

2.99 \$4.90 €4.00 N500

*Dr (Mrs) Ndi Okereke-Onyiuke, OON  
Director General/Chief Executive Officer  
Nigerian Stock Exchange, Page 26*



ISSUE X2 - APRIL 2004

# PREMIUM INVESTMENT

**The signature for investment**



*President of Chartered Institute of Bankers  
Mr O Unegbu*

**Nigeria Has Good Housing Market p10**

**Guide to Foreign Investors to Nigeria p14**

**The Nigerian Stock Exchange Stock in 2003 p26**

**Business Plan for Internet Service in Nigeria P38**

# PREMIUM INVESTMENT

The signature for investment

Issue x2, May 2004

## Contents



### PREMIUM INVESTMENT MAGAZINE

**PUBLISHERS:** Bola Odepidan  
Olumide Adeyileka

**MANAGING EDITOR:** Tunde Richard

**ASSOCIATE EDITOR:** Chukwuma Akaeme

**GRAPHIC DESIGN:** Alan Swann, Graphic Design Centre  
+44 20 8502 9670

**COPY EDITING:** Paul Diner, Graphic Design Centre

**WEB CONSULTANT:** Vizion Online

### EDITORIAL ADVISORY BOARD:

Chief Kunle Oluwasanmi - CHAIRMAN

Tunde Richard

Akin Opayinka

Adejoke Biobaku

Bola Odepidan

Olumide Adeyileka

Premium Investment Magazine is a monthly publication of:  
Smithers International Publishing UK

Suites 5/6, Spencer House  
Austin Street, off Hackney Road  
London E2 7NB

TEL:/FAX: +442076130029  
E-mail: editor@PremiumInvestment.com

**NIGERIA ASSOCIATE:**  
Integrated Marketing Communication Ltd.  
Ade Komolafe House  
62 Kudirat Abiola Way  
Oregun  
Lagos, Nigeria

TEL: 234-1-8173253, 234-8033004930  
E-mail: tunderichard@PremiumInvestment.com

### ADVERTISING AND GENERAL ENQUIRIES:

UK: +44 207 613 0029  
+44 7961480 394

USA: 001 202 550 0007

NIGERIA: 234-1-8173253  
2348033004930

www.PremiumInvestment.com

This publication is © Smithers International Publishing UK and may not be reproduced or transmitted in any form in whole or part without the prior written permission of Smithers International Publishing UK. While every care has been taken during the preparation of this magazine, Smithers International Publishing UK cannot be held responsible for the accuracy of the information contained within, or any consequence arising from it.

ISSN 1742-8785

- 4 **Out of the cocoon**  
Managing Editor's Welcome
- 6 **Sustainable Housing Development in Nigeria**  
The Financial and Infrastructural Implication - Part One  
Joseph Segun Ajanlekoko
- 10 **Nigeria has good Housing Market**  
Interview with Mr Joseph Ezeru Obi, the Managing Director  
of Trustville Properties Development Company Ltd
- 12 **Housing for All - an Illusion**  
Interview with Mr Timothy Orungbemi, First City Estate  
Marketing Manager
- 14 **Guide to Foreign Investors in Nigeria**  
By Sab Njoku, a Lagos-based legal practitioner
- 16 **UK Thriving Bricks and Mortar**  
By K. O. Kamson
- 20 **Regeneration - a Business Case for Lagos Island and the  
Metropole**
- 24 **Container Culture: Bane on Investment**  
Interview with The President of the Chartered Institute of  
Bankers of Nigeria (CIBN), Mr Okechukwu Unegbu
- 26 **A Review of the Performance of The Nigerian Stock  
Exchange Stock in 2003**  
By Dr (Mrs) Ndi Okereke-Onyiuke, OON, Director General/  
Chief Executive Officer
- 31 **Get Connected be Secure**
- 32 **Invest in Capital Market**  
Interview with Mrs Hauwa Audu, Managing Director and  
Chief Executive Officer of Aryn Investments Limited
- 34 **Vodacom enters Nigerian Telecomms Market**
- 36 **GSM Phones in Nigeria: the Fun, the Fury**
- 38 **Business Plan for Internet Service in Nigeria**
- 42 **Microsoft in Alliance with Computer Village**
- 44 **Minding the Gap in Nigeria – Poverty and Unemployment**
- 48 **Team Building**
- 50 **Periscope - A Vision of the Transformation of Dubai**
- 52 **SMEs - Business Survival and Failure**
- 54 **Sculptural Architecture: A Good Investment**
- 56 **How Rosy makes shopping pleasurable**
- 58 **Subscription Form**

# Premium Investment Team Building

## TEAM BUILDING THROUGH EFFECTIVE DELEGATION AND CONTROL

**By Fatile Jacob Olufemi  
Faculty of Management Sciences,  
Lagos State University, Ojo,  
Lagos.**

**Management is solely about people and not about machines and materials. Consequently, one may well describe management as the process of achieving results through the directed efforts of others.**

In order to help improve the performance of an organisation it is necessary to understand the nature of human relationships. The task of managing an organisation successfully cannot be left in the hands of only one or two people. In the light of this, some form of teamwork becomes not just desirable, but essential. It is therefore not surprising that team building has become an important concept in management.

Many managers and supervisors do not see their staff as colleagues in the effort to achieve organisational goals and so do not care about proper human resource management. If groups are to be successful and perform effectively there must be a spirit of unity and co-operation. Also, if one succeeds as a manager it is simply

because one has been able to use people effectively. One major tool of using people is delegation.

Getting work done through the efforts of other people entails the process of delegation and entrusting authority and responsibilities to others. Delegation is not the panacea to all management problems. Consequently, when you delegate you need to control. Controlling is any step one takes to ensure that an outcome is as intended.

Organisations are made up of people working together to achieve some common end. Since people are frequently required to work in groups, considerable attention has focused on team building.

A team is a collection of people interacting with one another towards achieving a common goal (Adeleke, 2001: 180). The membership of a team varies from one to the other. The smaller the team, the more the face-to-face interaction and hence, better communication and free flow of information within the team.

Team building can be applied within the group or at the inter-group level where activities are interdependent. Not all groups have interdependence of functions. To illustrate this, consider a football team and a track team.

Team building is applicable to the case of interdependence, such as

in football. The objective is to improve co-operative efforts of team members, which will result in increasing the group's performance.

In a team, the team player must assess himself and the team to know if team objectives have been met. If the objectives have been met then there will be appreciable improvement in the productivity of an organisation, otherwise the productivity of the organisation is affected and will be very low.

Management has a major purpose to provide for the continuation of the organisation over time, personnel change and absence. A properly managed organisation can continue to operate successfully over generations of employees and during the permanent absence of any given manager or head of department. This means that any operation under your supervision should function successfully while you are away for lunch, a business trip, a vacation or a short-term illness. Moreover, your permanent absence as a result of transfer to another position, retirement, poor health or even death must not cripple the organisation.

As a manager, having faith in your team is the bedrock of teaming. No one person can be excellent, except as a team. In order for a team leader to be excellent and effective, he should be ready and willing to delegate authority to his

subordinates.

Delegating is an organising skill that utilises human and communication skills. This exercise develops the inter-personal leadership skills, information skills and decisional skill of resource allocator (Robert Lussier, 1999: 184). The main purpose of delegation is to make organisation possible; one person cannot exercise all authority in making decisions as the organisation grows. There is a limit to the number of persons that a manager can personally supervise. Above this limit, the manager must delegate authority to subordinates to make decisions.

Delegation is the transfer of authority and responsibility from a higher to a lower administrative officer for purpose of decision-making.

Without delegation a formal organisation could not exist. The source of all authority in a formal organisation (e.g. shareholders) delegate authority to a subordinate or representative (e.g. Board of Directors) but retains some of the authority itself. The subordinate in turn delegates some authority to its subordinate (e.g. Individual Executive Directors), while retaining some of its exclusive discretion. The process of delegation is repeated stage-by-stage, (or scale by scale) down a chain of command to the lowest level of subordinates given delegated authority. Thus, the manager gives the

royal staff to the subordinate but does not abdicate the throne. For effective delegation, it is required that authority should be commensurate with responsibility. Responsibility should be sufficient to give the subordinate freedom of action within agreed terms of reference and to avoid excessive supervision. The supervisor must see subordinate development as part of his or her job and apply delegation as a means of accomplishing this, and the supervisor should not abdicate his responsibility to management by delegation. The supervisor is responsible to a higher authority for the action of his own subordinates; he cannot delegate this ultimate initial accountability.

If you delegate a task to a member of your team who does a poor job, you must accept responsibility for the staff's poor performance. Management wants satisfactory performance and once this is not forthcoming, you are to accept any reprimand for your team's unsatisfactory performance. You will then review your system of delegation, counsel the affected team member, map out a training development plan needed to update the performance of the team member. Another important principle is unity of command, which states that each person in the organisation should report to only one supervisor. Reporting to more than one supervisor may confuse the subordinate.

**“One may well describe management as the process of achieving results through the directed efforts of others ”**

A free flow of information between the supervisor and subordinate should provide the subordinate the appropriate information with which to make decisions and interpret the authority delegated. Delegation must also be accompanied by feedback processes to make sure that authority is properly used. Such controls need to be based on the goals, policies, plans and standards built into the original definition of assignment and results expected.

The personal capacity to delegate should be based on a willingness to release the right to make decisions to the subordinate to whom authority has been delegated, refraining from interference. Also willingness to accept that subordinates will make mistakes as they develop their skill. This development will mean those mistakes are inevitable so the supervisor needs to refrain from the temptation to do everything himself in an attempt to avoid mistakes. Such a policy, moreover, can mean mistakes being made by an overloaded supervisor and inadequate opportunities for staff development.

Delegation can be beneficial in the sense that when managers delegate, they have more time to perform high-priority tasks. It releases the manager's time for other important activities; it reduces the stress of senior management; it helps the organisation's expansion and resilience, since it follows the principle of

division of labour; it contributes to efficiency and effective utilisation of skills and abilities of all team members, as well as other resources of the organisation; it helps to develop and motivate a subordinate (trains and improves their self-esteem) i.e. it ensures the satisfaction of higher needs and enhances the subordinate's commitment as he has more control over his job.

In practice many managers are reluctant to delegate and attempt to fulfil many routine matters in addition to their more important duties. Among the reasons for this reluctance, one can commonly identify:

- A manager may feel that his subordinate will carry out the delegated work and that he himself will ultimately be held responsible for his subordinate's errors.
- Some managers believe that they will lose touch with their department (both work load and staff) unless they retain some routine tasks.
- Superiors are often unwilling to admit that the subordinates have developed to the extent

that they could discharge some of the manager's duties.

- Psychological factors: the action that having a "monopoly" of knowledge of the work involved in a particular situation would enhance his prestige in the organisation and promotion prospects.
- The belief that an executive ought to be overworked if he is to justify his salary.

On the other hand, subordinates may not accept delegation because of fear of failure, lack of training, fear of criticism ("monkey dey work baboon dey chep") lack of adequate reward, lack of commensurate authority and subordinates suffering from work overload among others.

As a general guide do not delegate anything that you need to be personally involved with because of your unique knowledge and skill. Typical examples are personnel matters like performance appraisal, counselling, disciplining, firing, etc; confidential activities and activities delegated to you personally.

Delegation should be planned and it could be part of subordinate's training plan. Give constructive feedback e.g. praise, blame, give direction when any problem surfaces; insist on recommendations from the subordinate. However, support him since you are still responsible.

Once you have decided what to delegate, you must select an employee in your

team to do the task. When selecting an employee be sure he or she has the capacity to get the job done right within the deadline. You must consult with several employees in your team to determine their interest before making the final choice.

To achieve the desired result, control is a necessity. Control is the process of ensuring that things happen as planned. In terms of delegation, control is associated with "keeping things moving". You therefore need to establish job expectations (written and unwritten), spend enough time initially with an employee to make sure the role expectations associated with the job are understood and agreed to; establish regular review meetings with team members to check possible revisions of job requirements and to re-negotiate expectations as necessary.

Team building is certainly an emerging paradigm in management techniques that can be adopted and applied as the basis for effective management of corporate organisations.

Wisely conceived and carefully applied team management techniques will substantially alleviate the ineffectiveness and improve the well-being of the entire organisational system. In corporate organisations, the employees of departments or sectors can constitute a team while the heads of departments or head of sections can serve as the captains / leaders of the

team. At the top of organisation hierarchy, the top management could be likened to a team while the chairman (Chief Executive) is the head of the team.

Efforts should therefore be made to build up the team through effective delegation of authority to subordinate team members so as to enhance organisational effectiveness. Delegation and control describe quality management. The way they are done describes whether the superior is a manager or a boss and subsequently measures whether subordinates see themselves as a part of the organisation or as one resource to be used and discarded at will.

When a superior delegate, he does not abdicate, he passes over to his subordinate team members a share of his responsibilities, which are now discharged co-jointly.

Successful delegation depends upon the superior's philosophy of management, willingness to train and develop subordinate team members, ability to recognise subordinate's potential, desire to let go authority and having positive expectations of subordinates. There is a need to ensure that subordinate team members know what is expected of them, identify accomplishment, counsel, coach, give assistance as needed, and finally he must give his subordinate team members the opportunity to perform on the job.