

**THE ADVENT OF EMPOWERMENT
TO BAHRAINI ORGANIZATIONS**
AN EMPIRICAL STUDY

Khalid M Fakhro

1995

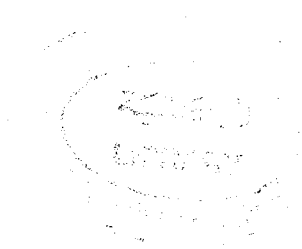


**THE ADVENT OF EMPOWERMENT
TO BAHRAINI ORGANIZATIONS**
AN EMPIRICAL STUDY

By
Khalid M Fakhro

**PROJECT SUBMITTED TO THE UNIVERSITY OF BAHRAIN IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF
MASTER IN BUSINESS ADMINISTRATION**

1995



ABSTRACT

Change is occurring more frequently and rapidly in what is anticipated to be a borderless, free trade world, as claimed by the **GENERAL AGREEMENT ON TRADE AND TARIFF (GATT)**. This fluctuating environment , intense competition, challenges, and rapidly changing technologies are among the major factors that aggravate such changes.

Under such pressure, an organization can only react quickly to changing demands if empowerment occurs.

To maintain and improve competitiveness, Bahraini organizations are bound to have the capability to respond effectively and promptly to the continuous demands and needs in such a turbulent environment.

By empowerment, firms will be able to address such needs. This may necessitate the need for redistribution of organizational power to achieve the objectives and this is achieved only through enabling staff to acquire a greater degree of responsibility and fulfillment in doing what is best for their organization, their customers, and their local community as well.

The need for a reengineering process, better educated and well trained workers with different tasks to do in order to challenge the more complicated technologies and intense competition has become inevitable to Bahraini organizations.

TABLE OF CONTENTS

ABSTRACT	II
ACKNOWLEDGMENT.....	VI
CHAPTER - 1 — INTRODUCTION	1
1.1 IMPORTANCE OF THIS STUDY	3
1.2 OBJECTIVES OF THE STUDY.....	4
1.3 METHODOLOGY	5
CHAPTER - 2 — EMPOWERMENT	8
A REVIEW OF RELEVANT LITERATURE.....	8
2.1 INTRODUCTION	8
2.1.1 <i>The Process and Elements of Empowerment</i>	10
2.2 ORGANIZATION MISSION, VISION AND POLICY	15
2.3 UP-TO-DATE WITH INFORMATION AND DEVELOPMENT	17
2.4 SHARING AUTHORITY	20
2.5 DOES DELEGATION DELAY MANAGER'S WORK ?	22
2.5.1 THE REASONS MOST MANAGERS FAIL TO DELEGATE.....	22
2.5.2 BENEFITS FOR THE MANAGER	25
2.5.3 INCREASES MANAGERIAL PROMOTION POTENTIAL.....	25
2.5.4 BENEFITS TO THE ORGANIZATION	26
2.5.5 MAKING MOST DECISIONS BY YOURSELF	27
2.5.6 HOW MUCH AUTHORITY IS PASSED DOWN TO YOU?	29
2.5.7 HOW MUCH OF THE DECISION IS DELEGATED	31
2.5.7.1 <i>The Super Worker Myth</i>	31
2.5.7.2 <i>The Perfectionist Myth</i>	32
2.5.7.3 <i>The Replacement Myth</i>	33
2.5.8 EQUATING AUTHORITY WITH POWER	34
2.5.9 DIMINISHED AUTHORITY	34
2.5.9.1 <i>Lack of Confidence</i>	35
2.5.9.2 <i>Retained Visibility</i>	36
2.5.9.3 <i>The Replacement Myth</i>	36
2.5.10 DEVELOPING EFFECTIVE DELEGATION	38
2.5.10.1 <i>Preparing to Delegate</i>	39
2.5.10.2 <i>Employee Resistance to Delegation</i>	39
2.5.10.3 <i>No Incentive</i>	39
2.5.10.4 <i>No Training</i>	40
2.5.10.5 <i>Avoidance of Responsibility</i>	40
2.5.10.6 <i>Fearfulness and Uncertainty</i>	40
2.5.10.7 <i>Not their Job</i>	41
2.5.10.8 <i>Distrust of the Manager or the Organization</i>	41
2.6 PARTICIPATION IN DECISION MAKING	42
2.7 TRAINING	46
2.7.1 <i>Human Resource Development</i>	47
2.7.2 <i>Learning Organization</i>	48
2.8 TEAM WORK.....	50
2.9 REWARD SYSTEM.....	53
2.10 MOTIVATION	53

2.11 Creativity.....	56
2.12 COMMUNICATION.....	57
2.12.1 Sharing of information.....	60
2.12.2 Clear communication.....	60
2.12.3 Listening.....	60
2.12.4 Doing.....	61
2.13 PERFORMANCE MANAGEMENT.....	62
2.14 ORGANIZATION CULTURE.....	70
2.14.1 What Influences the Culture.....	73
2.14.2 THE DIFFICULTY IN CHANGING CULTURE.....	78
2.14.3 INDUCING CHANGE.....	78
2.14.4 Types of Change.....	79
Task.....	79
Structure.....	79
Technology.....	80
People.....	80
2.14.5 Resisting Change.....	81
1.Facts.....	81
2.Beliefs.....	81
3.Values.....	82
2.14.6 Problems with Change.....	82
CHAPTER - 3 ——— FINDINGS OF THE STUDY	85
3.1 Introduction.....	85
3.2 Communication of Policies and Strategies.....	88
3.3 Relevance of Information to Work.....	91
3.4 Shared Authority Between Managers and Subordinates.....	96
3.5 Delegation and Decision Making.....	100
3.6 EMPOWERMENT AWARENESS.....	110
3.7 Participative Management.....	112
3.8 TRAINING.....	115
3.8.1 How Much Training?.....	118
3.8.2 Technical Training.....	119
3.8.3 General Training.....	120
3.9 TEAM WORK.....	124
3.10 REWARD SYSTEM.....	127
3.11 MOTIVATION.....	130
3.12 WORKING ENVIRONMENT.....	137
3.13 COMMUNICATION.....	142
3.14 PERFORMANCE MANAGEMENT.....	146
3.15 ORGANIZATION CULTURE.....	152
3.16 REINFORCING EMPOWERMENT.....	157
3.17 OBSTACLES OR LIMITATIONS HINDERING IMPLEMENTING EMPOWERMENT.....	159
3.17.1 Trade Sector.....	162
3.17.2 Civil Service executives.....	163
3.17.3 Middle Size Industry.....	163
3.17.4 Large Industry.....	164
3.18 CONDITIONS OR SUCCESS FACTORS.....	165

CHAPTER - 4 ——— SUMMARY AND CONCLUSION.....	168
4.1 MAJOR FINDINGS	168
4.2 RECOMMENDATIONS	176
4.3 POSTSCRIPT [FUTURE OUTLOOK].....	178
BIBLIOGRAPHY	180
APPENDIX - 1	182
APPENDIX - 2	195

ACKNOWLEDGMENT

I would like to express my sincere thanks and appreciation to the management of all organizations covered in this project for their kind cooperation, generous support and kind provision of much needed information.

Special thanks to Dr. George Khalil Najjar, Vice President for Planning and Community Service and Dean of College of Business Administration, for his kind support, advice and guidance throughout this project, and to Prof. Paris Andreou and Dr. Mustafa Khan for their review and valuable comments.

Last but not least, exceptional thanks to my wife Muneera and sons Manaf and Naser for their encouragement, support and understanding.

CHAPTER - 1

INTRODUCTION

Today it is unanimously accepted that people are the major strategic assets for any organization. Selecting, training and developing people is a multibillion dollar investment annually in the United States alone, not to mention Japan and Europe.

It is commonly accepted that proper selection, training and development of people though necessary, is not enough. We need to create a working environment for them where their potential can be fully tapped. A good working environment comes in different shapes. Involvement, giving people the feeling that they control their destiny, whether through participative management, organization development, decentralization, **kaizen or reengineering concepts....etc.** or any other means, is called Empowerment in the 1990's.

Why Empowerment? The open system of management adopted by today's organizations makes them sensitive and receptive to any changes in the environment. Organizations have a need for better educated and well trained workers who are able to complete different tasks in order to challenge the more complicated technologies and respond effectively to the continuous and rapid changes in the environment.

An organization can only react quickly to changing demands if **empowerment** exists. Empowerment would basically lead to a powerful organization characterized by prompt response, effective communication, increased productivity, improved quality of work, enhanced cross-functional communication with access to information and resources sharing at all levels. Employee involvement and improved skills would foster innovations and promote leadership which would create and reinforce a positive work culture. This

would lead to team interdependence and group synergy that would, in turn, help create and maintain a healthy working environment based on deep trust among employees and management. It is further emphasized that organizations that practice empowerment also value human resources, and commit time and money to education , training , benefits, and recognition.

The structure of organizations practicing empowerment is known to allow for spreading authority laterally rather than concentrating decision-making power at one level as in the traditional, vertical line of authority. Organizational benefits of empowerment include but are not limited to innovative problem solving and improved ability to anticipate, facilitate and manage change in response to internal and external influences. To become empowered, an individual or organization must be willing to change. In empowered organizations, change is welcomed rather than avoided or delayed.

However, many of empowerment's advocates, such as, Potts and Sykes¹ stressed the fact that change can be a painful experience if no proper orientation or advance preparation pave the way for the introduction of the concept. It is much like the feeling of loss, when old ways and habits lose ground. Resistance to change in organizations then can take the form of mild skepticism, reluctance to contribute time or other resources to the process, or work slow down that may not be easy to detect. However, such resistance can be reduced through the exchange of information and feedback about the change, open and honest communication, the understanding of the purpose of change, and most important of all, a trusting and accepting environment.

Equally important is that employees must understand that their judgment and decision making should take place within a set of conditions that gives guidance to how people should behave when exercising their autonomy, know what they should do and what the organization wants them to do.

¹ Tom Potts and Arnold Sykes, Executive Talent, Homewood, Illinois, Richard D. Irwin, Inc., 1993.

1.1 Importance of this Study

The increasing pressure on local firms and organizations to compete and respond promptly and swiftly to the changes in the market implies the need for competent organizations and well trained manpower.

The Government of Bahrain's policy is to encourage foreign investors to invest in industrial, trade and other sectors. At the same time, local firms and organizations are encouraged to increase their market shares in both regional and international markets.

This study aims at assessing the capability of Bahraini organizations in the three main sectors, in terms of their readiness and willingness to change, and thus, challenge the global trend of changing management style and developing competitive tools required to increase their market share and reduce barriers, as demanded by market forces, both at local and international levels.

By Bahraini organizations we mean those firms whose capital structure is at least 51% Bahraini, are based in Bahrain, and whose work force consists mostly of Bahraini.

If Bahrain is to maintain a competitive advantage in the market-place, reengineering, restructuring and refocusing on the tools of management that would enable firms to achieve an edge over the competitors, lies within the understanding of the concept of empowerment.

This study highlights the favourable conditions needed as well as the obstacles to be eliminated in the three major sectors. It also provides an indicative conclusion as well as valuable base line data and information to the researchers and decision makers which may further enhance and promote the required conditions for an effective change towards improving the working environment.

The importance of this study is that it highlights the basic tools which lie within the most valuable assets of any organization, i.e. human resources, and highlights the importance of training, participative management, delegation and teamwork in the process of empowerment.

1.2 Objectives of the Study

This project was originally considered to meet a dual challenge. On the one hand, cutting-edge management concepts may face great difficulty finding their way to implementation in any culture including, of course, the very one in which they were conceived, and on the other hand, the applicability of such concepts on a cross-cultural basis must be studied.

In full recognition of this important double challenge, this project sets out to address the question of empowerment and its related or satellite concepts with the Bahrain management culture.

More specifically, this research project has taken off in order to assess the present state of management in Bahrain in terms of the degree to which it incorporates ideas and tools at the heart of the profession internationally, particularly in the all-important domain of human resource management.

The specific objectives are :

1. To assess the present state of Management in the major sectors in Bahrain.
2. To identify the degree to which cutting-edge management concepts are implementable in Bahrain culture.
3. To highlight obstacles and conditions for successful implementation of the empowerment concept in Bahrain.

1.3 Methodology

The project covered 17 local institutions out of 62 institutions found satisfying the criteria on the next page, and hence, careful consideration was given to the sample selected from this population, which is basically based on the possibility of getting sufficient, reliable data and other required information, the reputation of the firm, personal contact with top management, and the willingness, openness and understanding of top management.

The selected institutions provide impartial representation of the three important economic sectors in the country, namely, Banking , Industry and Civil Service. These are considered in line with the main objectives of this study, which are to assess the present state of management and to look into the degree of applicability of cutting-edge management concepts and empowerment elements on a cross-cultural basis, with emphasis on the Bahrain management culture.

The firms covered in this project were selected to meet the following criteria:

1. Size of the firm, in terms of the work force, chains of command and importance to the national economy policy.
2. Organizational culture.
3. Existence or anticipated high Bahraini work force.
4. Power, contribution / affluence and effects/ role of firms' management and leadership style in their sector.

Each sector may have its unique management style which is affected by organization culture, prevailing leadership styles and the social culture(s), power centers, ways of communication...etc.

The selection of organizations was made to ensure a reasonably wide cross-section representation that covers all the three sectors and focused mainly on some selected large firms that might have reasonable impacts on economy, social, labour force and style of management and leadership with anticipation that the concept of empowerment had already been introduced and covered reasonable stages or is being seriously considered to make this study a generalization of the population.

Accordingly, the five largest industries out of the fourteen operating on the island were selected to represent this sector. These are BAPCO, ALBA, GPIC, BANAGAS and BALEXCO, while three major commercial Banks, namely, National Bank of Bahrain, Al Ahli Commercial and Al Baraka Islamic bank were selected out of the nine largest commercial banks in operation. Among the trade sector, three firms out of the eleven largest and most potentially successful trade enterprises were chosen. These are, Y.K. Al Moayyed, A.A.Zayani and Sons and Jawad Cold Stores. Finally six institutions out of twenty eight [ministries, organizations and commissions] from the Civil Service sector were selected. These are the Ministry of Finance and National Economy, the Ministry of Transportation, the Ministry of Works Power and Water, the Ministry of Commerce and Agriculture, the Civil Service Bureau and the Pension Fund Commission.

The criteria for selecting these firms, as indicated above, were also based on sound leadership and management styles, sensitivity to changes in the external environment, peculiar organizational design and structure, size and/or market share, as well as their socio-economic impacts.

Data for this project were collected through personal interviews with top executives at the level of CEO, Undersecretary, General Manager, and Assistant Undersecretary down to the level of Manager [equivalent to the Director's post at the Civil Service, which normally comes under the General Manager in industrial and banking sectors- mostly referred to in this project as line manager] and Director [equivalent to the manager's

post at the industrial and banking sectors, which comes immediately under, the Assistant Undersecretary post] at all organizations involved in the survey .

A questionnaire [Appendix-1] was designed to interview the Manager, Director, Section/ Department Head and Supervisor levels and was distributed among the line managers of these various institutions to cross-check the actual practice, effectiveness of communication of mission, vision, goals, and strategies as well as effective application of delegation, sharing of information, team work.....etc. This questionnaire was also targeted to measure and discover how middle management interpreted the communicated messages by the interviewed personnel at the top management level.

The key variables investigated in this project were chosen because they comprise the major elements in the current literature. The variables are :

1. Mission, Vision and Policy
2. Delegation
3. Communication and Feedback
4. Training
5. Culture and Norms
6. Recruitment
7. Motivation
8. Reduced Bureaucracy
9. Creativity
10. Trust
11. Team Work
12. Accessibility to Information
13. Participative Management
14. Leadership Style
15. Chain Management Resistance
16. Obstacles and Limitations
17. Conditions for Success in Bahrain

CHAPTER - 2

EMPOWERMENT

A REVIEW OF RELEVANT LITERATURE

2.1 Introduction

Empowerment as defined by Cornwall² is the process of having power given from the traditionally powerful managers in an organization and instilled in everyone. It is also defined, simply, as the process of giving power to just about everyone in an organization.

Empowerment is about restructuring / reengineering of the firm and redistribution of organizational power to achieve corporate goals and objectives. It involves cutting out management layers and granting greater autonomy to front-line managers and units.

However, employees' judgment, decision making and given power should take place within a set of conditions that gives guidance to how people should behave when exercising their autonomy, know what they should do, and what the organization wants them to do.

²Jeffery Cornwall and Baron Perlman , Organizational Entrepreneurship , Boston, Irwin ,1990 p 87

The open system of management should be based on the **empowerment concept**, in order that organizations become more sensitive and reciprocate to any changes in the environment.

Change in the global markets is occurring more frequently and rapidly. Such fluctuating environment, intense competition, challenges, and rapidly changing technologies are among the major factors provoking such changes. An organization can only react quickly to changing demands if empowerment occurs. The following are some of the main advantages of empowerment as emphasized by some of the executives interviewed, as well as by many researchers and authors in the field of empowerment:

- There is quick response to the changing environment.
- Communication improves and becomes more open and less vertical.
- Productivity increases and quality of work improves.
- Empowered employees lead to powerful organization (empowerment breeds power).
- Employees feel recognized and important and thus person-to-person interaction is enhanced.
- Harmony, goodwill and good cheer are promoted among the employees.
- There is a "WE" spirit and a sense of brotherhood among employees.
- Relationships cut across hierarchical lines and communication channels.
- Employees have access to information and resources.
- Employees' involvement and improved skills would foster innovations and promote leadership.

Furthermore, empowerment also provides the organization with the following benefits:

- Builds strong leadership
- Creates and reinforces a positive work culture
- Creates and gains alignment on a departmental level

- Leads to team(s) interdependence and group synergy
- Creates a working environment with high communication and trust among people
- Encourages employees to use their talents and be creative
- Solves problems
- Recognizes and defines opportunities
- Gains team commitment

2.1.1 The Process and Elements of Empowerment

There are some major prerequisites for the effective practice of empowerment. These prerequisites can either be structural, managerial, behavioral or attitudinal. In actual practice all four categories are equally important and should be included.

Structural requirement refers to such things as organization design and job design. Empowerment-related organization design places emphasis on such things as delayering and corporate reengineering whenever necessary for purposes of re-inventing the institution. By delayering we mean that information-based organizations need far fewer levels of management than the traditional command-and control model. Peter Drucker³ said that businesses of tomorrow will follow two rules. **One:** to move work to where the people are, rather than people to where work is. **Two:** to farm out activities that do not offer opportunities for advancement into fairly senior management and professional positions. He also emphasized that corporate size will, by the end of the coming decade, have become a strategic issue. Neither "Big is Better" nor "Small is Beautiful"; size will follow function. The trends in the past ran towards more and more layers of management and more and more staff specialists. The trend now goes in the opposite direction. The restructuring of organizations around information has to be done

³Peter F. Drucker, Managing for the Future, New York, Truman Talley Books/Dutton, 1992 p18

by large firms. This will result in a drastic cut in the number of management levels and in the number of general management jobs, while with reengineering, an organization can achieve a radical redesign of business process to become more powerful. Thomas A. Stewart⁴ in quoting Peter Drucker asserts that "reengineering is new, but it has to be done." By reengineering we mean the process innovation and core process redesign that search for, and implement radical change in the business to achieve breakthrough result. Reengineering starts from the future and works backward, as if unconstrained by existing methods, people, or departments. In effect, they ask "If we were a new company, how would we run this place?" True reengineering is the radical redesign of business processes to achieve major gains in cost, service, or time. It is cross-functional and must be lead by people with the authority to oversee a process from top to bottom.

What matters in reengineering, is how we want to organize work today, given the demand of today's markets and the power of technology. In reengineering concept capitalizes on individualism, self-reliance, a willingness to accept risk and inclination for change.

Hammer and Champy⁵ stated that "reengineering can not be carried out in small and cautious steps. It is an all-or- nothing proposition that produces dramatically impressive results." They have defined reengineering as "the fundamental rethinking and radical redesign of business process to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service and speed."

Hammer and Champy emphasized four key words in this definition :

- 1- Fundamental
- 2- Radical
- 3- Dramatic
- 4- Processes

⁴Thomas A. Stewart, Reengineering The Hot New Managing Tool, Fortune International, August 1993, p33

⁵ Michael Hammer and James Champy, Reengineering The Corporation, London, Nicholas Brealey Publishing, 1993, p5, p32

They have highlighted the importance of these key words and their role in the successful implementation of the process of business reengineering. Firms must ask Fundamental questions about their company, such as, “Why do we do what we do? And why do we do it the way we do?” Reengineering first determines “What a company must do” then “How to do it.” It ignores what is being done and concentrates on what should be done. Furthermore, it emphasizes making radical change, not superficial change. It is about business reinvention and not business improvement or enhancement or modification. Actually it deals with dramatic change and not marginal or incremental improvement. According to both Hammer and Champy, the fourth key word is the most important of all. The processes which they defined as “a collection of activities that takes one or more kinds of input and creates an output that is of value to the customer” is what really matters in the whole process of reengineering. Unfortunately, management mostly focuses on tasks, on jobs, on people, on structures but not process, they are not process oriented. Therefore, the task-oriented thinking, specialist workers and fragmentation of work, have influenced the organization designs in the past. Today, the shift to process-based thinking has become a prerequisite for achieving successful business reengineering and competition in the global markets.

Hence, reengineering, as advocated and perceived by Hammer and Champy, should not be misinterpreted or confused with, restructuring, delayering or flattening an organization. It is simply “starting over.” It is about beginning again with clear thinking, inventing new approaches and searching for new models of organizing work. However, a successful implementation of a reengineering process would depend on the availability of well trained, appropriately empowered employees and fair redistribution of power among the employees of the organization.

Empowerment-related job design refers to the process of grouping tasks to allow for maximum feasible job enrichment and making decisions at the lowest possible level in order to ensure closeness to sources of information. Job enrichment adds new sources of need satisfaction to jobs. It increases responsibility, autonomy and control. It sees three

elements in the job: plan, do and control. Hence job enrichment attempts to add more planning and control responsibilities. However, it is only a tool and not a cure; it often leads to increased motivation, morale and other improvements.

Managerial empowerment can only take-off as the result of executive commitment based on a vision to transform the organization into a learning system capable of fully tapping the vast human potential of its members. Short of this executive commitment, empowerment cannot possibly take its full course and would run into practically insurmountable difficulties. A shared vision in a company that have adopted advanced organizational structures and systems-flattened hierarchies, self-managed teams, cutting-edge pay and performance systems, would lead to the emergence of a number of variants on the new manager that would make him fully understand and support the positive changes necessary in the organization and people in order to fully integrate the principles of empowerment.

In managerial terms, empowerment rests on a new corporate culture based on openness, power sharing and giving people a genuine feeling of being in a position to influence their own situation. Empowerment helps employees pull themselves together, help each other out, recognize and complement each other's strengths and weaknesses, and share a belief that they are responsible to each other. Leaders must empower others to translate intention into reality and sustain it. Power must become a unit of exchange, an active changing token in creative, productive and communicative transactions. Effective leaders will ultimately derive the human harvest of their efforts by simple action of power reciprocity : Empowerment. This would put the duality of power in motion, power to empowerment and empowerment back to power. Such reciprocity creates its own rhythm, its own vitality and momentum.

Behavioral empowerment is a different approach to such key managerial processes as communication, leadership, motivation, group dynamics (team work) and conflict resolution. By team work we mean tapping the full potential of the team members. The

untapped resources quoted by Buchholz and Roth ⁶, and referred to by Cohen and Bradford are the four I's that team members may possess: Information, Initiative, Innovation, and Implementation.

Information : Team members would know more than the manager/ leader about the technical knowledge, more inside information, both sideways and downward, and may have more awareness or knowledge of the developing problems.

Initiative: Normally team members would not wait to be told what to do. They will take the necessary steps or appropriate action. They need to be able to go beyond the assignment to show their creativity and capabilities.

Innovation: Must come from within. It should come from the middle of the organization and below. Employees at these levels are in a position to support opportunities and start new activities.

Implementation: Great plans never come to reality if those implementing them are not enthusiastic and committed to carry it out.

Sharing responsibilities is only one way to tap a team's full potential. The team members use the available information, take the initiative, be innovative and keen to implement these innovations.

Attitudinally, empowerment rests on a changing self-image for the employee who transcends the helplessness engendered in a bureaucratic culture and starts thinking of himself as being creative, resourceful and responsible.

Structural, managerial, behavioral and attitudinal dimensions of empowerment are very closely related, and are indeed inseparable and are equally important and should be there for the implementation of empowerment.

⁶Steve Buchholz and Thomas Roth, Creating High-Performance Team, New York, John Wiley and Sons, Inc. 1987 , p 48

In the following sections, related literature review and some detailed investigations of the key variables investigated in this project are presented.

2.2 Organization mission, vision and policy

James A. Belasco⁷ emphasized that "seeing the right tomorrow is not enough . You need to mobilize the support of your people to create that new tomorrow." It is a fact that every organization has to determine the broad as well as the specific directions for their business. They must synchronize the succession of their management development plans with the overall strategic planning . In other words, the integration of "people planning" with business planning to ensure the fulfillment of the goals and objectives/ strategies.

Potts and Sykes⁸ stated "in the traditional corporate culture, policy manuals often become simply the tools of the audit staff. In many companies, written policy statements are consulted only when it is necessary to take disciplinary or other action. Policies are reviewed by line management to ensure compliance with difficult decisions, measuring behavior against policy, to determine the nature of violation for the purpose of discipline. A useful policy is a statement that is clear and can help all facets of an organization work toward a common goal."

The statement of goals must reflect how philosophy and commitment from senior management can be understood, and by which the managers and employees can measure themselves. Such a set of beliefs could easily serve as a first step in the design and implementation of an effective management development system.

The policy statement on management development for a corporation should be unique to that organization, and it should be simple. The language must reflect the corporate

⁷James A. Belasco, Teaching the Elephant to Dance, New York, Crown Publishers, Inc. 1990, p10.

culture, the point in time of establishment of the management development process and the style of the senior executives.

Re-calling a statement made by Akio Morita [co-founder and president of Sony Corporation] describing the vision of effective leadership who said "the look-ahead of the American is 10 minutes versus 10 years for the Japanese." I think such a statement is a little bit of an exaggeration. However the head of the bank of Tokyo's western hemisphere operation, Kenji Yoshizawa, commented on such a statement as follows: "Comparing 10 minutes to 10 years is an overstatement, but there is some truth in the critics. From the outsider's point of view, it is quite visible that American management tend to think in rather short-term." It is clear that both emphasize on long-term vision and strategy.

However, short-term vision is not eliminated; rather it serves some purpose in the process of strategy implementation. On the other hand, Rosalie Tung⁹ said that the higher rate of growth in productivity among Japanese companies can be attributed largely to the longer perspective adopted by their executives.

Vision as defined by Kouzes and Posner¹⁰ is "a point on the horizon that will be reached only at some date in the future, a statement of what will be created years or decades ahead. Vision must be about possibilities, about desired future. According to Belasco¹¹, **vision** is what the manager wants the organization to be. It conveys a picture of where the manager wants to go and how to go there. It must be a simple-to-understand, inspirational, focusing statement.

⁸ Tom Potts and Arnold Sykes, Executive Talent, Illinois, Richard D. Irwin, Inc. 1993, p 63.

⁹ Tom Potts and Arnold Sykes, Executive Talent, Illinois, Irwin 1993 p.51

¹⁰ James M. Kouzes and Barry Z. Posner, The leadership Challenge - How to get extraordinary things done in Organizations, San Francisco, Jossey - Bass Publishers, 1987 p 88

¹¹ James A. Belasco, Teaching the Elephant to Dance, New York, Crown Publishers, Inc. 1990, p104

empowered and having all the organization's information, including those related to the business of the firm and the whole Industry, at his fingertips. This would be easily achievable through sound management information system. Information technology (IT) is currently a major force with the potential to affect a range of organizations in fundamental ways. John Diebold¹³ was quoted referring to this powerful management tool " Information Technology ... is becoming increasingly the key to national economic well being, affecting virtually every Industry and service. One would be hard-pressed to name a business that does not depend on the effective use of information: to design products and services, to track and respond to market demands or to make well informed decisions. Information technology will change the world more permanently and more profoundly than any technology so far seen in history, and will bring about a transformation of civilization to match". We notice that environmental trends like globalization and heightened international competition are speeding the movement toward increased IT use by corporations; also the urgency of worldwide coordination of operations and the importance of IT in the current business context. Dramatic technological developments and considerable decrease in prices of hardware, software, and telecommunications have simultaneously pushed the utilization of IT further along.

Organizations implementing empowerment or planning to do so, cannot achieve their goals without having an efficient information network giving the right to access and share information to everybody in the organization. Empowered employees will never be able to respond swiftly and promptly with an appropriate decision without the power of information. Today a vast array of data, directives, queries, and writings can be made available at the touch of a finger. Computer networks make the task easier in ensuring that information is available to those who need it, and in a form that is useful.

Many well-known management gurus have repeatedly stressed the importance of flow of information within and outside the organization; in fact all have emphasized that

¹³Eliza G. C. Collins and Mary Anne Devanna, *The Portable MBA*, New York, John Wiley and Sons, 1990, p238

organizations that have learned to learn; that are engaged by electronic bulletin boards with outside organizations to which they are only slightly related; those who are hooked into universities and other learning centers, they alone will thrive. The "knowledge component" of every product and every service and every producing network is shooting up. Tom Peters¹⁴ said that "the ability to rope in knowledge, learn from what other parts of the organization / network are doing , and reinvent the organization / network in a flash becomes the principal source of future value-added- for corporations and nations alike."

Today, management in investment banking means managing network. The firm must have the capability to sustain whatever resources are needed, regardless of where they are located in the firm, and often at a moment's notice. The impossibility of predicting what deals will be done and what resources each will require means that the internal network of the firm needs to be more complex yet flexible enough to cope with its needs.

According to Tom Peters¹⁵, sharing information and encouraging a relational data basis and expert system with access to information in friendly forms that are helpful to many different users are essential. He stressed that "functional barriers are effectively penetrated only when information about what is going on in other functions is made instantly available to people throughout the organization". This is the cornerstone for effective access to information which needs to be supported by a change in the nature of organizational relationships such as:

- 1- Demonstrating trust [*a willingness to share vertically everything with every body inside and outside the firm*]
- 2- Creating on-line data bases that can be used as cross functional boundaries

¹⁴Tom Peters, Liberation Management, Macmilan, London, 1992. p 123

¹⁵Tom Peters, Liberation Management, Macmilan, London, 1992. p121

- 3- Installing an [*E-mail*] where informal communications across remaining levels and functions become normal
- 4- Hooking into on-line data bases and electronic bulletin boards external to the firms
- 5- Using electronic data interchange [*EDI*] extensively to routinise and automate transaction with [*outsiders*]

2.4 Sharing Authority

Empowering others is essentially the process of turning followers into leaders themselves. The process of building and enhancing power is facilitated when people work on tasks that are critical to the organization's success, when they exercise discretion and autonomy and have their accomplished work recognized. This can be achieved if all the necessary resources to perform autonomously are given. That means authority to utilize materials, money, time, people and information. Without authority, people may not extend themselves to take responsibility.

Authority in the context of delegation refers to the influence one derives from a title, rank, or privilege that gives a person the right to act or to tell another person to do something. Authority is a binding force in organizations. It is the foundation for giving and fulfilling responsibility. **In practice, authority is defined as whatever influence people possess to enable them to get something done.**

Dennis P.Slevin¹⁶ stated that " effective delegation communicates two messages : *what a manager expects the subordinate to do , and how much authority he has to carry out the instructions/task assigned to him* . In delegating work, a manager tells the subordinate what the task is , how to do it, when it is to be accomplished and how much freedom he has to get the task done". If authority is not shared fairly between line

¹⁶Dennis P. Slevin , The Whole Manager, New York , Amacom , 1989, p 20.

management and subordinate, the delegation of the task and its implementation are not effective; in fact delegation fails and the subordinate is de-motivated . **Delegation** as defined by Robert Nelson¹⁷ is "*the entrusting power and authority to a person acting as one's representative.*" During the process of delegation, members are assigned a task or responsibility. They are given authority to complete the task, hence they assume accountability for the completion of the task. Box-1 gives general definitions of the responsibility, authority and accountability. These three terms are the important parts for the success of delegation. Accountability for example is essential for effective delegation. If members are not held accountable, the management function completely breaks down, and control and discipline within the organization are lost.

Managers sometimes do not enforce accountability because it is not a pleasant thing to do, as it involves, besides close and continuous monitoring, the possibility of confronting employees.

Therefore with any delegated task, it is usually necessary to give an adequate, or commensurate, amount of authority including the ability to use whatever resources (people, equipment, money, and so on) necessary to complete an assignment.

¹⁷Rober B. Nelson Empowering Employees Through Delegation, New York, Irwin 1994, p11

Box -1	
• <u>Responsibility:</u>	Consists of the obligation to undertake a specific duty or task within the organization.
• <u>Authority:</u>	In the context of delegation refers to the influence one derives from a title, rank or privilege that gives a person the right to act or to tell another person to do something.
• <u>Accountability:</u>	Involves assessing employee's performance on a delegated task. An employee effectively delegated a task must be held accountable if the task is not completed accurately or on schedule.

2.5 Does Delegation Delay Manager's Work ?

Delegation is the best productivity skill a manager can master. Effective delegation reduces a manager's workload while developing employees' skills, knowledge, job satisfaction, and organizational commitment. The ability to delegate in fact prepares employees who work for you to handle your responsibilities and simultaneously enable you to advance to other career opportunities within the organization. Delegating is a win-win activity, it produces more satisfied managers who are able to take on larger jobs higher, and it produces more satisfied employees who are able to develop a broader range of skills and thus be prepared for promotion.

2.5.1 The Reasons Most Managers Fail to Delegate

According to several surveys done on managerial success factors, the main reason for managers' failure is their inability to master the art of delegation. The ability to delegate is more important than any other skill a manager could bring to his job. Effective

delegation, in the opinion of Nelson¹⁸ is more important than knowledge of organizational objectives, personnel administration, market distribution, company products and processes, corporate organization, or accounting principles.

Literature stresses that failure to delegate is most noticeable with new managers. New managers are still trying to understand the position, feel insecure about their abilities, or both. When the inability to delegate is not corrected, team members adjust to their manager's ineffective style. They do not complete assigned tasks because they know their managers will redo them anyway, so the performance of both the managers and the group suffers. Managers who fail to learn delegation skills may kill their chances for promotion and risk their whole career. Managers who do not delegate often attribute that to many reasons. Box-2 shows some of the excuses they give for not delegating a particular task.

Some beliefs, valid or otherwise, tend to get in the way of effective delegation. There are managers who subscribe to myths about delegation as a hindrance to them. Most of these myths derive from the manager's own fears - that team members cannot get the job done right or will show the manager up and hinder the manager's career. Managers hinder their careers only by believing these myths.

Many managers complain that it takes too much time to effectively delegate assignments, especially if the employee is new or the assignment is complex or in some way sensitive. Sometimes **time** is lacking because managers have not appropriately planned and scheduled activities that need to be done. In this case, the manager might make personal last-minute efforts to save projects, and thus thinks he or she is a hero to the department. At other times, a manager is unwilling to take the necessary time to work with or train an employee to do a task properly.

¹⁸Rober B. Nelson Empowering Employees Through Delegation, New York, Irwin 1994, p34

Box -2¹⁹

Some Excuses Managers Make for not Delegating

- My employees lack the experience.
- It takes more time to explain than to do the job myself.
- A mistake by an employee could be costly.
- My position enables me to get quicker action.
- There are some things I shouldn't delegate to anyone.
- My people are already too busy.
- My employees just are not ready to accept more responsibility.
- My employees are specialists and they lack the overall knowledge that my decisions require.
- I'm concerned about lack of control over my employee's performance when I delegate something to him or her.
- I like keeping busy and making my own decisions.
- Delegating is terrifying to me.

Lack of time might be a legitimate roadblock for delegating in the short term. In the long term, however, delegation saves the manager time when a similar task needs to be completed again. Delegation also develops employees who are able to do a wider range of tasks on shorter notice and strengthens the manager-employee relationship.

An increasing number of managers do not delegate because of their **unfamiliarity with the work** and thus fear or do not understand new technologies. Managers who are unfamiliar with computers might prefer to make calculations by hand rather than delegate the task to a computer services specialist. Some managers are unfamiliar with other areas of the organization.

¹⁹Rober B. Nelson Empowering Employees Through Delegation, New York, Irwin 1994, p21

If a manager has been doing the same task for many years, he or she may continue to handle the responsibility simply out of habit "**Individual Habit**". Many managers are committed to writing out all correspondence by hand instead of dictating or assigning the task to an assistant. Others maintain their own files, type notes, and answer their own phone because they have always done such activities and are comfortable doing them. These poor habits, however, are bound to make the manager less effective than he or she might otherwise be.

There are many important **Benefits of Delegation** derived by the organization as well as the manager when tasks and responsibilities are properly delegated. Through delegation, managers can ease the job of managing and thereby increase their own effectiveness and that of the work group.

2.5.2 Benefits for the Manager

Everybody wins with effective delegation, but delegation is especially important if managers want to survive and grow in an organization. It allows the manager to achieve more. Through the proper selection, assignment, and coordination of tasks, a manager can mobilize resources to achieve more than would have been individually possible. It also allows time for managerial activities and gives the manager an opportunity to handle aspects of the job that no one else can do. A manager can focus on doing a few tasks well rather than too many tasks poorly.

2.5.3 Increases Managerial Promotion Potential

Managers who do not delegate do not have trained team members to take their place, and managers who are not able to delegate at their current level will not be able to

delegate at the next. Their ineffectiveness thus multiplies with each level in the organization. Team members are believed to be highly motivated with effective delegation, which develops team members' skills and increases their involvement.

2.5.4 Benefits to the Organization

Delegation maximizes efficient output. When managers delegate tasks according to the skills and abilities of each member of the work group, the department as a whole is likely to produce a higher level of work. Work will also be completed more efficiently. Thus delegation helps managers make the best use of available human resources and achieve the highest possible rate of productivity. It allows new ideas, viewpoints, and suggestions to flourish and produces faster, more effective decisions. An organization is most responsive to change in the environment when decisions are made by those individuals closest to the problems; that is, responsibility and decision making are pushed further down in an organization. Individuals closest to the problem have the most information on which to base an intelligent decision. Decision making can be achieved more expediently through delegation, thus allowing the organization to be more responsive and hence more competitive. When team members participate in decision making, there is an increase in employee motivation, morale, and job performance. The greater the employee participation the greater the employee commitment to the job and the organization.

Delegation also increases flexibility of operations. Effective delegation trains many people to do the same assignments. This overlap allows for greater flexibility of work assignments. When someone is absent or a crisis requires people to assist with tasks not regularly a part of their jobs, they will already be familiar with the assignment.

2.5.5 Making Most Decisions by Yourself

Managers who often do not know what activities and assignments to delegate are in big trouble and do not enjoy the benefits of delegation. A good manager delegates as much as possible of the **right tasks**. The idea is to delegate what you *do understand*, not what you do not. On deciding what should be delegated, Nelson²⁰ had suggested the following general qualifications for the type of work to be delegated :

- The task can be handled adequately by subordinate or team members.
- All necessary information for decision making is available to subordinate or team members.
- The task involves operational detail rather than planning or organization.
- The task does not require skills unique to you or your position.
- An individual other than you has, or can have, direct control over the task.

Managers who do not delegate enough tasks find that they do not have enough time to complete their work. Managers who do not delegate properly find that they are dissatisfied with the tasks performed by their employees. And their employees lack enthusiasm and initiative when completing tasks delegated to them.

Delegation - as explained earlier - is the most effective way to assign and coordinate the work done by many people. Through it, managers achieve greater results with less of their direct involvement. It promotes cost effectiveness, job enrichment, higher morale, lower staff turnover, and more initiative from subordinate and team members. All the above mentioned benefits are appropriately in line with the principles of empowerment, such as:

- A. Maximizing the capabilities of every one to get work done with quality
- B. Accepting failure

²⁰Rober B. Nelson Empowering Employees Through Delegation, New York, Irwin 1994, p45

- C. Sharing success
- D. Sharing decision making on some issues
- E. Top of the organization existing to support the bottom
- F. Sharing control
- G. Increasing business effectiveness and employee productivity and loyalty .That is counting on your people and making them feel recognized .

Delegation depends on many variables: the environment, the type of job, the experience of the employee, the timing of the situation, and the length of the manager and employee's working relationship. However, Nelson²¹ highlighted three essential steps in preparing to delegate worth mentioning. These are:

- Developing the right attitudes.
- Deciding what to delegate.
- Deciding who to delegate to.

It is very important to develop a positive attitude and attributes, to include personal security, risk taking, a trusting nature, task orientation and a good degree of patience. Personal security is very important for managers to feel confident in their abilities and position in the company, and have a positive attitude about delegating. Managers should consider delegation a means to prepare team members to be future managers and view delegation as a means of achieving their own, and the company's performance goals. While concerning risk taking, good delegators are willing to take risks to get tasks done, stretching resources and making mistakes. They are willing to accept and learn from failure. They must allow both less experienced and more knowledgeable employees to make decisions. It is very important to build trust and the trusting nature of the manager is the willingness to trust another to perform a task for which the manager alone will be held responsible. Having such trust with full knowledge of any limitations members may

²¹Rober B. Nelson Empowering Employees Through Delegation, New York, Irwin 1994, p40

have, such as a lack of experience, allows the staff member to supply, without interference, his own ideas as to how an assignment should be completed. Managers must not revoke their trust after an assignment is completed. Members need to be supported even if the actions they take are criticized by others. Therefore, managers who feel that most of the time they should make the decision themselves, are not delegating.

2.5.6 How Much Authority Is Passed Down To You?

Fortunately, delegation skills are learnable. Putting delegation skills into practice may be difficult, but if you do not first learn what you're doing wrong, you will never be able to improve. However, through empowerment an organization moves toward maximizing the capabilities of everyone to get work done and helps achieving that with quality. It is accomplished by clearly identifying and communicating the organization's vision to all concerned and by attempting to structure the organization in such a way that people are able to exercise some autonomy, participate in decision making, and have access to resources and information. This serves to stimulate and support innovation, enterprise, and people's initiatives. These are the healthy tools for a sound organization and also increase the total amount of power in an organization and bring it to a better competitive edge with others.

This, of course, supports the basic belief underlying the process of empowerment, **that is, power if shared, can breed more power.**

Organizations that practice empowerment, as described in much literature, are characterized by participatory decision making. Members have a sense of responsibility for a shared mission and belief in mutual values. Team work is fostered by the accessibility to and sharing of information and a high level of trust among employees and

management. It is further emphasized that empowered organizations value human resources and commit time and money to education, training, benefits, and recognition.

The structure of these organizations is known to allow for spreading authority laterally rather than concentrating decision-making power at one level as in the traditional, vertical line of authority. Organizational benefits of empowerment, as spelled out in much literature, include innovative problem solving and an improved ability to anticipate, facilitate and manage change in response to internal and external influences. To become empowered, an individual or organization must be willing to change; in empowered organizations, change is welcomed rather than avoided or delayed.

However, change can be a painful experience if no proper orientation or advance preparation precedes the introduction of the concept. It is much like the feeling of loss, when old ways and habits are bound to change. Resistance to change in organizations then can take the form of mild skepticism, with reluctance to contribute time or other resources to the process. However, such resistance can be reduced through the exchange of information and feedback about the change, open and honest communication, understanding the purpose of change and, most important of all, a trusting and accepting environment.

Task orientation is essential for the success of delegation. Effective delegation establishes and employs a means of control including channels (progress reports, review sessions, etc.) for reporting progress and problems, as well as a schedule for when reporting should take place (daily, weekly, monthly, etc.). A manager must have ample patience, and a good delegator realizes that results take time. He can see what needs to be done but does not order it done a specific way, to allow a subordinate or a team member the chance to develop his own judgment by letting him/ them try in their own methods. The manager must allow time for delegation, time for assignment of specific tasks as well as for inexperienced employees to be trained.

Thomas R. Horton, former CEO of the American Management Association, says: "Kindled by accomplishment, it is ultimately sustained by trust. Effective delegators are the managers who believe in their people as much as in themselves and who know that from that belief comes out not just accomplishment, but growth."

2.5.7 How Much Of The Decision Is Delegated

While we have concentrated on what should be delegated, managers have certain activities that should not be delegated because they are either specific managerial tasks or tasks that are proprietary in nature, such as confidential tasks, specific assignments from the manager's boss, and complex or sensitive situations. We know that effective delegation is more than simply telling or asking someone to do something. The task needs to be clearly presented to the subordinate to make the process of delegation a mutual consultation and agreement between the manager and his subordinate. This would establish and enhance trust, support and open communication necessary for obtaining best results. Unfortunately, some managers believe in their super abilities and as such barely involve others to participate in the decision making process. According to Nelson²², such managers believe in three basic myths about success in an organization:

- The super worker myth.
- The perfectionist myth.
- The replacement myth.

2.5.7.1 The Super Worker Myth:

Many managers do not delegate because they want to be seen as super workers. These managers believe they have to prove themselves to others. They seldom use their time

²²Rober B. Nelson Empowering Employees Through Delegation, New York, Irwin 1994,ps20-30

efficiently or effectively, and usually overextend themselves so that nothing ends up done quite right.

Insecure managers who need to have a reason to feel important or justify their position often subscribe to the super worker myth. Constant activity gives them a reason. If a manager works harder and longer than anyone else in the department, so the myth goes, he surely must be more valuable to the organization than others. Hence, the manager is justified in having the position. Such managers focus too much on appearances rather than responsibilities. They tend to be overly concerned with what others think rather than with the results being produced.

2.5.7.2 The Perfectionist Myth:

Remembering the famous saying "If you want something done right, do it yourself," the perfectionists pay special attention to the details of every assignment and expect to have everything perfect. They may trust an unimportant job to an employee if it does not have to be done "just right". Important tasks or those that will be seen by someone higher in the organization will be completed by the perfectionist personally because of lack of trust in employees and in their ability to do assigned work. When employees were trusted with an assignment and failed to complete it properly, their bad experience in the past limits their enthusiasm about delegating further assignments. The perfectionist manager feels that the mistakes made by the employees reflect on his or her competence. Such a manager usually feels that control is lost once a task is delegated.

This approach undermines employee creativity and denies the possibility that other methods might be just as effective in achieving the desired results. This type of manager usually fails to understand both his role as a manager and techniques for effective delegation.

2.5.7.3 The Replacement Myth:

According to Nelson²³ "some managers do not delegate because they are afraid of being replaced by an employee who does a great job." Such a view is shortsighted, and those managers are not doing their jobs adequately and hence not obtaining the optimum result with the available resources. A manager who fears being shown up by an employee does not realize that good performance by an employee is credit to the manager. When an employee performs well, the manager is viewed as having good judgment in selecting and training the employee. In fact the effective delegator should prepare employees to take his own responsibility and job one day. With such strategy in mind, a manager can always have a replacement ready when an appropriate opportunity for promotion arises. Stewart²⁴, quoting Stan Kossen in his book "The Human Side Of Management" refers to the "Exception Principle" as "regular, recurring activities, and decisions should be routinely delegated to and handled by subordinates, and those unusual, non-reoccurring decisions should be referred to a higher level." If we agree with this principle, then what remains for the manager to do is planning, controlling, coordinating, creative problem-solving....and time for his staff. Those who still believe in grandmother's saying "it takes longer to show someone else how to do it than to do it myself" are missing the point. Maybe this is true for the first time, or even perhaps the second or third or fourth time; however depending on the coaching skills of the manager on how to help and guide his subordinate to gain new skills so that at the end he gains valuable time in the future, it is the question of short-term gain versus long-term gain.

²³Rober B. Nelson Empowering Employees Through Delegation, New York, Irwin 1994, p30

²⁴Douglas Stewart, The Power of People Skills, John Wiley and Sons, Inc. New York 1986 P78

2.5.8 Equating Authority With Power

Most managers are willing to delegate work tasks but insist on retaining control of the decision-making process. Their subordinates must continuously stop work to ask, *What should I do next?* They need permission to proceed on a decision about which alternative most pleases their boss to avoid second-guessing, criticism, and all the subtle pressure.

Many Managers do not delegate well. Although the ability to delegate is a basic managerial skill, Nelson²⁵ indicated that delegation is often handled poorly. *Why ?* Part of the reason is that managers do not know how to delegate effectively. A reason, however, may be the fact that many managers do not want to delegate. For a number of reasons, they do not want to give up control in the work environment. They may equate control with power and feel that by giving up control they give up power. Or such a manager may be concerned with the perceptions of others and want other members of the organization to have visible indicators that he or she is "*in charge*". Constantly keeping employees waiting for an opinion or an approval might provide such outward appearance, may be thinly underlying the chaos. Some managers need to be in control to ensure the job is done right, that is, the way they think it should be done! Other managers are inexperienced with delegation and afraid of its consequences. Managers who do not delegate have attributed that fear to many reasons which appeared in Box-2.

2.5.9 Diminished Authority

Some managers believe that delegation diminishes their authority. They feel that their own power in the organization erodes when employees are given the power to achieve results. Such managers usually regard power as a limited resource .

²⁵Rober B. Nelson Empowering Employees Through Delegation, New York, Irwin 1994, p4

This notion of power is a misconception since the manager retains ultimate responsibility for the actions of all his or her employees. Managers who have that, perform well through effective delegation and *increase* their own authority and power in an organization.

2.5.9.1 Lack of Confidence

Many managers lack confidence either in themselves or in their employees. Lack of confidence is another prime reason why managers fail to delegate. Some managers as mentioned earlier do not trust employees to do a job or do not trust their own skills to effectively assign the task to an employee. According to Nelson²⁶, managers who lack confidence in their own abilities or in the abilities of their employees have three characteristics:

i- An aversion to taking risks

Managers who delegate accept taking risks because their employees might fail, and some managers are averse to taking risks. The possibility of failure haunts some managers and to them seems a logical reason not to risk delegating. They think it is perfectly reasonable and right to be cautious. Since delegation requires them to give up some control and take calculated risks, these managers never delegate even though taking risks can have positive effects on the organization. However, *an effective delegator minimizes risks by installing the proper controls for the particular situation, as delegation can be adapted to fit a variety of different situations.*

²⁶Rober B. Nelson Empowering Employees Through Delegation, New York, Irwin 1994, p21

ii- A fear of being shown up

Managers who lack confidence in their abilities or in their position are afraid that their employees will show them up. Such managers fail to realize that their own performance depends on the performance of their subordinates as well as all team members. A manager's competence is a function of the competence of the team members. Successful managers take pride in the superior performance of their team members. Good managers also take advantage of competent employees and delegate increasing amounts of responsibility to them.

2.5.9.2 Retained Visibility

Some managers retain as many tasks as possible, especially the important ones that are visible to upper management. They want others in the organization, especially those above them, to see their achievements and they believe such visibility will increase their chances of promotion.

Some managers gain a sense of importance by doing as much work as possible or completing the assignments they deem important. The important assignments may involve special kinds of decisions or contact with individuals who are higher in the organization. Obviously, some crucial decisions should be made by the manager. Unfortunately, some managers view every decision as crucial and, as a result, want to make them all. Such managers put forth a mask when they ask others to do a task. They are going through the motions but not really delegating.

2.5.9.3 The Replacement Myth

This has been described in more detail in an earlier section; however, the concept is that some managers are afraid of being replaced by an employee who masters their work and

have potential or the same skills or even better. Such attitude does not allow the managers to benefit from the skills of their subordinates adequately, i.e. obtaining the greatest results with the available resources.

A manager who fears being shown up by an employee does not realize that a good performance by an employee is a credit to the manager and an add-on to the collective efforts and reputation of the firm. Indeed, when an employee performs well the manager is viewed as having good judgment in selecting and training the employee. The effective delegator prepares employees for the day when he may take his own job. With this strategy, the manager can have a replacement ready when an opportunity for promotion arises.

As an employee moves from worker to manager, he or she must shift from doer to supervisor. This translation involves a shift from using a specific set of skills to using skills in human interaction.

Once a person moves from a technical or specialized position to a management position, the person must shift focus from individual achievement to achievement through a group. The main way to accomplish this shift is through the skill of delegating. What becomes more important is not what the manager can do but what he or she can do through others.

There are many stories to demonstrate this. However, the following example is widely used in most of the literature reviewed and was also used by many executives interviewed.

An engineer is so good at solving technical problems that he is promoted to the position of manager. Whenever a difficult technical problem comes up in the department, the new manager enjoys rolling up his sleeves and digging in. He feels that doing this gives him a chance to demonstrate his wide range of abilities to everyone in the department. What

he fails to realize, however, is that such technical work makes a serious dent in his limited time and many of his management tasks suffer. In addition, his direct involvement in technical problems keeps others in the department from working on the most challenging assignments and denies them the chance to learn and grow.

It seems that some magnetism draws new managers to those activities in which they previously excelled. They are good at such tasks, and they can accomplish them much faster than anyone still learning the skill. They have a strong desire to continue acting the superstar, a role they were previously praised for.

Even a skilled labourer and talented manager must rely on other's knowledge and abilities, especially as he climbs higher in the organization. Time being limited, the manager needs to shift focus from being an individual expert to relying on individual experts who can achieve both the manager's goals and those of the department and organization.

2.5.10 Developing Effective Delegation

Effective delegation allows managers to achieve their goals through others. According to many management articles and executives, effective delegation is achieved through four basic steps:

1. Preparing to delegate
2. Delegating tasks to team members
3. Monitoring the delegated work, and
4. Evaluating the delegation

2.5.10.1 Preparing to Delegate

For delegation to be effective, managers must develop the right attitudes about delegation. Most importantly, managers must be willing to take the risk of letting someone else be responsible for a job. This includes trusting employees and team members to get the job done and being patient with team members who are learning new skills. Managers must know what tasks and responsibilities should be delegated. They should be willing to delegate as many tasks as possible to the lowest level possible.

2.5.10.2 Employee Resistance to Delegation

A major reason many managers find it difficult to delegate is that some employees do not want to accept delegation. For various reasons, the employee has the ability to do an assignment but elects not to accept or complete it. Some of the reasons an employee may resist an assignment include no incentive, no training, avoidance of responsibility, fearfulness and uncertainty, and a feeling of distrust of either the manager or the organization.

2.5.10.3 No Incentive

Many employees fail to do an assigned activity because of the lack of a sufficient incentive. For them, the level of reward is not equal to the level of time, energy, and risk required. There may be no negative consequences for either not doing the job or not doing it well. Although the task may be a part of the job, many assignments can be completed haphazardly.

Many times employees' motivation will increase if they are involved in planning and decision making for the task. Employees need to feel ownership of any task they are

working on in order to obtain their best efforts. Employees should be part of planning and decision making, especially if the decisions affect them or their work.

2.5.10.4 No Training

Many times a manager asks employees to handle tasks they have not been trained to do. The finished work does not meet the managers expectations and may be completely unacceptable. This can be avoided with good communication and proper training. Managers must serve as the trainer and provide guidance, direction and support, or send the employee on a seminar in the required skill area.

2.5.10.5 Avoidance of Responsibility

Most employees realize that if they can avoid making a major decision concerning a task, they can also avoid responsibility for the task, hence making for an easier, less stressful job. At the same time, since most managers enjoy making decisions, they tend to be naturally receptive to making decisions for the employee. The result of these two tendencies is an employee who does not learn to make decisions and live with their consequences, and a manager who is not truly delegating.

2.5.10.6 Fearfulness and Uncertainty

An employee who wants to be certain of pleasing the manager seeks approval of all activities he or she plans prior to and during the completion of a task. In an attempt to please the manager, the employee completes the task precisely as requested, arriving at the results the manager hoped to obtain. However, in this case the employee provides the answer the manager wants to hear, regardless of whether it is the best solution, and

as such the employee is not thinking and acting independently. A manager who tells an employee how to proceed with each step of the task has failed to delegate the activity.

2.5.10.7 Not their Job

Some employees think when they accept responsibility for an assigned task they are doing the manager's or some other employee's job. Delegation must be preceded with sufficient explanation to the subordinate to understand why he is doing the task, he should be helped and guided on how to do it and, furthermore should be made aware when the task is required to be completed. Having done so, the subordinate would then appreciate the delegated task, what he is doing and why he is doing it.

2.5.10.8 Distrust of the Manager or the Organization

If an employee believes the manager will take credit for the work he does, or if the manager has the habit of changing or reworking all completed assignments, the employee will be reluctant to accept or complete tasks.

Delegation is not as simple as asking an employee "Would you do this task for me?". It is rather to train and trust other people to do tasks. Training even the brightest, most energetic employees is a frustrating activity. Managers must redefine delegation as an investment in a person for the future, rather than a means of getting a single task done at a particular point in time.

2.6 Participation in Decision Making

Participative management is a philosophy that demands that organizational decision making be made in such a way that input and responsibility are extended to the lowest level *appropriate* to the decision being made .

The emerging of the "knowledge worker", a term that was introduced by Peter Drucker in the late 1970's, makes participative management process an ideal one for identifying problems, suggesting appropriate solutions and securing more commitment at wide levels. It has been realized that a great deal of knowledge would rest with a wide group of people. This knowledge must be shared effectively to increase output.

Plunkett and Fournier²⁷ stated that "by applying a participative management approach, the organization learns some valuable lessons about why, when, where, and how to involve people in the business of managing the business." The participative management goal is to appropriately utilize the unique resources of each individual . Management must give the employee the opportunity to participate effectively in the process of decision making, in order to secure commitment, loyalty, high morale and a well-motivated employee. This process would eventually lead to preparing the future potential leaders who would be able to help managing necessary change for maintaining competitive edge in the market.

However, participative management can only be imposed by top management. Without their wish and support, it will not be fruitful. Fundamentally, participative management is about people who are involved in issues and have a role in resolving these issues. Executives and managers, who have traditionally made decisions without consulting or input, regard participative management as an unnatural process. Many executives have been taught to decide quickly and get someone else to do the work.

²⁷Lorne C. Plunkett and Robert Fournier, *Participative Management - Implementing Empowerment*, New York, John Wiley and Sons, Inc. 1991 p14.

Furthermore, organizations have developed with a firm belief that stability is essential to good management. Being in control is valued as evidence of competent managerial behavior, especially, control over the decision-making process is the most fundamental prerogative of management, as represented by a rigid set of signing authority and a clear separation of doing and thinking.

However, the concept of participative management attacks some of these basic beliefs and values. It assumes that everyone in the organization has the capacity to contribute to those issues that affect their responsibility. It assumes that people who do the job know the job.

The issue facing organizations moving toward participative management, in the opinion of Plunkett and Fournier²⁸, is how to deal with "*spectrum thinking*" process characterized by extreme pendulum swings. Managers may have made all the decisions before, but employee/ team make all the decisions in participative management.

Participative management creates expectations for involvement and participation and those expectations that need to be managed. Participative management assumes a clear definition of decision-making responsibility. According to Plunkett and Fournier, participative management is about defining :

- Which decisions should be made by a team or empowered individuals
- Which decisions should be made by a specific team / individual but *must* involve collaboration prior to finalization
- Which decisions should be made independent of input/ involvement

²⁸Lorne C. Plunkett and Robert Fournier, Participative Management - Implementing Empowerment , New York , John Wiley and Sons, Inc. 1991 p80

However, Plunkett and Fournier indicated clearly that there is no easy formula for participative management. Each situation requires consideration regarding the proper way for that decision to be made.

As people make up organizations, they make decisions that are affected by changes in the decision-making process. As we have indicated in the above sections, decision making is the basis of participative management. If everything else in participative management is put in place, but no alterations are made in the decision-making process, such organizations do not have participative management.

Additionally, changes in the decision-making process create a variety of reactions from the people in the system. Many top managers feel challenged and unsure as to how to be effective leaders when decisions are shared. Middle managers are confused because of the change in their role, and concerned by the constant pronouncement of many writers in management who forecast the end of the middle manager. Supervisors are threatened because of the need to ask rather than tell. Employees are skeptical about what they are supposed to do and unsure how to go about doing it. External suppliers, customers, and others who relate to the organization, are confused about who has the authority to do what. For these reasons, the introduction of participative management requires a conscious and diligent assessment and plan to examine and, if necessary, modify the decision-making process.

According to Plunkett and Fournier, the participative management must have at least a three-year plan that clearly identifies a transference of authority, accountability, access to necessary information and skills to those people who will make the operating decisions of the future. They also emphasized that participative management is about changing structures, reward systems, procedures and relationships. According to them, the changes cannot be successfully introduced if there is any intention of later withdrawal or replacement by another "flavor of the month" or lip service.

Some of the literature indicated, directly or indirectly, that participative management leads to *Error-Free quality performance*. Plunkett and Fournier²⁹ warn against accepting this statement blindly; they agree with half of it, that is, participative management leads to quality performance; yes, the remaining part of the statement in their opinion is closer to fiction rather than the truth. According to them there is no doubt that empowerment and involvement lead to higher quality decisions and performance. However, the error-free performance story lies in two dimensions:

- Errors are part of a traditional form of management, and the participative management philosophy should not expect to be without them.
- Failure is the fuel of growth. Not only should failure be expected, but it should be encouraged. The lack of failure represents the lack of risk taking and experimentation.

They have emphasized the fact that the key concern of participative management is how failure is managed. The traditional approach involves extremely unhealthy responses to failure such as :

- Finger Pointing
- Defensiveness
- Denial
- Covering Up etc.

However, Plunkett and Fournier feel that in participative management, failure is programmed as a learning experience to be shared, so it is not repeated . The important

²⁹Lorne C. Plunkett and Robert Fournier, *Participative Management - Implementing Empowerment* , New York, John Wiley and Sons, Inc. 1991 p42

part is to understand the concept of failure as "failure is learning" and the "failure to learn from failure is poor management"

2.7 Training

For decades , training and development has been criticized for being too responsive to fads and not sufficiently oriented to the real needs of the organization. Many executives have rightfully questioned why the organization has committed itself to certain training and development programs and strategies. Quite often, there is not a good answer to this question.

However, according to Potts and Sykes³⁰ more than one program has gotten underway by some person [senior executive or influential HR person] and for a multitude of reasons , that person decides that the entire organization should likewise benefit from the program. They have further indicated that in their experience as corporate trainers in problem solving and decision making for managers across the USA, they observed that during the Sunday evening opening session, it was customary to ask participants about their expectations for the week and why they felt they were there. It was often amazing to them to see how little thought had been given to those questions. They said that many times individuals admitted that " they had no idea why they were there;" Such individuals indicated that they were simply told by their bosses that they had been selected, or "it was just their turn" and so here they were.

If it is not clear just what problems a program is intended to solve or what skill the training is intended to develop or improve, it is unlikely that the justification or payback for the program will be apparent.

It seems obvious that management development programs would reflect as closely as possible the genuine needs of the organization. However, even during the current era of

³⁰ Tom Potts and Arnold Sykes, Executive Talent, Illinois, Richard D.Irwin, Inc. 1993, p 181

cost consciousness, it is surprising to see the kinds of programs that continue to be offered by organizations for which the relevance or contribution is highly questionable.

2.7.1 Human Resource Development

The concept of training is not just something done to individuals but rather a series of steps, in a continuous and integrated management development effort. From the individual's perspective, it addresses motives, personal goals, talents, experience, potential, and ongoing developmental needs. From the organization's perspective, it addresses core values, business goals and objectives, and present and future organization structure. Therefore, according to Potts and Sykes³¹ the mission of human resource development system is achieved through the performance of several activities such as :

- A. Recruiting and early training of qualified people
- B. Assessing individual performance and potential continuously at all levels
- C. Determining and implementing career paths that will provide needed growth experience
- D. Determining long range supply/ demand balances for managerial resources
- E. Training and developing individuals with internal and external programs
- F. Delegating responsibilities for the development process involving individuals
- G. Involving senior management in understanding and committing resources to development plans for the employees with high potential
- H. Holding department and corporate reviews of high-potential individuals along with review of their development plans
- I. Holding senior level reviews of specific plans as well as of the planning process itself

³¹Tom Potts and Arnold Sykes, *Executive Talent*, Illinois, Richard D.Irwin , Inc. 1993, p 62

Accordingly, for the successful achievement of such a mission, there is a need for a well-integrated system to involve a series of human resource support activities as well as the decision making by line management. This is a task that requires a team effort. Neither human resource staff nor line management can fulfill the mission alone. Although the above points/activities may be seen as largely addressing the perspective of the organization, the focus remains on the individual.

Capabilities and job demands must be balanced by orientation and training. Training helps an employee do his or her present job, and the benefits of training may extend throughout a person's career and may help develop that person for future responsibilities. Development, on the other hand, helps the individual handle future responsibilities with little concern for present job duties. If employees are developed properly, the job openings found through human resource planning are more likely to be filled internally. Promotions and transfers also show employees that they have a career, not just a job.

The employer benefits from increased continuity in operations and from employees who feel a greater commitment to the firm. Continuous training leads to human resource development, which is an effective way to meet several challenges faced by most organizations. These challenges include employees' obsolescence, sociotechnical changes....etc.

2.7.2 Learning Organization

Peter Drucker³² indicated how important learning and knowledge are in the life of nations and organizations. He stated " Consider that 30 years ago, there wasn't a person in Korea who had any tradition of skill or craft, if only because Japan didn't allow its neighbors to acquire any for 50 years. Today , Korea can do almost anything any

³²Peter F. Drucker, Managing for the Future, New York, Truman Talley Books/Dutton , 1992 p27.

advanced industrial nation does, thanks to training." According to Potts and Sykes³³ "an annual survey of employee training in US organizations with 100 or more employees, a total of \$43.2 billion dollars was budgeted for formal training, The share of training expenditure for executive education actually spent reached \$ 12 billion dollars."

The philosophy of retraining employees rather than laying them off is the strategy of most successful CEOs. It is seen by many executives that such policy is more cost effective than re-hiring. Motorola, for example, spends one percent of the sales revenue in training employees in quality. It runs its worldwide training programs from Motorola university. According to Fortune International³⁴ the university delivered 102,000 days of training to employees, suppliers and customers. The company's total sale for 1992 was \$ 13.3 billion, and it spent \$120 million on education. Motorola calculated that every \$1 it spends on training delivers \$30 in productivity gains within three years; sales per employee are reported to have doubled in the past five years and profits have increased 47% . The training strategy was adopted by the company to raise productivity, build loyalty and boost profits rather than enforce lay offs to cut costs.

Through the interviews with top management in the three sectors, it was clearly emphasized by them that training is among the top priorities and considered very important to boost productivity, maintain high performance, and to secure a competitive edge to cope with the rapid technological changes and advances.

The Industrial sector, being technology based, gives training of technical staff high priority as well as the line managers and executives.

³³ Tom Potts and Arnold Sykes, *Executive Talent*, Illinois, Richard D.Irwin, Inc. 1993, p 179.

³⁴Fortune International , March 22,1993 "Companies that train best , by Ronald Henkoff, on p40"

2.8 Team Work

Managers must understand the need for participative leadership. This is what most management experts say. We all know that the traditional view is that managers alone are responsible for what occurs in the work unit. Such view is not practical; a manager cannot be the heroic employee who carries the entire work unit on his back. Buchholz and Roth³⁵, indicated that Bradford and Cohen, in *Managing for Excellence* [New York, John Wiley and Sons, Inc.,1984] described the heroic manager as "one who tries to have all the answers, who accepts responsibility for performance of the work unit, who feels he or she must be in control, must coordinate and direct all efforts." Unfortunately, such heroism does not teach people to detour for themselves. In fact, it sets into motion a vicious circle that is self-fulfilling, self-perpetuating and self-reinforcing, with team members becoming more passive and accepting less responsibility, while the heroic manager is forced to take more responsibility. However, needless to say, the heroic style of management is outdated and no more appreciated in the working environment. The reasons are closely tied to changes occurring in the workplace which has changed from simple to complex, requiring more reliance on technology and experts in specific areas. It has changed from reliance upon independence to reliance upon interdependence.

The 1900's emphasis on team specialization has been replaced with an emphasis on teams of experts working toward a common goal. These changes have led to the need for a *post-heroic leader*, one who creates an environment where team members share responsibility for managing the unit *with* the manager. This would require a shift in the mind of the manager to act as a developer, building a shared responsibility team by making key departmental decisions jointly with team members, and helping team members feel jointly responsible for department successes and failures.

³⁵Steve Buchholz and Thomas Roth, *Creating High-Performance Team*, New York, John Wiley and Sons, Inc. 1987, p 36

Many managers are trapped in what may be called *the superman syndrome*, either over control, that is flying to the rescue, or under control, showing no outburst strength. True team work occurs in situations where members' performance is dependent on each other. It is not simply a togetherness.

Today managers, faced with rapid technological changes, masses of information available at the press of a button, and changing values in the work force, are becoming more and more convinced that they should and must share responsibility, both managers and employees would benefit greatly.

Both formal and informal teams exist within the organization. Formal teams comprise sections and departments of people who work very closely on specified objectives such as senior managers who meet more frequently with an agreed agenda. Informal teams are those peoples who are charged to implement a specific task or handle a wide problem mostly on a temporary basis and for limited time. In both cases, the relationship determines

effectiveness. If all members will support and contribute effectively, synergy will result

.According to Thompson³⁶, a successful team needs :

- ***Shared and agreed objectives***
- ***Working language or effective communication***
- ***The ability to manage both the tasks and the relationships***

However, getting people to work together is a challenging task. Team work is essential for a productive organization. Collaboration is needed to develop the commitment and skills of employees, solve problems and respond to environmental pressures. Fostering collaboration is the key that leaders use to unlock the energies and talents available in their organization. Thompson believes that "Leadership" is a relationship between leaders and the people that they aspire to lead. A failure would be imminent if leaders

³⁶John L. Thompson, Strategic Management, London, Chapman and Hall, 1990, p 310

do not understand that leadership is shared management and not a focus on the heroic view of leadership. Leaders who accept singly the responsibility and believe that they should know everything and be able to solve any problem, simply have prevented **excellence from being attained in the organization.**

The team approach is not new . Quality circles , for example, have been in existence for several years as one kind of team approach. Team work must become a management philosophy, permeating the entire work culture , rather than an approach that is unusual or out of the ordinary.

According to Buchholz and Roth³⁷, a high performance team would provide the organization with “ the one-to-group skills” needed to :

- *Provide strong leadership*
- *Create and reinforce a positive work culture*
- *Create and gain alignment on a departmental purpose*
- *Lead the team to interdependence and group synergy*
- *Generate high communication and trust*
- *Encourage employees to use their creative talents*
- *Solve problems*
- *Recognize and define opportunities*
- *Gain team commitment.*

³⁷Steve Buchholz and Thomas Roth, Creating High-Performance Team, New York, John Wiley and Sons, Inc. 1987, p xii

2.9 Reward System

Cornwall and Perlman³⁸, defined a reward system as " The incentives available within an organization , the criteria by which people can qualify to receive these rewards, and the process by which they are distributed ." It is important to realize that people work for a good return on their input and they are empowered when the reward system in the organization rewards the right people. Their intrinsic satisfaction is fulfilled when fairness and equity is exercised. It is very important not to give every one the same reward as it is de-motivating to the hard workers.

There are many type of rewards, such as money, gifts, certificates, letters of thanks, promotion, recognition....etc. All are cost-effective when timely and sincerely given. Small praise remains for a long time with employees as a good dose of motivation. Effective rewards must be linked with the performance management system which must be clear to all, so that rewards would have a meaning and value to individuals and groups in the organization. According to Peter Drucker³⁹ "changing habits and behavior requires changing in recognition and rewards. People in organizations tend to act in response for being recognized and rewarded - everything else is preaching ."

2.10 Motivation

Motivation is a complex subject that involves our unique feelings, thoughts, and past experiences as we share a variety of relationships within and outside organizations. To expect a single motivational approach to work in every situation is probably unrealistic. Many theorists and researchers expressed different points of view about motivation.

³⁸Jeffery Cornwall and Baron Perlman , Organizational Entrepreneurship, Boston, Irwin, 1990 p 127

³⁹Peter F. Drucker, Managing for the Future, New York, Truman Talley Books/Dutton, 1992 p195

Frederick Herzberg⁴⁰ highlighted two important generators or factors in his motivation. On Hygiene theory of job attitude, he said "Factors involved in producing job satisfaction and motivation are separate and distinct from the factors that lead to job dissatisfaction. Since separate factors need to be considered, depending on whether job satisfaction or job dissatisfaction is being examined, it follows that these two feelings are not opposites of each other. The opposite of job satisfaction is not job dissatisfaction but, rather, no job satisfaction and similarly the opposite of job dissatisfaction is not job satisfaction but, no job dissatisfaction." According to Herzberg, hunger, a basic biological drive, makes it necessary to earn money, and then money becomes a specific drive. The other set of needs relates to that unique human characteristic, the ability to achieve and through achievement, to experience psychological growth. However, the growth or motivator factors that are intrinsic to the job are: achievement, recognition for achievement of the work itself, responsibility and growth or advancement. The dissatisfaction-avoidance or hygiene factors that are extrinsic to the job include: company policy and administration, supervision, interpersonal relationships, working condition, salary, status and security.

The good performance causes satisfaction, which is a sense of achievement. Douglas McGregor said that "commitment to objectives is a function of the rewards associated with their achievement." If we want effort from people who work for us there are two factors we must consider:

- The value of the rewards to the individual in so far as they are likely to satisfy his needs for security, social esteem, and self-fulfillment
- The probability that rewards depend on effort, as perceived by the individual

In other words, consider his expectations about the relationship between his effort and his reward.

⁴⁰Frederick Herzberg, One more time: How do you motivate employees?, article re-published by Harvard Business Review, "People: Managing your most important asset", Boston 1992 p26.

Thus, the greater the value of a set of rewards and the higher the probability that receiving those rewards depends upon effort, the greater the effort that will be made in a given situation. But effort is not enough, it has to be effective effort if it is to produce what we want. However, there are a number of additional factors which affect motivation, such as, ability, perceptions about the job, influence of other people and the work itself.

Why do people do things? Why do some employees work harder ? Such human behavior is a reflection to many factors such as a reward system, communication, recognition..etc. According to Donnelly, Gibson and Ivancevich⁴¹ " Motivation is concerned with the "Why" of human behavior, it is important to management for three reasons : **First**, employees on the job must be motivated to perform at an acceptable level . **Second**, managers themselves must be motivated to do a good job. **Third**, employees (managerial and non-managerial) must be motivated to join the organization." From a manager's perspective, a person who is motivated would :

- Work hard
- Sustain a pace of hard work
- Have self-directed behavior toward important goals

Motivation involves efforts, persistence, and goals. It involves a person's desire to perform. The actual performance is what managers can evaluate to determine indirectly the person's desire. Managers must truly believe in the importance of the people who work with them; they must be committed to improving the quality of working life, providing opportunities for growth and development, giving individual attention to the needs of employees, keeping them informed on matters that affect them, inviting them

⁴¹James H. Donnelly, Jr., James L. Gibson and John M. Ivancevich, Fundamentals of Management, Boston, Richard D.Irwen, Inc. 1990 P303

to participate in decision-making and ensuring that a fair pay system which rewards staff according to their responsibilities and contribution does exist.

A belief in these values and the organization as a whole will be developed if something that is worth doing is being done. Pride in the organization exists and this would enhance productivity, loyalty, commitment, discipline, staff morale and creativity.

2.11 Creativity

Creativity is an important tool for remaining competitive in the market; it is the fundamental force for the development of the organization. It is important to recognize the fact that all people have a creative potential, although that some people underestimate the degree of creative potential they have. According to Cornwall and Perlman⁴², the organization needs to support creativity by establishing and maintaining three conditions:

- 1- The removal of impediments-dysfunctional bureaucracy and formal rigid communication, organizational policy and infighting, management overconfidence, and the belief that innovation comes easily
- 2- Empowerment
- 3- More organizational culture

Harmony in a working environment with high communication and trust among people becomes a necessity for successful work. The heroic style of management is outdated and no more appreciated in the working environment. The workplace has changed from

⁴²Jeffery Cornwall and Baron Perlman, *Organizational Entrepreneurship*, Boston, Irwin, 1990 p 161

simple to complex; this requires more reliance on technology and experts in specific areas. It has changed from reliance upon independence to reliance upon interdependence. And, as a result, team specialization has been replaced with an emphasis on teams of experts working toward a common goal. These changes lead to the need for a *post - heroic leader* , one who creates an environment where team members share responsibility for managing the unit *with* the manager. This as indicated earlier would require a shift in the mind of the manager to act as a developer, building a shared responsibility team by making key departmental decisions jointly with team members and helping team members feel jointly responsible for department successes and failures.

2.12 Communication

Organizational structure defines to a large extent who interacts with whom in an organization. These interactions involve the transmission of information from one person to another. In other words, structure and communication are intimately related. Information about the organization, its environment, its products and services and its people is essential to management and workers. Without information, managers can not make effective decisions about the markets or resources. It has been emphasized by many management writers that insufficient information may cause stress and dissatisfaction among employees.

This universal need for information is met through an organization's communication system, which would provide formal and informal methods to move information through the organization so that appropriate decisions can be made. **Communication** as defined by Cornwall and Perlman⁴³ "is the transfer of information and understanding from one person to another. Without understanding, communication is incomplete, and ambiguity, anxiety, uncertainty and errors between two or more people can result."

⁴³Jeffery Cornwall and Baron Perlman, Organizational Entrepreneurship, Boston, Irwin, 1990 p 112

Communication is done in writing, electronically by computer, by word of mouth, face to face, and non-verbally. Managers quite often forget that what they do may communicate messages more powerful than what they say. Communication affects every area of the organizational life. If the organization intends to create or affect a change, employees must know that they are heard, really listened to and have complete information. It is management's responsibility to ensure that these conditions are met.

In the traditional organization, following the chain of command and protocol, communication is honored often to the exclusion of productive results. Kanter⁴⁴ calls this the "Elevator Mentality." In organizations with elevator mentality, communication from the top down is common, often in the form of job instruction, procedures and practices, feedback etc. Each superior communicates to subordinates, and thus information and requests for useful information do not travel up the organization easily, if at all. A traditional organization has a poor link and network to transfer innovative ideas, and this poor link inhibits making productive communication easily available to lower level employees. There is poor horizontal communication between functional areas as well. Lack of horizontal communication and lack of useful information available to employees in lower levels of the organization prevent innovation and development of ideas into profitable goods and services.

According to Cornwall and Perlman, typical **informal communication** is encouraged in entrepreneurial organizations, while **formal communication** is emphasized in traditional organizations. The informal communication, in their opinion, can be represented by an intertwined bowl of spaghetti because communication at this type occurs largely on a "need-to-know" basis. It is not based on formal bureaucratic structures. In the traditional organizations, they felt that the communication patterns would look like neat vertical

⁴⁴Kanter, R.M, The Change Master, New York, Simon and Schuster 1983.

lines originating from the top and branching out at each new level in the organizational chart.

Although no one denies the importance of the formal communication in disseminating information concerning archives, legal needs and so on, managers must start spending more and more time on the process of communication and not on the content of what is being communicated.

The problem with relying exclusively on the chain of command is that much of the information will be filtered as it is passed upward. There will be the tendency to pass along only those opinions that the boss wants to hear. Therefore, relying solely on what is passed back through the chain of command may not produce an accurate picture on employee views.

Managers should emphasize achieving *productive communication*. According to Cornwall and Perlman⁴⁵ **productive communication** is defined as "the interchange of data and ideas by people to meet the goals of the organization." This type of communication is the only way people can get the information they need, when they need it, if new ideas are to be heard and implemented. Productive communication can be formal and informal.

Cornwall and Perlman⁴⁶ indicated that managers have influence over productive communication and they can reinforce a culture in the organization to enhance productive communication. And to do so, managers would need :

- The support of the highest levels of management in the organization - that is productive communication must be an organization-wide commitment

⁴⁵Jeffery Cornwall and Baron Perlman, *Organizational Entrepreneurship*, Boston, Irwin, 1990 p 113

⁴⁶Jeffery Cornwall and Baron Perlman, *Organizational Entrepreneurship*, Boston, Irwin, 1990 p 115

- The knowledge that they are acting in ways that assist the organization in meeting its goal of productive communication
- The knowledge that productive communication is a managerial responsibility for which they are evaluated and rewarded

They have highlighted four methods of increasing productive communication, these are:

2.12.1 Sharing of information

Sharing information within the organization is found to serve many purposes such as:

- A. Confirming empowerment as real
- B. Speeding and enhancing problem-solving
- C. Inhibiting upper level management from controlling and interfering inappropriately
- D. Increasing the amount of useful information
- E. Flattening organizational structure
- F. Contributing to intrinsic satisfaction

2.12.2 Clear communication

Communication must be clear to be productive. Clarity creates understanding in communication and saves unnecessary waste of time resulting from ambiguous instructions.

2.12.3 Listening

Motivation is considered to be the key communication skill for productive communication, this can be achieved through the ability to listen to others. Such ability

would encourage people with new ideas to present themselves, will provide excellent feedback so that managers will become aware of the details of important issues of concerns including progress on activities and learn what is urgent and what is vital...etc.

2.12.4 Doing

Actions speak louder than words, so everybody says. It has been clearly indicated that a manager's behavior and action would communicate messages more powerfully than what they say. Every simple action sends strong messages to employees. When managers walk their talk and show others that they do understand risk taking, irrespective of whether an employee fails or not, this will impact positively on empowering employee and would not be considered as lip service [watch my lips].

Do managers really allow or help employees innovate? Employees at the organization do care and interpret every move of their bosses and as such managers are accountable for their non-verbal communication.

Lee Iacocca used to hold meetings every month with about 150 employees picked at random; he describes these meetings as " I just stand up in front of the room and let the people fire away." Such meetings might not provide specific feedback, but certainly show the willingness of the CEO to listen and to show respect for employee opinions which will leave employees feeling less estranged from senior management. The evolution of "open communications" in many corporations has redefined the traditional view of " who always talks, and who always listens."

Members of strong teams usually have in common the desire for, and willingness to engage in, honest and open communication. According to Stewart⁴⁷ there is a chicken-

⁴⁷Douglas Stewart, The Power of People Skills, John Wiley and Sons, Inc .New York 1986 P168

and-egg relationship between communication and trust. Honest communication is the backbone for healthy, efficient and productive organization.

2.13 Performance Management

Improving the performance of employees is a goal of organizations in both public and private sector. In this era of reduced budgets, improved performance has become very important for the organization to

Performance Management is a tool to measure staff and/or division performance against the established division's / department's objectives. This is managed by ensuring that resources and activities of each department / section and all its staff are focused towards achieving those objectives that meet the goals or leads to achieving the firm's major objectives.

achieve its mission. By improving the performance of the employees, productivity will be increased and also result in better and more efficient service to the customer.

Performance management, which is an ongoing process, includes performance appraisal that can help employees understand the nature and quality of their recent performance, identify what they must do to improve, and motivate them to improve. It is the process of observing, identifying, measuring and developing work behavior in the organization. Researchers emphasize that there is a strong correlation between performance management and increased productivity.

According to a discussion paper⁴⁸, there are three basic components of performance management; these are *performance planning*, *performance managing* and *performance appraisal*. The paper defines performance planning as the process of identifying the desired performance and gaining the commitment of employees to perform to those expectations. It defines performance managing as the ongoing process of working towards the performance expectations established in the planning phase; it indicates that

⁴⁸Improving Performance Through Better Management, discussion paper, fifteenth International Symposium on Public Personnel Administration, London, April 17-21, 1988

if performance is satisfactory or exceeding expectations, the manager should provide *positive re-enforcement* to keep performance at a continued high level and, if performance is lacking, the manager should provide *guidance* on improving performance. On the other hand, performance appraisal provides managers and employees with the opportunity both to assess performance trends and to plan for the future. Therefore, part of the performance appraisal should focus on a career development program that would help the employee build his/her commitment and loyalty to the organization which shall result in an increase in his motivation and productivity.

When designing a performance appraisal system, Harry Levinson⁴⁹ stressed that the motto which ought to be followed is "not the winning or losing that counts, but how you play the game." He argued that in business, results are important. What the motto or epigram indicates, is that some results are not worth the means some take to achieve them. Nonetheless, most performance systems in most companies focus on results of behavior while in reality people are judged just on how much they get things done. According to Levinson, performance appraisal has three basic functions:

- 1- To provide adequate feedback to each person on his / her performance
- 2- To serve as a basis for modifying or changing behavior toward more effective working habits
- 3- To provide data to managers with which they may judge future job assignments and compensation

Levinson advocates that performance appraisal focuses not on behavior but on outcomes of behavior, however, he indicated that although the system appraises results, in practice, people are really appraised on how they do things, which is not formally described in the setting of objectives and for which there are rarely data on record.

⁴⁹Harry Levinson, Appraisal of What Performance?, article re-published by Harvard Business Review, "People : Managing your most important asset", Boston 1992 p70

He highlighted some inadequacies or drawbacks of appraisal systems as follows :

1. Judgments on performance are usually subjective and impressionistic.
2. Because appraisal provides inadequate information about the subtleties of performance, managers using them to compare employees for the purposes of determining salary increases often make arbitrary judgments.
3. Ratings by different managers and especially those in different units, are usually incomparable. What is excellent work in one unit may be unacceptable in the other unit in the same company.
4. When salary increases are based on rating of results rather than on behavior, competent employees may not only be denied increases but may also become demotivated.

Some argue that these drawbacks and problems are deficiencies of managers, not of the system, however even if that is true, managers remain part of that system. Levinson⁵⁰ said that "Performance appraisal needs to be viewed not as a technique but as a process involving both people and data and, as such, the whole process is inadequate." Such deficiencies made some managers reluctant to apply it in a straightforward manner and some personnel specialists attribute these problems to the reluctance of managers to adopt new ways and to the fear of irreparably damaging their subordinates' self-esteem. Levinson in quoting Meyer⁵¹, said "in Civil Service, performance appraisal is *a joke*, and in both private and public enterprise, merit ratings are hollow."

⁵⁰Harry Levinson, Appraisal of What Performance?, article re-published by Harvard Business Review, "People : Managing your most important asset", Boston 1992 p71

⁵¹Herbert S. Meyer, "The Pay for Performance Dilemma," Organizational Dynamics, Winter 1975, p.39.

Performance appraisal must be supported by mechanisms that enable the manager to master his inadequacies and to cope with his feelings of guilt. Performance appraisal cannot be limited to a yearly downward reward / punishment judgment, appraisal should be a part of continuing process by which both manager and employee may be guided and should enhance superior- subordinate relationship.

Leaders not only have high expectations both of themselves and of their subordinates, they should know how to recognize contributions of their subordinates while they provide them with clear directions, substantial encouragement, personal attention, and feedback. Along the way, feedback creates small wins that stimulate, rekindle, and focus people's energies and drive. Feedback helps to ensure that learning takes place so that people acquire the competence that comes with experience.

However, among the most important things leaders do, is to recognize and reward individuals to contribute toward vision and values, goals, other people, and so on. Successful managers express their appreciation far beyond the limits of the organization's formal performance appraisal systems, and should be spontaneous and creative in saying "thank you."

Kouzes and Posner⁵² highlighted nine strategies that managers can use to recognize accomplishments as follows :

- 1- Develop tough measurable performance standards. Strong-culture companies were characterized by high performance standards, with an adequate reward system that must clarify and communicate these standards.
- 2- Standards ought to be extraordinarily high, yet achievable. Performance standards must be linked directly to what is important to the success of business.

⁵²James M.Kouzes and Barry Z. Posner, The leadership Challenge - How to get extraordinary things done in organizations, San Francisco, Jossey - Bass Publishers, 1987 p 254.

- 3- Install a formal systematic process for rewarding performance. The annual performance appraisal is an adequate summary report for an entire year's performance, but employees should not have to wait twelve months to know how they are doing on every performance standard. Every reward system ought to meet these criteria, and each employee must know:
- What the performance standards are,
 - How the standards will be measured,
 - How they are going to get feedback, and finally
 - What the relationship between their efforts and the available rewards is
- 4- Be creative about rewards. Managers need to use the organization's formal rewards system to recognize people's achievements; People respond to all kinds of rewards other than promotions and raises; Rewards such as "super person of the month" awards, photographs with the president, verbal encouragement, spot strokes, pictures in annual reports and company newsletters. Emphasis should be on noticing and recognizing small wins. Appreciation and encouragement are to continue the effort.
- 5- Let others help design the non-monetary compensation system. People become most excited about activities and events. Involve others to design a system in which rewards are closely linked to performance norms.
- 6- Make recognition public. Let other people know about the accomplishment. When recognition is public, not only is a person's self-esteem bolstered, but his or her behavior serves as a model to others of what is right and how doing the right things will be noticed and rewarded. Recognition also helps to empower recipients by increasing their visibility. Public recognition builds commitment in

that it makes people's actions visible to their peers and difficult to deny or revoke.

- 7- Go out and find people who are doing things right. Rewards are most effective when they are highly specific and in close proximity to the appropriate behavior. Selecting someone as the employee of the month but never telling that person "why" is not an effective use of recognition.
- 8- In order to be able to provide such timely and specific feedback you have to go out and find it. One of the most important results of being out and about as a leader is that you can personally observe people doing things right and then reward them on the spot or at the next public meeting.
- 9- Coach: Coaches do not wait until the season is over to let their players know how they are doing; the same should be true in business. Coaching involves the on-the-job, day-by-day spending of time with your people, talking with them about your game strategies, and providing them feedback about their efforts and performance. And when the game is over, analyze the results of efforts. Where did we do well? Where do we need to improve our efforts? What will we have to do differently, better, or more of the next time?

The above stated strategies include important elements that make the cornerstones of the Empowerment process. Management must consider seriously incorporating whole or part of these strategies as deemed appropriate when deciding to implement empowerment in their organization .

Furthermore, according to William Lareau⁵³ "Traditional performance appraisal systems reward people who set low goals and /or those who play it safe." He is emphasizing the

⁵³William Lareau, American Samurai, Warner Books, New York, 1991 p225

All these factors are closely inter-related; skills are certainly the responsibility of the employee, for knowledge, ability and experience are unique to each person. However, the remaining three factors -opportunity, motivation and environment- are largely the responsibility of the manager. He is the one who gives the employee the opportunity to demonstrate his skills. It is also the manager who has the greatest impact on the environment or work culture, which is a major factor influencing an employee's motivation. According to Covey⁵⁵ performance management is sometimes rightly referred to as *performance agreements or partnership agreements*, thus shifting the paradigm of productive interaction from vertical to horizontal, from hovering supervision to self-supervision, from positioning to being partners in success. He considers this as win/win agreement covering a wide scope of interdependent interaction between employers and employees. In this win/win agreement , five elements are made very explicit:

- *Desired result* [not method] - Managers would identify what is to be done and when.
- *Guidelines* -Managers would clearly specify the parameters [principles, policies, etc.] within which results are to be accomplished .
- *Resources* -Managers need to identify the human, financial or organizational support available to help accomplish the results.
- *Accountability* -Managers need to clearly set up the standards of performance and the time of evaluation.
- *Consequences* - Managers to specify good and bad , natural and logical - what does and will happen as a result of the evaluation.

According to Covey, such clear mutual understanding and agreement up front in these areas creates a standard against which people can measure their own success. He

⁵⁵Stephen R. Covey, *The Seven Habits of Highly Effective People*, New York, Simon and Schuster 1989 p232

indicated that the traditional authoritarian supervision is no more than a win/lose paradigm while in the win/win agreement that involved identifying specific objectives and criteria that would demonstrate their accomplishment and identifying guidelines, resources, accountability, and consequences that would result when the objectives were met are the appropriate management focus. This type of performance focuses on results and not methods, and allows people to evaluate themselves and the consequences become the natural or logical result of performance rather a reward or punishment arbitrarily handed out by the supervisor at the end of the year, mostly on subjective judgments. However, Covey clearly emphasized that win/win performance agreement can only survive in organizations when systems support it.

2.14 Organization Culture

An emphasis on the more visible initiatives such as training, participative management, teamwork, performance management, communication, sharing information...etc. without the recognition of the need to change the value system which drives the organization is unlikely to achieve a sustained shift to best practice and performance.

Culture touches and influences everything that people do in the organization. Positive cultures are ones that are in line with an organization's vision, mission, and strategies. Positive cultures support organizational entrepreneurship. In other organizations where entrepreneurship is lacking as a strategic goal, the culture does not support risk taking, searching for opportunities or even innovation. When managers understand their organization's culture, they become able to assess, strengthen and, if necessary, change what they do so that the organization becomes stronger and more competitive.

Culture, may be defined as: an organization's basic beliefs and assumptions about what the organization is all about, how its members should behave, and how it defines itself in relation to its external environment. It is an organization's reality that shapes everything

within an organization. Culture is reflected in an organization's philosophies, rules, norms, values, climate, symbols, and almost everything its members do.

An important function of an organization's culture is to communicate the ethical expectations that exist for employees. Most corporations have clear views on what is considered right and wrong behavior toward co-workers, superiors, subordinates, customers, and various constituencies in society. Nevertheless, many other ethical expectations become unwritten norms that employees learn over time.

Leaders of organizations establish the ethical components of a culture in the ways they behave and in their commitment to the values of trust and integrity. Trust implies accountability, predictability, and reliability. Trust is the glue that maintains organizational integrity. One cannot buy trust and it cannot be established quickly. Once trust is in place as part of an organization's culture, it can only be maintained by hard work - it must be continually earned.

The management of culture change is being increasingly recognized as a technology in its own right and change is not brought about simply by announcement. Managers in the 1990's need to be better equipped with instruments and methods which will assist them in coping with inherent resistance to change. Indeed, as the rate of introduction of new technologies for both management and production continues to increase, the capacity of an organization to manage change quickly will become a competitive advantage.

The initiation of various activities without planned and controlled management of cultural change will be more likely to create an organization which continues in an old paradigm. Any situation where there is a significant gap between what people are told and what they perceive to be reality, is likely to result in discouragement. The practice of "Management By Walking Around" has often been promoted as good management. However, it can be very damaging if wrong questions are asked. Questions that reflect the values which are being promoted must be asked; unfortunately, too often old values were still reinforced. Therefore it is critical that organizations' policies are progressively reviewed and updated in order to create a supportive rather than a conflicting

environment. This would obviously create confusion, uncertainty and frustration among the work force and may continue to be widespread if not promptly addressed .

According to Stewart⁵⁶ research into organizational productivity indicates that the equation goes like this:

$$\text{Work Culture} = \text{Productivity} = \text{Profitability}$$

If increased profitability is an organizational goal, one of the best places to start improvements is with an examination of the organization's work culture.

What do we mean by a work, or corporate culture ? Basically, it is the sum total of the formal and informal systems by which things happen in an organization. It is the information that precedes the statement "... and that is the way things are done around here." The work culture reflects not only the organizational flowchart, but also who really has the power to make things happen, and how that power is used.

The strongest component of the work culture is the beliefs and attitudes of the employees, the people who make up the culture. Stewart indicated that if these cultural norms contain beliefs such as, "Around here, nobody dares make waves" or, "Do just enough to get by and people will leave you alone," the organization's performance will reflect those beliefs.

On the other hand, he pointed out that if the cultural belief system contains positive approaches, such as, "Winners are rewarded here" or, "People really care if you do a good job in this outfit," that also will be reflected in the organization's performance.

⁵⁶Douglas Stewart, *The Power of People Skills*, John Wiley and Sons, Inc. New York 1986 P43

2.14.1 What Influences the Culture

What creates and influences the culture? Referring to Stewart⁵⁷, there are several major factors such as :

The manager's behavior

Studies indicate that the single greatest influence on the work culture is the manager. As Chrysler Chairman Lee Iacocca says, "The speed of the boss is the speed of the team." Employees soon realize that the best way to get ahead in an organization, while staying out of trouble, is to pay attention not so much to what the manager says, but to what the manager does. Actions, in fact, do speak louder than words. The belief system of the manager, as indicated by the manager's behavior, will usually be mirrored by a significant number of employees.

Employee selection

Some of the major high-performance organizations, such as IBM, carefully select their employees to fit in with the existing corporate culture. It does produce a highly productive organization, as well as very low employee turnover.

The nature of the business

Some businesses have long-established cultures, either as individual organizations or as professions. For example, oil companies in the region are well known for their identical long-established culture, the legal profession has a common culture, no matter which aspect of the law you practice. So do long-distance truck drivers, nurses,

⁵⁷Douglas Stewart, The Power of People Skills, John Wiley and Sons, Inc. New York 1986 P44

fishermen...etc. Most professionals bring a set of cultural beliefs with them, regardless of where they work.

The exception to this may be in new industries such as electronics, where neither the job roles nor the products even existed a few years ago. Firms in California's Silicon Valley, for example, literally had to build new corporate cultures since no models existed in their Industry. According to some consultants, this culture has developed into one of "high turnover, long work hours, intense enthusiasm for one's work, technology as king over marketing or the customer - and everyone's goal is to be an entrepreneur, not a vice-president." This can create excessive employee stress and tension, and drug use, alcoholism, and divorces are reported to be higher than normal in those industries.

The external culture

An organization's internal culture can be strongly influenced by the culture of the community that surrounds it. Investors who set up businesses abroad soon learn that they must respect the local cultural beliefs if they expect to have a smoothly functioning organization.

Meetings absorb the greatest part of the manager's time and activity. Some published surveys have shown that managers, depending on their level, spend 50% to 80% of their time at conferences and meetings. Many researchers indicated that no other activity wastes so much time for so many people as meetings do. Depending on the level of participants and size of the meeting, it can cost hundreds of dinars an hour; why do we have to waste so much money and time on meetings? However, as meetings are often insufficiently prepared and organized, poorly managed or insufficiently evaluated, they would obviously take a longer time and may be superfluous.

Nevertheless, well-conducted, productive meetings which deal with relevant subject matter efficiently are a sign of well planned, good teamwork, a high level of morale and commitment and more importantly, it typifies a healthy organization and effective management.

The individuals in such organizations enjoy an environment where the meeting is both a challenge and an opportunity. Good performance at meetings can lead to increased responsibility and advancement. Also, well-planned meetings provide a chance to bring group experience to bear on a particularly difficult subject. Gathering or disseminating information prior to, or during the meeting is a crucial starting point for a positive outcome and sound result.

Changing an organization's culture is not as easy as ABC. When an organization implements an entrepreneurial strategy and moves toward becoming more entrepreneurial, change is involved. Similarly, an organization's change is a threat to most people, even more so to those who work in an organizational culture and values, stability and the status quo.

Culture is not easily altered. Many managers underestimate the amount of time it takes to achieve real and lasting change in an organization's culture. Some authors wonder if culture can ever really be changed. If it can, it takes persistence and patience. A change in culture involves new behaviors, new values, and new assumptions of the world. There must be new rituals, new rites and ceremonies, new heroes, and new ethics. There are some guidelines to cultural change as indicated by Cornwall and Perlman⁵⁸ as he was quoting Deal and Kennedy who pointed out that for cultural change a manager needs to:

1. recognize that peer group consensus will be the major influence on acceptance and willingness to change.
2. convey and emphasize two-way trust in all matters (and especially communications- related to change).

⁵⁸Jeffery Cornwall and Baron Perlman, *Organizational Entrepreneurship*, Boston, Irwin, 1990 p 79

3. think of change as skill-building and concentrate on training as part of the change process.
4. allow enough time for the change to take hold.
5. encourage people to adapt the basic idea of changing to fit the real world around them.

Cornwall and Perlman had also quoted Silverzweing and Allen who suggested a list of other characteristics common to cultural change need to be considered, which are :

Involvement of people

The entire notion of culture involves people in a group. Thus, it makes sense that to change culture one must involve people in and with the change. Cultural change cannot be managed by decision.

Emphasis on results

Part of a useful vision is that people can see the future; they know where they are going. An emphasis on results focuses people throughout a change effort.

Total systems approach

This should be evident by now. Culture invades every corner and niche of an organization. If an approach to changing an organization is not total, it will probably fail.

Building win-win situations

If the culture must change, as many people as possible must benefit from the change. If people are to cooperate with change, feel valuable, not be overly threatened by the

change, and feel good about themselves, change must involve a win-win outcome as much as possible. The organization must win, its employees must win.

Continuing commitment

Commitment is psychological attachment to an idea or group. A new culture must not only continue people's commitment, but hopefully strengthen it as well.

Focus on cultural change

If a new culture is what is wanted, then people must focus on behaviors, values, and assumptions.

Furthermore, leaders have an equally important role, they are the people who transmit and embed the culture in an organization. They do this by what they pay attention to, what they measure and control, and especially what they reward. Leaders in many ways, directly and indirectly must give culture its due.

Managers who stand up for their company and their workers, and who take care of small things (symbolically emptying wastebaskets and getting the junk out of their people's way) so others can do their jobs better, understand the meaning of leadership in an entrepreneurial culture.

Vision as emphasized by many authors, appears as the most important element, it produces focus and an agenda. Vision can be the overriding principle for organizing everything that takes place during a change in organizational culture. Vision implies being able to see the future (now). The leader's first task is to be the trumpet that sounds a clear sound.

2.14.2 The Difficulty in Changing Culture

CEOs may pay lip service in their commitment to the new culture. Culture does not thrive on tokenism and appearance. It is built on a strong foundation of reality and integrity. If the CEO is not committed to a culture, why should anyone else be? Adherence to a win-lose scenario and attitudes makes people unwilling to adapt to a new set of values, beliefs, or behavior if they see friends and colleagues fired or treated badly. Insufficient attention may be paid by some or all levels of employees.

Changing culture takes patience and time; cultures are evolutionary, not revolutionary. There is no quick fix to many organizational problems, and culture included. An understanding of the past would obviously enable employees to move freely and confidently through the invisible cultural corridors of an entrepreneurial organization with minimum guidance.

2.14.3 Inducing Change

Every organization interacts with its external environment. In the course of this interaction, certain forces, including competition, consumer tastes, technology, Civil Service regulations, economic conditions, and technological advances, may cause change in the organization.

Aspects of the organization's internal environment, such as redefined purpose and strategies, financial position, reorganization, and mergers, may also lead to change.

2.14.4 Types of Change

In the early 1960s, Harold J. Leavitt developed a model that identifies four interaction variables in every organization. These variables as quoted by Lussier⁵⁹ are also key areas of change. These are :

- Task
- Structure
- Technology
- People

Task

The organization's task is reflected in its statement of purpose, objectives and strategic plans. And this task should change with changes in the environment.

Leavitt points out, a change in task will affect the other variables as well. If the organization changes its product and/or service, changes in structure, technology, and/or people may also be required. Thus, any change involves a systems approach.

Structure

Change in structure is the one most often resisted by people. Yet structural or administrative reorganization is quite common.

⁵⁹Robert N. Lussier, Supervision, Illinois, Irwin 1989 p211

Technology

Technological innovations, such as the computer, have dramatically increased the rate of change. In fact, change is so rapid that machinery often becomes obsolete even though it is still in a usable condition. Changes in technology are often introduced to increase productivity. This may involve automation. Some people fear that automation will reduce the number of employees. This fear is only partly justified. Although some people have lost their jobs to automation, other jobs have been created. As changes in technology increase, there will be a growing need for skilled workers, while the demand for unskilled labor will decline.

People

When changing task, structure, or technology, the impact of the changes on people will be inescapable. Attempts to change any of these other variables will not be effective without people. People's skills must change with the level of technology.

In the early 1950s, Kurt Lewin developed a technique for changing people's behavior, skills, and attitudes. The technique is still used today. Three steps are involved:

- | | |
|-----------------------------|--|
| <i>Unfreezing-</i> | The person becomes aware of why the present behavior should be changed. |
| <i>Change -</i> | The person learns new behavior. |
| <i>R efreezing -</i> | The person is reinforced and supported for the new behavior in order to make the change permanent. |

2.14.5 Resisting Change

Some people believe that managers are for change, while employees are against it. This simply is not true. Supervisors and managers are often more resistant to change than employees. For example, engineers in communications training program complained that they were hired to make changes, but management was often reluctant to allow the changes.

People have different attitudes toward change. Some thrive on it, some are upset by it, while many resist it at first but gradually accept it. However, there are three major sources of resistance emphasized by many authors, these are:

1. Facts

Because change represents a threat to our security and it is natural to fear the unknown, the facts concerning a change are often misrepresented. They are often circulated inaccurately through the grapevine or people use the facts selectively to prove their point.

2. Beliefs

Beliefs are subjective. Beliefs lead us to think and feel that a change will be good or bad. These perceptions can cause resistance to change. We use our experience to predict what the new change will be like.

3.Values

Values reflect what people believe is worth pursuing or doing. What we value is important to us. Because change often requires learning new ways of doing things, employees see it as an inconvenience and place a low value on it.

It is worth mentioning that there are three major focuses of resistance. These are as follows:

1. **Self.** It is natural to ask, "What's in it for me? What will I gain or lose?" If a change will have a negative effect on an employee's economic well-being, such as lower pay or longer hours without additional pay, he or she will resist the change. Employees also resist changes that result in a loss of status or esteem.
2. **Others.** People tend to consider how the change will affect their friends, peers and colleagues. If an employee believes the change will affect others negatively, he or she may still be resistant.
3. **Work environment.** The work environment includes the physical setting and the climate. People like to be in control of their environment and resist changes that take away their control. If employees believe the changed environment is not of value, they will resist.

2.14.6 Problems with Change

Constructively, managing change would be difficult enough if there were only one variety, but there are essentially two kinds of change that both individuals and organizations must be able to manage:

- Initiated change
- Imposed change

The individual and collective reactions to each can be quite different. Below are some brief notes on each type.

- Initiated change is the change that occurs as a result of an individual's own decisions or actions: getting married, retiring early. It can be frightening, uncertain, and stress-producing, but the reaction is usually not as severe as the reaction to imposed change.
- Imposed change is that change which comes uninvited, often without warning, and over which we feel we have little or no control: factory closing, a sudden promotion, financial recession, a new manager. Whether we perceive the change as positive or negative, it still creates a by-product of additional stress while we adjust to the new situation.

Whether the change is perceived as positive or negative, initiated or imposed, the manager is going to run into the same basic problems such as :

1. Employee reactions. Regardless of the nature of the change, employees are going to have questions, fears, arguments, rationalizations, doubts, and personal opinions.
2. Establishment of new channels. Any time change occurs in a system as complex as a functioning work unit, the channels for communication, power, and production may be disrupted. These need to be rebuilt to incorporate the change before full performance is again possible.

3. Time and Energy demands. Any deviation from the normal rate of change will require the manager's additional time and energy to accommodate the change. No matter how positive the change may appear to outsiders, its time and energy demands can still be perceived as a threat, or worse, by the manager who must successfully implement it. The energy demands of implementing the change, as well as the ripple effect of the change itself through the organization, need to be taken into account in any organizational change decision.
4. Power shifts. The delicate organizational balances of power and authority can be upset by change, especially if it is unexpected or unwelcome. Adjustments in the lines of authority take time and energy to rebuild or realign, and that energy must be subtracted from the time and energy available for moving the organization toward its goals.
5. Flexibility. Finally, in a change situation, the manager must be increasingly flexible. If the change is inevitable and irreversible, a manager's time and energy spent in attempting to hold on to the old dilutes the effort necessary to adapt to the new.

CHAPTER - 3

FINDINGS OF THE STUDY

3.1 Introduction

As stated in the methodology, the survey covered 15 local institutions representing the three important economic sectors in the country, namely Banking, Industry and Civil Service. Each of them has its unique management style which is affected by organization culture, prevailing leadership styles and the social cultures, power centers, ways of communication...etc.

Below are the major findings presented in tabulated form and graphical representation of the numerical sum of the responses along with the information gathered from interviewing the top management .

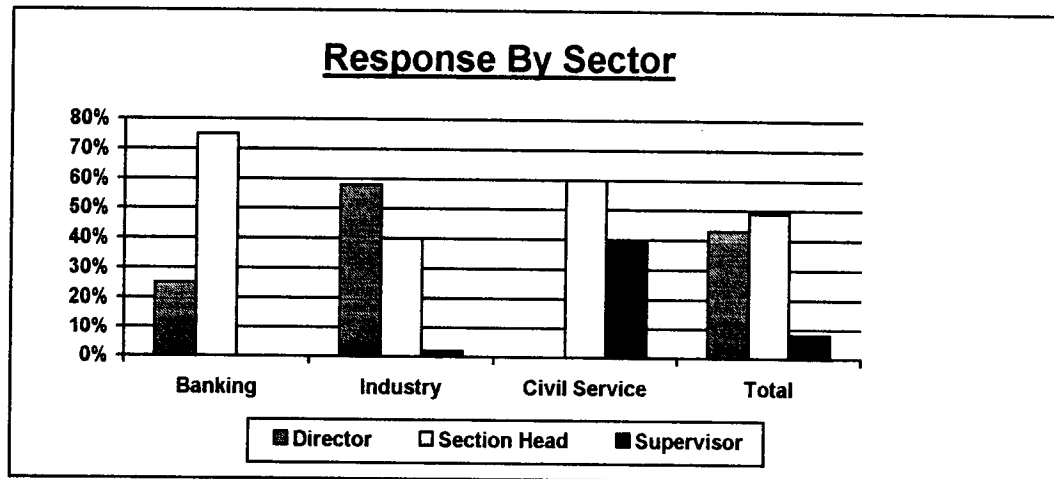


Table on Response By Sector				
Category	Banking	Industry	Civil Service	Total
Director	9	75	0	84
	25%	58%	0%	43%
Section Head	27	51	18	96
	75%	40%	60%	49%
Supervisor	0	3	12	15
	0%	2%	40%	8%
Total	36	129	30	195
	18.5%	66%	15.5%	

The graph and the table on response by sector show that the total number of respondents to the questionnaire was 195 [200 copies were distributed] . Director level constituted 43%, where Industry represented the highest percentage of 58%, followed by Banking with 25%. The banking sector represents the highest participation among the Section Head group which made 75% as compared to the Civil Service which was 60%. This category constituted 49% of the total respondents. It is the Civil Service sector that contributed high respondents at the supervisory level of 40% as compared to Industry which was only 2%. This is mainly due to the fact that the focus on the Industry sector was targeted at the level of managers and heads of department as these two levels deal mostly with management matters: planning and human resource development in their departments. On the other hand, supervisor level in Industry mostly deals with technical matters such as production line, operation and maintenance of the plant...etc. Supervisor level with the Civil Service represents an ideal indicator level that would reflect employee feelings and reaction toward the actually practiced and applied policy at the Civil Service institutions which represent the largest sector to absorb unemployment. This level of employee is the direct recipient of management and leadership styles of this sector.

The Civil Service sector represented 15.5% of total respondents. However, focus was on the other two sectors, with an emphasis on the Industry, which represented 66% in our survey. This is due to the fact that the reputation of large industries in Bahrain

concerning management style is known to be high, and most have maintained high standard organization culture as the back-bone for their continuity to maintain high standard performance management and discipline; hence, the analysis of the Industry response would add a lot to the final conclusion especially in terms of relating the principles of empowerment to its application. In addition to that, the banking Industry had flourished in the past decade to become the second major diversified sector to contribute to the GNP. The government aimed to make Bahrain a major international financial center. To be a sound financial center, the country must have financial institutions with strong and advanced management systems including Information Technology / Management Information System (IT/MIS) to manage such a high turbulent market at both local and international levels. Prompt and appropriate decisions are the major factors affecting profit and loss. To seize market opportunities, banks must have well trained personnel with appropriate authority, enough power, and reduced bureaucracy in order to respond swiftly and effectively within uncomplicated hierarchical flexible systems based on delayering. In the 1990's the delayering is a major theme and it refers to the process of cutting down the numbers of decision making levels to the minimum; hence such a system with clear strategy and well communicated vision shall enable the responsible employee to respond quickly to market forces. Therefore, the inclusion of this sector would add new dimension to our study of management style and help relate elements of empowerment to the application of the empowerment concept and its principles.

Civil Service involvement in the employment relationship seeks to achieve social objectives, usually elimination of practices that are considered contrary to public policy. Some of the external conditions strongly influencing recruitment are: unemployment rate, the pace of the firm/organization, projection of the labor force, labor law...etc. The state recruiting agency - Civil Service Bureau (CSB) maintains a job bank to provide personnel departments in the public sector with applicants/job seekers to fill in job openings at the ministries and other Civil Service institutions. As the policy of the Civil Service sector is to absorb unemployment and to provide social security to the job

seekers and their dependents, this function created a wrong perception to both applicants and the management as well. Both assumed that the public sector would hire but not fire. Such perception was due to the misinterpretation of one of the objectives of the public sector in regard to its role toward the unemployment problem. This has encouraged some managers not to take appropriate corrective measures towards some employees' behavior and productivity. Such attitude reflected negatively on the active role of the manager in the recruitment process related to his department.

Power and politics are facts of life in organizations; both power and politics can be used for the goodwill of the organization. Power base can affect the choice of leadership style in a situation. Normally the management in the public sector is governed by political, social and cultural forces, which makes it an appropriate sector to investigate and review continuously for the anticipated sluggish progress in change management and leadership style. Our concern here is to study this sector as well as to use it as a reference or benchmark for comparison.

3.2 Communication of Policies and Strategies

Concerning the first question " **Organization Policy, Goals and Strategies, are they communicated to you ?**" Graph [1] and Table [1] show it is very clear that Industry exceeded the others in keeping staff well informed on their mission, vision, policy and objectives. This rather indicates that management in the Industry sector believe in having the mission statement and management vision well communicated to all employees.

Graph - 1

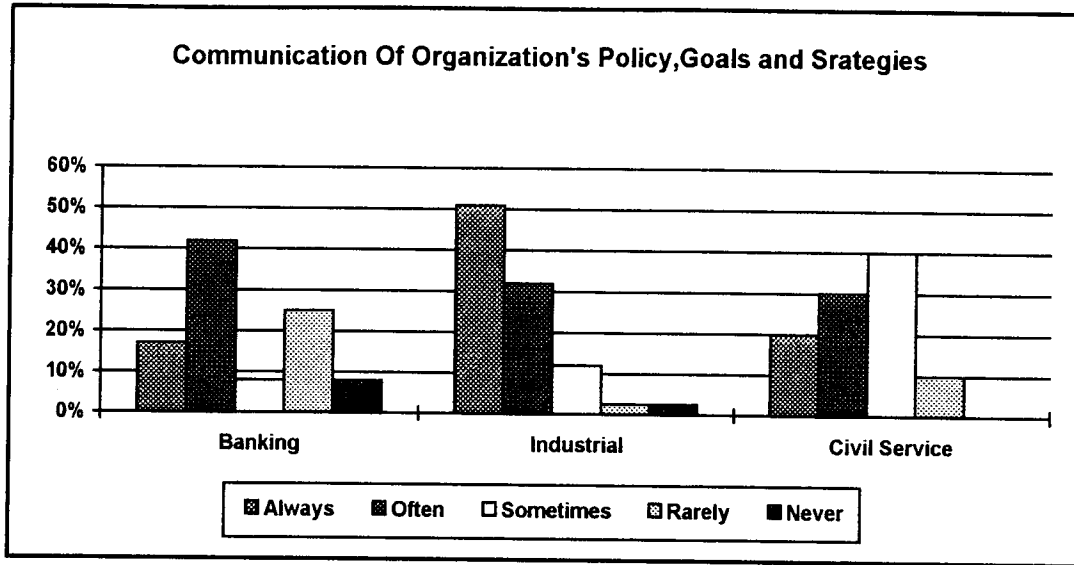


Table - 1

Organization policy, goals and strategies; are they clearly communicated to you?				
	Banking	Industrial	Civil Service	Total
Always	6	63	6	75
	17%	51%	20%	40%
Often	15	39	9	63
	42%	32%	30%	33%
Sometimes	3	15	12	30
	8%	12%	40%	16%
Rarely	9	3	3	15
	25%	2.5%	10%	8%
Never	3	3	0	6
	8%	2.5%	0%	3%
Total	36	123	30	189

From Table [1] we can see that 40% of the total respondents indicated that they have *always* been informed about organization policy, goals and strategies. Responses from the Industry represented 51%, while Civil Service responses made 20% of the total respondents to the question, leaving the banking sector with 17%, indicating that their organizations are not effective in keeping them well informed. It is interesting to note that 33% of the respondents stated they are *often* informed. Out of that, the banking

sector responded with 42% which increases the balance of the sector towards the existence of reasonably sound attitude towards keeping employees fairly well informed. On the other hand, 16% of the total respondents stated that they are informed of the policy, goals and strategies of the organization only *sometimes*, indicating the reluctant attitude of their management. Out of this 16% the Civil Service sector represented 40%, which points out that at this sector, communication of such information is not done effectively.

However, this clearly indicates that Industry management, especially the large firms, have a well established organizational culture and high performance standards that dictate the transmission of the firm's policy, goals and strategies in many forms, i.e. written manuals, quarterly bulletins, circulars, workshops ...etc. in order to have sound management development, affect necessary changes and maintain close follow up to monitor progress .

Furthermore, the organizational culture of large Industry is strongly based on accountability. In this sector, it is more prominent to see responsibility mostly backed by enough authority. Efficiency in the banking sector is also highly dependent on holding their employees accountable to achieve their tasks efficiently and promptly, with sufficient authority given to senior staff to respond reasonably quickly to the changes in the market or meet the unexpected customer requests or demands. While accountability at the Civil Service sector is neither appropriately exercised nor fairly applied, there is a very poor monitoring system with subjective appraisal that is not basically based on the effective outcome or results achieved. This may justify why Industry and Banking feel it is important to disseminate the organization's policy , goals and strategies in a clearway.

In the Leadership Factor⁶⁰, John Kotter stated that "the largest of the *"Best Practices"* firms tend to have some formal policy designed to support sound development practices".

During the interview with top executives, all have agreed that it is important to communicate such information to all levels of staff. Some have already adopted this as part of the organization's culture where the dissemination of the management vision and firm's policy is done through workshops, manuals, publications...etc. Some mission statements were well spelled-out and handy at the time of the interview, as shown in [Box-3]. Such statements are either stated in the company brochures, annual reports, company's bulletin or the company's manual, and some also kept them visible on the wall at the entrance of the main office building as well as in other buildings and parts of the firm. [Box-3] shows that some firms do have a clear and well spelled-out mission. As indicated above, such a visible, well communicated statement helps the employee to understand their organization's purpose of existence and allows them to focus their effort in the direction that helps achieve the set goals.

3.3 Relevance of Information to Work

Graph [2] and Table [2] shows the response to the question **"Is information relevant to your work easily accessible"**? As it can be seen, 45% of the total indicated that relevant information is *always* accessible, led by 60% of the Industry sector, while 36% of the total indicated that relevant information within their organization is often accessible and these were led by 42% of the banking sector. On the other hand 30% in the Civil Service sector felt that there is reasonable access to the information related to their work.

⁶⁰ John Kotter, The Leadership Factor, New York, the Free Press, 1988, p 100

Box -3
Selected Mission Statements

MINISTRY OF FINANCE AND NATIONAL ECONOMY

- "To Achieve Long Term Economic Growth and Allocation of Resources"

BAHRAIN NATIONAL GAS

- "Manufacture of LPG and Conserve Energy".

AL AHLI COMMERCIAL BANK

- "The Community Bank of Choice"

ALBA

- " To Make Bahrain self-sufficient Economically "⁶¹

JAWAD

- " To supply quality service affordable to our customer "

BALEXCO

- "To manufacture and market finished and semi-finished aluminum products in order to maximize profits for the benefit of BALEXCO's shareholders and the community at large"

BAPCO

- "A refining company manufacturing a wide range of petroleum products for local and international markets"

GPIC

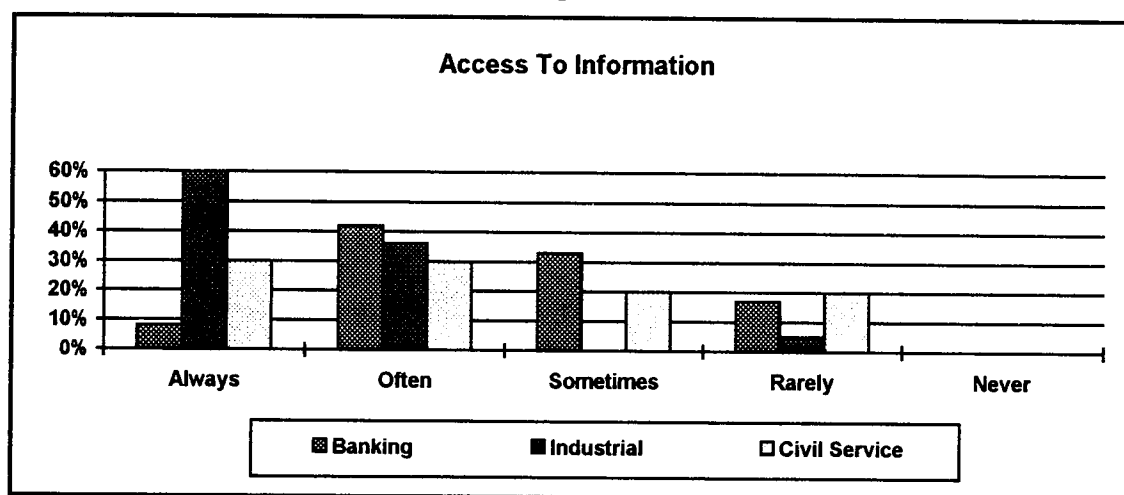
- "To manufacture, market and distribute Ammonia & Methanol and basic intermediate and downstream petrochemical products from natural gas"

⁶¹Deputy Chief Executive, indicated that among ALBA's objectives were to absorb employment and generate money economy. Recently, these objectives had been slightly modified to focus on capital intensive rather than employment intensive.

However, from the graphical and tabular representations, it is apparent that access to information -related to work- is fairly accessible by subordinates in the banking sector, where accessibility is most effective within the Industry sector.

While interviewing top executives of these sectors, the following question was posed, **Is relevant information for subordinates accessible?** The banking sector indicated that information concerning their work is available and accessible . Other information such as that of the bank in general is either transmitted through staff meetings or memoranda, but in limited proportion. While all firms from the Industry sector that were included in the survey had strongly emphasized the existence of a system that enables subordinates access to related information which is mostly technical and specialized in nature, besides related management and administrative issues and decisions; for example, **BANAGAS** and **BALEXCO** indicated that all technical information is available to line managers who in turn make it available to their team or subordinates. Other relevant information is made available to staff at the monthly meetings. **BAPCO** and **ALBA** confirmed that both have very effective communicating systems with computerized data, specialized periodicals , journals, reports, meetings minutes etc. and described them as very effective

Graph - 2.



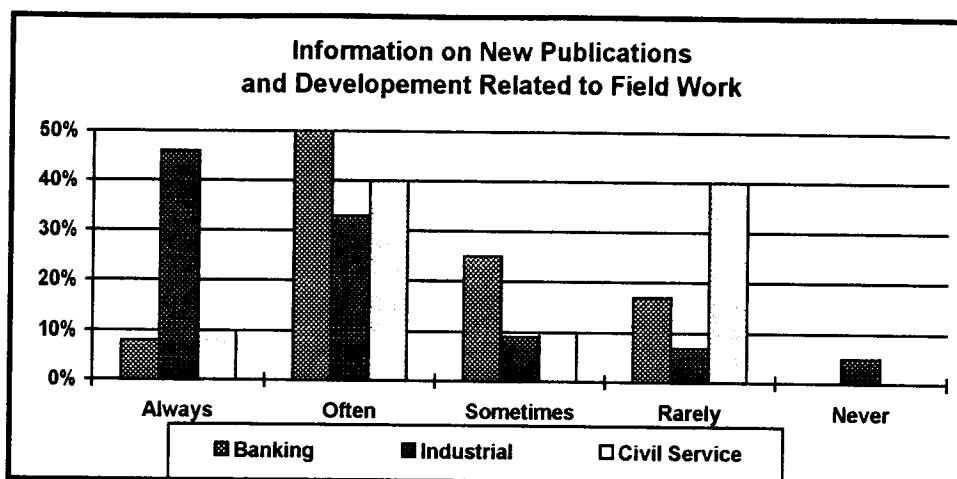
At the Civil Service sector level, some ministries have well established E-mail network [LAN] among line managers; for example, at the Ministry of Finance and National Economy, all financial information is available to line managers and subordinates on LAN while other information is passed to line managers who in turn make it available to their team members and subordinates. Other relevant information is made available to staff at the regular staff meetings .

Table - 2

Is information relevant to your work easily accessible ?				
	Banking	Industrial	Civil Service	Total
Always	3	75	9	87
	8%	60%	30%	45%
Often	15	45	9	69
	42%	36%	30%	36%
Sometimes	12	0	6	18
	33%	0%	20%	9%
Rarely	6	6	6	18
	17%	5%	20%	9%
Never	0	0	0	0
	0%	0%	0%	0%
Total	36	126	30	192

In response to the question "Does your organization keep you well informed about the newest publications and latest development related to your field of work?" Graph [3] and Table [3] show that out of the 34% who indicated that they are always kept well informed about newest publications and latest development related to their field of work, comes the Industry sector with the highest percentage of 46%, while among those responded that they were "often" kept well informed , the banking sector has the highest percentage which is 50%. Out of the total 37% in this category, the Civil Service sector represents the second best (40%) .When looking at the sector where staff are informed sometimes, 12% of the respondents reported that they are only informed sometimes; banking is better off than others by 25% while 10% from the Civil Service response indicated to being informed only sometimes.

Graph - 3



Participants who responded that they are "rarely" informed, constituted 14% of the total; unfortunately out of them came 40% from the Civil Service staff. This affirms that they are not kept well informed about the latest development in relation to their field of specialty. This weakness is mainly due to the budget restrictions on subscription in books and specialized periodicals, magazines and journals. Such restriction made the public sector fall far behind other sectors, when compared with 17% from the banking sector, and 7% in the Industry sector who, indicated that they were rarely informed about the newest development in their field.

Table -3

Does your organization keep you and your subordinates well informed about the newest publications & developments related to your field of work ?				
	Banking	Industrial	Civil Service	Total
Always	3	60	3	66
	8%	46%	10%	34%
Often	18	42	12	72
	50%	33%	40%	37%
Sometimes	9	12	3	24
	25%	9%	10%	12%
Rarely	6	9	12	27
	17%	7%	40%	14%
Never	0	6	0	6
	0%	5%	0%	3%
Total	36	129	30	195

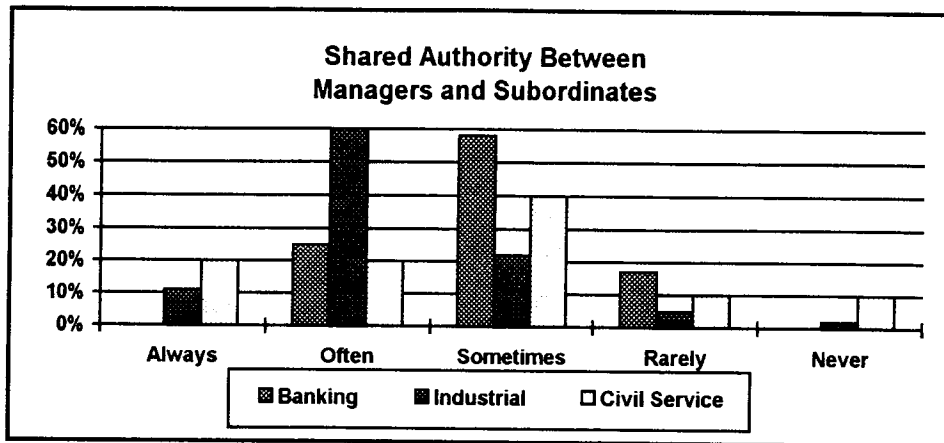
The nature of work of the large industrial firms, which are technology based, dictate the need to be close to the fast, continuous changes in technology and as such, staff - professional and line management - are kept well informed about what is new and what is happening around them to maintain their market share with sound competitiveness.

3.4 Shared Authority Between Managers and Subordinates

In response to the question concerning sharing of authority among managers and subordinates **"In your organization, do you feel that authority is fairly and appropriately shared between managers and subordinates?"** Graph [4] and Table[4] show that 47% of respondents said that authority is appropriately shared between managers and subordinates quite "often" in their firm; Industry represents 60% while banking is only 25%. Although 20% from the Civil Service sector said authority is "Always" appropriately shared between managers and subordinates, 40% of respondents from Civil Service sector felt it is only "sometimes" shared. This is supported by the 10% of respondents who indicated that it rarely happens in their organization.

It was not expected that 58% respondents from Banking would indicate that only *sometimes* do they see authority as fairly shared. The only explanation for the 0% response from the banking sector to *Always* with 25% and 58% responses to *Often & Sometimes* respectively, could be due to the strict procedures and confidential nature of work that might dictate the inappropriate sharing of authority. If we try to link the response to the question concerning the bureaucracy in the organization **"Is your organization over managed?"** Shown in Table [35] the banking sector responded with 75% saying no, and of the 25% who felt it is over managed 50% pointed out that the possible reason for this is to avoid mistakes while 50% indicated that this is due to inherited culture.

Graph - 4



The Industry response shows better and clearer sharing of authority among line managers and subordinates which reflects the management style in this sector. There were only 5% who indicated that rarely authority is shared, along with 2% who said they never felt that authority between manager and subordinate was appropriately shared. In contrast is the Civil Service where 10% felt that authority was rarely or never shared appropriately between managers and their subordinates, although 20% indicated that authority is always appropriately shared in spite of the 40% who indicated it is only sometimes shared. Hence it appears that sharing of authority between managers and their subordinates is appropriately shared among employees of the Industry and banking sectors.

On the other side, there are staff who would exert an effort to avoid responsibility. Some employees realize that if they can avoid making a major decision concerning a task, they can also avoid responsibility for the task, hence making for an easier, less stressful job. At the same time, since most managers enjoy making decisions, they tend to be naturally receptive to making decisions for the employee. The result of these two tendencies is an employee who does not learn to make decisions and lives with the consequences, and a manager who is not truly delegating and sharing authority.

Table - 4

In your organization, do you see authority is fairly and appropriately shared between managers and subordinates?				
	Banking	Industrial	Civil Service	Total
Always	0	13	6	19
	0%	11%	20%	10%
Often	9	72	6	87
	25%	60%	20%	47%
Sometimes	21	27	12	60
	58%	22%	40%	32%
Rarely	6	6	3	15
	17%	5%	10%	8%
Never	0	3	3	6
	0%	2%	10%	3%
Total	36	121	30	187

A manager who tells an employee how to proceed with each step of the task has failed to delegate the activity. Some would love to see their subordinate referring to them quite often. This would make the manager feel that he has all the power and thus would be careful on how to share it. This is quite common in the public sector where subordinates are asked to adhere to rules, while the manager exercises the social privileges (as a favour) to approve the rejected applications when applicants approach his/ her office. This is an obvious de-motivator to the subordinates which negatively affects their loyalty, morale, commitment and productivity. It is within our culture that those who want their applications, requests, jobs....etc. to be done favourably, would normally approach the person with power. Power in this part of the world enhances social status and provides a better chance for promotion .

There is also the fear and uncertainty among some employees who want to be certain of pleasing the manager and thus seek approval of all activities they plan prior to and during the completion of a task. In an attempt to please the manager, the employee completes the task precisely as requested, arriving at the results the manager hoped to obtain. The employee provides the answer the manager wants to hear, regardless of whether it is the best solution. Such an employee is not thinking or acting independently.

While interviewing some executives, the following question was asked seeking the opinion of the managers **"Managers can delegate authority but not responsibility and therefore, they remain accountable and responsible for the result and action taken by their subordinates . Would this justify resistance to delegate ?"** Most managers felt it is partly true with managers who do not trust their subordinates and do not know how to delegate . **BAPCO** emphasized that delegation would require follow-up and monitoring to make the subordinate feel the importance of the task delegated to him and the trust embedded in him by his boss. This review and follow-up would eliminate fear of responsibility and would enhance trust and self confidence, and would eliminate theory X managers, who would normally not hesitate to blame the subordinate for the mistake done by him/her or by his/her staff which, in turn, does not encourage the supervisor to delegate. Such feeling is shared by most managers and executives.

ALBA representatives highlighted another dimension. Sometimes line managers or subordinates would involve their supervisors in the decision to be taken so that they could share responsibility of risk; they are referred to as risk avoiders. Furthermore, it was emphasized that line managers must accept to take risk in delegating part of their authority. However, there should be what is called calculated risk or provision to allow for mistakes. This has been strongly emphasized by **BAPCO**, **ALBA** and **Y.K AL Moayyed**, and some believe that delegation should only be for the low risk tasks to maintain tolerable risk. Tolerance to sensitive routine depends on whether a mistake is made deliberately or not. If deliberate, then management would enforce discipline, otherwise they would allow for mistakes to build trust and learn from mistakes. This is an opinion shared by many executives. **ALBA** representatives also stated that sometimes you are faced with what may be called "Clever people" who would seek your involvement to share responsibility as they try to act over cautious . In the author's opinion, such attitude could be a result of either the subordinate having no self-confidence or acting in a way that pleases his boss. Some also felt that "some managers would delegate more to throw mistakes on others". **BALEXCO** and **BANAGAS** felt

that managers must create an effective follow-up system to monitor their subordinates in order to *help them* implement the task. Such a system would eliminate fear of delegation and encourage sharing of responsibility.

Representatives of the Ministry of Finance and Economy strongly stressed that line managers must guide their subordinates to encourage their participation and enhance self-confidence and, by doing this, they should look to assume a higher position, leaving behind a strong system that would work in their absence.

3.5 Delegation and Decision Making

In response to the question "**Does delegation delay your decision making?**" Table[5] shows that 72% of the total respondents felt that delegation does not delay their decision making. Ninety percent from the banking sector shared this feeling along with 67% from Industry. This high percentage from the banking sector could indicate that the nature of the work at this sector follows clearly defined standard procedure for most of the routine work, which may explain the high percentage of respondents not considering delegation as an obstacle towards implementing their tasks on time.

Table-5

Does delegation delay your decision making ?				
	Banking	Industrial	Civil Service	Total
Yes	3	42	6	51
	10%	33%	25%	28%
No	27	84	18	129
	90%	67%	75%	72%
Total	30	126	24	180

The response from Industry implies that their system encourages delegation and as such, decision making is not hindered as a result of this. In both sectors -banking and Industry-written manuals with clearly defined procedures are available to show the level and line of authority. These are communicated to all employees, hence the concept becomes part of the routine system of work.

Although 75% of the responses from the Civil Service indicated that delegation does not delay their decision making, we may need to pause for a while to make sure that respondents are fully aware of the concept of delegation and able to differentiate between the concept of delegation, where the assigned task must be honoured with appropriate authority sufficient to allow the subordinate to move freely with enough autonomy to implement it, and the normal exercise of **dumping** lots of tasks on the subordinate and thereby increasing his responsibilities without any authority or support to help him/her to implement it.

This is difficult to examine at this stage; however, we may assume that the respondents of the Civil Service sector were indicating their agreement to the principle of delegation and not necessarily to what is actually being practiced by them.

However, if our assumption is wrong, and respondents were fully aware of the question and their answer reflects what they actually practice, this is a highly positive attitude adopted at this sector that would obviously motivate employees and invite them to take an active part in the process of decision making.

The average response of all sectors confirms that delegation does not delay their decision making, this is confirmed by 72% of the total responses.

On the other side, all the executives interviewed confirmed that planned delegation always helps managers to be more effective and productive. They do not see delegation delaying their decision making at all.

Tables [6] and [6/1] give part of the picture about the process of decision making by some of the respondents. Seventy four percent of the total responses indicated that they do not have to deal with most of the decisions themselves, which is a positive sign in the delegation process. The respondents from the industrial sector confirmed this with 77% of the responses, followed by the Civil Service and banking sectors where 70% and 67% of the managers, section heads and supervisors felt that they do not have to make all the

decisions by themselves most of the time, indicating that their subordinates either deal with them directly within their authority or they share the process of decision making .

Table -6

Do you feel that most of the time you should make most of the decisions yourself?				
	Banking	Industrial	Civil Service	Total
Yes	12	30	9	51
	33%	23%	30%	26%
No	24	99	21	144
	67%	77%	70%	74%
Total	36	129	30	195

Although the general response to this question is in favor of participative management, where decisions are shared or made at as low a level as possible, the respondents who indicated that they actually do make most of the decisions by themselves constituted 26% of the total responses, 33% from the banking sector felt so , 75% out of that felt it is so because "it is faster to deal with the task by themselves than delegate it" in comparison with Industry and Civil Service respectively. This is an obvious failure of those managers in the art of delegation, they either do not know how to delegate or do not want to do so. On the other side, 25% and 23% of the respondents from both bank and Industry sectors indicated that they do not delegate and have to deal with most of the decisions by themselves because of the "poor commitment of the subordinates" when they are assigned a task to be done. This percentage is comparatively small and should be expected in any organization. There is bound to be poor commitment from a small percentage of employees which could be attributed to many factors. Twenty three percent and 40% of the respondents from Industry and Civil Service indicated they are discouraged to delegate tasks to their subordinate because they feel that their "subordinate is not efficient " which gives close meaning to the "poor commitment" and, as such, the excuse, feeling or perception of managers is somehow focused on the distrust of managers towards the abilities of their subordinates which becomes more prominent. If we further highlight the response to the possible excuse or reason that managers may justify why they do not delegate or make most decisions by themselves, 23% from Industry and 20% from Civil Service indicated that "If obliged to delegate, I

stress on being consulted until the task is accomplished, for a better result," which again leads into the same conclusion above that there is a problem of distrust among peers in the ability of their subordinates as well as the poor planning in distributing tasks and the delegation process.

Table -6/1

If <u>Yes</u>, you feel that most of the time you should make most of the decisions yourself, is this because ; tick one or more -				
Because :	Banking	Industrial	Civil Service	Total
It is faster to deal with the task myself than delegate it	9	21	6	36
	75%	32%	40%	39%
My subordinates are not efficient	0	15	6	21
	0%	23%	40%	23%
Poor commitment of subordinates	3	15	0	18
	25%	23%	0%	19%
If obliged to delegate, I stress on being consulted until the task is accomplished, for better result.	0	15	3	18
	0%	23%	20%	19%
Total	12	66	15	93

On interviewing some executives, their opinion of subordinates' abilities varied. One banker indicated the following: "our subordinates are not competent enough to carry out their tasks and duties and as such, are a barrier for effective delegation. Furthermore, some line managers were reluctant to be trained and resist whenever possible, career development schemes and were not self-initiative nor proactive in dealing with most of the issues". Such a discouraging statement was reflected by the CEO of one bank. However, CEOs of some industries are not too far from this in their feelings towards their subordinates. They have indicated that "some are good while some still need to work hard to prove themselves. Few belong to the old school of management and resist change and show no improvement in their management approach / style after attending management courses. The problem might be the style of leadership they follow. Some would like to

pass problems up ." It is worth mentioning that among the firms that indicated that their subordinates were competent are **BAPCO** and Jawad, who said that they were "highly competent and productive, with good quality work."

Table -7

Does your Boss delegate to you enough of authorities to implement your tasks ?				
	Banking	Industrial	Civil Service	Total
Always	6	39	6	51
	15%	31%	20%	26%
Often	18	66	9	93
	46%	52%	30%	48%
Sometimes	12	21	15	48
	31%	17%	50%	25%
Rarely	0	0	0	0
	0%	0%	0%	0%
Never	3	0	0	3
	8%	0%	0%	2%
Total	39	126	30	195

From Table [7] it is quite clear that supervisors do give their subordinates enough authority to enable them to implement the delegated task, this feeling is confirmed by 48% of the respondents who said it is often the case with them. Fifty two percent were from Industry while 46% and 30% were from the banking and Civil Service sectors respectively. This is further supported by 26% who said it is always the case with them, their supervisors do give them sufficient authority to implement the delegated task. From this, Industry and Civil Service constituted 31% and 20% respectively followed by the banking sector with 15%. This is a positive sign indicating that the process of delegation is complemented with enough authority to implement it, which is in line and in support with the literature reviewed.

Considering the response indicating that supervisors "*sometimes*" provide enough authority to implement the task as a positive behavior which would lead to more provision of authority when the learning curve is improved, or more trust is built

between the manager and his/ her subordinate, we may say that the overall attitude of managers is leading to empowering their subordinates.

Table - 8

What percentage of your decision authority is delegated to your subordinate ?				
	Banking	Industrial	Civil Service	Total
0	0	6	0	6
	0%	5%	0%	4%
10 - 20	3	0	0	3
	10%	0%	0%	2%
20 - 30	6	12	3	21
	20%	11%	11%	13%
30 - 40	6	27	6	39
	20%	24%	22%	23%
40 - 50	3	9	6	18
	10%	8%	22%	11%
50 - 60	3	36	6	45
	10%	32%	22%	27%
60 - 70	0	18	0	18
	0%	16%	0%	11%
70 >	9	3	6	18
	30%	3%	22%	11%
Total	30	111	27	168

Table [8] reflects the responses to the question on " **What percentage of your decision authority is delegated to your subordinate?**" It is clear that 27% of the total indicated that 50-60% of their routine work is delegated to their subordinates where Industry represents the highest percentage of 32%, followed by the Civil Service with 22%, then Banking at 10% only. However, 23% of the total respondents indicated that about 30-40% of their routine work is delegated, and Industry still constitutes the highest percentage of 24%, followed by Civil Service at 22%, then Banking at 20%. Comparing these figures with that indicated by top executives during the interviews, it is worth mentioning that some executives do delegate between 12-20% of their routine work to their subordinates due to shortage of staff. This is not in agreement with the exception principle stated above. Hence if an executive found himself heavily involved in the routine work, it is then difficult for him to concentrate on planning, creative problem-solving, controlling or even sufficient time for his staff. Other executives in some industries and the Civil Service as well, indicated that all routine work is delegated to the

line managers. They said that they work on a sectoral basis and each line manager is responsible to look after his/her sector. There are weekly meetings with line managers to review progress on projects and other activities but no routine matters are discussed at these weekly meetings. Line managers are directed to deal with routine matters directly. In fact, among some Industry and firms interviewed, were **BAPCO** and **ALBA** who indicated explicitly that more than 60 % of the routine work is normally delegated to subordinates. At **BAPCO**, authority is defined firmly and clearly as well as the duties and responsibility of each line manager and subordinate.

From the above analysis it is apparent that routine work is normally delegated to subordinates, and the amount of manager's routine work delegated varies between 30% to 60% of his work, and since the higher percentage indicates the amount of work delegated is between 50% to 60% of the manager's recurring and routine work, then part of the delegation process and concept are being fulfilled.

Managers who guard their power and delegate sparingly fail to develop their successors and thereby limit their own advancement. In response to the statement "**Managers may equate authority with power and therefore view delegation as undermining their power and influence in the organization.**" Table [9] shows that 44% of the total respondents agreed with the statement and, as such, feel that managers would equate delegation with power loss and hence they feel reluctant in giving this power to their subordinates and, as a result, they avoid delegating authority to their subordinates. This is quite visible among many managers in all the three sectors. The culture and social status may play a major part in encouraging the continuation of such attitude because society gives more weight and higher status to those who exercise power or have more influence in their organization.

From Table [9] such feeling is highly shared between the employee from the Civil Service sector, shown by 50% of the respondents who agreed. Furthermore, 45% and 42% of the participants who indicated their agreement with the statement come from the banking and Industry sectors respectively. Therefore, power would undermine the

manager's role in the organization as perceived by 44% of the respondents. However, 36% of the total respondents disagreed; 45% out of that represent Banking and 35% represents Industry, and the remaining 30% represents the Civil Service.

Table - 9

Managers may equate authority with power and therefore view delegation as undermining their power .				
	Banking	Industrial	Civil Service	Total
Strongly Agree	0	6	0	6
	0%	5%	0%	3%
Agree	15	54	15	84
	45%	42%	50%	44%
Undecided	3	15	3	21
	9%	12%	10%	11%
Disagree	15	45	9	69
	45%	35%	30%	36%
Strongly Disagree	0	9	3	12
	0%	7%	10%	6%
Total	33	129	30	192

During the interview with top executives of some firms at these sectors, the same statement was raised to the executives during the interviews with an additional part **"Assuming that the majority of your managers interpret delegation this way (referring to the statment above) what would you do ?"** Executives at **BANAGAS** and **ALBA** indicated that such attitude is clearly observed in their organization. Some line managers link delegation with loss of power and thus show high concern not to lose power and social status, and behave in such a way as to keep their subordinates dependent, in close control and within their reach. Some who were hesitant to delegate and keep the task within them gave excuses such as the subordinate is not well qualified yet to deal with the case and is likely to make mistakes. One executive's opinion is that upon repeated hints to such line mangers, as hesitation was still persistent, he had to force line managers to delegate part of his tasks. According to him there are subordinates who are paid to deal with small routine tasks . It is expensive to see line managers spend more time on small matters and routine tasks.

Delegation, in their opinion, leads to motivation and builds a feeling of trust with the subordinates. Saleemi⁶² stated that there are some who may be referred to as "*Retaining power is the one who wants to be on what he is not*". According to him there are managers who used to do everything in their earlier work and used to do their work in much detail, hence they carry this with them as they move upward. While the opinion of some executives at **BALEXCO**, Al Ahli Commercial Bank and Jawad admitted that this is true, however irrespective of the culture, power retention is natural. Nevertheless, those exercising this are not confident of themselves and are generally weak managers. This fear should not exist with capable managers. Although **BAPCO** and some executives from the Civil Service shared the opinion expressed by **BALEXCO** and others, which indicated those exercising this attitude are not confident of themselves and generally weak managers, this fear should not exist with capable managers. They emphasized culture. They believe that culture forces these managers to interfere most of the time whether this is due to pressure from their bosses or part of the organization culture, or due to the benefits gained individually from being the boss. They also added that most of those who behave this way are attracted to do so because they would gain social status and thus encourage them to retain power. The tribal attitude to leadership (leadership style) is unfortunately widely exercised by many managers. In such an attitude the head of the tribe assumes responsibility of everything and considers himself the sole responsible person even on the welfare of the individuals, and what is being done or decided is the best available option for all! This attitude is a prime factor that encourages the persistence of such style of management and leadership among many firms which hinders the process of delegation and effective introduction of the concept of participative management.

⁶²Abdul Karim Saleemi , Deputy Chief Executive, ALBA

Table- 10

Delegation requires intensive and expensive training to develop.				
	Banking	Industrial	Civil Service	Total
Strongly Agree	6	0	3	9
	17%	0%	10%	5%
Agree	6	75	12	93
	17%	58%	40%	48%
Undecided	12	9	6	27
	33%	7%	20%	14%
Disagree	12	45	9	66
	33%	35%	30%	34%
Strongly Disagree	0	0	0	0
	0%	0%	0%	0%
Total	36	129	30	195

Table [10] shows that the majority had agreed that delegation would require intensive and expensive training to develop. This is expressed by 48% of the total respondents who agreed with this statement; out of that, 58% representing Industry, and 40% representing the Civil Service shared the same. We have indicated earlier that effective delegation needs to orient the employee (especially line managers). To understand the concept of delegation and practice it requires clear vision, trust and an effective monitoring system with calculated risk, to allow employees to move freely with support and guidance from the top. All the executives who were interviewed have shared the same feeling and emphasized the need for a sound monitoring system, good feedback, clear vision, trust and support from top management. The majority commented "you need to create an effective follow-up system to monitor the progress and should have competent staff to delegate tasks to them and they should be trained. However this is only costly at the beginning and as soon the system is working, an organization starts to enjoy the payback/ reward of such trained staff and effective monitoring system".

On the other side, 34% of the total respondents disagreed with the statement. They do not think it is costly nor staff need intensive training to develop an effective delegation process. Thirty five percent of that is response from the Industry and 33% from the banking sectors, and finally 30% is from the Civil Service who shared that effective

delegation does not need such expensive or intensive training. The benefits of delegation are very well spelled out in the previous sections, and we have already indicated that with effective delegation everybody wins. Delegation is important if managers want to survive and grow in an organization. It allows the manager to achieve more. Through proper selection, assignment, and coordination of tasks, a manager can mobilize resources to achieve more than would have been individually possible. It also allows time for managerial activities and gives the manager an opportunity to handle aspects of the job that no one else can do. The manager can focus on doing a few tasks well, rather than too many tasks poorly, therefore the cost incurred in training the employee should be considered as a long term investment in human resource development, which will reward the firm and make it more competitive and effective.

3.6 Empowerment Awareness

Table [11] tests the perception and knowledge of managers, head of sections and supervisors on how they see the empowered employees in their organization; would he be a threat to them and their power, influence and position?

From the table it is apparent that 24% felt that he would understand his values better. This is no doubt a positive perception and helps motivate the employee. On the same line 20% felt that the empowered employee would have better know-how; this is indicated by 78% of the total respondents from Industry, however only 19% indicated that the empowered employee would share authority and power. These responses indicate that the concept and benefits of empowerment are clear in the minds of the respondents and they stand in favor of promoting such a concept.

Table - 11

Empowered subordinate may demonstrate the following : tick one or more -				
	Banking	Industrial	Civil Service	Total
Better know - how	21	78	15	114
	25%	19%	20%	20%
I can do more	6	24	3	33
	7%	6%	4%	6%
Sharing authority and power	12	81	15	108
	14%	20%	20%	19%
Understand his values	24	93	18	135
	29%	22%	24%	24%
Knows what did go wrong	6	39	12	57
	7%	9%	16%	10%
More authority - power	3	33	3	39
	4%	8%	4%	7%
Don't know everything	3	33	3	39
	4%	8%	4%	7%
Knows his limit	6	33	6	45
	7%	8%	8%	8%
Others	3	0	0	3
	4%	0%	0%	1%
Total	84	414	75	573

Table [12] was formulated to reflect the perception of candidates on whether they feel empowered, or at least whether the concept of empowerment is being implemented successfully in their organization.

Table - 12

Do you feel that the concept of Empowerment is being successfully implemented at your organization ?				
	Banking	Industrial	Civil Service	Total
Yes	15	78	18	111
	42%	62%	60%	58%
No	21	48	12	81
	58%	38%	40%	42%
Total	36	126	30	192

The question was "Do you feel that the concept of Empowerment is being successfully implemented at your organization ?", and the majority responded with positive answers; 58% of the total respondents indicated that the concept of

empowerment is being successfully implemented in their organization; the Industry and the Civil Service sectors are very close in their responses; 62% & 60% respectively. While among the 42% who had indicated that empowerment was not successfully implemented in their organization, 58% of that was from the banking sector. The response is in favor of successful implementation in spite of the fact that the banking sector exhibits slightly negative signs on the implementation by a 16% difference as well as that of the total responses.

3.7 Participative Management

Graph [5] clearly shows that it is quite *often* that an organization invites the participation of the appropriate staff –mostly executives and line managers– in the discussion, suggestion and evaluation processes.

From the interviews with top management in the three sectors, the Civil Service sector indicated that such participation is limited to staff meetings to implement programs and projects, review of procedures and plan short-term activities. The response from the subordinates in the same sector confirms the statement made by the executive level by showing 50% of the respondents felt it is often practiced. On the other side, one of the large industries indicated that participative management is a normal practice at executive level, including line managers, while another large Industry stated that team work and participative management still do not exist in an effective way. Nevertheless, 49% of the respondents felt it is quite *often* that they are invited to participate in the process of evaluation, suggestion and discussion of relatively important and routine tasks. Although the banking sector is not too far behind, only 17% of the respondents indicated that they have never been invited.

Graph - 5

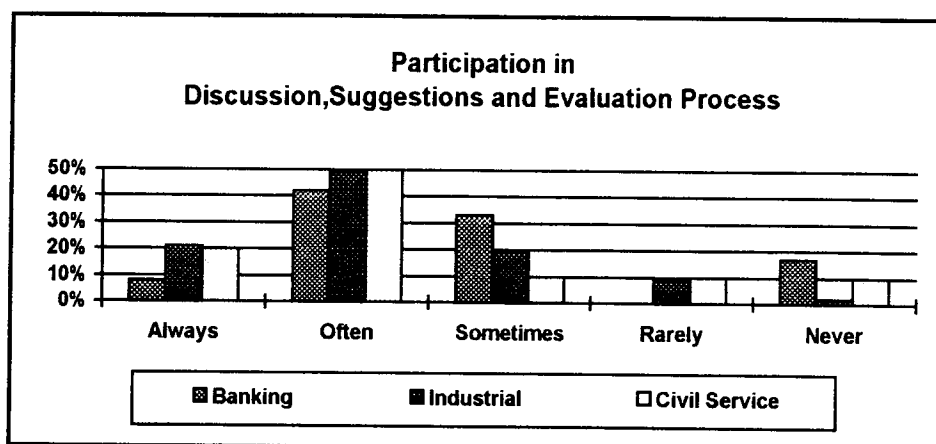


Table - 13

How often does management invite you to participate in discussing, evaluating or suggesting programs or issues of concerns to organization's decision making or policy formulation ?				
	Banking	Industrial	Civil Service	Total
Always	3	27	6	36
	8%	21%	20%	18%
Often	15	63	15	93
	42%	49%	50%	48%
Sometimes	12	24	3	39
	33%	19%	10%	20%
Rarely	0	12	3	15
	0%	9%	10%	8%
Never	6	3	3	12
	17%	2%	10%	6%
Total	36	129	30	195

However, from Table [13] and Graph-5 it is felt that the three sectors do involve their employees in the process of decision making quite *often*, mostly down to the level not below supervisor at the Civil Service sector or manager or section head in the banking and Industry sectors.

Graph [6] and Table [14] show the response received about the question on " **How often you were asked to participate in these decisions, actions or activities?** "

clearly indicate that staff at the Civil Service sector, followed by Industry, stand a better chance in being invited to participate in the process of decision making. The following responses from the Civil Service, Industry and Banking [64%,49% & 33%] show the responses of staff who felt that they were quite *often* invited to take part in the decision making process.

Such a result shows that subordinates were *often* invited to participate in the decision making process which is a positive indicator. In support of this, 29% of the total responses indicated that their participation in the process of decision making has always existed. The trends show that subordinates are more frequently invited to express their opinion and be part of the decision making process.

Graph - 6

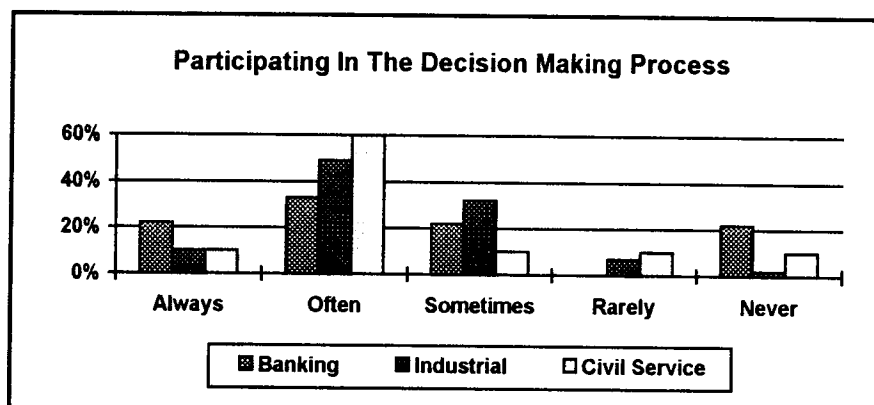


Table - 14

How often were you asked to participate in decisions concerning actions or activities related to your Department / Section ?				
	Banking	Industrial	Civil Service	Total
Always	2	4	1	7
	22%	10%	10%	12%
Often	3	20	6	29
	33%	49%	60%	48%
Sometimes	2	13	1	16
	22%	32%	10%	27%
Rarely	0	3	1	4
	0%	7%	10%	7%
Never	2	1	1	4
	22%	2%	10%	7%
Total	9	41	10	60

Table [15] confirms that middle management takes an active part in setting the organization's objectives, which is another indicator supporting the fact that top management invites middle management staff in the process of decision making. Fifty five percent of the total respondents said that top management and middle management set the objectives needed to measure performance of employees, while 27% indicated that all concerned set these objectives which put more emphasis on the existence of the participative management concept within most of the firms covered in the survey.

Table - 15

Who set the objectives at the Department level ?				
	Banking	Industrial	Civil Service	Total
Top Management	9	21	6	36
	33%	15%	20%	18%
Top & Middle	15	81	12	108
	56%	57%	40%	55%
All Concerned	3	39	12	54
	11%	28%	40%	27%
Total	27	141	30	198

3.8 Training

Table [16] gives an example of budget allocated for training by some Industries which ranges between BD 0.1 & BD3.3 million, corresponding to 1-5 % of the total annual operating budget. The banking Industry has its own local training institute - Bahrain Institute of Banking and Finance (BIBF), that deals with essential skills for bankers at middle management level down to the clerk and secretary level, besides the overseas training and some specialized international seminars organized locally or abroad. Such investment was felt rewarding to fill the gap for the need for well trained local personnel in the banking sector at the time when the government encourages the international financial centers and institutions – on-shore and off-shore banks – to utilize the banking facilities in Bahrain.

The Civil Service sector used to utilize its major budget to train professionals such as Doctors, Engineers, Ministry of Education fellowships – academic studies – and other specialities including technicians. However, it has recently given more consideration to training in management skills of line managers, section heads and supervisor levels.

The Civil Service Bureau acts as the executing agency. For most of the Civil Service institutions it runs workshops and seminars at its training facility, covering the wide range of disciplines of management and skill development for public sector employees as part of its human resource development programs.

Table - 16

Training Budget				
	Allocated Budget BD	% of total annual Budget	Fees & Travel only	All*
AACB** 1993	57,200	1	-	✓
1994	85,700	1.5	-	✓
BAPCO	3.3 million	5	-	✓
ALBA	1.5 million	1	-	✓
BALEXCO	100,000	2	-	✓
Civil Service^{63***} 1992	2.4 million	0.14	-	✓
GPIC	800,000	3	-	✓
BANAGAS	220,000	4	-	✓

Graph [7] and Table [16/1] represent the response to the question **"Is training considered important in your Organization?"** This confirms the statements expressed by top managements concerning the importance of training which fit amongst their top priorities.

* Cover fees, travel, accommodation, allowances, salaries ...etc.

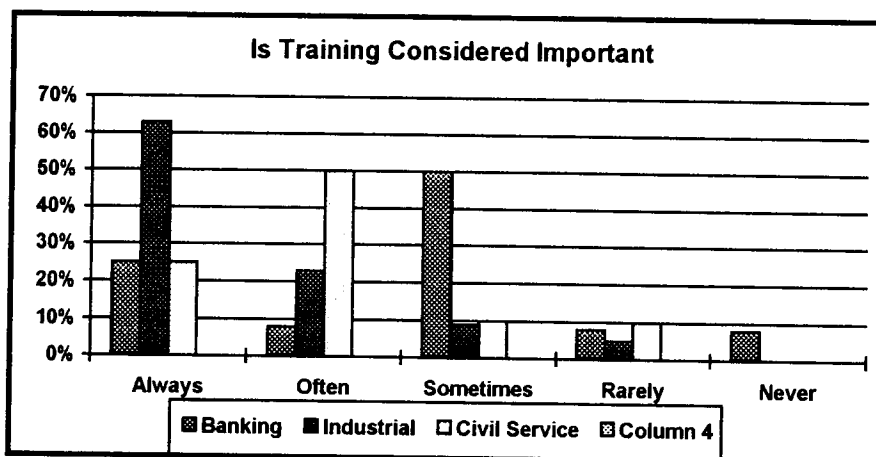
** Al Ahli Commercial Bank

⁶³Source :Paper presented at Seminar on coordination of Education, Training and the work fields, by Dr Dhafer A. Al Omran, Ministry of Finance and National Economy, Bahrain, May 1993.

*** All ministries and Governmental institutions except ministries of Interior & Defence

The Industry sector with 63% of the respondents felt it is *always* considered important, while 50% of the Civil Service respondents indicated that training is *often* considered important in comparison to the banking response, which disclosed that 50% of the respondents felt that training is only *sometimes* considered important. From the table below it is very clear that training is considered important by all sectors .

Graph - 7



This is confirmed by 51% of the total respondents who indicated that their organization feels it is *always* important, and this is supported by 25% of the total respondents who indicated that it is *often* that their firms consider training as an important element .

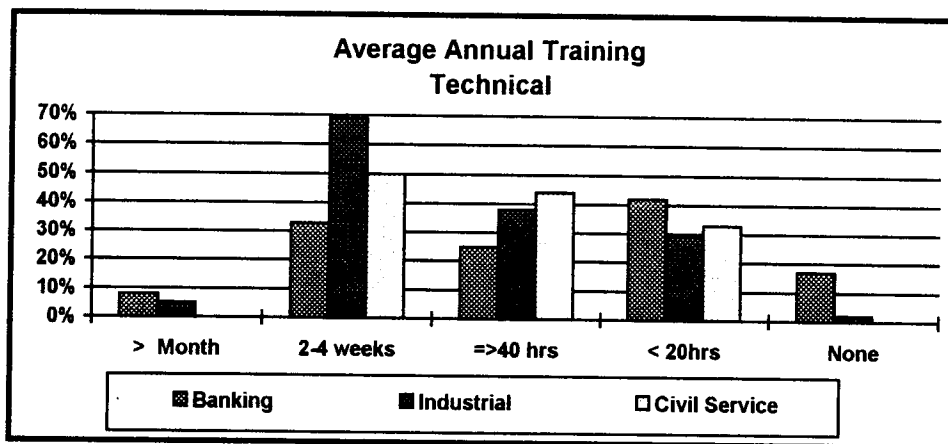
Table - 16/1

Is training considered important in your Organization ?				
	Banking	Industrial	Civil Service	Total
Always	9	81	9	99
	25%	63%	25%	51%
Often	3	30	15	48
	8%	23%	50%	25%
Sometimes	18	12	3	33
	50%	9%	10%	17%
Rarely	3	6	3	12
	8%	5%	10%	6%
Never	3	0	0	3
	8%	0%	0%	2%
Total	36	129	30	195

3.8.1 How Much Training ?

Thomas Watson⁶⁴, Sr. the originator of IBM in 1914, believed that IBM's annual investment in education, training and internal communication should be increased at a rate that was greater than the company's rate of growth. He further advocated that "....top management should spend 40 to 50 percent of its time educating and motivating its people..." Furthermore, Anthony Carnevale⁶⁵, chief economist at the American Society for training and development says; "If you want to build a high-tech-performance, flexible organization , then you have to train your workers." In the same article, it says that smart business realize that *they*, not the Civil Service, must take the responsibility for training workers. While the former American Labor Secretary Robert Reich was quoted addressing the Industry and business community by saying "American companies have got to be urged to treat their workers as assets to be developed , rather than as a cost to be cut."

Graph - 8



Continuous training is a prerequisite for any firm that needs to be competitive or even

⁶⁴Buck Rogers & Robert Shook, The IBM Way, Glasgow, UK, Fontana / Collins, 1986 ,p 86

⁶⁵Fortune International, March 22, 1993 "Companies that train best , by Ronald Henkoff, p47"

to stay active in the market. The analysis of the data gathered revealed how much training is given to staff; Graph [8] with table [17] shows the type of training conducted and the average annual training an employee receives.

Table - 17

Technical / Professional Training				
	Banking	Industrial	Civil Service	Total
More than one month	3	6	0	9
	8%	5%	0%	5%
2-4 weeks	3	33	6	42
	33%	69%	50%	61%
At least 40 hours	9	48	12	69
	25%	38%	44%	37%
Less than 20 hours	15	36	9	60
	42%	29%	33%	32%
None	6	3	0	9
	17%	2%	0%	5%
Total	36	126	27	189

3.8.2 Technical Training

In response to the question "**On average, how much training do you receive every year** " it is clear that **technical training** of 2-4 weeks is dominant among Industries and the Civil Service which represent 69% and 50% respectively. In addition to that, in technical training of at least 40 hours, the Civil Service sector exceeded Industry (44% against 38%) which confirms that the Civil Service sector had been concentrating on training of professionals such as doctors, engineers and technicians to fill the shortages of national candidates in these fields. Unfortunately, the response from the banking sector showed that they offer their employees training of less than 20 hours per year, which is quite low in comparison to other sectors. However, the overall response indicates that 61% of the total respondents receive technical training for 2-4 weeks annually, followed by 37% of the total respondents who indicated that they receive at least 40 hours. These encouraging figures indicate that training is considered an important element in human development in the three sectors covered.

3.8.3 General Training

All sectors indicated that training is very important for all categories of staff including top management level. General training mostly focuses on computer hands-on, secretarial skills, general office practise, management skills in management practices, English courses, hands-on of common on-shelf computer programs such as lotus 123, word processing, customer services, basic marketing skills, communication skills, strategic planning ... etc.

Graph [9] shows that general training normally does not exceed 40 hours, mostly less than 20 hours. From Table [17/1] there are 44% of the respondents who said that on average, their general training does not exceed 20 hours per year, the majority were from Industry which represented 46%, then Civil Service with 40% and finally 38% from the banking sector. Industry leads other sectors in providing 40 hours of general training to its employees. Thirty four percent out of the total 27% of respondents comes from Industry, in comparison to 18% and 2% from Banking and Civil Service employees respectively, however this result is not encouraging.

Graph - 9

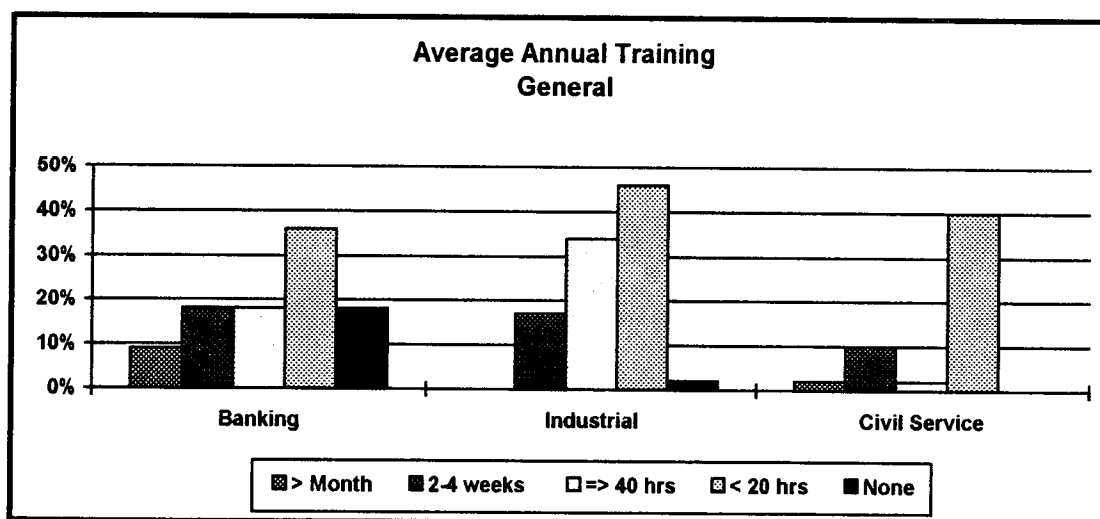


Table - 17/1

General Training				
	Banking	Industrial	Civil Service	Total
More than one month	3	0	3	6
	9%	0%	2%	3%
2-4 weeks	6	21	12	39
	18%	17%	10%	21%
At least 40 hours	6	42	3	51
	18%	34%	2%	27%
Less than 20 hours	12	57	12	81
	36%	46%	40%	44%
None	6	3	0	9
	18%	2%	0%	5%
Total	33	123	30	186

It is quite clear that technical training receives more attention than general training among all sectors. Firms need to give general training more thought and to focus on enhancing employee skills in elements favoring the achievement of empowerment .

Table [18] indicates that well qualified and well trained personnel are quite *often* available to replace or step temporarily into another's job whenever required. Thirty eight percent indicated that their organization often has staff to step into another's job at any time.

Table - 18

In your organization, is there always someone qualified or trained enough to step into another's job whenever needed?				
	Banking	Industrial	Civil Service	Total
Always	0	24	3	27
	0%	19%	10%	14%
Often	6	63	6	75
	17%	49%	20%	38%
Sometimes	21	33	15	69
	58%	26%	50%	35%
Rarely	6	9	3	18
	17%	7%	10%	9%
Never	3	0	3	6
	8%	0%	10%	3%
Total	36	129	30	195

This is supported by 14% of the total respondents who confirmed that this capability is “always” available at their organizations, while 35% of the respondents indicated that it is only “sometimes” available at their firms. We may conclude that training at the firms covered is fairly effective and target oriented.

From the interviews and responses to the questionnaire, it is interesting to hear that several organizations already have a training plan linked to their strategy, while others are either moving in this direction or have just started executing their plan .

The current management of **Al Ahli Commercial Bank** as an example, had appointed a consultant to work on human resource development to introduce performance management as the basis for staff appraisal and promotion . The management introduced the scheme to all staff with the help of the consultant as facilitator, which was then discussed thoroughly with each department and highlighted the needs for a training plan to match the need of the department's shortage of skills in order to perform their tasks in a way to help implement the set objectives. Such a plan made the trainee as well as his or her bosses see and feel the meaning of the training set for him/her or the department staff . Others, such as **Bahrain National Gas [BANAGAS]** have always considered training as an important objective to the organization for both technical and management levels. A training plan has been available since 1990 when corporate strategy was defined. **BAPCO** is the leading firm in training plans and strategies; it has been known for its efficient and effective human resource development policy for years. This firm has contributed a lot to manpower development in Bahrain. This system was effective enough to attract other firms to copy it. Training has always been a top priority at **BAPCO**. Management considers it as the backbone of the organization. **BAPCO**, until recent years, had most of its training conducted outside Bahrain, mainly at UK and USA institutions. Now that training center has been established, most of the management skills development programs, along with other general human resource development programs and some semi-specialized training are conducted locally. Box-4 shows an example of the type of training dealt with by **BAPCO's** center.

Box - 4

BAPCO Training Center **Skill Development and Up-grading programs**

- Operation(continuous)
- writing skills.....(continuous)
- communication.....(continuous)
- IT (information technology).....(continuous)
- Supervisory & Management Development
- ISO 9000
- writing standards

ALBA and **GPIC**, on the other hand, are not too far from **BAPCO**. Both have well established training departments and training plans addressing their future needs, especially those related to the new expansions in **ALBA** as well as that of the ammonia plant of **GPIC**. Both companies stand among the leading companies in Bahrain which possess sound, objective and goal oriented training policy .

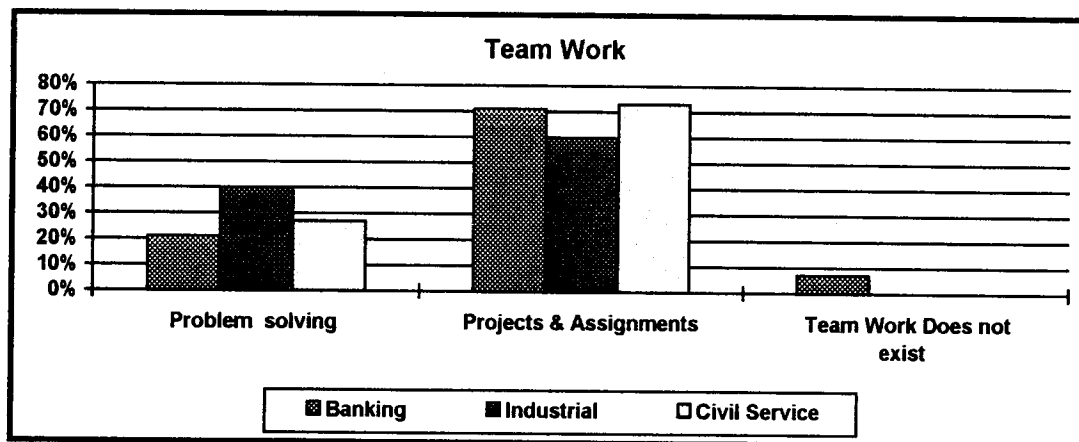
Unfortunately, some segments of the private sectors – trade in particular – indicated that they had no defined training plans, and always depend on the availability of trained candidates in the market. However , recently some have started formulating their plan because the market forces demand well trained personnel; also as experience becomes not as expensive to obtain, the trade sector was encouraged to allocate a reasonable budget for training. Nevertheless, the question of staff loyalty and continuity after investing in training on employees is a question raised by the private sector – trade – it is important to the management to ensure that such investment in their employees is not transferred to competitors freely or cheaply, especially as one firm had indicated very clearly that Bahrain employees are not stable in their jobs –there is high turn over – they accept the offer and keep on looking for other jobs or opportunities in the market. In addition to this, there is lack of appreciation for adhering to work rules, inattention to discipline and on top of that, the high rate of absenteeism. This is what makes the private sector – especially trade – spend the minimum on training and believe that it is the task of the Civil Service to overflow the market with trained personnel. Most of the

firms have a training department or human resource development department which executes the training policy .

3.9 Team Work

Graph [10] shows the team work concept is mostly utilized for implementing projects and assignments as a dominant attitude at the Civil Service and in Banking, while Industry mostly follows suit but with marginal intensity as compared with the other two sectors. Industry also uses team work for problem solving more than the Civil Service and banking sectors. Since most common problems in Industry are of a technological nature – operational, engineering..... etc.– team work would definitely be more vital, effective and faster. In this case, team work would generate more ideas, analyze problems effectively and professionally; members would communicate effectively, evaluate problems and options logically, and get things done systematically.

Graph - 10



On posing the following question to the executive management at the three sectors – **"Where does the concept of team work fit in your organization?"** the Industry sector confirms that team work exists and is effective in dealing with the various tasks and problems of an ad hoc and routine nature. For example , **BAPCO, BANAGAS ,**

ALBA GPIC and **BALEXCO** all have indicated that team work exists for problem solving, program planning, review and evaluation of programs, some activities, policy and procedures also for enhancing the general spirit of team work among employees while dealing with routine activities. Team work is encouraged, regular staff meetings of line managers are one channel for disseminating such a concept among staff. In the Civil Service sector the concept of team work is mainly used for :

- *Carrying out joint projects with other ministries*
- *Solving problems internally*
- *Developing / improving or reviewing procedures*
- *Creating training plans such as a training committee*

The concept is not fully developed at the trade sector; however Jawad Cold Stores have already sold the idea to their staff by encouraging them to formulate small teams to deal with some issues such as solving technical problems , dealing with marketing matters.....etc.

It has been noticed that many executives emphasized that self-managing team work exists in regard to deciding details of solving problems , delegation of tasks among its members and anything related to implementing/solving the problem in an acceptable manner. However, financial implications of the team's plan must be reviewed by senior management. The management usually will have the final say regarding leave schedule program, dead line, risk....etc.

Table [19] clearly displays that 64% of the respondents indicated that team work exists for implementing projects and special assignment, while 35% said it is used for problem solving. The problem solving teams normally would be temporary groups for limited tasks and time frame work. However , only 1% of the total respondents said that team work does not exist in their organization which confirms that the concept of team work does exist, but the questionnaire limitation was that it did not test the effectiveness of

these teams. I am afraid that some of these teams are merely ad hoc committees of non-homogenous membership and normally would take a longer time to solve the problem, mainly because of the difficulties in securing all members to agree or attend a meeting. Not all members who attend are well prepared, not all members are of the same competence, qualification, experience, language, authority....etc. Such worry would normally be of concern when it comes to looking at the team formed at the Civil Service sector because this sector is large. Also the criteria for nominating team members differ from that of smaller institutions such as banking or industrial firms. Direct interest of the candidate /nominee in the problem / project and many other factors are of utmost importance to manage the tasks and maintain good relationships. Nevertheless, teamwork enhances communication and introduces the spirit of WE rather than I. To introduce and achieve empowerment, teams must be formulated and made the corner stones of the organization's structure in order to effectively practice participative management and encourage creativity and self-reliance and confidence.

Table - 19

Where does the concept of team work fits in your organization?				
	Banking	Industrial	Civil Service	Total
For problem - solving	9	69	9	87
	21%	40%	27%	35%
For implementing projects & assignments	30	105	24	159
	71%	60%	73%	64%
Team-work does not exist	3	0	0	3
	7%	0%	0%	1%
Total	42	174	33	249

In response to the question on the complication in the process of decision making within a work group, Table [20] indicated that 34% of the total respondents stated that it is easy and practical, and work groups are mostly used for deeper analysis of problems or projects implementation or evaluation. These figures are good indicators confirming the presence of team work within these organizations, which is in turn a good sign for a sound participative management approach which leads in the end, to sound empowered personnel .

Table - 20

In my opinion, decision making in a work group is often : tick one or more				
	Banking	Industrial	Civil Service	Total
Practical & Easy	15	45	21	81
	36%	28%	54%	34%
Difficult & Complicated	6	21	0	27
	14%	13%	0%	11%
Take More Time	6	24	3	33
	14%	15%	8%	14%
For deeper analysis	15	69	15	99
	36%	43%	38%	41%
Total	42	159	39	240

The existence of work groups to solve problems and for deeper analysis is confirmed by 87% of the total respondents in Table [21] who indicated that work groups exist in their organization. This high percentage assured that the concept of sharing decision making is widely used at the surveyed organizations for those specific issues.

Table - 21

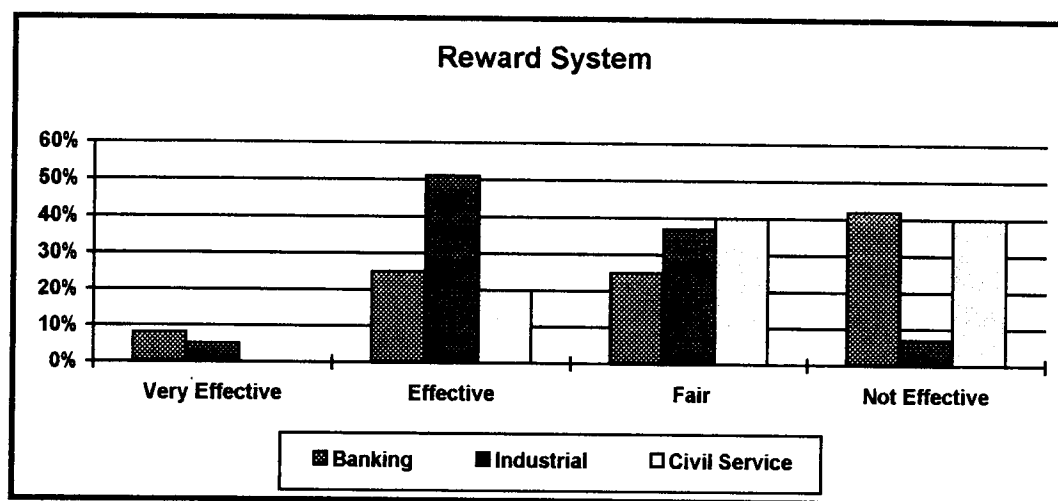
Does Work Group exist in your Organization ?				
	Banking	Industrial	Civil Service	Total
Yes	27	102	30	159
	75%	87%	100%	87%
No	9	15	0	24
	25%	13%	0%	13%
Total	36	117	30	183

3.10 Reward System

In response to the question "Is the reward system of your organization effective enough to motivate employees ?" Graph [11] shows that Industry leads other sectors in having an effective reward system. Forty two percent of all responses indicated that their reward system is effective, 51% of that is among Industry, while Banking and Civil Service respondents constituted 25% & 20% respectively. Although 37% of Industry

described their reward system as fair, respondents from the Civil Service were 40% as compared to Banking which were 25% only. Rating the rewarding system as not effective, respondents from the banking sector constituted 42% while the respondents from the Civil Service sector represented 40% in comparison to 7% from Industry. It is worth mentioning here that the salary scale of the banking sector is much higher than the Civil Service; also the banking system is profit oriented and normally the management rewards the staff at the end of the year with one month salary as a bonus in appreciation of the achievement made. The Civil Service sector employees would normally receive their annual increment in the form of one step which is in the range of 3-7% of the basic salary. Although the reward system at the Civil Service includes a certificate, letter of thanks, recognition to medium and long years of service which is normally attended by the minister or his deputy, the employees put more weight on the monetary incentives rather than ceremonial reward, and this might explain the response from the Civil Service sector of 40% indicating that their reward system is not effective.

Graph - 11



Other factors must be considered, that is the process by which the reward is distributed and the criteria used. The Civil Service sector seems to exert more effort for fair and equal distribution of the reward. For an effective and motivating reward system,

emphasis must be put on exercising fairness and equity in the distribution of the reward.

Table - 22

Is the Reward System of your Organization effective enough to motivate employee ?				
	Banking	Industrial	Civil Service	Total
Very Effective	3	6	0	9
	8%	5%	0%	5%
Effective	9	66	6	81
	25%	51%	20%	42%
Fair	9	48	12	69
	25%	37%	40%	35%
Not Effective	15	9	12	36
	42%	7%	40%	18%
Total	36	129	30	195

From Table [22] only 5% of the total respondents described their reward system as very effective, excluding respondents from the Civil Service sector who marked it as [0%] .

The table also shows that an effective reward system exists among the three sectors. This is confirmed by 42% of the total respondents which in turn confirms some of the statements made by the top management during the interview with Industry and Banking; for example, **BAPCO**, **ALBA** and **BANAGAS** have sound and effective reward systems, staff are encouraged to work hard to be rewarded. Best employees and teams are awarded prizes - incentives or certificate of recognition. Productive employees are recognized and rewarded annually with incentives. There is an award for safety, an award for innovation - new ideas that might help improve safety precautions, communications, productivity, speed-up procedure ...etc.

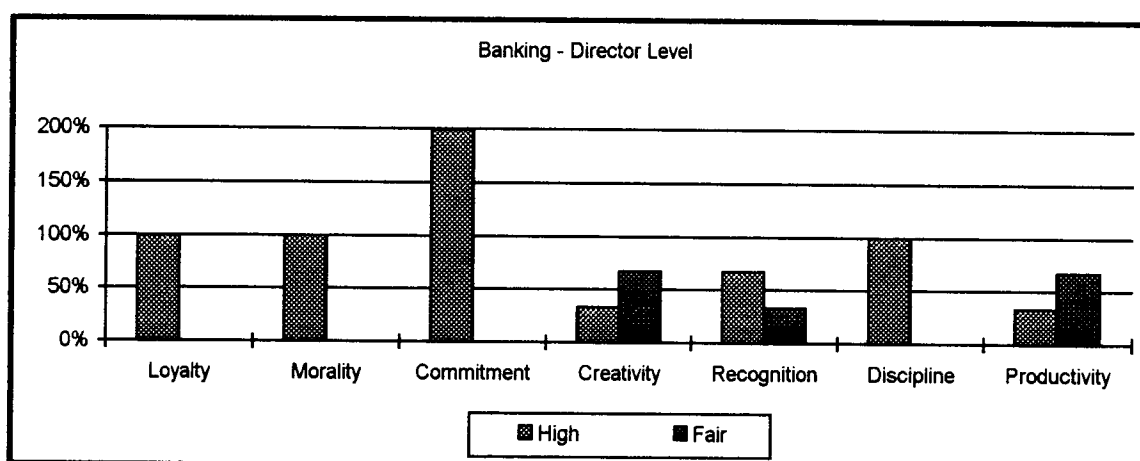
In addition to the above, the reward system at **ALBA** includes a cost cutting system , which is exercised by all levels, the surplus – cost saving – is distributed as a bonus , where 50% of it goes to the shareholders and the remaining 50% is divided into two halves, 50% of this half is distributed equally among all staff and the remaining 50% goes to **ALBA's** housing project. Other medium size industries and some commercial banks indicated that their reward systems are not effective enough to meet the

management expectations which is a clear indication of the board's relaxation to introduce a more effective reward system . On the Civil Service side most of the top executives interviewed stated that the reward system is poor, not effective and incentives are not motivating while among the trade sector companies such as **Jawad Cold Stores, Y.K.Al Moayyad and A.A Zayani** indicated that their system is based on paying commission to salesmen and distributing incentives to staff when they meet the targeted profit .

3.11 Motivation

Graphs [12&13] of Table [23] "**Banking sector**", are the reflection of the responses made by Directors and Section Heads at the banking sector to the question " **How do you see loyalty, morality, commitment, creativity, recognition, discipline and productivity in your organization.**" It shows the evaluation of line management toward the factors affecting human behavior in the working environment . At the director level, loyalty, morality, commitment and discipline are 100% high, however , creativity and productivity are considered low as only 33% felt it is high while 67% felt it is just fair. On the other hand, staff recognition is reasonably high as 67% felt so while only 33% felt it is fair.

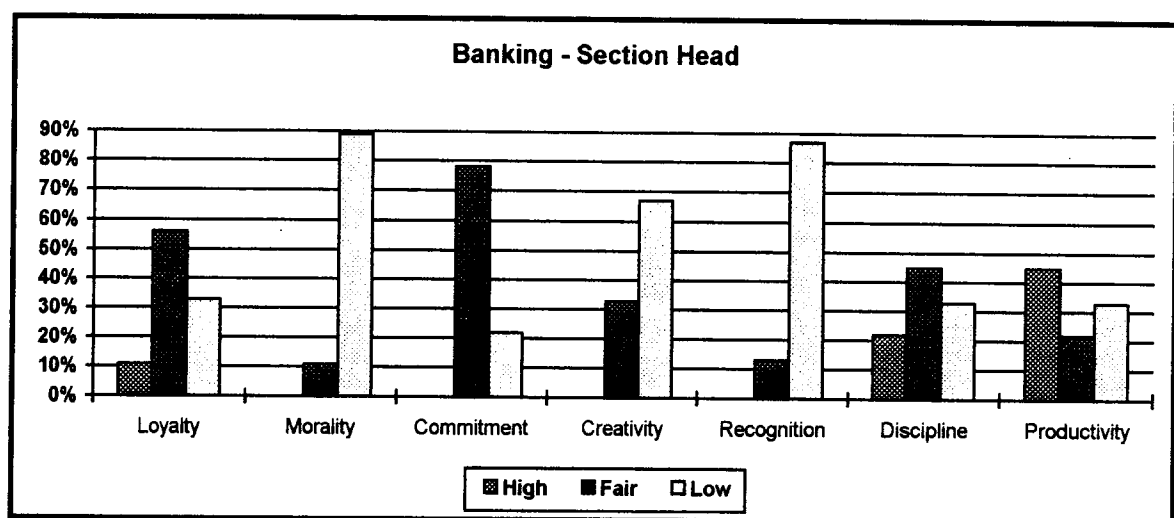
Graph - 12



At the section head level, loyalty is just fair along with discipline and productivity as the percentages of the respondents indicated respectively [56%, 45% and 45%], while morality, recognition and creativity are considered very low with the percentage of respondents as follows [89%, 78% and 67%] respectively. There is a fairly high commitment among staff as felt by 78% of the respondents.

According to William Lareau⁶⁶, people who think the secret of Japanese success in business is due to a culture that enhances selflessness – people willing to sacrifice for the group, those who think the secret is in the willingness of Japanese workers to kill themselves for the company – working harder and faster than the employees of any other nation, or those who attribute the Japanese "miracle" to high technology, *are all wrong*

Graph - 13



During the interview with top management, the question on productivity was raised as follows **"How do you rate productivity of your staff as compared to that of your competitors?"** The answers varied between highly productive to fairly productive as compared with similar firms, such general comments supported by appraising the

⁶⁶William Lareau, American Samurai, Warner Books, New York, 1991 p148

productivity of the staff at almost all sectors. However, one bank indicated that its staff are lower in their productivity as far as quantitative and qualitative output are concerned when compared with similar banks, and hence management recognized that more training and skill development was required to enhance productivity and quality of work by individuals, to secure a competitive edge in the market and to provide a better service and respond promptly to customer needs.

Table - 23

Banking Sector						
	Directors			Section Heads		
	H ⁶⁷	F	L	H	F	L
Loyalty	9	0	0	3	15	9
	100%	0%		11%	56%	33%
Morality	9	0	0	0	3	24
	100%	0%		0%	11%	89%
Commitment	9	0	0	0	21	6
	100%	0%		0%	78%	22%
Creativity	3	6	0	0	9	18
	33%	67%		0%	33%	67%
Recognition	6	3	0	0	3	21
	67%	33%		0%	13%	87%
Discipline	9	0	0	6	12	9
	100%	0%		22%	45%	33%
Productivity	3	6	0	12	6	9
	33%	67%		45%	22%	33%

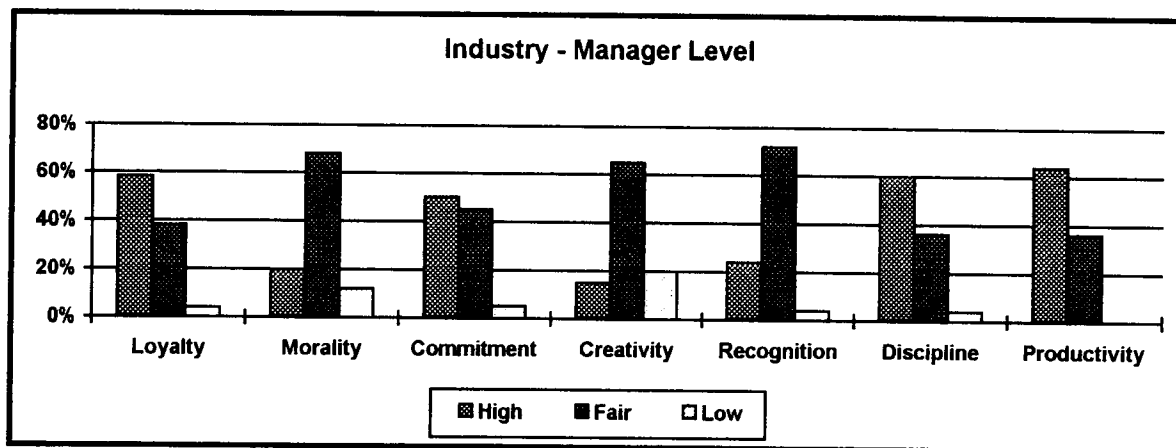
On raising the question about quality of work of the subordinates "How would you describe the quality of work done by your immediate subordinates?", the answers of the top management staff were not straight ones. Some were very clear in indicating that immediate subordinates are not competent enough to carry out their tasks and duties and as such were a barrier for effective delegation.

⁶⁷H=High , F= Fair , L= Low

Furthermore, it was indicated that these line managers were reluctant to be trained, and resisted whenever possible career development schemes, and they were not self-initiative nor proactive in dealing with most of the issues.

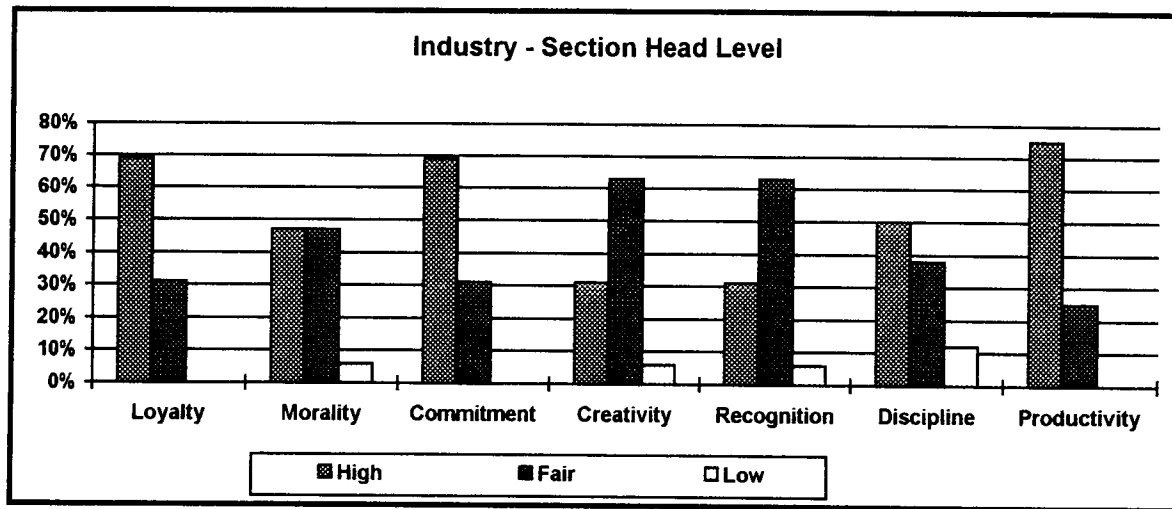
Graph [14] describes the responses from managerial level in the Industry sector and shows that loyalty, discipline and productivity are considered high with respective percentages [58%, 60% and 64%], while commitment of staff is seen as fairly high by 50% of the respondents. However, 72% felt that recognition is fair as well as creativity and morality [65%, 68%].

Graph - 14



Graph [15] describes the responses from the section head level in the Industry sector and shows high loyalty, commitment and productivity among staff with respective percentages [69%, 69% and 79%] while morality and discipline are considered fairly high by 47% and 50% of the respondents. However, 63% felt that recognition and creativity are fair.

Graph - 15



When the same question on productivity was posed to top management in Industry as "How would they rate productivity of their staff as compared to that of their competitors?", **BAPCO** and **ALBA** were confident that their staff are highly productive when compared with others in similar firms, and when asked the question of quality of work done by subordinates, **BAPCO** also indicated that subordinate's quality of work is high. On the other hand, **BANAGAS**, **BALEXCO** and **ALBA** said that some are high while some still need to work hard to prove themselves. They have indicated that a few belong to the old school of management and always resist change and show no improvement after attending management courses. Some executives believe that such a problem could be a result of the style of leadership that some subordinates would like to retain with them as they escalate.

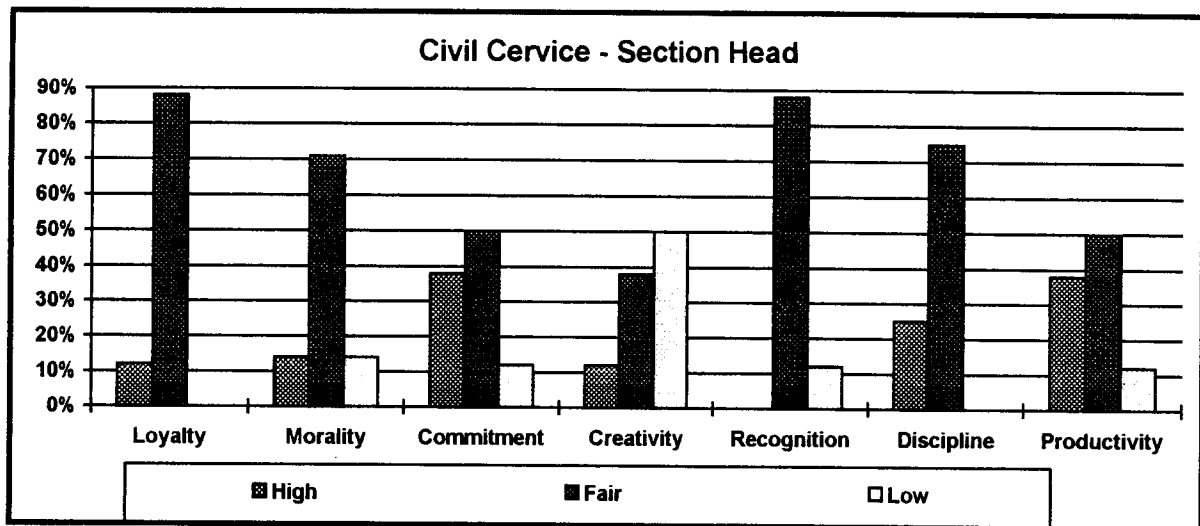
Table - 23

Industrial Sector									
	Managers			Section Heads			Supervisors		
	H	F	L	H	F	L	H	F	L
Loyalty	42	27	3	33	15	0	3	0	0
	58%	38%	4%	69%	31%	0%	100%	0%	0%
Morality	15	51	9	24	24	3	0	3	0
	20%	68%	12%	47%	47%	6%	0%	100%	0%
Commitment	30	27	3	33	15	0	0	3	0
	50%	45%	5%	69%	31%	0%	0%	100%	0%
Creativity	9	39	12	15	30	3	0	3	0
	15%	65%	20%	31%	63%	6%	0%	100%	0%
Recognition	18	54	3	15	30	3	3	0	0
	24%	72%	4%	31%	63%	6%	100%	0%	0%
Discipline	45	27	3	24	18	6	0	3	0
	60%	36%	4%	50%	38%	12%	0%	100%	0%
Productivity	48	27	0	36	12	0	0	3	0
	64%	36%	0%	75%	25%	0%	0%	100%	0%

Graph [16] represents the responses from the section head level at the Civil Service sector which, unfortunately, show that loyalty, morality, recognition and discipline are fair with no respondent feeling that recognition could be ranked as high. The Graph and Table [23] "Civil Service Sector" show that 88% described loyalty and recognition as fair against 12% who said loyalty is high among the staff, while none [0%] of the respondents showed high recognition. Discipline is just fair since 25% indicated that discipline at the Civil Service sector is high, and 75% felt it is fair. It seems that commitment and productivity are more on the fair side than can be described as high while creativity is felt by 50% of the respondents as low with 38% considering that staff are fairly creative.

The interview with top executives at the Civil Service sector concerning the question **"How do you rate productivity of your staff as compared to that of your competitors?"** revealed the following general comments; some ministries feel that the productivity of their staff is high when compared with other ministries; some ministries such as the Ministry of Finance and National Economy apply an efficient monitoring system similar to task performance system where tasks and assignments are on the computers, and monitored and reviewed on a regular basis.

Graph - 16



Keeping track of received and completed applications, assignments ..etc., there are clear tasks and clear responsibilities assigned to be followed up and monitored at head and supervisor level. There are regular meetings on a monthly basis at the assistant undersecretary level and on a weekly basis at the Director / Department Head level .

Table - 23

Civil Service Sector						
	Section Heads			Supervisors		
	H	F	L	H	F	L
Loyalty	3	21	0	0	6	0
	12%	88%	0%	0%	100%	0%
Morality	3	15	3	0	3	3
	14%	71%	14%	0%	50%	50%
Commitment	9	12	3	0	6	0
	38%	50%	12%	0%	100%	0%
Creativity	3	9	12	0	3	3
	12%	38%	50%	0%	50%	50%
Recognition	0	21	3	0	3	3
	0%	88%	12%	0%	50%	50%
Discipline	6	18	0	3	3	0
	25%	75%	0%	50%	50%	0%
Productivity	9	12	3	0	6	0
	38%	50%	12%	0%	100%	0%

3.12 Working Environment

Table [24] gives information on how harmony at work is measured by participants. Fifty percent of the total respondents described it in their organization as *very good*, while 30% of the total respondents said it was *good*. Figures within sectors show that 57% of the Industry respondents indicated that the working environment - harmony - at their organization was *very good* in comparison to 40% and 33% representing Civil Service and Banking respectively. The general outcome seems to favor the existence of sound harmony at the work place among employees. Social and culture factors may play a major part in this, as Bahrain society is small and employees are either distant relatives or school mates ..etc. However, we cannot rule out the management style that might have helped or initiated such harmony.

Table - 24

How would you describe harmony in work among staff?				
	Banking	Industrial	Civil Service	Total
Excellent	0	15	0	15
	0%	12%	0%	8%
Very good	12	72	12	96
	33%	57%	40%	50%
Good	6	33	18	57
	17%	26%	60%	30%
Fair	9	6	0	15
	25%	5%	0%	8%
Poor	9	0	0	9
	25%	0%	0%	5%
Total	36	126	30	192

According to Peter Drucker, "changing habits and behavior requires changing in recognition and rewards." He emphasized that people in organizations tend to act in response to being recognized, appreciated and rewarded, everything else is preaching. An empowered organization values human resources and commits time and money to education, training, benefits, and recognition. The good work of subordinates must be recognized and positive feedback must be the norms in organizations aiming toward participative management and team work to achieve their strategies.

Table [25] gives some indications on how the organizations surveyed react to subordinates' efforts; 40% of the total respondents indicated that their work and efforts were *often* appreciated by their peers, supported by 17% who indicated that their efforts were *always* appreciated. Although 28% of the total responses pointed out that only *sometimes* they saw their efforts being appreciated, we may consider the overall outcome favorable in that efforts are appreciated and recognized and such an attitude exists at almost all the firms covered.

Table - 25

Do you feel that your effort is adequately appreciated ?				
	Banking	Industrial	Civil Service	Total
Always	3	27	3	33
	8%	21%	10%	17%
Often	12	57	9	78
	33%	44%	30%	40%
Sometimes	9	33	12	54
	25%	26%	40%	28%
Rarely	3	12	6	21
	8%	9%	20%	11%
Never	9	0	0	9
	25%	0%	0%	5%
Total	36	129	30	195

As indicated earlier, the greater the value of a set of rewards and the higher the probability that receiving those rewards would depend upon effort made in a given situation. But effort is not enough; it has to be effective effort if it is to produce the result needed or would reach the output anticipated. For example, at the Civil Service the reward system –as described by a top executive in that sector – is poor, not effective and incentives are not motivating so this may not encourage employees to put in extra effort. Furthermore, the mechanism of recognizing and evaluating such efforts in the public sector tends to be subjective in most cases, which becomes demotivating to some hard workers. This may explain why 50% of the total responses at the Civil Service sector indicated that extra efforts were *rarely* rewarded. Citing previous observations based on the responses received toward the effectiveness of the reward system, it was clear that the banking and Industry sectors indicated that they have effective reward systems.

It was indicated that in some firms, the best employees and teams are awarded prizes, incentives or certificate of recognition. Productive employees are recognized and rewarded annually with incentives. There is an award for safety, an award for innovation- new ideas that might help improve safety precautions, communications, productivity, speed up procedures ...etc. As indicated earlier, recognition, motivation and sound reward systems are essential for introducing empowerment successfully. Employees expect sound returns for the efforts they have put in, equal to the

result/output realized from their input. Empowerment would be appropriately built into the organization if supported with sound systems that would motivate, reward and recognize employees.

Table [26] below, shows that 38% of the total respondents indicated that extra efforts are *often* rewarded at their organizations with Industry showing the highest percentage of 49%. This is also ascertained by 26% of the total who indicated that it is seen sometimes in their organization which still indicates a positive attitude of the management.

Table - 26

Are extra efforts rewarded ?				
	Banking	Industrial	Civil Service	Total
Always	6	6	0	12
	17%	5%	0%	6%
Often	6	63	6	75
	17%	49%	20%	38%
Sometimes	6	39	6	51
	17%	30%	20%	26%
Rarely	6	21	15	42
	17%	16%	50%	22%
Never	12	0	3	15
	33%	0%	10%	8%
Total	36	129	30	195

Table [27] is a follow-up of the outcome anticipated from Table 22 and it almost confirms that outstanding performance is recognized and thus rewarded. Thirty two percent of the total responses indicated that such recognition exists in their organizations quite *often*. This is ascertained by 26% of the total responses who indicated it is *always* the case in their organizations, bearing in mind that 27% felt it is *sometimes* that outstanding performance has been recognized at their organizations and gives positive indication that the concept is moving in the right direction and is being implemented fairly effectively.

Table - 27

Is outstanding performance recognized ?				
	Banking	Industrial	Civil Service	Total
Always	6	42	0	48
	18%	34%	0%	26%
Often	3	45	12	60
	9%	37%	40%	32%
Sometimes	12	27	12	51
	36%	22%	40%	27%
Rarely	6	9	6	21
	18%	7%	20%	11%
Never	6	0	0	6
	18%	0%	0%	3%
Total	33	123	30	186

Top management plays a major role in enforcing rules without discrimination. It has been noticed that many line managers would avoid facing their employees for disciplinary action. The fair and equitable application of rules and procedures is the corner stone of sound democratic management.

Table [28] reflects the feelings of respondents on this subject. Thirty seven percent of the total responses indicated that rules are strictly enforced with no discriminations. Quite *often* this is supported by 17% who indicated that it is so all the time. **BAPCO**, for example, enforces rules concerning timing of reporting to work very strictly with all employees without any discrimination, including the chief executive of the firm. They consider (2-7) minutes delay in reaching work as minor and, on repeated events, employees would receive a warning to report earlier. However, if reaching work is recorded as more than 8 minutes, then an automatic cut in the salary would be in effect immediately. Discipline is very important in supporting organization culture which is an important element in the process of empowerment. However, commitment of top management is more important to enhance organization culture and endorse the concept of the fair and equitable application of rules and procedures by all employees. Industry shows better adherence to rules and procedures without discrimination. However, it is not equally the case in the other two sectors; hence there is a need to realize the importance of such fair and equitable application and commitment of the top

management to lead by example, if necessary, in order to establish a sound and distinguished culture that would support the concept of empowerment.

However, 26% indicated that it is only *sometimes* that they see rules strictly enforced and since 15% indicated that they *rarely* see such an attitude in their organizations, this may be interpreted as some outside interference that still exists – as indicated by some top executives – that normally influences the application of these rules fairly and equitably. Some organizations do suffer from this factor which is closely related to our culture and which affects management style.

Table - 28

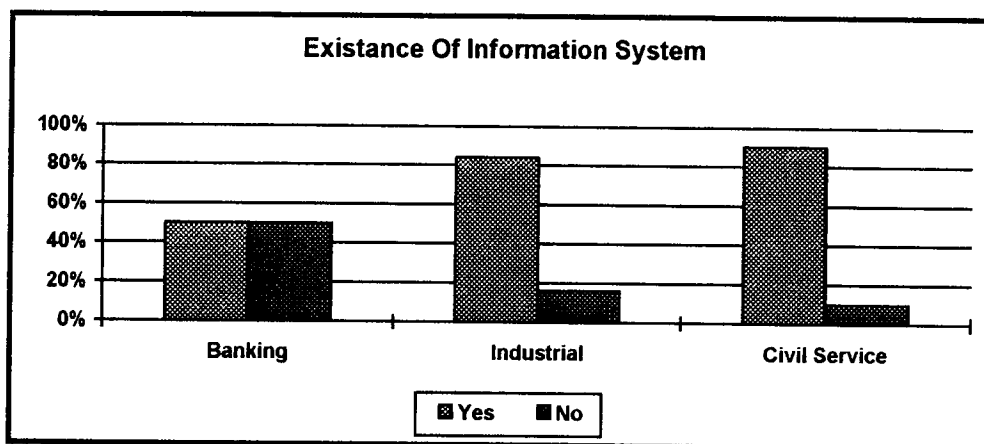
Are rules strictly enforced with no discrimination ?				
	Banking	Industrial	Civil Service	Total
Always	6	27	0	33
	17%	21%	0%	17%
Often	3	57	12	72
	8%	44%	40%	37%
Sometimes	12	33	6	51
	33%	26%	20%	26%
Rarely	6	12	12	30
	17%	9%	40%	15%
Never	9	0	0	9
	25%	0%	0%	5%
Total	36	129	30	195

3.13 Communication

In addition to the above, the following question was raised during the interview with the firm's executives; "**Which is the most effective means of communication in your organization?**" and emphasizes the following tools as the most effective means adopted by their organization and line managers for communicating within the organization. These include the regular / monthly executive committee meetings, regular departmental staff meetings, formal inter-office memoranda, an open door policy at executive and line manager's level, the firm's annual meetings, periodical bulletins, general notices and joint management-employee committees, and are all considered effective means practiced in communications with staff. Graph [17] and Table [29] confirm that a formal

communicating system available to move relevant information and decisions within the organization exists in all the three sectors. Seventy eight percent of the total responses confirm the existence of a formal communicating system that keeps them well informed on relevant decisions, procedures, policy...etc. Ninety percent out of the total 78% represents the Civil Service sector while responses from Industry were 84% indicating the presence of such a system. The response from the banking sector has been divided equally into two responses is 50% indicating that a system of communication does not exist, while the remaining 50% agree to the contrary.

Graph - 17



Although 50% of the respondents from the banking sector felt that the formal procedures and communication system exist within their firms, Table [29/1] and Graph [18] show that the communication system at all sectors is effective. This is confirmed by 83% of the respondents from the banking sector who indicated that their system is effective enough to deal with their need, while supported further by 22% respondents from Industry who felt that their communication system is *very* effective, along with 64% responses from the Industry sector who considered it effective. The Civil Service sector showed 56% of the respondents felt that the procedure and the communication system in their respective organizations are effective and thus they feel that they are kept well informed on the relevant decisions in their departments.

Table - 29

Is there a procedure, arrangement or a system to keep you informed on relevant decisions ?				
	Banking	Industrial	Civil Service	Total
Yes	18	108	27	153
	50%	84%	90%	78%
No	18	21	3	42
	50%	16%	10%	22%
Total	36	129	30	195

Graph - 18

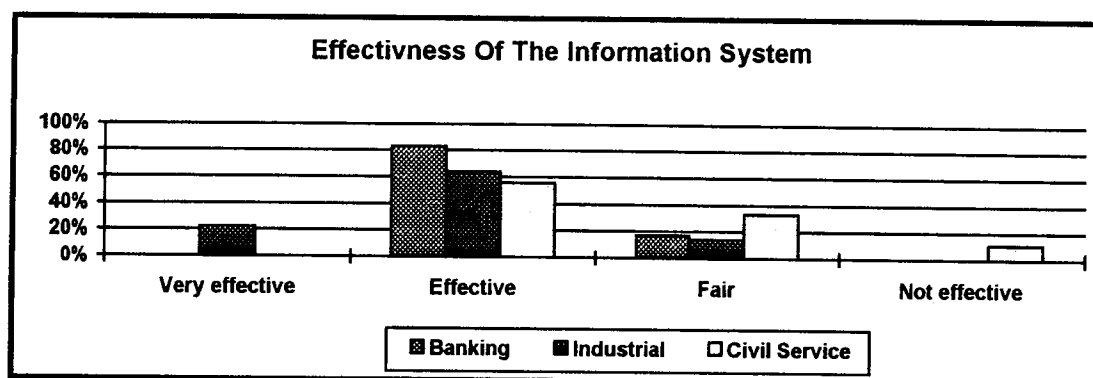


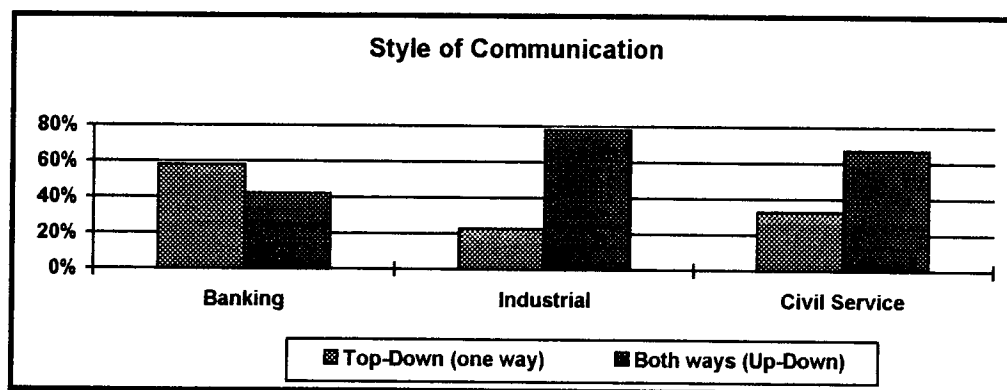
Table - 29/1

If yes how effective are such procedure, arrangement and/or system ?				
	Banking	Industrial	Civil Service	Total
Very effective	0	24	0	24
	0%	22%	0%	16%
Effective	15	69	15	99
	83%	64%	56%	65%
Fair	3	15	9	27
	17%	14%	33%	18%
Not effective	0	0	3	3
	0%	0%	11%	2%
Total	18	108	27	153

Such evidence was also emphasized by the executives - from **ALBA, BALEXCO, Jawad and Ministry of Finance and National Economy** - who felt that their communication system is effective enough to serve the purpose and provide enough information and communicate relevant and important information within the organization among all the various levels promptly and efficiently, while **BAPCO's**

representative emphasized that their system is very effective. This is confirmed by the responses received from BAPCO's managers and heads of departments.

Graph - 19



The open door policy that is being applied at most of the firms, regular / monthly executive committee meetings, regular departmental staff meetings, the firm's annual meetings, periodical bulletins, and joint management-employee committees have tremendously enhanced the two-way communication within these firms.

Table - 30

How is communication between management level and subordinates mostly performed?				
	Banking	Industrial	Civil Service	Total
Top-Down (one way)	21	27	9	57
	58%	23%	33%	31%
Both ways (Up-Down)	15	93	18	126
	42%	78%	67%	69%
Total	36	120	27	183

Table [30] and Graph [19] clearly show that 69% of the total responses indicated that in their firms, communication exists in up-down, two-way communication and the opinion and views of the subordinates are communicated to the top management. In Industry 78% of respondents confirmed the existence of two-way [up & down] communication which reflects the organizational culture among the Industry as well, confirming the presence of an effective communicating system. Civil Service respondents showed a high

percentage of responses indicating the up & down communicating system exists as indicated by 67% of the total respondents from the Civil Service sector, while 58% of the responses from the banking sector indicated that communication is mostly done in one way, that is top-down communication.

In spite of the banking sector response, communication is effective in permitting the informal communication, and thus encouraging and enhancing the productive communication concept which is built on mutual trust and useful information exchange in the organization. Effective communication enables the management to introduce smoothly the vital elements of empowerment, and communication is the most important channel to disseminate the required information and have effective monitoring on the progress. Empowerment has a very close relationship with the effectiveness of the communication system in the organization where the mission, vision, strategies, policies ...etc need to be efficiently communicated to all employees.

3.14 Performance Management

The questionnaire circulated among managers, heads of departments and supervisors in all the institutions covered in the survey, included questions concerning performance management, and was targeted toward the existence of such a system, whether clear objectives at both organizational and departmental levels are present and explicit, who sets these objectives and how they are measured.

Table [31] refers to the question "**Is Performance Management applied at your organization ?**" From the total respondents 29% indicated that it is quite *often* that performance management is applied at their organizations. This is confirmed by 34% of the industrial responses and 30% responses from the Civil Service. However, although 24% of the total respondents have somehow confirmed this statement by indicating that such management is *sometimes* applied at their organization, it is the banking sector in which 42% of its total respondents indicated that performance management is **never**

applied at their organizations, backed by 17% who felt it is *rarely* seen applied . It was anticipated that responses from the banking sector would be more firmly on the other side; however, 25% of the total respondents from the banking sector said it has always been the practice of the organization to apply performance management against almost 59% [42%+17%] who indicated they never felt it applied, along with those who have been a little cautious in saying it is rarely seen being applied at their organizations. To explain this further might be difficult as the questionnaire did not provide any question to extract more information to enable further elaboration during the analysis. Nevertheless, it seems that performance management is being applied in most of the organizations covered by the survey.

Table - 31

Is Performance Management applied at your organization ?				
	Banking	Industrial	Civil Service	Total
Always	9	27	3	39
	25%	22%	10%	21%
Often	3	42	9	54
	8%	34%	30%	29%
Sometimes	3	33	9	45
	8%	27%	30%	24%
Rarely	6	9	0	15
	17%	7%	0%	8%
Never	15	12	9	36
	42%	10%	30%	19%
Total	36	123	30	189

As indicated earlier, Kouzes and Posner suggested nine strategies that managers can use to recognize accomplishments, the first one being an emphasis on developing tough measurable performance standards. They have indicated that strong-culture companies were characterized by high performance standards and this is quite the case in Bahrain if we look at companies such as **BAPCO, BANAGAS, ALBA GPIC**..etc. all with an adequate reward system, which clarifies and communicates these standards to all employees. Also they have pointed out that standards ought to be extraordinarily high, yet achievable, and as such performance standards must be linked directly to what is important to the success of business.

Table - 32

Are there - in your opinion - clear and measurable objectives at: Organization level ...				
	Banking	Industrial	Civil Service	Total
Yes	15	102	18	135
	42%	83%	60%	71%
No	21	21	12	54
	58%	17%	40%	29%

Departmental level ...				
Yes	18	105	18	141
	50%	85%	60%	75%
No	18	18	12	48
	50%	15%	40%	25%
Total	36	123	30	189

Table [32] reflects the answers concerning the question **"Are there - in your opinion - clear and measurable objectives at organizational and departmental/ section levels?"** From the tables below, it is quite clear that the majority had indicated that there exists clear and measurable objectives in their organization, as well as at their department levels as seen below. Seventy one percent of the total respondents had said "yes" they do have it, 83% represented Industry's total respondents followed by 60% and 42% from the Civil Service and Banking respectively. Among the 29% who indicated that such objectives do not exist at their organizational level were 58% from the banking sector. This confirms the observation found in Table [31] about application of performance management. However, we may consider that responses received indicate that there are objectives at the organizational level and such objectives are clear and measurable. Looking at the other half of Table [32] concerning the departmental level, it is also found that 75% of the total respondents had indicated the existence of clear and measurable objectives and this was validated by the response in favor of 85%, 60% and 50% respondents representing Industry, Civil Service and Banking respectively. This again leads to the fact that objectives are clear and measurable and, as such, the outcome of the performance evaluation would rather reflect the natural and logical consequences as pointed out by Covey and others who warned that if objectives

are not achievable nor measurable, then the anticipated result from the performance management concept would be questionable.

Table - 33

Are employee's and/or division's performance measured through established objectives?				
	Banking	Industrial	Civil Service	Total
Always	6	36	0	42
	17%	29%	0%	22%
Often	9	60	6	75
	25%	49%	20%	40%
Sometimes	3	18	9	30
	8%	15%	30%	16%
Rarely	9	6	9	24
	25%	5%	30%	13%
Never	9	3	6	18
	25%	2%	20%	10%
Total	36	123	30	189

As indicated, objectives must be high, achievable and measurable in order to give the anticipated outcome. Table [33] above brings to light the outcome of the responses received in relation to the question **"Are employees and / or division performance measured through established objectives ? "** As the table indicates, 40% of the total respondents said that *often* employees and /or division performance are measured through established objectives and, 49% from Industry agreed. This confirms that the industrial sector does apply performance management through established objectives that are measurable and clearly communicated to all employees. This is in line with 25%, and 20% of the respondents from Banking and the Civil Service respectively. Taking into consideration responses indicating that such practice is always applied and those indicating sometimes being applied, which each make 22% and 16% respectively from the total respondents, we may favor that employees and division's performance are measured through established objectives. This is reinforced by the responses received from the executives interviewed, as the question raised to them was **"How is performance measured and who sets objectives and action plans? :**

- Top management ?
- Top and middle management ?
- All levels of concerned staff ?

BAPCO, BANAGAS , ALBA and GPIC indicated that organizational objectives at the corporate level are set by the executive committee and submitted to the board for approval, while those at the departmental level are set by the departments themselves, who would develop their plans at all levels to fulfill the objectives. Then monthly reviews are conducted to measure performance and monitor progress. There are clear procedures to measure key success factors. Performance generally is measured by :

- Comparing targets / planned vs actual implementation and achievement.
- Analyzing differences - why and what to anticipate next month.
- Discussing on a monthly basis –by executive committee– the progress as well as the major measuring factors such as manpower , budget and production. The details of these factors are discussed further at wider meetings with managers, general managers and executives.
- Management providing lots of coaching through set guidelines – for **ALBA**, this started in September '93 as the expansion project was accomplished– to ensure abiding of all departments to management directives on Budget, Manpower strategy, Marketing strategy, trends ..etc.

While at **Jawad Cold Stores**, they have daily and weekly monitoring on the sales, inventory ..etc. Adjustments are made accordingly and performance monitored to meet the target , especially the profit .

On the other side **Al Ahli Commercial Bank** indicated that until the time of the survey, the bank had no written objectives, strategy or plan at the corporate level. Likewise, there are no departmental objectives or strategies. The bank had to hire a British consultant to review and assist the bank to formulate such objectives, strategies and help introduce the skills required. They anticipate that these objectives – at departmental level – shall be formulated by all staff concerned to secure effective participation and ensure consistency with the organization's goals.

The interview with some executives asked their opinion on whether in their organization, there are sound and clear organizational and departmental objectives and whether these are measurable. Representatives from **Ministry of Finance and National Economy** indicated that the problem exists at a higher level where there are no firm, clear plans at the national level so that the ministry's objectives could be based firmly and monitored regularly. The state's major resources are based on oil prices which fluctuate and are affected by many external forces which makes it difficult to have specific objectives and plans. **BALEXCO** executives indicated that somehow they have clear measurable objectives, and these are basically in the production, maintenance, marketing departments. All have set goals with pre-defined targets to achieve and these are monitored weekly and sometime daily. **BAPCO** has very clear and measurable objectives at both organizational and departmental levels. There is a monthly executive meeting to review the progress concerning the major firm's objectives. There is a special, well organized conference room where the monthly review takes place, with up-to-date charts, tables, flowcharts etc. displayed all the time on the walls at the conference room showing the targeted figures as compared to the actual. Each General Manager presents the progress report on his plan supported by latest data and figures that measure the performance and show the implemented portion of his plan to highlight where he stand from the overall plan, and would discuss any obstacles or deviation needed in the plan to meet the target. Furthermore, they have indicated that oil companies are mostly task oriented firms. Implementation of tasks and assignments are easily monitored and

measured. Programs monitoring production level and safety records are all measurable and are used as indicators to measure performance of the department and its staff.

ALBA, BANAGAS and GPIC do not differ much from **BAPCO**. Organizational objectives are set by committee at the general managers level and then submitted to the board for approval, which are then circulated as corporate objectives. Departments would then set their objectives and strategies in detail backed by necessary plans and programs which are then checked and approved by management. After that, it may be produced in a dossier –company's Bible– as a reference manual which is made available to all line managers.

Jawad Cold Stores indicated that they do have organizational and departmental objectives. The organizational objectives are set by the executive management. Then managers of branches would be invited to set plans and programs to achieve the set targets by the management, mostly profit margin, sales and reduction in operating cost. These are measured through sales records, total revenue, market share and annual profit.

3.15 Organization Culture

Table [34] shows the response of the participants toward the question "**Are meetings planned and conducted efficiently?**" It is clear that meetings are quite *often* but not *always* planned and conducted in an efficient way. This is indicated by 49% of the responses supported by 21% who said it is *always* the case, while 22% indicated it is only *sometimes* that meetings are planned and conducted efficiently. In most cases Industry response is the highest, indicating that meetings are mostly well planned and efficiently conducted; this confirms that such sectors have long-established culture that makes meetings well planned and result in useful outcome. This also gives an indication that such meetings do not disturb the manager's activities as they are planned, and as the communication and information flow in this sector is efficient and encouraged through an open and accessible system, the outcome of these meetings –if well managed– would

be useful and positive since information required for the diagnosis, analysis and presentation of alternatives would be easily conducted and presented.

Table - 34

Are meetings planned and conducted efficiently ?				
	Banking	Industrial	Civil Service	Total
Always	0	33	6	39
	0%	26%	22%	21%
Often	12	72	9	93
	33%	57%	33%	49%
Sometimes	12	21	9	42
	33%	17%	33%	22%
Rarely	9	0	3	12
	25%	0%	11%	6%
Never	3	0	0	3
	8%	0%	0%	2%
Total	36	126	27	189

As the table shows, 57% of the total respondents from Industry indicated that meetings are *often* planned and efficient, supported by 26% who have felt they are *always* planned and efficient, with still 17% of the total who find that *sometimes* their meetings are planned and efficient, which can be taken as a positive indication.

Participants representing the Civil Service have indicated that there are meetings which are *always* planned and efficiently conducted with sound outcome. This is highlighted by 22% of the total respondents in this sector, where 33% have said their meetings are *often* planned and conducted efficiently along with another 33% who felt that only *sometimes* their meetings are planned and conducted efficiently.

Looking at the banking sector, it seems that 33% felt that meetings at their institutions are *often* planned and conducted efficiently. A similar percentage of respondents commented that it is only *sometimes* that meetings are planned and conducted efficiently; however there was 25% of the total responses representing this sector who had highlighted the fact that they see meetings as *rarely* planned and conducted efficiently against 11% from the Civil Service who shared the same feeling.

According to Harari⁶⁸ "genuine business literacy starts with information, openness and awareness for everyone regardless of level or function". It was emphasized earlier of the importance of sharing of information and liberation of management to invite more participation of the various level of employee at the different functional levels. This would lead to disclosure of information and encourage discussions about business policy, sales data, financial matters...etc. If this is advocated, then this would be a standard practice of the organization which will in the end, result in creating a positive culture that would reward the organization on the long-term strategy. Such radical change in the organizational culture would help spread competence and skills while censoring, hoarding, filtering or distorting information would become sins. Furthermore, Dr. Albrecht⁶⁹ in quoting Dr. Warren Bennis, professor at the University of Southern California, asserts that today's employee is *overmanaged and underled*. He emphasized that " We have too much management in our organizations today, and not enough leadership". He stressed that a new pattern of leadership must be an *enabling* pattern, not a commanding one. He said that as we move ahead into more and more turbulent times and face more complex and challenging problems, there will be a shift of emphasis in management thinking. It is time to leave behind the traditional preoccupation with the organizational structure and its processes, and move toward a much more diversified thinking process that focuses on the creation of value, mobilizes collective intelligence and projects, compelling the concept of the meaning of the enterprise.

Management must learn how to enable its people to create unprecedented levels of value for the customer, the organization and themselves. Hence according to Albrecht, business today demands a high level of *visionary leadership*.

⁶⁸Oren Harari, When Intelligence Rules, The Manager's Job Changes, Management Review July 1994 p33

⁶⁹Karl Albrecht, The Northbound Train, Amacom, New York 1994 p25

Table - 35

Is your Organization overmanaged (Too much bureaucracy)?				
	Banking	Industrial	Civil Service	Total
Yes	9	66	21	96
	25%	51%	70%	49%
No	27	63	9	99
	75%	49%	30%	51%
Total	36	129	30	195

Table [35] reveals the response received toward the question raised concerning the bureaucracy in the organization **"Is your Organization overmanaged?"** The total responses were very close; 51% indicated that their organization is not overmanaged while 49% felt it is. Looking at the Civil Service bureaucracy, it was confirmed by 70% of the respondents that their institutions are overmanaged. This is supported by 51% from Industry while 75% from the total respondents representing the banking sector felt that their organization is not overmanaged. Forty nine percent shared this feeling along with 30% from the Civil Service. Taking into consideration the size of the two sectors, that is, Civil Service and Industry who have indicated that their organizations are overmanaged, the overall outcome seems to favor that bureaucracy persists in these two large sectors. However, the complementary part of Table [18] shed some light on what the possible reasons for such organizations not to reduce their bureaucratic management might be.

From the Table [35/1] above it is apparent that the prime reason for the persistence of some tight bureaucratic management at Civil Service and Industry are basically due to an inherited culture. This has been highly emphasized by some Industry executives—below— such as **BAPCO**, where they have pointed out that the nature of work demands long and careful procedures to be followed and, as such, organizations in these fields may have to stay with it for some time. As the table shows, 40% of the total respondents felt their firms are overmanaged because of the inherited culture in their organizations/ Industry, 42% of that was felt by Industry and 50% by bankers, where the Civil Service response made 33% of that total. This might be the major reason, however, 26% of the total respondents felt it was due to the nature of work; Industry indicated that as well as

the Civil Service, by 28% & 25% respectively. While for Banking it has been justified by 50% of the total respondents so as to avoid mistakes which are anticipated in an environment such as banks.

Table -35/1

If your Organization is overmanaged, is this because ;				
	Banking	Industrial	Civil Service	Total
Nature of work	0	30	9	39
	0%	28%	25%	26%
To avoid mistakes	3	18	9	30
	50%	17%	25%	20%
Inherited culture	3	45	12	60
	50%	42%	33%	40%
To enforce discipline	0	12	6	18
	0%	11%	17%	12%
others	0	3	0	3
	0%	3%	0%	2%
Total	6	108	36	150

In addition to the response to the questionnaire, the interview with some executives concerning the same question, the comment from the Civil Service sectors and the Ministry of Finance and National Economy, agreed that tight procedures and overmanagement exist and this, in their opinion, was due to the nature of the work – financial procedure and control on budgets ..etc. -which dictates bureaucracy. There is a new system - computer linked network - to allow ministries to have a direct link to monitor their balance, payments, outstanding invoices and accounts which will reduce delay and bureaucracy in certain sections. While **BAPCO** and **ALBA** felt that the nature of the work dictates some tight procedures and regulations which employees have to stick with, the culture of most oil companies encourages tight adherence to the firm's procedures and regulations. However, the firm is not overmanaged in their opinion. Written memos and recorded procedures are for future records purposes only, otherwise verbal communications and formal meetings are used. This is also shared by **Jawad Cold Stores** where they felt that the nature of their work is to have proper records on sales, inventory and many other details where they have to be done through a tight system.

3.16 Reinforcing Empowerment

Corporate culture, as indicated, is an important factor in reinforcing empowerment in the organization. Without proactive steps and plans to create positive shifts, efforts will not be fruitful. The following question was raised to executive level officials of the surveyed firms: **“How is your corporate culture changing to reinforce empowerment?”** The answers were encouraging and highlighted the genuine efforts that some of the firms had already initiated and had already started applying their plans. All industries involved in the survey focused on quality; some had already obtained their international recognition as **ISO 9000** [Appendix-2] companies while others were due to get it during 1994. Efforts of some organizations toward reinforcing empowerment had covered considerably positive stages; for example, **BAPCO**, had completed a comprehensive review on the management style that took a few years of effort and was conducted by a team of executives from the firm, and had included participative management, team work, communication skills, training policy, information sharing...etc. Emphasis was put on enhancing participative management, training, communication, team work and more delegation. The executive team invited suggestions, criticisms etc. Lectures are organized to communicate the mission, vision, corporate strategies and objectives, inviting the departments to develop their strategies and define their success factors and how to measure them. Discipline is highly enforced and fairly applied. The management is trying to shift from a telling position to selling with an open door policy to listen and recognize employees. Considering **ALBA**, as another example, the management moved into the direction that would create a shift and a gradual change in their culture. There is greater emphasis on change as already advocated, supported by new mapping of work that is being clearly spelled out in the dossier - manual, and the management had established an environmental group to review all department's projects and activities to ensure the integration of environmental consideration. The group also monitors and advises on reduction of emissions, waste generation and other environmental matters of concern. There is more emphasis on training and exposure to others. Previously, care

was focused on plant safety, because management cared more about production levels. Now each department develops its own objectives and strategies to keep the department safe, and introduces safety records to maintain this concept. Average training to line managers increased to more than 20 hours per year. Finally, the concept of participative management is cleaner clear and employees do feel the change in spite of some who still enforce old habits. Adding another example from the Industry, at **BANAGAS**, discipline is being enforced more strictly; however, external influence does exist from time to time concerning control of discipline, mostly with low and middle grade cadre. The emphasize on training of staff is of high concern to the board and management; regular meetings are becoming standard and thus would lead to participative management, employees are being listened to and sharing responsibility. The reward system provides good motivation and recognition of outstanding performance. While at **GPIC**, empowerment is implemented through a balanced and appropriate delegation of authority, and through approved organization structure and schedule of authorities. It is also implemented through commitment of management and relevant staff in the company's development and decision making process. This is what the top management indicated at the interview.

They also have in common with others, enhancement at social interaction between management and employees, through merit rewards, monthly, annual and regular programs such as employee of the month, employee of the year, outstanding employee performance award, best idea award etc. It is also found that **BALEXCO** started the following measures to reinforce empowerment and embed the concept of participative management. Discipline is also being enforced more strictly. However, they still feel the external influence affects management decisions with regard to recruitment, training,..etc. Sometimes, this is not unique to **BALEXCO** only, as **ALBA**, **BAPCO**, **BANAGAS** and others had highlighted this as being observed in their organizations and, it is an obvious attitude of their culture. More emphasis on training of staff and regular meetings lead to participative management, and hence the feeling of being listened to and sharing responsibility; the reward system is being reviewed to provide good

motivation and management does recognize outstanding performance and reward it . The management started putting more emphasis on social activities that involve staff and their families.

Looking at a different sector such as banking, the Al Ahli Commercial Bank can be used as an example, assuming that the consultant review would help to formulate plans that would interpret the emerged recommendations successfully. The CEO feels that with the new review of the salary and performance scale, along with a management performance scheme, the corporate culture is being reinforced to introduce empowerment [a training plan will be ready, training needs will be identified, a reward system is being reviewed and improved to equate with that of competitors, staff work and efforts will be recognized, theory Y is replacing theory X, job enrichment is being considered, and human relations management with stress on the social relations side] and is anticipated to dominate the management agenda.

3.17 Obstacles or Limitations Hindering Implementing Empowerment

Difference of degree notwithstanding, respondents to the questionnaire from the various sectors of Bahraini economy were by and large, outspoken in their listing of factors working against a full scale implementation of empowerment in their respective organizations.

What follows are selected comments taken across the board, without regard to a specified sector:

1. Empowerment requires change of culture which, to implement, requires years of training so that individuals act responsibly.

3. Empowerment is implemented with limitations as the boss feels fit. It should be noted that these employees who have been given empowerment often abuse this facility and that causes some difficulties and tension within the organization.
4. To some extent the concept of empowerment is implemented; however, our culture lacks trust, both ways (management may not have enough trust in their subordinates' ability or fear them in some cases, and subordinates may not have enough confidence in themselves to take more responsibilities and will always work against empowerment).
5. Empowerment needs a few more years before all elements of empowerment can be implemented fully as critical personnel need further development. Also there is a need for a healthy working environment to express views and have subordinates feel that they are being listened to.
6. Organization culture acts as barrier as well as the management style that focus on an immediate result.
7. There is a need for acceptance of failure and true share of control.
8. There is no delegation, no performance management, no rewards for profitable work and extra efforts including discrimination for higher positions especially for staff with over 20 years experience and MBA degree.
9. Most of the time the boss is always right. The nature of decisions and the size of organization limit the implementation of empowerment.

10. Managers / heads of departments are not always given authority to the level of responsibility assigned to them. They must be in full position to carry them out without the need to refer to their superior.
11. For empowerment to be implemented, skills and qualifications of employees should be to the standards required for each position.
12. There is a need of change in management concept, and to establish a system for proper empowerment implementation.
13. Old mentality of managers, absence of organization plan, and insecurity of higher and middle managers exist that generate fear of taking management's position and a lack of confidence in themselves (managers).
14. There are no clear objective and strategies for each department. There is always competition rather than compromise among departments.
15. Some managers view empowerment as undermining their power and political influence in the organization which gives them control over resources. There is no such culture in the public sector yet. Most delegated tasks are trivial (in terms of importance to employees).
16. Empowerment needs lots of guts which some managers lack. Empowerment is "giving away"; - therefore only generous managers apply it - it is more difficult with other managers.

Among other things, their comments leave little room to doubt the fact that the managers involved appreciate the complexities of empowerment and have a realistic view of what it takes. The other side of this fact is to record the observation that

facilitating the implementation of empowerment will have to go through overcoming these obstacles within a reasonable time span.

Although the above comments are general, i.e not sector specific, there are, however, others that do reflect specific sectoral realities. Listed here below are some of these comments and the sectors from which they originated:

3.17.1 Trade Sector

- 1- Financial constraints that normally affect the career development programs and training budgets
- 2- Limit of authorization as the nature of work dictate
- 3- Complicated chain of command
- 4- Resistance to change
- 5- Centralization – style of leadership in our culture demands continuous involvement and screening by the boss
- 6- Lack of knowledge on how to delegate
- 7- Nobody to delegate to - weaknesses in subordinates
- 8- Some know how but want to be surrounded by all yes men around them

3.17.2 Civil Service executives

- 1- Lack of well trained staff at line manager level
- 2- Lack of self-confidence [line manager]
- 3- Fear of losing power and position
- 4- Social and culture forces affect fair and effective enforcement of disciplines

3.17.3 Middle Size Industry

- 1- Cultural forces (traditional handling and cultural interference in enforcing discipline, selective recruitment, hire and fire ...etc.); also the feeling of not belonging to the organization reduces loyalty of staff - this was almost always the case until the firm was 100% privatized
- 2- Resistance to change
- 3- Qualifications
- 4- Self- limitations
- 5- Grouping
- 6- Communication (management and labor force are separated)
- 7- Recruitment - not selective

3.17.4 Large Industry

- 1- Changing culture is slow
- 2- Lack of trust in subordinate
- 3- Interference from outside on disciplinary actions
- 4- Maintain power by making subordinates seek approval and keep close in touch with boss.- to be under boss's observations
- 5- Culture , social forces , losing power may imply losing social status
- 6- Unwillingness to develop (Line Managers)
- 7- Bosses perceptions; never try to give a chance but think that the subordinate is not ready yet
- 8- Leadership style - task oriented / relationship
- 9- Delay decision as perceived by the line manager
- 10- Willingness of boss to invite subordinates to participate
- 11- Retention of power by bosses
- 12- Ignorance - lack of knowledge (due to natural resistance)
- 13- Management do not want to be at the same place with subordinates

- 14- Management's fear of sitting with juniors and making mistakes
- 15- Sometimes subordinates have same feelings where they do not want to show how little - actually - they know
- 16- Values of boss / willingness not to delegate
- 17- Weaknesses in subordinates
- 18- Habit (Norm)
- 19- Failure to communicate vision which also hinders change in culture
- 20- Team work / participative management still does not exist in an effective way

3.18 Conditions or Success Factors

On the other side, executives highlighted the **conditions or success factors** that –in their opinion– would enable firms to implement empowerment successfully in our environment, below –not in order of priority– are the missing elements for sound implementation.

- 1- Open door policy must be encouraged.
- 2- Management must learn how to listen to employees, invite ideas, appreciate comments and build knowledge.
- 3- Management should set clear tolerance for decision making.

- 4- Top management commitment, support and willingness are essential.
- 5- Management must accept failure and set clear tolerance to accept mistakes.
- 6- There should be an effective system for follow-up , monitoring progress and invite feedback .
- 7- Trust and confidence must be built among people .
- 8- Discipline must be enforced.
- 9- Management style should be toward Humanistic Management.
- 10- Sound reward system must be based on good incentives and merits.
- 11- Good / outstanding performance must be recognized.
- 12- There must be good communication - sharing responsibilities.
- 13- Good and happy working environment - must exist to improve the work place.
- 14- Give the employee opportunities.
- 15- There must be an enabling style of leadership –to coach and set example.
- 16- There must be a willingness to take calculated risks.
- 17- Interaction must exist between institutions to learn from each other.

- 18- Things must be delegated that are workable and people can see it work; positive results must be introduced that would encourage and build confidence.
- 19- Bureaucracy must be reduced.
- 20- There is a need for a system to *force* people to do what is new.

CHAPTER - 4

SUMMARY AND CONCLUSION

4.1 Major Findings

1. Large industrial firms have well established organizational culture and high performance standards that dictate the transmission of the firm's policy, goals and strategies in many forms e.g. written manuals, quarterly bulletins, circulars, workshops....etc. in order to have sound management development , affect necessary changes and maintain close follow up to monitor progress . Industry management is also based on accountability and responsibility mostly backed-up by authority. However, communication of such information is poor and not done effectively in the government sector.
2. Access to information - related to work - is always possible and it is the highest among the industrial sector, however, staff in the government sector did not have efficient nor easy access to information and as such this sector is the lowest among the three sectors. Nevertheless, a few ministries have recently established E-mail net work [LAN] among line managers which has facilitated the process of exchange of relevant information within the middle management level.
3. Some firms at both industrial and banking sectors affirmed that they are kept well informed about the newest publications and latest developments related to their field of work. Responses from the government strongly suggest that they are not kept well informed about the latest development occuring in relation to their field of specialty. This weakness is mainly due to the budget restrictions on subscription in books and specialized

periodicals, magazines and journals, including constraints on attending workshops and seminars. Such restrictions made the public sector fall quite far behind other sectors.

4. The nature of the work of large industries, which are technology based, dictates the need to maintain close contact to the fast, continuous changes in technology and as such, staff -professional and line management- are kept well informed about what is new and what is happening around them to maintain their market share with sound competitiveness.

5. It is indisputable that subordinates at the Industry sector are better off than those at other sectors in sharing authority with their managers, although sharing of authority is granted within certain limitations and guidelines.

- a) Although 51% of the total respondents indicated that their organizations were not overmanaged, it is apparent that bureaucracy exists among all sectors. However, the reasons for this are attributed to the inherited culture and nature of work.
- b) The major reasons attributed to why line managers are reluctant or resist delegating to his / her subordinates are basically due to:
 - i) Do not trust their subordinates
 - ii) Do not know how to delegate
 - iii) Afraid to take risks in delegating part of their authority
 - iv) Lack of clearly calculated risk or provision to allow for mistakes
 - v) No self confidence
- c) The majority of respondents indicated that delegation does not delay their decision making.

d) Although 75% of the responses from the government indicated that delegation does not delay their decision making, it is not known whether respondents are fully aware of the concept of delegation and are able to differentiate it from the normal exercise of **dumping** where lots of additional tasks are assigned to the subordinate without appropriate authority or support. This is difficult to examine at this stage. However it is assumed that the respondents of the government sector indicated their agreement to the principles of delegation and not necessarily to what is actually practiced in their organizations. However the average response of all sectors confirms that delegation does not delay their decision making .

e) The study revealed that line managers delegated 30-40% of their routine work, to their subordinate. However , some executives delegate between 12-20%, which implies their heavy involvement in the routine works which makes it difficult to concentrate on planning, creative problem-solving, controlling or even sufficient time for their staff.

f) In spite of the above, it was found that a considerable number of line managers strongly believe that delegation would diminish their authority. They feel that their own power in the organization would erode when employees are given the power to achieve results. They equate authority with power and therefore view delegation as undermining their power and influence in the organization. This is quite visible among many managers in all the three sectors. The culture and social status play a major part in encouraging the persistence of such attitude because society gives more weight and higher status to those exercising power or have more influence in their organization .

1. The majority agreed that it requires clear vision, good feedback, trust and an effective monitoring system with calculated risk to allow employees to move freely with support and guidance from the top. There is also a need to have competent staff to delegate tasks to them, and they should be trained. This is only costly at the beginning and as soon the system is working, organizations start to enjoy the pay back / reward of such trained staff and effective monitoring system.

2. It is quite *often* that organizations invite the participation of the appropriate staff -mostly executives and line managers - in the discussion, suggestion and evaluation process.

- It has been also found that middle management takes an active part in setting the organization's objectives, which is another indicator supporting the fact that top management invites middle management staff in the process of decision making .

3. Training is among the top priorities and considered very important to boost productivity, maintain high performance and to secure a competitive edge to cope with the rapid technological changes and advances, yet the budget allocated for training ranges between BD 0.1 & 3.3 millions, corresponding to 1-5 % of the total annual operating budget. **BAPCO**, **ALBA** and **GPIC** have sound budgets while the allocated budget for training at the Civil Service sector is very low in comparison to the rest.

- Technical training of 2-4 weeks is dominant among Industry and government. Well qualified and well trained personnel are available most of the time to replace or step-in temporarily into another's job whenever required. It has been found that several organizations already have a training plan linked to their strategy ,while others are either moving in this direction or have just started the execution.

4. The process of decision making within the work group was described as easy and practical. Work groups are mostly used for deeper analysis of problems or projects implementation or evaluation.

5. The reward system is effective within the Industry sector and poor among Banking and the government. The government sector seems in need of exerting more effort for fair and equal distribution of the reward. Most of the executives interviewed representing the government sector stated that the reward system is poor, not effective and incentives are not motivating .

6. Responses concerning harmony at work confirmed the existence of sound harmony in the working place among employees. Social and culture factors may play a major part in this, as Bahrain society is small and employee may be close or distant relatives or school mates..etc. However we cannot rule out the management style that might have helped or initiated such harmony.

7. The total overall response favors the existence of a relatively-sound formal and well-defined communicating system within the organizations of the three sectors covered by the survey.

Performance management is applied at most organizations. Large firms have strong-culture and are characterized by high performance standards. Such performance standards are normally linked directly to what is important to the success of business.

- a) Performance is measured through established objectives. The industrial sector applies performance management through established objectives that are measurable and clearly communicated to all employees. There are clear procedures to measure key success factors. Performance management at such firms is generally measured through :

- b) Compare targets / planned vs actual implementation and achievement, then would discuss variances in implementations .
- c) Analyze differences - why & what to anticipate next month.
- d) Discusses on monthly basis -by executive committee- the progress as well as the major measuring factors such as manpower , budget and production. The details of these factors are discussed further at wider meetings with managers , general managers and executives.
- e) Management provide lots of coaching through set guidelines - for **ALBA**, this was started in September '93 as the expansion project was accomplished- to ensure abiding of all departments to management directives on Budget, Manpower strategy, Marketing strategy, Trends...etc.
- f) Some government representatives indicated that sound and clear organizational and departmental objectives are not clearly present and not firmly adhered to. The problem exists at a higher level where there are no firm, clear plans at the national level so that ministries' objectives could be based firmly and monitored regularly. The state's major revenue is based on Oil prices which are fluctuate and are affected by many external forces.

2. **Corporate culture is changing to reinforce empowerment**, some of the firms had already initiated and already started applying their plans. All industries involved in the survey focused on total quality management "TQM" through working to be recognized as an ISO 9000 registered company. Some had already obtained their international recognition as **ISO 9000** - a significant reengineering process- while others are due to get it very soon.

- a) Efforts of some organizations toward reinforcing empowerment had covered considerable positive stages , such as:
- i) Completing a comprehensive review on the management style which have included participative management, team work, communication skills, training policy, information sharing...etc.
 - ii) Lectures organized to communicate the mission, vision, corporate strategies and objectives, inviting the departments to develop their strategies and defining their success factors and how to measure them.
 - iii) Discipline is highly enforced and fairly applied. Some managements are **shifting from telling position to selling** with an open door policy to listen and recognize employees.
 - iv) Moved into the direction that would create a gradual shift in the organization culture to affect change. there is a greater emphasis on change, as already advocated, supported by new mapping of work that is being clearly spelled out in the working manual.
 - v) More emphasis on training and exposure to others.. Average training to line managers increased to more than 20 hours per year .
 - vi) The concept of participative management is clearer and employees do feel the change.

- v) The reward system has been improved to provide good motivation and recognize outstanding performance.
- 10) About 58% of the total respondents indicated that the concept of empowerment is being successfully implemented at their organization. However, below are some valid comments to be taken in consideration for the overall evaluation. :
- a) Empowerment requires change of culture and could also create power centers which might be exploited to undermine the overall interest of establishment
 - b) To some extent the concept of empowerment is implemented, however, our culture to some extent lacks trust both ways (management may not have enough trust in their subordinates ability or fear them in some cases, and subordinates may not have enough confidence in themselves to take more responsibility and will always work against empowerment)
 - c) Empowerment needs a few more years before all elements of empowerment can be implemented fully. Skills and qualifications of employees should be to the standards required for each position, as critical personnel need further development. Also there is a need for a healthy working environment to express views and have subordinates feel that they are being listened to.
 - d) Need for acceptance of failure and true share of control
 - e) Need of change in management style, and the establishment of a proper system for proper implementation of empowerment

- f) Financial constraints that normally affect the carrier development programs and training budgets
- g) Fear of losing power and position
- h) Social and cultural forces which affect fair and effective enforcement of disciplines
- i) To build trust in subordinates

4.2 Recommendations

As most of the major principles of Empowerment are dealt with by most of the firms in an almost efficient manner, there is a need for a committed management to act in such a way as to allow for the effective interdependence of these principles to lead to a synergistic outcome that would help achieve empowering people and attain empowerment at the organization level.

The recommendations are as follows :

- 1- Clear vision, strategy and objectives must be made visible to all employees to lead all staff into a careful orientation strategy in the concept of Empowerment, in order to minimize the anticipated internal resistance to change and to reduce or eliminate fear of losing power and position among the middle management.
- 2- Annual training, workshops and seminars attended by top and middle management are neither sufficient nor match the need for an effective, up-to-date

informed manager. More consideration should be given for training in management skills and information technology fields.

- 3- Line managers must understand the concept of delegation and be *forced* to practice it. They must be encouraged to delegate things that are workable and people can see it work to introduce positive results that would encourage and build confidence.
- 4- The Civil Service Sector must increase the training budget and set a comprehensive, target oriented, middle and long term Human Resource Development plan.
- 5- Top management must show their commitment and support to the process of change and enhance trust among employees and management, through :
 - Adopting an effective open door policy and learning how to listen to employees, invite ideas, appreciate comments and focus on sharing information and building knowledge.
 - Accepting of failure and setting clear tolerance [calculated risk] to encourage participation of subordinates in the decision making process.
- 6- Accountability, discipline, performance management and appraisal at the Civil Service sector are neither appropriately exercised nor fairly applied. There is a poor commitment and a very poor monitoring system with subjective appraisal that is not basically based on actual performance management scheme nor on the effective outcome or results achieved. The need for an effective system with management's commitment to achieve fair enforcement with no discrimination at

all institutions of the Civil Service sector, is a prerequisite for an effective overture and implementation of Empowerment.

- 7- A sound reward system based on good incentives and merits, which should recognize outstanding performance, needs to be effectively incorporated in the management policy of most of the firms.
- 8- The initiation of various activities without planned and controlled management of cultural change will be more likely creating an organization which will continue in an old paradigm. Organization's culture must be established with the ethical components that are in line with the expectations to affect change and reflect management commitment to the values of trust and integrity. Any situation where there is a significant gap between what people are told and what they perceive to be reality, is likely to result in discouragement. Hence, some organizations must redefine their culture to match the anticipated change.

4.3 Postscript [Future outlook]

In the light of evidence presented in this project, it seems to me predictable that *Empowerment* will gain a major foothold in most organizations in Bahrain for the survival necessary in a rapidly changing and increasing complex environment.

What has already started in some organizations documented in this study are early ad hoc signs of practicing empowerment, which is most likely going to peak within the next ten years as more and more organizations face up to the needs of making employees own their work processes. By then empowerment would be the order of the day in organizations that are bound to become less and less hierarchical and more and more change driven.

The rapidly spreading total quality culture [TQC] with its emphasis on reaching the external customer via the internal i.e. the employee, can only accelerate this process which in my judgment has already gained enough momentum to become self-sustaining.

Bibliography

1. Albrecht, Karl . The Northbound Train, amacom, New York 1994
2. Belasco, James A. Teaching the Elephant to Dance, New York, Crown Publishers, Inc. 1990
3. Buchholz, Setve and Roth, Thomas. Creating High-Performance Team, New York, John Wiley & sons, Inc. 1987
4. Collins, Eliza G.C. & Devanna, Mary Anne. The Portable MBA, New York, John Wiley & Sons, 1990 Slevin, Dennis P. The Whole Manager, New York, Amacom, 1989
5. Cornwall, Jeffery and Perlman, Baron. Organizational Entrepreneurship, Boston, Irwin, 1990
6. Covey, Stephen R. The Seven Habits of Highly Effective People, New York, Simon & Schuster 1989
7. Donnelly, Jr. James H., Gibson, James L. & Ivancevich, John M. Fundamentals of Management, Boston, Richard D. Irwin, Inc. 1990
8. Drucker, Peter F. Managing for the Future, New York, Truman Talley Books/ Dutton, 1992
9. Hammer, Michael. and Champy, James. Reengineering The Corporation, London, Nicholas Brealey Publishing, 1993
10. Harari, Oren. When Intelligence Rules, The Manager's Job Changes, Management Review July 1994 p33
11. Harry, Levinson. Appraisal of What Performance?, article re-published by Harvard Business Review, "People : Managing your most important asset", Boston, 1992
12. Henkoff, Ronald. "Companies that train best", Fortune International, March 22, 1993, p40
13. Herzberg, Frederick. One more time :How do you motivate employees? article re-published by Harvard Business Review, "People : Managing your most important asset", Boston 1992 p26.

14. Improving Performance Through Better Management, discussion paper, Fifteenth International Symposium on Public Personnel Administration, London, April 17-21, 1988
15. Kaner, R.M. The Change Master, New York, Simon & Schuster 1983.
16. Kotter, John .The Leadership Factor, New York, the free press, 1988
17. Kouzes, James M.& Posner, Barry Z. The leadership Challenge- How to get extraordinary things done in organizations, San Francisco, Jossey - Bass Publishers, 1987
18. Lareau, William. American Samurai, Warner Books, New York, 1991
19. Lussier, Robert N. Supervision, Illinois, Irwin 1989
20. Meyer, Herbert S. "The pay for performance Dilemma," Organizational Dynamics, Winter 1975
21. Nelson , Rober B. Empowering Employees Through Delegation, New York, Irwin 1994
22. Peters , Tom. Liberation Management, Macmilan, London, 1992.
23. Plunkett, Lorne C. & Fournier, Robert. Participative Management- Implementing Empowerment, New York, John Wiley & Sons Inc. 1991
24. Potts, Tom & Sykes, Arnold. Executive Talent, Illionis, Richard D.Irwin, Inc. 1993
25. Rogers, Buck & Shook, Robert. The IBM Way, Glasgow, UK, Fontana / collins, 1986
26. Stewart, Douglas. The Power of People Skills, John Wiley & sons, Inc. New York 1986
27. Stewart, Thomas A. "Reengineering The Hot New Manageing Tool", Fortune International, August 1993, p33
28. Thompson, John L. Strategic Management, London, Chapman and Hall, 1990

APPENDIX - 1

Background

To do business in the markets of the late 20th century , and often against excellent competitors, it is essential to keep working for constant improvement.

This means that in a worldclass organization, everybody in the organization has to think every day about ways to make the business better in quality, output, costs, sales, and customer satisfaction .

In government and other public service organizations, as well as in business , there are demands for higher performance .

The successful organization will be the one best able to apply the creative energy of individuals toward constant improvement . Since constant improvement is a value that cannot be imposed upon people, the only way to get people to adopt to constant improvement as a way of life in doing daily business is by empowering them .

Through empowerment an organization moves toward maximizing the capabilities of everyone to get work done and help achieve quality work. Empowered organization can react quickly at the right moment and in the right direction to cope with the dynamic changes in the market forces.

This project is intended to find out whether the principle of Empowerment is workable or not. If yes, is it workable in Bahrain and subject to what conditions and limitations ?

Please fill - in the name of your company / ministry :

<u>Level of Management</u>	<u>Level of academic Education</u>	<u>Working for</u>
Director or Above	PhD or Master	Public Sector
Section Head	University Degree	Private Sector
Supervisor	Diploma or below	

1 - Organization policy, goals and strategies, are they clearly communicated to you?

Always ____ Often ____ Sometimes ____ Rarely ____ Never ____

2 - Is your organization keep you and your subordinates well informed about the newest publications and latest development related to your field of work.

Always ____ Often ____ Sometimes ____ Rarely ____ Never ____

3 - In your organization, do you see authority is fairly and appropriately shared between managers and subordinates .

Always ____ Often ____ Sometimes ____ Rarely ____ Never ____

4 - How often management invite you to participate in discussing , evaluating or suggesting programs or issues of concerns to organization's decision making or policy formulation ?

Always ____ Often ____ Sometimes ____ Rarely ____ Never ____

5 - Is training considered important in your organization ?

Always ____ Often ____ Sometimes ____ Rarely ____ Never ____

6 - On average how much training you receive every year :

• **Technical / professional**

- ____ More than one month
- ____ 2-4 weeks .
- ____ At least 40 hours .
- ____ Less than 20 hours.

• **General training**

Computer hands-on , language , general management skills ..etc.

- ____ More than one month

- ___ 2-4 weeks .
 ___ At least 40 hours .
 ___ Less than 20 hours.

7- **Where dose the concept of team work fits in your organization ?**

- ___ For problem-solving only
 ___ For implementing projects and special assignments
 ___ Team-work do not exist

8- **Is the rewarding system of your organization effective enough to motivate employee ?**

Very Effective ___ Effective ___ Fair ___ Not Effective ___

9. **How do you see the following in your organization :**

Staff Loyalty	High___	Fair___	Low___
Staff Morality	High___	Fair___	Low___
Staff Commitment	High___	Fair___	Low___
Staff Creativity	High___	Fair___	Low___
Staff Recognition	High___	Fair___	Low___
Discipline	High___	Fair___	Low___
Productivity	High___	Fair___	Low___

10 -**Is Information relevant to your work easily accessible ?**

Always ___ Often ___ Sometimes ___ Rarely ___ Never ___

11 -**Is there a procedure , arrangement or a system to keep you informed on relevant decisions , actions and activities taken or likely to be taken by your immediate boss or those of other departments ?**

Yes ___ No ___

If Yes , how effective are such procedures and / or system ?

Very Effective ___ Effective ___ Fair ___ Not Effective ___

12- **How often you were asked to participate in these decisions, actions or activities?**

Always ___ Often ___ Sometimes ___ Rarely ___ Never ___

13- **How is communication between management level and subordinates is mostly performed ?**

___ Down-ward (One -way communications - Orders from boss)

___ Down-ward & up-wards (Two -way communications)

14- *Is Performance Management applied at your organization ?*

Always ____ *Often* ____ *Sometimes* ____ *Rarely* ____ *Never* ____

Performance Management is a tool to measure staff and/or division performance against the established division's / department's objectives. This is managed by ensuring that resources and activities of each department / section and all its staff are focused towards achieving those objectives that meets the goals or leads to achieving the major firm's objectives.

15- *Are there - in your opinion - clear and measurable objectives at ?*

- *Organization Level* Yes ____ No ____
- *Department / section Level* Yes ____ No ____

16- *Who set these objectives ?*

- _____ *Top management alone*
- _____ *Top and middle management (Line Managers)*
- _____ *All concerned staff levels*

17- *Are employee and/or division performance measured through established objectives?*

Always ____ *Often* ____ *Sometimes* ____ *Rarely* ____ *Never* ____

18- *Are meetings planed and conducted efficiently ?*

Always ____ *Often* ____ *Sometimes* ____ *Rarely* ____ *Never* ____

19- Is your Organization over managed (Too much buearucracy)

Yes ____ No ____

If Yes , is this because ;

____ Nature of work dictate it

____ To avoid mistakes and failure

____ Inherited culture

____ To enforce discipline

____ Others --- Specify _____

20- In your organization , is there always someone qualified or well trained enough to step into others' job whenever needed?

Always ____ Often ____ Sometimes ____ Rarely ____ Never ____

21- How would you describe harmony in work among staff

Excellent ____ Very Good ____ Good ____ Faire ____ Poor ____

22- Do you feel that your effort is adequately appreciated ?

Always ____ Often ____ Sometimes ____ Rarely ____ Never ____

23- Is extra efforts rewarded ?

Always ____ Often ____ Sometimes ____ Rarely ____ Never ____

24- Is Outstanding performance recognized ?

Always ____ Often ____ Sometimes ____ Rarely ____ Never ____

25- Are rules strictly enforced with no discrimination

Always ____ Often ____ Sometimes ____ Rarely ____ Never ____

26- Is work group exist in your organization ?

Yes ____ No ____

27- ***In my opinion , decision making in a work group is often :***
please tick one or more - as appropriate -

- ☐ *Practical and easy*
- ☐ *Difficult and complicated*
- ☐ *Work groups usually take up more time than they are worth*
- ☐ *We often use Work groups for deeper analysis of a problem*

28- ***Empowered subordinate may demonstrate the following :***
please tick one or more - as appropriate -

- ☐ *Better know how and more confidence*
- ☐ *I can do more - over confidence*
- ☐ *Sharing authority and power*
- ☐ *Would understand his/her value to the organization*
- ☐ *know what he/she did wrong*
- ☐ *Demand more authority and power*
- ☐ *Realize he/she do not know everything*
- ☐ *know his /her limit*
- ☐ *Others, Please specify _____*
- _____
- _____

29- ***Does your Boss delegate to you enough of authorities to implement your tasks ?***

Always _____ Often _____ Sometimes _____ Rarely _____ Never _____

30- ***What percentage of your decision authority is delegated to your subordinate?***
_____ %

31- ***Is delegaton delay your decision making ?***

Yes _____ No _____

32- ***Some claim that decentralization of authority (delegation) require more intensive and expensive training to develop.***

Strongly Agree ___ Agree ___ Undecided ___ Disagree ___ Strongly Disagree ___

33- ***Managers may equate authority with power and therefore view delegation as undermining their power and influence in the organization.***

Strongly Agree ___ Agree ___ Undecided ___ Disagree ___ Strongly Disagree ___

34- Do you feel that most of the time , you should make most of the decisions your-self,

Yes _____ No _____

**If Yes , is this because ;
please tick one or more - as appropriate -**

It is faster to deal with the task by myself than delegate it (delegation is time consuming and waste of efforts.)

_____ *My subordinates are not efficient*

_____ *Poor commitments of subordinates*

*If obliged to delegate , I stress on being consulted until the task is accomplished ,
for better result !*

35- Do you feel that the concept of Empowerment - see last page of this questionnaire- is being successfully implemented at your organization ?

Yes _____ No _____

If NO , what are - in your opinion - the limitations or obstacles hindering its implementations .

The important principles of Empowerment are ;

- 1- Maximizing the capabilities of every one to get work done with quality.
- 2- Acceptance of failure.
Sharing success rather than hoarding failure .
- 3- Shared decision making on some issues .
- 4- Top of the organization exist to support the bottom.
- 5- Control is shared .
 - Increase business effectiveness and employee productivity and loyalty . That is counting on your people and making them feel recognized .

Empowerment also provides the organization with the following benefits ;

- Strong leadership
- Create & reinforce a positive work culture .
- Create & gain alignment on a departmental level.
- Lead to team(s) interdependence and group synergy .
- Encourage employee to use their talents and be creative.
- Solve problems.
- Recognize and define opportunities.
- Gain team commitment.

STRUCTURED QUESTIONS

- 1- What is the firm's mission ?
- 2- How do you see changes in market forces affecting your organization
- 3- How quickly your organization can response to changes in market forces?
 - How effective is your organization in benefiting from opportunities in the market ?
 - What is your competitive edge / advantage?
- How do you rate productivity of your staff as compared to that of your competitors?
- How would you describe the quality of work done by your immediate subordinates?
- 6- Where does Training fit in your strategy?
 - What type of training is undertaken ?
 - What are the modes of delivery - how is it conducted ?
 - **In house** ----- %
 - **Through local institutions** -----%
 - **Through overseas consultant firms** -----%
 - **Outside Bahrain** -----%
 - **Other --please specify** -----%
- Is training considered as a continuing need for line managers at your organization ?
- On average , how much specialized training line Managers receive every year :
 - 2-4 weeks training course.
 - At least 40 hours of training .
 - Less than 20 hours of training
- 7- How much is your normal training budget ? BD -----

- What is it equivalent to - in terms of percentage- of the total annual budget ? -----%
- Does your training budget cover :
 - Cost of training only - fees and travel ? or
 - Cost of Fees + Travel + Accommodation + Allowances ...etc.?

8- Delegation ... How is it practiced at your organization ?

- Do you see your managers resist delegating part of their authorities to their subordinates?
- Managers can delegate authority but not responsibility and therefore, they remain accountable and responsible for the result and action taken by their subordinates .

Would this justify resistance to delegate ?

- Do you agree that delegation is the most effective mean for managers to work less?
- In which way you see delegation affect manager's productivity?
- What percentage of your decision authority is delegated to your subordinate ?
- How often your subordinate fail to regularly send you meaningful feedback & reports?
- Is delegation delay your decision making ?
- Some claim that decentralization of authority-delegation-require more intensive and expensive training to develop

How is this dealt with at your firm

- Others claim that when delegating , upper management must implement more expensive planning and reporting procedures. And the consequences of this , that upper management have to cop with the increased flow of information .

How do you perceive this statement ?

- Managers may equate authority with power and therefore view delegation as undermining their power and influence in the organization.

Assuming that the majority of your managers interpret delegation this way?
What would you do ?

9. How is the firm's mission and leadership vision effectively communicated to all staff?
10. Which is the most effective means of communication in your organization?
11. Is relevant information for subordinates accessible ?
 - How is disseminated ?

How effective is your rewarding system? And how is it compared with that of your competitors?

 - Dose Employees knows that extra efforts will be rewarded
13. How is your corporate culture changing to reinforce empowerment ?
 - Can management avoid discrimination in regards to discipline enforcement, recruitment, promotion etc.
 - How much Board members influence such decisions of management?
14. Where does the concept of team work fits in your organization
 - Is Team work used for problem-solving
 - Is Self-managing team-work exist
15. How do you see resistance to change among :
 - Board Members
 - Subordinates and reaming staff

16. Is your Organization over managed ?

- Do you see too much of bureaucracy ?
- Is nature of work dictate it ? if not , then
- What is being done to reduce it?

Organization policies, goals and strategies , are they clearly communicated to Employees ?

- How would you evaluate the effectiveness of the communicating system
- Are there - in your opinion - clear departmental objectives ? are these measurable ?
- How these objectives are implemented ? through plans ? How is it measured and who sets these plans ?
- *Top management*
- *Top and middle management*
- *All levels of concerned staff*

18. Is Outstanding performance recognized in your organization? How?

- How performance managed and measured .
- Do you think that Employees feel adequately appreciated

19. How would you rate / describe the following :

- | | | |
|---------------------|------|-----|
| • Staff Loyalty | High | Low |
| • Staff Morality | High | Low |
| • Staff Commitment | High | Low |
| • Staff Creativity | High | Low |
| • Staff Recognition | High | Low |

Does your Work load prevents you and other managers to read related specialized periodicals or publications.

- How employee kept informed about the newest publications and latest development related to their field of work?

21. How is Empowerment implemented at your organization?

Leadership plays an important role in implementing / achieving necessary changes in the organization .

How do you see the leadership of the board members and middle management staff in regards to the following :

- Interpretation of Mission Statement
- Clear Vision
- Pro-active decisions
- Follow-up and Support
- Facilitating the implementation of the strategies.

Is participative management recognized /practiced at your organization?

- How is it implemented?

APPENDIX - 2

Total Quality Management

Total quality can be defined as: 'A strategy for improving business performance through the commitment of all employees to fully satisfying agreed customer requirements at the lowest overall cost through the continuous improvement of products and services, business processes and the people involved.

The benefits of successfully implementing a total quality strategy include improvements in:

- Customer satisfaction
- Market share
- Revenue
- Internal costs
- Return on assets employed
- Employee satisfaction
- Inter-departmental cooperation

The journey toward total quality requires the commitment and creativity of all employees in satisfying their customer's requirements:

- More effectively
- More efficiently

Total quality also requires that work groups be empowered and encouraged to take ownership of their outputs, to measure their own performance, priorities, develop and implement improvements.

Motivation of employees to commit to total quality can be achieved through:

- Team building
- Communication
- Education, training and personal development
- Feedback on performance
- Recognition of achievements
- Clear management leadership and example

From concepts to results:

Translating these total quality concepts into real performance improvements requires a total quality strategy that embraces:

1. Policy and objectives to define the organization's aspirations
2. Processes for achieving those aspirations
3. Training in the use of these processes
4. Organization to support total quality
5. Motivation of employees to apply the processes and achieve the defined objectives.

Policies and objectives:

Policies and objectives are required to provide both a context and a focus for the quality improvement actions taken by all employees. They include:

The Business Mission: a statement defining the main purpose for which the organization exists and the importance placed on customers, shareholders (where appropriate) employees and the community.

Operating Principles: a series of statements reflecting the values that the organization holds to be important and within which the mission will be fulfilled.

Business Objectives: a series of specific operational objectives which:

1. Reflect the business plan
2. Cover the medium to long-term (2-5 years)
3. Are capable of precise measurement and demonstration of progress toward achievement.

Processes

There are four processes which are fundamental to the delivery and improvement of quality. They are:

1. The quality delivery process
2. The quality improvement process
3. The quality management process
4. Cross-functional process management

The quality delivery process

The quality delivery process is a process which, when applied by all work groups (manager and direct reports) within the business, realizes the total quality concepts of:

1. Customer focus
2. Ownership and self-measurement of work group outputs

3. Assessment of customer satisfaction and process efficiency
4. Identification of improvement opportunities

The quality delivery process incorporates the development and use of quality assurance systems (BS5750/ISO9000/EN29000). Quality assurance is a vital part, but only one part of a total quality strategy.

The essential elements of a quality delivery process are:

Defining the work group 'mission' (department purpose analysis)

Defining the work groups 'outputs' (deliverables) then for each 'key output' of the work group

1. Identify the “customer” for the output
2. Discuss and agree the customers' requirements
3. Produce a “specification” based on those requirements
4. Define and develop a process “capable” of the specification
5. Measure output and process against specification, assess cost of quality
6. Identify and prioritize “improvement opportunities” (variances)
7. Set up a project, led by work group members, to realize the priority improvement opportunity
8. Assess customer satisfaction, revise specification if necessary

The quality improvement process

The purpose of the quality improvement process is to provide a simple structured process whereby every work group within the organization can prioritize, select and realize opportunities for improving business performance.

The essential elements of a quality improvement process are:

1. Select the priority improvement opportunity (problem)
2. Identify the key causes of the improvement opportunity
3. Identify all potential means of removing these causes
4. Select the appropriate 'solution', plan its implementation, secure approval
5. Implement the improvement project
6. Assess the improvement, check back with the customer

The analytical tools and techniques which should be used to support the quality improvement process include:

- Brainstorming and creative thinking
- Cause and effect analysis
- Prioritisation
- Data collection, analysis and display including:
 - data sheets design and use
 - sampling
 - pareto analysis

- graphs, scatter diagrams, histograms
- Statistical process control and capability assessment
- Flow charting
- Competitive bench marking
- Force-field analysis
- Project planning, control and review
- Process measurement

The power of the process is released when it is practiced along with the necessary analytical techniques, by every work group within the organization.

The quality management process:

The quality management process is a structured process which ensures that:

- the total quality strategy is implemented throughout the organization
- all work groups identify, develop and implement improvement projects
- these projects meet management defined criteria

The approval criteria that quality improvement projects should meet are:

- they focus on meeting an agreed customer requirement
- more effectively
- more efficiently
- they address one of the business objectives
- they demonstrate an acceptable return on investment

Cross-functional business process management

As the total quality process develops within the organization it will become necessary to ensure that:

- Process improvements are communicated from the originating work group to all other users of the process
- Processes are not optimized downwards in particular functions to the detriment of the overall business

Cross-functional process management, a technique pioneered by IBM, addresses these needs.

Training

Total quality involves all employees, all will require training in the concepts and processes of total quality.

Experience shows that a successful total quality training strategy should have the following objectives:

- All members of a work group should be trained together

- Training should be based on the work actually performed by the employees involved and follow the format: concepts/case study/ application to own job
- Managers should lead the training of their work group and be responsible for its effectiveness following the learn/use/lead - support principle
- Training should be 'cascaded' down from the top of the company thus enabling senior managers to provide 'role model' leadership and example to lower levels in the application of total quality concepts and processes.

The content of the total quality training should cover:

1. An overview of the key concepts and processes
2. Technical skills with particular emphasis on those required to support quality improvement
3. Interpersonal skills with particular emphasis on leadership, communication and team working

Training the above will, typically occupy approximately five days for senior managers, reducing to approximately three days for first-line operational employees.

Motivation

Sound concepts, appropriate objectives, effective processes and trained employees alone will not ensure the success of the total quality strategy in improving business performance. All employees must be motivated to commit to the concepts, apply the processes and become involved in achieving total customer satisfaction at lower cost and reduced lead-time.

employees: Managers at all levels should develop the following skills to motivate their

- management leadership
- management style (directive/supportive)
- role modeling
- acting as planners, coordinators and coaches
- involvement
- team building
- communication
- the team meetings process
- empowering change
- giving/receiving feedback
- recognition
- personal development

Organization

Adopting quality as the fundamental principle by which the organization will conduct its business requires that it organize to support this objective. This involves:

- Business organization structure
- Quality support organization

- Quality function organization

Business organization structure: reporting lines and spans of control should be reviewed to ensure these support management leadership, team working and effective communication.

Quality support organization: this should comprise:

- Quality managers in major business functions
- Quality facilitators (existing employees with special training)
- Quality trainers (existing employees with special training)

Quality function organization: should comprise a quality office (company quality manager and assistant(s) plus secretarial resource) reporting to the CEO.

Implementation:

Maximum business benefit will be derived from total quality if:

- Scope is organization-wide.

The concepts and processes for total quality are adopted by all the departments within the organization and, ultimately by all employees.

- Scheduling of introduction is simultaneous.

The 'cascade' of total quality training and introduction is carried out simultaneously across each level within the company.

Developing a total quality strategy and obtaining the business benefits will not be easy and will require long-term commitment, it cannot be viewed as a short-term program. The process can be given focus by setting an objective such as the gaining of external recognition for achievement in total quality within a defined time scale, e.g. competing for the British Quality Awards within three years.

Conclusion:

A strategy based on the above elements will provide a sound basis for moving forward along the road toward a total quality organization. You will have already established the need for total quality through a quality audit. Your next steps may be securing the active commitment of your senior management and developing their implementation program.

A sound total quality strategy, owned and actively progressed by the CEO and the senior management team, is one of the vital initial steps on your total quality journey.

Empowerment

Organizations have needs for more educated and well trained workers with different tasks to do in order to challenge the more complicated technologies and response effectively to the continuous changes in the environment.

The following are some of the main advantages of Empowerment as emphasized by many researchers and authors in the field of empowerment:

- Quick response to changing environment.
- Communication improve and become more open and less vertical.
- Productivity increases and quality of work improved.
- Empowered employees leads into powerful organization (empowerment breeds power).
- Employee feel recognized and important and thus person-to-person interactions is enhanced.
- Harmony , goodwill and good cheer is promoted among the employee .
- There is a " WE " spirit and a sense of brotherhood among employee .
- Relationships cut across hierarchical lines and communications channels.
- Employees have access to information and resources.
- Employee's involvement and improved skills would foster innovations and promote leadership .

Empowerment also provides the organization with the following benefits

- Strong leadership
- Create & reinforce a positive work culture .
- Create & gain alignment on a departmental level.
- Lead to team(s) interdependence and group synergy .
- Create working environment with high communication and trust among people.
- Encourage employee to use their talents and be creative.
- Gain team commitment.
- Solve problems.
- Recognize and define opportunities.

Empowered organizations, are characterized by:

- participatory decision making.
- Members have a sense of responsibility for a shared mission and belief in mutual values.
- Team work is fostered by the accessibility to and sharing of information.
- A high level of trust among employees and management.
- Empowered organization value human resources and commit time and money to education , training , benefits, and recognition.
- change is welcomed rather than avoided or delayed

The structure of organizations is known to spread for authority laterally rather than concentrating decision-making power at one level as in the traditional , vertical line of authority.

Organizational benefits , include:

Innovative problem solving.

Improved ability to anticipate, facilitate and manage change in response to internal and external influences.