THE MANAGEMENT OF HUMAN RESOURCES IN SUCCESSFUL COMPANIES – AN AFRICAN CONTEXT

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ABSTRACT
This publication is extracted from a study conducted to identify the management attributes that have made Zimbabwean excellent companies successful. Excellence was measured in terms of financial and macroeconomic criteria over a seven year period. Seven best performing companies were selected according to the criteria from seven industrial categories. Managers and employees were interviewed for the study. Data from the interviews were content analysed. The findings showed that these companies have a participative style of management, communicate with all levels of employees, promote from within, train their employees and reward good work. These results could point a way to successful management by non-excellent companies in Zimbabwe and in other countries with a socio-economic situation similar to Zimbabwe’s.

OPSMOMING
Hierdie artikel is "n uitreksel van "n groter studie wat uitgevoer is om vas te stel watter besluitnemingskappe uitnemende Zambiese ondernemings suksevol maak. Uitnemendheid is in terme van finansiële en makro-ekonomiese kriteria oor "n periode van sewe jaar bepaal. Die sewe beste ondernemings is geselekteer na aanleiding van die kriteria vir sewe verskillende bedryfskategorieë. Bestuurders en werknemers is vir die studie ondervra. Die data van die onderhoude is by wyse van "n inhoudsonderling ontled. Die resulatet die daarop dat die ondernemings "n besondere styl van bestuur het, kommunikasie met werknemers op alle vlakke plaasvind, bewondering van binne plaasvind, werknemers opgelei word en goeie werk beloon word. Hierdie bevindings kan rigtinggewend wees vir minder suksevolle ondernemings in Zimbabwe en ook in ander lande met soortgelyke sosio-ekonomiese situasies as die van Zimbabwe.

There have been changes and challenges facing the business community in the West in recent years. This has led Western academics and others to seek innovative management approaches in an attempt to help businesses regain their lost markets and profit margins (Cosier and Dalton, 1986). These problems experienced by business are not prevalent only in the West but also in Southern Africa. The reason for conducting the present study, therefore, was to find appropriate ways of managing Southern African businesses for success. Zimbabwean excellent companies have been the subject of study and the focus of this paper is the management of human resources.

EFFECTIVE WAYS OF MANAGING HUMAN RESOURCES
Good management skills and competence in the staffing of organisations is an important attribute to their success (Robson, 1986). Mistakes in the selection of employees can be costly and only people with proven skills should be promoted. Excellence requires that management, from top to bottom be involved in training and development of employees. People should be helped to improve in their weak areas and further develop their strengths (Robson, 1986). This is a culture relevant for the growth and success of a company.

One of the common characteristics among the successful companies studied by Robson (1986), Hobbs, (1987), and Thompson, (1984) was that they had a forceful visionary leader who had a creative foresight and provided stimulus and left a legacy in each enterprise. This confirms the generally accepted idea that the leader of an organisation sets the tone for that organisation and he gives it a personality.

Effective managerial and executive programmes are well in place in some of the excellent companies and promotion from within is the normal practice. Recruitment of individuals from outside is rare particularly at the chief executive level and chief operations officers’ slots. In some organisations this would be viewed as faulty inbreeding and yet in these corporations there is no evidence to suggest that the promotions from within resulted in selections which are mediocre (Hobbs, 1987, Thompson, 1984). This attribute facilitates the sharpening of skills to enhance the expertise found within these corporations. If people are promoted from within, two objectives are achieved, motivation of the work force and the doing of things properly.

The right use of participation can yield both motivation, knowledge valuable for enterprise success and creativity among employees. It is a means of recognition and it appeals to the need for affiliation and acceptance and it gives people a sense of accomplishment (Lucas, 1978; Koontz, O’Donnell & Weihrich, 1986; Andrews, 1994). According to Robson, (1986); Kroon, (1995); and van Nierkerk (1987); participation in the activities of the business usually increases employees’ commitment, satisfaction, performance, and motivation through personal contact. A participative management approach often breeds valuable relationships such as loyalty, job satisfaction and self esteem (Leana, Albrandt & Murrell, 1992; Rafaeli, 1985; Wagner, 1994; Le Roux, Schmidt & Scheepers, 1997; Scheepers, 1994; Likert & Likert, 1970). The use of this technique is common among managers of various organisations.

Participation generally takes two forms, direct and indirect forms of participation. Direct participation refers to a situation in which individual workers participate personally in decision making. They speak for themselves in a context which grants them equal power to other participants. On the other hand, indirect participation, refers to the involvement of workers in the decision making process through representatives. Elected worker representatives from lower levels represent their constituencies on decision making at higher levels (Blunt & Jones, 1992).

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To date most examples of participation in Africa have been of the representative type. Tanzania, for example, introduced this type of representation in 1964. Positive results noted as a result of the participative method were, higher levels of output, which generated extra income for the workers involved, improved cooperation between workers, and reduced levels of absenteeism. Related to participation is the concept of communication within a company (Blunt and Jones, 1992).

Excellent companies are very interested in hearing the views of their employees. They have upward, downward, and lateral communication. Communication in all directions is essential if a company wants to know what is happening within it. Department meetings are designed to fill this need. The frequency of such meetings ranges from daily (Japanese way) to monthly, depending upon the situation (Robson, 1986; Khumalo, 1997). A company should not depend on grapevine for its information but it should institutionalise an organised and regular procedure for communication. Suggestion schemes have also been proven to be useful. Toyota claims that at least 25% of its profit annually comes from these ideas (Robson, 1986). Successful companies avoid the NETMA attitude (nobody ever tells me anything) (Clutterbuck and Kernaghan, 1991). With the present level of sophistication in organizations, information must flow faster than ever before. Should information flow slower than it should, it can result in production stoppages and this can be very costly to the enterprise. Constant communication within successful companies is a human resource management approach traceable to the African concept of ubuntu.

The community concept – Ubuntu is a typical African way of life. It is a Zulu term meaning humanity. As a particular form of African humanism, ubuntu involves alms giving, caring, being sympathetic, sensitive to the needs of others, being respectful, considerate, patient and kind (Chinkanda, 1994). The ingredients to develop human potential in ubuntu consist of qualities such as warmth, empathy, understanding, communication, interaction, participation, reciprocating, harmony, and a shared world view and co-operation (Makhudu, 1993). The concept brings to the core images of supportiveness, co-operation, and solidarity; that is, communalism. Ubuntu is opposite to individualism. The most cherished value in the concept is working together for the common good. Ubuntu means togetherness. A person is what he is because of other people. The emphasis is on team work and empathetic communication (Dlomo, 1991; Khoza, 1993; Mhigisi and Maree, 1994).

According to this concept, there should be transparency and mutual understanding among the members of the enterprise (Dlomo, 1991; Politoane, 1997).

The concept of sharing, in Africa, has also to do with the imparting of skills and knowledge. Skills are handed down from father to son, from generation to generation. The imparting of skills and knowledge is part of developing the individual and the community (Singh, 1996). In an organisational context, this would imply that employees must be trained to benefit themselves as well as the organisation. Those given the task of imparting knowledge to others are those with special skills and expertise in their areas of knowledge — usually the elders of the community (Singh, 1996). Decision making is in strata, consisting of the council of elders which together with the representatives of the community decides on matters relating to the community. The members of the community have a right to know all decisions made at council (Singh, 1996; Tefo, 1996).

Companies could extract and utilise some valuable human resources management concepts from this philosophy.

The objective of the present study was to find out how excellent Zimbabwean companies manage their human resources.

**METHOD**

The focus of the research was industrial companies quoted on the Zimbabwean Stock Exchange. To facilitate an in-depth study, a sample of seven excellent companies was selected from the seven industry categories. The sample was drawn from a total of sixty companies quoted on the Zimbabwean Stock Exchange (ZSE) and it represents 12% of the total number.

Notably missing from the sample were mining companies. These were deliberately left out because the disposal of their products is largely controlled by international markets. The latter could influence the companies' success or failure in the criteria used for selecting them for study.

The International Standard Industrial Classification (ISIC) was used for selecting the companies according to industry type so as to make the sample representative of the Zimbabwean industry. An excellent company was selected from each category of ISIC. A company could only be considered for selection as excellent if it was competing with others in the same industry. This was for the purpose of excluding monopolies from the study.

Two sets of criteria were used, financial criteria and macro-economic criteria.

The financial criteria used in this study and the ones which encompass those appreciated by Hill and Ireland, (1987); Johnson, Natarajan, and Rappaport (1985); the critics of Peters & Waterman (1982), were:

(a) Net earnings to turnover
(b) Return on net asset value
(c) Earnings per share
(d) Market capitalisation

The basis for the financial success of the companies studied was that they are in monopolistic competition and have the following features:

(i) Each company faces a downward sloping demand curve.
(ii) There is free entry into the industry.
(iii) There is a large number of companies.
(iv) Companies choose their prices as well as their outputs (Parkin, 1993).

The second set of criteria was based on the Zimbabwean government objectives including:

(a) Growth in Provision for local employment.
(b) Growth in export performance.

The criteria listed above were used to measure the companies for a period of seven years from 1988 to 1994 for the financial criteria and from 1988 to 1993 for the criteria based on economic conditions. Data for 1994 were not available for the latter type of criteria. The financial data for selecting the sample were derived from the data bank of the Stock Analysts, Data World, in Harare whilst the data for Macroeconomic criteria were collected from the Confederation of Zimbabwean Industries.

For a company to be selected as the best under the financial criteria, it had to be leading other companies in its category in at least three of the four criteria as listed above for a period of at least four years. Whereas, for a company to be selected as excellent under the criteria based on macroeconomic objectives, it had to have the best results in at least one of the two measures set under those criteria for at least four of the six years.
Data were collected through the use of interviews. An interview schedule was used to get responses from chief executives, departmental managers, skilled, semi-skilled and unskilled employees. Altogether a total of 408 people was interviewed.

The questions asked to elicit the decision making structures of the companies were as given in tables 1 and 2 of the interview schedule below:

TABLE 1
INTERVIEW SCHEDULE

Management Style
1. What philosophy is used in the management of this company?
2. What style of management is used?
3. What determines the choice of a management style in this company?
4. How has the company been managed in the previous years?
5. How are decisions made in this company?
6. Who makes major decisions in this company?
7. What method do you use to co-ordinate all the branches or departments of the company?
8. What contribution do other senior managers make towards the running of this company?
9. Would you say that the decision making in this company is centralised or decentralised? Why?
10. What role do employees play in the making of company decisions?

Communication within the company
1. Are the company values and objectives known to all the employees in this company? If yes, how do they come to know them?
2. How do you get to know about major developments in any department within the company? How soon does such information reach you?
3. How does each of the departments in this company get to know of what is happening in other departments?
4. To which group of people within the company do future plans get communicated?
5. How do you get to know about the needs of your employees?

Fostering of Values and Beliefs through Appraisals, Promotions, and Punishments
1. What criteria do you use for selecting the employees?
2. How often are the employees evaluated for promotion?
3. What method of appraisal is used?
4. What is considered to be most important in the promotion of employees?
5. What incentives do you give your employees to encourage them to work harder?
6. If there are any awards given to employees within the company, for what achievement are such awards given?
7. For what cause do you deny an employee a salary increment?
8. For what reason do you demote an employee?
9. For what reason do you discharge an employee?

Training of Employees
1. Do you train employees in your company? If you do what methods do you use?
2. What is the purpose of training the employees in the company?
3. What does the company achieve through training employees?
4. What are your future personnel needs?

The employee interviewees were selected with the use of a stratified proportional sampling design. A rate of 18% was used for selecting employees from each of the stratum of skilled, semi-skilled, and unskilled employees. All the departmental managers in the companies were interviewed because the number of departments in most of the companies tended to be six or even less. Applying a proportional sampling design in such small numbers would therefore, not result in a significant sample size.

The selection of the employees was done by sampling with replacement and this was achieved by asking for a list of names of all the employees in the categories of skilled, semi-skilled, and unskilled from the personnel office of each company. From the list, the names were written onto small pieces of paper by the researcher. The papers with the names were put into a container. The container was shaken, a piece of paper was picked from it at random, and the name on it written down. The piece of paper was returned into the container and the container shaken again and another piece of paper drawn and the name on it also added to the list of selected names. This procedure was repeated until the number of names was equal to the calculated proportion of 18% of the names in each category of skilled, semiskilled, or unskilled.

Before the interviews began in each company, the company's mission statement, policies, company reports, and other available literature were asked for to be studied later by the researcher so as to get some background information about the companies, and for the purpose of comparing what would have been obtained from the interviews with what would have been read in the literature.

Some of the companies studied had branches in different parts of the country. The interviewees were drawn from either Head Office or from the branch. In some head offices only administrative work was done and there were, therefore, very few employees. It was more appropriate to get to any one of the branches. The assumption adopted by the researcher was that operations for the companies studied were standardised and that there is no significant difference between the employees of the branches and those of Head Office.

The responses from the interview schedule were content analysed and the unit of analysis used was the theme. The author looked for themes as he examined the transcribed data. To minimise the limitation of finding the themes, the author employed the services of an editor who made an independent search for themes. The two independent findings were compared and reconciled to come up with the most relevant themes.

The themes that came out after the responses of the questions asked above had been analysed were that the companies:
- have a participatory approach to management
DISCUSSION

The excellent companies in Zimbabwe are characterised by a participative style of management. The decision making in the companies is in strata. Employees are involved in the decisions affecting them directly whereas participants in the making of key decisions are those in managerial positions. No single individual makes all the decisions in these companies. This phenomenon is an aspect of the theory on participation concept of "ubunti" which emphasises supportiveness, co-operation, and solidarity. It is the opposite of individualism (Dlomo, 1991; Khoza, 1993).

Employees, on the other hand, participate in decision-making indirectly through their workers' committees. A provision of the Labour Act, 1985 makes it compulsory for all the companies in Zimbabwe to have workers' committees to represent the interests of employees in companies.

All the employees interviewed for this study, however, stressed that the main decisions are made at the senior management level. It was clear to the author on getting the data from the interviewees that workers' committees mainly serve the purpose of presenting the grievances of the workers to top management. They speak mainly on those matters affecting the workers. The author's interpretation is that whereas workers' committees serve to allay industrial conflicts, policy matters are exclusively the prerogative of top management. It is the managers who are employed to manage and, therefore, it is they who should make key decisions. Although managers encourage the participation of employees on matters where employees can help and although managers may listen to workers' recommendations on matters needing management decisions the managers themselves decide (O'Donnell & Wehrich, 1992). Even though the workers' committees are not involved in the making of key decisions, this provision for dialogue and the resulting interaction between workers and management is favourably viewed by all the managers and executives interviewed for this study. The workers of these companies seem to understand their role in relation to that of the managers. In all the companies studied, there was no incident of a strike over the previous five years. This could be attributed to the smooth relations resulting from the involvement of employees in the making of the decisions affecting them. This confirms the theory of participation stated by Lucas (1978), O'Donnell & Wehrich (1992), Koor (1995), Leana, Ahlbrandt & Murrell (1992), Rafaeli (1985), Wagner (1994) and Likert & Likert (1976) that participation contributes to enterprise success and harmony through its yielding of motivation and valuable knowledge.

Notwithstanding the fact that the workers' committees in Zimbabwe came about through legislation, the excellent companies maximise the usefulness of these committees by training them to be conversant with their roles. Six of the companies studied train their workers' committees either in-house or externally. Only one company out of the seven studied does not train its workers' committees. Surprisingly, this exception too, had not had any serious problems such as strikes among its employees in the previous five years. However, it had a unique problem from the rest of the companies studied. Morale among its employees was generally low (Khumalo, 1997).

Although these companies are managed by participation, top management requires performance from all levels. Performance reports are given at department meetings and production targets are set by management and discussed with employees. This type of management style is influenced by both of McGregor's theory X and Y assumptions. Theory X is classified by some analysts as production oriented and theory Y as people oriented (Kroon, 1995; O'Donnell & Wehrich, 1992; Lucas, 1978).

According to the results of the study, Zimbabwean successful companies are characterised by constant communication between all levels of employees within the organisation. There is upwards, downwards, and lateral communication. Meetings among managers are frequent and they range from daily to weekly. This compares well to the Japanese levels of communication as cited by Ouchi (1981). In the Zimbabwean case, at least once a month, employees meet on their own or with management, sometimes through their representatives – the workers' committees – or as a whole group. Reports of the companies productivity are given at these meetings. This practice has had the effect of strengthening relations between management and employees and it confirms the theory by Kreitner (1983). Fulmer (1988), O'Donnell & Wehrich (1992), and Kroon (1999) that communication should flow in various directions in order to establish harmonious relations between employees and management.

Robson (1986) also states that successful companies are interested in the views of their employees and this need is filled through departmental meetings. In Zimbabwe, the companies studied communicate with their employees mostly through workers' committees and through circulars posted on the bulletin boards. The principle of "ubunti" requires that in an organisation there should be free flow of information because everyone has a right to know what is going on (Dlomo, 1991; Fotloane, 1992).

All the excellent companies in this study emphasise the need for promotion from within. Employees in the companies are appraised at least once a year. Four of the companies studied had some senior managers who started from shop floor level and were promoted over the years to their present positions. The companies studied by Hobbs (1987) were also found to possess this attribute. If employees are promoted from within, they benefit the organisation through the experience they have gained in the organisation over the years. The attribute of doing things properly as espoused by Ball and Asbury (1989), is largely a result of experience. This practice in these companies serves to motivate and encourage the other employees at lower levels. It harmonizes with the "ubunti" principle of sharing and supportiveness which includes helping other people to develop (Makhuda, 1993; Dlomo, 1991; Khoza, 1993; Mbingi and Maree, 1994). The Maslovian's esteem needs, for status prestige, and title of the job are also satisfied (Blunt and Jones, 1992). Promotion from within may, however, have some drawbacks such as jealousy arising from those workers within the company who have not been promoted. The other disadvantage that may stem from this exercise is in-breeding. This may stifle growth. It is advisable, therefore, that there be some infusion of ideas from outside the company sometimes so as to encourage progress. These excellent companies asserted, however, that they promote from within only when there is a suitable candidate within the company.

The results of excellent companies have confirmed that employees are motivated through benefits like bonuses, subsidised canteen meals and worker/manager of the month and long service awards. Emphasis is on extrinsic sources of job satisfaction. The benefits and incentives provided the Zimbabwean employees as described here satisfy the needs in the physiological hierarchy. This confirms the assertion by Blunt and Jones (1992) that in Africa it is safe to suppose that the vast majority of lower level workers – partly because of their obligations to immediate family and kin – would be concerned with satisfying more basic needs. They would be most concerned about financial rewards and security.
Incentives of a physiological level in Maslow's hierarchy of needs have a motivational effect; they boost the workers morale and also amount to praise for work well done (Kroon, 1995; Koontz, et al, 1986).

Besides their striving to get the best qualified employees from the market, these companies train their workers. The policy of training employees is also eased by the educational assistance policies found in some of the companies studied. Six out of the seven of them were found to have this policy and even the one exception was very keen on introducing on-the-job training for its employees. Robson (1986), Gilley & Moore (1986) and Peters & Waterman (1982) also confirm that many companies which seek excellence have adopted career development as their main strategy.

Employee training in Zimbabwean excellent companies confirms management's beliefs about human potential and malleability. This finding disproves Jaeger and Kanungo's (1993) cultural assumption that within organisations in developing countries, human capabilities are often viewed as more or less fixed with limited potential requiring no need for training. The African culture, like the Indian culture, has always emphasised the imparting of skills and knowledge as part of developing the individual and the community (Singh, 1996). The training of employees in the Zimbabwean excellent companies, therefore, draws from the African cultural origins.

The management of human resources findings discussed above were prevalent in all the companies regardless of their industry category.

LIMITATIONS OF THE STUDY

Precautions surrounding this study concern three areas as follows:

1. Sample size.
2. Cause effect relationships.
3. Applicability to other organisations and the assurance of sustained extraordinary performance.

The sample size of the study is extremely small in relation to the multitude of no less than 561 companies of all sorts registered in Zimbabwe. Seven of that number represents only 0.015% of the total. The sample for this study, however, represents 12% of the companies quoted on the Zimbabwe Stock Exchange (ZSE), the universe from which it was drawn. It is only companies quoted on the ZSE which were studied and those performing well were selected from each industry in accordance with the International Standard Industrial Classification Code (ISIC). Mining companies were excluded from the sample because they did not meet the free market criteria designed for the sample. The study has been exploratory and intensive; therefore, the sample size of 12% is adequate for the type of exercise applied in the study. The size of the sample for the study is also justified by the fact that the study is concerned with examining the best among many and only a few subjects possess such a quality.

No pretense is made by this study that all ingredients prerequisite to extraordinarily successful performance have been identified with respect to cause-effect relationships defined in terms of the financial criteria: return on net earnings to turnover, return on net asset value, earnings per share, market capitalisation, and the macroeconomic criteria: provision for local employment, and export performance. For that matter, no assertion can be made that all of the various characteristics found common among these seven companies are vital to continued success. Further more, it is possible that the eight management attributes discovered in the original study could have a synergistic effect—effecting successful performance as a result of their collective application. Singling out only the 'management of human resources' by the companies could possibly not be as effective as applying all the eight characteristics simultaneously.

However, the researcher is confident that this attribute—'management of human resources' discussed in this paper reveals one of the reasons for the outstanding performance of the sampled seven companies. Furthermore, the author thinks that this attribute is applicable to a broad range of organisations, business-related or otherwise.

Although reasonably confident that the integration of this finding into less successful companies might enhance their financial and operating performance, the author is not keen to suggest precisely how it should be implemented and incorporated into an existing organisational arrangement. All corporate cultures contain an intricate network of parts and the slightest alteration of any dimension of which can create unanticipated reactions in other segments. Besides these caveats, the attribute identified in this study strongly suggests it can contribute to successful performance, and those managers ignoring its existence or relevance do so at some risk.

CONCLUSIONS

This study was conducted exclusively on excellent companies. The management of human resources of any other type of company could be the subject of further research. Because these successful companies have been discovered to be using a particular approach of managing their human resources, it is recommended that even non-excellent performing enterprises both profit-making and non-profit making should implement this approach. Also, even though this was one of the findings on Zimbabwean excellent companies, its singularly application could benefit other companies in countries with a socio-economic situation similar to that of Zimbabwe.

REFERENCES


