skills, and the motivation to manage, could be disastrous to the organisation.

4.3.4 Motivation to manage

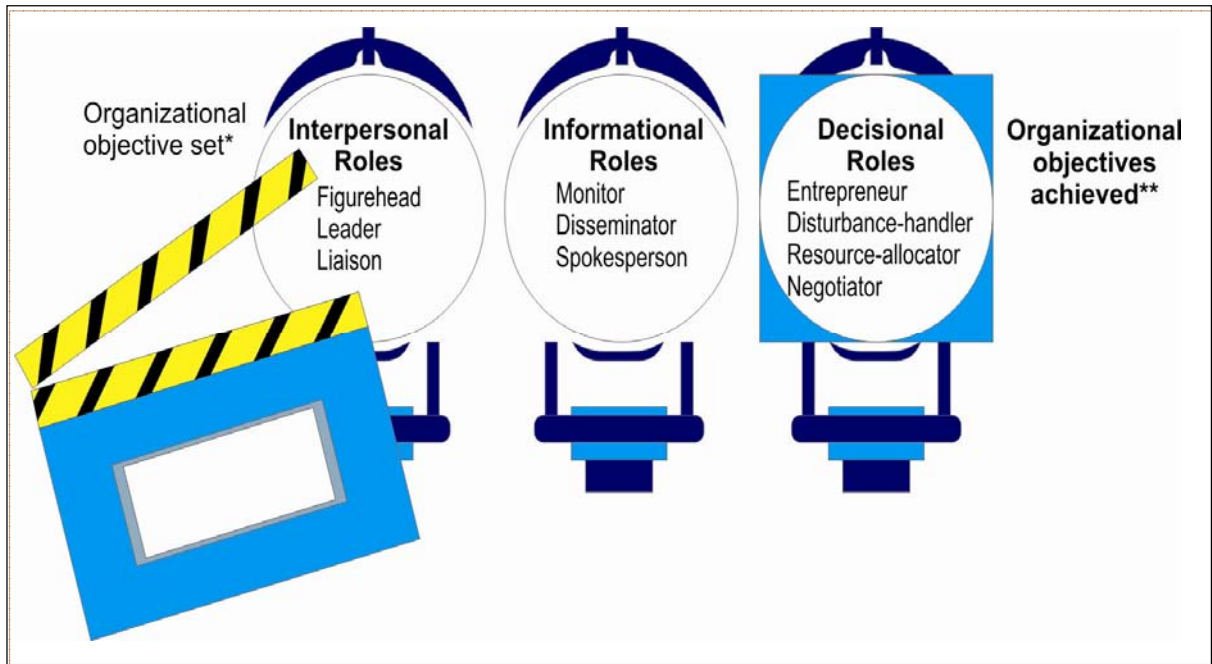
Coffman and Gonzalez-Molina (2002:38) state that the assessment of how motivated employees are to interact with superiors, participate in competitive situations, behave assertively towards others, tell others what to do, reward good behaviour and punish poor behaviour, perform actions that are highly visible to others, and handle and organise administrative tasks is the motivation to manage. Managers at higher levels of the organisation have a higher motivation to manage than managers at a lower level, and managers have a stronger motivation to manage than their subordinates. Those managers that are rated highly as better managers by their subordinates, get promoted faster, and earn more money than their counterparts, have a stronger motivation to manage.

4.4 MODEL 3 (TEN ROLES MANAGERS PLAY)

Henry Mintzberg identified ten roles that managers undertake to accomplish the management functions. A role is a set of expectations of how one will behave in a given situation. Recent studies have supported Mintzberg's management role theory. Mintzberg grouped these roles into three categories. The management role categories include:

- Interpersonal
- Informational
- Decisional

Figure 4.7: Ten Roles Managers Play



Source: Adapted from Robert and Lussier (1997:15)

4.4.1 Interpersonal Skills

Interpersonal roles include figurehead, leader, and liaison. When managers play interpersonal roles, they use their human and communication management skills as they perform the necessary management functions.

Managers play the **(1) figurehead role** when they represent the organisation or department in ceremonial and symbolic activities. For example, a manager will be playing a *figurehead role* when he or she greet visitors and give them a tour of the store. Locke (2006:324) adds by stating that a manager will be playing a figurehead role when he or she is being ethical, and exercising corporate responsibility.

Ethics: are those rules that govern people in order to encourage behaviour that is good and the goods that are worth seeking. The underlying values of an individual, guides all ethical decisions. Conduct such as honesty, pursuit of excellence, caring, respect for others, keeping of promises, loyalty, integrity, respect for others, and responsible citizenship are principles of values.

When attempting to decide what is right or wrong, people can sometimes focus on the consequences of their decision or action. According to this criterion, if no-one gets

hurt, the decision is ethical. Focusing on consequences is often referred to as *utilitarianism*. The decision maker is concerned with the utility of the decision. What really counts, according to Ferrel and Fraedrich (2000:54), is the net balance of good consequences over bad. An automotive body shop manager, for example, might decide that using low quality replacement fenders is ethically wrong because the fender will rust quickly. To focus on consequences, the decision maker would have to be aware of all the good and bad consequences of a given decision. The body shop manager would have to estimate such factors as how angry customers would be whose cars were repaired with inferior parts, how much negative publicity would result, and how the subordinates of such a manager will regard him or her (Ferrel & Fraedrich, 2000:54).

Closely related to focusing on consequences is *pragmatism*, the belief that there are no absolute principles or standards, no objective truth, and no objective reality. “*Truth*” is whatever works, or helps one to attain the goals one wants. Locke (2006:326) believes that pragmatism is the most prevalent ethical theory in use. Unfortunately, being a pragmatist can land an executive in prison. An example is Jeffrey Skilling, the CEO of Enron, who encouraged employees to purchase more shares in the company although he knew Enron was headed toward bankruptcy. Skilling apparently thought that lying to employees was pragmatic.

Another approach to making an ethical decision is to examine one’s duties in making the decision. The theories underlying this approach are referred to as *deontology*, from the Greek word *deon*, or duty. Deontology also refers to moral philosophies that centre on the rights of individuals and the intentions associated with particular behaviour. A fundamental idea of deontology is that equal respect must be given to all persons. The fundamental idea of deontology is based on universal principles based on moral philosophies such as justice, fairness, honesty, and respect for persons and property (Byrne, 2002:78).

Social Responsibility: Handy (2002:50) states that corporate social responsibility is the idea that beyond the economic obligations that the organisation has to its owners or stockholders and the prescriptions of the law, firms has obligations to society as well. Both ethics and social responsibility relate to the goodness or morality of organisations. However, business ethics is a narrower concept that applies to the morality of an individual’s decisions and behaviours. Managers need to behave in a

socially responsible manner and have to be aware of the effect of their decisions and actions have on the environment. Behaving ethically and acknowledging the effects of the organisation on society relates to the issues of social responsibility.

A continuing debate concerns what obligations companies have toward being socially responsible. The position advanced by a growing number of nongovernmental organisations is business firms should take action on issues ranging from pollution and global warming to AIDS, illiteracy, and poverty. The other position is that many investors want companies in which they invest to focus on the bottom-line so they can maximise their returns (Cooper, 2004:90).

In reality, these positions can be mutually supportive. Many socially responsible actions are the by-products of sensible business decisions. For instance, it is both socially responsible and profitable for a company to improve the language and math skills of entry level workers, and invest in local schooling. Literate and numerate entry level workers for some jobs may be in short supply, and employees who cannot follow written instructions and do basic math may be unproductive. Also, a business firm that is environmentally friendly might attract the type of workers who are talented enough to help the firm become more profitable.

Handy (2002:52) also argues that a practical problem in practicing corporate social responsibility is that not all interested parties agree on what constitutes responsible behaviour. Target stores might have many customers who believe that citizens have a constitutional right to defend themselves with handguns against intruders to their home. To this group of customers, a retailer selling handguns to the public would reflect corporate social responsibility. Another customer group might believe strongly in tight gun controls. To this group, target not selling handguns to the public would reflect corporate social responsibility.

Stockholder versus stakeholder viewpoints on social responsibility

Cooper (2004:91) points out that the stockholder viewpoint of social responsibility is the traditional perspective. It holds that the only people that the firms are responsible for are their owners and stockholders, prompting managers therefore to satisfy the financial interest of stockholders and owners. By so doing, says the stockholder view, the interests of society will be attended to in the long run. Corporate social

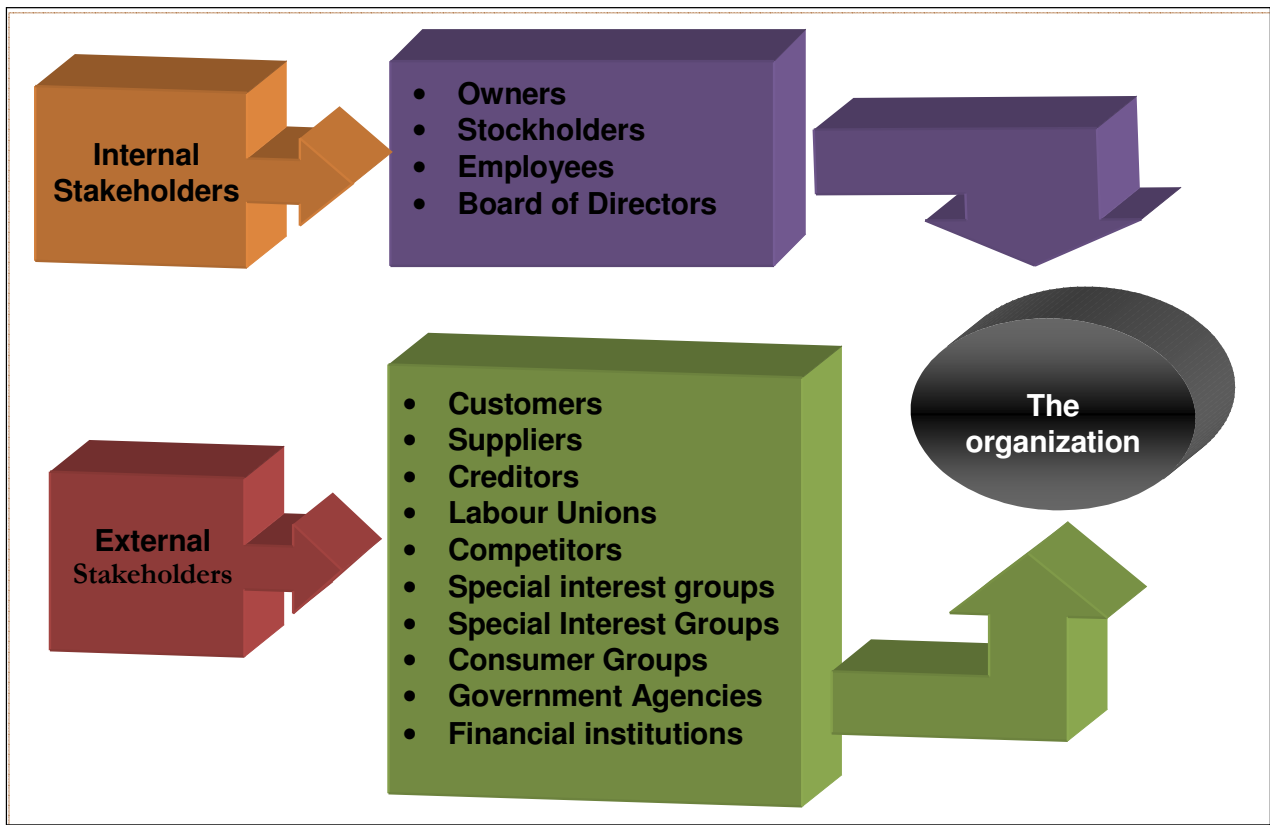
responsibility activities according to this viewpoint, lead to poor sales performance. According to the stockholder viewpoint, corporate social responsibility is therefore a by-product of product seeking.

The stockholder viewpoint of social responsibility, according to Handy (2002:71), maintains that organisations must take responsibility for the action caused by their firms for the quality of life of many groups of people. The general environment of the firm is composed by stakeholders or interested parties. External stakeholders consist of financial institutions, labour unions, consumer groups, and customers; internal stakeholders on the other hand consist of stockholders, owners and employees. The stakeholder viewpoint reflects the modern viewpoint of the corporation. These days, a company's assets are likely to be found in the employees who contribute their time and talents rather than in the stockholders who invest their money. Furthermore, the modern company should be a wealth-creating community whose members have certain rights. In this way the various stakeholders will be more willing to cooperate with each other. Exhibit 4.7 depicts the stakeholder viewpoint of social responsibility.

Another way of framing the stakeholder perspective is that society grants authority to business leaders, employees, and customers. An iron law states that those parties that do not use their power in an acceptable manner will end up losing that power in the long run. Under extreme misuse of power, the government might intervene, such as declaring a company to be in an illegal monopoly.

Part of understanding the stakeholder viewpoint is to recognise that not all stakeholders are the same. Instead, they can be differentiated along three dimensions. Some stakeholders are more powerful than others, some stakeholders are more legitimate than others, some stakeholders are more urgent than others because they require immediate attention. A group of protesters chaining themselves to a company fence because they believe the company is polluting the soil would require immediate attention (Ronald *et al.*, 1997:86)

Exhibit 4.7: Stakeholder viewpoint of social responsibility



Source: Adapted from DuBrin (2009:91)

Cooper (2004:98) indicates that corporate social performance, is the extent to which a firm responds to the demands of its stakeholders for behaving in a socially responsible manner. After stakeholders have been satisfied with the reporting of financial information, they may turn their attention to the behaviour of the corporation as a good citizen in the community. One way of measuring social performance is to analyse the company's annual report in search of relevant statistical information. For example, one might look for data about contribution to charities, arts, education, and to pollution measures.

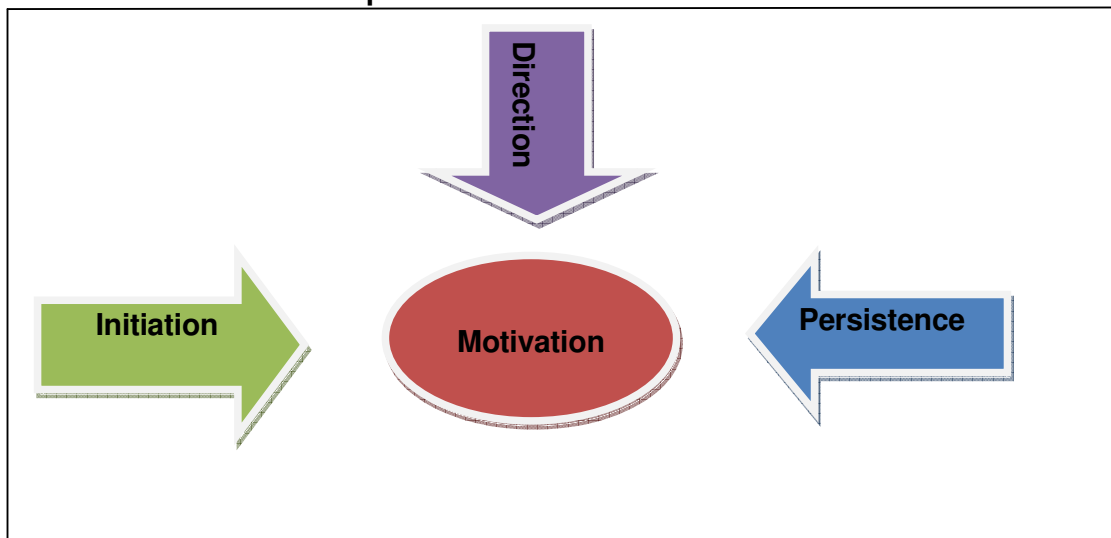
Another consequence of social performance is that a group of mutual funds purchase stocks only of companies the fund manager believes to have good social performance. At the same time the fund manager does not purchase the stocks of companies it believes to have poor social performance. Domini Social Investments is an example of such a socially responsible mutual fund. Fund manager Amy Domini screens out the industries in disfavour with most advocates of social responsibility:

alcohol, tobacco, weapons, gambling, and nuclear power. A supportive environment for employees is one of the primary indicators that Domini uses to evaluate the company. Among these factors are *“paying them fair wages and rewarding them for their contributions to the company, and providing a range of benefits that may save them money, enrich their lives, and advance their careers”*(Domini, 2006:31).

Managers play the **(2) role of a leader** when they motivate employees, and create a learning organisation.

Motivation, according to Williams (2009a:472), is the set of forces that initiates, directs, and makes people persists in their efforts to accomplish goals. In terms of this definition, *initiation of efforts* has got to do with the amount of effort that an individual employee must exert in order to achieve organisational goals. (*“Do I really knock myself out for these performance appraisals or just do a decent job?”*) *Direction of effort* has got to do with priorities that employees must choose from in order to perform their duties (*“I should be spending time with my high dollar accounts instead of learning this new computer system!”*) *Persistence of effort* has to do with the amount of time that an individual employee is prepared to spend on a particular project when executing their duties (*“I am only halfway through the projects, and I am exhausted. Do I plough through to the end, or just call it quits?”*) As Exhibit 4.8 shows that, initiation, direction, and persistence are the heart of motivation.

Exhibit 4.8: The components of motivation



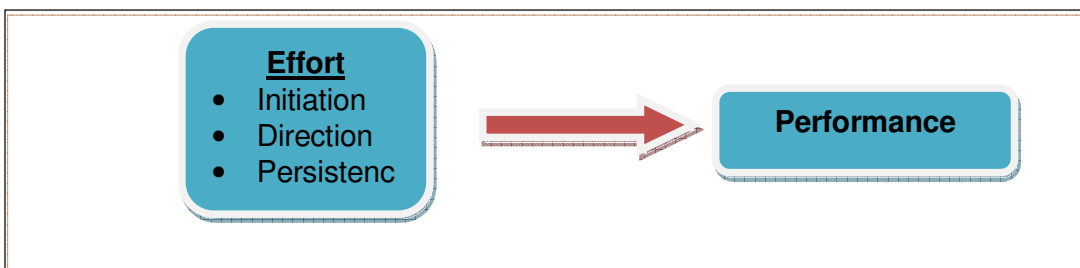
Source: Adapted from Williams (2009a:472)

In Industrial Psychology, job performance is frequently represented by this equation:

$$\text{Job performance} = \text{Motivation} \times \text{Ability} \times \text{Situational Constraints} \text{ (Gold et al., 2008:36)}$$

In this formula, *job performance* is how well someone performs the requirements of the job. *Motivation*, as defined above, is the amount of effort, exerted by an individual in an attempt to get the job done. *Ability* is the degree of knowledge, skills, and talent that an individual has in order to perform their duties. *Situational constraints* are factors such as tools, policies, and resources that have an effect on job performance and are beyond the control of individual employees. Therefore, for managers to motivate their subordinates they need to understand what is it that leads to effort, as illustrated in Exhibit 4.9.

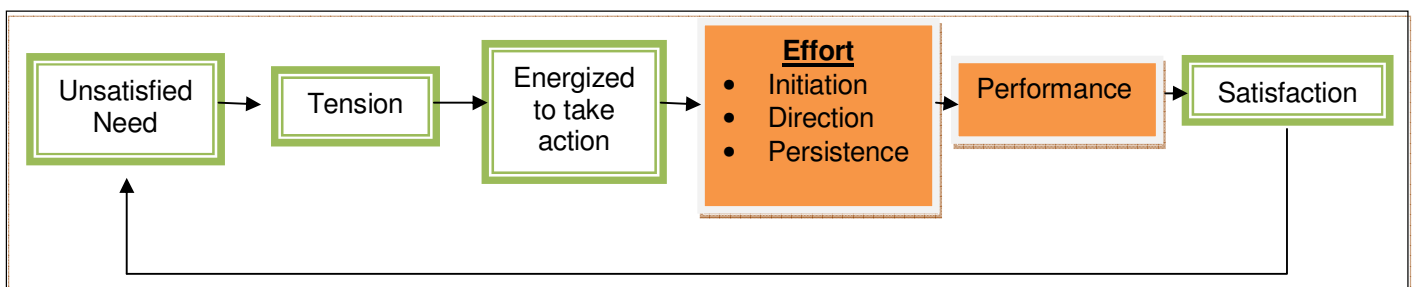
Exhibit 4.9: A basic model of work motivation and performance



Source: Adapted from Williams (2009a:474)

Managers will do almost anything to motivate employees to put forth extra effort into their jobs. To get employees to commit and put extra effort into their jobs is almost impossible unless their needs are met as illustrated in Exhibit 4.10 below (Cummings & Worley, 1999:86).

Exhibit 4.10: Needs satisfaction



Source: Adapted from Cummings and Worley (1999:474)

As shown on the left side of the exhibit, a person's unsatisfied need creates an uncomfortable, internal state of tension that must be resolved. So according to needs theories, people are motivated by unmet needs. But once a need is met, it no longer motivates. When this occurs, people become satisfied, as shown on the right hand side of the exhibit

Needs are physical or psychological requirements that must be met to ensure survival and well being. As shown on the left hand side of Exhibit 4.10, a person's unmet need creates an uncomfortable, internal state of tension that must be resolved. For example, if one normally skip breakfast, but then have to work through lunch, chances are that one will be so hungry by late afternoon that the only thing one would want to will be find something to eat. So according to the needs theories, people are motivated by needs that are not met. The urge for motivation, cease to exist once the need has been met. When this occurs, people become satisfied, as shown on the right side of Exhibit 4.11(Williams, 2009a:475).

Managers need to understand what unmet needs of their subordinates are in order for him or her to address them. This is not always a straightforward task, however because different needs theories suggest different needs categories. Exhibit 4.11 shows needs from three well-known needs theories. Maslow's Hierarchy of Needs suggests that people are motivated by *physiological* (food and water), *safety* (physical and economic), *belongingness* (friendship, love, social interaction), *esteem* (achievement and recognition), and *self actualisation* (realizing your full potential) needs. Alderfer's ERG Theory (1972) collapses Maslow's five needs into three: *existence* (safety and physiological needs), *relatedness* (belongingness), and *growth* (esteem and self actualisation). McClelland's Learned Theory suggests that people are motivated by the need for *affiliation* (to be liked and accepted), the need for *achievement* (to accomplish challenging goals), or the need for *power* (to influence others).

Exhibit 4.11: Needs classification of different theories

	Maslow's Hierarchy	Alderfer's ERG	McClelland's Learned Needs
Higher Order Needs	Self Actualisation Esteem Belongingness	Growth Relatedness	Power Achievement Affiliation
Lower Order Needs	Safety Physiological	Existence	

Source: Adapted from Williams (2009a:476)

Things become even more complicated when we consider the different predictions made by these theories. According to Maslow, needs are arranged in a hierarchy from low (physiological) to high (self actualisation). Within this hierarchy, people are motivated by either lowest unsatisfied need. As each need is met, they work their way up the hierarchy from physiological to self actualisation needs. By contrast, Alderfer states that more than just one need at a time can motivate people. Furthermore, he suggests that just as people can move up the hierarchical needs they also can move down the hierarchical needs especially if satisfaction is not realised at the next higher need level. McClelland argues that the degree to which particular needs motivates varies tremendously from person to person, with some people being motivated primarily by achievement and others by power or affiliation. Moreover, McClelland says that needs are not innate, but instead learned. For instance, studies show that children with a high need for achievement are those children whose parents own a small business or hold a managerial position.

So with three sets of needs and three very different ideas about how needs motivate, how do managers address these unmet need in order to get the employees to make an effort? Fortunately, the research evidence simplifies things a bit. To start, studies indicate there are two basic kinds of needs categories. As shown in Exhibit 4.12, *lower order* needs are concerned with safety and with physiological and existence requirements, whereas *higher order needs* are concerned with relationships (belongingness, relatedness, and affiliation); challenges and accomplishments

(esteem, self actualisation, growth, and achievement); and influence (power). Studies generally show that higher order needs will not motivate people as long as lower order needs remain unsatisfied.

Spencer (2003:15) gives the following example: imagine a person who graduated six months ago and is still looking for his or her first job. With money running short (this person might probably be living on his or her credit cards) and the possibility of this person having to move back with his or her parents might be looming (this should be reason enough to motivate the person) the basic needs for food, shelter, and security will be driving the this individual's thoughts, behaviour, and choices at this point.

But once this person lands that job, find a great place (of his or her own) to live, and put some money in the bank, these basic needs should decrease in importance as one begin to think about making new friends and taking on challenging work assignments. In fact, it is difficult for managers to predict which higher order needs will motivate behaviour once the lower order needs are satisfied. While some people are motivated by growth or esteem, others are motivated by affiliation. Also, the relative importance of the various needs may change over time, but not necessarily in any predictable pattern (Spencer, 2003:16).

Creating a learning organisation: A learning organisation, according to Wayman and Werner (2000:346), has both the drive and the capability to improve its performance continuously. Learning organisations learn from various parts of the company, it learns from other companies, it learns from past experiences, and it learns from customers. Successful innovations are never ending processes that have become part of the daily routine and are not events with clear cut beginnings and ending. Innovation and change are not infrequent and special; they are simply a way of organisational life. As one manager observed, this way of life helps a learning organisation avoid organisational stupidity.

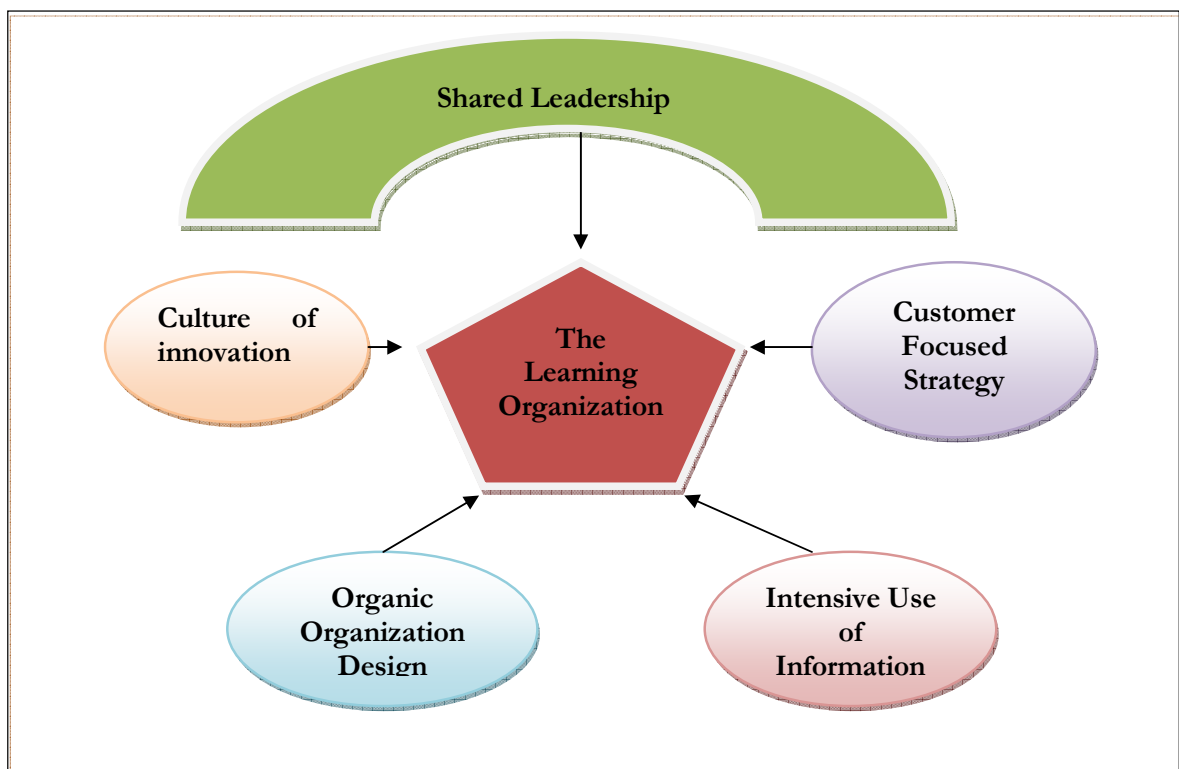
Judge *et al.* (1999:765) state that learning may require a lot of exploration and experimentation when an organisation's environment is complex and dynamic. Failures may be frequent, but so are unexpected achievements. Learning is more likely to occur through a systematic process of testing alternative approaches when an organisation's environment is more stable. In either situation, however, learning organisations change at a rate at least as far as or even faster than the rate of change

in their environments. Moreover, the learning process is managed systematically and professionally, it does not occur randomly.

Through continuous change and innovation, a learning organisation creates a sustainable competitive advantage in its industry. Five distinctive features of learning organisations are illustrated in Figure 4.8.

- Shared leadership,
- Culture of innovation,
- Customer focused strategy,
- Organic organisation design, and
- Intensive use of information.

Figure 4.8: Characteristics of a learning organisation



Source: Adapted from Hellriegel *et al.* (2002:476)

Shared Leadership: In learning organisations, all employees are responsible for decision-making, directing operations, and the achievement of organisational goals. Top level managers are not the only ones entrusted with the responsibility to make decisions. *Everyone* is encouraged and empowered to find ways to improve the

organisation and its products. Judge *et al.* (1999:113) add by giving an example that at Yahoo!, all employees experiment constantly to satisfy customer demand. Users who are eager for sites that are tailor made for their needs send thousands of suggestions to Yahoo! Employees who read these submissions are fully empowered to make changes as they see fit.

Employees are allowed to buy into the organisation's goals and the integration of tasks is provided for by empowering employees. At Nantucket Nectars, a participatory leadership style encourages employees to learn by allowing them to make their own mistakes. The founders of this company adopted this approach because they believed that it would yield better quality beverages. When people discover efficient alternative ways of doing their jobs, they see that in making a better product and improving customer satisfaction (Bate & Khan, 2000:201).

Culture of Innovation: Shared leadership goes hand in hand with innovation. Innovation is part of the daily routine and is a never ending process in learning organisations. Learning organisations treat innovation as the central work of the organisation as opposed to treating innovation as a infrequent and special event that takes attention away from the central work of the organisation. At Southwest Airlines, empowered employees are always looking for better ways to meet customers' needs for low cost, reliable air travel. Clerks were encouraged by the CEO Herb Kelleher to experiment the innovation on selected routes when they suggested the idea of doing away with the ticket system. Long before other airlines adopted the idea of electronic ticketing, Southwest airlines passengers made reservations over the phone and received only a PIN number is exchanged for a reusable boarding pass. Passengers who need receipt get one promptly through the mail (Langley, 2005:24).

Community: Learning organisations create a communal and trusting environment. Everyone in the learning organisation become part of the team where there is respect for each other, where communication is open and honest. Problems can be avoided or handled by just passing them along to another department or up the hierarchy. Conflict and debate are accepted as responsible forms of communication. Employees feel that they are important and are being treated fairly because of the sense of community created by the learning organisation. Employees cooperate because they want to, not because they have to. People are willing to make extra effort needed to make extra effort needed to find and fix problems when they are part of the

community. Solutions are more likely to be shared with co-workers (Bate & Khan, 2000:202).

Continuous learning: Obviously, employees who are willing to learn and change and a prerequisite if a learning organisation is to succeed. Hence learning organisations encourage individual learning in numerous ways. Employee empowerment is one of the most successful ways in the learning organisation where employees are given responsibilities to find problems and solving them. Empowerment requires more involvement and learning than does simply having someone else make all the decisions. The flat, team based structure found in learning organisations facilitates learning because employees work with others from whom they can learn and are involved in a broad range of activities. Continuous learning could also be achieved through formal training. In order to develop the competencies needed by generalists who are knowledgeable in several areas, continuous learning would be essential for managers in particular, as opposed to specialists who understand only finance, production, marketing, or some other function (Bate & Khan, 2000:203).

Customer Focused Strategy: Customer needs are identified in order to add value to customers, in some instances, even before customers have done so, and then develop ways and means that will address those identified needs. Clear understanding of the importance of customers are to the organisation's long-term success is reflected by the focused customer strategies and serve as the basis for aligning all its major activities (Beer & Nohria, 2000:443).

Wishart *et al.* (1996:12) argue that at a time when many organisations and shareholders look no farther than the next quarterly financial report, acceptance of the need for a long-term perspective is crucial for a learning organisation. The process of learning and change simply take time. At Knight Ridder, for example, declining newspaper circulation was anticipated long before it became a reality. As early as the 1970s, the company began experimenting with other forms of news delivery, including TV broadcasts, but eventually abandoned them as failures. During the 1980s, the company experimented with online business services and again had little success at first. Eventually, the learning paid off. With several years of experience behind it, the company bought Dialog Information Services, which was the world's largest online full text information service. With this acquisition, Knight Ridder was transformed from

traditional newspaper company to a leader in the provision of online business information.

Organic Organisation Design: rather than reflecting the mechanic system of the organisation, the learning organisation often reflects their emphasis on the organic system. The use of strategic teams, the use of teams, and boundary less networks are emphasised by learning organisations.

Teams: In learning organisations, multidisciplinary teams are formed by employees with different expertise to form one team. These teams are only formed as and when needed in order to encourage the free flow of ideas, on a project by project basis. “*Bosses*” are practically nonexistence. Unlike functional structures that are inflexible and rigid bureaucratic decision-making process in the learning organisation are declared irrelevant as team members are given considerable autonomy to make important decisions by themselves. Contribution to learning and opportunities for innovation is encouraged by the easy flow of knowledge among members of the organisation (Waymen & Werner, 2000:349).

Strategic alliances: in addition to experimenting on their own, strategic alliances with suppliers, customers, and even competitors are used by learning organisations as a method of learning. In Japan, Amgen, a biotech company, formed an alliance with Kirin Brewery. From Kirin, Amgen learned about fermentation processes, which are imperative for producing synthetic blood clotting protein. From Amgen, Kirin learned about amino acid protein combinations that can act as catalysts to speed up the brewing process (Bate & Khan, 2000:204).

Boundary less Networks: network structures, maximise the linkage among organisations. Such linkages in turn generate innovation in goods and services while provide learning opportunities in the process. A sense of community among a larger pool of people who share their diverse knowledge and expertise is what seems to be making the network structures to work in part because they use these networks to find creative solutions to difficult problems (Bate & Khan, 2000:205).

Intensive use of information: In learning organisations, managers strive to be actors of change. Staying attuned to emerging trends is their passion. To ensure that they do not miss an important trend or change, both the external and internal environment are

scanned for information in the learning organisations. The external environment provides the learning organisations with large amounts of information on how customers are reacting to current goods and services, how customers compare them to those of competitors, and whether new competitors may be on the horizon. Such information is essential to judgments concerning the need to create new products to meet customer demand. How employees feel about the organisation, whether they are a customer focused organisation, whether key employees are likely to defect to competitors, and whether they feel energised to solve difficult problems is what information from the external environment will indicate (Beer & Nohria, 2000:443).

Measurement Oriented: Organisations learn in order to improve. To determine whether there is any improvement or not, the organisation needs to know where it is now and where it was before. Assessing improvement is made possible by systematic measurement. In learning organisations, employee commitment, and competitors' strategies, among other things, data are gathered, monitored, disseminated, and used throughout the organisation. Employees believe that too much information is better than too little so that they can pick and choose what they need to perform their jobs most effectively (Langley, 2005:27).

Communication: Numerical data (measurements) are not the only type of information considered important in learning organisations. "Soft" information sometimes referred to as tacit knowledge or gossip is valued too. Employees who serve customers day in and day out may not need to read the results of monthly customer satisfaction surveys to know where problems lie. The anecdotal evidence they gather through dozens of service encounters may be enough to begin seeing a pattern of pieces that all seem to fit together, make sense, and suggest needed improvements. When Xerox wanted to improve its service for customers, it hired an anthropologist to study how service reps went about their jobs. The anthropologist concluded that informal storytelling and conversations around the water cooler were important activities for sharing problems and solutions. Employees reduce the number of times they reinvent the wheel and accelerate the process of organisational learning by sharing information about the problems they face and the solutions they discover (Langley, 2005:29).

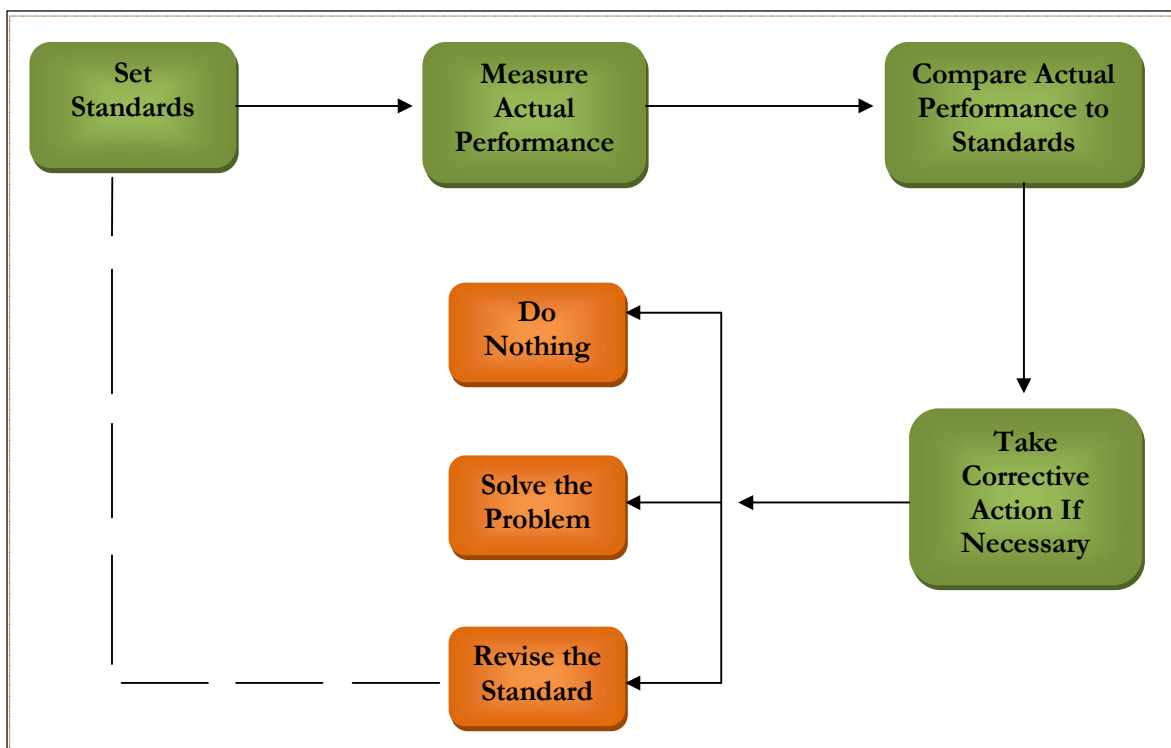
Managers play the ***liaison role*** when they interact with people outside of their unit to gain information and favours. A manager would be playing liaison role when he or she attends a district meeting and conduct a store walk through.

4.4.2 Informational Role

Informational roles include monitor, disseminator, and spokesperson. When managers play informational roles, they use their human and their communication management skills.

According to Wiener (1998:33), managers play the ***monitor role*** when they read and talk to others in order to receive information; for example, when a manager continually continues to monitor to ensure that employees make full floor coverage. The steps in the monitoring process follow the logic of planning: (1) performance standards are set, (2) performance is measured, (3) performance is compared to standards, and (4) corrective action taken if needed.

Exhibit: 4.12: Steps in the monitoring process



Source: Adapted from DuBrin (2009:514)

Setting appropriate performance standards: Manz and Neck (2004:164) state that a monitoring system starts by setting acceptable and realistic performance standards with the people involved. A standard is a unit of measurement used to evaluate results. Standards can also be qualitative, such as a viewer's perception of the visual appeal of an advertisement. Laws are often the basis for standards because performance must comply with laws and regulations such as those relating to disposal of toxins, fair employment practices, and safety. An effective standard shares the same characteristics as an effective objective. Exhibit 4.13 below presents two of the performance standards established for a customer service representative unit within a telecommunications company.

Exhibit 4.13: Two performance standards established for a customer service operation

The performance standards shown here give customer service representatives' precise targets for meeting organisational objectives. Performance monitoring is based on how well customer service representatives, individually and as a group, meet these standards.				
	Distinguished Performance	Above Standard Performance	Standard Performance	Below Standard Performance
CSR Objectives	(4 points)	(3 points)	(2 points)	(1 point)
Customer satisfaction	89% or higher overall customer satisfaction	86% - 88% overall customer satisfaction	83% - 85% overall customer satisfaction	< 83% overall customer satisfaction
Calls answered in 30 seconds	Group consistently answers 80% or more of calls within 30 seconds	Group consistently answers 75% - 79% of calls within 30 seconds	Group consistently answers 70% - 74% of calls within 30 seconds	Group consistently answers < 70% of calls within 30 seconds

Source: Adapted from DuBrin (2009:514)

Historical information about comparable situations often provides the basis for setting initial standards. Assume a manufacturer wants to establish a standard for the percentage of machines returned to the dealer for repair. If the return rate for other

machines with similar components is 3 percent, the new standard might be a return rate of no more than 3 percent (Manz & Neck 2004:164).

Manz and Neck (2004:165) continue to argue that at times, profit and loss considerations dictate performance standards. A case in point is the occupancy rate standard for a hotel. Assume break even analysis reveals that the average occupancy rate must be 75 percent for the hotel to cover costs. Hotel management must then set an occupancy rate of at least 75 percent as a standard.

Measuring actual performance: to implement the control system, performance must be measured. Performance monitoring and evaluations are one of the major ways of measuring performance. Supervisors often make direct observations of performance to implement monitoring systems. A simple example would be observing to make sure a sales associate always asks a customer, *“Is there anything else I could show you now?”* A more elaborate performance measure would be a ten page report on the status of a major project submitted to top level management. The aspects of performance that accountants measure include manufacturing costs, profits and cash flow. Measurements of performance are much more complex than it would seem on the surface. The list that follows presents three important conditions for effective performance (Lublin, 2005:11).

- *Agree on the specific aspects of performance to be measured.* Top level managers in a hotel chain might think that occupancy rate is the best measure of performance. Middle level managers might disagree by saying, *“Do not place so much emphasis on occupancy rate. If we try to give good customer service, the occupancy rate will take care of itself. Therefore, let’s try to measure customer service”*
- *Agree on the accuracy of measurement needed.* In some instances, precise measurement of performance is possible. Sales volume, for example can be measured in terms of customer billing and accounts paid. The absolute number or percentage of customer returns is another precise measurement. In other instances, precise measurement of performance may not be possible. Assume top level managers of the hotel chain buy the idea of measuring customer service. Quantitative measures of customer satisfaction, including the ratings that guests submit on questionnaires and the number of formal complaints are available. However, many measurements would have to be subjective, such as

the observation of the behaviour of guests, including their spontaneous comments about service. These qualitative measures of performance might be more relevant than the quantitative measures.

- *Agree on who will use the measurements.* In most firms, managers at higher levels have the authority to review performance measures of people below them in the hierarchy. Few people at lower levels object to this practice. In a team based organisation, peers might be allowed to see each other's performance measurements. Another issue centres on the level of staff access to control reports. Line managers sometimes believe that too many staff makes judgments about their performance.

Comparing actual performance to standards: Turkey and Brewer (2002:95) say that after establishing standards and taking performance measurements, the next step is to actually compare performance to standards. Key aspects of comparing performance to standards include measuring the deviation and communicating information about it.

Deviation in a monitoring system indicates the size of the discrepancy between performance standards and actual results. It is important to agree beforehand how much deviation from the standard is a basis for corrective action. When using quantitative measures, statistical analysis can determine how much of a deviation is significant. Sometimes, a deviation as small as one percent from the standard can have a huge influence on a company's welfare. If a business unit fails by one percent to reach R 100 million in sales, the firm has R 1 million less money than anticipated. At other times, deviations as high as 10 percent might not be significant. A claims department might be 10 percent behind schedule in processing insurance claims. However, the claims manager might not be upset, knowing that all the claims will eventually be processed (Turkey & Brewer, 2002:95).

Turkey and Brewer (2002:95) continue to argue that when statistical limits are not available, it takes wisdom and experience to diagnose a random deviation. Sometimes factors beyond a person's influence lead to a one time deviation from performance. In such a case, the manager might ignore the deviation. For example, a person might turn in poor performance one month because he or she faced a family crisis.

For the monitoring system to work, the results of the comparison between actual performance and standards must be communicated to the right people. These people include the employees themselves and their immediate managers. At times, the results should also be communicated to top level managers and selected staff specialists. They need to know about events such as exceptional deviations from safety and health standards. For example, nuclear power plants are equipped with elaborate devices to measure radiation levels. When a specified radiation level is reached or exceeded, several key people are notified automatically (Lublin, 2005:12).

Taking corrective action: An evaluation of the difference between the standard and the actual performance poses three alternatives that a manager can carry out: he or she can do nothing about the difference, he or she can solve the problem, or the standard can be revised by the manager. Each of these alternatives may be appropriate, depending on the results of the evaluation.

Do nothing: The purpose of the monitoring system is to determine whether the plans are working. No corrective action is required if the evaluation reveals that events are proceeding according to plan. Doing nothing, however, does not mean abdicating, or giving up, responsibility. A manager might take the opportunity to compliment employees for having achieved their objectives (thus increasing employee motivation), but do nothing about their approach to reaching objectives because performance measurements show it to be effective (Manz & Neck, 2004:165).

Solve the problem: The big payoff from the monitoring process concerns the correction of deviations from substandard performance. If a manager decides that deviation is significant (non random), he or she starts problem solving. Typically the manager meets with the team member to discuss the nature of the problem. Other knowledgeable parties might participate in the problem solving process. At times, a significant deviation from a performance standard demands a drastic solution. A severe shortfall in cash, for example, might force a retailer to sell existing inventory at a loss (Manz & Neck, 2004:165).

Lublin (2005:13) states that sometimes a manager can correct the deviation from a performance standard without overhauling current operations. An office manager in a group dental practice used a control model to measure the percentage of professional time allotted to patient care. The analysis revealed that non billed time exceeded ten

percent, an unacceptable deviation. The corrective action involved two steps. First, workers scanned dental records to find patients overdue for cleaning and checkups. Second, the office manager telephoned these people and asked whether they would like to schedule an appointment for cleaning and a check-up. The successful telemarketing campaign filled virtually all the slack time within ten days.

Revise the standard: deviations from standard are sometimes attributable to errors in planning rather than to performance problems. Corrective action is thus not warranted because the true problem is an unrealistic performance standard. Consider an analogy of a classroom: if 90 percent of the students fail a test, the real problem could be an unrealistically difficult test (Manz & Neck, 2004:167).

Lublin (2005:15) concludes by stating that standards often must be revised because of changes in the external environment. As more and more companies shifted to e-commerce, standards of hotel occupancy rates had to be lowered. The reason is that business travel decreased as more business was conducted over the Internet rather than in person. The use of videoconferences to substitute for in-person meetings also bit into hotel occupancy. Planning for a new task can also create a need for revised standards. Performance quotas may be based on “guesstimates” that prove to be unrealistically difficult or overly easy to reach. A performance standard is too difficult if no employee can meet it. A performance standard may be too easy if all employees can exceed it. As Exhibit 4.14 shows revised standards means repeating the monitoring cycle.

Managers play the **(5) disseminator role** when they sent information to others. For example a manager will be playing a disseminator role when he or she attended the district meeting.

Managers play the **(6) spokesperson role** when they provide information to people outside the organisation.

4.4.3 Decisional Roles

Decisional roles include entrepreneur, disturbance handler, resource allocator, and negotiator. When managers play decisional roles they use their conceptual and decision-making management skills.

Managers play the **(7) entrepreneurial role** when they innovate and initiate improvements. Large size no longer guarantees a company an advantage. Whereas the old, stable business environment used to favour size today's dynamic environment favours flexibility and innovation, with an advantage to the small. Currently most growth in employment opportunities comes from small businesses, many of which are new.

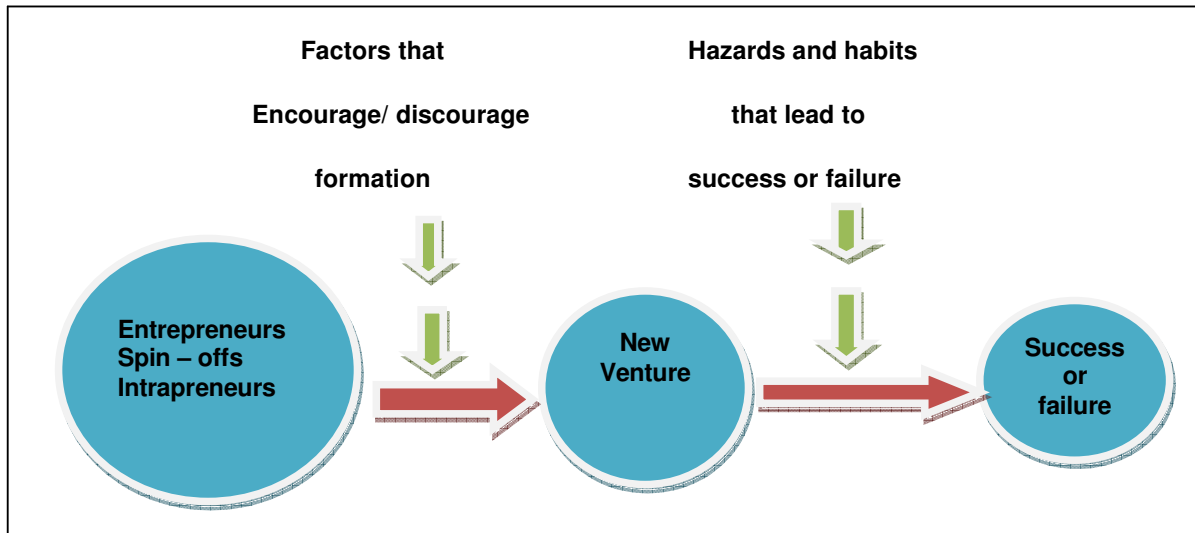
Large, bureaucratic organisations probably will not disappear completely. But many large organisations are trying to adapt to their new environments by creating new ventures. Future career opportunities, in both large and small companies, will be available to those who develop an important skill: entrepreneurship.

Entrepreneurship, according to Weber (2000:950) is the act of forming a new organisation. Entrepreneurs build businesses. As these businesses grow, their problems differ from those of large business. For example, whereas executives in large businesses can rely on a staff of experts to guide their decisions, entrepreneurs in smaller businesses must rely on their own insights or develop networks of advisors outside the business. Small businesses are just "little big business".

Economist Joseph Schumpeter gave entrepreneurship its first formal recognition. Schumpeter noted that the process of improving technology, organisation, and commerce get improved by entrepreneurs. He made suggestions that entrepreneurs are capable of transforming both organisations and industries, opening up new markets, finding new sources of supply, introducing new production methods, creating new goods, and improving the quality of goods (Kirkman & Rosen, 2000:47).

Clearly, then entrepreneurship is an important activity. It leads to economic growth. It promotes efficiency. It leads to innovation within and across industries. Entrepreneurs perform an important and valuable function that benefits everybody.

Figure 4.9: New venture formations



Source: Adapted from Bateman and Zeithmahl (2009:248)

Bateman and Zeithmahl (2009:247) state that there are three primary sources of new venture creation: Independent entrepreneurship which occurs when an individual establishes a new organisation without the benefit of corporate support. In corporate spin offs, unit managers become entrepreneurs by creating new, independent business units with assets purchased from the corporation. Intrapreneurs are new venture creators working in big corporations; they are corporate entrepreneurs.

In the computer industry, independent entrepreneurs founded Apple Computer and Microsoft. Data General resulted from a corporate spin-off. IBM's personal computer line emerged from an intrapreneurial effort within "*Big Blue*" Figure 4.9 outlines factors that encourages or inhibit new venture formation, the hazards new ventures face, and how the entrepreneur's skill in dealing with those hazards determines the success or failure of the business.

Independent entrepreneurs: Formation factors

Figure 4.10 indicates that three sets of factors contribute to the formation of entrepreneurial organisations. *Psychological factors* contribute to the entrepreneurial urge. *Sociological factors* determine an individual's exposure to entrepreneurship. *Environmental factors* also play a key role in business formation. A healthy, economic

climate that offers easy access to education, work experience, and capital, favours entrepreneurial success (Armstrong & Stephens, 2005:195).

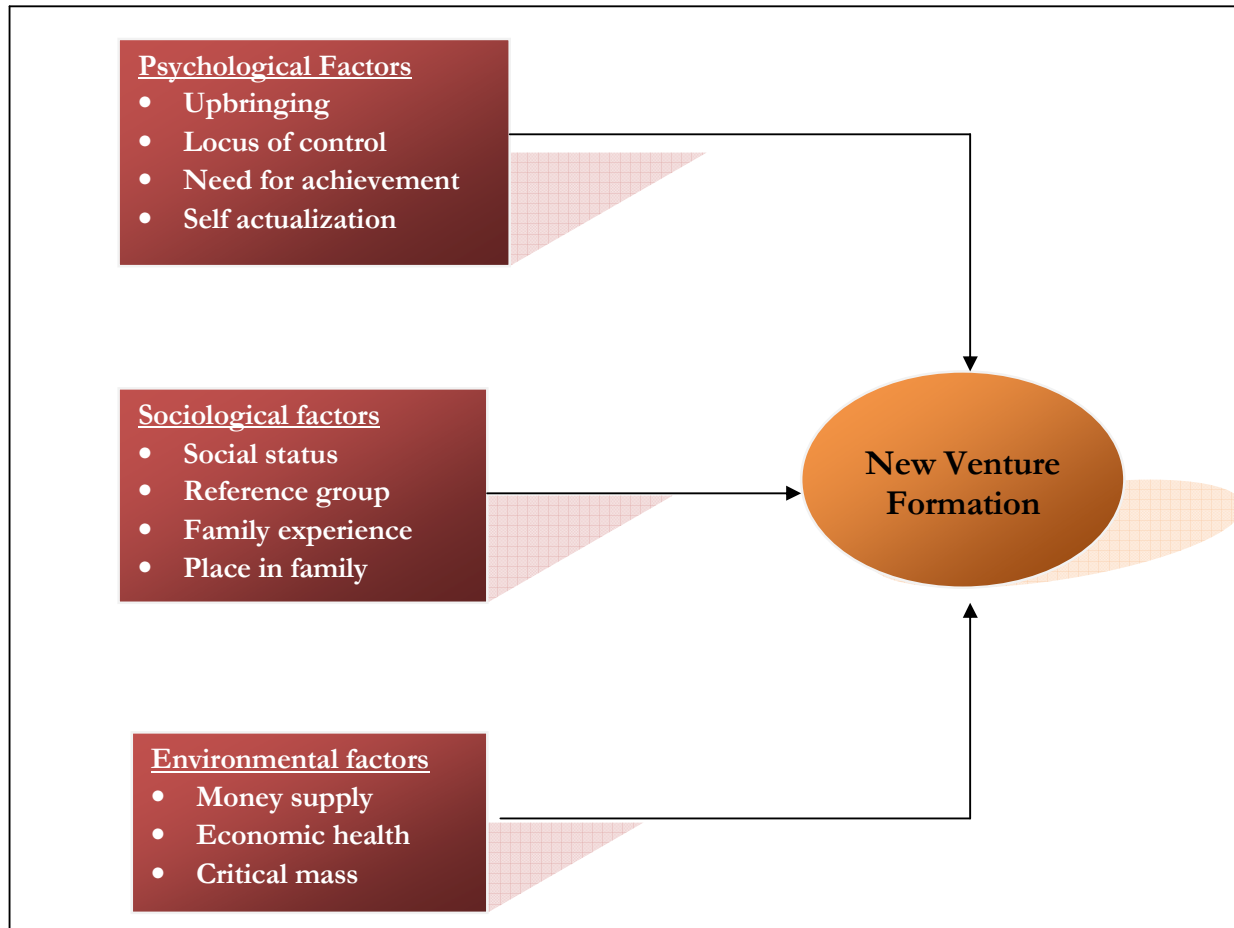
Psychological Factors: Whetten and Cameron (2005:16) indicate that psychologist Julian Rotter developed the concept of *locus of control*. Rotter's approach divides people into two groups. Members of the first group, whom Rotter labelled *internals*, believe they are masters of their own fates. Members of the second group, called *externals*, feel less able to determine their own fates. People with an internal locus of control are more likely to become entrepreneurs; they also are more likely to have businesses that survive.

David McClelland developed the concept of *need for achievement*, or *N-Ach*. Generally, the high N-Ach person set his or her own goals (such as running a successful business) and frequently seeks feedback about progress toward those goals (financial performance of the company). The high N-Ach person is more likely to become an entrepreneur than the low N-Ach person, because starting a business can satisfy one's need to achieve.

Self actualisation is a concept developed by Abraham Maslow. *Self actualisation*, as applied to entrepreneurs, implies that the entrepreneur is self motivated when creating a new product or organisation. The act of creating is its own reward. Like other creative artists, the entrepreneur rejects many of the rewards of a more conventional life. The entrepreneur mimics the artist rather than the "organisation person"

Sociological factors: Sociologists as well as psychologists have attempted to explain who entrepreneurs become. For example, social status determines entrepreneurship. Groups that are low in status, such as certain immigrant groups, find the usual paths to economic success closed to them. Blocked from conventional sources of advancement, these unconventional paths confer higher social status to the outcast group. Immigrant groups in many nations have followed this pattern. For example, in the United States, the Cuban community in Miami has produced many entrepreneurs, as has the Vietnamese community throughout the country (Armstrong & Stephens, 2005:198).

Figure 4.10: Factors that encourage new venture formation



Source: Adapted from Armstrong and Stephens (2005:201)

Armstrong and Stephens (2006:198) continue to indicate that a person's family status also contributes to the individual's entrepreneurial tendencies. Surveys reveal two interesting patterns. First, entrepreneurs often follow in their parents' footsteps. Sixty six percent of entrepreneurs report that at least one parent started his or her own business. Second, 60 percent of entrepreneurs are first-born children, a higher percentage than chance alone would be expected to produce.

Environmental factors: Environment also plays a role in business formation. The economic health of the national or the regional economy has a direct effect on entrepreneurship.

- *The economy.* According to Kilman (2002:9), money is a critical resource for all new business. As the money supply and the supply of bank loans increase, a large number of loan applications can secure funds. The result is a rise in the

rate of business formation. Conversely, as the supply of money and loans decreases, fewer aspiring business owners can find funding. The rate of business formation then declines.

Antoncic and Hisrich (2001:496) state that other economic factors contribute to an improved climate for business formation. Real economic growth and improved stock market performance lead to both improved prospects and increased sources of capital. In turn, the prospects and the capital increase the rate of business formation. However, the economy is a double edged sword; the same factors have a long term effect on business failure. Under favourable conditions, many aspiring entrepreneurs find early success. However, changing economic cycles dictate that favourable conditions will change. Few entrepreneurs have the foresight and talent to survive when the window of opportunity closes. Therefore, many entrepreneurs fail when economic conditions change. The causes of failure may include (1) poor managerial expertise, (2) an inadequate business plan, (3) unclear goals, (4) ineffective sales strategies, (5) overdependence on a single customer, (6) undercapitalisation, (7) lack of teamwork, or (8) failure to obtain sound business advice.

- *Business incubators.* In recent years, local government officials and educators have been concerned about their role in promoting business formation in their regions. In particular, they have addressed the need to provide a nurturing environment for fledging enterprises. That concern led to the growth of business incubators. These business incubators are located in industrial parks or abandoned factories, and are protected environments for new, small business. Incubators offer benefits such as low rents and shared costs. The rents often are subsidised by a sponsoring agency. Staff costs, such as for receptionists and secretaries, are shared by several businesses. By sharing these costs, the small businesses are spared the expense of a full time employee but still enjoy convenient access to services (Antoncic & Hisrich, 2001:497).

Antoncic and Hisrich (2001:497) conclude by stating that the incubator also provides professional services for its young business clientele. Usually the staff manager is an experienced business person or consultant. The manager's job

is to serve as adviser to the new business owners. Incubators often are associated with universities, which provide technical and business services for the new companies.

- *Other factors.* Educational facilities are an important aspect of the entrepreneurial environment. Educational facilities supplement the entrepreneur's network by providing a source of professional talent. In addition, they allow the entrepreneur to attract critical labour resources (Sellers, 2004:31).

Sellers (2004:31) proceed to state that the political environment also affects the rate of business formation. Progressive political environments often come at the cost of high wages and taxes, neither of which is attractive to a new business.

Managers play the **(8) disturbance handler role** when they take corrective action during disputes or crisis situations. Managers are often confronted with unsatisfactory situations which they have to resolve. They can do this by applying their expertise and experiences to assess the circumstances, the working situation, in which the problem has arisen. To do this they need to use their problem solving skills (Kotter, 1999:60).

A problem, according to Pope (2006:9) is the difference between the actual condition and the ideal one. For example, too many beds at the hospital might be unoccupied. The desired situation would be to have an occupancy rate of 90 percent or greater. A decision is choosing among alternatives, such as affiliating with more doctors in order to get more patient referrals.

All management functions are being carried out by problem solving and decision making. For example, when managers control, they must make a series of decisions about how to solve the problem of getting performance back to standard. Decision-making can also be seen as the heart of management. The authority to make decisions is a distinguishing characteristic of a manager's job.

Pope (2006:10) states that the managerial workers face a variety of decisions. A problem that has not taken the same form as in the past or is extremely complex or significant calls for a non programmed decision. A complex problem contains many elements. Significant problems affect an important aspect of an organisation such as the introduction of a new service. Virtually all strategic decisions are non

programmed. A well planned and highly structured organisation reduces the number of non programmed decisions. It does so by formulating hundreds of policies to help managers know what to do when faced with a given problem. In contrast, many small firms do not offer much guidance about decision making.

Within the category of non programmed decisions, there are wide variations in complexity. A very complex non programmed decision for a Harley Davidson executive would be whether to outsource the manufacture of its heavy bikes to South Korea. Dozens of issues would be at stake, including the reputation of Harley as a truly American icon, and weighing labour saving versus shipping costs. A less complex non programmed decision would be whether to enlarge a given manufacturing plant in Milwaukee. A complex decision is more demanding than a less complex decision, just as studying some subjects may be more difficult than studying others (Nutt, 1999:77).

Programmed decisions on the other hand are repetitive, or routine, and made according to a specific procedure. Procedures specify how to handle these routine, uncomplicated decisions. Nutt (1999:78) gives an example that a person who earns R 26,000 per year applies to rent a two bedroom apartment. The manager makes the decision to refuse the application on the basis of an established rule that families with annual income of R 39,000 or less may not rent in the building.

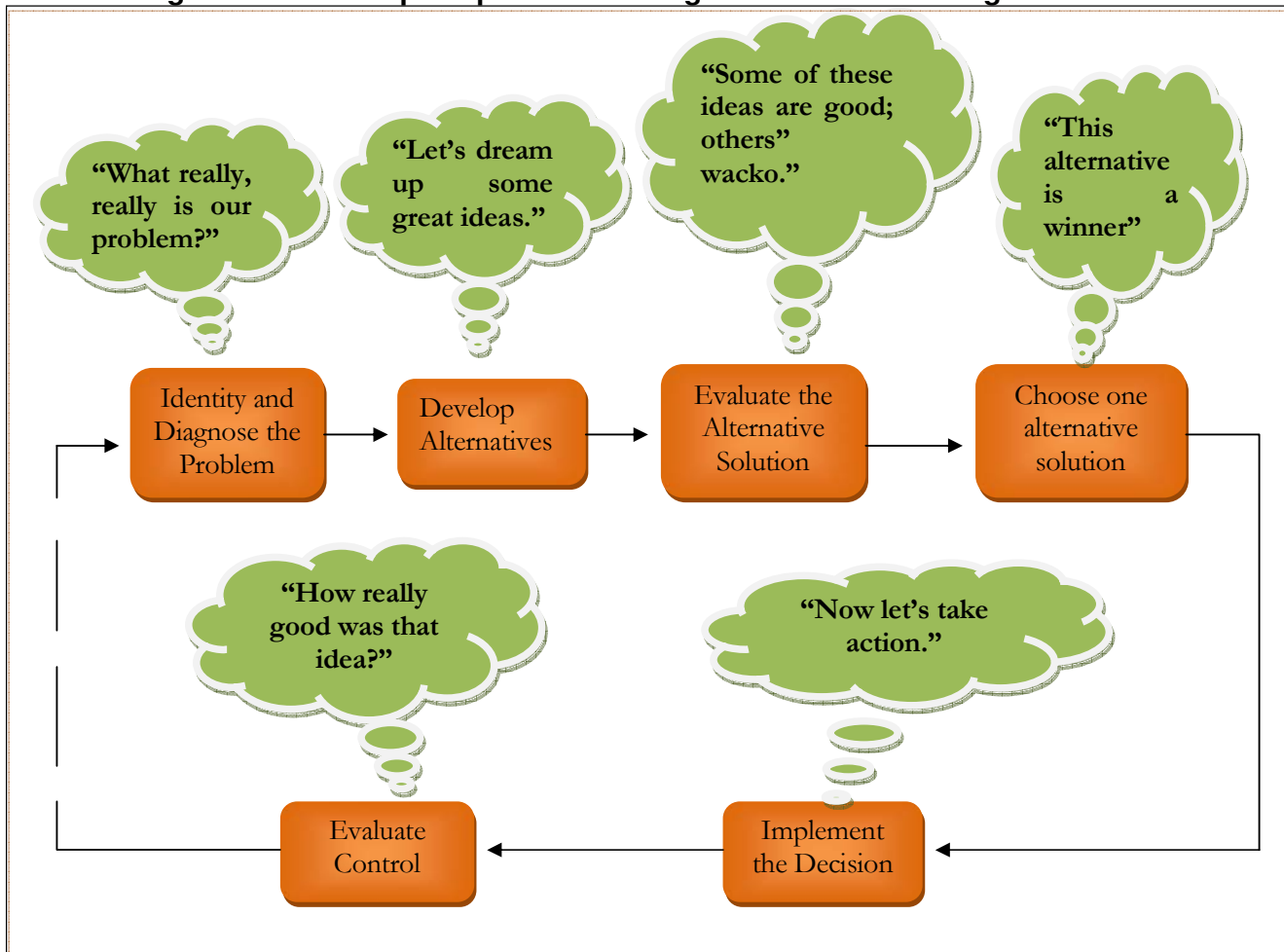
Under ideal circumstances, top level management concerns itself almost exclusively with non routine decisions and lower level management handlers all routine ones. In reality, executives do make many small, programmed decisions in addition to non programmed ones. Some executives sign expense account vouchers and answer routine e mail enquiries. Middle managers and first level managers generally make both routine and non routine decisions, with first level managers making a higher proportion of routine decisions. A well managed organisation encourages all managers to delegate as many non programmed decisions as possible (Pope, 2006:12).

Steps in problem solving and decision-making

It is important to learn to solve problems and make proper decisions because being systematic about making decisions help avoid bad decisions in the long run. 356

decisions in medium to large organisations in the United States and Canada were studied by Paul. C. Nutt (1999:72). About one quarter of the decisions were made in a public agency, one quarter in non profit firms, and one half in private companies. One half of these decisions failed, such as a bank dropping Saturday service and losing customers as a result.

Figure 4.11: Steps in problem solving and decision-making



Source: Adapted from DuBrin (2009:150)

DuBrin (2009:150) indicates that most instances of decision-making failure were attributed to poor tactics, including not exploring enough alternatives, and not obtaining enough input from group members. When managers follow an orderly process, they are more likely to find better solutions to problems that are complex and therefore take major better decisions. Problem solving and decision-making are part of the same process, hence the difficulty to differentiate them. A manager takes a

decision in order to solve a problem; however, the problem needs to be analysed prior to making a decision.

As shown in Figure 4.11, and described next, problem solving and decision-making can be divided into steps.

- **Identify and diagnose the problem:** Lashinsky (2005:117) states that problem solving and decision-making commence with the acknowledgement of the existence of the problem. In other words, problem solving and decision-making start with the identification of a gap between desired outcomes and actual conditions. Being attentive to the environment helps the manager identify problems, such as noticing that insiders and outsiders often criticise the department. At times, the increase in customer complaints will impose itself as a problem to the manager. At other times, the manager will have to go out and search for a problem worthy of getting resolved in order to achieve organisational objectives. For example, when a sales manager launches an audit to determine why former customers no longer buy from the organisation.

A thorough diagnosis of the problem is important because the real problem may be different from the one that a first look suggests. The ability to think critically helps a person to get at the real problem. The true nature of the problem must be clarified in order for it to be diagnosed properly. A frequent example is that a manager might attempt to reduce turnover by increasing wages. The manager assumes that the workers would stay with the company longer if their wages were higher. Yet the real problem is inflexible working hours that are triggering turnover (DuBrin, 2009:151).

- **Develop alternative solutions:** The second step in decision-making as per Quittner (1999:57) is to generate alternative solutions. The alternative solution creates an environment for all possibilities to be explored, even those that seem unrealistic. The decision not to accept the first alternative at hand and to keep digging until the best solution is found, is what often separates good decision makers to mediocre ones. When Jeff Bezos, the founder of Amazon.com, was searching for a way to commercialise the internet, he prioritised top 20 mail order products. He then looked for the opportunity for

the most value creation for customers, and finally decided on the alternative of selling books.

DuBrin (2009:151) adds by stating that often the problem solver will find a creative alternative solution to the problem. At other times, a standard solution will work adequately. For example, a standard alternative of borrowing money from a bank or finance company might be chosen by one small business owner needing money to expand the business. Another small business owner might attempt the creative alternative of raising money by selling shares of the company to friends and family members (if the company fails, however, the business owner will have created conflict with these people).

- **Evaluate alternative solutions:** The problem considers the feasibility of each after examining the pros and cons of each one. Implementing some alternatives may be impossible or counterproductive even if they appear attractive.

According to Nutt (1999:81), comparing relative value often means performing a cost and savings analysis of each alternative. Alternatives that cost much more than they save are infeasible. The possible outcome of an alternative should be part of the analysis. If an unsatisfactory outcome is almost a certainty, the alternative should be rejected. For example, if a firm is faced with low profits, one alternative would be to cut salaries by 20%. The outcome of this alternative would be to lower morale drastically and create high employee turnover, so a firm should not implement that alternative. High employee turnover is so expensive that it would override the cost savings.

One approach to examining the pros and cons of each alternative is to list them on a worksheet. This approach assumes that virtually all alternatives have both positive and negative consequences.

- **Choose one alternative solution:** According to Quittner (1999:59), the process of weighing each alternative must stop at some point. One cannot solve a problem unless one chooses one of the alternatives, that is, making a decision. Several factors influence the choice. A major factor is the goal the decision should achieve. The goals sought for in making the decision are also

referred to as the *decision criteria*. The alternative chosen should be the one that appears to come closer to achieving it. If two alternatives appear almost equally good after considerable deliberation, it might be helpful to seek the opinion of one more person to decide which alternative is slightly better.

Nutt (1999:81) states that most decisions remain ambiguous irrespective of careful evaluation of alternatives. The decisions that managers have to take involve factors that sometimes are not clear and are very complex. The decision maker is sometimes uncertain despite situations where even quantitative evidence may be supporting a particular alternative. It is not easy to make precise decisions about human behaviour hence decisions about human resource are often the most ambiguous. It is always a challenge to decide which person to hire from a list of several strong candidates.

According to DuBrin (2009:151), a problem some managers have in choosing an alternative is that they have a tendency to say yes to many alternatives proposed by staff members. The task for the manager is to choose to pursue what is most important and disregard the less critical alternatives. Being selective in this way helps the manager and the organisation on those alternatives that hold the most promise. For example, a turnaround manager (one who specialises in fixing a broken company) was brought in to salvage a failing fast food restaurant chain; upon his arrival he was bombarded with suggestions on how to quickly improve profitability. Among them were immediately closing all underperforming restaurants, automating as much self service as possible, updating the menu, improving customer service, and creating an advertising campaign. The manager chose to improve the service the restaurant was providing to customers and upgraded the menu in a hurry, instead of acceding to all the ideas provided. As a result, the restaurant chain was salvaged.

- **Implement the decision:** The next major step in the process is to convert decisions taken into actions. A decision is not a decision at all until it is implemented. DuBrin (2009:152) adds by stating that a fruitful way of evaluating the merit of a decision is to observe its implementation or if it is too cumbersome to implement. Suppose that a firm tries to boost productivity by decreasing the time allotted for lunch or coffee breaks. If employees resist the

decision by eating while working and then taking the allotted lunch break, productivity will decrease, implementation problems indicate that the decision to boost productivity by decreasing break time would be a poor one.

Another perspective on implementation is that it represents execution, or putting plans into action. Implementation therefore involves focusing on the operations of a company or business unit. When Mark Hurd was appointed as the new CEO of Hewlett Packard several years ago, he was praised for his decision to focus on execution rather than formulating new visions for the company. As part of execution, he focused on cost cutting and efficiency. His predecessor Carly Fiorina was often accused of not focusing enough on execution and focusing too much on visions (Nutt, 1999:82).

- **Evaluate and control:** Nutt (1999:82) concludes by stating that the investigation on how effective the chosen alternative solved the problem is the final step in the decision-making framework. Controlling means ensuring that the results the decision obtained are the ones set forth during the problem identification step. Evaluating and controlling one's decisions will help improve one's decision-making skills. One can learn important lessons by comparing what actually happened with what one thought would happen. One could learn out of the evaluation process what one could have done differently and this information could then be used in future on a similar decision.

Resource allocator role involves choosing among competing demands for money, equipments, personnel, and others demands on a manager's time. What portion of the budget should he earmark for advertising and what portion for improving an existing product line? Should he add a second shift or pay overtime to handle orders? (Ball, 2005:18).

Curry (2005:203) states that the overriding role of a manager as a resource allocator is getting the job done through others, and that is done through delegation. Delegation is the assignment of authority and responsibilities to a subordinate at a lower level. This process of delegation requires that managers be kept on the loop of developments pertaining to the progress about what was delegated. Because management is about getting the work done through others, delegation is therefore the most fundamental feature of management. It does not matter the hierarchical level

at which delegation takes place, the process can take place in any type of the structure with regard to any task and can occur between two individuals (Curry, 2005:204).

Ball (2005:17) points out that some managers are comfortable delegating to subordinates; others are not. However, the distinction among the concepts of responsibility, accountability and authority needs to be borne in mind when delegating work.

- **Responsibility:** means that a person is assigned a task that he or she is supposed to carry out. Enough authority to get the job done should also be delegated to the subordinate by the manager when delegating work responsibilities. Authority, means that the person given the authority has the prerogative and the power to draw up resources, make decisions, give orders and do whatever else is necessary fulfil the responsibility (Hwang, 2002:B1).

Hwang (2002:B1) further indicates that delegating responsibilities relates to accountability in that those that are entrusted with responsibilities will be held accountable by the manager who gave them those responsibilities. Accountability means that a manager, who gave responsibilities to his or her subordinates, has the right to expect performance from the subordinate and the right to take corrective action in the event the subordinate fails to perform to the required standard. The manager needs to be kept in the loop of the progress and performance of the task by the subordinate.

At the end of the day, the ultimate responsibility and accountability to higher ups rest with the manager doing the delegation. Delegation should not be resorted to by managers as a source of escaping their own responsibilities because when all is said and done managers remain responsible and accountable for both their actions and that of their subordinates (Hwang, 2002:B1).

- **Advantages of delegation:** According to Ball (2005:5), delegating work offers important advantages. The manager saves time by getting somebody else to carry out his or her responsibilities. This then free up the manager to devote energy and time on high level staff like setting objectives, planning, and

monitoring performance. Delegation essentially provides the subordinates with a more important job. It provides the subordinate with an opportunity to acquire more responsibilities and acquire new skills which hopefully might lead to promotion. In essence, the subordinate receives a vital form of on the job training that could pay off in the future.

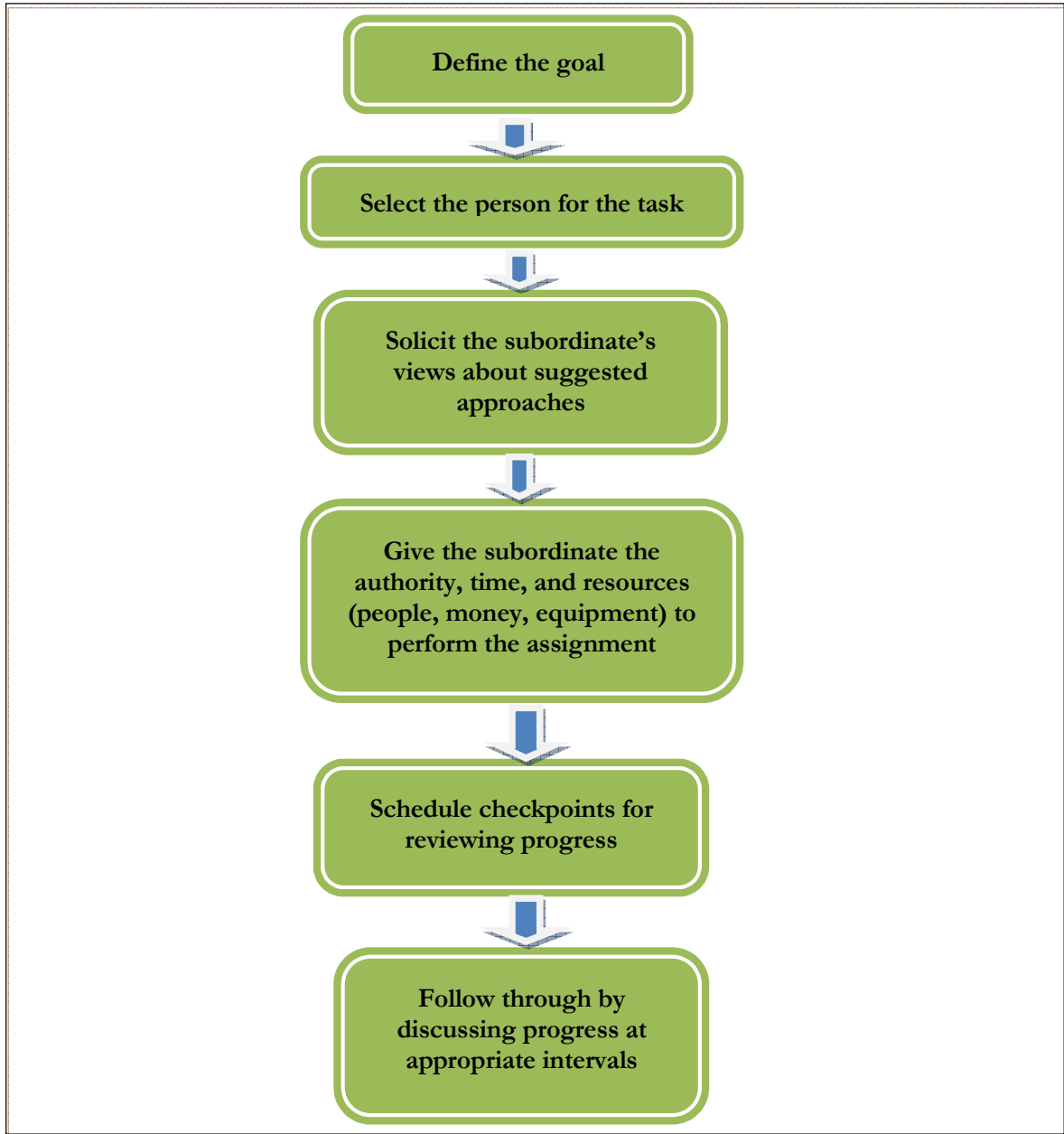
To achieve the advantages discussed above, delegation must be done properly. As Figure 4.12 shows, effective delegation proceeds through several steps.

Lovelace *et al.* (2004:781) state that the first step in the delegation process, defining the goal, should be coupled with the clear understanding of the outcome the manager wants. A capable person to perform the task should then be selected.

The person that is selected to for the assignment should be empowered by being given the time the authority and resources needed to execute the task. The subordinate and the manager must communicate and work together throughout the delegation process. The ideas of the subordinate should be known by the manager at the beginning and enquiries of the progress and problems should be conducted at periodic meetings and review sessions. This then creates an environment where a manager is available and is on the loop about the progress, even if it is the subordinate that perform the assignment (Lovelace *et al.*, 2004:782).

According to Ball (2005:6), conducting performance reviews and disciplinary hearings can however, not be delegated to subordinates. But when managers err, it usually is because they delegate too little rather than too much. The manager who wants to learn how to delegate more effectively should remember the distinction that if one is not delegating, one is merely doing things, but the more one delegates, the more one is truly building and managing an organisation.

Figure 4.12: The steps in effective delegation



Source: Adapted from Williams (2009a:156)

Managers play the ***negotiator role*** when they represent their departments or organisation during non routine transactions. In this role managers meet and discuss their differences with individuals or groups for the purpose of reaching an agreement. Negotiations are an integral part of a manager's job. They are especially tough when a manager must deal with others (such as unions or political action groups) who do not share manager's objectives.

Schemeron (1999:342) affirms that negotiation is when different parties with different preferences come together to make joint decisions. Stated a bit differently, it is a way of reaching agreement when decision involves more than one person or group. Diverse matters such as work schedules, salary, special privileges, merit raises and performance evaluations, job assignments, work locations, and many other considerations are what people negotiate about. Exceptional communication skills are required as such situations are susceptible to conflict.

Brett and Goldberg (1997:87) state that negotiations are aimed at achieving two important outcomes. *Substance goals* which have got to do with results that are tied to the issues of content in the negotiations. *Relationship goals* which have got to do with systems and processes that are tied to the way people work while in the negotiation process and how they (and any constituencies they represent) in future will work together again.

When issues of working relationships among the negotiating parties are maintained or improved in the process and the issues of substance are resolved then the environment for effective negotiations are created. The three criteria of effective negotiations according to Schemeron (1999:343) are:

- (1) *Quality*: A truly satisfactory “wise” agreement to all sides needs to be negotiated;
- (2) *Cost*: Minimum time and resources should be used in order to negotiate efficiently; and
- (3) *Harmony*: negotiating in a way that fosters interpersonal relationships, rather than inhibiting them.

The outcome of the negotiations can be affected either positively or negatively depending on the way each party approaches the negotiation process.

- **Distributive negotiation** focuses on claims made by each party for certain preferred outcomes. This approach will come to pass when one party in the negotiation wins and the other party loses. A win-lose situation like this sacrifices relationships because the negotiating parties only focuses on their respective self interests at the expense of the other. Sometimes other parties

may just defer to the other party's wishes just to get it over with (Schemeron, 1999:344).

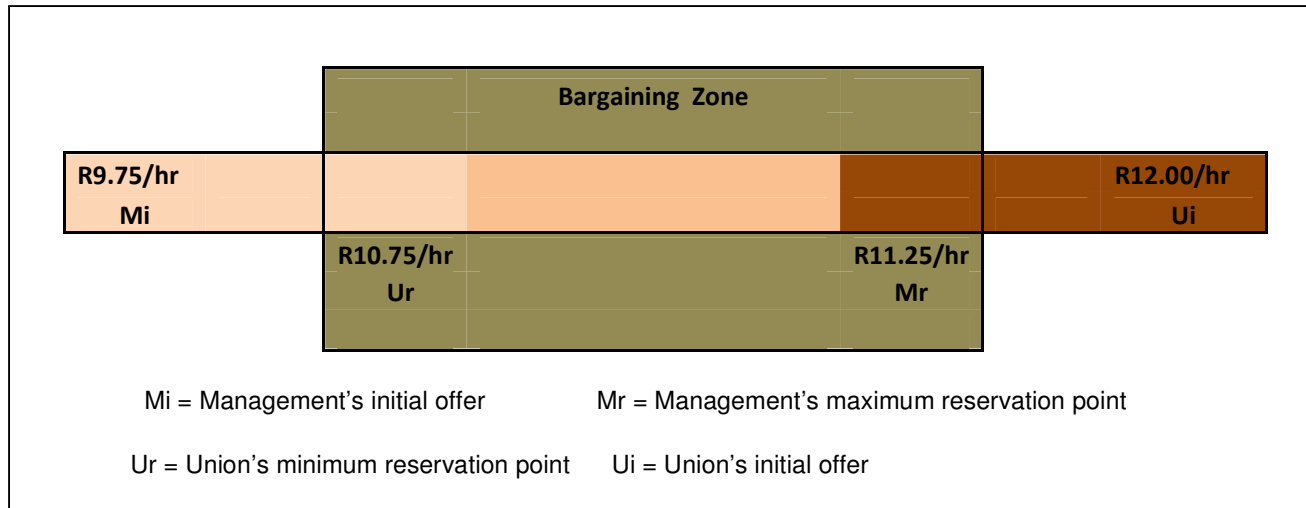
- **Principled negotiation** is based on a situation where both parties win and is often referred to as an integrative negotiation. This process is concerned with the interests of all the negotiating parties, while focusing on the substance as well. The objective is to try to find a way to satisfy all the claims if possible, and for the final outcome to be based on merits of the individual claims. The process require that relationships be maintained throughout and should end with a win-win outcome for all the parties (Brett & Goldberg, 1997:89).

In their book *Getting to Yes*, Roger Fisher and William Ury (1985) point out that truly interactive agreements are obtained by the following four negotiation rules:

- Separate the people from the problem.
- Focus on interests, not on positions.
- Generate many alternatives before deciding what to do.
- Insist that results are based on some objective standard.

According to Brett and Goldberg (1997:90), to create an environment for such integrative agreements, good found information and proper attitudes should be the foundation. The willingness of each negotiating party to share information, to trust, and to ask reasonable questions of the other party, is the attitudinal foundation referred to above. The informational foundations of integrative agreements involve each party knowing what is really important to them and finding out what is really important to the other party. In addition, each should understand his or her personal **best alternative to a negotiated agreement**, or BATNA.

Figure 4.13: The bargaining zone in classic two party negotiations



Source: Adapted from Schermerhorn (1999:344)

Figure 4.13 introduces a typical case of labour management negotiations over a new contract and salary increase. This helps to illustrate elements of classic two party negotiations as they occur in many contexts. To begin, look at the figure and the case from the labour union perspective. The union negotiator has told her management counterpart that the union wants a wage offer of R12.00 per hour. This expressed preference is the union's *initial offer*. However, she also has in mind a *minimum reservation point* of R10.75 per hour. This is the lowest wage rate that she is willing to accept for the union. But the management negotiator has a different perspective. His initial offer is R9.75 per hour, and his *maximum reservation point*, the highest wage he is prepared eventually to offer to the union, is R11.25 per hour (Schermerhorn, 1999:343).

Schermerhorn (1999: 343) continues to argue that in classic two-party negotiations of this type, the bargaining zone is defined as the zone between one party's minimum reservation point and the other party's maximum reservation point. The bargaining zone of R10.75 per hour to R11.25 per hour in this case is a positive one since the reservation point were greater than management's maximum reservation point, no room would exist for bargaining. Room for true negotiations gets created by the existence of a positive bargaining zone.

According to Hiemstra (1999:37), a key task for any negotiator is to discover the other party's reservation point. Until this is known and each party becomes aware that a positive bargaining zone exists, it is difficult to proceed effectively. When negotiation does move forward, each negotiator typically tries to achieve an agreement that is as

close as possible to the other party's reservation point. Returning to figure 4.9, the union negotiator would like to get an offer as close to R12.00 per hour as possible. The management negotiator would like to get a contract for as close to R9.75 per hour as possible.

It is important that negotiators guard against common mistakes because the process of negotiating is very complex. Four negotiator pitfalls that can be avoided by proper discipline and personal attention should be recognised (Penrose *et al.*, 2001:98).

The **first** is the tendency of *falling prey to the myth of the fixed pie*. This involves acting on the distributive approach that the other party must give up something in order for you to win. Negotiating this way fails to recognise the integrative approach that the expansion of the "pie" can sometimes be imperative for the benefit of all.

A **second** negotiation error is the *non rational escalation of conflict*. The negotiator in this case becomes committed to increasing the perceived importance of their demands by arguing their "egos" and embarking on "face saving" while seeking to satisfy the previously stated "demands".

The **third** error is when one party *ignores the needs of the other party and become overconfident*. The error here is becoming so overconfident that you fail to see the needs of the party and the merits in their position and seeing your position as the only correct one.

The **fourth** error is the tendency to do too little "*hearing*" and doing too much "*telling*". Parties do not listen to sufficiently understand what other parties are saying when they commit the "hearing" problem. The "telling" problem is committed when negotiating parties do not really make themselves understood to one another (Penrose *et al.*, 2001:102).

Hiemstra (1999:41) states that it may not always be possible to achieve integrative agreements. When disputes reach the point of impasse, mediation and arbitration can be useful. Mediation is a process where a third party is brought in to try and get the negotiating parties to focus on relevant issues and to try and improve communication between parties. While the mediator can participate and take an active role in the discussions, he or she does not make a ruling nor make a decision. This may include making suggestions in an attempt to move the parties toward agreement. Arbitration,

such as salary arbitration in professional sports, is a stronger form of dispute resolution. Arbitrations involve getting the services of a third party who is neutral and has the power to act as a “judge”. He or she would listen to both sides and reviews all facets of the case and can then issue a binding decision.

4.5. MODEL 4 (KEY COMMON MANAGERIAL COMPETENCIES)

The common key managerial competencies are identified by Slocum *et al.* (2008:5) as:

- Communication
- Teamwork
- Strategic action
- Multicultural,
- Self- management
- Planning and administration

Figure 4.14: The key common managerial competencies



Source: Adapted from Helriegel *et al.* (2002:15)

4.5.1 Communication competency

Communication competency, according to Penrose *et al.* (2001:107), is the ability to exchange and transfer information that leads to understanding between yourself and others. Communication competency is undoubtedly imperative if a manager is to be effective in his or her job because the basis for management has to do with getting work done through others. Communication includes:

- Informal communication
- Formal communication, and
- Negotiation.

Communication competency transcends the use of a particular communication medium. That is, good communication may involve having a face-to-face conversation, preparing a formal written document, participating in global meeting via teleconferencing, giving a speech to an audience of several hundred people, or using e-mail to coordinate a project team whose members work in different regions of the country or of the world (Penrose *et al.*, 2001:93).

Hiemstra (1999:72) states that communication is something that you do with others, rather than something that you do to others. It is both formal and informal. It is a process of give and take where messages are sent to others and received from others as well. Communication is not only confined to speaking and writing, it also involves picking up on subtle cues that are sometimes used to modify the meaning of their words, observing body language, and listening.

Hiemstra (1999:73) continue to state that of the managerial competencies identified, communication is perhaps the most fundamental. Other competencies cannot be effectively used to accomplish desired tasks through other people unless you are able to express yourself either verbally, orally, and nonverbally (for example: facial expression and body posture). Nor can the vast relationships that link you to other people both internally and outside your organisation be managed effectively.

The productive employment of workers of all ages, with varying types of work experience and expertise, of both genders and varied cultural and ethnic backgrounds, means that a basic level of communication competency is seldom enough these days. Managing

effectively means to get all the workers to contribute their best ideas and efforts to the goals of the organisation (Munter, 1999:44).

Munter (1999:44) further argues that, through *informal* communication, managers build social networks of contracts. In China, these connections are known as *guanxi*. In Japan, they are called *kankei*, and in Korea they are called *kwankye*. Whatever language you say it in, maintaining social networks is especially important to managerial work. Penrose *et al.* (2000:21) on the other hand states that in a Confucian society, the web of social contracts maintained through informal communication is central to success. In fact, when business leaders in China were asked to identify the factors most important to long term business success, *guanxi* was the only factor chosen consistently, ahead of choosing the right business location, selecting the right business strategy, and competitive pricing. The ground work for collaborating within and outside the organisations is laid down by all managers in all countries through frequent informal communication.

Being able to communicate in more formal situations according to (Hiemstra, 1999:75) is also important to managerial effectiveness. Newsletters are often used as a form of *formal communication*, to keep people up to date on the progress of ongoing projects and to inform them of relevant events and activities. Public speeches are another example of formal communication. Whether the audience is company executives, professional peers, shareholders, or members of the community, high impact public presentations can be used to address stakeholder concerns and enhance the firm's reputation (Hiemstra, 1999:75).

Osland *et al.* (2001:151) say that formal communication channels are often used by organisations announcing major decisions, such as an acquisition, merger, or downsizing. Conversations with suppliers and clients take a form of formal communication at a more personal level. Among bankers, for example, formal communication is essential to managing client relationship.

Osland *et al.* (2001:151) conclude by saying that communication competency also involves *negotiating*. Good negotiators learn to seek contrary opinions and find ways to respond to the divergent views they uncover. Building consensus and commitment is useful for negotiations with bosses, peers, and subordinates, as well as clients. Managers also must be able to negotiate to obtain resources for their subordinates and to settle disputes that arise among various stakeholders.

4.5.2 Planning and administration competency

Hof *et al.* (2000:80) state that planning and administration competency has got to do with taking decisions on what has to be done to accomplish organisational objectives, determine how these decisions are going to be carried out, allocation of resources that will add impetus towards the attainment of these objectives, and then to monitor progress to ensure that what has been planned get achieved. For many people, the first thing that comes to mind when talking about managers and managing is planning and administration competency.

Included in this competency are:

- Information gathering, analysis, and problem solving;
- Planning and organising projects;
- Time management and
- Budgeting and financial management.

Weldon and Vanhonacker (1999:101) indicate that managers need to instinctively know that it is important to *gather information*, *analyse* it, and *solve problems*. They also need to recognise that customers are a rich source of useful information but that they can easily eat up a whole day. Managers need to know that they could delegate the handling of some types of customer phone calls in order to free up 25 percent of their time for meeting directly with customers.

Planning and organising projects usually means working with employees to clarify broad objectives, discuss resource allocation, and agree to completion dates. Because there are more problems and opportunities than a manager can attend to, managers needs to *manage their time* and delegate effectively. Managers are also accountable for *budgeting and managing financial resources*. Boards of directors and shareholders of public corporations hold CEOs fiscally accountable. In nonprofit and government organisations, trustees, various regulatory bodies, and elected officials oversee fiscal management. (Weldon & Vanhonacker, 1999:102)

4.5.3 Team work competency

According to Paulus (2000:241), team work competency take place when small group of people who are collectively responsible and whose job requires coordination

accomplishing tasks as a collective. In order to achieve success in the organisation through teams, managers embark on:

- Properly designing teams,
- Create environment that support team work; and
- Appropriately manage team dynamics.

Simons and Peterson (2000:189) state that in a study of more than 400 organisations and 80,000 managers, the Gallup Organisation, a public opinion poll taking company, found that the best managed companies used employees in teams. Improving customer service was main reason given for their use, followed by decreasing absenteeism and improving productivity. Leslie and VanVelsor (2001:113) cite an example that at Southwest Airline, a less than 20 minute turnaround of a plane at the gate is made possible by effective teamwork. Regardless of their job titles, all employees work together to get passengers unloaded and loaded. When necessary, pilots, flight attendants, and whoever else is available pitch in to ensure that a flight leaves the boarding gate on schedule.

Paulus (2000:243) points out that many team projects commence with the designing of the team which is usually the responsibility of the manager or a team leader. In self managed teams, however, the design of the team is the process where every team member participates in. Designing a team has got to do with goal formulation, definition of tasks, and putting staff together for the attainment of the goals designed. Members of the team should identify with the team's goals and feel committed to accomplishing them. Paulus (2000:243) states that members of a well designed team understand its tasks and how its performance will be measured; they aren't confused about which tasks are theirs and which tasks belong to some other team. A well designed team has just the right number of members. Having too many members leaves room for free riders; too few create too much stress and leave the team feeling incapable of successfully achieving its goals.

A well designed team, according to Earley and Mosakowski (2000:31), need a *supportive environment* in order to reach full potential as they have the potential for high performance. The creation of supportive environment requires that all team members be in possession of relevant competencies for the creation of such an environment. Team members in a supportive team do not always have to seek approval first from the team

leader or project manager as they are empowered to take actions based on their best judgment. Support also involves eliciting contributions from members whose unique competencies are important for the team and recognizing, praising, and rewarding both minor victories and major successes. Paulus (2000:245) adds to state that a manager having good teamwork competency respects other people and is respected and even liked by the team in return. Managers who lack teamwork competency often are viewed as making others feel inadequate and resentful by being abrupt, rude, and unsympathetic. Fundamentally, creating a supportive environment involves coaching, counselling, and mentoring team members to improve their performance in the near term and prepare them for future challenges.

According to Earley and Mosakowski (2000:32), how an organisation fosters teamwork is often just as important as teamwork itself. Managers with the greatest likelihood of developing their employees' teamwork competency are those who have input from all levels of the organisation, including members of the team, employees who support the team, those who will administer the plan, and even customers. Earley and Mosakowski (2000:32) advice that managers need to pay attention to *managing team dynamics*. If team members remain ignorant about a process, it is more likely to be rejected out rightly by team members. People want to be involved. It is increasingly becoming important that organisations develop their team work competencies and become more productive because organisations are increasingly relying on teams for the improvement of quality, productivity, and customer service.

4.5.4 Strategic action competency

According to Hitt *et al.* (2001:96), the strategic action competency is defined by ensuring that the actions of employees match the overall mission and values of the organisation, and that these values and mission are well understood by employees. Strategic action competency includes:

- Industry understanding,
- Organisational understanding; and
- executing strategic actions

Hitt *et al.* (2001:97) also argues that, for employees at all levels to perform their jobs better these days, they are challenged to think strategically. They are expected to recognise that shifts in a company's strategic direction are to be expected, or even anticipated. Managers and employees who understand the industry can anticipate accurately the strategic trends and prepare themselves for the future organisational needs, and they are less likely to find themselves looking for new jobs when the organisation changes direction.

Liedka (2000:33) states that strategic action competency include understanding not just the particular unit or division in which a manager works, but involves understanding the entire organisation as a system with inter related parts. It requires the acknowledgement of the relation that different divisions, functions and departments have among each other and how a change in one can affect others. O'Gorman and Doran (1999:61) agree that a manager with a well developed strategic action competency can diagnose and assess different types of management problems and issues that might arise. Such a manager thinks in terms of relative priorities rather than ironclad goals and criteria. Top managers in particular, need to have strategic action competency without ruling out that all managers need to have this competency as well.

4.5.5 Multicultural competency

Cook (2000:83) states that multicultural competency refers to appreciating, understanding, and responding to diverse cultural, economic, and political, issues across and within nations. Not all organisations have global markets for their products and services. Not all organisations need to set up organisations in foreign countries to take advantage of tax laws and labour that is cheaper or better trained. Nevertheless, South Africa is a multicultural country; in order to be a successful manager in this country it is imperative to have multicultural competency which is reflected in:

- cultural knowledge
- cultural openness and sensitivity

Cook (2000:84) adds that in the course of growing up and being educated in a particular country or region, people naturally develop cultural knowledge and understanding of forces that shape their lives and the conduct of business. These forces include

geography and climate, political processes and orientations, economic systems and trends, history, religion, values, beliefs and local customs.

According to Gilbert and Ivancevich (2000:98), simply knowing about other cultures isn't sufficient; appropriate attitudes and skills are needed to translate this knowledge into effective performance. It is important for anyone who must operate across cultural boundaries to have an attitude that is open about cultural differences and must be sensitive to them. Gilbert and Ivancevich (2000:99) state that being open and sensitive means that one cannot assume that everyone will think and act as one would nor that everyone will automatically understand your point of view, and should therefore acknowledge that culture makes a difference in a way people think and act. Successful managers taking an international assignment find themselves asking more questions, making decisions on less information, tolerating different kinds of people, communicating more, and taking action without understanding how everything works.

Gilbert and Ivancevich (2000:101) add that secondly, openness and sensitivity mean actively considering how another culture affects your behaviour. For example, is a gift expected, and if so, what kind of a gift? Are flowers appropriate? What about the exchange of business cards? These and hundreds of other "little" things can make or break you on an international assignment.

Trice and Beyer (1999:189) indicate that knowledge about other cultures and an open attitude and sensitivity about cultural differences set the stage for working with people from other backgrounds. In any culture, appropriate language, social etiquette, and negotiation skills help in developing effective work relationships. Depending on your job, you may also need to learn country specific laws, accounting methods, hiring techniques, and so on.

Language and cultural differences require organisations to consider product names when in international markets. Inadequate translation can result in a negative image for the product and company (Trice & Beyer, 1999:189).

4.5.6 Self management competency

According to Uzumeri (1999:29), self management competency refers to a manager taking responsibility for his or her own life at work and beyond by developing themselves.

Effective managers do not fall in the trap of blaming their misfortune on the situation they find themselves in or others when things do not go well.

The self management competency includes:

- ethical conduct and integrity;
- resilience and personal drive;
- balancing life issues and work; and
- development and self awareness.

Petrick *et al.* (1999:60) point out that just as customers expect companies to behave ethically, organisations expect their employees to *act ethically and to show integrity*. Employers look for a long record of employment or technical expertise when recruiting entry level employees. Petrick *et al.* (1999:60) also state that according to a recent Gallup poll, when companies hire young employees, they are far more concerned with the employees' integrity and interest in the job than their specific technical skills and aptitudes.

Wellington (1999:38) state that personal drive and resilience are especially important when someone sets out to do something no one has done and when that person faces setbacks and failures. Future managers won't succeed unless they can find a way to *balance work and life issues*. Wellington (1999:38) adds that the study conducted by Catalyst Organisation on 1,725 women of colour managers and *Fortune* magazine's study of 1,735 business students, building a family is a top priority for the majority of the respondents. Hoping to have it all, 75 percent gave developing a career a top rating also.

According to Petrick *et al.* (1999:62), the dynamic work environment calls for *self awareness and development* (as well as the ability to learn and unlearn). That includes learning about oneself and learning about related tasks. On the other hand, can help you make wiser choices about which types of jobs you are likely to enjoy. It is of utmost importance these days than in the past that one gets the job that one enjoy doing due to fewer opportunities for upward advancement and promotion. Understanding what type of work will satisfy you and taking responsibility for your own career development by developing competencies that you will need may be the best route to long-term success.

Weldon and Vanhonacker (1999:108) say that research shows that those people who advance more quickly are those who take advantage of opportunities for development

and training presented to them by employers, as opposed to those who do not take advantage of these opportunities. Derailment awaits managers who fail to develop their competencies. A manager who has moved into a position of managerial responsibilities but does not have what it takes to advance in the future is a derailed manager. Branch (2000:156) adds by stating that the most common reasons for derailment are (1) problems with interpersonal relationships inability to lead a team (weak in team work competency); (2) inability to learn, develop, and adapt (weak in self management competency); performance problems (weak in planning and administration competency); and (4) having a narrow functional perspective (lacking strong strategic action and multicultural competencies).

4.6 IDENTIFIED SKILLS FOR MANAGEMENT COMPETENCE

Employee learning is an increasingly recognise source of competitive advantage for companies that seek to excel. For those and other reasons, corporate demand for executive education is large and is growing. This chapter focused on identifying managerial skills and functions, managerial skills, roles that managers play, and key common managerial competencies. Since the main objective of the research is to construct a conceptual framework to measure skills for managerial competence, the following model was developed on which the research objective will be based on.

Figure 4.15 follows on next page

Figure 4.15: Model for managerial competence

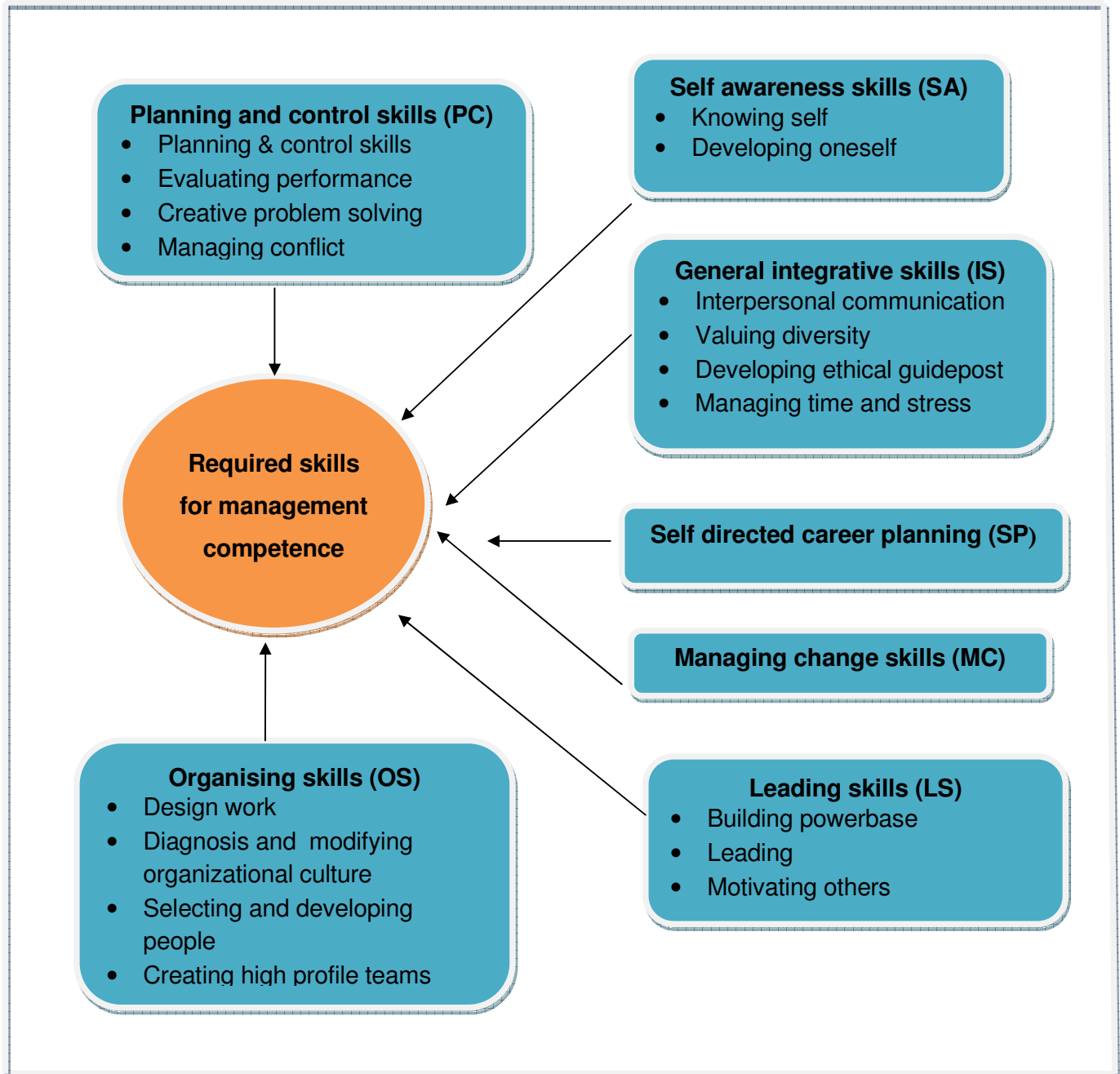


Figure 4.15 depicts the model on which managerial competence is based. This model identifies required skills for management competence as: self awareness skills, self directed career planning skills, general interactive skills, planning and control skills, organising skills, leading skills, and the skills to manage change. Research questions were therefore developed on this model based on the sources indicated below.

Exhibit 4.14: Questions for each identified skill

1. Self awareness skills		
	Questions	Source
1	It is important for me to try very hard to improve on my past performance at work.	Steers and Braunstein (1976)
2	It is important for me to know how I am progressing as I complete tasks at work.	Steers and Braunstein (1976)
3	It is important to talk to those around me about non work matters.	Steers and Braunstein (1976)
4	It is important for me to be able to read people's true emotions correctly through their eyes.	Lennox and Wolfe (1984)
5	It is important for my powers of intuition to be quite good when it comes to understanding others' emotions and motives.	Lennox. and Wolfe (1984)
6	It is important for me to have the ability to control the way I come across to people, depending on the impression I wish to give them.	Lennox and Wolfe (1984)
7	It is important for me to work to gain more control over the events around me.	Steers and Braunstein (1976)
8	It is important for me to value educational reading, television, and self improvement programmes.	Lussier (1997)
9	I can tell if a person is lying to me at once from the person's manner of expression.	Lennox and Wolfe (1984)
10	Compared to my work colleagues, I can do most tasks very well.	Chen, Gully and Eden (2001)

2. Self directed career planning skills		
	Questions	Source
1	It is important for me to know how to manage my career.	Adapted from Bloisi <i>et al.</i> (2003:271)
2	In planning my career, it is important that I make a mission statement that expresses my philosophy and central values.	Adapted from Bloisi <i>et al.</i> (2003:271)
3	In planning my career, it is important that I establish and visualise my goals beginning with the end.	Adapted from Bloisi <i>et al.</i> (2003:271)
4	In planning my career, it is important that I be aware of the career stages that I have got to go through.	Adapted from Bloisi <i>et al.</i> (2003:271)
5	In planning my career, it is important that I communicate a positive attitude.	Adapted from Bloisi <i>et al.</i> (2003:271)
6	In planning my career, it is important that I perform in my present job instead of focusing on the job ahead.	Adapted from Bloisi <i>et al.</i> (2003:271)
7	In planning my career, it is important that I capitalise on luck and build on setbacks.	Adapted from Bloisi <i>et al.</i> (2003:271)
8	In planning my career, it is important that I develop networks.	Adapted from Bloisi <i>et al.</i> (2003:271)
9	In planning my career, it is important to find a mentor, and be a mentor myself.	Adapted from Bloisi <i>et al.</i> (2003:271)
10	In planning my career, it is important to know that helping others achieve success is an important attribute of successful managers and professionals.	Adapted from Bloisi <i>et al.</i> (2003:271)

3. General integrative skills		
	Questions	Source
1	It is important to acknowledge that communication is the glue that holds an organisation together.	Own, based on Mayfield and Mayfield (2004:48). Refer to p 95 of the thesis
2	It is important to get over stage fright and gain self confidence by learning and doing presentations in the classroom.	Own, based on Mayfield and Mayfield (2004:49) refer to p 95 of the thesis
3	It is important for managers to understand that it is difficult for some employees to put in overtime hours without substantial notice, to work weekends, to be gone overnight on business, or to accept a transfer to a new location.	Own, based on Chen <i>et al.</i> (2004:31) refer to p 95 of the thesis
4	It is important to understand that physical barriers such as narrow doorways or stairs can be troublesome for some employees.	Own, based on Chen <i>et al.</i> (2004:31) refer to p 95 of the thesis
5	It is important that managers be sure that employees are sensitive to co-workers and to be observant of overt expressions of sexism, racism, ageism, and more subtle biases within the work group.	Own, based on Chen <i>et al.</i> (2004:31) refer to p 95 of the thesis
6	Managers can accept gifts from customers/suppliers in exchange for giving them business.	Lussier, 1993:297
7	Manager can use a company phone to make personal long distant calls.	Lussier, 1993:297
8	It is important to learn how to manage and deal with stress.	Own, based on Drucker (2002:92) refer to p 96 of the thesis
9	I believe that incompetent management is the largest cause of workplace stress for subordinates.	Own, based on Drucker 2002:92 refer to p 96 of the thesis
10	It is important for one to effectively manage one's time in order to reduce stress.	Own, based on Drucker 2002:92) refer to p 96 of the thesis

4. Planning and control skills		
	Questions	Source
1	I believe it is important that a manager agree plans and goals with his/her subordinates.	Own, based on Turkey and Brewer, 2002:84. Refer to p 97 of the thesis.
2	I believe it is important that plans and goals be re negotiated and agreed upon based on the changes in the business environment.	Own, based on Turkey and Brewer, 2002:84. Refer to p 97 of the thesis.
3	It is important that goals agreed upon be reasonable, achievable and measurable.	Own, based on Bowman and Hurry, 2001:763. Refer to p 97 of the thesis
4	It is important that agreed goals be evaluated to ensure that goals are being accomplished as planned and deviations be corrected.	Own, based on Manz and Neck, 2004:89. Refer to p 98 of the thesis.
5	It is important that set goals be compared against the actual performance when evaluating performance.	Own, based on Manz and Neck, 2004:89. Refer to p 98 of the thesis.
6	It is important that I know how to creatively solve organisational problems.	Own, based on Manz and Neck, 2004:89. Refer to p 98 of the thesis.
7	It is important that I be taught how to use my time efficiently.	Own, based on Drucker, 2002:95. Refer to p 98 of the thesis.
8	A lack of conflict in the organisation can make an organisation static non responsive to the needs of change and innovation.	Own, based on Wilmot and Hocker, 2001:37. Refer to p 98 of the thesis.
9	It is important that I have skills to maintain an optimum level of conflict in my operational settings.	Own, based on Wilmot and Hocker, 2001:37. Refer to p 98 of the thesis.
10	It is important that I have the skills to guide employees in productive problem solving efforts, to learn and profit from it.	Own, based on Wilmot and Hocker, 2001:37. Refer to p 98 of the thesis.

5. Organising skills		
	Questions	Source
1	I believe that work designing is very much a job of a manager, and it is important that I be trained on how to go about designing work.	Own, based on Ball, 2005:A5 refer to p 99 of the thesis.
2	It is important for me to be skilled on how to conduct organisational diagnoses.	Own, based on Williams, 2009a:102 refer to p 99 of the thesis.
3	It is important for me to know how to conduct employee selection.	Own, based on Lawson, 2000:128 refer to p 99 of the thesis.
4	It is important for me to know how to identify people needed to create high profile teams.	Own, based on Fuller and Mansour, 2003:427 refer to p 100 of the thesis.
5	It is important for me to know how to design work for my team.	Own, based on Ball, 2005: A5 refer to p 99 of the thesis.
6	It is important for me to know how to modify the organisational culture.	Own, based on Williams, 2009a:102 refer to p 99 of the thesis.
7	It is important for me to know how the selection process operates.	Own, based on Lawson, 2000:128 refer to p 99 of the thesis.
8	It is important for me to know how to determine training gaps, and to put training plans in place.	Own, based on Lawson, 2000:131 refer to p 100 of the thesis.
9	It is important for me know how to develop a high profile team.	Own, based on Fuller and Mansour, 2003:63 refer to p 100 of the thesis.
10	I think it is the duty of a manager to develop his/her subordinates.	Own, based on Lawson, 2000:131 refer to p 99 of the thesis.

6. Leading skills		
	Questions	Source
1	I think it is important for managers to focus their attention on irregularities, mistakes, exceptions, and deviations from what is expected of their subordinates.	Den Hartog, VanMuijen, and Koopman, 1977
2	I think it is important that managers serve as role models for their subordinates.	Den Hartog, VanMuijen, and Koopman, 1977
3	It is important that managers be trusted to help their subordinates overcome any obstacles.	Den Hartog, VanMuijen, and Koopman, 1977
4	It is important for managers to make their subordinates aware of strongly held values, ideals, and aspirations which are commonly shared in the organisation.	Den Hartog, VanMuijen, and Koopman, 1977
5	It is important for managers to mobilise a collective sense of organisational mission.	Den Hartog, VanMuijen, and Koopman, 1977
6	It is important for managers to work out agreements with their subordinates on what they will receive if they do what needs to be done.	Den Hartog, VanMuijen, and Koopman, 1977
7	It is important for managers to articulate a vision of future opportunities to their subordinates.	Den Hartog, VanMuijen, and Koopman, 1977
8	It is important for managers to talk optimistically to their subordinates about the future.	Den Hartog, VanMuijen, and Koopman, 1977
9	It is important for managers to engage in words and deeds that enhance their image of competence.	Den Hartog, VanMuijen, and Koopman, 1977
10	It is important for managers to instil pride in being associated with him or her.	Den Hartog, VanMuijen, and Koopman, 1977

7. Managing change		
	Questions	Source
1	I believe that an expert who does not come up with a definite answer probably doesn't know too much.	Adapted from Budner (1962), Lewin (1947), and Kotter (1996).
2	I believe that there is really no such a thing as a problem that can't be solved.	Adapted from Budner, S. (1962), Lewin, (1947), and Kotter (1999).
3	I believe that, people who fit their lives into a schedule, probably miss most of the joy of living.	Adapted from Budner (1962), Lewin (1947), and Kotter (1999).
4	I believe that a good job is one where it is always clear what is to be done and how it is to be done.	Adapted from Budner (1962), Lewin (1947), and Kotter (1999).
5	I think I would like to live in a foreign country for a while.	Adapted from Budner (1962), Lewin (1947), and Kotter (1999).
6	I believe that a person who leads an even, regular life in which few surprises or unexpected happenings arise really has a lot to be grateful for.	Adapted from Budner (1962), Lewin(1947), and Kotter (1999).
7	I believe it is more fun to tackle a complicated problem than to solve a simple one.	Adapted from Budner (1962), Lewin (1947), and Kotter (1999).
8	I believe that, people who insist on a yes or no answer, just don't know how complicated things really are.	Adapted from Budner (1962), Lewin (1947), and Kotter (1999).
9	I believe that the sooner everyone acquires similar values and ideas, the better.	Adapted from Budner (1962), Lewin (1947), and Kotter (1999).
10	I believe that teachers or supervisors who hand out vague assignments give one a chance to show initiative and originality.	Adapted from Budner (1962), Lewin (1947), and Kotter (1999).

Exhibit 4.15.below outlines the summary of skills identified, authors where such questions were identified and which questions measure which skills.

Exhibit 4.15: Summary of skills identified, authors and specific questions for skills

	Skills	Authors	Questions
1	Self awareness	Steers, R. & Braunstein, D. (1976), Lennox ,R.D. & Wolfe, R.N. (1984), Lussier, R.N., (1993), Chen, G., Gully, S.M. & Eden, D. (2001).	7, 17, 25, 33, 41, 49, 56, 63, 70, 77.
2	Self directed career planning	Bloisi <i>et al.</i> , 2003:271	10, 18, 26, 34, 42, 50, 57, 64, 71, 78.
3	General integrative skills	Mayfield and Mayfield, 2004:48, Chen <i>et al.</i> , 2004:31, Lussier, 1993:297, Drucker 2002:92	11, 19, 27, 35, 43, 51, 58, 65, 72, 79.
4	Planning and control	Turkey and Brewer, 2002:84, Bowman and Hurry, 2001:763, Manz and Neck, 2004:89, Drucker, 2002:95, Wilmot and Hocker, 2001:37.	12, 20, 28, 36, 44, 52, 59, 66, 73, 80.
5	Organizing	Ball, 2005:11, Williams, 2009:102, Lawson, 2000:128, Fuller and Mansour, 2003:62.	13, 21, 29, 37, 45, 53, 60, 67, 74, 81.
6	Leading	Den Hartog, D.N., Van Muijen, J.J. and Koopman, P.L. 1977:38	14, 22, 30, 38, 46, 54, 61, 68, 75, 82.
7	Managing change	Budner, S. (1962:70)	15, 23, 31, 39, 47, 55, 62, 69, 76, 83.

4.7 SUMMARY

The focus in chapter 4 was on key managerial skills. Different models that are related to managerial skills were identified. The chapter started by identifying the basis for which organisations will appoint managers and what their aspirations are of that manager. The introductory stage of the chapter defined what managerial competencies are. The remainder of the chapter focused on three different management models and the key common managerial competencies.

Chapters 2, 3, and 4 served as the literature review and theoretical background to this study. The next chapter explains the research methodology used in the study.

CHAPTER 5

RESEARCH METHODOLOGY

5.1 INTRODUCTION

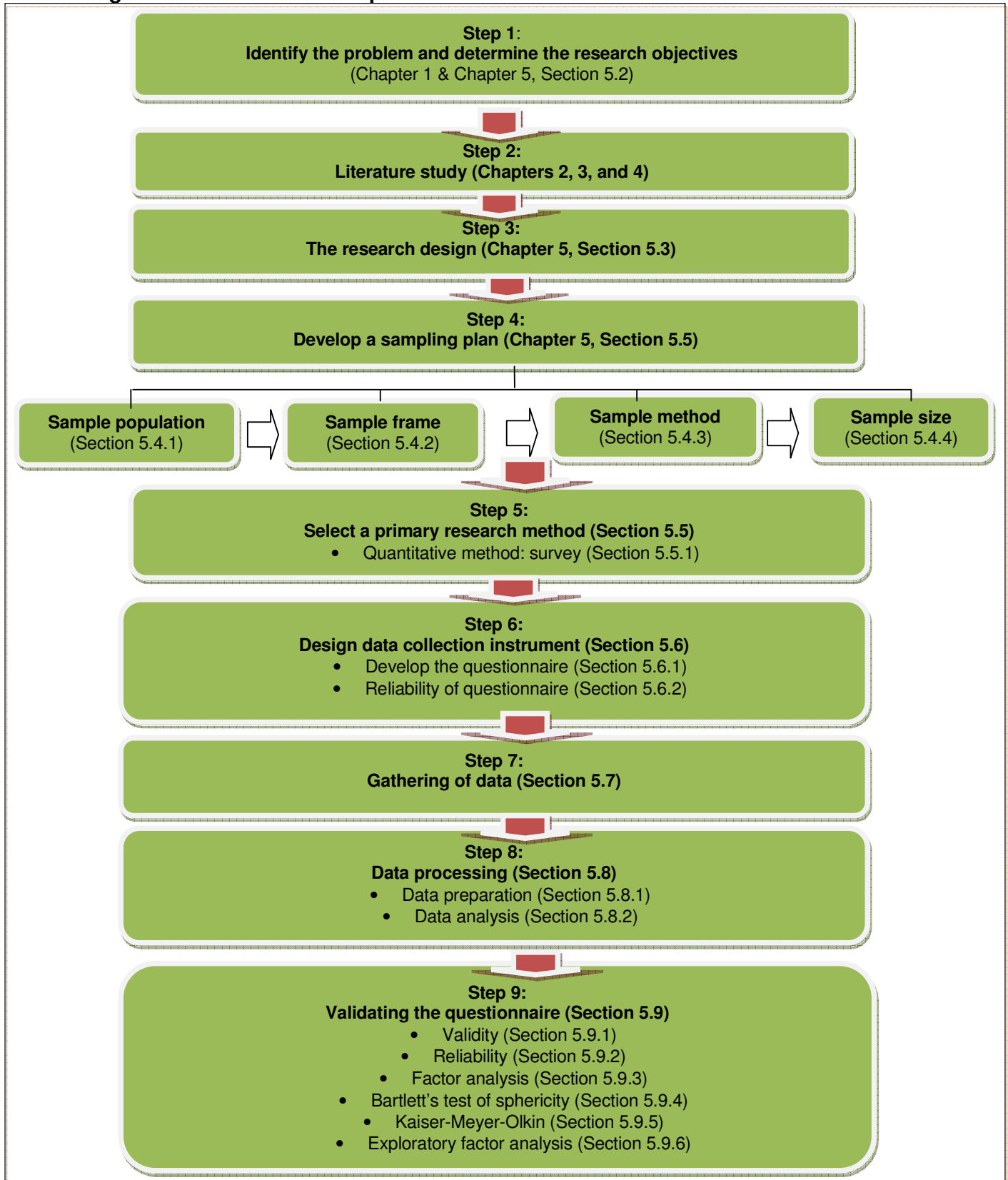
This chapter describes the research methodology and statistical tools used in this study. According to Cooper and Schindler (2003:6), the study of research methodology provides people with the knowledge and skills needed to solve problems and meet the challenges of fast paced decision-making environments. Figure 5.1 presents the research process followed in this study and will serve as a visual reference and guide for chapter 5.

Step 1 of the research process was addressed in chapter 1, when the research problem was identified and research objectives determined. Conducting secondary research provided background information for defining the problem and setting objectives, as well as developing a suitable questionnaire. This was addressed in **Step 2** of the research process with the literature study done in chapter 2, chapter 3, and chapter 4.

Steps 3 to 8 of the research process forms the main focus of chapter 5, with **Step 9** of the research process being addressed in chapter 6. In summary, chapter 5 addresses the process used to conduct the study by explaining the research problem, objectives, research design, sampling plan, data collection methods, questionnaire design, as well as gathering and processing of the data.

Figure 5.1 follows on next page

Figure 5.1: The research process



Adapted from: Cant *et al.* (2003:36); Gofton and Ness (1997:14) and Welman *et al.* (2005:22)

5.2 RESEARCH METHODOLOGY

5.2.1 (STEPS 1 and 2) Problem identification and objectives

The main reason behind setting up business schools in the previous century was a need for trained managers that came into being as a result of industrialisation because of the post Second World War economic boom in America (Mintzberg, 2005:5). Business schools then were apprentice qualifications as opposed to academic qualifications. This was the case in that business schools were more akin to trade schools where most professors were managers who were good in their departments and were imparting their skills, knowledge and experience to business students. There was, however, pressure exerted by sponsors of management training programmes for academic respectability of business schools. This eventually led to business schools adopting academic programmes and running business schools like any other academic department (Wind, 2000:38).

Bennis and O'Toole (2005:101) indicate that the actual cause of today's criticism in management education can be attributed to many business schools adopting a self defeating model of academic excellence and measuring themselves by the amount of MBA students they can get on their programmes and the rigour of their scientific research instead of measuring themselves on the competence of their graduates or by how well their faculties understand important drivers of business performance. They have adopted a model of science that uses abstract financial and economic analysis, statistical multiple regressions and laboratory psychology. Gerdes (2005:59) concludes that management education programmes:

- Place too great an emphasis on quantitative and analytical skills and neglect the personal skills that allow a manager to function effectively within a business organisation;
- Do little to produce managers who are able to meet the challenges of the changing global business environment;
- Produce students who are ill prepared to cope with an increasingly diverse workforce;
- Are staffed by a dearth of faculty qualified to teach environmental, ethical and international issues affecting business; and

- Are staffed by faculty who lack appropriate business experience and who are under pressure to produce academic publications.

However, Binedell (2004:02), on the other hand, argues that some of the benefits of enrolling for the MBA programme are that upon completion, MBA graduates from top business schools will reap significant benefits enabling them to make major contributions to their companies. Barnett and Billington (2008:23) state that the MBA degree improves the candidate's competitiveness in an ever changing economic environment. In today's world 25 years is a long time for many people to stay with the same company. The MBA will therefore help graduates to be more attractive to other companies in case they wish to leave their present organisations or help them be competitive in case they still wish to stay with their present employ (Barnett & Billington, 2008:24).

This has probably contributed, at least in part, to the perception by business that business schools are too academic and lack the capability to provide a range of cutting edge management skills (Gerdes, 2005:59). Specifically this critique poses the problem of management education: what should be taught and what managerial skills should the academically educated manager possess to be successful in the business world?

After identifying the research problem, one needs to develop research objectives. Holtzhausen (2005:186) points out that the research objectives are there to spell out what the research is designed to explore measure or explain. Objectives may be spelled out in terms of a hypothesis or being formulated as questions or statements.

The primary objective of the study was to construct a conceptual framework to measure skills for management competence. To address this primary objective the following secondary objectives were formulated, namely to:

- Identify skills for management competence from the literature;
- Scrutinise existing models of management skills;
- Compile a framework of managerial skills;
- Empirically test the relationship between the identified managerial skills; and to
- Determine the relative importance of each skill to managerial competence.

Step 2, the literature study, was discussed in detail in chapters 2, 3 and 4. Steps 1 and 3 of the research process addressed the research problem and the research objectives.

5.3 THE RESEARCH DESIGN (STEP 3)

The research design delineates the structure of the investigation in such a way as to attain answers to the research objectives. A research design is thus a preliminary plan for conducting research. According to Cooper and Schindler (2003:146-151), a broad research design consists of different elements, such as the type of research design, focus, time dimension and conditions. These elements, as applied to the study at hand, are briefly discussed below.

In this study, a formal research design was used to help attain the objectives of the study. This qualitative study followed a two stage research design. The first stage included an extensive literature study of secondary data on the historical overview of business education, management, and key management skills. The literature study consisted of journal articles, research reports, internet searches and textbooks, covering relevant issues of management and management education, and its relevance to management and leader development. According to Mc Daniels and Gates (2001:76), it is always advisable to do desktop research, which entails the scanning of all available secondary data sources before engaging in primary data search. This approach guides the researcher in identifying unanswered questions and prevents him/her from replicating research without the necessary background knowledge on what has already been achieved.

The second stage was a formal descriptive study that was conducted to investigate the objectives that were mentioned in chapter 1. At this stage, MBA students were questioned and their responses were collected by means of a structured questionnaire. The researcher executed an ex post facto design; which implies that the researcher had no control over the variables in the sense of manipulating them. The researcher was only able to describe/report the importance of the choice factors in the institution selection process and other related issues.

This study has a descriptive focus, as the purpose was to determine the relative importance of each choice factor and the usefulness of various sources of information. The purpose of descriptive research is to describe a problem or opportunity by providing a broad overview of a sample of a large population (Mouton, 2001:152). According to Churchill and Peter (1998:65), this type of research is helpful to describe the characteristics of certain groups, to estimate the proportion of people who behave in a certain way and to make specific predictions. This study aims to provide a description (in terms of a convenience sample) of the following:

- Socio economic information: the study provides a brief profile and demographics of MBA students.
- Needs analysis information: expectations of what MBA students think are important to their management training.
- What managerial skills are required for management education; and
- The importance of each managerial skill.

After designing a research plan, it is necessary to decide which respondents to include in the research study. Step 4 of the research process focuses on the development of a sampling plan and is addressed in the next section.

5.4 DEVELOPMENT OF SAMPLING PLAN (STEP 4)

Sampling, which involves selecting a subset of the population, will be chosen above a census of the whole population, due to time and cost constraints. According to Schmidt and Hollensen (2006:159-160), sampling involves the identification of a group of individuals or households who can be reached by mail, by telephone or in person and who possess information relevant to solving the problem of the relevance of the MBA programme at hand. Lamb *et al.* (2004:265) define a sample as a subset of the target population from which information is gathered to estimate something about the population. The process of developing a sample plan consists of five steps: identifying the sample population, identifying the sample frame, selecting a sample method, selecting the sample size and gathering information from the sample elements (Lancaster *et al.*, 2001:40). These steps are described below.

5.4.1 Population

The population can be described as the entire compilation of elements that the researcher aspires to draw conclusions from (Cooper & Schindler, 2003:179). Webb (2002:48) points out that a population or universe is the aggregate of all the elements.

The population of this study are the three campuses of the North West University business schools (Potchefstroom, Vanderbijlpark and Mafikeng). Advanced management, leadership, and executive training are defined to be training that is on NQF 7 or higher level. The MBA or advanced management programmes are typical examples of NQF 7 level training.

5.4.2 Sample

A sample frame is a list of population members used to obtain a sample (Aaker *et al.*, 2005:177). Freedman *et al.* (2007:330) state that a sample frame must meet the following requirements:

- It must represent all the elements of the population;
- There must be no duplication of elements; and
- It must be free from foreign elements.

In this study, the sample consists of all three the campuses of the North West University (NWU) where MBA degrees are offered. All three are on the accredited list of service providers for MBA degrees by the Department of Education and Training because they are institutions of higher learning that offer management, leadership and executive training throughout the Republic of South Africa. Practically, the sample consisted of all MBA students attending classes at the Potchefstroom, Vanderbijlpark and Mafikeng campuses of the North-West University.

The next step involves deciding how to select some elements of the sample population by making use of the sample frame, thus, choosing a sampling method.

5.4.3 Sampling method

There are two approaches to sampling: probability and non probability sampling. Probability sampling is based on the premise that each member of the population has a definite opportunity to be selected. With non-probability sampling, there is no guarantee that each member of the population has a definite opportunity to be selected (Diamantopoulos & Schlegelmich, 2000:11-13). According to Cooper and Schindler (2003:200) and Shoa (2006:38), non-probability sampling is more cost-effective, faster and effective.

The non-probability sampling method was used in this study to select the relevant business schools for the study. All the three campuses of the North-West University were selected on the basis of the convenience that their students are accessible. In selecting the sample for respondents, however, the entire population of business school students were selected as a sample. That is, all the students attending the study school week (Potchefstroom and Vanderbijlpark campuses) and those who attended the scheduled lectures at Mafikeng were personally requested to complete the structured questionnaire during the session scheduled for research.

5.4.4 Sample size

Sample size is determined by both statistical and practical considerations (Jarboe, 1999:38). Tustin *et al.* (2005:361) state that statistical calculations of sample size can only be done for probability sampling methods, as there is no statistical formula for prior calculation of the size of a non- probability sample. As this study made use of a non-probability sampling method, the sample is determined by practical concerns such as resources in terms of money, time and personnel impact, as well as the number of respondents present in class and their willingness to participate. The latter was kept in mind when analyzing the data as well as non-response error associated with non-probability sampling, as well as ensuring that group comparison would be made.

TABLE 5.1: Sample size

CAMPUS	QUESTIONNAIRES DISTRIBUTED	QUESTIONNAIRES RECEIVED	RESPONSE RATE (%)
• NWU (Potchefstroom)	143	89	62.2%
• NWU (Vanderbiljpark)	132	82	62.1%
• NWU (Mafikeng)	120	87	72.5%
TOTAL	395	258	65.3%

Since the distribution and collection of the questionnaires were personally performed by the researcher, a very favourable response rate of 65.3 percent realised.

The next section will explain the primary data collection method used to collect the data from the respondents.

5.5 SELECTION OF A PRIMARY DATA COLLECTION METHOD (STEP 5)

Data collection refers to the way in which data will be collected in the field. Primary data can be obtained either by quantitative or by qualitative methods. Qualitative research methods intend to gather in-depth, detailed information through methods such as in-depth interviews, projective techniques and focus groups (Welman *et al.*, 2005:188). Quantitative research methods focus on gathering a large amount of information through surveys such as mail, telephone and personal interviews. Qualitative methods are more unstructured, flexible and diagnostic than quantitative methods, and aim to obtain information from respondents in an indirect manner. These methods are useful in exploratory research and are appropriate for hypotheses generation (Du Plessis & Rousseau, 2005:28)

Quantitative methods are systematic and structured, and aimed at obtaining information from respondents in a direct, open manner. Results obtained from these methods are easily quantifiable and have a potentially high degree of accuracy. These methods are often used for testing hypotheses (Du Plessis & Rousseau, 2005:22). The primary advantage of quantitative methods is that a large amount of data can be collected about the individual respondent at one point in time. These methods are also very versatile,

because they can be applied in virtually any setting and can be adapted for almost any research objective (Aaker *et al.*, 2005:178).

Tustin *et al.* (2005:184) define self administered questionnaires (refer to section 5.7) as a traditional paper questionnaire used for surveys. Self administrated surveys allow respondents to complete the questionnaire themselves. Data collection through such written communication requires respondents to record their response to the research questions in writing. Although this method reduces cost as no interviewers are needed, there are some disadvantages, such as a high non-response rate, respondents not understanding some questions, and no interviewers present to clarify questions.

Preventative measures were followed to minimise the problems associated with self administered questionnaires by ensuring that lecturers act as interviewers when questionnaires were administered in class. Punch (2003:42) suggests that researchers must strive for a response rate of at least 60 percent. In this survey, the response rate was much higher than 60 percent because the questionnaires were administered in class. This method of data collection was used as it is relatively fast, cheap, and convenient and yields a high response rate.

5.6 DESIGN OF THE DATA COLLECTION INSTRUMENT (STEP 6)

McDaniel and Gates (2001:289) define a questionnaire as a set of questions designed to generate the data necessary to accomplish the objectives of the study. It is guided by the research questions and serves as a data collection tool (Punch, 2003:30). A questionnaire provides standardisation and uniformity in the data gathering process. It standardises the wording and sequence of questions and ensures that every respondent sees and hears the same words, and every interviewer asks identical questions. It can therefore be seen as a control device. According to Webb (2002:89), a questionnaire is designed for four purposes:

- To maximise the accuracy and relevancy of information to be obtained;
- To maximise the participation of relevant elements in the sample;
- To facilitate the gathering of information; and
- To meet research objectives.

Keeping the above mentioned in mind, the questionnaire was developed.

5.6.1 Developing the questionnaire

From the literature study and the managerial skills discussed, a framework for management skills was compiled. This framework identified seven managerial skills, namely: self awareness skills, self directed career planning skills, general integrative skills, planning and control skills, organising skills, learning skills, and change management skills. A total of 71 questions based on a 5-point Likert scale (ranked from totally disagree to totally agree) were developed to measure the 7 skills; furthermore, 11 demographic questions were added. This scale type is a widely used rating that requires the respondents to indicate the degree of agreement or disagreement with each of a series of statements about an object (Schmidt & Hollensen, 2006:120).

5.7 GATHERING DATA (STEP 7)

Gathering data is a two-stage process. First, the sample elements must be selected and secondly, information must be gained from those elements (Schmidt & Hollensen, 2006:170). The sample elements refer to the subjects on whom the measurement was undertaken (Cooper & Schindler, 2003:179).

Before the data collection could proceed, permission had to be obtained from different business schools; the Potchefstroom Business School (PBS) was requested to ask permission on the researchers' behalf for permission to conduct research at the sampled business schools. The request was positively met.

The data was collected by trained management educators or by the researcher himself at the different business schools during their respective study schools. The purpose of the study was explained to the advanced management students. Next, they were requested to partake in the study, and willing participants received the questionnaire to complete. Respondents handed their completed questionnaires to the researcher or supervisor. A total number of 358 questionnaires were distributed to students, and a total of 258 completed responses were received back.

5.8 DATA PROCESSING (STEP 8)

After data has been collected, it has to be processed. This consisted of data preparation and data analysis. Both processes will be described in the subsequent sections.

5.8.1 Data preparation

Data preparation comprises editing the data, coding the data, coding the data, data capturing and data cleaning. These four components will be briefly explained.

5.8.1.1 Editing

Editing ensures that the questionnaire has been filled out properly and completely (McDaniel & Gates, 2001:291). According to Shoa (2006:41), editing consists of checking completed questionnaires or other data collection forms for omission, incomplete or otherwise unusable responses, illegibility and obvious inconsistencies. Zikmund and D'Amico (2001:141) state that incomplete questionnaires will negatively affect the validity of the information collected. Incomplete questionnaires or non responses can be handled in different ways. First, the respondent can be contacted again, but in this case it will not be possible as the study was conducted anonymously. Secondly, the whole questionnaire can be disregarded as it is not usable (known as case-wise deletion). This method is appropriate if it is clear that the respondent either did not understand the survey or was not cooperating. The third option is to throw out only problem questions or the individual questions with non-responses and retain the balance of the questions. This method is known as pair-wise deletion. The last alternative is to replace the missing values with the mean value of that variable (Aaker *et al.*, 2005:184).

In this study the completed questionnaires were checked by the researcher as these were handed back by students in class after completion. All the questionnaires received back were completed in full.

5.8.1.2 Coding

Coding is the assignment of numerals or other symbols to answer to enable the responses to be grouped into a limited number of classes or categories (Cooper & Schindler, 2003:456). Zikmund and D'Amico (2001:143) point out that coding is the establishment of meaningful categories for responses collected by means of surveys or other data collection forms, so that the responses can be grouped into useable classifications. Codes can be assigned before or after a research study is completed. Jarboe (1999:78) defines pre-coding as the assignment of codes to the different responses on the questionnaire before the questionnaires are distributed.

In this study, pre coding was done on all the questions of the seven management skills. That is, **self awareness skills** were coded (SA), **general integrative skills** were coded (IS), **self directed career planning** was coded (SP), **managing change** was coded (MC), **leading skills** were coded (LS), **organisational skills** were coded (OS), and **planning and controlling skills** were coded (PC). Upon completion of the questionnaire, each was marked to identify the business school from which the research was conducted.

5.8.1.3 Data capturing

Data entry or capturing is the task involved in the direct input of coded data into a software package that ultimately allows the researcher analyst to manipulate and transform the raw data into useful information (Cant *et al.*, 2003:198). The data was professionally captured directly from the questionnaires by the Statistical Consultation Services of the North-West University.

5.8.1.4 Data cleaning

Data cleaning is an error checking process conducted after data entry and before data analysis to identify omissions, ambiguities and errors in the responses made during data entry (Diamantopoulos & Schlegelmilch, 2000:40). This could be prevented by not asking ambiguous questions and by pre-testing the questionnaires. Tustin *et al.* (2005:471) state that researchers have to attempt to clear the dataset of possible coding and data capturing errors.

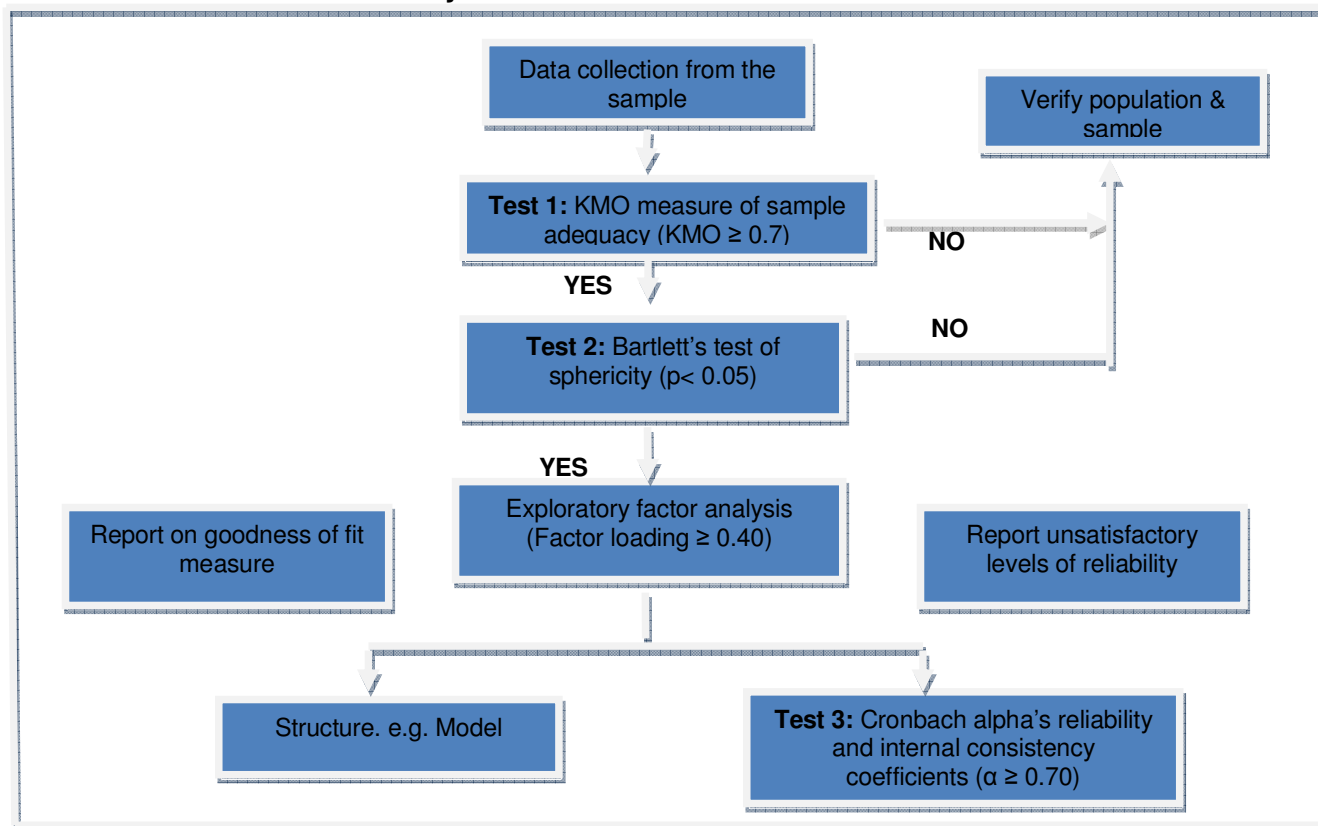
The data was professionally cleaned and edited by the Statistical Consultation Services of the North-West University.

5.8.2 Data analysis

Zikmund and D'Amico (2001:142) define analysis as the statistical and qualitative considerations of data gathered by research. The data needs to be analysed to extract the needed information to solve the research problem. In this study, the analysis of the data will be displayed in chapter 6.

The data collected was statistically analysed through the SPSS program (version 18 of 2011). Descriptive statistics (frequencies, means and standard deviations) were used to analyse data. Constructive validity of the questionnaire was assessed by means of the Bartlett's test of sphericity, Kaiser-Meyer-Olkin measure of sampling adequacy, and factor analysis. The framework for managerial skills employed exploratory factor analysis. Reliability was determined by means of Cronbach's coefficient alpha.

FIGURE 5.2: Data analysis decision tree



Source: Adapted from: Struwig and Stead (2004:16-77); Field (2007:530-667)

5.9 VALIDATING THE QUESTIONNAIRE (STEP 9)

5.9.1 Validity

Validity refers to the accuracy of the tool actually measuring what it is supposed to measure and to the extent to which a particular measure is free from systematic and random errors (Diamantopoulos & Schlegelmilch, 2009:33). According to Bisschoff and Kade (2010:4), validity is defined as “*the extent to which a test measures what it claims to measure.*” The ability of the study to scientifically answer the question it purports to answer is what the term validity refers to. It is imperative therefore that the test be valid for the accurate interpretation and application of results (Field, 2000:134).

According to Grayston (2004:110), the validity of the questionnaire in this study was assessed by means of an exploratory factor analysis because Cronbach's alpha has a theoretical relation with factor analysis. Selecting items such that they optimise Cronbach's alpha will often result in a test that is homogeneous in that it (very roughly) approximately satisfies a factor analysis with one common factor because there is a more empirical relation between the exploratory factor and Cronbach's alpha. Miles and Shevlin (2001:104) state that the reason for this is that Cronbach's alpha increases with the average correlation between items, so optimisation of it tends to select items that have correlations of similar size with most other items. It should be stressed that, although unidimensionality (that is fit to the one-factor model) is a necessary condition for alpha to be an unbiased estimator of reliability, the value of alpha is not related to the factorial homogeneity. The reason is that the value of alpha depends on the *size* of the average inter-item covariance, while unidimensionality depends on the *pattern* of the inter-item covariances (Grayston, 2004:111).

Kinnear and Gray (2000:204) state that it is important to note that validity is no longer limited or influenced solely by reliability because the concept of validity has substantially expanded. The modern research also defines the classical relationship between reliability and validity much better and clearly. There are various types of validity that exist; however, the important validity concept for this research is construct validity.

Iacobucci and Churchill (2010:256), refer to construct validity as the operationalisation of a construct in a practical application setting. It involves the validity of a test that has been

developed from theory. For example: *To what extent is an IQ questionnaire actually measuring “intelligence”?* The validation of the research questionnaire put forward in this study requires a high level of construct validity hence the importance of construct validity in this study.

Bisschoff and Kade (2010:5) state that empirical evidence is needed to support the theoretical basis of the research in order to achieve or prove construct validity. The aim of this study therefore is to provide the empirical evidence that supports the construction of a conceptual framework to measure skills for managerial competence as theoretical for the developed research questionnaire. Rosnow and Rosenthal (2005:356) further point out that, such evidence includes statistical analyses of the internal structure of the test including the relationships between responses to different test items. The relationships between the test and measures of other constructs are also assumed by construct validity. Tests for construct validity need to be conducted by experiments due to the construct validity's operational nature. The other contributing factor to construct validity evidence is experiments designed to reveal aspects of the causal role of the constructs (Welman *et al.*, 2005:74). A refined classification on construct validity reveals two approaches, namely:

- *Convergent validity*: the degree to which a measure correlates with other measures that it is theoretically predicted to correlate with; and
- *Divergent validity*: the extent to which a measure does not correlate with measures of a different concept that it theoretically should not be correlated with (Dane, 1990:259; Welman *et al.*, 2005:76).

Burns and Grove (1997:232), however, warn that construct validity is deteriorated by one of the following threats:

- Inadequate pre-operational explication of constructs;
- Mono-operation or mono-method bias;
- Hypotheses guessing with experimental conditions;
- Evaluation apprehension;
- Interaction between treatment and testing; and
- Experimenter expectations.

5.9.2 Reliability

Reliability is defined as: “the consistency of a set of measurements or measuring instrument, often used to describe a test” (Williams, 2009a). This means that the scale should consistently reflect the construct it is measuring. The quality of measurement is what reliability is all about. Reliability is the “repeatability” or the “consistency” of one’s measure in its everyday sense (Welman *et al.*, 2005:77). A research instrument that produces the same results every time it is being used under the same conditions has a high reliability (Field, 2007:666). The challenge, however, is how the reliability of the research data is determined.

A good and fair measurement tool must always adhere to the criteria of being reliable and valid. Reliability measures the accuracy and precision of the tool; thus an index that registers the extent to which measured data is free from random error (Freedman *et al.*, 2007:187). Reliability refers to the ability of a scale to produce a consistent result if repeated measurements are taken. For the purpose of determining the reliability of this study, Cronbach alpha coefficients testing with a $d = r.3$ cut-off point was used (medium effect, Cohen). Reliability is a necessary condition for quality measurement, but not sufficient if done alone. Cronbach's alpha is defined as (Howell, 1997:377:)

$$\alpha = \frac{N}{N-1} \left(1 - \frac{\sum_{i=1}^N \sigma_{Y_i}^2}{\sigma_X^2} \right)$$

where N is the number of components (items or testlets), σ_X^2 is the variance of the observed total test scores, and $\sigma_{Y_i}^2$ is the variance of component i . Alternatively, the standardised Cronbach's alpha can also be defined as (Kline, 1999:238):

$$\alpha = \frac{N \cdot \bar{c}}{(\bar{v} + (N-1) \cdot \bar{c})}$$

where N is the number of components (items or testlets), $\bar{v}$ equals the average variance and $\bar{c}$ is the average of all covariances between the components.

According to Santos (1999:2), Cronbach's alpha is one of the most popular reliability statistics as published by the mathematician Cronbach in 1951. Cronbach's alpha gauges the reliability of the instrument by determining the internal consistency or average correlation of items in a survey instrument (Wuensch, 2009:9). For this research, minimum coefficient is set at $\alpha \geq 0.70$ (Boshoff & Hoole, 1998:77; Statistica, 2006). However, Kline (1999) in Field (2007:668) reasons that with attitudinal or behavioural constructs, an alpha coefficient of 0.58 is sufficient and that such data is suitable to use for subsequent analytical scrutiny. Regarding other data types, Kline as well as Williams (2009a) supports Boshoff and Hoole on a minimum coefficient alpha of 0.70.

Alpha is an unbiased estimator of reliability if and only if the components are essentially τ -equivalent (Lord & Novick, 1968). Under this condition the components can have different means and different variances, but their covariances should all be equal – which implies that they have one common factor in a factor analysis. One special case of essential τ -equivalence is that the components are parallel. Although the assumption of essential τ -equivalence may sometimes be met (at least approximately) by testlets, when applied to items it is probably never true. This is caused by the facts that (1) most test developers invariably include items with a range of difficulties (or stimuli that vary in their standing on the latent trait, in the case of personality, attitude or other non-cognitive instruments), and (2) the item scores are usually bounded from above and below. These circumstances make it unlikely that the items have a linear regression on a common factor (Lord & Novick, 1968).

Field (2007:668) states that alpha can take values between negative infinity and 1 (although only positive values make sense). The required level of reliability is 0.70 or higher before the data can be regarded as reliable and used in analysis. According to Nunnally (1978:177), Cronbach's alpha is related conceptually to the Spearman-prediction formula. Both arise from the basic classical test theory result that the reliability of test scores can be expressed as the ratio of the true score and total score (error and true score) variances (Nunnally, 1978:178):

$$\rho_{XX} = \frac{\sigma_T^2}{\sigma_X^2}$$

Moolla (2010:156) states that alpha is most appropriately used when the items measure different substantive areas within a single construct. Conversely, alpha (and other internal consistency estimates of reliability), are inappropriate for estimating the reliability of an intentionally heterogeneous instrument.

5.9.3 Factor comparison

Brace *et al.* (2006:171) state that the normal visual comparison (or so-called eyeball test) is employed to determine if the same statements load onto each of the factors. This is done in order to compare two factors that have been extracted by factor analysis. This comparison is neither scientific nor accurate despite the fact that interesting comparisons on the common statement and their factor loadings may be revealed by the factor analysis.

Salient Similarity Index by Cartell could be one method employed to conduct a comparison where the two pattern loadings are classified into either negative or positive salient constructs and then compared; this comparison, however, remains difficult and the sampling error alone may cause inversions in the factor order (Brace *et al.*, 2006:171).

Another more acceptable method of factor comparison is to make use of correlation coefficients between the factors (Salking, 2006:231). If strong correlations exist between the factors and its statement that loads onto the factor, it is plausible to perform comparative analysis between the factors such as the analysis of (skills for managerial competence) and the calculation of the effect size (Wuensch, 2009:13).

The factor congruent correlation coefficient is usually calculated to serve this purpose, but a factorial Pearson coefficient is also regarded as a satisfactory correlation measure (Wuensch, 2009:13-14). The method of choice in this study is the Pearson correlation coefficient because of its ability to not only to determine the differences in the two factors' pattern of loadings, but also the differences (or similarities) in the magnitude of these loadings, even if dissimilarities exist in the factor loadings (Howitt & Cramer, 2008:78).

In this study, the strength of the relationship between skills for managerial competence is assessed using the Pearson's correlation coefficient statistical test. Brace *et al.* (2006:171) describe Pearson's correlation coefficient as a standardised measure of the

strength of relationship between two variables which can take any value from -1 (as one variable changes, the other changes in the opposite direction by the same amount), through 0 (as one variable changes the other doesn't change at all), to +1 (as one variable changes, the other changes in the same direction by the same amount).

According to (Howitt & Cramer, 2008:78) the Pearson r can detect not only differences in two factors' patterns of loadings, but also differences in the relative magnitudes of those loadings. One should be beware that with factors having a large number of small loadings, those small loadings could cause the r to be large (if they are similar between factors) even if the factors had dissimilar loadings on the more important variables.

5.9.4 Bartlett's test of sphericity

Wright (2003:123) describes the Bartlett's test of sphericity as a test statistic used to examine the hypothesis that the variables are uncorrelated in the population. In other words, the population correlation matrix is an identity matrix; each variable correlates perfectly with itself ($r = 1$) but has no correlation with the other variables ($r = 0$). Wright (2003:123) continues to state that Bartlett's test of sphericity can be used to test the null hypothesis that the variables are uncorrelated in the population: in other words, the population correlation matrix is an identity matrix. If this hypothesis cannot be rejected, then the appropriateness of factor analysis should be questioned.

According to Graham *et al.* (2003:142), the Bartlett's method produces scores that are unbiased and that correlate only with their own factor. The mean and standard deviation of the scores is the same as for the regression method. However, factor scores can still correlate with each other. Bartlett's test of sphericity can be used to test the null hypothesis that the variables are uncorrelated in the population: in other words, the population correlation matrix is an identity matrix. If this hypothesis cannot be rejected, then the appropriateness of factor analysis should be questioned (Field & Hole, 2003:422).

Field (2001:161) states that Bartlett's test of sphericity examines whether a variance-covariance matrix is proportional to an identity matrix. It therefore tests whether diagonal elements of the variance-covariance matrix are equal (that is group variances are the

same), and that the off-diagonal elements are approximately zero (that is the dependent variables are not correlated).

According to Wuensch (2009:16), the strength of the relationship among variables is indicated by Bartlett's test of sphericity, and is also an indicator of the suitability of the data towards a multivariate statistical technique such as factor analysis. It is a test statistic that is used as gatekeeper for further analysis.

The hypothesis that the variables are uncorrelated in the population is examined by the Bartlett test. Therefore, in this study, the Bartlett's test of sphericity is used to examine the hypothesis that the variables are uncorrelated in the population. In other words, the population correlation matrix is an identity matrix; each variable perfectly with itself ($r = 1$) but has no correlation with other variables ($r = 0$).

5.9.5 Kaiser-Meyer-Olkin measure of sampling adequacy

According to Kinnear and Gray (2000:428), the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy is another useful statistic measure that was used to examine the appropriateness of factor analysis. Howell (2002:573) adds by stating that the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy is an index used to examine the appropriateness of factor analysis. High values (between 0.5 and 1.0) indicate factor analysis is appropriate. Values below 0.5 imply that factor analysis may not be appropriate. The values should be above the bare minimum of 0.5 for all variables. Should any of the variables be below 0.5 then one should consider excluding them from the analysis (or run the analysis with and without that variable and note the difference). It is imperative to re examine the new correlation matrix after removing the variable because the KMO statistics are affected by the removal of the variable (Kinnear & Gray, 2000:429).

Field (2000:132), states that KMO measure of sampling adequacy can be calculated for individual and multiple variables and represents the ratio of the squared correlation between variables to the squared partial correlation between variables. It varies between 0 and 1: a variable of 0 indicates that the sum of partial correlations is large relative to the sum of correlations, indicating diffusion in the pattern of correlations (hence, factor analysis is likely to be inappropriate); a value close to 1 indicates that patterns of

correlations are relatively compact and so factor analysis should yield distinct and reliable factors. Values between 0.5 and 0.7 are mediocre, values between 0.7 and 0.8 are good, values between 0.8 and 0.9 are great, and values above 0.9 are superb (Field, 2007:668).

The KMO measure of sampling adequacy was used in this study to examine the appropriateness of factor analysis. Wuensch (2009:29) state that the KMO measure of sampling adequacy is “an index for comparing the magnitudes of the observed correlation coefficients to the magnitudes of the partial correlation coefficients”. This measure of sampling adequacy determines if the relationship between variables is strong enough to proceed with a factor analysis and returns a value between 0 and 1. Large values for the KMO measure indicate that a factor analysis of the variables is a good idea. The inverse is also true as the KMO also supplies vital information when not to use factor analysis. For values smaller than 0.5, the factor analysis is likely to be inappropriate. A KMO value of 0.6 should be present before factor analysis is considered (Bisschoff & Kade, 2010:7), although values between 0.5 and 0.7 are mediocre (Du Plessis, 2009:26). Values between 0.7 and 0.8 are good while the values between 0.8 and 0.9 are excellent. Values between 0.9 and 1 are superb (Field, 2007:640). The larger the KMO value, the more reliable the factor analysis for this particular sample size (Du Plessis, 2009:26). Positive outcomes on these tests validate the use of the factor analysis as a confirmatory tool. Small values of the KMO statistic indicate that the correlations between pairs of variables cannot be explained by other variables and that factor analysis may not be appropriate (Friel, 2005).

5.9.6 Factor analysis

In general, the term *factor analysis* refers to any one of a number of similar but distinct multivariate statistical models that model observed variables as linear functions of a set of latent or hypothetical variables that are not directly observed, known as *factors*. Factor analysis models are similar to regression models in that they possess dependent variables that are linear functions of independent variables. But unlike regression, the independent variables of the factor analysis models are not observed independently of the observed dependent variables.

Factor analysis models may be further distinguished according to whether the factor variables are determinate or not. Factors are determinate if they can be derived in turn as linear functions of the observed variables. Otherwise, they are indeterminate. Determinate models encompass the various component analysis models, such as principal components analysis (Hotelling, 1933; Jolliffe, 1986; Pearson, 1901); weighed principal components (Mulaik, 1972); and Guttman's image analysis (Guttman, 1953). Indeterminate models are represented by the common factor model (Spearman, 1904; Thurstone, 1947) which seeks to account for the co variation between the observed variables as the result of the observed variables sharing in varying degrees the influences of the variation of a common set of common factor variables.

Principle component factor analysis was used as a confirmatory factor analysis tool to determine if the questionnaire aimed at constructing a conceptual framework to measure skills for managerial competence still measure what they were designed to measure (Du Plessis, 2009). The factor loadings of 0.4, variance explained and also the possibility of dual factor loadings need to be satisfactory, while a cumulative variance of 60% or higher is regarded to be a "*good fit of the data*" (Shukia, 2004).

Various confirmatory structured principal component factor analyses are used in the study. At first glance, this concept may seem confusing; however, a simple example may shed light on the technique. The aim of the questionnaire in this study is to gather data that will help with the construction of a conceptual framework to measure skills for managerial competence, a model for managerial competence was therefore developed. The framework for managerial competence identified required skills for management competence as: self awareness skills, self directed career planning skills, general interactive skills, planning and control skills, organising skills, leading skills, and the skills to manage change. Therefore, for example, the original self awareness skills consist of ten questions that measure managerial competence. Iacobucci and Churchill (2010:261) state that the questionnaire also should measure managerial competence. To ensure that these questionnaires meet this aim, these questions are subjected to the principle component factor analysis to determine if these questions all load onto one factor. If they do, it confirms that the factor identified still measure managerial competence, and none of the statements has "fallen off". These ten questions thus measure what they were supposed to measure, namely managerial competence, and are thus validated (Du Plessis, 2009).

5.10 SUMMARY

Chapter 5 introduced the empirical component of the study and set the scene for the discussions to follow in chapter 6 (research findings) and chapter 7 (conclusions and recommendations). Chapter 5 described the research process followed in the study. The research problem and research objectives were used to develop a research design. The research design delineated the structure of the investigation in such a way as to reach the objectives and solve the research problem.

The statistical techniques used in the study were then presented and justified. The technique to ensure construct validity was first made, followed by the technique to ensure reliability using Cronbach alpha. Bartlett's test of sphericity was selected to ensure that variables were uncorrelated in the population. The description of the KMO and the use thereof was given to ensure the appropriateness of factor analysis. Factor analysis and confirmatory factor analysis which formed the principal statistical method for the study was then described in detail. After data collection, the data was prepared by editing, coding, capturing and cleaning it. The data was then analysed, making use of the Statistical Consultation Services of the North-West University. The analysis of the data is presented in chapter 6.

CHAPTER 6

EMPIRICAL RESULTS

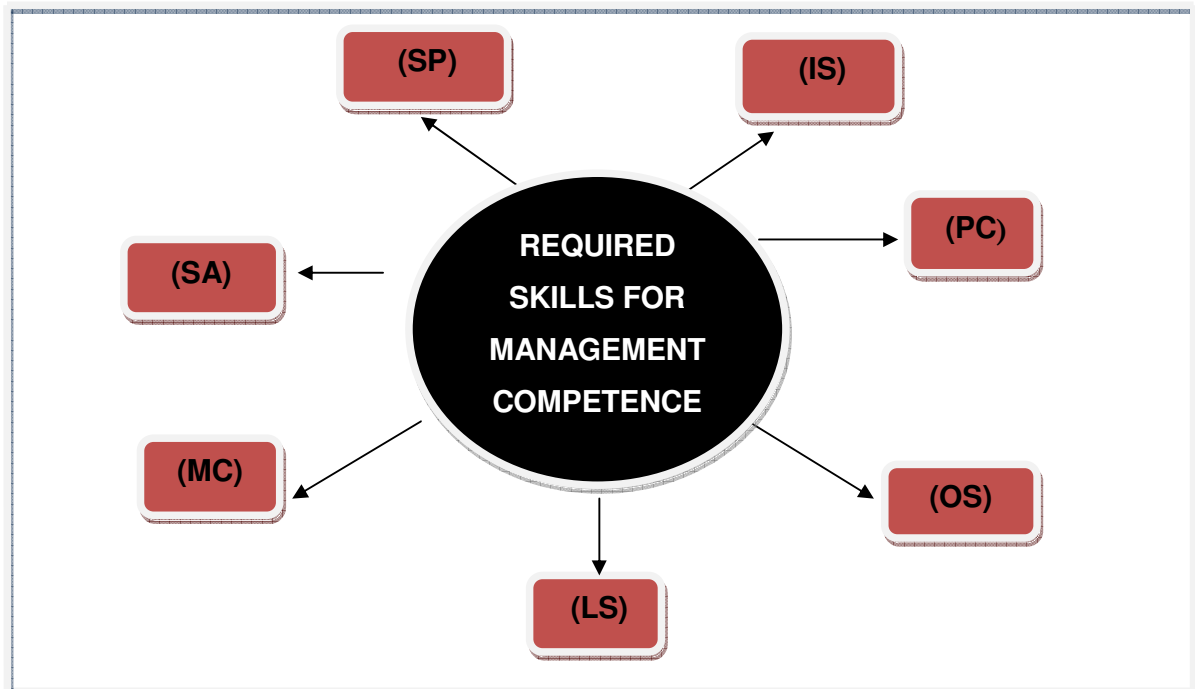
6.1 INTRODUCTION

The statistical methods and analyses that were employed during the empirical stage of this study were described in the previous chapter. The purpose of this chapter is to implement the methodology discussed in chapter 5, and to present the results of the empirical research.

6.2 EMPIRICAL RESULTS: MODEL 1

The main objective of the study was to construct a conceptual framework to measure skills for managerial competence. Model 1 was developed based on the literature wherein the required skills for managerial competence were identified as **self awareness skills (SA)**, **self directed career planning skills (SP)**, **general interactive skills (IS)**, **planning and control skills (PC)**, **organising skills (OS)**, **leading skills (LS)**, and **managing change skills (MC)**.

FIGURE 6.1: THE PROPOSED MANAGERIAL SKILLS MODEL



All the items developed from the literature were distributed and were interpreted through the SPSS program (SPSS Inc, VS 18 (2011)) by Du Plessis, (previously employed by the Statistical Consultation Services at the North-West University, but now a private statistical consultant). The results of the empirical study appear below.

6.2.1 Descriptive statistics

The descriptive statistics relating to each skill, as shown in the managerial skills model (refer back to Figure 6.1) are presented in the tables that follow. Each table shows the number of data entries (N), the mean, and the standard deviation of each statement that measures the specific managerial skills.

6.2.1.1 Self awareness skills (SA)

The descriptive statistic results for self awareness skills are shown in the table below.

TABLE 6.1: DESCRIPTIVE STATISTICS OF SELF AWARENESS SKILLS (SA)

Items	N	Mean	Std Deviation
SA 10	250	4.0160	.93983
SA 2	249	4.5221	.68430
SA 3	249	3.7430	1.09167
SA 4	250	3.4200	1.24974
SA 5	250	4.0760	1.00911
SA 6	250	4.1200	1.08365
SA 7	251	3.8685	1.09665
SA 8	249	4.2972	.90252
SA 9	251	3.2510	1.16822
SA 1	251	4.5367	.90423
Grand Mean		3.98505	

Table 6.1 indicates that eight of the items were regarded by respondents as highly important, with a rating of above 4, on the Likert scale. The other items (SA 4) and (SA 9) were rated above 3 on the Likert scale. The grand mean for self awareness skills is 3.99.

6.2.1.2 Self directed career planning skills (SP)

The table below shows the descriptive statistic results for self directed career planning skills.

TABLE 6.2: DESCRIPTIVE STATISTICS OF SELF DIRECTED CAREER PLANNING SKILLS (SP)

Items	N	Mean	Std Deviation
SP 1	251	4.7849	.54546
SP 5	249	4.7189	.54002
SP 10	249	4.6546	.58989
SP 8	250	4.5800	.72505
SP 4	250	4.4240	.80425
SP 9	250	4.3160	.90522
SP 3	249	4.3133	1.00315
SP 6	251	4.2112	1.06171
SP 2	250	4.1840	.91292
SP 7	249	3.1727	1.48048
Grand Mean		4.33596	

From the table above, it is clear that respondents regarded nine items as highly important with a rating of above 4 on the Likert-scale rating; only one question (SP7), had a mean Likert scale rating just above the midpoint of the scale, namely 3. Scores of 3 and higher are regarded to be important as it exceeds the midpoint, while scores below 3 would be of lower importance. The grand mean (the mean value of the nine items) for self directed career planning skills is 4.34.

6.2.1.3 General interactive skills (IS)

The results pertaining to general interactive skills are shown in the table below.

TABLE 6.3: DESCRIPTIVE STATISTICS OF GENERAL INTERACTIVE SKILLS (IS)

Items	N	Mean	Std Deviation
IS 1	249	4.7952	.54829
IS 8	247	4.7814	.50281
IS 10	251	4.6534	.58256
IS 5	249	4.5622	.73310
IS 2	251	4.3825	.84684
IS 3	250	4.3600	.87720
IS 4	250	4.2320	.91954
IS 9	250	4.1520	1.13404
IS 7	250	1.6520	1.08795
IS 6	251	1.5498	1.16297
Grand Mean		3.91205	

It is clear from the table that the respondents regarded almost all of the items to be highly important (ranking above 4 on the Likert scale). Items IS 6 and IS 7 score low on the scale (below 2) which signifies a level of non importance. These questions deal with ethical issues such as *accepting gifts from clients* and *making personal calls on company expenses*. It is clear from the results that the respondents condone such unethical managerial behaviour. The grand mean shows a value of 3.91.

6.2.1.4 Planning and controlling skills (PC)

The results for the descriptive statistics of planning and controlling skills are shown in the table below.

TABLE 6.4: DESCRIPTIVE STATISTICS OF PLANNING AND CONTROLLING SKILLS (PC)

Items	N	Mean	Std Deviation
PC 3	250	4.8080	.47754
PC 5	249	4.7510	.53341
PC 4	250	4.6960	.56290
PC 10	250	4.6240	.63580
PC 1	249	4.5904	.73566
PC 2	250	4.5680	.70950
PC 6	249	4.5422	.68922
PC 7	249	4.2249	1.11696
PC 9	250	4.0680	1.10828
PC 8	249	4.8434	1.21631
Grand Mean		4.57159	

The table above indicates that respondents regard all 10 items posed as highly important. This is indicated by the rating of above 4 on the Likert scale on all 10 items. The grand mean for this skill is 4.57.

6.2.1.5 Organising skills (OS)

The table below depicts the results of the descriptive statistics of organising skills.

TABLE 6.5: DESCRIPTIVE STATISTICS OF ORGANISING SKILLS (OS)

Items	N	Mean	Std Deviation
OS 3	248	4.6371	.65305
OS 9	250	4.5680	.70950
OS 8	251	4.5657	.69761
OS 5	251	4.5299	.74438
OS 4	248	4.5202	.76327
OS 2	250	4.4480	.80116
OS 10	250	4.4160	.92432
OS 7	248	4.3750	.85396
OS 6	251	4.2789	.84019
OS 1	251	4.0518	.97227
Grand Mean		4.43906	

Respondents regarded all 10 items posed for organising skills as highly important in that all items were rated to be important as it scores above 4 on the Likert scale. This skill has a grand mean of 4.44.

6.2.1.6 Leading skills (LS)

Below is the table that shows the results of the descriptive statistics of leading skills.

TABLE 6.6: DESCRIPTIVE STATISTIC OF LEADING SKILLS (LS)

Items	N	Mean	Std Deviation
LS 1	251	4.6653	.592
LS 8	251	4.6534	.379
LS 10	251	4.6494	.357
LS 5	250	4.6320	.434
LS 2	250	4.5840	.453
LS 3	250	4.4800	.548
LS 4	247	4.2429	.981
LS 9	251	4.1833	1.150
LS 7	249	4.0402	1.200
LS 6	250	3.1120	2.028
Grand Mean		4.32425	

All the nine items score above 4 on the Likert scale. This indicates that the respondents regarded all the nine items as highly important except for item LS 6 which rated at 3 on the Likert scale. The 3-point rated by LS 6 is however regarded to be of lower importance as it scores above 2 but below 3. The grand mean for leading skills is 4.32.

6.2.1.7 Managing change skills (MC)

The results of the descriptive statistics for managing change skills are shown below.

TABLE 6.7: DESCRIPTIVE STATISTICS OF MANAGING CHANGE SKILLS (MC)

Items	N	Mean	Std Deviation
MC 4	250	4.2560	1.06348
MC 2	249	4.2530	1.04931
MC 7	251	4.2112	1.03886
MC 9	251	3.7052	1.26204
MC 6	249	3.4056	1.23790
MC 10	251	3.2908	1.36201
MC 8	251	3.2908	1.18957
MC 5	250	3.1960	1.54373
MC 3	250	2.8920	1.34446
MC 1	249	2.4739	1.26376
Grand Mean		3.49745	

Table 6.7 indicates that three items were ranked as highly important with a rating of above 4, six of the items were rated as important with a rating of above 3 and only one item was rated as not so important with a rating of just above 2. The grand mean of managing change skills is 3.50.

6.2.1.8 Grand means of all the skills

The figure below indicates the grand means of all the seven skills identified.

FIGURE 6.2: GRAND MEAN OF ALL SKILLS

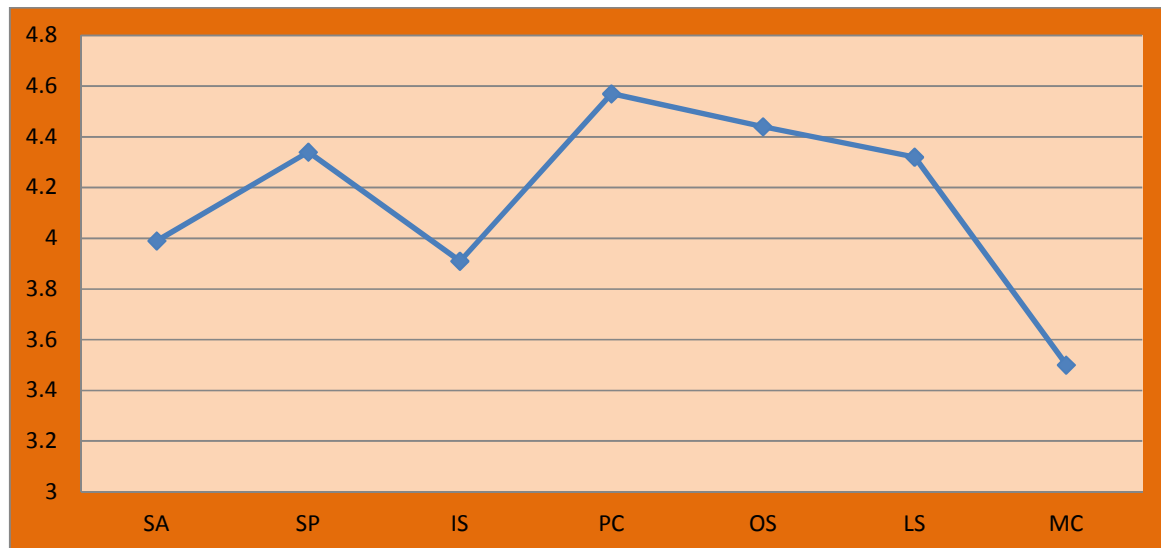


Figure 6.2 indicates that all skills are rated as very important by the respondents in that all except one skill rated above 4 on the 5-point Likert scale. The skill that scored below 4, but above 3, is managing change (MC). From the results it can be concluded that all seven the managerial skills sets were regarded by respondents as highly important.

6.2.2 Reliability

The reliability of each of the managerial skills was determined by calculating the reliability coefficient Cronbach alpha. As mentioned, 0.70 or higher indicates the desired level of reliability set in this study, while 0.58 is regarded to be the lower limit of acceptable reliability (Cortina, in Field, 2007:668). Field reports that Cortina found in his research that the lower level of reliability acceptable when ratio scales (such as a Likert scale) are used. The reliability coefficients appear in Table 6.8.

TABLE 6.8: RELIABILITY OF MANAGERIAL SKILL SETS

MANAGERIAL SKILL	CHRONBACH ALPHA
Self awareness skills (SA)	0.638
Self directed career planning (SP)	0.685
General interactive skills (IS)	0.611
Planning and controlling skills (PC)	0.823
Organising skills (OS)	0.510
Leading skills (LS)	0.440
Managing change skills (MC)	0.726

Except for managing change skills and planning and controlling skills, the reliability coefficients are all below the 0.70 level. When applying the lower margin of reliability (0.58), leading skills and organising skills still fail the reliability test. These two skills have alpha coefficients of 0.440 and 0.510, respectively. This means that these skills cannot be regarded as reliable. This means that, although important to this study, these skills are less likely to represent themselves in repetitive studies.

6.2.3 Ranking of managerial skills

The respondents ranked the seven managerial skills according to its perceived importance. The skills are ranked in a descending order of importance in table 6.9.

TABLE 6.9: ORDER OF IMPORTANCE OF MANAGERIAL SKILLS

MANAGERIAL SKILLS	MEAN
Self awareness skills (SA)	4.85
Leading skills (LS)	4.83
Managing change skills (MC)	4.77
Organising skills (OS)	4.70
Planning and controlling skills (PC)	4.69
General interactive skills (IS)	4.65
Self directed career planning (SP)	4.54

Although all the skills are regarded to be very important by the respondents, self awareness is the most important skill (4.85), while self directed career planning seems to

be least important (4.54). However, the differences in importance are marginal between the most and least important skill.

6.2.4 Correlations

The correlation between the skills has been calculated and is shown in table 6.10. Pearson correlation coefficients are used and correlations with an absolute value of 0.3 or higher are regarded to be significant (Naidoo, 2011:22).

TABLE 6.10: PEARSON CORRELATION COEFFICIENTS BETWEEN THE MANAGERIAL SKILLS

		SA	SP	IS	PC	OS	LS	MC
SA	Pearson correlation	.1	.707	.635	.688	.709	.721	.562
	Sig. (2-tailed)	-	.000	.000	.000	.000	.000	.000
	N	252	252	252	252	252	252	252
SP	Pearson correlation	.707	.1	.679	.756	.700	.712	.536
	Sig. (2-tailed)	.000	-	.000	.000	.000	.000	.000
	N	252	252	252	252	252	252	252
IS	Pearson correlation	.635	.679	1	.693	.670	.669	.530
	Sig. (2-tailed)	.000	.000	-	.000	.000	.000	.000
	N	252	252	252	252	252	252	252
PC	Pearson correlation	.688	.756	.693	1	.780	.751	.517
	Sig. (2-tailed)	.000	.000	.000	-	.000	.000	.000
	N	252	252	252	252	252	252	252
OS	Pearson correlation	.709	.700	.670	.780	1	.807	.554
	Sig. (2-tailed)	.000	.000	.000	.000	-	.000	.000
	N	252	252	252	252	252	252	252
LS	Pearson correlation	.721	.712	.669	.751	.807	1	.554
	Sig. (2-tailed)	.000	.000	.000	.000	.000	-	.000
	N	252	252	252	252	252	252	252
MC	Pearson correlation	.562	.536	.530	.517	.499	.554	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	-
	N	252	252	252	252	252	252	252

From the table above, it is clear that all managerial skills (as expected) show a strong correlation with each other. A number of correlations are higher than 0.7, while the rest are all close to or above 0.50. This means that the skills are strongly positively correlated to one another.

6.2.5 Validity of the model

The empirical results of the study are presented per each skill identified in the literature. The exploratory factor analysis was used to subject each identified skill to a validity test. The Bartlett's test of sphericity and the KMO measure were used to test the suitability of each identified skill for factor analysis. Wright (2003:123) states that in order for a factor analysis to be considered, a KMO must yield a value of 0.6. Wright (2003:123) continues to state that the KMO values of between 0.5 and 0.7 are mediocre while the values of between 0.7 and 0.8 are regarded as good and those between 0.8 and 0.9 are regarded as excellent values.

6.2.5.1 Self awareness skills (SA)

Self awareness skills are about knowing oneself, thus knowing what one's strengths and weaknesses are and how one is perceived by others. Self awareness skills lead to gaining an insight on why others respond to you the way they do and finding out how you rate on key personality characteristics. Self awareness skills requires that one acknowledges one's shortcomings and how to go about developing oneself in order to address those areas that need developing.

TABLE 6.11: KMO & BARTLETT'S TEST FOR SELF AWARENESS SKILLS (SA)

Analysis		Initial	Purified
Kaiser-Meyer-Olkin measure of sampling adequacy		.670	.656
Bartlett's Test of sphericity		176.809	176.809
Approx. Chi-Square	df	28	28
	Sig	.000	.000

From table 6.11 it is clear that the sample is adequate because the KMO measure returns a value of 0.670 in the initial analysis. The data is also suitable for multivariate statistical

analysis, such as factor analysis, because the Bartlett's test of sphericity is below the required 0.005. The results of the factor analysis appear in table 6.12.

TABLE 6.12: FACTOR ANALYSIS FOR SELF AWARENESS SKILLS (SA)

Items	Components	
	1	2
SA 1		.688
SA 2		.750
SA 3		.492
SA 4	.617	
SA 5	.722	
SA 6	.588	
SA 7	.534	
SA 9	.645	

From the factor analysis, two factors have been identified. These two factors explain a cumulative variance of 42.85 with factor 1 explaining 24.44 and factor 2 explaining 18.41 of the variance respectively. Two of the questions did not load on either of the two factors while they also display crossloadings between the two factors. These questions are questions 8 and 10. Referring back to table 6.11, the KMO and the Bartlett's test did not show any deterioration when these two questions were omitted from the analysis (see purified results in Table 6.11). Bartlett's test of sphericity did not change while the change in the KMO measure from .670 to .656 is marginal.

Factor 1 deals with issues surrounding awareness at work, while factor 2 relates more to work improvement. Factor 1 has a reliability value of 0.612 while factor 2 has an unsatisfactory reliability value of 0.356.

From the analysis above, it is clear that the concept of self awareness is measured by 8 of the original 10 questions. Furthermore, self awareness skills consist of two factors that play a role when measuring it.

6.2.5.2 Self directed career planning (SP)

Self directed career planning is about an individual or an employee having to manage his or her career like entrepreneurs managing a small business. One should think about oneself as self employed, even if employed in a large organisation. Successful career planning should be based on maintaining flexibility, and keeping skills and knowledge up-

to-date. The premise for self directed career planning is that an individual and only an individual, is responsible for his or her own career.

TABLE 6.13: KMO & BARTLETT'S TEST FOR SELF DIRECTED CAREER PLANNING SKILLS (SP)

Analysis		Initial	Purified
Kaiser-Meyer-Olkin measure of sampling adequacy		.833	.814
Bartlett's Test of Sphericity		372.194	263.286
Approx. Chi-Square	df	45	15
	Sig	.000	.000

The initial stage of the analysis in table 6.13 indicates that the KMO measured, returns a highly satisfactory value of 0.833 (Field, 2000:132). The KMO deteriorated marginally to 0.814 after the dataset was purified. The Bartlett's test of sphericity returns a value of 0.000 which is below the required value of 0.005. Resultantly, the data is suitable for the multivariate statistical analysis such as a factor analysis depicted in table 6.14 below.

TABLE 6.14: FACTOR ANALYSIS FOR SELF DIRECTED CAREER PLANNING SKILLS (SP)

Items	Components	
	1	2
SP 5	.697	
SP 10	.743	
SP 8	.674	
SP 4	.671	
SP 1	.612	
SP 9	.567	
SP 7		
		.933

Two factors are identified. They have a cumulative variance of 52.48%. However, of the 10 questions posed, only six loaded significantly on one factor, while SP7 loaded heavily on the other factor. The first factor explains 37.80% and the second factor explains 14.68% of the variance.

The three questions (SP 2, SP 3, and SP 6) were discarded because there were crossloading between the factors. The reliability of factor 1, as measured by Chronbach's alpha, is a favourable 0.723 because it exceeds the required reliability coefficient of 0.70.

6.2.5.3 General interactive skills (IS)

General interactive skills are skills that enable one to behave competently across a broad range of organisational situations. These skills include having to solve problems, work with teams, communicate effectively, initiate change, appreciate diversity, uphold ethical principles, and effectively manage time and stress.

TABLE 6.15: KMO & BARTLETT'S TEST FOR GENERAL INTERACTIVE SKILLS (IS)

Analysis		Initial
Kaiser-Meyer-Olkin measure of sampling adequacy		.753
Bartlett's Test of sphericity		276.614
Approx. Chi-Square	df	28
	Sig	0.000

The KMO value, as shown in table 6.15, is satisfactory (0.753), while the Bartlett's test of sphericity yields a value of 0.000 which is well below the required 0.005. The data is therefore suitable to be subjected to multivariate statistical analysis such as a factor analysis.

TABLE 6.16: FACTOR ANALYSIS FOR GENERAL INTERACTIVE SKILLS (IS)

Items	Component		
	1	2	3
IS 8	.773		
IS 10	.715		
IS 2	.639		
IS 5	.512		
IS 4		.831	
IS 1		.679	
IS 6			.812
IS 7			.802

Three factors have been extracted from the data. The cumulative variance explained is 53.83%. The first factor explains 23.29%, the second factor explains 18.63%, and the third factor explains 16.91% of the variance.

Questions IS 3 and IS 9 were discarded as these did not load significantly onto any of the factors. The reliability coefficient for the first factor is 0.612, for the second factor 0.440, and for the third factor 0.516. These are all below the required reliability coefficient of 0.70. Factor 1, however, exceeds the 0.58 lower reliability coefficients.

6.2.5.4 Planning and controlling skills (PC)

Planning and controlling are about defining the organisation's goals, establishing an overall strategy for achieving these goals, and developing a hierarchy of plans to coordinate and integrate activities. This includes performance evaluation, creative problem solving, and conflict management.

TABLE 6.17: KMO & BARTLETT'S TEST FOR PLANNING AND CONTROLLING SKILLS (PC)

Analysis		Initial
Kaiser-Meyer-Olkin measure of sampling adequacy		.808
Bartlett's Test of sphericity		414.277
Approx. Chi-Square	df	36
	Sig	0.000

From Table 6.17 it is clear that the KMO and the Bartlett's test of sphericity returned satisfactory values of 0.808 and 0.000, respectively. This then allows for the multivariate statistical analysis such as a factor analysis to be conducted.

TABLE 6.18: FACTOR ANALYSIS FOR PLANNING AND CONTROLLING SKILLS (PC)

Items	Components		
	1	2	3
PC 4	.804		
PC 3	.768		
PC 2	.715		
PC 5	.707		
PC 10	.573		
PC 8		.737	
PC 9		.723	
PC 7			.805
PC 1			.551

From the factor analysis, a total of three factors were extracted. These factors explain a cumulative variance of 57.70%. The first factor explains 29.60%, the second factor explains 14.53%, and the third factor explains 13.57% of the variance.

Question PC 6 was discarded because it did not load significantly onto any of the factors. Regarding the reliability, the first factor yields a satisfactory reliability coefficient of 0.754, while the second and third factors have unsatisfactory reliability coefficients of 0.310 and 0.234, respectively.

6.2.5.5 Organising skills (OS)

Organising skills entail the responsibility of a manager to design an organisation's structure. It includes the determination of what tasks are to be done, who is to do them, how the tasks are to be grouped, who reports to whom and where decisions are to be made.

TABLE 6.19: KMO & BARTLETT'S TEST FOR ORGANISING SKILLS (OS)

Analysis		Initial
Kaiser-Meyer-Olkin measure of sampling adequacy		.872
Bartlett's Test of sphericity		679.248
Approx. Chi-Square	df	45
	Sig	0.000

A value of 0.872 is returned by the KMO measure of sampling adequacy (see table 6.19) while an acceptable value of 0.000 (which is beyond a required value of below the required 0.005), was yielded by the Bartlett's test of sphericity. The data, therefore, meets the requirement for the multivariate statistical analysis such as a factor analysis.

TABLE 6.20: FACTOR ANALYSIS FOR ORGANISING SKILLS (OS)

Items	Component 1
OS 9	.754
OS 8	.719
OS 3	.712
OS 7	.707
OS 4	.676
OS 5	.658
OS 2	.588
OS 6	.576
OS 10	.525
OS 1	.418

A single factor was extracted. This factor explains a variance of 41.10%. None of the questions were deleted which signifies that they all measure organising skills. These questions are valid since they do measure what they were designed to measure. The factor also has a high reliability coefficient of 0.808.

6.2.5.6 Leading skills (LS)

Since management positions come with some degree of formally designated authority, a person may assume a leadership role simply because of the position he or she holds in the organisation. Just because an organisation provides managers with certain formal structures it is no assurance that they will be able to lead effectively. Leading skills are the ability to influence a group towards the achievement of goals.

TABLE 6.21: KMO & BARTLETT'S TEST FOR LEADING SKILLS (LS)

Analysis		Initial
Kaiser-Meyer-Olkin measure of sampling adequacy		.847
Bartlett's Test of sphericity		534.630
Approx. Chi-Square	Df	45
	Sig	0.000

The KMO reading in table 6.21 yields a satisfactory value 0.847 while the Bartlett's test of sphericity yields a value well below the required 0.006 (0.000). The data is thus suitable to be subjected to factor analysis.

TABLE 6.22: FACTOR ANALYSIS FOR LEADING SKILLS (LS)

Items	Components	
	1	2
LS 7	.815	
LS 4	.751	
LS 5	.740	
LS 8	.621	
LS 2	.607	
LS 3	.576	
LS 1		.772
LS 10		.612

Table 6.10 depicts the extraction of two factors that explains a cumulative variance of 46.80%. The first factor explains 38.80% of the variance while the second explains 11.00%.

Questions LS 6 and LS 9 were discarded because they did not load significantly on either of the factors. The two factor loadings have unsatisfactory reliability coefficients of 0.358 on the first factor and 0.466 on the second factor.

6.2.5.7 Managing change skills (MC)

When government introduces new laws, when important sources of supply go out of business, when competitors introduce new products, or when similar environmental changes take place, the organisation needs to adapt. Since the success or failure of organisations depends on the things that its employees do or fail to do, planned change

has therefore to do with changing the behaviour of individuals and groups within the organisation.

TABLE 6.23: KMO & BARTLETT'S TEST FOR MANAGING CHANGE SKILLS (MC)

Analysis		Initial
Kaiser-Meyer-Olkin measure of sampling adequacy		.654
Bartlett's Test of sphericity		138.705
Approx. Chi-Square	df	28
	Sig	0.000

Table 6.23 indicates a lower KMO value of 0.654. The value of 0.000 yielded by the Bartlett's test of sphericity is satisfactory and signifies that the data could be further analysed by means of factor analysis.

TABLE 6.24: FACTOR ANALYSIS FOR MANAGING CHANGE SKILLS (MC)

Items	Components	
	1	2
MC 9	.696	
MC 6	.577	
MC 1	.537	
MC 8	.534	
MC 4	.509	
MC 3	.507	
MC 7		.718
MC 2		.679

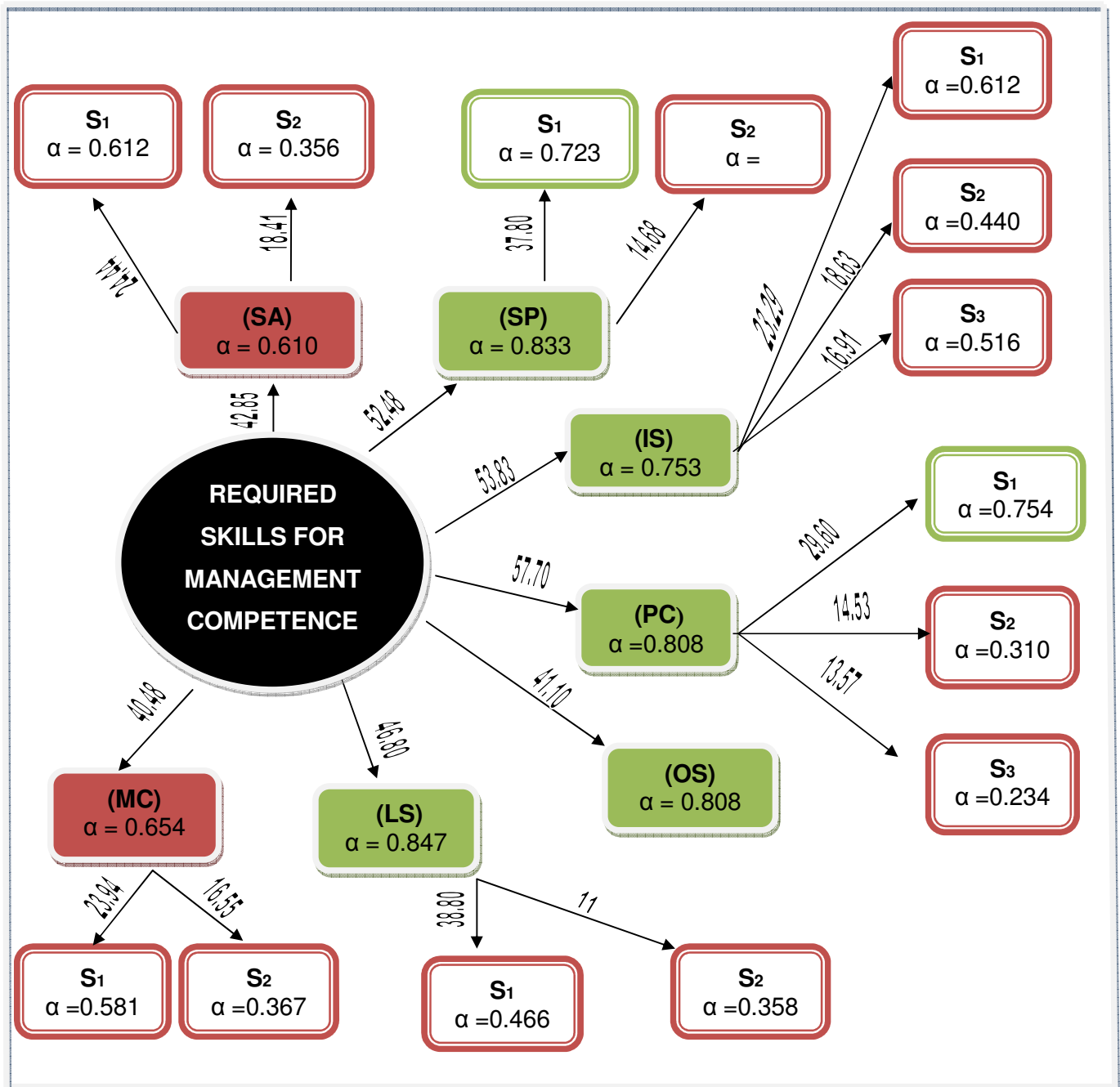
Table 6.24 shows the two factors and their questions that have been extracted from the factor analysis. The two factors explain a cumulative variance of 40.48% with the first factor explaining 23.94% and the second factor explains 16.55% of the variance.

Questions MC 5 and MC 10 were discarded because they did not load significantly on either of the factors. Regarding the reliability, the first factor yield a reliability coefficient of 0.581 and the second factor a coefficient of 0.367. Factor 1 exceeds the lower reliability coefficients of 0.58, but factor 2 has an unsatisfactory reliability coefficient and cannot be regarded as reliable.

6.3 CONCLUSION OF ANALYSIS

From the analysis, it is clear that there are a number of unreliable factors. In addition, the original seven constructs did not validate and a number of questions had to be discarded. Resultantly, the original model had to be restructured and is shown in figure 6.2. Factors shown in green are reliable, validated and suitable for application, while the ones shown in red are not.

FIGURE 6.3: EVALUATION OF THE PROPOSED MODEL



From the analysis it is clear that the proposed model as shown in figure 6.3 is not a reliable or a validated model to use. This observation is based upon the following results:

- Self awareness Skills (SA) is rejected because it explains a cumulative percentage of 42.8% which is smaller than the required 60%. Reliability is below 0.70, although it exceeds the lower acceptable coefficient as suggested by Cortina (1993) in Field (2007) of the 0.58 level.
- The cumulative percentage of 52.48% as explained by self directed career planning skills (SP) warranted its rejection due to the variance explained once again below the required 60%. The same criterion disqualifies general interactive skills (IS), which explains a cumulative variance of 53.85. The alpha coefficient is, however, acceptable at 0.75.
- Planning and controlling skills (PC) has a cumulative percentage of 57.70% and an alpha coefficient that is higher than the required 0.70 (0.808). PC is validated and acceptable as measure of this skill in the model.
- Organising skills (OS) is also not acceptable as a skills measuring tool in the model because a single factor was extracted which explains 41.10% variance (below the 60% margin). The factors, however, has a favourable reliability coefficient of 0.808.
- Leading skills (LS) as well as managing change (MC) were rejected because these both yielded cumulative variances of 16.55% and 23.94% respectively, and unsatisfactory alpha values of 0.367 and 0.581, respectively.

As a result, the proposed managerial skills framework (see Figure 6.1) fails because low reliability coefficients are recorded while the sets of skills also failed to validate as measures of the skills. Figure 6.2 shows the skill sets that fail and those that passed the reliability and validity tests.

Resultantly, a new avenue of research is required to analyse the managerial skills. As suggested by Du Plessis (2009), the exploration of managerial skills is performed by

employing the statistical technique exploratory factor analysis. It is perceived that the factor analysis will extract new groupings of managerial skills from the data set.

6.4 ALTERNATIVE MANAGERIAL SKILLS MODEL: EXPLORATORY FACTOR MODEL

Exploratory factor analysis is employed as alternative identifier of skills factors in the original model.

6.4.1 KMO and Bartlett's tests

In order to use the exploratory factor analysis for the extraction of skills from the data set, it is imperative that the data is subjected to the KMO and the Bartlett's test of sphericity in order to determine the adequacy of the sample and also the suitability to continue to do multivariate statistical analysis, such as for the factor analysis. The results are shown in table 6.25.

TABLE 6.25: KMO AND BARTLETT'S TEST OF SPHERICITY

Analysis		Initial
Kaiser-Meyer-Olkin measure of sampling adequacy		.894
Bartlett's Test of sphericity		5233.073
Approx. Chi-Square	df	1326
	Sig	0.000

The analysis regarding skills for managerial competence is suitable for an exploratory factor analysis, as the KMO measure of 0.894 and the Bartlett's test returned a value smaller than 0.000.

6.4.2 Exploratory factor analysis

The factor analysis identified thirteen factors from the data. The meaning of this is that there are thirteen underlying dimensions which are identified as separate factors that relate to the managerial skills. Table 6.26 indicates the factor loadings of the thirteen factors that were extracted by rotating the component matrix.

TABLE 6.26: FACTOR LOADING (SKILLS FOR MANAGERIAL COMPETENCE)

	Component												
	1	2	3	4	5	6	7	8	9	10	11	12	13
is8	.733	.174	.147	.145	-.016	.065	.072	.043	.016	.086	.055	.036	.151
os9	.726	.117	.075	.261	.008	.172	-.006	.210	.062	-.086	.041	.003	-.233
ls7	.688	.250	.193	-.003	.192	.169	-.042	.032	.040	.020	.024	-.265	.099
ls8	.683	.131	.119	-.038	.084	.019	.100	-.043	.231	.054	-.201	.234	.013
is10	.661	.164	.071	.062	.090	.035	.003	-.034	-.021	.134	.118	.265	.251
pc10	.648	.149	.210	-.090	.282	.087	.000	-.078	.094	.058	.042	.179	-.039
ls4	.629	.224	.081	.227	.035	.114	.279	.130	-.033	-.115	-.047	.000	-.060
sp10	.599	.271	.087	-.005	.234	.099	.205	-.113	-.004	.124	.041	.127	.231
sp5	.598	.146	.225	.298	.106	.152	.157	-.102	.072	-.036	-.046	.021	-.029
pc4	.592	.231	.014	-.018	.304	.055	.331	-.019	.125	-.103	.009	.019	.190
os8	.557	.148	.262	.184	.123	.267	-.086	-.073	.140	-.076	-.016	-.048	.048
os7	.548	.141	.288	.049	.109	.172	-.198	.215	-.081	.014	.034	-.395	.236
sp8	.539	-.008	-.120	.202	.162	.416	.084	.131	.028	-.080	.150	.102	.019
pc5	.531	.088	.182	.186	.133	.009	.446	-.153	.111	.009	.037	-.054	.136
pc3	.502	.334	.081	.078	-.027	-.022	.482	-.001	.194	.002	.097	.099	.145
os10	.483	.073	.308	-.086	.118	.031	-.038	.010	.121	.280	-.465	.032	-.034
ls5	.468	.101	.339	.231	.217	.174	.206	-.069	.138	.089	.149	-.300	.008
os4	.453	.035	.289	.216	.210	.130	.408	.247	-.286	-.057	-.162	.031	-.191
sp4	.407	.244	.040	.284	.363	.170	-.023	.016	.056	.051	.017	.189	.272
ls2	.253	.707	.130	-.015	.030	-.023	.106	.045	-.011	-.241	-.119	.146	.015
is1	.232	.705	.133	.246	.006	-.007	.163	-.035	.082	.054	-.039	-.056	.187
pc2	.207	.603	.126	-.009	.294	.016	.243	-.025	.059	-.086	.102	.048	-.019
sp1	.349	.573	.004	.307	.199	-.081	.087	-.005	.186	.093	.105	-.210	.031
mc2	.248	.494	-.043	.192	.043	.255	-.122	.013	-.288	.124	-.024	.223	-.076
os2	.230	.480	.351	.156	.372	.088	-.016	.134	.075	-.012	.039	-.043	-.166
sa5	.233	-.017	.610	.137	.037	-.163	.099	.167	.199	.025	-.158	.073	.106
is5	.271	.190	.610	.177	.015	.085	.089	.146	-.148	-.100	.157	.065	.110
sa6	-.017	.201	.558	.082	.096	.218	.214	.016	.380	.128	.090	-.061	-.082
os6	.406	.015	.519	-.078	.176	.241	-.190	-.003	-.072	.031	.221	.094	.124
os3	.474	.231	.476	.166	.077	-.027	.023	.054	.046	-.075	.204	-.186	-.038
ls3	.376	.184	.447	.242	-.013	.197	.129	-.019	-.057	-.142	-.224	.108	.060
os1	.042	.184	.185	.708	.081	.020	-.051	.078	.206	.022	-.032	.122	.080
pc1	.227	.262	.018	.610	.123	.067	.140	-.002	-.109	.141	.038	-.208	.147
os5	.420	-.128	.302	.572	.081	.113	.124	.041	.015	-.127	.013	-.083	-.197
is2	.171	.180	.086	.391	.309	.077	-.180	-.059	.345	-.106	.178	.124	.086
sp2	.114	-.057	.146	.272	.713	-.096	-.015	.120	.028	-.013	.033	.103	.046
sp3	.240	.218	.008	-.044	.640	.167	-.005	.015	.025	.005	-.067	.007	-.012
sa2	.248	.403	-.028	.087	.509	.153	.184	.118	.083	.036	.046	-.150	.076
sa8	.313	-.067	-.086	.011	.187	.609	.309	-.032	.155	.006	-.017	-.023	.077
ls6	.259	.027	.321	.039	-.131	.544	-.117	.338	.090	.003	.019	.028	.082
pc6	.447	.077	.298	.201	.076	.515	.083	-.023	.123	-.085	-.067	-.155	-.059
mc7	.074	.139	.120	-.006	.146	.509	.046	-.004	.009	.417	-.164	.280	.135

	Component												
	1	2	3	4	5	6	7	8	9	10	11	12	13
is3	.097	.259	.080	-.023	-.040	.116	.667	-.072	-.036	.092	.108	.033	.130
mc1	-.120	.045	.088	-.024	.212	-.111	-.009	.724	.061	.091	-.070	.020	-.016
mc6	.063	-.030	.081	.063	-.052	.214	-.069	.656	.134	.052	.180	.009	.186
ls9	.362	.070	.042	.080	.136	.069	.003	.149	.678	.014	-.169	.077	-.030
sa7	.087	.009	.124	.182	-.034	.310	.046	.360	.531	.157	-.002	.001	-.041
sp7	.033	.007	-.026	.014	-.071	.019	.082	.030	.074	.791	.052	.084	.017
is7	-.018	-.343	-.051	.027	.093	-.012	-.064	.263	-.038	.533	.002	-.091	-.179
sp6	.119	.021	.128	.005	.034	-.036	.101	.067	-.047	.077	.800	.046	-.078
sp9	.365	.100	.097	.013	.130	.091	.047	.068	.079	.114	.088	.597	-.001
is4	.211	.072	.115	.113	.065	.106	.214	.174	-.036	-.084	-.107	-.039	.730

The 13 factors explain a cumulative variance of 64.10% which signifies a “good fit to the data” according to Field (2007). *(Take note that the alternative model is independent of the initially envisaged seven skills sets model, and that the analysis is done anew.)*

6.4.2.1 Factor 1:

Factor 1 is characterised by 19 items that load heavily on factor 1. All of these items portrayed factor loadings that exceed the cut-off margin of 0.4. The variance explained by factor 1 is 16.84%. This factor consists of three sub-factors.

6.4.2.1.1 Analysis of Factor 1:

In order to make sense of factor 1, it is imperative to simplify the data set so that factors could be identified; therefore factor 1 was further subjected to the exploratory factor analysis. This process commences by subjecting factor 1 to the KMO and the Bartlett's test of sphericity of which the results are shown in table 6.27.

TABLE 6.27: KMO AND BARTLETT'S TEST OF SPHERICITY (FACTOR 1)

Analysis		Initial
Kaiser-Meyer-Olkin measure of sampling adequacy		.920
Bartlett's Test of sphericity		1833.202
Approx. Chi-Square	df	136
	Sig	0.000

The KMO measure returns a very satisfactory value of 0.920. From the same table, the Bartlett's test of sphericity also returns a favourable value of zero (which is less than the required value of 0.005). As a result, it can be concluded that the strength of the relationship among variables is strong and that the data are suitable to be subjected to the exploratory factor analysis.

TABLE 6.28: FACTOR LOADINGS FOR FACTOR 1

Items	Components		
	1	2	3
OS 7	.855		
OS 9	.792		
LS 7	.668		
OS 4	.566		
LS 4	.480		
SP 5	.467		
LS 5	.457		
OS 8	.416		
PC 10		.833	
SP 10		.771	
OS 10		.702	
IS 10		.640	
IS 8		.401	
PC 3			.774
PC 5			.720
PC 4			.570

The factor analysis identified 3 sub factors for factor 1 within the construct.

- *Sub-factor 1: Organisational design and development*

Sub-factor 1 has eight questions (OS 7, OS 9, LS 7, OS 4, LS 4, SP 5, LS 5, and OS 8) that load heavily on the factor. The first two questions portray high factor loadings of 0.9 and 0.8 respectively, and the last two questions portray factor loadings of 0.42 and 0.46 respectively. Item OS 7 *deals with understanding how the selection process operates*, OS 9 *deals with developing high profile teams*, LS

7 has to do with *articulating future opportunities for subordinates*; OS 4 has to do with *identifying people needed to create high profile teams*; LS 4 is dealing with *making subordinates aware of organisational values and ideals*; SP 5 has to do with *communicating a positive attitude*; LS 5 has to do with *managers having to mobilise a collective sense of organisational mission*; and OS 8 has to do with *identifying employees' training gaps and putting training plans in place*. The sub-factor explains a variance of 43.74%.

- *Sub-factor 2: Employee development and stress management.*

Sub factor 2 is characterised by five questions (PC 10, SP 10, OS 10, IS 10, and IS 8) that load heavily on the factor. Questions PC 10 and SP 10 have high factor loadings of 0.83 and 0.80 respectively. The question with the lowest factor loading of 0.40 is IS 8. PC 10 deals with *guiding employees in solving problems*; SP 10 deals with *managers having to help subordinates to achieve success*; OS 10 deals with *managers having to develop their subordinates*; IS 10 deals with *the importance of time management in order to reduce stress*; and IS 8 is dealing with *managing and dealing with stress*. Sub-factor 2 explains a variance of 6.89%.

- *Sub-factor 3: Performance evaluation*

Three questions (PC 3, PC 5, and PC 4) loaded heavily on the factor for sub-factor 3. The question that has a high value is PC 3 with a factor loading of 0.77 and the question with low but acceptable loading is question PC 4 with a value of 0.57. Item PC 3 has to do with *goals having to be reasonable, achievable, and measurable*, PC 5 deals with *the set goals having to be compared against the actual performance when evaluating performance*, and PC 4 deals with *performance having to be evaluated in order to ensure that planned goals are achieved as planned*. Sub-factor 3 explains a variance of 6.13%.

The variances explained by the sub-factors are shown in the table below.

TABLE 6.29: SUB-FACTOR VARIANCE EXPLAINED FOR FACTOR 1

Components	Initial Eigenvalue			Rotation on sum of squared loadings		
	Total	% of variance	Cumulative variance	Total	% of variance	Cumulative variance
1	7.436	43.743	43.743	7.436	43.743	43.743
2	1.170	6.885	50.627	1.170	6.885	50.627
4	1.042	6.130	63.240	1.042	6.130	56.757

From the table, it is clear that the sub-factors explain a variance of 56.76%. However, sub-factor 1 explains the most of that variance (43.74%), and can be regarded as the most important sub-factor.

6.4.2.1.2 Reliability

The reliability coefficients of the sub-factors of factor 1 appear in table 6.30 below.

TABLE 6.30: RELIABILITY STATISTICS FOR FACTOR 1

SUB-FACTORS	CRONBACH ALPHA
1	0.865
2	0.808
3	0.658

Cronbach alpha coefficients were calculated for each of the three sub factors so as to estimate the reliability and internal consistency among the constructs (Field, 2007:666). Two of the three sub-factors have returned satisfactory reliable coefficients of 0.87% and 0.81% (in excess of 0.70), while the third sub-factor has a reliability coefficient of 0.66% which is well above the lower acceptable reliability coefficient of 0.58.

6.4.2.1.3 Pearson correlation coefficients

The Pearson correlation coefficients appear in the table below.

TABLE 6.31: PEARSON CORRELATIONS BETWEEN SUB-FACTORS

FACTOR	1	2	3
1	1.000	.511	.417
2	.511	1.000	.410
4	.417	.410	1.000

The sub-factors are all correlated (showing correlation coefficients higher than 0.30, and sub-factors 1 and 2 have the highest correlation 0.511.

6.4.2.2 Factor 2: Communication and organisational diagnosis

Six items (LS 2, IS 1, PC 2, SP 1, MC 2 and OS 2) have a heavy loading on factor 2. LS2 had the highest factor value of 0.71, while the item with the lowest factor value is OS2 portraying a factor value of 0.5. Item LS 2 is about how managers feel about acting as role models to their subordinates, item IS 1 is *determining how important do managers think communication is in the organisation*, PC 2 is *trying to find out from managers what their take is on re negotiating goals based on the changes in the business environment*, SP 1 *finds out from managers whether they think it is important to manage their careers*, MC 2 *finds out from managers whether they think that there is such a thing as a problem that cannot be solved*, and OS 2 *finds out from managers whether they think it is important for managers to be skilled in conducting organisational diagnoses*. Factor 2 explained a variance of 6.80%.

6.4.2.3 Factor 3: Creation of harmonious working environment and human resources skills

The items that have a heavy loading on factor 3 are six (SA 5, IS 5, SA 6, OS 6, OS 3, and LS 3). SA 5 has a highest factor value of 0.61, and LS 3 has a low but acceptable factor value of 0.45. Items SA 5 and SA 6 is asking about *the intuition of managers in their management activities*, items OS 6 deals with *the manager's ability to modify organisational culture*, IS 5 deals with *the ability of a manager to pick up any biases*

displayed by other employees with regard to race, sex, age, and more. OS 3 determines the importance of a manager's ability to select employees, and LS 3 looks at the ability of a manager to develop his or her subordinates. Factor 3 explains a variance of 5.90%.

6.4.2.4 Factor 4: Putting systems and processes in place

Items OS 1, PC 1, and OS 5 loaded heavily on factor four. Question OS 1 was the highest on factor four yielding a value of 0.708, and item OS 5 was the lowest on factor four with a yield of 0.572. Items OS 1 and OS 5 entail finding out from managers how they feel about having the skills to design work for their subordinates, item PC 1 on the other hand has to do with finding out from managers whether they think it is important to agree plans and goals with their subordinates. Factor 4 explains a variance of 4.72%.

6.4.2.5 Factor 5: Ability to know what managers need to do in planning their careers

Factor 5 has three items that loaded heavily on it (SP 2, SP 3, and SA 2). SP 2 was the highest item on factor 5 and yields a value of 0.713, and the lowest item was SA 2 yielding a value of 0.509. SP 2 and SP 3 has to do with determining what managers need to do in planning their careers, SA 2 on the other hand has to do with how managers feel about their past performance at work. A variance of 4.62% is explained by factor 5.

6.4.2.6 Factor 6: Creative problem solving and ethical behaviour

Factor 6 is characterised by four items (SA 8, IS 6, PC 6, and MC 7) that load heavily on the factor. SA 8 was the highest item on factor six yielding a value of 0.61 and MC 7 was the lowest on the factor yielding a value of 0.51 on the factor. SA 8 is trying to determine how managers feel about valuing educational reading, television, and self improvement programmes. IS 6 determines how individual managers feel about behaving ethically and morally when discharging their management duties. PC 6 is finding out from managers how they feel about having skills to creatively solve organisational problems, and MC 7 is to look how managers feel about solving complicated problems as opposed to simple ones. This factor explains a variance of 4.23%.

6.4.2.7 Factor 7: Sensitivity to employees' personal circumstances

Only one item (IS 3) loaded on this factor. This item had a factor loading of 0.67. The item in question *has to do with managers having to understand that it is difficult for some employees to put in overtime hours without substantial notice, to work weekends, to be gone overnight on business or to accept a transfer to a new location*. This factor explains a variance of 3.74%.

6.4.2.8 Factor 8: Initiate and embrace change

This factor had only two items (MC 1 and MC 6) loading heavily on it. MC 1 was the highest item with a factor loading of 0.72 while the MC 6 had a loading of 0.66. Both of these items *has to do with the individual manager's ability to initiate and embrace change*. Factor 8 explains a variance of 3.30%.

6.4.2.9 Factor 9: Taking charge of own work environment

Two (LS 9 and SA 7) items loaded heavily on factor nine. The item with the highest factor loading in this factor was LS 9 (0.68) while the lowest loading was returned by SA 7 (0.51). Item LS 9 *has to do with the image the manager portrays to his or her subordinates*, item SA 7 on the other hand *has to do with the manager having to work to gain more control over the events around him or her*. A variance of 3.20% is explained by this factor.

6.4.2.10 Factor 10: Self career development and moral behaviour

Factor 10 is characterised by only two items (SP 7 and IS 7) loading heavily on the factor. The factor with the highest loading was SP 7 with a loading of 0.79, while the factor with the least loading was IS 7 with a loading of 0.53. SP 7 *has to do with an individual manager having to take responsibility for his or her career*, while IS 7 *is dealing with moral behaviour of individual managers*. This factor explains a variance of 2.96%.

6.4.2.11 Factor 11: Optimal performance in current job

A single item (SP 6) loaded heavily on factor 11. This item had a loading of 0.80 and deals with *the performance of an individual manager in his or her current job when planning their careers*. A variance of 2.73% is explained by this factor.

6.4.2.12 Factor 12: Career planning skills

Only one item (SP 9) loaded heavily on the factor. This item had a loading of 0.60 and it deals with *the steps that a manager must take when planning their careers*. This factor explains a variance of 2.59%.

6.4.2.13 Factor 13: Sensitivity to people with disability

Factor 13 also has only one item (IS 4) that loaded heavily on it. This item *is dealing with managers having to understand that physical barriers such as narrow doorways or stairs can be troublesome for some employees*. Factor 13 explains a variance of 2.53%.

6.4.3 Variance explained by the factors

Table 6.32 shows the variance explained as well as the cumulative variance explained by the factors.

TABLE 6.32: VARIANCE EXPLAINED BY THE 13 FACTORS

Components	Initial Eigenvalue			Rotation on sum of squared loadings		
	Total	% of variance	Cumulative variance	Total	% of variance	Cumulative variance
1	15.003	28.852	28.852	8.756	16.838	16.838
2	2.673	5.141	33.993	3.538	6.805	23.643
3	2.158	4.150	38.142	3.069	5.902	29.545
4	1.955	3.759	41.902	2.452	4.715	34.260
5	1.583	3.045	44.946	2.401	4.617	38.877
6	1.500	2.885	47.832	2.199	4.228	43.105
7	1.460	2.808	50.640	1.947	3.744	46.849
8	1.328	2.553	53.193	1.705	3.279	50.129
9	1.226	2.358	55.551	1.646	3.166	53.295
10	1.169	2.248	57.799	1.541	2.963	56.257
11	1.134	2.182	59.980	1.418	2.726	58.984
12	1.098	2.111	62.091	1.345	2.587	61.570
13	1.047	2.013	64.104	1.534	2.534	64.104

The factors explain a favourable cumulative variance of 64% which exceeds the required 60% to represent a good fit to the data.

6.4.4 Reliability

In order to estimate the internal consistency and the reliability of the factors, the Cronbach's alphas were calculated for each of the thirteen factors identified. The first three factors returned reliable coefficients ranging from 0.72 up to 0.91. The rest of the factors returned coefficients ranging from 0.33 to 0.61 as shown in table 6.34. Factors 7, 10, 11, 12 & 13 consist of single statements and the reliability coefficients could not be calculated.

TABLE 6.33: RELIABILITY OF THE FACTORS

FACTOR	CRONBACH'S ALPHA
1	0.913
2	0.758
3	0.719
4	0.611
5	0.582
6	<i>0.297</i>
8	<i>0.325</i>
9	<i>0.325</i>

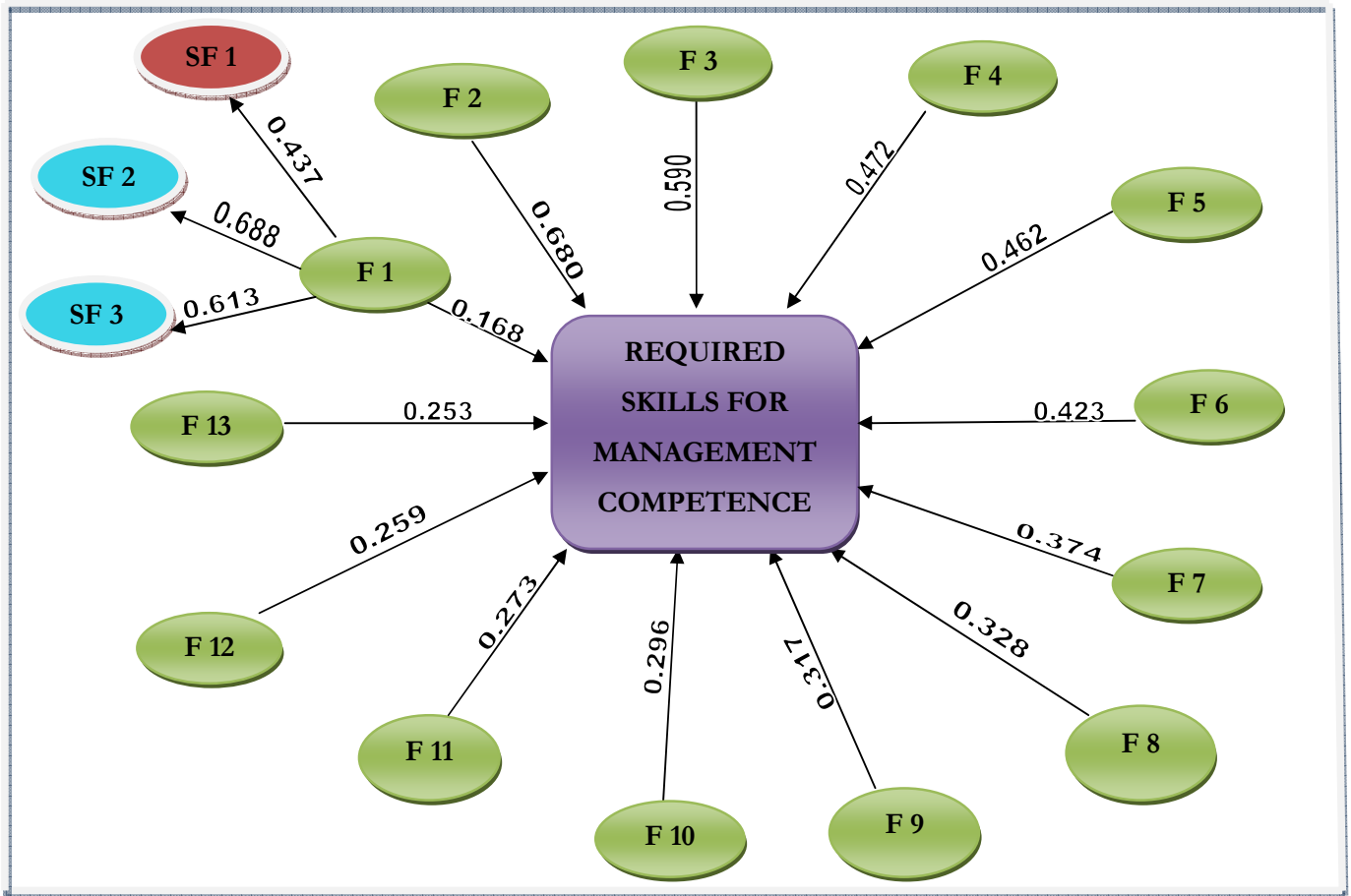
The reliable factors are factors 1, 2 and 3 (bold print in table), while factors 4 and 5 are above the lower reliability coefficient of 0.58, and thus still acceptable. The unreliable factors are factors 6, 8 and 9. Their coefficients are printed in italics in the table.

6.4.5 Summary of alternative model for managerial competence

Figure 6.4 visually presents the alternative model to identify managerial competence.

Figure 6.4 follows on next page

FIGURE 6.4: ALTERNATIVE MODEL OF MANAGERIAL COMPETENCE



6.5 SUMMARY

This chapter analysed and reported the results from the empirical study. The quantitative analysis wherein a conceptual framework to measure skills for managerial competence were presented, an initial model was developed based on the literature wherein the required skills for managerial competence were identified as self awareness skills (SA), self directed career planning skills (SP), general interactive skills (IS), planning and control skills (PC), organizing skills (OS), leading skills (LS), and managing change skills (MC).

The descriptive statistics relating to each skill were presented wherein the mean and the standard deviation of each statement that measures the specific managerial skills were

depicted. From the descriptive statistics, it was concluded that all seven identified managerial skills were regarded as highly important by respondents.

The Cronbach alpha reliability coefficient was used to determine the reliability of each of the identified managerial skills, and it was also clear from the data interpreted that all managerial skills had a strong correlation between each other.

The Bartlett's test of sphericity and Kaiser-Meyer-Olkin (KMO) measures were used to test the suitability of each identified skill before they could be subjected to the exploratory factor analysis. It was clear from the analysis that there are a number of unreliable factors. It also was evident that the original seven constructs did not validate and a number of questions had to be discarded. As a result the original model had to be restructured to develop an alternative managerial skill model.

After restructuring the original model, the exploratory factor analysis gave results of thirteen factors of which factor 1 had 19 items that loaded heavily on factor 1. It was imperative therefore for factor 1 to be restructured again in order to make sense of the data. The results were that factor 1 had three sub factors that loaded heavily on the factor which led to the conclusion that the alternative managerial skill model comprised thirteen factors wherein factor 1 had three sub factors.

The next and final chapter, Chapter 7, will draw conclusions and make recommendations based on the main findings presented in this chapter.

CHAPTER 7

CONCLUSIONS, IMPLICATIONS AND RECOMMENDATIONS FOR FUTURE RESEARCH

7.1 INTRODUCTION

In the previous chapter, the research results were discussed. In this final chapter, the conclusions of the study are drawn. Thereafter, recommendations and the implications of each skill for managerial competence are made and discussed. The limitations of the study are also presented and recommendations for future research are suggested. The chapter concludes with a retrospective evaluation of the research results obtained for each of the formulated objectives, as stated in Chapter 1, to determine whether each of the objectives was realised.

7.2 CONCLUSIONS

The following conclusions are drawn from the research:

7.2.1 Conclusions from the literature study

Conclusion1:

The literature study covered the history and development of management skills. This made it possible to identify traditional as well as latter day skills required for managerial competence from the literature. It can be concluded that a thorough literature study is effective in providing the history, the theory and the composition of managerial skills. *The literature research successfully identified managerial skills that can be used to construct a conceptual framework of managerial competence.*

Conclusion 2:

In addition to the skills identified (see Conclusion 1) such a comprehensive study of the literature pertaining to managerial skills made it possible to also identify factors that could

contribute towards the identification of managerial skills. *It can thus be concluded that an exhaustive review of literature provides valuable insight in the process of identifying the grouped skills, called factors, that managers need to process in order to be competent.*

Conclusion 3a and 3b:

Different models that are related to managerial skills were identified, studied and from these models key common managerial skills were identified. The rationale of exploring a wide array of managerial models was to ensure content validity. *It can thus be concluded that an examination of previously tested models leads to successful identification of the skills and criteria to construct a conceptual managerial framework (Conclusion 3a as discussed in chapters 3 and 4). In addition, it can be concluded that this methodology leads to statistical evaluation to determine content validity (Conclusion 3b as discussed in chapters 5 and 6).*

Conclusion 4:

The process of developing the conceptual frame work for managerial competence included the identification of managerial skills and functions, and roles that managers play in the organisation, and key common managerial competencies. The process of selecting seven managerial skills involved a comprehensive analysis of skills for managerial competence studies in terms of frequency and reliability and each skill selected is thus justifiable by sound literature and theory. *It can be concluded that the managerial skills selected were reflective of the skills for managerial competence.*

7.2.2 Conclusions from the research methodology

Conclusion 5:

The sample and measuring instrument in this study were highly effective in capturing the data pertaining to each managerial skill. A total of 71 questions were used to measure the seven skills for managerial competence. Of these, 43 questions were extracted directly from the researched literature, while 28 were based but adapted from the literature. The compilation of each of the 71 questions was done in reference to other research studies and ensured that critical considerations of each managerial skill were made in the formulation of questions. *It can be concluded that the questionnaire used in this study was appropriately constructed and designed according to the literature study.*

Conclusion 6:

Regarding the collection of data, a questionnaire return rate of 65.3% ($n=252$) was accomplished by the direct distribution and collection strategy employed in this study. Questionnaires were distributed and collected at each centre with relative ease and convenience. The direct method that is recommended ensures that all respondents in all the relevant areas complete the questionnaire at the same place and at the same time of which the researcher has full control. This technique also reduces the impact of external forces on responses, keeps the respondents focused and presents exactly the same environment. *It can be concluded that the direct method employed is a very effective method to collect data in terms of response rate and turnaround time.*

Conclusion 7:

The descriptive statistics relating to each skill determined that the mean and the standard deviation of each statement that measures the specific managerial skill were depicted. From the descriptive statistics, it is clear that all seven identified managerial skills were regarded as highly important by the respondents. *It can thus be concluded that descriptive statistics is a valuable tool to identify the importance of aspects (and to rank or compare) such as the managerial skills.*

Conclusion 8a, 8b and 8c:

A number of advanced statistical techniques were utilised in this study. Regarding the reliability, it is clear that the Cronbach alpha coefficient can be used to determine the reliability of each of the identified managerial skills (Model 1) and the identified factors (Model 2). The suitability of the data subjected to multivariate statistical techniques (such as a factor analysis) was successfully tested by means of the Bartlett's test of sphericity while the adequacy of the sample was tested by the Kaiser-Meyer-Olkin criterion (as per the KMO procedure). *It can be concluded that the Cronbach alpha, the Bartlett test and the KMO test are suitable statistical techniques to employ to analyse the data (Conclusion 8a), and that the sample drawn in this study was adequate (Conclusion 8b). In addition, it can be concluded that the data in this study conformed to the requirements for exploratory factor analysis (Conclusion 8c).*

Conclusion 9:

The original envisaged framework of seven managerial skills failed the test of validity and reliability. As a result an exploratory avenue of research was followed to identify

appropriate managerial skills (Model 2). Resultantly, exploratory factor analysis was used to analyse the data. The factor analysis, true to its essence, simplified the data set whilst identifying a number of new skills. A number of questions were discarded while thirteen new managerial skills factors were identified. *It is concluded that factor analysis is a suitable exploratory statistical tool to simplify and identify factory underlying a data set.*

Conclusion 10:

The service of a statistician utilising the statistical analysis programmes SPSS (Version 18) is an excellent statistical analysis programme in ensuring that there are no statistical defects in the empirical results. In this study, the use of an experienced statistician (Prof J.L. du Plessis) formerly from the North-West University Statistical Consultation Services was invaluable in providing guidance, understanding and confidence as far as the generation and interpretation of data sets was concerned. *It is thus concluded that the services of a statistics software expert and specialised statistical software can add considerable value to research in addition to safeguarding the research against any analyses flaws.*

7.2.3 Conclusions on results

Two distinct conclusions can be drawn from the formulation of the conceptual framework for skills for managerial competence. These are as follows:

Conclusion 11:

Given that some constructs from the original seven were unreliable and that the original seven did not validate, a number of questions had to be statistically and scientifically discarded. Resultantly, the original model had to be restructured. The alternative model (identified by factor analysis – see Conclusion 8) revealed that the first factor (which is also the most important one) consists of three strongly positive correlated sub-factors (showing correlation coefficients higher than 0.30). *This leads to the conclusion that the most attention should be paid to factor one and its three sub-factors when managerial skills of managers are addressed. In this way the highest return on the skills development interventions would be achieved.*

Conclusion 12:

Measuring the strength of each managerial skill, the results provide a clear indication of the most important managerial skill as shown in figure 7.1. It can be concluded that the most prominent management skill for managerial competence in this study are F1 (organisational behaviour), F2 (communication and organisational diagnosis), F3 (creation of harmonious working environment and human resources). It can also be concluded that a pictorial representation of the framework is useful for interpretation and application.

Conclusion 13:

Regarding the original model and its seven managerial skills, these skills were all regarded to be important by the respondents. The fact that some of the skills statistically failed reliability and validity tests does not discard the skills nor does it deteriorate its importance. The failure suggests that the model itself failed, not that all its components failed. Therefore, there is still valuable and usable results embedded in the first model. *It is thus concluded that the importance and the order of importance of the seven skills should be used in the improvement of managerial skills (with its limitations borne in mind) and applied in practice where applicable as they do supply valuable information.*

7.3 RECOMMENDATIONS

The recommendations are numbered in accordance to the conclusions drawn above. Therefore, the recommendation numbered 1, for example, refers directly to conclusion 1. In some cases, a conclusion may have more than one recommendation, while in other cases no recommendation may follow a conclusion. Such cases do not influence the numbering of the recommendations.

7.3.1 Recommendations on the literature study

From this study and its conclusions in 7.2, the following recommendations are formulated:

Recommendation 1:

Stemming from conclusions 1 and 2, *it is strongly recommended that a thorough examination of literature be conducted in establishing a grounding of the subject matter, understand the evolution of the concept to forecast the future and identify elements and*

concepts related to the study at hand. The literature study in this study indicated that managers operate at different levels of functional management, general management, line management and staff management. The literature study also enlightened that there are different environments in which managers operate. The history and literature are important for anyone who wants to be a manager to be familiar with these findings, and for management learning institutions to prepare their students for the environments depicted in the literature. Future researchers are encouraged to follow this line of research as it supplies a strong foundation to any study.

Recommendation 3:

Based on conclusion 3, it is recommended that the examination of a variety of existing different managerial models that have been extensively researched by authors and published in renowned academic journals be undertaken. These validated models provide another valuable departure point to trace and locate the dimensions of managerial skills for managerial competence. *It is strongly recommended that researchers in the field of management training and management competence follow a similar approach so as to form a sound academic base for their research.* Such a base is required to construct a conceptual framework.

Recommendation 4:

Related to conclusion 4, it is clear that it becomes extremely challenging and statistically unmanageable to test all the skills for managerial competence identified in the literature study and management models. In order to attain a more parsimonious set of influences limiting the management skills to the most salient ones becomes necessary. *It is recommended to management training researchers and potential managers that the process of limiting the management skills to the most salient ones involves rigorous examination of the regularity of managerial skills in recent relevant studies and the reliability of each managerial skill used.*

7.3.2 Recommendations from the research methodology

Recommendation 5:

The questionnaire used in this study was appropriately constructed, designed and effectively administered. *It is recommended that the formulation of questions for the measuring instrument involves an interrogation of literature pertaining to each managerial*

skill, instruments used in previous research of management development, leaders and managers in organisations and academicians. It is also recommended that the instrument considers contemporary issues that may not have been investigated previously and be included as self generated items.

Recommendation 6:

Emanating from conclusion 6, it is highly recommended that the direct method of questionnaire distribution and collection be utilised for a study of this type as the response rate and turnaround time proves to be excellent.

Recommendations 7 (based on conclusions 7, 8 & 9):

The statistical design used in this study is highly recommended as it tests for data reliability, sample adequacy, validity and suitability for advanced analysis and explores underlying dimensions embedded in the data set. Future researchers could handsomely make use of this design to analyse their data in similar studies.

Recommendation 10:

Stemming from conclusion 10, it is recommended that future researchers use the combination of SPSS and a skilled statistician in providing accurate analysis and interpretation of data. This would not only ensure that no errors in the analyses present itself, but also provides confidence and ease of mind to the researcher regarding this highly specialised and intricate part of the research.

7.3.3 Recommendations on the results

Recommendations based on the conclusions of results are as follows:

Recommendation 11:

Regarding conclusion 11, it is strongly recommended that any managerial interventions to improve management skills be based on the results. This means that the more important skills identified be dealt with firstly as this would yield the highest returns on inputs. Variance explained by the identified factors show the relative importance of them.

Recommendation 12:

Rating and ranking skills for managerial competence and pictorially representing the conceptual framework is recommended for the benefit it provides to managers, students of management and institutions that offer management training as described in conclusion 12. A ranking system clearly indicates the strength and value of each managerial skill and also indicates which skill is the most important to the one that is least important. Figure 7.1 is a good representation of the outcome of the study as it also shows the strength of the relationship between the different skills.

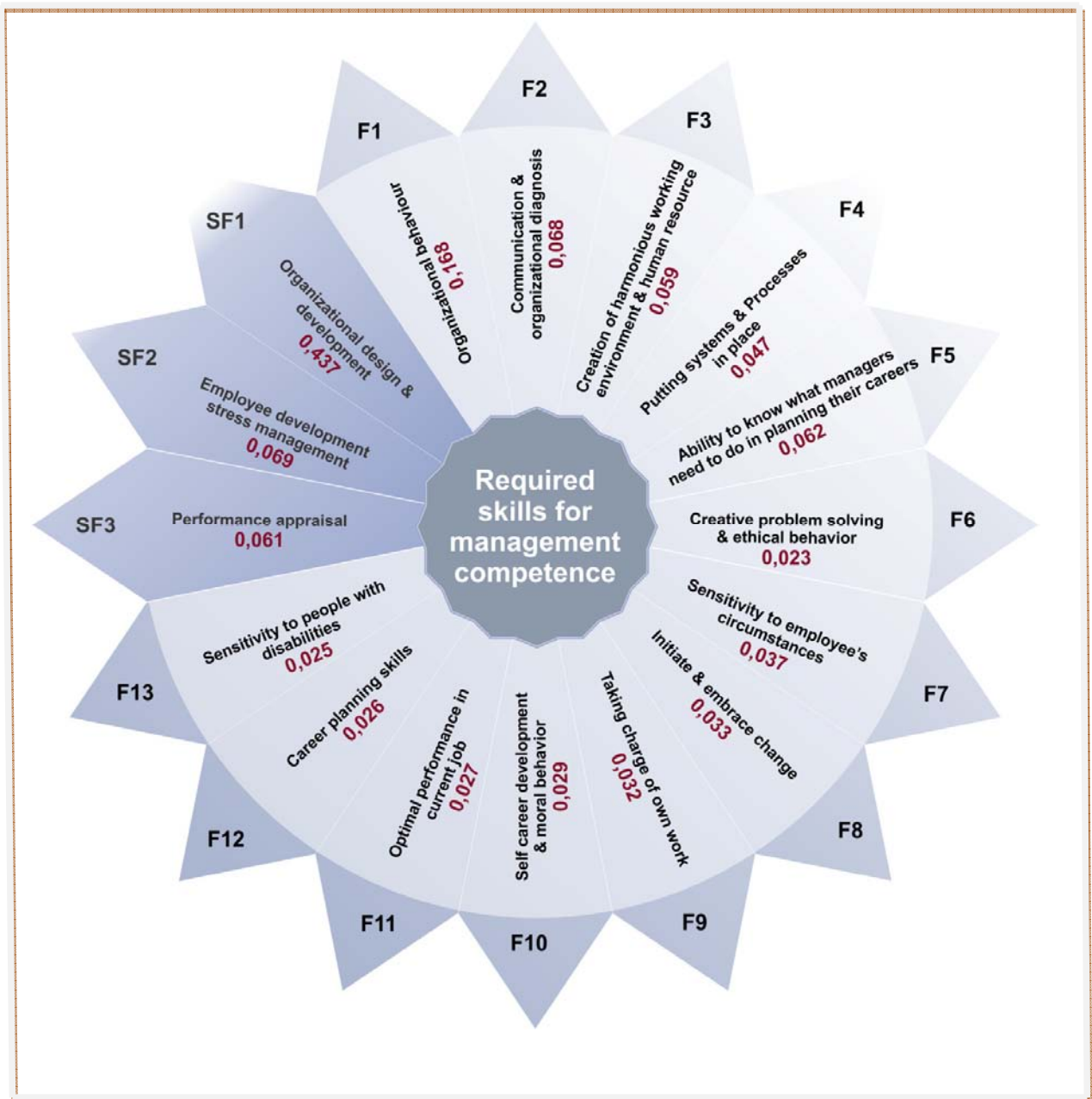
Recommendation 13:

Although the initial model failed, there is valuable information embedded in this model. *The final recommendation is that this information is not discarded or ignored, but also applied and used in the improvement of managerial skills interventions.*

7.4 MANAGERIAL IMPLICATIONS

The main objective of the study was to construct a conceptual framework to measure skills for managerial competence. After identifying seven constructs from the literature the statistical analyses revealed that this managerial skills model did not validate. As a result the original model had to be restructured and an alternative managerial skill model was developed by means of sound statistical techniques. In this process a number of questions had to be discarded from the analyses and resultantly 13 new factors and three new sub-factors were identified. The second model proved to be valid and possesses satisfactory reliability coefficients while the factors display positive correlations coefficients among each other. (See Figure 7.1 for the detailed exploratory model to measure skills for managerial competence.)

FIGURE 7.1: CONCEPTUAL FRAMEWORK FOR MANAGERIAL COMPETENCE



7.5 CONTRIBUTION OF THE STUDY

Although managerial models had been identified from the literature, these models did not progress further to explore skills for managerial competence. Furthermore, models often appear to focus on the sub-section of the complete model. It was, therefore, found that the management literature appears to be based on the orthodox or generic traditional academic models of management.

Given the orthodox nature of models identified in the literature, this study purports to suggest a framework that could be adapted to measure skills for management competence. This study further contributes to the discipline of organisational leadership and management, particularly with regard to practices regarding leader and manager development within the context of a dynamic, changing organisational environment.

7.6 LIMITATIONS OF THE STUDY

In this study the vastness of the theory on management presented a constraint on time. It required lengthy preparation in the form of background reading. Although this extensive literature search and reading had a hidden advantage of extensive knowledge gained, it took time to identify the focussed models more relevant to this research.

The study was limited to the MBA students of the three campuses (Potchefstroom, Vaal Triangle and Mafikeng) of the North-West University's business schools in South Africa. The study targeted students from first years to final years.

Another limitation was the resignation of Prof. du Plessis from the North-West University halfway through the study. Although he saw the project through, the latter part of the analyses and communication were conducted via electronic media. Although this had no effect on the results or the quality of the analysis, it did require extra time to really study the statistical output sheets and some additional visits to the study leader to ensure 100% correct interpretation of the results. This resulted in more time spent on the analyses than initially planned. However, in hindsight this limitation also turns out to an advantage as the researcher gained additional knowledge on statistical procedures and analysis.

A final limitation is, as always, funding. Being a private consultant the full cost in time and money were carried by the researcher. In this regard the PhD bursary obtained at the North-West University brought some relief.

7.7 ACCEPTANCE OR REJECTION OF THE RESEARCH PROPOSITIONS

P₀: A conceptual framework to measure managerial skills can be developed according to existing skills identified from the literature.

REJECTED: *Existing skills from the literature were identified in order to measure managerial skills (P_1), but failed on validation and reliability (P_2 and P_3).*

P₁: The literature research identifies managerial skills that can be used to develop a conceptual framework.

ACCEPT: *Managerial skills to measure managerial skills were identified from the literature.*

P₂: The questionnaire is a valid tool to measure managerial skills.

REJECTED: *Parts of the questionnaire are valid and could be used to measure managerial skills in that a questionnaire. However, a number of skills could not be validated. This means that the proposition was only partially true, and as such, the questionnaire as tool is not validated.*

P₃: The proposed model is a reliable tool to measure managerial skills.

REJECT: *The proposed model was rejected because it was clear from the analysis that there were a number of unreliable factors. It also was evident that the original seven constructs did not validate and a number of questions had to be discarded*

P_A: A conceptual framework to measure managerial skills cannot be developed according to existing managerial skills identified from the literature. An exploratory conceptual framework better suits the measurement of managerial skills.

ACCEPT: *Due to the fact that the proposed framework had some unreliable factors and that the original construct did not validate, an exploratory conceptual framework had to be*

developed and it better suited the measure of managerial skills. The statistical analysis successfully identified an alternative conceptual framework to measure managerial skills.

7.8 AREAS FOR FUTURE RESEARCH

There are two immediate areas where future research should focus on:

- The analysis on the initial model and its seven managerial skills should be subjected to scrutiny in a new application setting. The model is theoretically sound, but partially fails when subjected to reliability and validity testing. This may not be the case with another data set or another type of respondent (for instance, a non-advanced educated respondent).
- The final model and its 13 factors should be empirically tested in its ability to measure the skills competency of managers. This can be done in similar application settings, or in different settings. This will reveal if the model remains valid and reliable in a cross-section of the managerial world.

7.9 SUMMARY

While the importance and need for managerial skills have surfaced, very little research has been dedicated to skills required for managerial competence. Furthermore, the present status of management development in South Africa reflects a highly concentrated nature of demand and can be reduced to a small number of institutions (universities and private training institutions) which concentrate their efforts on producing an elite group of managers for profit oriented organisations.

This thesis has aimed at achieving the primary objective of presenting to construct a conceptual framework to measure skills for management competence. To support the primary objective, several secondary objectives had to be first fulfilled. The accomplishment of the primary and secondary objective was attained through a series of seven coherent chapters.

Chapter one reflected the purpose of the study and emphasised the need for such a study. Justification of this study was clarified by accentuating the gaps in the

measurement of skills for managerial competence which merited a closer investigation. Primary and secondary objectives listed directed the study towards the accomplishment of a conceptual framework. This chapter also provided a succinct description of the methodology and structure to be pursued in subsequent chapters.

Chapter two provided a strong base for the study by providing a discussion on the Master of Business Administration (MBA) and its effect on management development. The intention of exploring the MBA programme, its evolution, the Council for Higher Education's take on the South African MBA accreditation in 2004, what gets taught, and employers' expectations of the MBA programme was to provide a detailed understanding of a multifaceted concept much required when exploring the evolution of managerial skills, literature and models thereof.

Chapter three converged on management, the evolution of management, differences between management and leadership, the role and work of managers, the changing nature of management, management activities, the environment within which managers operate, skills required for one to manage, the importance of management skills, and required skills for management competence. The chapter identified contributions, controversies and differences of opinion among scholars in management and made a case for the validity of this study.

Chapter four focused on key managerial skills. Different models that are related to managerial skills were identified and four key common managerial skills were also identified. The chapter started by identifying the basis from which organisations will appoint managers and what their aspirations are of that manager. The introductory stage of the chapter goes on to define what managerial competencies are. The remainder of the chapter focused on three different management models and then the key common managerial competencies.

Chapter five, which covered the research methodology, presented the research philosophy in relation to other philosophies and expounded on the research strategy adopted for this study. The research instruments developed to pursue the goal of devising the conceptual framework was specified followed by a justification of the statistical method employed and statistics utilised (factor analysis, descriptive statistics, reliability,

validity, Pearson's rank, correlations, validity, Kaiser-Meyer-Olkin, and Bartlett's test of sphericity).

Chapter six was dedicated to the presentation and analysis of the empirical results. An analysis of the demographic profile first confirmed the suitability of the sample for the study. Quantitative analysis by means of factor analysis reflected and confirmed the measurement theory. Factor analysis was performed and the correlation between managerial skills was measured by means of Pearson correlation coefficient while reliability and validity were examined by means of Cronbach alpha. The appropriateness of factor analysis in this study was examined by the Kaiser-Meyer-Olkin measure of sampling adequacy and Bartlett's test of sphericity. The chapter concludes by developing a skills measurement framework for managerial competence.

The final chapter, namely chapter seven, of this thesis presented ten conclusions based on the procedures adopted for the study and two conclusions on the results obtained. Corresponding recommendations ensured that each of the conclusions was addressed. The conceptual model was presented as part of the final recommendation. The managerial implications on each influence and recommended areas for future research were finally expounded.

This study presented a conceptual exploratory framework to measure skills for managerial competence that can make a significant contribution to skills for managerial competence as it provides a scientific base to empirically measure skills levels. This measurement then acts as a point of departure for managerial skills interventions which should be more effective as the shortcomings (as identified by the measurement) can be addressed.

BIBLIOGRAPHY

AACSB NEWSLINE. 1999. Association to Advance Collegiate Schools of Business. Overview of US Business Schools. St. Louis, MO.

AAKER, D.A., KUMAR, V. & DAY, G.S. 2005. Marketing research. 7th ed. New York, NY: Wiley.

ADLER, P.S. 1999. Building better bureaucracies. *Academy of Management Executive*, 13(4):38-51.

ADLER, P.S. & KWON, S. 2002. Social capital: prospects for a new concept. *Academy of Management Review*, 27:17-40.

ADRIAAN, C.L. 2001. Business concerns regarding MBA education: Effects on recruiting. *Journal of Education for Business*, 7(5):1-22.

ALDERFER, C.P. 1972. Existence, relatedness, and growth: human needs in organizational settings. New York, NY: Free Press.

ALLIE, F. & MITCHELL, G. 2005. Some thoughts on assessing managerial potential among recent graduates. *The Economic Journal*, 115(502):176-189.

ANDERSEN, C. 2000. Skills Needed For The e-Business Environment. Chicago: Andersen Consulting.

ANTONCIC, B. & HISRICH, R.D. 2001. Intrapreneurship: construct refinement and cross cultural validation. *Journal of Business Venturing*, 16:495-533.

ARGYRIS, C. 1957. Personality and organizations: The conflicts between the system and the individual. New York, NY: Harper & Row.

ARMSTRONG, M. & STEPHENS, T. 2005. Management and leadership: A guide to managing for change. London: Kogan Page.

ASSOCIATION OF MBAs. 2002. Ambassadors for MBA quality. Available from: www.mba.org.uk Date of access: 17 Apr. 2010.

- ATKINSON, J.W. 2003. Motivational determinants of thematic appreciation? Motivation and Personality: Handbook of the matrix content analysis. New York, NY: Cambridge.
- BAILEY, J. & FORD, C. 1996. Management as science, versus management as practice in post graduate management education. *Business strategy review*, 7(4), 7-12.
- BAKER, W. 2001. Achieving success through social capital. San Francisco, CA: Jossey-Bass.
- BALDWIN, T.T., BOMMER, W.H. & RUBIN, R.S. 2008. Developing management skills: what great managers know and do. New York, NY: McGraw-Hill International.
- BALL, D. 2005. Unilever shakes up its management to spur growth. *Wall Street Journal*, 4-18. 11 February.
- BARLEY, S.R., MEYER, G.W. & GASH, D.C. 2004. Culture of culture: academics, practitioners, and the pragmatics of normative control. *Administrative Science Quarterly*, 36:24-72.
- BARNETT, M. & BILLINGTON, C. 2008. Supply chain attracting and rewarding MBAs. *Global Links*, May/June: 10-40.
- BATE, P. & KHAN, R. 2000. Toward a culturally sensitive approach to organization structuring: where organization design meets organization development. *Organization Science*, 11(2):197-212. March/April.
- BATEMAN, T.S. 1999. Management, functions and strategy. 5th edition. Boston, MA: McGraw-Hill.
- BATEMAN, T.S. & SNELL, S.A. 1999. Management: building competitive advantage. 4th edition. Boston, MA: McGraw-Hill Irwin.
- BATEMAN, T.S. & SNELL, S.A. 2007. Management: building competitive advantage. 6th edition. Boston, MA: McGraw-Hill Irwin.
- BATEMAN, T.S. & ZEITHAML, P.R. 1999. Management: function and strategy. 2nd edition. Boston, MA: McGraw-Hill Irwin.
- BATEMAN, T.S. & ZEITHAML, P.R. 2009. Management: function and strategy. 4th edition. Boston, MA: McGraw-Hill Irwin.

- BAZERMAN, M.H., LOWENSTEIN, G. & MOORE, D.A. 2002. Why good accountants do bad audits. *Harvard Business Review*, November: 96-110.
- BEER, M. & NOHRIA, N. 2000. Breaking the code of change. Boston: Harvard Business School Press.
- BENNIS, W.G. & O'TOOLE, J. 2005. How business schools lost their way. *Harvard Business Review*, 83(5):96-104.
- BERFIELD, S. 2006. The best of 2006 leaders. *Business Week*, 18.
- BHIDE, A. 2000. The origin and evolution of new business. Oxford: Oxford University.
- BINEDELL, R.P. 2004. The MBA as careerist: An analysis of early-career job change. *Journal of Management* 19, 1-13.
- BISOUX, T. 2005. The extreme MBA makeover. *Biz Ed*, May/June. 27-33.
- BISSCHOFF, C.A. & KADE, A. 2010. Validation of a customer service measuring instrument for the ophthalmology industry S.A. *Institute of business management conference*, Sept: 24-27.
- BLACKMUR, D. 2004. Issues in higher education quality assurance. *Australian Journal of Public Administration*, 63(2):105-116.
- BLOISI, W., CCOK, C.W. & HUNSAKER, P.L. 2003. Management and organizational behaviour. European ed. Berkshire: McGraw-Hill.
- BOSHOFF, A.B. & HOOLE, C. 1998. Portability of job involvement and job satisfaction constructs between the USA and RSA. *South African journal for economic management sciences*, 1(1):73-84.
- BOWMAN, E.H. & HURRY, D. 2001. Strategy through the option lens: an integrated view of resource investments and the incremental-choice process. *Academy of Management Executive*, 15:125-135.
- BRACE, N., KEMP, R. & SNELGAR, R. 2006. SPSS for psychologists. 3rd ed. New York, NY: Taylor & Francis.
- BRANCH, S. 2000. MBAs are hot again, and they know it. *Fortune*, 155-187. April.

BRETT, J.M. & GOLDBERG, S.B. 1997. Getting disputes resolved. San Francisco, CA: Jossey-Bass.

BROOK, J. 2007. The attitude of white civil servants to the upward occupational mobility of Africans and so-called 'Coloureds': Findings from four municipalities in the Western Cape. Cape Town: Juta.

BROWN, R. 2005. Quality assurance in higher education. London: Routledge Falmer.

BROWN, T.A. 2006. Confirmatory factor analysis for applied research (methodology in the social sciences). New York, NY: Guilford Press.

BUDNER, S. 1962. Intolerance of ambiguity as a personality variable. *Journal of personality*, 1(1):22-29. March.

BURNS, N. & GROVE, S.K. 1997. The practice of nursing research: conduct, critique and utilization. 3rd ed. Philadelphia, PENN: WB Saunders.

BYRNE, J.A. 2002. How to fix corporate governance. *Business Week*, 78-91. May 6.

CAMERON, K.S. & CAZA, A. 2002. Organizational and leadership virtues and the role of forgiveness. *Journal of Leadership and Organizational Studies*, 9: 33-48.

CAMP, R., VIELHABER, M. & SIMONETTI, J.L. 2001. Strategic interviewing: How to hire good people. San Francisco, CA: Jossey-Bass.

CANT, M., GERBER-NEL, C., NEL, D. & KOTZE, T. 2003. Marketing research. Claremont: New Africa Books.

CAPELLI, B.R. 2003. Management: Tasks, responsibilities, and practices. New York, NY: Harper & Row.

CAPPELLI, P. 2003. Managing without commitment. *Organizational Dynamics*, 32(4):11-28.

CARSON, R., REVELLE, R. & LANDSBERG, H. 2000. Management: a practical introduction. 4th ed. New York, NY: Irwin McGraw-Hill.

CHE **See** COUNCIL ON HIGHER EDUCATION

- CHEN, G., DONAHUE, L.M. & KLIMOSKI, R.J. 2004. Training undergraduates to work in organizational teams. *Academy of Management Learning and Education*, 3(1):27-40.
- CHEN, G., GULLY, S.M. & EDEN, D. 2001. Validation of a new general self-efficacy scale. *Organisational research methods*, 4(1):62-83.
- CHURCHILL, G.A. & PETER, J.P. 1998. Marketing: creating value for customers. 2nd ed. New York, NY: Irwin.
- COFFMAN, C.W. & CANSALEZ-MOLINA, G. 2002. Emotions are a terrific to value. *Gallup Management Journal*. Available from: <http://gmj.gallup.com/content/937/emotions-are-a-terrific-thing-to-value.aspx>.
- COLVIN, H. 2005. Managing through organisation: The management process, forms of organization and the work of managers. 2nd ed. London. Business.
- CONNOLLY, M. 2003. The end of MBA as we know it. *Academy of management learning and education*, 2(3):364-366.
- COOK, J. 2000. Taking the diversity tour. *Human Resource Executive*, 80-85. May 16.
- COOPER, P.S. & SCHINDLER, D.R. 2003. Business research methods. 8th ed. New York, NY: McGraw-Hill.
- COOPER, S. 2004. Corporate Social Performance: a stakeholder approach. Burlington: Ashgate.
- COUNCIL ON HIGHER EDUCATION. 2004a. Home page. Available from: www.che.ac.za. Date of access: 15 April 2010
- COUNCIL ON HIGHER EDUCATION. 2004b. Frequently Asked Questions. Available from: www.che.ac.za. Date of access: 15 April 2010
- COUNCIL ON HIGHER EDUCATION. 2004c. Status of the Qualifications of Graduates. Available from de-accredited programmes and status of students currently registered in de-accredited programmes. Available from: www.che.ac.za. Date of access: 15 April 2010
- COUNCIL ON HIGHER EDUCATION. 2004d. Finding a Benchmark: the criteria. Available from: www.che.ac.za. Date of access: 15 April 2010

COUNCIL ON HIGHER EDUCATION. 2004e. Setting the standards. Available from: www.che.ac.za. Date of access: 15 April 2010

COUNCIL ON HIGHER EDUCATION. 2004f. Who made it? Available from: www.che.ac.za. Date of access: 15 April 2010

COUNCIL ON HIGHER EDUCATION. 2004g. What does conditional accreditation mean and how can conditionally accredited programmes attain full accreditation? Available from: www.che.ac.za. Date of access: 16 April 2010

COUNCIL ON HIGHER EDUCATION. 2004h. Fully accredited programmes aggregate profile. Available from: www.che.ac.za. Date of access: 17 April 2010

COUNCIL ON HIGHER EDUCATION. 2004i. Why MBA Education Was First in Line, available online at: www.che.ac.za. Date of access: 17 April 2010

COUNCIL ON HIGHER EDUCATION. 2004j. The re-accreditation process, step by step. Available from: www.che.ac.za. Date of access: 17 April 2010

COUNCIL ON HIGHER EDUCATION. 2004k. The state of the provision of the MBA in South Africa. Pretoria: ComPress.

CUMMINGS, T.G. & WORLEY, C.G. 1999. Organizational Development and Change. 7th ed. Mason, OH: South Western.

CURRIE, G. & KNIGHTS, D. 2008. Management learning: reflecting on a pedagogy in MBA education. Available from: <http://mlg.sagepub.com/content/34/1/27>. Date of access: 11 March 2010

CURRY, J. 2005. Joining the blog sphere: technology. *Popular mechanics*, 3(12):72-74. July.

DAFT, R.L. & MARCIC, D. 2009. Understanding management. 6th ed. Mason, OH: South Western/Cengage learning.

DAVENPORT, T.H., PRUSAK, L. & WILSON, H.J. 2003. What's the big idea? Creating and capitalizing on the best new management thinking. Boston: Harvard Business School.

DE COSTER, J. 1988. Overview of factor analysis. Available from:
<http://www.statshelp.com/notes.html> Date of access: 31 July 2010.

DEMSKI, R. & ZIMMERMAN, J. 2000. Can business schools survive? Available from:
<http://citeseerx.ist.psu.edu/viewdoc/summary?doi=10.1.1.114.5008> Date of access: 27 June 2008.

DEPARTMENT OF EDUCATION AND TRAINING DATABASE. 2011. Available on line at: <http://www.education.gov.za>. Date of access: 3 May 2011.

DET **See** DEPARTMENT OF EDUCATION AND TRAINING DATABASE

DIAMANTOPOULOS, A. & SCHLEGELMILCH, B.B. 2000. Taking the fear out of data analysis: A step by step approach. London: Business Press/Thomson Learning.

DOMINI, A. 2006. Letter from the president. Available from: <http://www.domini.com>. Date of access: 31 July 2011.

DRUCKER, P. 2002. The effective executive. New York, NY: Harper Collins.

DU PLESSIS, J.L. 2009. Statistical consultation services. North-West University. Potchefstroom.

DU PLESSIS, P.J. & ROUSSEAU, G.G. 2005. Buyer behaviour: a multi-cultural approach. 3rd ed. Cape Town: Oxford University Press.

DUBRIN, A.J. 2009. Essentials of management. 8th ed. Mason, OH: South Western.

DUGAN, M.K., GRADY, W.R., PAYNE, B. & JOHNSON, T.R. 1999. The benefits of an MBA: a comparison of graduates and non graduates. *Selections*, 1:18-24.

EARLEY, P.C. & MOSAKOWSKI, M.E. 2000. Creating hybrid team cultures: an empirical test of international team functioning. *Academy of Management Journal*, 43:26-49.

ELLIOTT, C.J., GOODWIN, J.S. & GOODWIN, J.C. 1999. MBA programs and business needs: is there a mismatch? *Business Horizons*, 37(4):55-59.

EVANS, P. & WURSTER, T.S. 2000. Blown to bits: how the economics of information systems transformed strategy. Boston, MA: Harvard Business School.

- FERREL, O.C. & FRAEDRICK, J. 2000. Business ethics: ethical decision making and cases. Boston, MA: Mifflin Company.
- FIELD, A.P. 2000. Discovering statistics using SPSS for Windows: advanced techniques for the beginner. London: Sage.
- FIELD, A.P. 2001. Meta analysis of correlation coefficients: a Monte Carlo comparison of fixed and random-effects methods. *Psychological Methods*.6: 161-180.
- FIELD, A.P. 2007. Discovering statistics using SPSS. 2nd ed. London: Sage.
- FIELD, A.P. & HOLE, G.J. 2003 . How to design a report experiments. London: Sage.
- FISHER, R. & URY, W. 1985. Getting to yes. Glenview: Scott Forsman.
- FOLLETT, M.P. 1949. Freedom and coordination. London: Management Publications Trust.
- FOLLETT, M.P. 1995. Prophet of Management. Boston, MA: Harvard Business School.
- FORELLE, C. 2004. On the road again, but now the boss is sitting beside you. *Wall Street Journal*. A1-12. 14 May
- FREEDMAN, D., PISANI, R. & PURVES, R. 2007. Statistics. 4th edition. New York, NY. W.W. Norton.
- FRIEL. B. 2005. Weathering the storm. *Government Executive*. Vol 37. Issue 19. 68-78
- FULLER, J. & MANSOUR, A. 2003. Operations management and operations research: a historical and relational perspective. *Management Decision* 41:427-440.
- GADDIS. E. 2000. Letters to the editor: Executive succession. *Harvard Business Review*. 83(5):145-152. May.
- GARVIN, D.A. 1998. Manufacturing strategic planning. *California Management Review*, 8:90-94. Summer.
- GERDES, L. 2005. Business Schools with a niche. *Business Week*, 3949: 70-72.

GILBERT, J.A. & IVANCEVICH, J.M. 2000. A detailed case study that contrast pluralistic and multicultural organizations. Valuing diversity. *Academy of Management Executive*, 14:93-105.

GMAC APPLICATION TRENDS SURVEY. 2001. The latest surveys delves behind the “who, what, why and where” of applications to 650: Available on-line at: www.deanstalk.net. Date of access: 03 March 2010.

GOFTON, L. & NESS, M. 1997. Business market research. 5th ed. Upper Saddle River, NJ: Pearson, Prentice Hall.

GOLD, J., THORPE, R. & MUMFORD, A. 2008. Leadership and management development. 5th ed. London: Oxford.

GOODMAN, C.J., ROSSEAU, D.M. & ARMUOR, S. 2007. Is there such a thing as evidence-based management? *Academy of Management Review*, April. 2- 9.

GOODMAN, S.H. 2007. Management: Challenges for tomorrow’s leaders. International ed. Perth: Thompson/South-Western.

GOSLING, J. & MINTZBERG, H. 2003. The five minds of a manager. *Harvard Business Review*, November: 54-63.

GRAHAM, J.M., GUTHRINE, A.C. & THOMPSON, B. 2003. Consequences of not interpreting structure coefficients in published CFA research: a reminder. *Structural Equation Modelling*, 10(1):142-153.

GRAHAM, P. 1995. Mary Parker Follett - Prophet of Management: a celebration of writings from the 1920's. Boston, MA: Harvard Business School.

GRAY, J. 2006. Fit or fad? *Canadian Business*, 73(20):72-76.

GRAYSON, D. 2004. Some myths and legends in quantitative psychology. *Understanding Statistics*, 3(1):101-153.

HAIR, J.F., BUSH, R.P. & ORTINAU, D.J. 2000. Marketing Research, Singapore McGraw-Hill.

HALES, A. 2001. Management: A company based approach. Cincinnati, OH: International Thompson.

- HALES, C.P. 2001. What Do Managers Do? A Critical Review of the Evidence: *Journal of Management Studies*, 23(1):1-6.
- HANDY, C. 1994. *The Empty Raincoat*. London. Hutchinson.
- HANDY, C. 2002. What's Business For? *Harvard Business Review*, December:50.
- HANUSHEK, E.A. 2004. What if there are no best practices? *Scottish Journal of Political Economy*, 51(2):156-72.
- HARTER, J.K., SCHMIDT, F.L. & HAYES, T.L. 2002. Business unit level relationship between employee satisfaction, employee engagement, and business outcomes: a meta-analysis. *Journal of Applied Psychology*, 87:268-79.
- HARTOG, D.N., VAN MUIJEN, J.J. & KOOPMAN, P.L. 1997. Transactional versus transformational leadership: An analysis of the MLQ. *Journal of Occupational & Organisational Psychology*, 70(1):19-34. March.
- HARVEY, L. 2004. War of the Worlds: who wins the battle for quality supremacy? *Quality in Higher Education*, 10(1):65-71.
- HARVEY, L. & GREEN, D. 1993. Defining quality, *Assessment and evaluation in Higher Education*, 18(1): 9-34.
- HARVEY, L. & NEWTON, J. 2004. Transforming quality evaluation. *Quality In Higher Education*, 10(2):149-65.
- HATCHER, L. 1994. A step-by-step approach to using SAS system for factor analysis and structural equation modelling. North Carolina, NC: SAS Publishing.
- HAYMOWITZ, C. 2006. Today's bosses find mentoring isn't worth the time and risks. *Wall Street Journal*, B1. 13 March.
- HELLRIEGEL, D. & SLOCUM, J.W. 1996. *Management*. 6th ed. Edwin L. Cox School of Business Southern Methodist University. Mason, OH: South Western.
- HELLRIEGEL, D., JACKSON, S.E. & SLOCUM, J.W. 2002. *Management: A competency based approach*. 9th ed. Mason, OH: South Western.
- HELLRIEGEL, D. 1996. *Management*. 7th ed. Mason, OH: South Western.

- HIDEO, I. 2006. MBA education in Japan: the experience of management education at the graduate school of business, Keio University, Japan. *Journal of Management* 21, (73):185- 206
- HIEMSTRA, K.M. 1999. Shake my hand: making the right first impression in business with nonverbal communications. *Business Communication Quarterly*, 62(4):35-51.
- HILL, L. 2007. *Becoming a manager: mastery of a new identity*. Boston, MA: Harvard Business School.
- HILL, L. 2003. *Becoming a manager: how managers become challenges of leadership*. 2nd ed. Boston, MA: Harvard Business School.
- HITT, M.A., IRELAND, R.D. & HOSKISSON, R.E. 2001. *Strategic Management: competitiveness and Globalization*, 4th ed. Cincinnati, NJ: South West.
- HODGETTS, R. 2000. Frederick W. Taylor's 1899 Pig Iron observations: examining fact, fiction, and lessons for the new millennium. *Academy of Management Journal*, 43-44.
- HOF, R.D., GREEN, H. & BRADY, D. 2000. Amazon's books look better. *Business Week*, February: 78-94.
- HOGAN, R. & HOGAN, J. 2001. Assessing Leadership: a view from the dark side. *International Journal of Selection and Assessment*, 9. 41-96.
- HOLTZHAUSEN, T. 2005. *Consumer decision-making*. Unpublished Masters' thesis. Pretoria: University of South Africa.
- HOTELLING, H. 1933. *The collected economics articles of Harold Hotelling*. (Ed.) Adrian. C. Darnell. New York, NY: Springer.
- HOUGH, J. & WHITE, M. 2001. Using stories to create change: the object lessons of Frederick Taylor's 'Pig Tale'. *Journal of Management*, 27:513-514.
- HOWELL, D.C. 1997. *Statistical methods for psychology*: 4th ed. Belmont, CA. Duxbury.
- HOWELL, D.C. 2002. *Statistical methods for psychology*: 5th ed. Belmont, CA. Duxbury.
- HOWITT, D. & CRAMER, D. 2008. *Introduction to SPSS in Psychology for version 16 and earlier*. 4th ed. London. Pearson Prentice Hall.

- HUMAN, P. 2005. Managerial beliefs and attitudes and change in South Africa. *Human resource management*, 96-102.
- HUNSAKER, P.L. 2004. Management: a skills approach. Upper Saddle River, NJ: McMillan.
- HUNT, S.D. & SPECK, P.S. 1996. Specialization and the MBA: Is the broad MBA passe? *California Management Review*, 29(3):159-175.
- HUY, Q. 2001. In Praise of middle managers. *Harvard Business Review*, September: 62-79.
- HWANG, R. 2002. Power to the principals: decentralisation in three large school districts. *Organisational Science*. 17, B1.
- HYMOWITZ, C. 2006. Today's bosses find mentoring isn't worth the time and risks, *Wall Street Journal*, B1-B7. March 13.
- IACOBUCCI, D. & CHURCHILL, G.A. 2010. Marketing research: methodological foundations. 10th ed. London: South West.
- IKUJIRO, N. & KONNO, N. 2008. The concept of 'Bra': building a foundation for knowledge creation. *California Management Review* 40(3):40-54.
- ILIING, D. 2004. South Africa puts Bond MBA on the outer. *The Australian*. June 2.
- ISHIDA, H. 2007. MBA education in Japan: The experience of management education at the graduate school of business, Keio university, Japan. *Journal of Management*, 16(3):185-196.
- ITAMI, H. 2007. Reinventing the MBA. *International Journal of Business*, April: 26-33.
- JARBOE, G.R. 1999. The marketing research project manual. Cincinnati. South-Western College.
- JENKINS, R.L., REIZENSTEIN, R.C. & RODGERS, F.G. 1994. Report cards on the MBA. *Harvard Business Review*, 62(5):20-30.
- JOLIFFE, W. 1986. Public administration: Past, present and future. *Business Source Premier*, 64(3): 360-372. Autumn.

- JONES, D. 2006. Not all successful CEOs are extroverts, *USA Today*, 753-761. 7 Jun.
- JORDAN, D. 2004. The competitive advantage: qualifications teach students to think. *Finance Week*, 40-44; 88.
- JUDGE, T.A., ILLIS, R., BONO, J. & GERHARDT, M. 2002. Personality and leadership: a quantitative and qualitative review, *Journal of Applied Psychology*, 765-782. Aug.
- JUDGE, T.A. 1999. Managerial coping with organizational change: a dispositional perspective. *Journal of applied Psychology*, 760-786. Aug.
- JUNKO, Y. 2006. Zenith Rebounding from Nadir? *Electronic Engineering Times*, 888-972. Feb. 12.
- KAGAN, J. 2004. Forging a new MBA path within council guidelines. *Business Day Management Review*, 6:12. June.
- KAHN, M.V. 2005. Beating the cash crunch. *Business Week Small*, 79-98. Spring.
- KERR, S. & JERMIE, J.M. 1978. Substitutes for leadership: Their meaning and measurement. *Organisational behaviour and human performance*, 22(3):375-403.
- KILMAN, S. 2002. Leading the news: Diageo says industry price war is crimping its burger king sales. *Wall Street Journal*: 5-36.
- KINNEAR, P.R. & GRAY, C.D. 2000. SPSS for Windows made simple. Hove: Psychology Press. Release 10.
- KIRKMAN, B.L. & ROSEN, B. 2000. Powering up teams. *Organizational Dynamics*, 42:46-65. Winter.
- KLINE, P. 1999. The handbook of psychological testing: 2nd ed. London: Routledge.
- KOESTENBAUM, P. 2000. Do you have the will to lead? *Fast Company*, 222-235.
- KOLB, D.A., BOYATZIS, R.E. & MAINEMELIS, C. 2000. Experiential learning theory: previous research and new directions. Hillsdale, NJ: Lawrence Erlbaum.
- KOTTER, J. 1999. Leading change. Boston, MA: Harvard Business School.
- KOTTER, J. 2002. The heart of change. Boston, MA: Harvard Business School Press.

- KOTTER, J.P. 1992. Power, defence, and effective management. In: *Managing people and organizations*. Ed. JJ Gabarro. Boston, MA: Harvard Business School.
- KOUDSI, S. 2007. MBA students want old-economy bosses. *Fortune*, 407-416. April 16.
- KRAJEWSKI, L.J. & RITZMAN, L.P. 2000. Operations management: processes and supply chains. 9th ed. Upper Saddle River, NJ: Pearson.
- KROLL, M.K. 2006. Repurposing metrics for HR. *HR Magazine*, 67-78. July.
- LABORY, S. & MALGARIN, M. 2000. Regulation in Europe: justified burden or costly failure? In GALLI, G & PELKMANS, J. Eds. Boston, MA: Harvard University.
- LASHINSKY, A. 2005. Saving face at Sony. *Fortune Magazine*. Available on-line at: [http://money.cnn.com/magazines/fortune/fortune archive/2005/02/21/8251736/index.htm](http://money.cnn.com/magazines/fortune/fortune%20archive/2005/02/21/8251736/index.htm). Date of access: 17 May 2010.
- LENNOX, R.D. & WOLFE, R.N. 1984. Revision of the self-monitoring scale. *Journal of Personality and Social Psychology*. 46 4. 349-364.
- LEONHARD, D. 2008. California dreamin: Harvard Business School adds silicon valley to its syllabus. *New York Times*, 18. June. 18.
- LEWIN, K. 1947. Field theory in social sciences. New York, NY: Harper & Row.
- LIEDKA, J.M. 2000. Linking strategic thinking with strategic planning. *Strategy and leadership*, 26(4):30-35.
- LINDE, J.C. & SMITH, H.J. 2002. The complex case of management education. *Harvard Business Review*, 70(5):16-38. Sept/Oct.
- LOCKE, E.A. 2006. Business ethics: A way out of morass. *Academy of management learning & education*, 5(2006):324-332. September.
- LORD, F.M. & NOVIC, M.R. 1968. Statistical theories of mental scores. Reading, MA: Addison-Wesley.
- LOVELACE, H.W. 2004. Outsourcing isn't always the answer. *Information Week*. Manhasset: 100. Oct 4.

- LUBLIN, J. 2005. CEO compensation survey (a special report) goodbye to pay for no performance. *Wall Street Journal*, 10-32. 11 Apr.
- LUSSIER, R.N. 1997. Management: concepts, applications and development. Mason, OH: South Western.
- MAGELLAN CONSULTING. 2001. The cognitive process profile. Research and development. Johannesburg. Magellan Consulting.
- MAIDEN, S. 2004. Employers urge uni 'basics', *The Australian*, 5. Aug. 5.
- MANZ, C. & NECK, C. 2004. Mastering self leadership. 3rd ed. Upper Saddle River, NJ: Pearson Prentice Hall.
- MASLOW, A.H. 1943. A theory of human motivation. *Psychological Review*, 50:370-396.
- MAST, C. 2001. The people behind the rankings. Selections: *The Magazine of the Graduate Management Admission Council*, 2001(1):16-35.
- MAYFIELD, M. & MAYFIELD, J. 2004. The effects of leader communication on worker innovation. *American Business Review*, 22:46-59.
- MAYO, E. 1945. The social problem of an industrial civilization. Boston, MA: Harvard Graduate School of Business Administration.
- MCCLELLAND, D.C. 1965. Toward a theory of motive acquisition. *American Psychologist*, 20:321-333.
- MCCLELLAND, D.C. & BURNHAM, D.H. 1976. Power is the great motivator. *Harvard Business Review*, 54(2):100-110.
- MCDANIEL, C. & GATES, R. 2001. Marketing research essentials. 3rd ed. Mason, OH: South Western.
- MCGREGOR, D. 1960. The human side of enterprise. New York, NY: McGraw Hill.
- MCKINLEY, W., MONE, M.A. & MOON, G. 1999. Determinants and development of schools in organization theory. *Academy of Management Review*, 24: 640-710.

- MENDOZA, G. 2008. The three temptation of the management teacher: in the search for global management, ed. Max Von Zur-Muehlen, Canadian Federation of Deans of Management and Administrative Studies.
- MERRIT, J. & LAVELLE, L. 2005. Tomorrow's B-schools? It might be a D-school. *Business Week*, 3945:80-101.
- MICKELWAIT, J. & WOOLDRIDGE, A. 2003. The company: a short history of a revolutionary Idea. New York, NY: Modern Library.
- MILES, J. & SHEVLIN, M. 2001. Applying regression and correlation: a guide for students and researchers. London: Sage.
- MINTZBERG H. & LAMPEL, J. 2010. Management - It's not what you think. London: FT Prentice Hall.
- MINTZBERG, H. 2005. Managers not MBAs: a hard look at the soft practice of managing and management development. Boston, MA: Harvard.
- MINTZBERG, H. & STEWARD, A. 2003. Business Minds: connecting with the world's greatest management thinkers. New York, NY: Financial Times.
- MOOLLA, A.I. 2010. A conceptual framework to measure brand loyalty: thesis submitted for a PhD degree at the North-West-University. Potchefstroom.
- MOUTON, J. 2001. How to succeed in your masters' and doctoral studies: a South African guide and resource book. Pretoria: Van Schaik.
- MOWREY, M. 2003. The evolving MBA. Available from: www.allbusiness.com/north-america/united-states-new-hampshire/1107157-1.html. Date of access: 12 April 2010.
- MULAIK, G.A.1972. The foundation of factor analysis. New York, NY: McGraw-Hill
- MUNTER, M. 1999. Guide to Managerial Communication: effective business writing and speaking. 5th ed. Englewood Cliffs, NJ: Prentice-Hall.
- MURAYANA, G.M. 1998. Basics of structural equation modelling. California, CA: Sage.

- NAIDOO, K. 2011. Stress management and its impact on work performance of educators in public schools in Kwa-Zulu Natal. PhD thesis. North-West University. Potchefstroom.
- NKOMO, M. 2009. The National Qualifications Framework. *Curriculum development*. 17- 28.
- NORTH-WEST UNIVERSITY. 2010. Calendar: Faculty of Economic and management sciences, honours and postgraduate programmes. Potchefstroom: NWU Potchefstroom campus.
- NUNNALLY, J.C. 1978. Psychometric theory. New York, NY: McGraw-Hill.
- NUTT, P.C. 1999. Surprising but true: half the decisions of organizations fail. *Academy of Management Executive*. 41:69-86.
- NWU **See** NORTH-WEST UNIVERSITY
- OGDEN, C. & SPEITZER, G. 2000. How I coped with chaos at the White House. *Fortune* 135(5):46-59. (March 17).
- O'GORMAN, C. & DORAN, R. 1999. Mission Statements for small and medium-sized business. *Journal of Small Business Management*, 37(4):59- 76.
- OKAZAKI-WARD, L. 2006. Management education and training in Japan. London: Graham & Trotman.
- O'REILLY, B. 2000. The power merchant. *Fortune*, 4-17. June.
- OSLAND, J.S., KOLB, D.A. & RUBIN, I.M. 2001. Organizational behaviour: an experimental approach, 7th ed. Upper Saddle River, NJ: Prentice-Hall.
- PARAYITAM, S. WHITE, M. & HOUGH, J. 2002. Forerunners of management. *Management Decision*, 40:1004-1011.
- PAULUS, P.B. 2000. Groups, teams and creativity: the creative potential of idea-generating groups. *Applied Psychology: An International Review*, 49: 237-367.

- PEARSON, R. 1901. On lines and planes of closest fit to systems of points in space. *Philosophical Magazine* 2. 559-572. Available on <http://p.bil.univ-lyon1.fr/R.pearson1901.pd>. Date of access: 17 Sept 2011.
- PENROSE, J., RASBERRY, R.W. & MYERS, R. 2001. *Advanced business management communication*. Mason, OH: South Western.
- PETERS, T.J. & WATERMAN, R.H. 1982. In search of excellence: lessons from America's best-run companies. New York, NY: Harper & Row.
- PETRICK, J.A., SCHERER, R.F., BRODZINSKI, J.D., QUINN, J.F. & AININA, M.F. 1999. Global leadership skills and reputational capital: intangible resources for sustainable competitive advantage. *Academy of management executive*, 13(1):58-70.
- PFEFFER, J. & FONG, C.T. 2002. The end of business schools? Less success than meets the eye. *Academy of Management Learning and Education*, 2:116-148.
- PIERSON, F.C. 1959. The education of American businessmen: A study of university-college programs in business administration. New York, NY: McGraw-Hill.
- PILLAY, R. 2004. Not all degrees are equal, *Mail & Guardian*, 15:30-36. May 28.
- POLA, B.G., PAULA, M.S. & SMITH, J. 2007. Traditional MBA versus the MBA with specialization: a disconnection between what business schools offer and what employers seek. *Journal of Education for Business*, July/August: 307-311.
- POPE, E. 2006. Opportunity knocks: demolition Firm Berts. Available from: <http://detnws.com>, February 09, 2006. Date of access: 02 March 2010.
- PORTER, P.L. 2001. Organisational learning's ten year march: Knowledge management. *MIT Sloan Management Review*. 42(2): 60-75. Winter.
- PRIEM, R.L. & ROSENSTEIN, J. 2000. Is organisational theory obvious to practitioners? A test of one established theory. *Organisation science*, 11: 509-524.
- PROITZ, T.S., STENSAKER, B. & HARVEY, L. 2004. Accreditation, standards and diversity: an analysis of EQUIS accreditation reports, *Assessment & Evaluation in Higher Education*, 29(6):735-750.
- PUNCH, K.F. 2003. Survey research- the basics. London: Sage.

PURCELL, J. 2005. MBA brings benefits to employer and employee. *Finance Week*: 27-38.

PURCELL, J., KINNIE, K., HUTCHINSON, S., RAYTON, B. & SWART, J. 2003. Understanding the people and performance link: unlocking the black box. London: CIPD.

QUINN, R.E. 2004. Building the bridge as you walk on it. San Francisco, CA: Jossey-Bass.

QUITTNER, J. 1999. An eye on the future: Jeff Bezos merely wants Amazon.com to be earth's biggest seller of everything. *Time*, 57-63. 27 Dec.

RANDOLPH, B.H. (Jr.), BREINHOLDT, R.H., DOKTOR, R.H. & MCNAUL, J.P. 1974. Organizational behaviour. Englewood Cliffs, NJ: Prentice Hall.

REID, D. 1995. Fayol: from experience to theory, *Journal of Management History*, 3:29-42.

RIDDER, K. 2000. Managers face greater demands. *Wall Street Journal*, 33. 23 Jul.

RIGBY, D. & BILODEAU, B. 2007. Management tool survey. Research paper. *Strategy and leadership*. 33(4):12-23.

ROBBINS, P.S. & DECENZO, D.A. 2005. Fundamentals of management: essential concepts and applications. 5th ed. Upper Saddle River, NJ: Pearson/Prentice Hall.

ROBBINS, S.P. 2003. The truth about managing people. Upper Saddle ridge, NJ: Pearson Prentice Hall.

ROBERT, N. & LUSSIER, R.N. 1997. Management: concepts, applications and development. Mason, OH: South Western.

RONALD, K. MITCHELL, B., ANGLE, R. & DONA, J.W. 1997. Toward a theory of stakeholder identification and salience: defining the principle of whom and what really counts. *Academy of Management Review*. October: 86-97.

ROSNOW, R.L. & ROSENTHAL, R. 2005. Beginning behavioural research: a conceptual primer 5th edition. Englewood Cliffs, NJ: Pearson. Prentice Hall.

- ROTTER, J.B. 1971. External control and internal control, *Psychology Today*, June: 37-38.
- SANTOS, J.R.A. 1999. Cronbach's Alpha: A Tool for Assessing the Reliability of Scales. *Journal of Extension*, 37(2). [Web:] <http://www.joe.org/joe/1999april/tt3.php>
- SAQA 2011 (South African Qualifications Authority) Available on line at: <http://www.saqa.org.za>. Date of access: 17 July 2011.
- SAUNDERS, P.M., GUPTA, P.B., SMITH, J. 2009. Traditional master of business administration (MBA) versus the MBA with specialisation: A disconnection between what business schools offer and what employers seek. *Journal of Education for Business*, 81:307-311.
- SCHERMERHORN, J.R. (Jr.) 1999. Management. 6th ed. New York NY: Wiley.
- SCHMIDT, M. 2004. 10 S.A. Business schools lose MBA course accreditation. *This Day*: 12. May 21.
- SCHMIDT, M.J. & HOLLENSSEN, S. 2006. Marketing research: an international approach. London: Prentice-Hall.
- SCHUMACKER, R.E. & LOMAX, R.E. 2010. A beginner's guide to structural equation modelling. New York, NY: Routledge.
- SCHUMPETER, J.A. 1934. The theory of economic development. Cambridge. Mass: *Harvard University Press*.
- SELLERS, P. 2004. P&G: Teaching old dog new tricks. *Fortune*, 29-47. 31 May.
- SHELLENBARGER, S. 2000. Is the awful behaviour of some bad bosses rooted in their past? *Wall Street Journal*, B1-23. 17 May.
- SHEVEL, A., VAIDA, G. & FREDERICKS, I. 2004. MBA trauma takes its toll as institutions get the axe. *Sunday Times Business Times*. May 23.
- SHIRALI, R. 2000. Grasping the guru. Knowledge management. *Management Science*, 47(10):56-72. Oct.
- SHOA, A.T. 2006. Marketing research. Mason, OH: South-Western.

- SHUKIA, S. 2004. Gender differences in manager's conceptions of commitment to the organisation. *Journal of Communication Management*, 45(5/6): 1256- 1262. Sept.
- SIMON, J.J. (Jr.) 1999. A report card on America's business schools. *Management Review*, 78(12):26-39.
- SIMONS, T.L. & PETERSON, R.S. 2000. Group cohesiveness and quality of decision making: an integration of tests of the groupthink hypothesis. *Small Group Research*, 25: 189-204.
- SINGH, M., LANGE, L. & NAIDOO, P. 2004. Evaluating the MBA in South Africa. *Quality in Higher Education*, 10(3):197-206.
- SLOCUM JR, W.J., SUSAN, E. & HELLRIEGEL, D. 2008. Competency-based management. Mason. Ohio. Thomson/South-Western.
- SMITH, J.H. 1998. The enduring legacy of Elton Mayo. *Human Relations*, 51(3):221-237.
- SPEARMAN, C. 1904. General intelligence objectively determined and measured. *American Journal of Psychology*, 15. 201-292.
- SPENCER, J. 2003. Shirk ethic: How to fake a hard day at the office-white collar slackers get help from new gadgets: The faux 4 a.m. e-mail. *Wall Street Journal*, 10-22. 15 May.
- SPREITZER, G. 2006. Social structural characteristics of psychological empowerment *Academy of management Journal*, 39(2):483-504.
- SPSS 2010 **see** STATISTICAL PACKAGE FOR SOCIAL SCIENCES.
- STATISTICA. 2006. *Help Index*. StatSoft, Inc. (2006). STATISTICA (data analysis software system), version 8.0: AGA6125292805AR. www.statsoft.com.
- STATISTICAL PACKAGE FOR SOCIAL SCIENCES. 2010. SPSS® 18.0 for Windows, Release 18.0.0. Copyright© by SPSS Inc. Chicago, Illinois. www.spss.com.
- STEERS, R.M. & BROWNSTEIN, D. 1976. A behaviourally-based measure of manifest needs in work settings. *Journal of Vocational Behaviour*, 9. 251-266.

- STERNBERG, R.J. & ZHANG, L.F. 2000. Perspectives on cognitive, learning, and thinking styles. Hillsdale, NJ: Lawrence Erlbaum Associates.
- STRUWIG, F. & STEAD, G. 2004. Planning, designing and reporting research. Cape Town: Pearson Education South Africa. 279p.
- STRYDOM, A.H. & STRYDOM, J.F. 2004. Establishing quality assurance in the South African context, *Quality in Higher Education*, 10(2):101-113.
- TAYLOR, W.F. 1967. The principles of scientific management. New York: Harper Bros.
- THIRUNARAYANA, P.N. 2006. Self management learning MBA: An enterprising approach to learning. *Journal of Management*, 24(1):32-54.
- THOMPSON, L.L. 2000. Making the team: a guide for managers. Upper Saddle Ridge, NJ: Pearson Prentice Hall.
- THURSTONE, L.L. 1947. *Multiple-factor analysis*. Chicago, IL: University of Chicago Press.
- TRICE, H.M. & BEYER, J.M. 1999. The culture of work organizations: what holds the modern company together? *Harvard Business Review*, November-December: 175-192.
- TURKEY, M. & BREWER, N. 2002. The influence of motives and goal orientation on feedback seeking. *Journal of Occupational and Organizational Psychology*, 1218(1):80-102.
- TUSKIN, D.H., LIGTHEIM, A.A., MARTINS, J.H. & VAN WYK, H.J. 2005. Marketing research in practice. Pretoria: Unisa.
- US NEWS & WORLD REPORT. 2002. By Kern. Rebecca. Universities and colleges accredited, 88(3): 46-49.
- UZUMERI, M.V. 1999. ISO 9000 and other meta-standards: principles of management practice? *Academy of Management Executive*, 11(2):21-36.
- VANCE, P.U. 1999. Governance: A guide for trustees and directors. Boston, MA: The Cheswick Center.

WALLACE, W.T., JOHN, G., JOHN, M. & BLAIR, S. 2003. Organizational learning and learning networks: the place and space model in management development. Duke Corporate Education, Inc. Available from: www.DukeCE.com Date of access: 07 June 2009.

WALSH, J.P., WANG, E. & XIN. K.R. 2000. Same bed, different dreams: working relationships in Sino American joint ventures. *Journal of World Business*, 34. 7-15.

WAYMAN, V.B. & WERNER. S. 2000. The impact of workforce reductions on financial performance: a longitudinal perspective. *Journal of Management*, 20(2):346-372.

WEBB, J.R. 2002. Understanding and designing marketing research. 2nd ed. London: Thompson Learning.

WEBER, M. 2000. Theory of social and economic organization: in business: *The Ultimate Resource*. Cambridge, MA: Perseus.

WEIL, J. 2004. Behind wave of corporate fraud: a change in how auditors work. *The Wall Street Journal*. 25: 20-32. March.

WELDON, E. & VANHONACKER, W. 1999. Operating a foreign invested enterprise in China: challenges for managers and management researchers. *Journal of World Business*, 34. 100-118.

WELLINGTON, S.W. 1999. Women of colour in corporate management: opportunities and barriers. New York, NY: Catalyst.

WELMAN. C., KRUGER, F. & MITCHELL, B. 2005. Research methodology. 3rd ed. Cape Town: Oxford University.

WESTERHEDJEN, D.F. 1999. Where are the quantum jumps in quality assurance? *Higher Education*, 38: 233-54.

WHETTEN, D.A. & CAMERON, K.S. 1999. Management skill training: a needed addition to the management curriculum. *Organizational Behaviour Teaching Journal*, 8:10-15.

WHETTEN, D.A. & CAMERON, K.S. 2005. Developing Management Skills. 6th edition. Upper Saddle River, NJ: Pearson Education.

- WHILE, J.R. 2004. Tightening the iron cage: Concertive controls in self managing teams. *Administrative Science Quarterly*, 38(1):20-36.
- WHITE, R. 2005. Leadership motive patterns and long term successes in management. *Journal of Applied Psychology*, 67:B1.
- WIENER, N. 1998. Cybernetics; or control and communication in the animal and the machine. New York, NY: Wiley.
- WILLIAMS, C. 2009. Management. 5th edition. Mason, OH: South-Western Cengage Learning.
- WILLIAMS, J.M.G. 2009. Suicide and attempted suicide. London: Penguin.
- WILMOT, W.W. & HOCKER, J.L. 2001. Interpersonal Conflict. New York, NY: McGraw-Hill.
- WIND, J. 2000. Reinventing the business school for the global information age. Philadelphia: Wharton School, University of Pennsylvania, presented at the EFMD Conference, Helsinki. 14-17January.
- WISHART, N.A, ELAM. J.J. & ROBEY. D. 1996. Redrawing the poor trait of a learning organization: Inside Knight-Ridder, Inc. *Academy of Measurement Executive*, 10(1):7-20.
- WREN, A.D. 1993. The evolution of management thought, 4th ed. New York Wiley.
- WREN, A.D. 2001. Henri Fayol as strategist: a nineteenth century corporate turnaround, *Management Decision* 39: 475-487.
- WRIGHT, D.B. 2003. Making friends with your data: improving how statistics are conducted and reported. *British Journal of Education Psychology*, 73: 123-136
- WUENSCH, K.L. 2009. Factor analysis with SPSS. Available from: core.ecu.edu/psyc/wuenschk/MV/FA/FA-SAS.ppt. Date of access: 14 Aug. 2011.
- ZALEZNICK, J.P. 2004. Manager and leaders: are they different? *Harvard Business Review*, January:74-81.
- ZALEZNICK, S. 1999. The MBA, the man, the myth, and the method: why CEO's fail. *Fortune*, May: 168-206.

ZEITHMAHL, P.C. 1998. Management: function and strategy 4th ed. IL 60430. Boston, MA: Irwin Homewood.

ZHAO, J.J., TRUELL, A.D., ALEXANDER, M.W. & HILL, I.B. 2006. Less success than meets the eye? The impact of master of business administration education graduates' careers. *Journal of Education for Business*, 81: 261-268.

ZIKMUND, W.G. & D'AMICO, M. 2001. Marketing: creating and keeping customers. 7th edition. Mason, OH: South-Western College.

APPENDIX A:

RESEARCH QUESTIONNAIRE TO DETERMINE SKILLS FOR MANAGERIAL COMPETENCE

Section A: Demographics

1	Sex	Male	Female				
2	Home language	Afrikaans	English	Tswana	Zulu	Other:	
3	Age between	< 26	26 - 30	31 - 35	36 - 40	41 - 45	45 +
4	Highest qualification currently	Diploma or equivalent	B. Degree or equivalent	Honours Degree or Post graduate diploma	Masters Degree	MBA Degree	Doctoral Degree
5	Working experience	< 1 Year	Between 1 year and 2 years	Between 2 years and 3 years	Between 3 years and 5 years	Between 5 year and 10 years	Over 10 years
6	Do you manage people?	Yes	No				
7	If YES, please answer questions 7.1 to 7.3 else proceed to next Section						
7.1.	How long have you being managing people?	< 1 Year	Between 1 year and 2 years	Between 2 years and 3 years	Between 3 years and 5 years	Between 5 year and 10 years	Over 10 years
7.2.	The biggest team you ever managed comprised how many people?	Between 1- 5	Between 6 - 10	Between 11- 15	Between 16 - 25	Between 26 - 35	Between 36 +

7.3.	The biggest team of direct reports (people directly reporting to you)you ever managed comprised how many people?	Between 1- 5	Between 6 - 10	Between 11- 15	Between 16 - 25	Between 26 - 35	Between 36 +

Section B – choose your response based on the following scale

1 = Totally Disagree	2 = Partially Disagree	3 = Do Not Know
4 = Partially Agree	5 = Totally Agree	

***CIRCLE** your response as per the scale above

		Totally Disagree		Totally Agree		
		1	2	3	4	5
SA 1	It is important for me to try very hard to improve on my past performance at work.					
SP 1	It is important for me to know how to manage my career.					
IS 1	It is important to acknowledge that communication is a glue that holds an organization together.					
PC 1	I believe it is important that a manager agree plans and goals with his/her subordinates.					
OS 1	I believe that work designing is very much a job of a manager, and it is important that I be trained on how to go about designing work.					
LS 1	I think it is important for managers to focus their attention on irregularities, mistakes, exceptions, and deviations from what is expected of their subordinates.					
MC 1	I believe that an expert who does not come up with a definite answer probably doesn't know too much.					
SA 2	It is important for me to know how I am progressing as I complete tasks at work.					
SP 2	In planning my career, it is important that I make a mission statement that expresses my philosophy and central values.					
IS 2	It is important to get over stage fright and gain self confidence by learning and doing presentations in the classroom.					
PC 2	I believe it is important that plans and goals be re negotiated and agreed upon based on the changes in the business environment.					
OS 2	It is important for me to be skilled on how to conduct organizational diagnoses.					
LS 2	I think it is important that managers serve as role models for their subordinates.					
MC 2	I believe that there is really no such a thing as a problem that can't be solved.					

SA 3	It is important to talk to those around me about non work matters.	1	2	3	4	5
SP 3	In planning my career, it is important that I establish and visualize my goals beginning with the end.	1	2	3	4	5
IS 3	It is important for managers to understand that it is difficult for some employees to put in overtime hours without substantial notice, to work weekends, to be gone overnight on business, or to accept a transfer to a new location.	1	2	3	4	5
PC 3	It is important that goals agreed upon be reasonable, achievable and measurable.	1	2	3	4	5
OC 3	It is important for me to know how to conduct employee selection.	1	2	3	4	5
LS 3	It is important that managers be trusted to help their subordinates overcome any obstacles.	1	2	3	4	5
MC 3	I believe that, people who fit their lives into a schedule, probably miss most of the joy of living.	1	2	3	4	5
SA 4	It is important for me to be able to read people's true emotions correctly through their eyes.	1	2	3	4	5
SP 4	In planning my career, it is important that I be aware of the career stages that I have got to go through.	1	2	3	4	5
IS 4	It is important to understand that physical barriers such as narrow doorways or stairs can be troublesome for some employees.	1	2	3	4	5
PC 4	It is important that agreed goals be evaluated to ensure that goals are being accomplished as planned and deviations be corrected.	1	2	3	4	5
OC 4	It is important for me to know how to identify people needed to create high profile teams.	1	2	3	4	5
LS 4	It is important for managers to make their subordinates aware of strongly held values, ideals, and aspirations which are commonly shared in the organization.	1	2	3	4	5
MC 4	I believe that a good job is one where it is always clear what is to be done and how it is to be done.	1	2	3	4	5
SA 5	It is important for my powers of intuition to be quite good when it comes to understanding others' emotions and motives.	1	2	3	4	5
SP 5	In planning my career, it is important that I communicate a positive attitude.	1	2	3	4	5
IS 5	It is important that managers be sure that employees are sensitive to coworkers and to be observant of overt expressions of sexism, racism, ageism, and more subtle biases within the work group.	1	2	3	4	5
PC 5	It is important that set goals be compared against the actual performance when evaluating performance.	1	2	3	4	5
OC 5	It is important for me to know how to design work for my team.	1	2	3	4	5
LS 5	It is important for managers to mobilize a collective sense of organizational mission.	1	2	3	4	5
MC 5	I think I would like to live in a foreign country for a while.	1	2	3	4	5

SA 6	It is important for me to have the ability to control the way I come across to people, depending on the impression I wish to give them.	1	2	3	4	5
SP 6	In planning my career, it is important that I perform in my present job instead of focusing on the job ahead.	1	2	3	4	5
IS 6	Managers can accept gifts from customers/suppliers in exchange for giving them business.	1	2	3	4	5
PC 6	It is important that I know how to creatively solve organizational problems.	1	2	3	4	5
OC 6	It is important for me to know how to modify the organizational culture.	1	2	3	4	5
LS 6	It is important for managers to work out agreements with their subordinates on what they will receive if they do what needs to be done.	1	2	3	4	5
MC 6	I believe that a person who leads an even, regular life in which few surprises or unexpected happenings arise really has a lot to be grateful for.	1	2	3	4	5
SA 7	It is important for me to work to gain more control over the events around me.	1	2	3	4	5
SP 7	In planning my career, it is important that I capitalize on luck and build on setbacks.	1	2	3	4	5
IS 7	Manager can use a company phone to make personal long distant calls.	1	2	3	4	5
PC 7	It is important that I be taught how to use my time efficiently.	1	2	3	4	5
OC 7	It is important for me to know how the selection process operates.	1	2	3	4	5
LS 7	It is important for managers to articulate a vision of future opportunities to their subordinates.	1	2	3	4	5
MC 7	I believe it is more fun to tackle a complicated problem than to solve a simple one.	1	2	3	4	5
SA 8	It is important for me to value educational reading, television, and self improvement programs.	1	2	3	4	5
SP 8	In planning my career, it is important that I develop networks.	1	2	3	4	5
IS 8	It is important to learn how to manage and deal with stress.	1	2	3	4	5
PC 8	A lack of conflict in the organization can make an organization static non responsive to the needs of change and innovation.	1	2	3	4	5
OC 8	It is important for me to know how to determine training gaps, and to put training plans in place.	1	2	3	4	5
LS 8	It is important for managers to talk optimistically to their subordinates about the future.	1	2	3	4	5
MC 8	I believe that, people who insist on a yes or no answer, just don't know how complicated things really are.	1	2	3	4	5
SA 9	I can tell if a person is lying to me at once from the person's manner of expression.	1	2	3	4	5

SP 9	In planning my career, it is important to find a mentor, and be a mentor myself.	1	2	3	4	5
IS 9	I believe that incompetent management is the largest cause of workplace stress for subordinates.	1	2	3	4	5
PC 9	It is important that I have skills to maintain an optimum level of conflict in my operational settings.	1	2	3	4	5
OC 9	It is important for me know how to develop a high profile team.	1	2	3	4	5
LS 9	It is important for managers to engage in words and deeds that enhance their image of competence.	1	2	3	4	5
MC 9	I believe that the sooner everyone acquires similar values and ideas, the better.	1	2	3	4	5
SA 10	Compared to my work colleagues, I can do most tasks very well.	1	2	3	4	5
SP 10	In planning my career, it is important to know that helping others achieve success is an important attribute of successful managers and professionals.	1	2	3	4	5
IS 10	It is important for one to effectively manage one's time in order to reduce stress.	1	2	3	4	5
PC 10	It is important that I have the skills to guide employees in productive problem solving efforts, to learn and profit from it.	1	2	3	4	5
OC 10	I think it is the duty of a manager to develop his/her subordinates.	1	2	3	4	5
LS 10	It is important for managers to instill pride in being associated with him or her.	1	2	3	4	5
MC 10	I believe that teachers or supervisors who hand out vague assignments give one a chance to show initiative and originality.	1	2	3	4	5

Section C.

Rate the importance of each skill to management competence on a scale of 1 to 5. 1 Being not so important and 5 being very important.

Skills	What the skill entail	Rating
1. Self awareness skills	The ability to know your capabilities (strengths, weaknesses and areas for development).	1 2 3 4 5
2. Self directed career planning	The ability to plan one's career and to execute that career plan.	1 2 3 4 5
3. Integrative skills	The ability for interpersonal communication, valuing diversity, develop ethical guidepost and manage time and stress.	1 2 3 4 5
4. Planning and controlling skills	The ability to plan and control, evaluate	1 2 3 4 5

	performance, creative problem solving and to manage conflict.	
5. Organizing skills	The ability to design work, diagnose and modify organizational culture, select and develop people, and to create high profile teams.	1 2 3 4 5
6. Leading skills	The ability to build powerbase, motivate and direct members of the organization so that they contribute to the achievement of the goals of the organization.	1 2 3 4 5
7. Managing change skills	The ability to initiate and embrace change.	1 2 3 4 5

Thank you very much, and all of the best in your studies!!

APPENDIX B: LETTER OF CONFIRMATION OF LANGUAGE EDITING

Thursday, October 20, 2011



Thabo Abel Thekiso

12176850

Re: Letter of confirmation of language editing

The thesis “**Management skills measurement of business school educated managers in the North West and Vaal triangle areas**” was language, technically and typographically edited. The sources and referencing technique applied was checked to comply with the specific Harvard technique as per North-West University prescriptions.

A handwritten signature in black ink, appearing to read 'Antoinette Bisschoff'.

Antoinette Bisschoff

Officially approved language editor of the NWU