

MANAGEMENT INVOLVEMENT, TRAINING AND COMPANY EFFECTIVENESS IN AN AFRICAN CONTEXT

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This study examined the relationship between managerial involvement in strategy, management training and effective strategy implementation within large, private manufacturing companies in Kenya. The results were compared with those of selected studies done in other countries. The findings suggested that high managerial involvement in strategy and management training had little impact on success in implementing strategy among local companies. However, such impact was significant among foreign companies operating in Kenya. Our findings were similar to those of other African studies, but different from North American and European ones. Variations in contextual factors were cited as explanations for these findings.

I. Introduction

Several researchers have suggested that involvement of managers in strategy development and carrying out management training enhances success in implementing strategy (Wooldridge and Floyd, 1990; Hussey, 1990; Reid, 1989; Lusterman, 1988). However, others have found that such involvement and training are not necessarily associated with improved strategy implementation (Imoisili, 1978; Jones, 1988; Ramesh, 1990).

This article reports the findings of a recent study carried out within large, private manufacturing companies in Kenya. We evaluated the hypotheses that increased managerial involvement in strategy development and carrying out management training contributed to higher success in implementing strategic decisions. It has been suggested that management practices are influenced by contextual factors i.e. environmental and company factors (Pugh et al, 1969; Ansoff, 1987; Haines, 1988; Osigweh, 1989; Austin, 1990; Kukalis; 1991). Thus, the level of managerial involvement and the amount of management training may vary across companies as a result of differences in contextual factors. Similarly, the impact of such involvement and training may differ across companies. We sought for such differences in this study.

*I wish to thank Dr. Jim Taggart, Prof. Stephen Young and Prof. Lewis Gunn (all of Strathclyde University) for the guidance they provided during the course of this study. Comments by participants at the "Africa in the World Economy Conference", UDC, Washington, D.C., 29-30 April 1992 are also acknowledged. May I thank the British Council and the University of Nairobi for funding this study.

II. Literature Review

The African Business Environment

African societies are characterised by extended family and paternalistic authority systems (Onyemelukwe, 1973; Blunt, 1978; Yavas et al, 1985; Blunt and Jones, 1986; Jones, 1988; Dia, 1991). Individuals belong to family groups and are loyal to them. This phenomenon gives rise to formation of small groups based on family, tribe or language (ethnic groups). Such ethnic groups are prevalent in Africa and they influence organisational processes (Onyemelukwe, 1973; Nambudiri and Saiyadain, 1978; Blunt, 1978; Dia, 1991).

African communities have been influenced partially by other cultures. A particularly dominant influence originates from western developed countries (Onyemelukwe, 1973). As a result, educational systems and organisational practices in Africa resemble those found in the western countries (Henley, 1973; Blunt, 1978). Such practices are not necessarily appropriate for Africa (Blunt, 1980; Jones, 1988; Haines, 1988; Dia, 1991).

There is a general scarcity of resources (physical, financial and human) in Africa. The economies are weak and poverty is widespread (Iboko, 1976; Nambudiri and Saiyadain, 1978; Glen and James, 1980; Coughlin, 1990). Internal markets are small and this has tended to limit economic expansion. The countries have tended to rely on foreign aid to finance development programmes. Such aid has become increasingly uncertain over time. The countries are under great pressure (from aid donors) to restructure their economies as a precondition to receiving further aid. Many of them have difficulties in implementing such adjustment programmes. This has meant more uncertainty to economic performance and future availability of economic resources.

The countries tend to have highly centralised governments with limited delegation of authority (Kirkpatrick et al, 1984). Such centralisation has often led to abuse of power and economic mismanagement (Langdon, 1981; Wanju, 1986; Haines, 1988; Nyongo, 1988; Coughlin, 1990). Government intervention in business activities is widespread often to the detriment of private sector operations. Political instability or uncertainty is a feature in many countries.

The factors outlined here differ from those prevailing in developed countries (Haines, 1988; Austin, 1990). They indicate the unique challenges that make up the management context in Sub-Saharan Africa. The study reported here was conducted in Kenya which is part of Sub-Saharan Africa.

Managerial Participation

Theoretical arguments and empirical findings on the contribution of managerial participation in strategy development towards success in implementing strategy are

mixed. While a number of studies found that increased managerial participation was associated with higher success, others did not find such association. Guth and MacMillan (1986) found that involvement of middle managers in strategy development was important as it enhanced success in implementing strategy. Reid (1989) found that managerial involvement in planning was essential if companies were to benefit from planning. Similarly, Wooldridge and Floyd (1990) established that involvement of line managers in strategy development was associated with improved company performance. Similar views on the influence of managerial participation on strategy implementation were expressed by Eigerman (1988), Giles (1991) and Robert (1991). All these studies that reported positive association between managerial involvement and success in strategy implementation were carried out in developed countries. Thus, the evidence from developed country management contexts suggested that high managerial involvement in strategy development was associated with improved strategy implementation.

There is a growing body of evidence from developing countries (Haines, 1988; Austin, 1990) suggesting that managerial involvement is not as important as has been argued in developed country contexts. Various environmental influences have been identified that militate against high managerial involvement in decision making in these countries (these have already been outlined in the preceding section). As a result of these environmental influences, managerial participation in strategy development is low. Despite this prevalence of low participation, some companies do effectively implement strategic decisions.

In view of this mixed evidence on the relationship between managerial involvement and organizational effectiveness, we empirically tested the proposition that managerial involvement contributed to success in strategy implementation.

H1: Companies which involve line managers in strategy development will be more successful in implementing strategy than those companies in which such involvement is low.

Management Training

Hussey (1984) argued that high managerial involvement was necessary for effective strategic planning. However, the managers had to be trained. Without such training, they would not make effective contribution to strategy development. Hussey (1990) returned to this subject by emphasizing that management training was essential in ensuring successful strategy implementation. Lusterman (1988) found in the United States of America that management training was being increasingly undertaken in response to changes in company circumstances. Such training was directly related to profitability or the implementation of specific strategies. Clearly, there was a link between effective strategy development, implementation and management training.

Iboko (1976) pointed out that management training in Africa was weak. It needed to be strengthened. Earlier, Onyemelukwe (1973) had pointed out that there was a lack of appropriate management skills in Africa. Relevant training was needed to increase stock of such skills. Yavas et al (1985) reiterated this observation by suggesting that it was necessary to undertake management training to impart skills on managers. The same view was also taken by Bello (1986) and Dia (1991).

The view that emerged from these contributions was that management training had the potential for improving organizational effectiveness. We tested this as a proposition in this study.

H2: Companies which undertook management training and development would be more successful in implementing strategy than those not undertaking such training.

III. METHODOLOGY

Questionnaire Construction, Sampling and Data Collection

After reviewing previous empirical studies as well as theory, we developed a questionnaire for this study. It was revised several times and tested before being used to collect the required data.

The companies that participated in this study were large, private manufacturing companies operating in Kenya. We developed a sampling frame which had 548 companies. All these companies were contacted. The respondents to the study were either chief executives or top managers i.e. the chief executive, his deputy or heads of departments.

Data was collected through personal interviews. All the interviews were conducted by this researcher between July and November 1990. By the end of that period, 84 companies had been interviewed. These companies were drawn from various industries (Table I). 11 of them were unable to complete the interview. Because they did not provide enough numeric data, they were eliminated from subsequent statistical analysis. Thus, 73 companies were retained for such analysis.

Research Variables

Management Involvement. This was a measure of the degree to which the different levels of management were involved in planning and strategy activities. Companies were classified as either being high involvement or low involvement.

Management Training. This was an indication of the presence or absence of regular management training programmes. Some companies carried out such training while others did not.

TABLE 1
Classification of Companies by Industrial Division

<i>Group A (n = 73)</i>		
Division	n	%
Food, Beverages and Tobacco	14	19%
Textile, Wearing apparel and Leather industries	10	14%
Wood and Wood products	3	4%
Paper products, Printing and Publishing	6	8%
Chemicals, Petroleum, Rubber and Plastic Products	21	29%
Non-metallic Mineral products	2	3%
Fabricated Metal products, Machinery and Equipment	15	20%
Other Manufacturing industries	2	3%
TOTAL	73	100%
<i>Group B (n = 11)</i>		
Division	n	%
Food, Beverages and Tobacco	2	18%
Textile, Wearing apparel and Leather industries	2	18%
Wood and Wood products	1	9%
Non-metallic Mineral products	1	9%
Fabricated Metal products, Machinery and Equipment	4	37%
Other Manufacturing industries	1	9%
TOTAL	11	100%

Success in Strategy Implementation. Respondents were asked to evaluate a strategic decision which had recently been implemented in their company. A success score was obtained on the basis of three evaluation questions ranked on 5-point scales. The score was a sum of these questions. This method of defining and measuring success was similar to the one used by Alexander (1985).

IV. Data Analysis and Results

The analysis in this study required that comparisons be made between groups of companies. We first analyzed all companies together. They were classified into groups depending on whether they were high or low involvement and whether they conducted management training. Comparisons were then made between the groups to determine any differences in success scores. The sample was then split into three separate samples on the basis of origin: foreign companies ($n = 24$), Indian Kenyan companies ($n = 31$) and Indigenous Kenyan companies ($n = 13$). 5 companies had 50/50 joint ownership and so did not fall into any of these categories. They were excluded from the separate sample analysis. Comparative analysis was repeated on all three separate samples.

Foreign companies were those where foreigners held majority shares. Companies in this group were mainly subsidiaries of larger multinational corporations. Indigenous Kenyan companies were those where the majority shares were held by indigenous Kenyan citizens. In Indian Kenyan companies, Kenyan of Indian origin held majority shares. This last group constitutes a migrant community in Kenya. In this respect, it differs from the indigenous Kenyan group. Indian and indigenous Kenyan companies together constitute local companies in this study.

We used the Mann-Whitney U test for detecting significant differences. This test was preferred over the parametric t-test because our separate samples were small, unequal and the data we collected was ordinal. Significant levels are reported in Table II below.

The majority of companies reported low managerial involvement in strategy development (Table III). Such involvement was highest in foreign companies and lowest in Indian Kenyan ones.

Companies that reported high managerial involvement were significantly more successful in implementing strategic decisions than those in which involvement was low. This was true for all companies together and foreign ones but not the indigenous and Indian Kenyan companies. For the latter two, the differences in success were not statistically significant. In other words the first hypothesis is supported (see Table II).

When we controlled for size, we found that managerial involvement was higher in the larger companies and low in the smaller ones. Larger companies that reported high involvement were significantly more successful than similar ones in which involvement was low. Within smaller companies, no such differences existed. Generally, foreign companies were larger than local ones. It appears that involvement was an important factor in success within foreign companies and a few large local ones. Although we made this size distinction, note that the participants in this study were drawn from the top 548 private manufacturing companies operating in Kenya.

TABLE II
Managerial Involvement: Prob values and levels of significance

	All firms	FF firms	LK firms	LI firms
H ₁ Managerial involvement	0.0017**	0.0613*	0.1746	0.3940
H ₂ Management training	0.0116**	0.3566	0.4124	0.4099
Foreign companies (FF); Indigenous Kenyan companies (LK); Indian Kenyan companies (LI).				

* and ** represent significance at the 10% and 5% levels respectively.

More than half of the companies carried out management training (Table IV). When all companies were taken together, those carrying out management training were significantly more successful in implementing strategy than those not carrying out such training. The results indicate support for the second hypothesis. However, as indicated in Table II, this did not hold true for any group individually.

When we controlled for size, we found no significant difference in success among smaller companies. Most companies here were Indian Kenyan ones. Within the larger companies, there were significant differences in success between those that carried out management training and those that did not. This group was dominated by foreign companies and large, indigenous ones. Only one large indigenous company did not carry out management training. Yet this company was significantly more successful than the other indigenous companies that carried out such training.

V. Discussion

Managerial Involvement

Most companies reported low managerial involvement in strategy development. Such involvement was higher within foreign companies than both groups of local companies. There were significant differences in success between high and low involvement companies within the foreign group but not the indigenous or Indian Kenyan ones. These findings were consistent with previous studies carried out in Africa (Imoisili, 1978; Jones, 1988; Ramesh, 1990). But, they were at variance with results of studies conducted in developed country contexts (Guth and MacMillan, 1986; Reid, 1989; Wooldridge and Floyd, 1990).

TABLE III
Managerial Involvement

Managerial involvement	All firms	FF firms	LK firms	LI firms
	n(%)	n(%)	n(%)	n(%)
High	29(40%)	16(67%)	7(54%)	4(13%)
Low	44(60%)	8(33%)	6(46%)	27(87%)

Foreign companies (FF); Indigenous Kenyan companies (LK); Indian Kenyan companies (LI).

Source: Interviews

There were environmental influences which militated against high managerial involvement within the African context. Onyemelukwe (1973), Nambudiri and Saiyadain (1978), Kiggundu et al (1983), Austin (1990) and Dia (1991) pointed out that African managers had a tendency to use centralised decision making with little delegation. These practices were a direct result of paternalistic and authoritarian values that characterise African societies. Iboko (1976) suggested that the low levels of management education in Africa meant that managers could not effectively participate in decision making. These environmental influences had greatest impact on local companies.

Jones and McEvoy (1986) explained that managerial involvement in companies that were owned by migrant persons was low. This may further explain the low involvement within Indian Kenyan companies. The owners of these companies were migrants in Kenya. Family ownership was widespread here.

The situation was different in foreign companies. These companies tended to be larger and more complex than local ones. They were run by professional managers and were influenced by parent company management practices. High managerial involvement was seen as important in these companies. A Chief Executive Officer of one foreign company underscored this point,

"The Chief Executive Officer sitting in a company like this to develop plans will kill the company. He has to guide it, be the focal point and help achieve agreement. But, it is the input of everyone that is important."

TABLE IV
Management Training

Management training YES/NO	All firms	FF firms	LK firms	LI firms
	n(%)	n(%)	n(%)	n(%)
Yes	29(40%)	16(67%)	7(54%)	4(13%)
No	44(60%)	8(33%)	6(46%)	27(87%)

Foreign companies (FF); Indigenous Kenyan companies (LK); Indian Kenyan companies (LI).

Source: Interviews

Management Training

There were significant differences in success between companies that carried out management training and those that did not. This was true only when all companies were taken together. Such differences did not occur when each group was analyzed separately.

Virtually all foreign companies conducted such training (only one did not). This one company that did not train was the only family company within the foreign group. These foreign companies carried out more management training than local ones. The companies tended to be larger and more complex than local ones. They were run by professional managers and had many requirements from their foreign headquarters to fulfil. They competed on the basis of superior technology and management skills. Thus, their demand for management skills was high. It was no surprise that most management training was carried out by these companies.

Not all of the indigenous companies conducted management training. But, there were no significant differences between those that trained and those that did not train their managers. That training did not appear to influence success may be explained by the prevailing social, cultural and political forces that militate against such influence. These companies were characterised by centralised authority structures with little delegation. As Onyemelukwe (1973), Jones (1988) and Dia (1991) explained, age was an important source of authority in African communities. Yet the people that were better trained were the younger ones who did not have such authority. They had not fully utilised their skills to influence company activity.

Only a small proportion of Indian Kenyan companies carried out management training. Companies in this group were mainly family owned. Family power

relations dictated the way they were managed (Ramesh, 1990). Even when managers were trained, family interests were predominant. Hence the influence of management training in this group was minimal.

The appropriateness of management training in Africa may also explain the little impact that such training had in local companies. Onyemelukwe (1973) pointed out that the "Western" style universalistic training approach was inappropriate for Africa. Yet this was the type of training that Jones (1988) found to be prevalent. He indicated that African managers preferred such training not so much for performance improvement but for other reasons such as status and promotion.

VI. Implications and Limitations

The findings of this study have managerial implications. First, managerial involvement and management training go hand in hand. Involving managers in decision making tends to increase their commitment to the strategies selected and this assists in implementing such strategies. However, before managers can participate in strategy processes, they need to have requisite skills and abilities. These can be imparted through management training. Thus, managerial involvement and management training tend to reinforce each other. Second, there is need to set out objectives to target training effort. This will ensure that the training will be appropriate and effective. Finally, contextual factors do influence management perceptions and practices. In promoting higher managerial involvement in strategy and management training, companies should be sensitive to the contexts in which they operate.

The study had limitations too. This was a cross-sectional survey. We therefore could not draw conclusions about causality. Industry effects were not controlled in the survey. Rather than sample companies from an industry, we sampled across industries. The studies with which our results were compared were carried out at different points in time. These time differences could have been a source of variation. Also, when our sample was divided into separate samples, the latter were small. This may have affected the stability of the results.

Future studies could try to confirm the results generated here using larger samples. They could also be carried out in greater depth to facilitate a better understanding of the influences of managerial involvement and management training on company effectiveness.

VII. Conclusions

Our results suggested that the level and influence of management involvement and management training varied within the companies studied in Kenya. Such involvement and training were higher within foreign companies than local ones. While the effects on success within foreign companies were significant, this was not

the case within the local ones. These variations could be attributed to differences in company characteristics.

When these results were compared with those from other countries, we found similarities with other studies in Africa. But there were differences with North American and European studies. These differences could be attributed to variations in environmental as well as company factors between African countries and those of North America and Europe. This suggested that the influences of managerial involvement and management training did vary depending upon contextual factors.

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