Light of Management

EDITORS

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Self Actualization Needs

Esteem Needs

Social and Love Needs

Safety Needs

Physiological Needs

Criteria for Locating Bad Management Practices and Inducing Better Management Practices in Nigerian Organizations

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THE body of organization theories and the techniques of management discussed earlier represent various paths of enthroning better management practice. The benefits that are derivable from good management practice in sum total are organizational health, increased productivity and organizational growth. It also ensures the individual's well-being and personal advancement in the organization. However, bad management practices are common features in many Nigerian organizations of various descriptions, whether private, public, religious or political.

Signs of Bad Management

Bad management is any behaviour of the management that inhibits the attainment of set goals. There are several symptoms of bad management in organizations, which are strictly due to management practices within the organization, and not products of environmental influences. These include:

♦ Accidents.
♦ Industrial disease.
♦ Unauthorized absence from work.
♦ Strikes and work stoppages.
♦ Labourer turnover.
♦ Industrial fatigue.
♦ Decline in quantity of outputs.
♦ Low quantity of outputs.
♦ Low morale.
♦ Falling profit level.
♦ Falling share of market.
♦ Increasing debt burden.
♦ Communication bottlenecks.
♦ Sharp management practices of all descriptions.
♦ Inadequate stock of raw material, etc.

Indebtedness can also be the result of bad management. One of the authors is aware of the operations of a moderately successful private indigenous

organization located in the Ayetoro, Egbado area of Ogun State. The entrepreneur had an assistant in whom he placed so much trust that he was not subjecting him to sufficient necessary control. Unfortunately, this assistant was collecting goods on credit from the organizations major suppliers without remitting the money to the appropriate suppliers. In no time, the organization ran up a debt of several hundred thousands. This alerted one of the employees of the supplier's organization who paid a visit to the entrepreneur. He asked why he had changed from his past habit of prompt payment. The entrepreneur responded that he did not owe, that all purchased goods were made available on a cash-and-carry basis. When data relating to indebtedness of the organization were shown, the subordinate was identified as having corruptly diverted funds for purchases from suppliers to his personal purse. Thus, the small organization incurred a big debt. The cause was bad management on the entrepreneur's past, who totally abandoned his control and supervision of the subordinate.

Causes of Bad Management

Several factors are responsible for bad management in Nigerian organizations. These include lack of skills or managerial incompetence, lack of patriotism, lack of disciplined behaviour, unethical conduct, lack of vision for the organization, ethnicity, organization politics, gradual erosion of the culture of hard work and poor communication etc. Our focus here is on the internal causes of bad management within an enterprise. There are several environmental conditions that could be cited as explanatory variables for bad management; these may be political, technological, or related to and globalization competition. Let us examine some of the internal organizational causes of bad management.

Lack of Skills or Management Incompetence: The essence of training and development is to equip organizational management with adequate skills for effective performance. When such skills are lacking, managerial functions of planning, organization, directing and controlling up to decision making, which is the essence of management, will suffer – thus resulting in bad management.

Lack of Patriotism: Members of every organization who subscribe to its objectives by becoming members, as managers or rank and file workers, owe the organization total loyalty. They are supposed to defend the interest of the organization in all their actions in relation with the organization. In situations where organization members, in both public and private organizations, are prepared to compromise the interests of the organization vis-a-vis external bodies, this reflects lack of loyalty to the organization. The result of such action is bad managerial practice.

Lack of Disciplined Behaviour: To be disciplined means to have self-control and to operate within specified rules and regulations within the organization. The conduct of self-control will ensure orderliness and predictable behaviour. Lack of disciplined behaviour will mean that people conduct themselves

contrary to acceptable patterns of prescribed behaviour. The result would be that members' actions could become erratic with negative consequences for the organization.

Unethical Conducts: Ogundele and Opeifa (2004) note that ethics is the discipline dealing with what is good or bad, right or wrong. Unethical conduct means that members of management and other employees are conducting themselves in a manner that violates the ethics of their positions. An example is when mangers call for tenders for the supply of inputs to the organization, and those in authority in the organization submit tender documents with different companies' names. In this case, they also monitor all the various stages to ensure that one of the companies sponsored by an insider is awarded the contract, often at above the prevailing market prices for products quoted. There is the other side to it when members of the management team engage in several fraudulent practices involving misappropriation of funds.

Lack of Vision for the Organization: Kazmi (2003) defines vision as the description of something (an organization, a business, an activity etc) in the future. It is the mental perception of the kind of environment that an individual or an organization aspires to create within a broad time horizon and the underlying condition for the actualization of this perception. Vision, therefore, relates to focus on the future or strategic focus. Lack of vision means inability, to search for alternatives of reaching out in new directions that will ensure the future survival and prosperity of the organization.

Ethnicity: This refers to a situation where ethnic consideration, rather than merit, has a strong influence on reaching decisions that affect the well-being of an organization. Management tends to go out of its way to justify such action; this happens in both public and private organizations in Nigeria. Ekpo-Ufot (1987) calls it *implicit favourite model,* a situation where individual managers or organizations, had a favoured choice or candidate in the process of decision-making, and he/she goes about collecting data to justify such favoured choice or candidate. We have two examples of this model from public and private organizations.

In the governmental case, which happened in the former Western State of Nigeria, there was a decision to establish a burnt clay bricks manufacturing company. Feasibilities were carried out on three locations. From the expert point of view, Ade-Awaye in Iseyin Local Government was selected as having the best soil for the project. But because the then state commissioner for Trade and Industry was from Ipetumodu in the then Oranmiyan Local Government, whose soil test was rated third, Ipetumodu was selected as the place where the factory should be located. The project was a failure.

The second case was a feasibility study on the location for the production of its grain requirements for its breweries by the Nigerian Breweries Plc several years back. Two locations were selected and published in the newspapers as the

best. These were Gombe in Bauchi State and Igboho in Oyo State. Work started in the Gombe location. However, because the then managing director of the company was from Oyo town, in Oyo State, he used his influence to locate the one earmarked for Igboho, also in Oyo State, in Oyo town within the same senatorial district. The implications of this on organizational effectiveness are anybody's guess.

Organizational Politics: organizational politics centres on the use of power among contending interest groups within the organization. Managers are expected to maintain objective and neutral positions in conflict situations, so as to minimize personality differences. But once the leadership is identified with one of the groups in a conflict situation, reconciling warring groups becomes difficult, with consequent negative effects on organizational performance (Ogundele, 2012).

Gradual Erosion of the Culture of Hardwork: An organization's success of outstanding quality is based partly on the culture of hard work, which, as Lawal (2008) observes, inspires workers to excel in their jobs and thus produce high-quality products in other parts of the world. The degree of unethical conduct in organizations of all descriptions in Nigeria, coupled with other managerial causes of bad management, have succeeded in gradually eroding the culture of hard work that was distinctively African, which consequently minimizes, the amount of zeal and energy that people expend on organizational activities.

Poor Communication: Adeleke, Ogundele and Oyenuga (2003) note that communication is the means through which the task and resources needed to carry out an assignment, the roles and duties, and expected results are made known to the subordinates. Poor communication occurs in organizations because managers do not listen openly and attentively; thus they reach their conclusions before learning all the facts. Other factors leading to poor 'communication are bad organizational climate, conflict, lack of feelings and poor attitude by managers, etc.

Ways in Which Bad Management is Manifested

Any imaginable set of managerial practices that is inimical to the smooth operation, of an organization or are geared toward serving the self-interest of an individual or a small clique of individuals, to the detriment of the large group, are manifestations of bad management practice. In short, any management practice that violates the principles of efficient management including the operating situation, constitutes bad management practice. These include autocratic style, inappropriate management structure, combining more than one powerful positions, weak board of directors, weak finance and succession problems.

Autocratic Style: Kuye (2010) observes that when the style of management is a one-man-management-rule, all decisions – strategic or routine – will be made by the boss. There is no consultation for advice; nor is there delegation. The

problem with this leadership style is that when a major error is committed by the leader, it may have disastrous consequences for the organization.

Inappropriate Management Structure: This relates to an unbalanced management team; a balanced team will have both management depth and breath. Depth refers to the balance between old, experienced and careful managers on one hand and young, brilliant and aggressive managers on the other. Breath relates to the presence of management with varying skills in all relevant functional areas of business. The absence of these indicates poor or bad management.

Combining Two or More Powerful Positions: In situations where the offices of the chairman and managing director are held by one person, he/she becomes so powerful as to represent a personalized one-man-management controlled type of organization. The result is that such an individual could not be checked by others who have been rendered powerless by such pattern of managing an enterprise.

Weak Board of Directors: In organizations where a person becomes a board member by political appointment, not based on competence or when members of the board do not possess necessary knowledge, they cannot make effective contributions to the running of the organization; the result will be poor management.

Weak Finance: There could be various forms of weak finance. These include inadequate sources of funding, poor financial control, inadequate cash flow, poor assets valuation, and poor costing systems. Each of the above features, when present in any organization, shows evidence of poor management.

Succession Problem: The problem of management succession relates to an organizational process for ensuring smooth transition from one management group to another in an orderly and planned pattern. This will reflect absence of a plan to manipulate a situation to the advantage of some selfish interest groups. When there is resistance to a systematic succession plan or the manipulation of a situation to suit the interests of an individual or group in an unusual manner this can destabilize succession plans. The result will be bad management practice.

Solving Problems of Bad Management

A number of issues are involved in solving the problems of bad management. We examine a few of them in the segment that follows.

Changing the Attitudes of People

Most of the problems of bad management are behavioural; consequently, they are the result of the attitudes that people have developed over a period of time. Therefore, solving the problem of bad management will require widespread positive change in people's attitudes toward the organization, organization members and other relevant constituencies.

Adjustments in Management Team

Appropriate changes will be required in the management team of any organization that is not doing well. The change may involve organization-wide adjustments, including appointing new leaders for the organization such that the organization is given a new lease of life.

Creating New Vision

An organization's leadership has the responsibility of ensuring or providing viable core aspirations which make up the vision of the organization. It must also fashion out plans and strategies that are focused on making the organization more competitive and effective (Ogundele, 2012).

Managing the Organizations Ethical Environment

The ethics of an organization must be reshaped and influenced by the core values of the organization as well as its internal and external environments. Ike (2002) notes that the internal environment of the organization is made up of three elements: The set of norms of behaviour in the place, the code of ethics and the organizational systems and procedures. The behaviour of top management can reinforce or undermine the code of ethics, the second element. All of them must be more rationally managed before any organization can solve the problems of bad management. Ogundele (2004) notes that one method of resolving the ethical problem is to have predetermined strict moral principles and stick to them always. This is regardless of the circumstances of the situation. It offers consistency and avoids anxiety over conscience every time ethical issues arise. There is no violation of moral codes. The alternative approach is that managers could consciously vary their behaviour according to the needs of each case. It is a feasible approach requiring changes in managers' moral outlook depending on the particular situation. Inconsistent decisions could result, and managers' choice of approach will depend on factors such as (1) the culture of the society in which they live (2) their personal experiences, education and upbringing and (3) whether they are intellectually weak and tend always to accept the status quo. The best way out is for organizations to develop ethical codes that guide the behaviour of their managers and employees and also enforce compliance.

Re-orientating Organization Members

Our discussion on solving problems of bad management is people-focused. This is because the biggest problem will originate from people, those who take bribes and those who give them, in all forms of organization that we have mentioned in this book. Umoru (2000) notes that any era (organization) that is dominated by the love of money only has a rotten core within it and it must perish. History tells us so, but we no longer accept the lesson of history: that running government organization in the manner it was done in this country between 1986 to June 1998 (possibly till today) is an obvious offence against Heaven. He who offends

against Heaven has none to whom he can pray. Umoru notes further that unless one recognizes the imperativeness of Heaven one can never be a noble man. People, in Nigerian organizations, must be reoriented, such that the habit or attitude of money for everything is played down if not completely removed. We need to strive for valued behaviours anchored on hardwork. There is need for a change of behaviour in the positive direction, which will qualify us to pray to Heaven and for our prayers to be accepted. As Kolade (2000) states the perceived manifestation of corruption at both individual and institutional levels in Nigeria has cost the country dearly in terms of international reputation, acceptability and ability to achieve our national economic objectives. Nigeria is perceived as one of the most corrupt countries of the world, and those who continue to do business with us come to the negotiation table with the proverbial long spoon. The implication of Kolade's (2000) assertion is that, as long as high-level corruption persists, so long will problems of bad management persist in this country. Therefore, serious reorientation of values and behaviour must take place. Appropriate sanctions must be applied against erring individuals.

Building a Corporate Culture of Excellence

It is not enough to discard bad ways of running an organization; we need to build a culture of excellence in our organizations, to be able to stand the competitive stress of globalization. To this end, Lawal (2001) notes that the business environment is highly dynamic and competitive, that managers operating within the environment must search for ways of unleashing the *creative* potentials of employees. One way to do it is the creation of a corporate culture that supports excellence. This will involve systematic and articulated human resources management, creation of a fit between strategy and culture, establishment of ethical standards, building a spirit of performance into the culture and bonding the fits through shared values. All these will serve as a means of creating and sustaining a corporate culture of excellence. Other ways of solving problems of bad management include effective communication, sourcing for capital through internally generated funds and externally, in financing organizational turnaround, use of effective management approaches and so on.

Summary

Bad management has been the bane of social and economic performance in public and private organizations in Nigeria. This manifests itself in low morale, falling profit and sharp management practices etc. The causes of bad management include managerial incompetence, lack of patriotism, indiscipline, unethical conduct, lack of vision for the organization, ethnicity, organizational politics, gradual erosion of the culture of hardwork and poor communication. It is noted that bad management manifests itself in an autocratic management style, impropriate management structure, holding double or multiple posts, weak board of directors, weak finance and succession problems. Some of the ways of solving the problems of bad management include changing the attitudes of people,

adjustment in management team, creating a new vision for the organization, managing an organization's ethical environment, re-orientating members of an organization and building a corporate culture of excellence.

Multiple Choice Questions

(1)   Bad management is defined as any behaviour of the management that _____ the attainment of set goals. (a) encourages (b) supports (c) inhibits (d) stimulates

(2)   All these are symptoms of bad management in organizations except _____ (a) high morale (b) industrial fatigue (c) labour turnover   (d) industrial disease

(3)   Factors responsible for bad management include one of these. (a) management competence (b) unethical conducts (c) perfect communication (d) dexterity

(4)   The essence of training and development to an organization is to _____ (a) reduce customer relations (b) lower morale (c) high job turnover (d) educate workers

(5)   Ethics is a discipline that deals with what is _____ (a) predictable and comic (b) good or true (c) good and right (d) good or bad

(6)   _____ is the description of something in the future. (a) Goal (b) Fusion (c) Mission (d) Vision

(7)   The following factors lead to bad communication in an organization except _____ (a) conflict (b) bad organizational climate (c) openness (d) lack of feelings

(8)   A balanced management team has both the _____ (a) debt and breadth (b) ups and downs (c) depth and unbalanced (d) depth and breath

(9)   A one-man-management rule for all decisions is a manifestation of_____ style of leadership. (a) democratic (b) authocratic (c) laissez faire (d) autocratic

(10)   Inadequate cash flow, poor asset valuation and poor costing system are various forms of_____ (a) week finance (b) late funding (c) bad accumulation (d) weak finance

(11)   Management_____ is the process of ensuring smooth transition from one management group to another in an orderly manner. (a) secession (b) prediction   (c) succession (d) planning

(12)   Which of the following is NOT an element of the internal environment? (a) norms of behaviour in the organization (b) the date of the company's establishment (c) code of ethics (d) organizational systems and procedures

(13)   The problems of bad management can be solved through all of the following except _____ (a) adjustment in management team (b) creating a new mission (c) changing people's attitudes (d) managing organization ethical environment

(14)   The benefits derivable from good management practice do not include one of the following. (a) increased productivity (b) demotion (c) organizational health (d) organizational growth

(15)   In Nigeria, bad management practices are common in _____ (a) all private organizations (b) many public organizations (c) many religious organizations (d) b & c only

(16)   Strikes and work stoppages are symptoms of _____ (a) bald management (b) effective management (c) bad management (d) favourable management.

(17)   Indebtedness can occur in an organization due to _____ (a) loose control measures (b) tighter controls (c) effective leadership style (d) good management practices

(18)   Members of an organization who subscribe to its objectives owe the organization _____ (a) partial loyalty (b) money (c) commercial paper (d) total loyalty

(19)   _____centres on the use of power among contending interest groups within an organization (a) Organizational conflict (b) Organizational behaviour (c) Organization politics (d) Organization influence

(20)   _____ is the means through which the task and resources needed to carry out an assignment are made known to the subordinates. (a) Telecommunication (b) Networking (c) Information (d) Communication

Theory Questions

(1a)   Explain the concept of bad management

(b)   What are the signs of bad management?

(2)   What are the causes of bad management?

(3)   In what ways does bad management manifest itself?

(4)   What are the influences of corruption on management practice in Nigeria?

(5)   What solutions will you suggest for the problems of bad management in Nigeria?

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