

***Strategy,
Governance
Ethics***

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Specifically, Clement Wafula, has other good suggestions e.g.

- management should acquire the support of key power groups
- management ought to use leadership skills to generate enthusiasm for the change
- management must build on stability. To manage turmoil and uncertainty some things will be kept constant and visible, e.g. key personnel, company's mission, office assignments and clear communication about which organisation's components will change and which ones will not change."

"Ladies and Gentlemen, with those few words, once again I thank you for your devotion to this worthy course of change. Our next meeting will be tomorrow again at the same place and time." Meeting closed with all participants in good mood.

Questions

- What are the common reasons for resistance to change?
 - How would you manage resistance to change?
 - You are the manager of CFFK and you have been assigned the role of managing effectively the change from a local company to an international company. Design and develop your programme of action.
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a) Contingency Theory

This theory argues that appropriate management actions depend on the situation prevailing at the time. According to this theory there are no ready made universal answers to management rather the decision that a manager will make will depend on the situation. Every situation that a manager will confront will be somewhat different and therefore will require different reactions.

b) Systems Theory

This theory tries to look at how organizations function and operate as a system that is a subsystem of a much bigger system. It is the process by which an organization receives feedback. A system is an interrelated set of elements that function as a whole. It has four basic parts; it receives inputs, from the environment, it transforms the resources into outputs (finished goods and finally receives feedback from the environment).

The feedback from the environment serves as a source of information about the performance of the firm and hence it serves as a good basis for later decision making. (This notion of a system being only part of a greater system is very useful to management and stands out as the greatest contribution of the systems theory). The other useful concepts of the systems theory are the concepts of Synergy Entropy and Equifinality. Synergy suggests that two people or units can achieve more working together than working individually. Entropy is what happens when firms adopt a closed-system approach - they fall and die. Equifinality is the idea that two or more strategies (paths) may lead to the same achievements (place).

c) Theory Z

The theory Z of management is a very new approach to management. It has not yet withstood the test of time and it is not certain therefore to evolve into a fully developed theory of management.

Theory Z was popularized in the early 80's by William Ouchi. During this time a great deal of attention was being given to the success of Japanese Companies in America and in world trade and differences between American and Japanese management practices. Ouchi studied succeeding American firms in order to determine why and how they continued to be successful when other companies were losing ground. He found that most American companies followed a set of business practices which he called type A (A standing for American). The typical Japanese company followed a different set of practices called J (J standing for Japanese). But the highly successful American firms followed neither type A or type J management. Rather they used a modified approach that capitalised on the various strengths of type J model and also used type A method when cultural factors dictated.

Ouchi attributed the success of these companies to their use of the modified approach. He concluded that a flexible management position incorporating the strengths of both American and Japanese models would lead to successful competition. This approach he called the Theory Z of management.

Some Aspects of Japanese Management

- The practice of management always reflects the culture of a society. Japanese management has certain aspects which are predominantly borrowed from their culture.
- Japanese managers place much more emphasis on generating harmony at all levels of the firm.
- Japanese managers more than those from other cultures to a great extent tend to place group goals ahead of individual goals. Unlike American firms they do not overemphasize the big positions in the company.

(b) Preventing Conflict

Some cases require that conflict be prevented in the first instance e.g. cases where departments are arguing over use of resources.

Rules and procedures can be used to govern how issues are to be resolved.

(c) Resolving Conflict

Conflicts will always occur in organizations and management must devise ways of resolving them. The following are a few ways in which management can resolve conflicts.

- i. Avoidance — ignoring the problem and hoping that it will go away. Strategy works if the conflict is minimal.
- ii. Smoothing — similar to avoidance, but here the manager acknowledges the existence of the conflict while developing its importance.
- iii. Compromise — Involves reaching a point of agreement between what each of the conflicting parties wants. The conflicting parties meet half way so to speak—each gives up a bit of its demand. It works okay so long as none of the parties feels cheated afterwards.
- iv. Confrontation - The direct way of addressing the conflict and working together to resolve it—also called problem solving—as there is open exchange of information. The best method of resolving a conflict should result in a no win no lose situation. If one party feels cheated then the likelihood of additional conflict is very high.

N.B:

Where conflict is between the organization and the individual mainly because the goals of the organization are at variance with individual goals management can deal with the conflict through the following ways:

- (a) Use of a blend — amounts to administration by objectives cater for both organization and individual goals.
- (b) A fusion — a personalizing process where individuals pursue their own goals so as to seek fulfilment and self-actualization.
- (c) Socializing — the organization tends to get people to devote their efforts to pursuit of organizational goals.
- (d) Integration — management comes up with an agreeable "mix" (individuals are given a chance to come up with their own goals and ways of achieving them.)

INTERGROUP CONFLICTS

Organizational conflict is sometimes referred to as intergroup competition because forces of competition are involved. The nature of organizations is such that it is difficult if not impossible to avoid conflict between and among groups in an organization. In itself, such conflict may not be bad and may be preferable in some cases. It is the manner in which conflict is managed that may make conflict bad.

(a) Stages in Intergroup Conflict

Organizational groups (intergroup) conflicts develop in stages namely:

- Antecedent conditions;
- Perceived conflict;
- Felt conflict;
- Manifest conflict;
- Conflict resolution of suppression;
- Conflict aftermath