PARTICIPATORY APPROACHES TO RURAL DEVELOPMENT. A CASE STUDY OF MUHORONI SUGAR COMPANY, KENYA.

BY

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A PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF MASTERS OF ARTS DEGREE IN RURAL SOCIOLOGY AND COMMUNITY DEVELOPMENT.

AUGUST 2004

DECLARATION

I declare that this Project entitled "Impact of Participatory Approaches to Rural Development, A Case Study of Muhoroni Sugar Company, Kenya", is the result of my own work and that it has not been submitted either wholly or in part to this or any other University, for the award of any degree or diploma.

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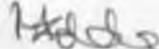
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This is to certify that this project entitled "Impact of Participatory Approaches to rural development. A case study of Muhoroni Sugar Company, Kenya "is a bonafide project work carried out independently by Margaret A.O. Mitema under our guidance and supervision

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ACKNOWLEDGEMENT

DEDICATION

To my late mother, Flora Agnes Athieno *nyar Alego Ngiya* and my dad, Barack Aduwo Ukaya *wuod Chula* for their strong belief in education. They allowed us (ten children) to learn as far as our capabilities could allow us.

To my late mother-in-law, Philister Akello Mitema for her endless, tireless effort to educate her children, among them, my husband (nicknamed *Kalam* because of his scholarly habits.)

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ABSTRACT

The primary objective of most of the organizations that are geared towards profit realization is productivity, efficiency and competitiveness. Achieving these objectives necessitates adaptability and responsiveness to change. However, in most organizations this adaptability and responsiveness to change is aimed solely at profit maximization. Consequently, the workers are, in most cases, never factored into the company's profit equation and, if they do, then they are seen as mere appendages or tools, to serve the interest of the company, and be cast aside when their interests clash with those of the company.

However, of late, there has been a revolution in the way organizations view workers-instead of being seen as mere tools, they are increasingly viewed as part of the company. This has led to new management approaches which entail, giving a greater role in an organization's decision making structure to the worker and allowing him greater control over work methods, planning and execution of tasks. The logic is to give him a sense of co-ownership in the company and thus, hopefully motivate him into having greater interest in his work.

The study is a survey of Muhoroni sugar company to analyze the impact of these new management approaches on the company's performance. Mismanagement and fiscal irresponsibility had led to the company almost collapsing in 2000. As a result a new management team was brought in to try and revive the company. And one of their initiative was to introduce participatory management approaches which involved giving the workers a greater say in the company's operations.

Four years down the line, the study found out that these new participatory approaches are beginning to yield results. A company that had been declared insolvent is now able to produce an output approximating its maximum capacity and meet its financial obligations to the workers as well as the cane farmers. Overall, there is a vibrant mood both within the company and in the surrounding environs that better prospects lie ahead. This study is, therefore, an assessment of how this turn-round has been brought about.

CHAPTER ONE

1.0   INTRODUCTION

1.1   BACKGROUND

Many organizations and institutions in developing countries are wanting in efficiency, productivity and competitiveness. This is connected to their non-responsiveness to local circumstances as well as overall need for organizational competitiveness. (Albrecht, 1983). The main concern has been lack of adaptation and responsiveness to change beneficial to members or communities they serve. Albrecht argues that change is necessary because there comes a time in the history of almost every organization, no matter what kind it is, when it becomes more or less out of tune.

The consumers or clients change, their needs and attitudes change or the management philosophy may change. What worked before in some organizations no longer seems to be working any more in new organizations and unless there is responsiveness and adaptation to change, an organization may turn into a liability. (Albrecht, 1983). Evidence is mounting which suggests that some of these organizations are encountering increased difficulties in coping with the stresses of complex world of today. (Letterer and Jones 1985).

Despite immense outpouring of goods and services from our social, political and economic institutions, evidence prevails that organizations are lacking in efficiency, productivity and competitiveness. (Letterer and Jones, 1985). New methods of operations and new forms of organization require flexible and innovative responses.

In a rural situation, when organizations are lacking in efficiency, productivity and competitiveness, when these organizations stall or fail completely, the effects are far reaching. It is not just the organization that suffers but also the community within which this organization is located. There is increased poverty, illiteracy and ignorance. There is unemployment, lack of income, proper shelter, clothing and shortage of food. The economic power of the farmers is eroded and many of them cannot afford fees for their children. This leads to economic insecurity. The organization thus fails to achieve one of its major objectives-improving the standard of living of the people or reducing the poverty level.

The mass media usually highlights a wide variety of industrial disputes, individual conflicts, inadequate product design, discrimination and job dissatisfaction related to the operation of most organizations. All these contribute to a concern regarding their competitiveness and efficiency. As a result, there is need for them to restructure their objectives, organizational structure, operational procedures and even product design.

Letterer and Jones argue that the solutions to such prevailing problems lie with the organizational ability to create a more flexible and innovative management approach If the management is not adoptive then it becomes part of the crisis rather than its solution. (Letterer and Jones, 1985). Ansoff suggests two new approaches to management, namely, flexibility and innovativeness. According to Ansoff, flexibility enhances the general responsiveness of the organization while innovativeness allows it to deal with specific, rapidly developing opportunities, trends and threats. (Ansoff 1980).

Most managers in the developing countries have for a long time preoccupied themselves solely with the basic business of the organization-its primary productive axis- and ignored other dimensions of strategy, administration and social processes. In turn, many organizations like sugar factories have failed to meet their demand, thereby reducing productivity drastically. Argyris argues that managers need a remarkable perspective from which to look at their organizations comprehensively and systematically. These armchair bureaucrats make decisions most of which are then imposed through varying top-down strategies. These decisions never influence positive development but perpetuate poverty among the poor. The organization should move in the direction of adaptive change. (Argyris 1983).

Argyris further argues that many organizations create a work environment where workers are provided with minimal control over their work; they expected to be passive, dependent and subordinate. He points out that this kind of environment does not provide for high productivity, competitiveness and efficiency since it suppresses the workers morale rather than boosting it. Organizations need to adopt management techniques that are motivating to employees such as participatory management and team building. (Argyris 1983).

Nisbet reported that one of the widely used management approach is the bureaucratic model. However, he says that this approach is less responsive to change and that productivity, competitiveness and efficiency in the organization practicing bureaucratic management tend to be substantially low. There has, therefore, been an extensive effort to experiment with structural techniques like job satisfaction, motivation, communication, participatory style of management, job design and team building that seek to improve the quality of work life in order to enhance

efficiency, productivity and competitiveness and thus improve the standard of living of people. (Nisbet 1967).

1.2   PROBLEM STATEMENT

The purpose of this study was to identify the adaptation of management practices in Muhoroni sugar factory and the effect of these practices on organizational performance. More specifically, the study aimed at identifying the extent to which this sugar cane factory has adapted management approaches such as participatory management, communication and team building and ways in which they have enhanced performance. As indicated in this study, the need for more adaptive approaches has been documented. Management of this factory requires approaches that would enhance or increase productivity, efficiency and competitiveness. This study, therefore, examined ways in which the various management approaches have influenced productivity, efficiency and competitiveness.

Prior to the study, it was noted that although Muhoroni Division of Nyando District is endowed with suitable geographical requirements for sugar cane growing, the Muhoroni sugar factory is still not very productive, efficient and competitive. (Annual District Report Nyando, 1994). The sugar factory had stalled on several occasions the latest one being between 1999-2000. Since 2001, it has been under receivership and management approaches have since changed.

To increase production of sugar cane in the country, it is important to initiate an appropriate strategy, which can be disseminated to many other sugar factories in Kenya so as to reduce sugar importation. The Kenya Sugar Industry produces 400,000 metric tones of sugar annually against

a local consumption of 600000. The short fall of 200000 tones is expected to be bought from the Common Market for Eastern and Southern Africa (Comesa) by licensed importers but due to irregularities and politics, sugar imported is more than the shortfall. Since imported sugar is also duty free, it is sold more cheaply in the local market than the locally produced sugar. Secondly, the strategy should have an incentive system to encourage the workers and farmers to perform their tasks efficiently. They should participate at all times.

1.3   RESEARCH QUESTIONS

In order to identify adaptation of management approaches and their effect on organizational performance, this study was guided by the following questions: -

(1)   What management problems has Muhoroni sugar factory experienced before 2001?

(2)   What measures have been taken in response to these problems?

(3)   To what extent has this institution adopted participatory management, ways of enhanced communication and team building?

(4)   How have these measures resulted to enhanced performance and competitiveness?

These questions enabled the study to understand management experiences and challenges in this sugar factory and ways in which it has adapted its management practices.

1.4   RESEARCH OBJECTIVES

The objective of the study was to identify management problems experienced by Muhoroni sugar factory, identify measures they have taken in response to these problems and how these measures have influenced performance. The specific objective was to assess the extent to which the three

management techniques (participatory, teambuilding and communication) have been adopted in this sugar factory and their effects.

1.5   THE SIGNIFICANCE OF THE STUDY

This study is significant for two reasons: First, there is need for organizations in developing countries to be productive, efficient and competitive This is not only beneficial to the organizations but also to the communities where such organizations are situated. Apart from creation of employment for the local people, rural-urban migration will be reduced, the economic power of the local people will be improved, and the government policy of being self sufficient in agricultural production will be realized.

Secondly, there is need to identify management approaches more responsive to local conditions. Many organizations create a work environment where workers are provided with minimal control over their work and are expected to be passive, dependent, and subordinate. This suppresses the workers morale rather than boosting it. The study, therefore, intends to enhance the management capacity of organizations in developing countries.

Various management approaches have been advanced in search of a more responsive approach to management. For instance the bureaucratic model has been widely researched and experimented. The study, in essence, intends to fill a gap by testing recent theories on organization development, namely participatory approaches.

1.6   SCOPE AND LIMITATION OF THE STUDY

The study was limited to Muhoroni Sugar Factory in Nyando District, Nyanza Province. It traced the management approaches that were used in the factory prior to its collapse in 2000 and their impact on the company's overall productivity and performance. It then outlined the new management approaches that have been adopted by the new management ever since the company was put under receivership. Finally an assessment was made of these new approaches, their effect on the workers as well as on the company's overall productivity up till June 2004.

In as much as the scope of the study was limited to Muhoroni due to financial and time constrain, the results of the study have management implications in other organizations both in the rural and urban areas especially organizations that are low in productivity, efficiency and competitiveness.

It is also important to mention that under receivership, the factory was faced with a few restrictions, in so far as spending money on social activities were concerned. Sporting and other recreational activities financially supported by the company were suspended at the time of research.

CHAPTER TWO

2.0   LITERATURE REVIEW

2.1   INTRODUCTION

The aim of this chapter is to review previous literature on different management approaches with a view of identifying various adaptative approaches and their reported impact. This chapter is divided into the following sections: Historical perspectives, the nature of bureaucratic management, scientific management, Administration management and Human relations management with its model- Organizational Development. The literature on rural development and participation programmes in Kenya has also been documented. The gaps present in the available information are highlighted. The chapter ends by proposing hypotheses that the research attempts to test to fill the existing gap.

2.2   HISTORICAL PERSPECTIVE

It has been pointed out that the systematic development of management started towards the end of the nineteenth century with the emergence of large industrial organization and the ensuing problems associated with the structure and management of such organization. (Mullin 1985) This section has an overview of four important areas of management theory: Max Weber's idealized bureaucracy, Fredrick Taylor's scientific management, Henry Fayol's view on administration and Elton Mayo's Hawthorne works experiment. The section provides a general description of each of these management theories together with observations on the environment in which they were applied and the successes they achieved.

2.3   THE NATURE OF BUREAUCRATIC MANAGEMENT

Bureaucracy as presented by Max Weber, emphasized a hierarchy of offices designed rationally to coordinate the work of many individuals in pursuit of large-scale administrative tasks and organizational goals (Haralambos 1986; Bobbit 1974). One of the recognized characteristics of bureaucracy is specialization (Perrow 1971). It is argued that specialization serves to enhance efficiency. The argument, according to Perrow, is that individuals are generally capable of performing all tasks equally well but become confused if they have to learn too many of them and do them all regularly. He argues that individuals perform better if they learn a few jobs well especially those for which they are best suited for by natural ability, training or previous experience. Bobbit notes that specialization results to efficiency in the long run because the concerned officials are trained in only one area. (Bobbit 1974)

However, other scholars (Selznick et al 1984) argue that specialization results to goal displacement as increased specialization, delegation and independence given to experts can lead to the unintended consequence of the emergence of sub-groups with their own goals at variance with those of the organization. Furthermore, as pointed out by Haralambos (2002), specialization leads to standardization, which is a limitation to human freedom because the rational procedures and practices prevent the spontaneity and adaptation to changing circumstances (Mullin 1986;Haralambos 2002)

Impersonal relations characterize bureaucratic organizations with clients and fellow officials. Croziers, (1980) Perrow, (1980) note that impersonality is essential to prevent favoritism,

discrimination and to protect individuals from the agonies resulting from intimate knowledge and friendship when a situation demands impersonal decisions.

Meyer, (1980) further argues that, the absolute separation of the property and activities of the organization from those of the individual employees prevent the personal considerations of employees from interfering with the rational, equitable and impersonal conduct of the business. (Blunt 1985;Meyer 1971;Haralambos 2002)

However it has been noted that impersonality in a bureaucratic organization results to lack of a human face towards employees because the impersonality characterizes failure to pay attention to the social needs of employees and leads to lack of interaction among employees and between workers and their superiors (Argyis 1980;Hersey and Blanchard 1986).

Bureaucratic organizations are characterized by a tendency to maintain the status quo by following the policy broken down into rules and procedures (Day, 1985). The rules and procedures govern the conduct of work and serve to ensure a uniform method of performing every task (Blunt, 1985). Weber himself argued that a consistent system of abstract rules and procedures clearly defines the limits of authority held by various officials in the hierarchy.

A major function of the rules and procedures as pointed out by Etzion, (1977) is that being impersonal, the rules free the superiors from frequent interaction with the juniors during normal job activities. The subordinates are guided by rules and supervisors need to interact only when they detect deviation from the rules.

However, despite the role played by rules and procedure, it has been argued that they conflict with individual abilities and initiative particularly where communication and participatory management are not enhanced (Mitzels, 1936).

Mullin (1986) argue that rules and procedures become more important in their own right rather than as a means to an end; officials may develop a dependence upon status, symbols and rules; individual initiative may be stifled and when a situation is not well covered by the system of rules and procedures, there is lack of flexibility and adaptation to changing circumstances which can lead to officious bureaucratic behaviour.

The system of rules and the span of control restrict initiative of the individual and cause an experience of failure, frustration and conflict, particularly where supervisors oversee that employees are performing roles according to some rules and procedures (Argyris, 1980).

Argyris suggest that the organizational environment should provide a significant degree of individual responsibility and self-control; commitment to goals; productiveness and work, and an opportunity for individuals to apply their full abilities.

Bureaucratic management entails uniformity and centralization of decisions making (Crozier, 1980) The uniformity as Blau, (1971) points out, ensures that there is equal treatment for all while decision making lies with the elite on top.

However Argyris, (1980) argues that centralization of decision making gives workers minimal control over their work and environment and they are, therefore, encouraged to be passive, dependent, subordinate and this results to poor performance. Indeed, Weber was also successful in predicting that bureaucracies would have extreme difficulties dealing with individual cases.

There are various local studies that have been done on bureaucracy. Odera (1978), in exploring the role of public bureaucracy in agricultural development, attempted to analyze ways in which agricultural development is influenced by public bureaucracy in seeking to convey technical information to the rural farmer, and to supply him with goods and services intended to enhance his agricultural productivity.

In his findings, Odera argues that agricultural extension bureaucracy is located as a sub-system of the overall government or public bureaucracy, having a large role to play in the development process. He states that specifically, in the case of Kenya, compared to other institutions it is the bureaucracy that has achieved a higher degree of institutionalization and can therefore take the initiative in development.

Kagombes (1971) study on bureaucracy and social change explores the extent to which bureaucracy underwent change in the transition from the pre-colonial to the post colonial period in Kenya. He argues that although African Nationalists were bitter with colonial bureaucracy or civil service, the Kenyatta government (as a political system) could not function without this bureaucracy because it was part of the integrative machinery linking the chief executive branch with the provincial administration.

Secondly, according to Kogombes (1971), bureaucracy is now a source of livelihood for over 90,000 employees. Thirdly, bureaucracy shares in decision making with politicians behind the scenes and it is the organization that executes formulated policies.

The above studies on bureaucracy have taken different approaches from this study. The first one by Odera centered on the role of public bureaucracy in agricultural development. The second one looked at bureaucracy and social change, specifically examining the extent to which bureaucracy in the realm of public administration underwent change after independence in Kenya. None of the above studies addressed bureaucratic management practices with a view to examining how they have been adapted for higher performances. This study therefore intends to fill the gap left by the two studies.

2.4   THE NATURE OF SCIENTIFIC MANAGEMENT

Fredrick Taylor, with his theories of scientific management, was the fore-runner of the era of modern management. In the late nineteenth and early twentieth centuries, Fredrick Taylor was decrying the "awkward, inefficient, or ill-directed movements of men " as a national loss. He advocated a change from the old system of personal management to a new system of scientific management. Under personal management, a captain of industry was expected to be personally brilliant. Taylor claimed that a group of ordinary men, following a scientific method would out perform the older "personally brilliant" captains of industry.

Taylor consistently sought to overthrow management "by rule of thumb" and replace it with actual timed observations leading to "the one best' practice.

Following this philosophy, he also advocated the systematic training of workers in "the one best practice" rather than allowing them personal discretion in their tasks. He believed that "a spirit of hearty cooperation" would develop between workers and management and that cooperation would ensure that the workers would follow the "one best practice." Under these philosophies Taylor further believed that the work load would be evenly shared between the workers and management, with management performing the science and instruction and the workers performing the labor- each group doing "the work for which it is best suited."

Taylor's positive legacy was the concept of breaking a complex task down in to a number of small subtasks, and optimizing the performance of the subtasks. This positive legacy led to the stopwatch measured time trials, which in turn led to Taylor's negative legacy. Many critics, both historical and contemporary have pointed out that Taylor's theories tend to "dehumanize" the workers.

To modern readers, he stands convicted by his own words:

> "...In almost all of the mechanic arts, the science which underlies each act of each workman is so great and amounts to so much that the workman who best suited to actually doing the work is incapable of fully understanding this science, without the guidance and help of those who are working with him or over him, either through lack of education or through insufficient mental capacity."
> Further, to work according to scientific laws, "the management must takeover and perform much of work which is now left to men; almost every act of the workman Should be preceded by one or more preparatory acts of the management which enable him to do his work better and quicker than he otherwise could."(Taylor 1911:5-9)

Taylor's work was strongly influenced by the social/historical period of his lifetime (1856-1915), a period during which the Industrial revolution, took root and autocratic management was the norm. The sciences of physics and chemistry were bringing forth new miracles on a monthly basis. One can see Taylor turning to science as a solution to the inefficiencies and injustices of

the period. His idea of breaking a complex task into a sequence of simpler subtasks closely mirrors the interchangeable parts ideas pioneered by Eli Whitney earlier in the century. Futhermore, the concepts of training the workers and developing "a hearty cooperation" represented a significant improvement over the feudal human relations of the time.

Scientific management met with significant success. Taylor's personal work included papers on the science of cutting metal, coal shovel design, worker incentive schemes and a piece rate system for the shop management. Scientific management's organizational influences can be seen in the development of the fields of industrial engineering, personnel and quality control.

From an economic standpoint, Taylorism was also an extreme success. Application of his methods yielded significant improvements in productivity. However; the Scientific management approach is mainly concerned with raising productivity through renumeration of workers and training. (Hersey and Blanchard, 1986)   The approach fails to fulfill the social needs of employees, only concentrating on their monetary gains. This is a major drawback to performance because it leads to employee's lack of job satisfaction and low morale, which in turn results to inefficiency and low productivity. (Robbin, 1980).

2.5   THE NATURE OF ADMINISTRATION MANAGEMENT

With two exceptions, Henri Fayol's theories of administration dovetail nicely into the bureaucratic superstructure described by Weber. Henri Fayol focuses on the personal duties of management at a much more granular level than Weber did. While Weber laid out principles for an ideal bureaucratic organization Fayol's work is more directed at the management layer.

Fayol believed that management had five principle roles: to forecast and plan, to organize, to command, to co-ordinate and to control. Forecasting and planning was the act of anticipating the future and acting accordingly. Organization was the development of the institution's resources, both material and human. Commanding was keeping the institution's actions and processes running. Co-ordination was the alignment and harmonization of the groups' efforts. Finally, control meant that the above activities were performed in accordance with appropriate rules and procedures.

Fayol developed other principles of administration to go along with management's five primary roles. These include specialization/division of labour, authority with responsibility, discipline, unity of command, unity of direction, subordination of individual interest to the general interest, remuneration of staff, centralization, scalar chain/line of authority, order, equity, stability of tenure, initiative, esprit de corps.

The final two principles, initiative and esprit de corps, show a difference between Fayol's concept of an ideal organization and Weber's. Weber predicted a completely impersonal organization with little human level interaction between its members. Fayol clearly believed personal effort and team dynamics were part of an "ideal" organization.

Fayol was a successful mining engineer and senior executive prior to publishing his principles of "administrative science." It is not clear from the literature reviewed if Fayol's work (1916) was precipitated or influenced by Taylor's (1911) work. Fayol was not primarily a theorist, but rather a successful senior manager who sought to bring order to his personal experiences.

Fayol's five principle roles of management are still actively practiced today. The researcherauthor has found "Plan, Organize, Command, Co-ordinate and Control" written on one manager's whiteboard during his career. The concept of giving appropriate authority with responsibility is also widely commented on (if not well practiced.) Unfortunately his principles of "unity of command" and "unity of direction" are consistently violated in "matrix management," the structure of choice for many of today's companies.

However, the administrative approach to management has no appealing values in treating employees, (Blau, 1985). This is because its main concern is discipline for high productivity and adaptive approaches to motivate workers to work hard are lacking in this approach.

2.6   THE NATURE OF HUMAN RELATIONS MOVEMENT

If Taylor believed that science dictated that the highest productivity was found in "the one best way" and that way could be obtained by controlled experiment, Elton Mayo's experiences in the Hawthorne Workers Experiment disapproved those beliefs. The Hawthorne studies started in the early 1920s as an attempt to determine the effects of lighting on worker productivity. When those experiments showed no clear correlations between light level and productivity, the experiments then started looking for other factors. Working with a group of women, the experimenters made

a number of changes including rest breaks versus no rest breaks, free meals, more hours in the work\ work-week versus fewer hours in the work-day\ work-week. The workers productivity went up at each change. Finally the women were put back to their original hours and conditions, and they set a productivity record.

This strongly disproved Taylor's beliefs in three ways. First, the experimenters determined that the women had become a team and that the social dynamics of the team were a stronger force on productivity than doing things "the one best way."

Second, the women would vary their work methods to avoid boredom without harming overall productivity. Finally the group was not strongly supervised by management but instead had a great deal of freedom.

These results made it clear that dynamics and social makeup of an organization were an extremely important force either for or against higher productivity. This caused the call for greater participation of the workers, greater trust and openness in the working environment and a greater attention to teams and groups in the work place. (Hersey and Blanchard, 1986).

The human relations movements that stemmed from Mayo's Hawthorne works experiments was born in a time of significant change. The Newtonian science that supported "the one best way" of doing things was being strongly challenged by the "new physics" results of Michelson, Rutherford, and Einstein. Suddenly, even in the realm of "hard science" uncertainty and variation had found a place. In the work place there were strong pressure for shorter hours and

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employees stock ownership. As the effects of the 1929 stock market crash following the depression were felt, employee unions started to form.

While Taylor's impact was the establishment of the industrial engineering, quality control and personnel departments, the human relations movement's greatest impact came in what the organization's leadership and personnel were doing. The seemingly new concepts of "group dynamics", "teamwork" and organizational "social systems" all stem from Mayo's work in the mid-1920. This approach emphasizes communication throughout the organization and training of managers on how to handle employee's problems but overlooks involving them through participatory approaches. Such involvement is geared at generating feelings of belonging and worthiness among workers, which in turn raises their morale for better performance. (Hersey and Blanchard, 1986).

Elton Mayo carried out some studies at Hawthorn Illinois Plant of The Western Electric Company to find out what management style motivates workers to produce highly. The researchers improved the working conditions of women who assemble telephone relays by implementing such innovations as scheduled rest periods, company lunches and shorter workweek. As a result, there was a radical change in their output, which jumped to an all time high.

Mayo explained this change in terms of the attention lavished upon the workers as a result of which they felt that they were an important part of the company. He argues that they no longer viewed themselves as isolated individuals, working together only as in the sense that they were physically close to each other. Instead, they had become participatory members of a congenial,

cohesive work group. He states that the relationship that developed elicited feelings of affiliation, competence and achievement. He argues that these needs, which had gone unsatisfied at the work place, were now being fulfilled. The women worked harder; producing more and worked more effectively than previously. He pointed out that when workers are involved in the management, they begin to feel that the management views them as important, both as individuals and as a group since they are now participating in the operation and the future of the company and not just performing unchallenging, unappreciated tasks.

The findings of the above study, therefore, encourages a management approach that involves the employees in planning, organizing and controlling of their work as an effort to secure positive cooperation as shown earlier in the study. The model, "Organizational development", reviewed below has developed from this theory of human relations approach but it is more of an adaptive strategy than a blue print.

2.7 ORGANIZATIONAL DEVELOPMENT

It has been pointed out that innovation and change are essential characteristics of organizations (Hardings 1992). This is because all organizations are in different stages of the innovative process and such differences will tend to be produced by the extent of the turbulence within the organization's environment (Harding 1992). Harding states that demand for innovation and the environment produces change, which will itself be in a continuous state of flux. According to Harding (1992) there are many reasons for innovation and change. The goals of the organization and the extent to which these are being fulfilled are important and often produce the desire to introduce innovation and change in order to achieve greater levels of efficiency and

effectiveness. The reasons given for change are often expressions of dissatisfaction with things as they currently exist (Harding, 1992).

According to Cumming and Huse, (1994) institutions must continuously change in response to external and internal circumstances. Organizations need to grow continually. They do encounter challenges that must be dealt with to ensure survival into the future and to maintain competitiveness, efficiency and productivity. According to these scholars the organizational development model needs to review its management approaches and adopt strategies that will work towards higher performance (Cumming and Huse 1994). These scholars further argue that organizational development applies to an entire system such as a company, single plant, firm or group work. They argue that it is concerned with planned change and emphasizes more of an adaptive strategy.

According to Harding (1994), organizational development involves both the creation and subsequent reinforcement of change. For example, supervisors could give workers more control over work methods. After workers had more control, attention would shift to ensuring that supervisors continued to provide that freedom. This might include rewarding supervisors for managing in a participatory style.

Harsley and Blanchard indicate that organizational development is oriented to improving organizational effectiveness. They argue that this is done through placing heavy emphasis on humanistic values, promoting openness, trust and collaboration. Organizational development

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emphasizes the importance of team building, communication and participatory management among other strategies. (Harsley and Blanchard 1986)

2.7.1 PARTICIPATORY APPROACHES

Popular participation in development has been a much sought after phenomenon by development planners and administrators to the extent that while it is ideally a means to development, it has become a goal to be attained (Muia, 1991). This section will deal with three interventions related to participatory approaches, that is, team building, communication, and participation.

2.7.2 Team Building

This intervention is concerned with helping work groups to become more effective in accomplishing tasks like process consultation (Cumming and Huse, 1994). It is argued that, it helps members to diagnose group processes and to devise solutions to problems. Cumming and Huse (1994) pointed out that it is an effective approach for improving teamwork and task accomplishment in work groups. These scholars argue that teambuilding facilitates other interventions such as quality of work and work design. Teamwork ensures that the programs are accepted and implemented by the organization's members. Indeed, it leads to effective implementation of programmes.

Robins (1980), argues that teambuilding helps members to develop a high level of motivation to carry out group decisions. He also to states that teambuilding helps workers to overcome specific problems such as apathy and general lack of interest among group members, loss of productivity,

increasing complaints within the group, confusion about assignments, low participation in work, lack of innovation, initiative and effectiveness of service and production.

2.7.3 Communication.

The nature and patterns of communication are the most important process consultation according to Litterer, (1986). He asserts that communication is normally improved through teambuilding and by establishing a better fit between personal and organizational goals.

Litterer further points out that communication is increased by shared goal setting between the managers and subordinates either individually or as a group. Managers and subordinates consult one another and they periodically meet to plan work, review accomplishments and solve problems in achieving goals.

Cumming and Huse argue that sharing of goals between managers and staff leads to internalization of organizational goals and objectives among all staff members. They state that in this way, employees work hard towards the attainment of goals and objectives because they closely identify with them. Such an attitude leads to higher performance because employees are motivated to work hard.

In addition, Robbins (1980), argue that an effective communication system enhances organizational performance because once the goals and objectives are communicated to all staff members in the organization, they are internalized and easier to achieve as members of staff closely identify with them.

2.7.4 Participation

According to Chitere (1991), this approach involves people in planning and in taking actions aimed at improving their living condition. It means 'learning by doing'. The United Nations Task Force on Rural Development (1977) defined popular participation as

> *"An active process in which the participants take initiative and action that is stimulated by their own thinking and deliberation and over which they can exert effective control. The idea of passive participation which only involves the people in actions which have been thought out and designed by others is unacceptable (cited in Muia 1991)".*

Mbithi (1974), views participation to include involvement of local residents (non –officials and low level indigenous governments staff) in project planning and implementation stages .He further reasons that local participation implies that it is incorporated into government machinery and operations. Chambers (1983), on the other hand, sees participation as tapping the local peoples knowledge and starting from what they know and what they have. The overall picture, which emerges with regard to people's participation, is their empowerment to determine their destiny.

Hersey and Blanchard, (1986) point out that participatory management encourages employees to participate in key decisions and such close cooperation results in innovative and high quality solutions to productivity problems. They further argue that it improves coordination of joint efforts to improve productivity.

Rensin (1967), argues that participatory management fosters a high degree of member involvement and participation. He suggests that work groups should be highly involved in setting goals, making decisions, improving methods and appraising results. In this case, he says

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communication should occur both laterally and vertically so that and decisions are linked throughout the organization by overlapping group membership. He points out that participatory management achieves high levels of productivity, quality and member satisfaction.

Litterer(1986) reports that participatory management is an effort made by some organizations in an attempt to increase productivity by treating all employees to the privileges and prerogatives associated with administrative positions. He notes that the main objective is to give equal treatment to all in which case weekly salaries replace hourly wages; blue-collar workers participate in the organization's pension program and receive paid sick leave; time clocks are removed and gone are the supervisors reading long lists of disciplinary rules to new workers. He states that the organization, in other words, replaces the traditional formal system of rules and penalties that had applied to non-administrative personnel with some trust shown with the administrators. He states that this in turn improves the performance because the employees will develop a sense of self-value, which will raise their morale and hence improve their general performance.

Robbins (1980) presents some aspects of organizational development and their impact on performance. One aspect was adaptation of communication strategies whereby, employees are provided with a channel for viewing their complaints and appeals by creating the position of an ombudsperson, whose main role is to provide a means by which employees can get an objective review of their complaints and by a third person independently of the organization. He states that this adaptation of management approach results to overwhelming effects on performance in terms of productivity, efficiency and effectiveness.

The second aspect presented by Robbins(1980) is participatory management through job enrichment by allowing workers to assume some of the tasks executed by their supervisors. The enhancement, he says, requires that workers do increased planning and controlling of their work, usually with less supervision and more self- evaluation. According to Robbins, participatory produces lower absenteeism, reduces turnover and increases productivity.

The third aspect presented by Robbins (1980) is committee structures as a way of improving teambuilding and communication by allowing those who are affected by a decision to be represented in a committee and when it is desirable to spread the workload or, during transitional periods when no single individual is ready to lead the organization. Robbins argues that the participatory management enhances performance because it generates satisfaction among workers who are then motivated to work hard.

There are various research findings that have been done on participatory approaches. Robbins(1980) presents an experiment in which the Buick Product Engineering Group decided to enrich the job of an assembler for analysis. He reports that job modification included such things as allowing the employee to correct any deficiencies discovered and to record the action on a work sheet; choose his own work assignment; contact the design engineer directly; inspect his own work and establish his own completion dates and hour contents.

Robbins reported that with the implementation of the above job enrichment program, the following changes were observed: productivity increased by nearly 13%; petty grievances were

eliminated; fleet cars were kept in better mechanical conditions because assemblers showed initiative in discovering and repairing such discrepancies as rattles, steering wheels, defective exhaust systems and engine starting problems; departmental morale improved together with increased pride and interest in work; communication and personal relationships between and among assemblers, foremen and design engineers improved.

The findings of the above study by Robbins clearly indicated that different management approaches are associated with different performance as anticipated in this study.

Hersey and Blanchard presents an experiment in which General Foods Company began an experiment in their new plant at Topeka Kansas plant which produces gainers pet food in 1971.They report that the company started utilizing teamwork, holding collective responsibility for segments of the production process. Team leaders were appointed to facilitate team development and decision-making.

However after several years, the teams became so effective at managing themselves that the team leader positions were being eliminated. By 1973, they further reported, employees were generally praising the variety, dignity and influence they enjoyed and they liked the team spirit, open communication and opportunities to expand their mastery of job skills. They state that the employees generally believed that the work system as a whole was better than any other they knew about.

From the management side, they report that the plant operated with 35% fewer employees than similar plants. In addition, the experiment resulted in higher output, minimum waste, avoidance of shut downs, lower absenteeism and turnover.

Studies carried out by Litterer (1986) on participatory management at Eaton Camp which adopted this program in over a dozen of its plant showed promising results; product output in the new plants using this approach rose 35% higher than at older plants; absenteeism rates at the new plants range between 0.5 to3% compared with 6% to12% in the old plants and voluntary quits were reduced from as high as 60% a year in the old plants to 45% in the new plants.

Cumming and Huse investigated the effect of participatory management at General Motors Lakewood Plant, whose management decided to introduce participatory management in order to improve the plant's effectiveness. The management emphasized mutual understanding, trust and team work, started providing the staff with information on a wide range of subjects such as future products, organizational changes and productivity measures. The employees were informed about the projected modifications in products and facilities and were encouraged to participate in planning the process.

The scholars report that the results were impressive. Within eight months, they say, in which the plant had moved towards participation by members, there were sizeable gains in efficiency and lessening of employee grievances.

The above studies have clearly indicated that different management approaches are associated with variance performance. Institutions adopting management techniques such as participatory, intensive communication and teambuilding which are aimed at motivating workers to work harder by making the work more exciting, challenging and by allowing them to be part and parcel of the management are bound to achieve higher performance, unlike institutions in which the management is not adaptive and flexible in regard to acquiring management approaches that will improve the working conditions, thereby motivating the workers to work harder for higher performance.

2.8 RURAL DEVELOPMENT AND PARTICIPATION

Rural development is a broad concept whose definition is further complicated by "the lack of theory and knowledge concerning the comprehensive nature of development" (Lowdermilk and Laitos, 1981). Its definition must embrace diverse issues, people's participation and structural changes in society; thus Lowdermilk and Laitos (1981) advocate a working definition that,

> *"Rural development is a continuous process of planned social, political and economic changes in rural and urban social structures and organization which provides for adequate incentives, production possibilities and services to help rural people achieve higher levels of living, knowledge and skills .It helps to modify their physical and social environments and maintain sustained progress towards desired goals which the rural poor help establish and implement over time".(Lowdermilk and Laitos 1981:691)*

Implicit in this definition are harambee (self help) activities in Kenya and some measures of local autonomy (which social welfare organizations in Kenya have enjoyed). In a survey of African countries, Lele (1975) defines rural development simply " as improving living standards of the mass of the low-income population residing in rural areas and making the process of their development self-sustaining".

In Kenya, the government views rural development as a strategy for "increased rural production and income, increased equity in the distribution of this income, increased access to services and increased participation and decision-making at location or district level"(Kenya Government 1979).

Popular participation has become a buzz-word in the development community in recent years as more and more actors realize that improvement in living conditions are not brought about from above by some agents but by the beneficiaries themselves taking an active part in the process of bringing about the change (Bergdall, 2000). Popular participation is however difficult. It involves a lot of learning not only by people but also by the professionals who work with people .In this process professionals treat people as resource persons and they take a back seat. In this respect popular participation is a true illustration of "pulling the last first", to use Robert Chambers language on this subject.

Bergdall (2000) confirms that participatory approaches work and that it is a relatively simple methodology that in principle can be learnt even by persons with little or no education.

2.8.1 Obstacles to Rural Participation

There exists in Africa a strong tradition of centralized planning and administrative control. This is understandable in the light of the history of post –independence Africa. As observers have noted, the forging of a single national identity from different ethnic, religious and tribal backgrounds was an overriding priority for young governments like Kenya (Bergdall 2000).

The prospect of independent power centers was usually perceived as a threat to central authority and, by extension, to national unity and was aggressively discouraged. The slightest sign of Independence or autonomy was often dealt with quickly and harshly. For example, cooperative participation in Tanzania was completely dissolved by the government from 1976-1982.

In Kenya, Cooperative Members Participation Programmes were suspended by the Kenya government for three full years.(1987-1990) The public reason given for suspension was poor reporting from the Kenya National Federation of Cooperatives and subsequently management problems at KNFC resulted in the main donor, Swedish Cooperative Centre withholding its financial support, thereby causing an additional complication and delay in reactivating cooperative members participation in Kenya. It is not surprising that an attitude has emerged whereby rural people believe that the lead in development activities should be taken by recognized authorities.(Alila and Obaso 1990)

Correspondingly, an atmosphere of passive and dependence prevails in rural communities. According to Bergdall, the rural communities take themselves as submissive objects of developments rather than active players. The results is predictable, as with a shrug of the shoulders, many spend a lot of time waiting for development to happen through the effects of others and point accusing fingers when it does not take place. (Bergdall 2000)

Some political authorities do teach the need for self-reliance and encourage local participation. However many attempts at locally initiated rural development projects unfortunately fail. Rural people often have limited organizational and managerial skills. This not

only makes them vulnerable to intentional mismanagement and theft, but also causes projects to fail due to inadequate planning.(Bergdall 2000)

According to Alila and Obaso, the stopping of the CMPP project by the government seemed to have nothing to do with its value to the public. There seemed to have been misunderstandings at government consultative level between the office of the President, the Ministry of Cooperative Development and the KNFC, SCC and the Institute of Cultural Affairs.(Alila and Obaso 1990)

After instructions came from the Ministry that CMPP programme be suspended, members of the public who had participated in it did not actually suspend the CMPP project in their cooperative development activities. This was mainly because the impetus they had picked was still active and relevant and easily complemented the well-established cooperative effort and programmes in self-reliance. (Alila and Obaso, 1990).

It is also significant that requests were made for CMPP during the reactivation indicating an interest in the programme despite the stop by the Ministry (Alila and Obaso, 1990). There was a dominant and majority feeling from the field that the CMPP programme was good and needed to be continued. Several groups that were interviewed about the value of the programme in their activities were even surprised to learn from the consultancy that the programme had been suspended. On the contrary, they were just wondering about what had caused delays in the programmer's follow up or continuation. As an idea and in spirit, the CMPP was still very much on and in several cases, factories and societies were ready to continue with it on their own with very minimal input from outside (Alila and Obaso, 1990).

2.9   THEORETICAL FRAMEWORK

The foregoing literature review indicates that various management approaches have been advanced in search of a more responsive approach to management. This study, however, adapts Organizational Development as a basis for the theoretical framework because of its relevance to adaptive performance. Bureaucracy as a theory is also mentioned below showing how it affects performance due to its inability to respond to change.

Bureaucracy is defined as hierarchical organization that is governed by formal rules and the regulations. Most people associate bureaucracies with inefficiency, red tape, frustration, and waste. The sociologist Max Weber was among the first to recognize the importance of bureaucracy to the large organizations of modern society.

According to Weber, bureaucracy represents one of the "ideal type constructs" at the same level of rational-legal authority. He further indicated that bureaucracy refers to an organization with a hierarchy of full time paid officials who form a chain of command. Weber identified six characteristics of bureaucratic set up. First, there is a clear-cut division of labour where each position in the organization is tied to a particular task based on specialization and encourages the development of expertise. Secondly, positions in a bureaucracy are ranked one above the other, in a hierarchy. Officials are responsible to their superiors for the activities of their subordinates.

Thirdly, formal written rules and regulations govern all activities in a bureaucracy specifying the procedures to be followed and thus giving bureaucracies stability, and the organization can continue to function despite changes in personnel. Fourthly, bureaucrats tend to be impersonal in

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their official dealings with others. Rational judgments take precedence over personal considerations. Fifthly, individual positions in a bureaucracy are based on technical qualifications, not on personal or family connections. Both performance and seniority determine advancement within a bureaucracy. And lastly, bureaucracies draw a clear line between the public and official sphere and the private sphere.

Weber identifies three types of authority, namely, traditional authority, charismatic authority and rational-legal authority. He recognized that bureaucratic institutions might be trapped in an "iron cage" where the people follow procedural rules to the letter. The "Red tape" makes the bureaucratic operation inefficient and individuals caught up in the machinery may feel dehumanized and frustrated.

According to Meyer (1987) bureaucracies were selected to solve problems. Ironically, in the course of solving problems, they create new problems hence necessitating more bureaucracy and more problems. This explains why government bureaucracy can be frustrating and citizens encounter incompetence in their bureaucratic dealings. Weber admits that bureaucracies have extreme difficulties dealing with individual cases as illustrated in the diagram 1 below:

Diagram 1: The Contradictory nature of Bureaucracy
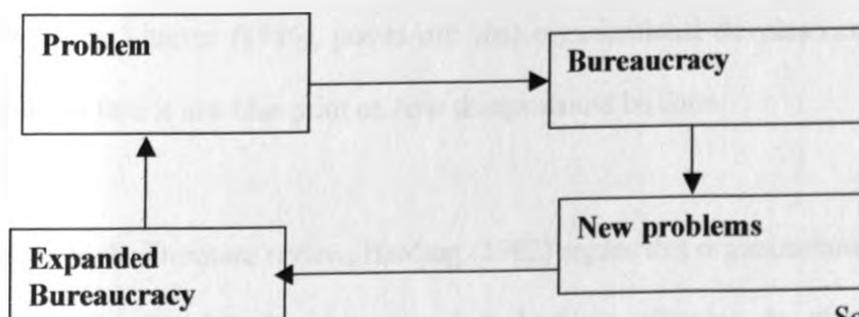
Source: Researcher

As the society become more bureaucratic, people are locked in series rational decisions. Despite some achievements of bureaucracies, they create " trained in capacity" and thus their inability to respond to change.

Bureaucracy is mainly characterized by specialization, centralization of decision-making, standardization of role performance, and impersonal relations and span of control. This model is essentially static and rigid in adaptation of management practice. It affects the workers morale and this leads to poor performance. As indicated in the literature review, bureaucracy's lack of A human face isolates workers from the organizational goals and objectives and, therefore, they cannot work hard towards the attainment of goals and the objectives.

This study is based on organizational development model, a model derived from Elton Mayo's theory of human relations movements of the 1920's and the Hawthorne work experiment. It is a strategy that is more promising in enhancing capacity building, productivity, effectiveness and competitiveness, all of which lead to higher performance. As shown in the literature review, organizational development as said by Cumming and Huse (1994), takes into account the need for organizations to adopt change and innovation as a process for survival into the future. Harding (1992) argues that the model mainly pays attention to the humanistic values and social needs of workers. Litterer (1986), points out that organizational development is more of an adaptive strategy than it is a blue print on how things should be done.

As pointed out in the literature review, Harding (1992) argues that organizational development is a capacity building model for change and it involves planning to diagnose and solve

organizational problems through flexibility. She further argues that the flexibility, diagnosis and adaptability are geared towards overcoming such problems as low morale among workers, low performance, high staff turnover and low productivity.

As noted above the three most important intervention strategies on community organizational development are teambuilding, communication and participatory. Teambuilding has been reported as important for enhancing team spirit and teamwork, which in turn helps members to develop a high level of motivation to carry out-group decisions. (Cumming and Huse, 1994).

Robbins, (1980), reports that teambuilding improves task accomplishment and coordination, overcomes problems such as apathy and general lack of interest among workers, loss of productivity, increased complaints, confusion, lack of innovation, lack of initiative, effectiveness of services and products and conflicts among members.

As Cumming and Huse argue out, teambuilding enhances effective implementation of goals and it therefore leads to high performance. Communication has been found to be essential in terms of leading to internalization of the organizational goals and objectives among staff members (Litterer, 1986; Cumming and Huse, 1994). These scholars argue that internalization of goals is achieved though shared goal setting between managers and the subordinates, consultations and periodical meetings to plan work review accomplishments and solve problems in achieving goals. They further state that in this way, employees work harder towards the attainment of goals and objectives because they closely identify with them. Such an attitude in turn leads to high performance because employees are motivated to work hard. (Cumming and Huse, 1994).

Participatory management has been found to be important in fostering high levels of coordination, productivity, job satisfaction, effectiveness and high performance(Likert, 1967; Hersey and Blanchard, 1986).

Hersey and Blanchard argue that this is as a result of employees being involved in planning, controlling their work and in decision making. According to these scholars, participatory management involves encouraging employees to participate in key decisions, in the setting of goals, in the improvement of methods and appraising results.

Hersey and Blanchard (1986) argue that when employees participate in management, they view themselves as important; they gain initiative, are satisfied with their work and this in turn leads to improved performance. They further state that participatory approaches lead to high productivity, low staff turnover, effectiveness and competitiveness because, once the workers are allowed to assume some of the tasks executed by their supervisors, there is an increase in the internal job reward.

Robbins (1980) argues that participatory management leads to lower absenteeism, reduced staff turnover and increased productivity due to the fact that employees begin to view themselves as important both as individuals and as a group since they are participating in the operation and the future of the company and not just performing unchallenging, unappreciated tasks.

Diagramme 2: Summary of the relationship between the Independent and Dependent variables in this organizational development.

Independent Variables

Dependent Variables

PARTICIPATORY APPROACHES

PERFORMANCE

TEAM BUILDING

IMMEDIATE RESULTS
- Staff consultation
- Periodic meeting
- Information flow
- Recognition of worker's problems
- Involvement in decision making
- Frequency of consultation
- Teamwork
- Motivation
- Raised morale
- Coordination

COMMUNICATION

PARTICIPATION

FINAL RESULTS
- High performance
- Competitiveness
- Effectiveness
- High Productivity
- Staff development
- Low staff turnover
- Low absenteeism

Source: Researcher.

2.10   HYPOTHESES

The purpose of this section was to identify the hypotheses arising from the objectives. The major hypothesis reads: -

The rate and degree of **institutions performance** depends on **management approaches**.

Some management approaches and techniques are more adaptive than others, leading to different levels of performance.

For the purpose of this study, this general hypothesis was broken down into three specific sub-hypotheses.

1. The first hypothesis is the prediction that the type of organizational **communication** will influence its **performance**. This premise is based on the argument that intensive communication allows for shared goal setting between managers and the subordinates. This means that there will be consultations and periodical meetings to plan work, review accomplishments and solve problems experienced in achieving goals and objectives. Shared goal-setting leads to internalization of the organizational goals and objectives among all workers. Employees work harder towards the attainment of the goals and objectives because they closely identify with them. Such an attitude in turn leads to higher performance because employees are motivated to work harder.

2. The second hypothesis is the prediction that **performance** is dependent on **participatory management**. When employees are involved in planning, controlling their work and in decision making, they view themselves as important members of the organization, they gain initiative and are satisfied in their jobs, which in turn improves their performance.

Organizations adopting such management styles will obviously yield higher performance than organizations , which are not engaged in such management practices.

3. The third hypothesis is the prediction that **teambuilding** will lead to better **performance.** Teambuilding enhances team spirit, which in turn helps members to develop a higher level of motivation to carry out group decisions. It improves task accomplishment and coordination, helps overcome problems such as apathy and general lack of interest among workers, loss of productivity, increasing complaints within the group, lack of innovation, initiative and effectiveness of services and products and conflicts among workers.

Teambuilding enhances effective implementation of goals by improving the overall coordination and all the above put together leads to higher performance. The cooperation and coordination emanating from teambuilding enhances effectiveness and productivity as the work becomes more exciting and challenging.

This study, therefore, examined management approaches (techniques) in Muhoroni Sugar Factory with special attention to the above three hypotheses.

2.10.1 OPERATIONALIZATION OF VARIABLES

For successful practical implementation of an inquiry, it is important to define the hypothesis and the variables used in terms of indicators that were used to measure them. The value of a good hypothesis diminishes if the variables lack clear indicators that are conveniently measurable.

In the study, there were independent variables and dependent variables. The independent variables were made up of participatory approaches, such as teambuilding, communication and participation. The dependent variable was performance in terms of productivity, efficiency, competitiveness and staff turnover.

The three components of participatory approaches were measured in terms of: -

    (a)   Staff consultations and discussions

    (b)   Periodic meetings to plan work, review accomplishment, and solve problems of both the employees and the organization.

    (c)   Involvement in planning, controlling their work and decision-making.

    (d)   Involvement in teamwork

Performance was measured by use of the following indicators: -

    (a)   Output of the factory per year for the last ten years

    (b)   The attitude of the management and the employees

    (c)   Attitude to work by the employees

    (d)   Staff turnover per year for the last ten years.

CHAPTER 3

3.0 RESEARCH METHODS

3.1 INTRODUCTION

This chapter describes in detail the systematic research methods that were used in obtaining the results that is presented later. In the chapter the sites of the research are described, the sampling design is clarified and the methods of data collection are clearly stated. In addition data analysis and interpretation methods used in the research are stated.

3.2 SITE SELECTIONS AND DESCRIPTION

The study selected Muhoroni sugar factory in Nyando district, of Nyanza province. The factory was started in 1966 after the establishment of Muhoroni Settlement Scheme in 1963. It was established by Mehta Group and was then known as East Africa Sugar Industries Limited. Establishment of the factory in Muhoroni, which was previously a ranching land for European settlers, was a deliberate measure to improve the living standard in the area.

Sugar cane was initially grown in Songhor area for many years and a small factory had been set up for processing of the cane. The growing of cane was temporarily discarded in preference to sisal, which proved a failure for various reasons. The establishment of the factory was good news to small-scale farmers who immediately reverted to growing of sugarcane on a commercial scale. The sugar project marked the development of the sugar settlement scheme initiated by the government. The government bought land from the European farmers for settling mainly people from Nyanza Province. Farmers in the settlement scheme have since utilized land, growing cane and other subsistence crops.

Apart from improving the living standards of the local population, the other objectives were: to create employment for local people, to curb rural-urban migration and to produce adequate sugar in order to realize the government's policy of being self sufficient in sugar production.

3.2.1 GEOGRAPHICAL REQUIREMENTS

Muhoroni has suitable geographical requirement for cane growing. The area receives annual rainfall of over 1500mm, temperatures of about 20 degrees, and it has fertile deep well-drained and moisture-retaining soil. The gentle undulating and flat land allows for easy mechanization for the growing of sugar cane. It is situated within the gently rising land towards Nandi in the north and Kericho in the south. The area has a high population, which provides both skilled and unskilled laborers. The area also has well developed infrastructures such as tarmac roads and a railway line. These conditions make the area a productive one, ideal for cane factory sited there.

3.2.2 MANAGEMENT

The Mehta Group International who did the original feasibility study and construction of the factory were the initial managing agents. In June 1990, the company became a wholly Kenyan-managed project with the appointment of the first indigenous Kenyan Chief Executive It was run by a Board of Directors and consisted of the following members: the chairman appointed by the President; the Permanent Secretary of Ministry of Agriculture; the Chief Executive, Kenya Sugar Authority; the Development Finance Corporation of Kenya Representative; the Mehta Group Representative; the Farming Community Representative and the Managing Director. Muhoroni Sugar Company Limited.

Before March,2001 the company was organized under five Departments such as Factory, Finance, Personnel and Training, Agricultural Production and Services. Each department was further subdivided into sections. The heads of department reported to the managing Director but they were appointed by the Board.

3.2.3 CANE SUPPLY AND SUGAR PRODUCTION

Initially the company was not participating in sugarcane growing but relied on cane supplied by outgrower farmers. In 1978, under the World Bank Rehabilitation project, the company established the Agricultural Department. The major function of this department, apart from managing the nucleus estate, is to render technical and operational services to the outgrower farmers. By the time this research was being done, the nucleus estates were completely non-functional and the main suppliers of cane were the outgrower farmers. Being one of the farmers in this area, supplying sugar cane to the factory has never been a problem. In fact, most of the time, the factory cannot cope with the amount of sugar cane from the farmers. Farmers are sometimes forced to take their cane to Chemelil Sugar factory although the distance reduces profit.

Muhoroni Sugar Factory, on the other hand, keeps on stalling the latest being between 1999-2000. When it was opened in March 2001, many changes were carried out including new management approaches. It was also placed under receivership. This presents an opportunity to assess the impact of these new approaches to the factory's performance.

The mass media reports occasionally that the Kenyan sugar industry is influenced by politics and other irregularities, especially in the importation of sugar. Excessive importation of sugar more than the 200 000 tones short fall affects the prizing of sugar in the local market making it more expensive than imported sugar.

3 SAMPLING DESIGN

A sample is a subset or portion of the entire population under study. It should be viewed as an approximation of the whole rather than as a whole in itself. The factory employs about 674 workers. Since March,2001 the factory has been organized into 6 departments headed each by a Head of department: Factory, Finance, Personnel, Agriculture Production and Services and Systems Analysis and Training The sampling frame were departments. The study covered a sample size of 87 respondents.

In selecting the 87 respondents a combination of stratified random and systematic random sampling methods were used. The procedure was as follows; first, the departments and the numbers of employees in each department were identified; secondly, using the sample size and total population, the number of respondents to be administered questionnaires in each department were worked out; third, after knowing the number and using systematic random sampling, respondents were picked using the list of names provided from each department. Each respondent was then given a questionnaire.

E.g.Factory=406/647*87=55.Agr=114/647*87=15.Personnel=83/647*87=11.Adm=13/647*87=2.

Finance=44/647*87=6.System Analysis=14/647*87=2 (Using the systematic random sampling and list provided picked respondents)

3.4 METHODS OF DATA COLLECTION

3.4.1. Questionnaire

The most useful tool for data collection was a questionnaire. It was administered to the middle level and low level staff of the factory who were found within the departments.

The questionnaire was designed with the objectives of finding out whether or not the factory has adopted new management approaches and their influence on performance. Some questions were close ended as respondents were provided with a set of answers to select from. A few were open ended. The study used likert type scale and the questionnaire was self-administered.

3.4.2. Existing records.

To identify the impact of the various management approaches, some information were identified by referring to historical records or use of existing records. These included: data on employees' turnover/absenteeism; minutes showing frequency of meetings and, output in terms of tonnage/capital.

The data referred to dated back ten years.

3.4.3 Discussion with senior management

To facilitate discussions, an interview schedule with the following objective was designed; to determine whether the factory had adopted new management approaches and how they have influenced performance. Open-ended questions were asked and answers recorded in full. A few close-ended questions were asked. Where possible self administration was used and where they needed more explanation, this was done (probing questions)

3.4.4. Unit of observation and analysis

87 respondents were randomly selected and administered the questionnaire. Each respondent was therefore, a unit of observation because the required data was from individual the respondent. Each respondent was also a unit of analysis although the final result was not only related to all respondents but also the factory and it's surrounding. Some observation was done in the factory for example historical records, thus indicating the factory as a unit of observation and analysis.

3.5   METHODS OF DATA ANALYSIS AND PRESENTATION

The raw data obtained from the field may not be important to research if it is not analyzed and presented in a scientifically justified manner .The raw data obtained were organized in a manner that facilitated the analysis. The data, both open ended and close ended were assigned numerical values. This is known as coding. The study used SPSS to calculate the frequencies and percentages. Percentages were used to standardized the scores so that it could be known what each case would score if the total score were a hundred. After coding, both descriptive analysis/qualitative and quantitative analysis were used.

In analysis the aim was to identify typical cases or situations of improvement in different management approaches and their impact and to determine the levels of the adopted management techniques such as participatory, teambuilding and communication with a view of determining whether or not they were related to performance in terms of productivity, efficiency, competitiveness, staff development and staff turnover. From the content analysis, patterns, trends and relationship could be established. Among the statistical tools used were

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percentages, tables, line graphs and bar graphs histograms and frequency polygons. These helped in getting a quick glance of the findings.

The validity of all scientific data rests squarely on the methods of sampling, data collection, data analysis, and interpretation. This chapter focused on integrating all this aspects in the research. The chapter described the study site, Muhoroni sugar factory, and provided the rationale for its selection. The sampling design was described and a multistage design was used in which a total of 87 respondents were sampled from the factory. Ways of incorporating both primary and secondary data in the research are clearly described. In addition the chapter describes how both descriptive and quantitative analyses were used to analyze data.

CHAPTER 4

4.0 DATA PRESENTATION AND ANALYSIS

4.1 INTRODUCTION

This study set out to investigate the impact of participatory management approaches in Muhoroni sugar company. The three participatory management variables used were teambuilding, communication and worker's participation in the company's management. These variables were measured in terms of :staff consultations and discussions; staff involvement in planning, control of work and decision making as well as staff involvement in teamwork. The effect of these variables on performance was measured using indicators such as; output of the factory; the attitude of the management and the employees and staff turnover. It was expected that implementation of these participatory management approaches would lead to: increased output as compared to the years the participatory approaches were not in operation, reduced staff turnover and a better attitude towards work by both management and employees, leading to improved morale, and hopefully this would diffuse out to the local community.

The collected data was first coded to enable the compilation of frequencies of the occurrence of variables. Using techniques such as percentages, tables line graphs and bar graphs descriptive statistics were used to analyze and present the data. The data analyzed and presented consisted of all aspects of managements problems the company experienced before 2001, the measures taken in response to these problems after 2001 and how these measures have enhanced the company's performance in terms of productivity, efficiency and competitiveness.

4.2   MANAGEMENT PROBLEMS OF MUHORONI SUGAR COMPANY

From historical data provided by the factory, the Mehta Group International who did the original feasibility study and the construction of the factory in 1966, were the initial managing agents. According to the Human Resource Manager, bureaucratic management approach adopted by the Mehta Group was later inherited by successive managements when this group left in June 1990. From the interview with this manager and the Personnel Officer, it came out clearly that the factory had a lot of financial problems due to mismanagement. Key among the mismanagement problems was the fact that employment was not based on merit. For example, a department could be made up of a chain of relatives starting from the Head of department to the office messenger. Corruption was also a key problem that led to the company's poor performance. For instance the factory was supposed to assist the farmers in ploughing, weeding, providing fertilizers, harvesting and even in transporting the cane to the factory if the farmer was unable to. Deductions for these services would be made at the time of payment. Respondents revealed that, unfortunately, even where such services were not provided, the deduction was still made. Most farmers ended up with negative earnings after many months of toil and this discouraged them from planting cane.

The net impact of the above problems was the fact that the sugar factory had stalled almost completely by December 2000. A factory whose production capacity was 50,000 tones of sugar per year was producing only 3,633.50 tones of sugar during that period. The factory could not pay its workers and also owed the farmers a lot of money for cane delivered to the factory. The economic power of the farmers was being eroded and many of them could not afford school fees for their children. It was against this background that the factory was placed under receivership

on 25th march, 2001. The new Managers decided that a management overhaul was vital to redeem the factory.

4.3   NEW MANAGEMENT APPROACHES

The new management was introduced from March, 2001 and was seen as the drive to better performance. One of the initiatives introduced by the new management was participatory management approach. This was based on the assumption that the worker's participation in management would ensure a more productive team owing to the worker's sense of co-ownership. Respondents were asked to show the new management style that had been adopted in the factory by the year 2001.

Chart 1: New Management Style

	Response
■ Disciplined workers & managers	33.1
■ Teambuilding,Communication, Participation	54.3
□ Improvement on salary	10.3
□ Neutral	2.3
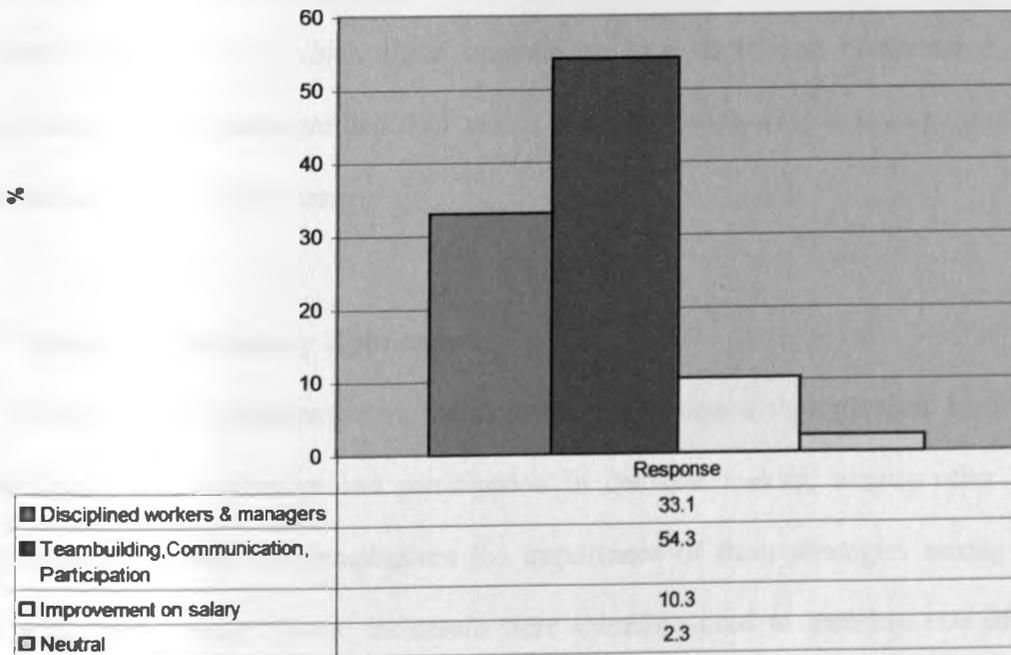
The majority of the respondents (54.3%) indicated that the new management style included teambuilding, communication and participation. The research established that this approach involved openness, trust and collaboration. Other responses included disciplined workers and managers (33.1%) and improved salary (10.3%). These findings support the study's initial assumption that new management approaches, including teambuilding, communication and participation, had been introduced since 2001 the new management.

To assess the impact of the new management approaches, the variables considered were: workers participation in management of the factory, senior management's role in operating the company, workers personal qualities and characteristics and the overall impact of change in management.

4.4   WORKERS PARTICIPATION IN MANAGEMENT.

The study used the workers in assessing the rate of participatory approaches in the factory. It examined the extent to which these approaches have facilitated performance and their involvement in decisions regarding their work. Workers participation in management was seen as the drive for good performance.

4.4.1   Rate of Participatory Approaches.

The workers rate of participation in management was assessed through their involvement in teambuilding, communication and participation in decision making, among other strategies. Organizational development emphasizes the importance of these strategies among others in influencing performance. These indicators were therefore used to measure rate of worker's involvement in participatory management.

The respondents were asked how they would rate teamwork, communication and participation in management. The ability of a worker to be involved in teamwork was seen as an effort by the worker to participate in issues that would not only benefit him but also the whole factory and the surroundings.

Chart 2:Rate of Teamwork,Communication & Participation

	Neutral	Moderate/F air	Substantial/ Good	Excellent	Non-response
▣ Teamwork	1.1	62.1	36.8	0	0
■ Communication	3.4	1.1	77	17.2	1.1
☐ Participartion	1.1	4.6	70.1	24.1	0
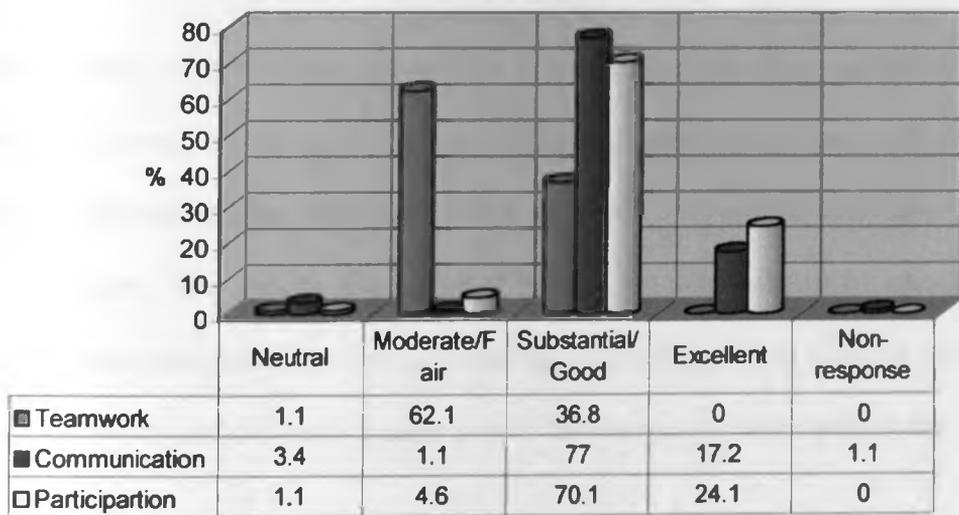
As the chart above shows, out of the total sample, 62.1% of the respondents indicated that there was moderate amount of teamwork while 36.8% respondents indicated that teamwork was substantial throughout the organization .A negligible 1% of the respondents were non-committal. This clearly shows that workers in this factory were exposed to more teamwork. The respondents revealed that there was a high level of motivation to carry out group decisions and most of them were working with greater interest. The results support the initial assumption that teamwork is one of the participatory management approaches introduced in the factory.

The other aspect assessed in the chart was rate of communication in the factory. The results show that there was good communication. (77%). Out of the remainder, 17.2% of the respondents suggested excellent, 3.4% were non-committal and only 1.1% respondents suggested it was fair. The results indicate that there is fairly good communication throughout the organization. It became evident that goals and objectives of the factory were communicated to all staff members, who closely identified with them. Good communication can, thus, be seen as a participatory management dimension introduced by the new management.

The third dimension analyzed in the chart was workers participation in planning, controlling and decision making the factory. A total of 70.1% respondents indicated that this was substantial. 24.1% respondents reported it was excellent,. 4.6% indicated it was fair and only 1.1% respondents were neutral. The results also show that there is quite substantial amount of participation as the employees were involved in planning, controlling and in decision making. The results support the initial thesis that 'greater role in the company's management has been given to the workers.

4.4.2 Consultations by Superiors.

Superiors are made up of top managers, heads of departments and section heads of the Company. The study hypothesized that Superiors initiative to consult workers was an indicator to the level of worker participation. It was believed that if consultancy were allowed, the workers would feel that they were part of the organization and this would raise their morale to high working standards.

Chart 3:Consultancy over workers own problems & problems of the factory

	Neutral	Aware/Unaware	Moderately/ Consulted	Generally aware	Non-response
Personal Problems	0	1.1	74.7	23	1.1
Factory's Problems	1.1	2.3	62.1	34.5	0

RESPONSES
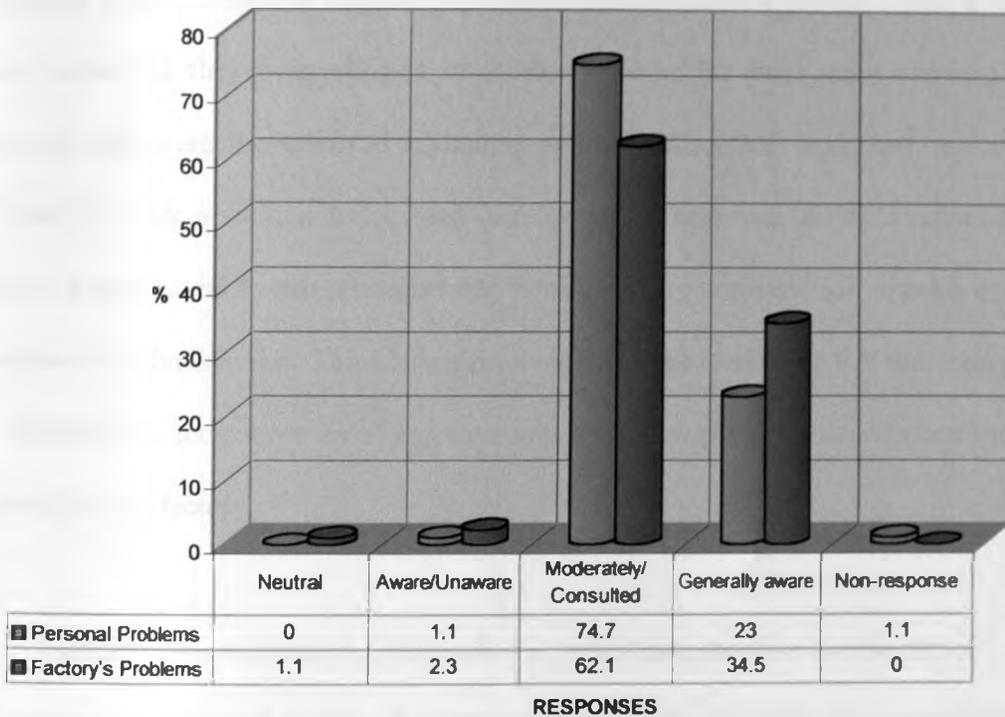
The results in chart 3 indicate that 74.7% of the respondents showed that superiors were moderately aware of their problems, 23.0% respondents felt that the superiors were quite informed aware of their problems, while 1.1% of the respondents indicated that the superiors were unaware of most of their problems.

The data on the same chart also indicated that out of the total sample, 62.1% of the respondents were usually consulted while 34.5% of the respondents showed that the superiors were involved in solving problems related to their work. Another 2.3% respondents reported that they were occasionally consulted and only 1.1% respondents were non- committal. From chart 3 above it can, therefore, be pointed out that workers were being consulted in solving not only their personal problems but also the factory's problems.

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These findings are similar to those presented by Robbins (1980) about the organizational development of Buick Product Engineering Group. Employees were provided with a channel to air their views and they were allowed to assume some of the work tasks executed by their supervisors. They were also involved in planning and controlling their work, and were allowed to They could also talk about the factory and mention any deficiencies. Robbins reported that the employees were provided with a channel for viewing their complaints and appeals by creating the position of ombudsperson. This kind of involvement made workers to feel that they were part of the organization and soon a lot of improvements had taken place in this organization just like it happened to this factory.

4.4.3   Impact of Participatory Approaches in facilitating workers performance.

These approaches included teamwork, communication, staff meetings and consultations. The study postulated that workers who practice teamwork, communicate, consult and attend staff meetings to chart the way forward, have higher chances of improving their performance than those who did not. Respondents were asked the extent to which these approaches have facilitated improvement of their performance.

Chart 4: Impact of Participatory Approaches in facilitating workers performance

	In no way at all	Neutral	Substantially	Quite substantially	Non-response
▣ Teamwork	1.1	3.4	71.3	24.1	0
▪ Communication	0	4.6	74.7	20.7	0
☐ Staff Meeting	0	4.6	59.8	34.5	1.1
▢ Consultancy	0	5.7	70.1	24.1	0
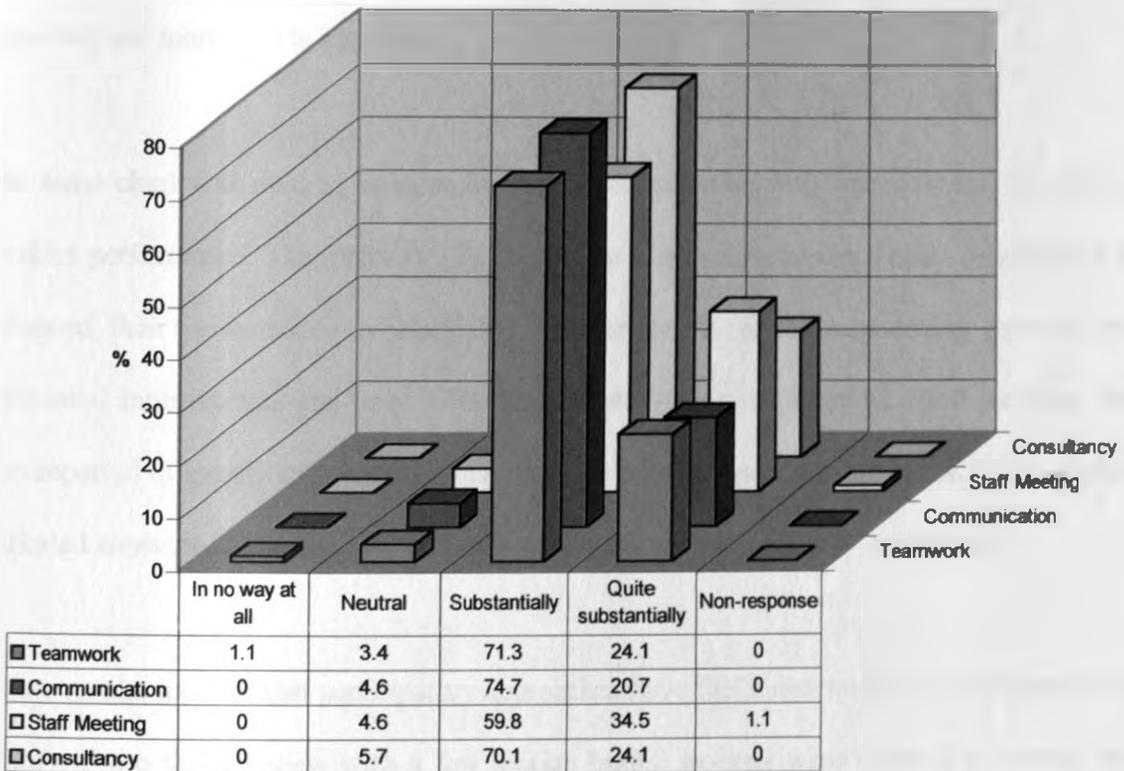
The data shows that there is a relationship between participatory approaches and the workers performance. In teamwork assessment, out of the total sample, 71.3% respondents showed that cooperative teamwork has substantially facilitated improvement of their performance while 24.1% of the respondents indicated that cooperative teamwork has quite substantially facilitated improvement of their performance.

In assessing communication, 74.7% respondents indicated that communication has substantially facilitated improvement of their performance while 20.7% respondents reported that

communication has facilitated improvement of their performance quite substantially. The results show that there is a definite relationship between communication and the workers performance. The findings showed that the more they are involved in exchanging information and ideas, the more they are motivated to improve.

The same chart was used to analyze the rate of consultation with superiors and its effect on workers performance. The majority (70.1%) of the respondents reported that consultation has enhanced their performance substantially. Another 24.1% of the respondents reported quite substantial improvement and only 5.7% respondents were non-committal. Staff meetings were also reported to greatly enhanced the improvement of workers performance. 94.3% respondents indicated substantial enhancement and only 4.6% respondents were non- committal.

These results indicate that participatory approaches have facilitated workers performance in the factory. From the interview with a few section heads, workers were allowed to correct some deficiencies discovered and to record actions taken. Often times there was trust and teamwork. Since participatory approaches were introduced, production has also improved, absenteeism rate is low, there is minimum waste and the factory was operating with fewer employees than before. The findings of Robbins (1980), Hersey and Blanchard (1986) Cumming and Huse (1994) support these findings. They had carried out experiments on different Companies to assess the impact of participatory approaches. They reported that the results of participatory management were impressive and that within eights months the plants had implemented worker's participation. They also found out that there were sizeable gains in efficiency and lessening of employee's grievances. After a year, tremendous improvement had taken place, productivity had

improved, employees were praising the management, and the plant operated with fewer employees, minimum waste, and low absenteeism and reduced production costs.

4.4.4 Decisions regarding the duties of workers.

This study contended that workers' involvement in decision regarding work in the factory promoted more participation. The respondents were asked at what level the decision regarding their work was made and their responses are shown in Table 1 below:

Table 1 Level of decision making on work allocation

Level of Involvement	Frequency	Percent
I'm involved in some cases	61	70.1
I'm involved in all decisions	26	29.9
Total	87	100.0

The results show that 70.1% respondents are involved in some cases of decision-making and 29.9% respondents are involved in all decision regarding their work. As mentioned by Robbins (1980), when workers are involved in decision-making, they gain initiative and become satisfied with their work, which in turn improves their performance since the workers are involved in the management of the factory.

4.5   PARTICIPATION OF SENIOR MANAGEMENT

The managers, heads of departments and heads of sections new approaches to management were seen as very important drive for good performance. The factory was faced with challenges that were threatening its survival. It had, therefore to adopt strategies that would work towards higher performance. The participatory management was measured using the following variables: management innovation in the last 5 years, frequency of interaction, trend of information flow and time taken to provide office requirements in the factory. Some of the variables, which had been tested earlier with workers, were repeated with senior management to detect convergence or divergence.

4.5.1   Management innovation in the last 5years.

Most of the data presented here were collected through interviews that were held with the senior management. When the factory stalled between 1999-2000, it was put under receivership. It was, therefore, managed by receiver managers. The company was organized into 6 departments and within each department were several heads of section that were also in charge of several other workers. Information flowed from the workers through section heads, heads of departments to the General Manager and vice visa.

When the new management took over in March 2001, it introduced several changes. First the workforce was streamlined from 1200 to674. Secondly, there were attempts to better the salaries of the workforce. Thirdly, attempts were made to base employment on qualification. Further, as an attempt to improve work performance for senior staff management, courses were organized at

least once a year. And lastly, there was adoption of new management approaches including teambuilding, communication and participation.

The research also established that official working hours were reorganized to run from 7.00am to 5.00p.m Monday to Friday. Overtime was restricted to Saturday only on voluntary basis. Farmers were paid on time and this motivated them to plant more sugar cane. The management was also asked to specify activities/steps that have enhanced achievements of the factory's goals and the response is presented in chart 5 below:

Chart 5:Specific activties /steps thathave enhnced the achievements of the factory goals

Reorganization of management ■ Staff Rationalization ☐ Factory Rehabilitation ☐ Non-response
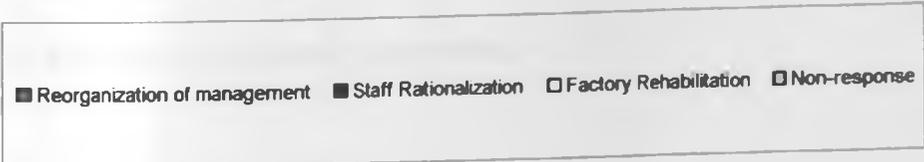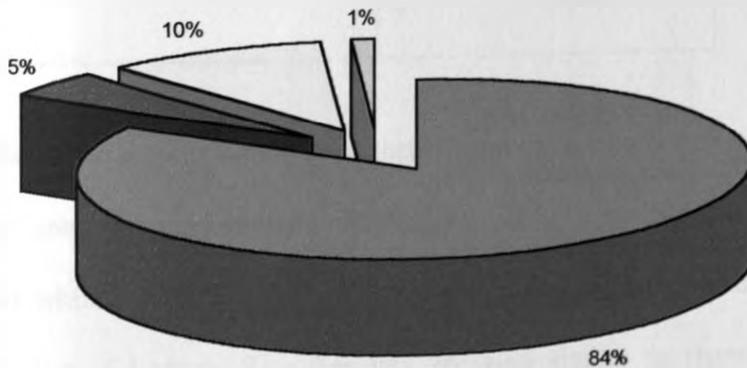
A total of 83.9% of the respondents reported change of management style while 10.3%

respondents indicated rehabilitation of the factory, 4.6% showed staff rationalization and 1.1% did not respond. This findings is similar to the response of the workers. It shows that the management style changed. The senior managers revealed that more emphasis was being placed openness, trust and collaboration. The senior staffs were also asked to indicate aspects of management that have facilitated improvement in performance.

Table 2:   Aspects Of management that have facilitated improvement in performance:

Aspect of Management	Frequency	Percent
Teamwork, communication, & Participation	47	54.3
Disciplined Workers & Managers	29	33.1
More Salary	9	10.3
Rehabilitation of the factory	2	2.3
Total	**87**	**100**

About half (54.3 %) of the respondents argued that teamwork, communication and participation facilitated   improvement in performance. About and 33.1 % of the respondents reported disciplined workers while 10.3 % respondents pointed out more salary and 2.3 % respondents indicated rehabilitation of factory. This findings are also similar to those of the workers. Teamwork, communication and participation have therefore influenced performance. All these indicators are strategies of participatory approaches.

4.5.2 Provision of interaction in the factory

The social environment of the worker can either enhance or restrict performance. The ability of the worker to perform is influenced by the way they are allowed to interact. In an attempt to measure interaction, the study asked the management to provide information on the frequency of their consultation with other employees and extent of these employees' freedom to air their views concerning the factory. More consultation and freedom of expression are some of the strategic intervention of participatory approaches since freedom allows employees to correct any deficiency discovered and this has a lot of influence on performance.

Chart 6: Provision of interaction in the factoy

	Always consulted/Strongly agree	Sometimes consulted/agree	Neutral	Rarely consulted
▨ Staff consultation	62.1	34.5	1.1	2.3
■ Freedom of expression	39.3	54.3	1.1	5.7
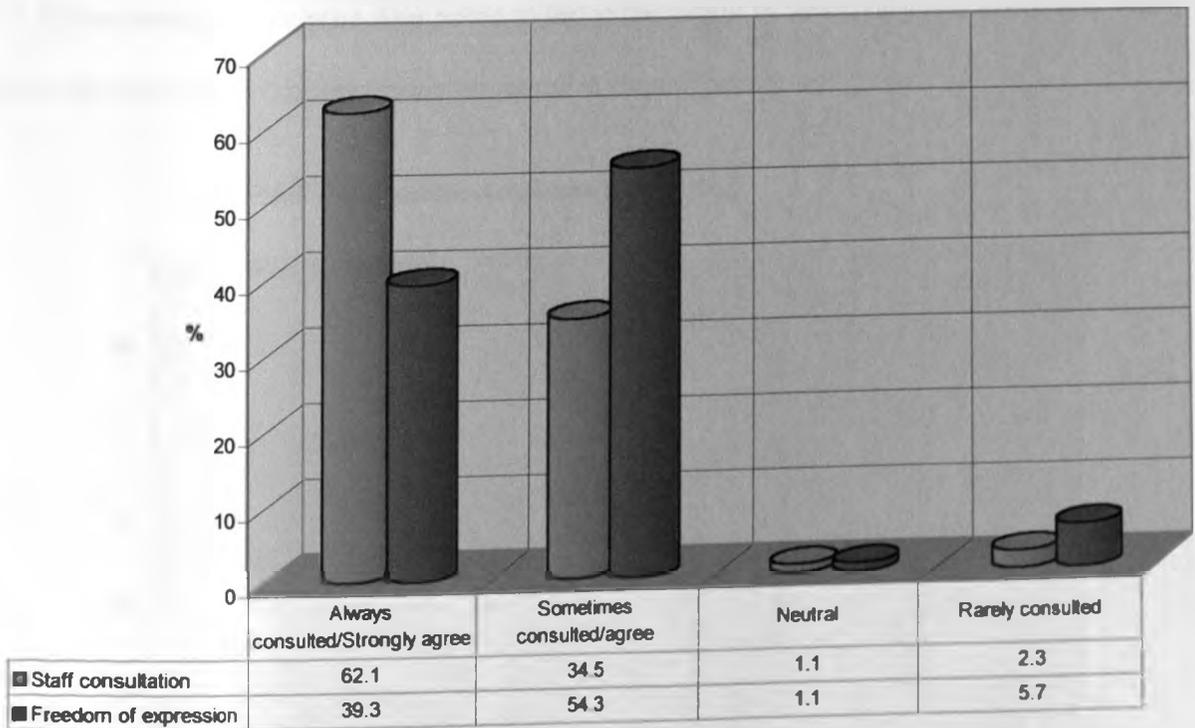
Chart 6 above shows that 62.1%heads of departments and section heads strongly reported that there is consultation with workers, 34.5% indicated that occasionally the staff is consulted, 2.3%

respondents showed that staff members are rarely consulted. Only about 1.1% of the respondents were non-committal. This suggests that there is consultation in this factory.

In the same Chart, a total of 54.0% of the Heads of departments and Section heads also noted that employees are free to air their views on issues concerning the factory. Another 29.3% respondents pointed out that they strongly agree while 5.7% suggested there was no consultation. Only 1.1% respondent were non-committal The findings showed that the employees are free to air their views on issues concerning the factory. The managers also revealed that they do get a lot of ideas from the employees.

The senior managements were also asked to judge the extent to which they felt interaction with employees took place. The results are presented in chart 7 below:

Chart 7:Extent of interaction of employees in the factory

	Little	Neutral	Quite a bit	Much with both individuals & groups
Percent	9.1	4.6	52.9	33.3
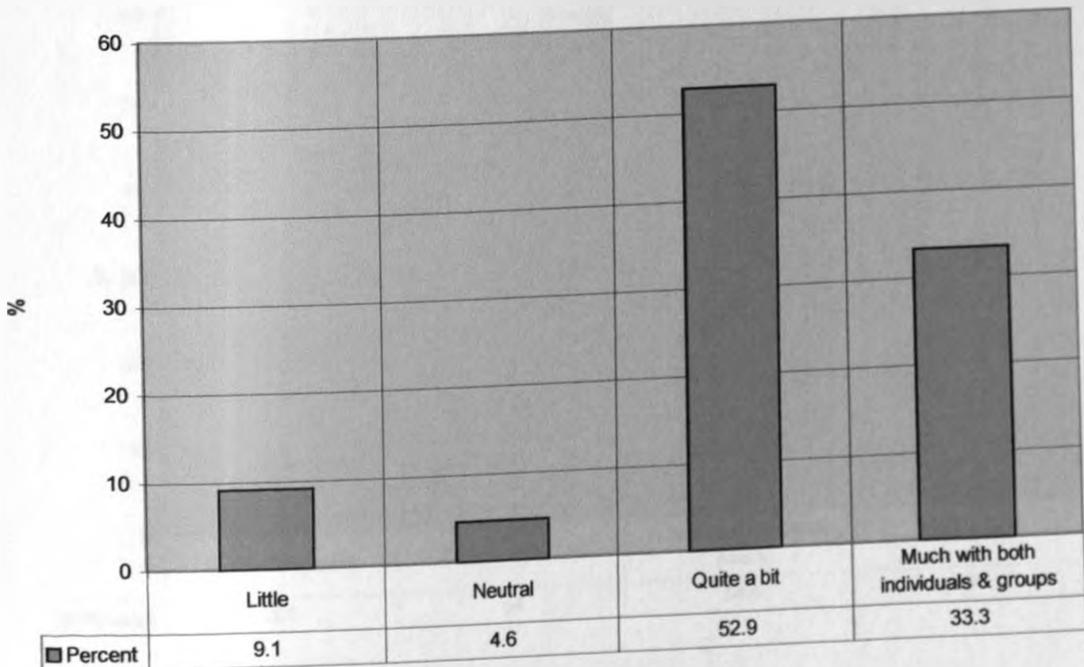
While 52.9% respondents showed that there is quite a bit of interaction, 33.3% respondents felt that there is much interaction with both individuals and groups. Only 9.1% of the respondents talked of little interaction while 4.6% respondents were non-committal. The findings indicate that there is adequate interaction between management and other employees.

4.5.3 Flow of Information

Another aspect of the study was the flow of information in the company. In an attempt to continue measuring participation, the study was interested in assessing the flow of information in the factory. Some methods of flow influence performance negatively while others can influence it positively. The senior managers were, therefore, asked to point out the dominant flow of information. The data is presented in Chart 8 below:

Chart 8: Flow of information

	Mostly downward	Downward & Up	Downward,Up & with peers	Neutral
Percent	3.4	54	34.5	8
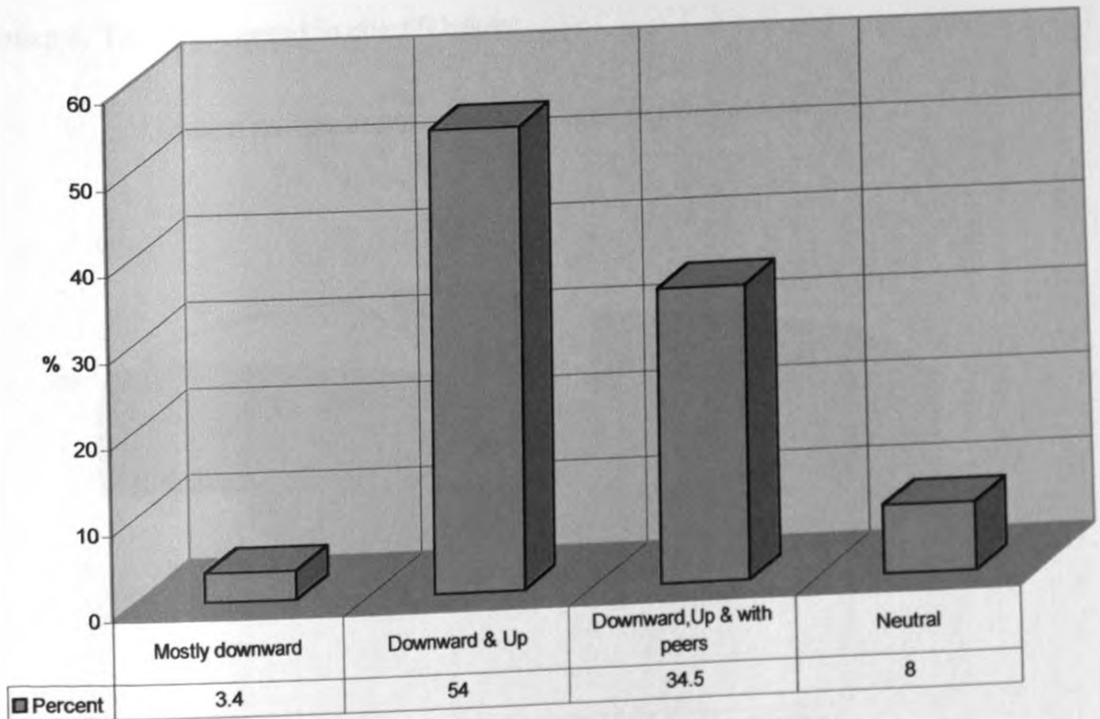
The chart shows that 54.0% of the respondents pointed out downward and upward information flow, 3% of the respondents showed mostly downwards, 8.0% of the respondents indicated downward, upward and with peers. Only 1.1%respondents supported mostly upward flow.. There were signs of both vertical and lateral flow of information. This findings support Rensins, (1967) who argued that for participation to be effective, communication should occur both laterally and vertically so that decisions are linked throughout the organization by overlapping group membership.

4.5.4 Provision of office requirements within the factory premises.

Physical resources are an important dimension of any work environment. The ability of a worker to perform well can also be determined by how fast the physical resources used in the factory are availed to him. Respondents were asked the duration of time taken to obtain these office requirements. This is presented in chart 9 below:

Chart 9: Provision of office requirements within the factory premises

6%

14%

6%

74%

■ Short time (1 day) ■ Long time(2-3 days) ☐ Duration varies ☐ Neutral
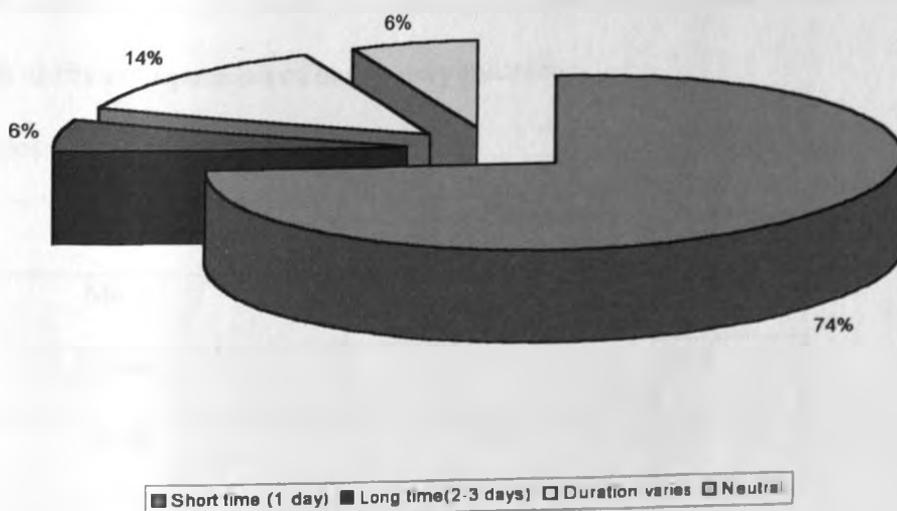
As shown in Chart 9, majority (74.7%) of the respondents reported that provision of office requirements within the factory takes very short time (1 day) while and 13.8% respondents indicated that it varies and only 5.7% respondents indicated that it takes long time (between 2-3 days) which was between 2-3 days. This shows that no delay is made as far as provision of office requirements is concerned and this has also enhanced performance.

4.6   WORKER'S PERSONAL QUALITIES AND CHARACTERISTICS

Personal characteristics and qualities can influence participation in management activities. Different attributes of each worker tend to determine whether he/she can engage or not engage in participatory activities in the factory. This variable was measured using indicators such as: sex, formal education, professional and management courses attended, years of service and hours of reporting to duty and overtime.

4.6.1   Sex

Respondents were required to indicate their sex. It is possible that the sex of respondent can determine his/her ability to work in a factory. In this factory there is a lot of manual labor, working in shifts and operation of heavy-duty machines

Table 3: Sex

Sex	Frequency	Percent
Male	70	80.5
Female	17	19.5
Total	**87**	**100**

Table 3 presents the results obtained on the variation of workers sex. The majority (80.5%) of the respondents were male and 19.5% of the respondents were female. The respondents reported that there are few female because the bulk of the work is manual. Secondly, operating heavy-duty machines is sometimes too demanding. Working in shifts or odd hours would also cause a lot of inconvenience for women.

4.6.2   Formal Education

It was expected that the respondent's educational standard determined his/her ability to participate in the factory's affair. The level of education also influence the respondent's adaptation to change. Respondents were required to outline the level of formal education. Table 4 below presents the data on educational levels of the workers.

Table 4: Level of formal education

Level of Education	Frequency	Percent
Primary (1-8), (1-7)	9	10.3
Secondary (1-4), (1-6)	60	69.0
Middle level colleges	5	5.7
University	12	13.8
No formal education.	1	1.1
Total	87	100

Table 4 above shows that 1.1 % of the respondent have no formal education, 10.3 % have primary education. 69.0 % of the respondents have secondary education. 5.7 % of the respondents middle level college education and 13.8 % have university education. The majority of the respondents are secondary school graduates. In any organization, it is more effective to work with people who have had formal education because such people can easily respond to change. The management noted that it did not find difficulties in introducing participatory approaches to the workers because the majority had had formal education.

4.6.3 Years of service at the factory.

The experience of a worker can also influence participation and performance. Respondents were asked to state years of service at the factory and they were grouped as indicated on chart 10 below:

Chart 10:Years of service
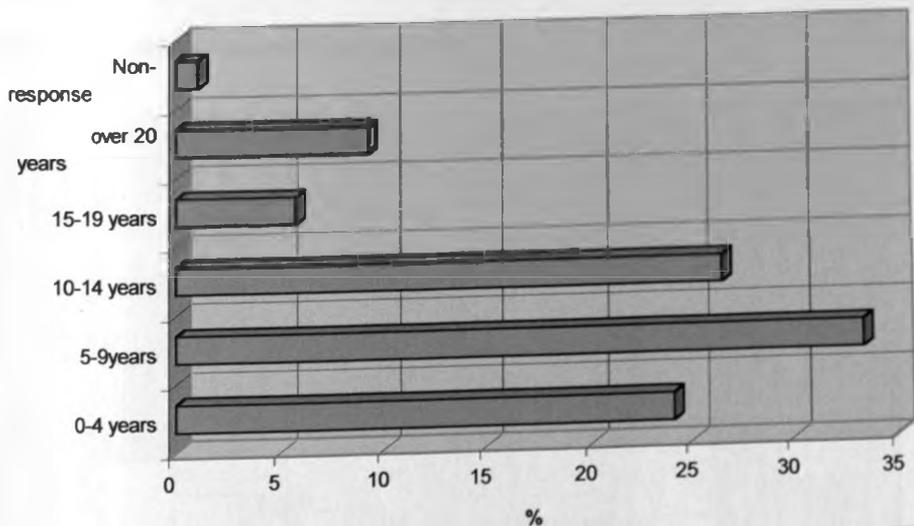
	0-4 years	5-9years	10-14 years	15-19 years	over 20 years	Non-response
Percent	24.1	33.3	26.4	5.7	9.2	1.1

About a third (33.7%) of the respondents, have years of service ranging between 5-9 years. 24.1% of the respondents range from 0-4 years and 26.4% of the respondents range from 10-14 years. Only 9.2% of the respondents have over 20 years experience. It is quite evident that most of the workers in the factory have experience. It is also quite clear that the majority had worked in the factory even before management style changed in the factory.

4.6.4 Professional and management courses attended

Besides formal education, it was also necessary to find out whether or not the workers have had any formal training. Such information helps in assessing their qualifications and capabilities. It can also influence their performance. Respondents were, therefore, asked to indicate the type and number of professional and management training courses attended. It should be noted that some respondents have attended more than one training. The data is presented in Chart 11 below:

Chart 11:Professional & management courses attended

Courses

Administration	Managements	Finance and Accounts	Store keeping
Secretarial duties	Computer Technician	Security	Agricultural engineering
Electrical engineering	Supervision	Laboratory Technician	Training on job
Non-Committal			
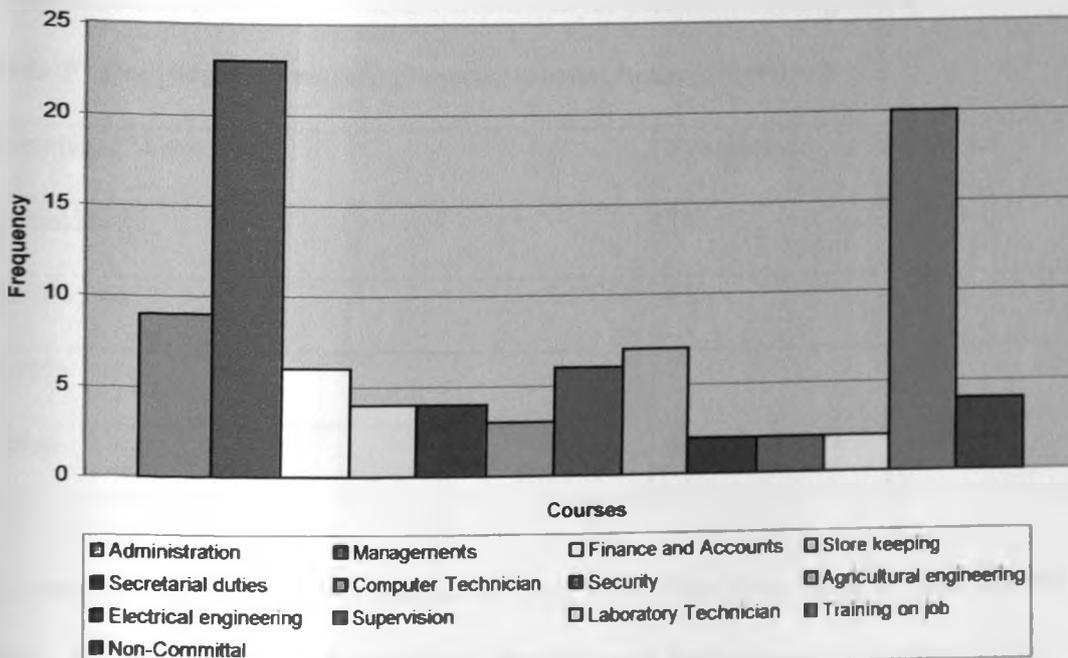
The study shows the capability and qualifications of the respondents in term of professionalism and managements Most of the respondents have had some professional or management training.

4.6.5 Hours of reporting to duty and overtime.

The study postulated that workers who report to duty at the correct time and work beyond time schedule would influence performance of the factory. Respondents were asked to indicate official hours of reporting for duty, actual hours of reporting to duty and whether they work beyond normal working time. Over 85% of the respondents report to duty during the official reporting time, which is 7.00a.m. This shows that no time is wasted and this is likely to influence performance positively. Only a small percent (1.1%) of the respondents were reporting to duty by 8.00a.m. A few respondents were unable to indicate specific time of reporting because they work on shifts. They were also asked to indicate how often they work beyond normal working hours. This can also be seen as a sign of motivation to improve the general performance. Table 5 below shows how often the workers worked beyond normal working hours.

Table 5 :Frequency of working beyond normal hours(overtime.)

Overtime Working	Frequency	Percent
Sometimes	15	17.2
Very often	65	74.7
Rarely	7	8.1
Total	87	100

Majority of respondents(74.7%)reported they very often they work beyond normal working hours. 17.2% indicated that sometimes they do work beyond normal working hours. Very few

respondents do not work overtime. It was reported that overtime is mainly done on Saturday and payment for overtime is done as soon as possible. This is likely to influence performance.

4.7 OVERALL IMPACT OF CHANGE IN MANAGEMENT.

The study set out to find the impact of change in this factory since it came under new management in 2001. When the factory was established it had the following objectives: creation of employment for local population, curbing rural – urban migration, enhancing the economic power of local people and production of adequate sugar to realize the governments policy of being self-sufficient in sugar production. These objectives could only be realized if the company was efficiently organized and run. This would ensure that not only do the company's workers benefit but also that these benefits would spill over and accrue to the local as well. Accordingly, data on the company's performance was analyzed using various indicators.

4.7.1 Rate of Achievement of the factory for the last four years.

First, the company personnel's aptitude for work was gauged by asking them how they rated the company's performance over the last 4 years. It was expected that if rating was good, then they would have greater motivation to continue working for the company. Respondents were asked the rate of achievement of the factory for the last 4 years and their response are shown in chart 12

3%   1% 1%   17%

78%

Excellent ■ Good □ Neutral □ Fair ■ Poor
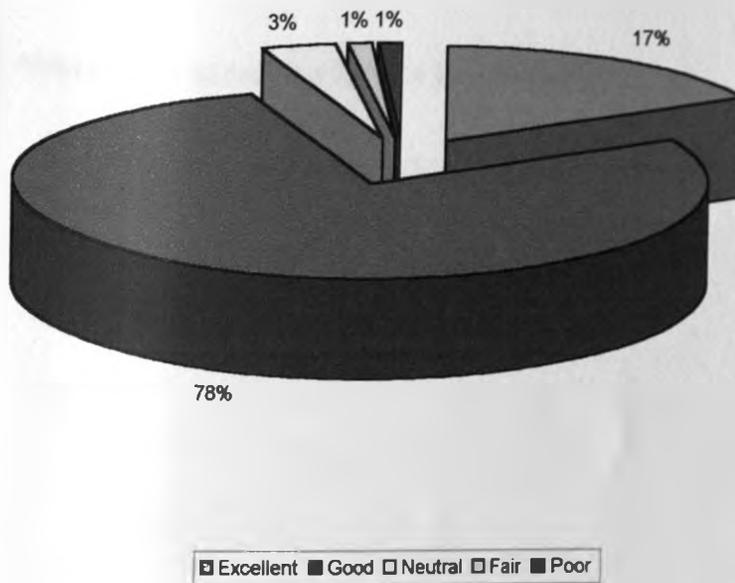
As Chart 12 above shows, the majority (78%) of the respondents reported that the achievements have been good while 17 % of the respondents indicated that the achievements have been excellent. Another 3% of the respondents registered neutral while 1% of the respondents indicated fair and poor respectively. The findings demonstrate that there have been some achievements in the factory..

4.7.2 Workforce Statistics for the last ten years.

The study was interested in assessing work force in relationship to new management strategy. The staff workforce aptitude was measured in terms of their performance vis avis the output they produced. It was expected that the demands of efficiency and competitiveness necessitates a lean

ff to minimize wastage. The Human Resource Manager provided us with workforce statistics, ich have been represented in Chart 13 below:

Chart 13: Workforce structure for the last ten years

	Jun-96	Jun-97	Jun-98	Jun-99	Dec-00	Dec-01	Dec-02	Dec-03	Jun-04
EMPLOYEES	1200	1151	1099	1153	1072	293	683	659	647
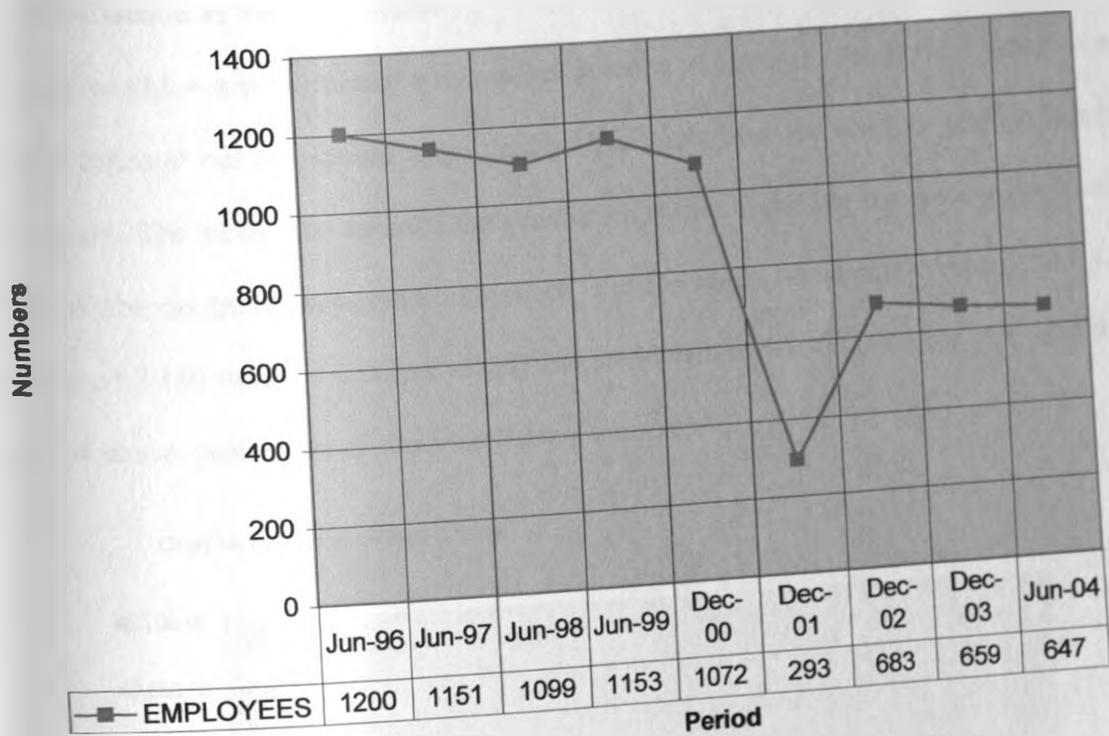
Before the company stalled, it had a large workforce yet production was below par. One of the initiatives introduced by the new management was to streamline the workforce. This consisted of reducing the number of workers to the barest minimum necessary to carry out the company's operations. It was expected that this reduction would enhance efficiency as it would minimize duplications of functions, idleness and waste. Consequently the company workforce has been reduced from 1200 in 1996 to just 647 in 2004.

Cumming and Huse (1994) reported that the introduction of new management strategy in a Paint Faculty also resulted in staff reduction by 25%, reduced absenteeism, raised productivity by 30% and reduced production cost by 45%. This also concurs with the findings of this study.

4.7.3 Production of Sugar in tones:

The lean workforce performance was gauged in terms of tonnage output. Here it was expected that the tonnage out put should show gradual increment over the last four years compared to other years. The study also assessed the production output in the last ten years to determine the effect of the adopted management approach. From records, the sugar company has a rated capacity of 2,160 tones of cane per month and production of 50,000 tones per year .The data on Chart 14 shows production of sugar for the last ten years:

Chart 14: Production of sugar in tones

	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04
Tonnes	15,711.	14,053.	25,744.	19,304.	15,528.	29,404.	19,234.	3,633.5	21,550.	35,903.	42,258.
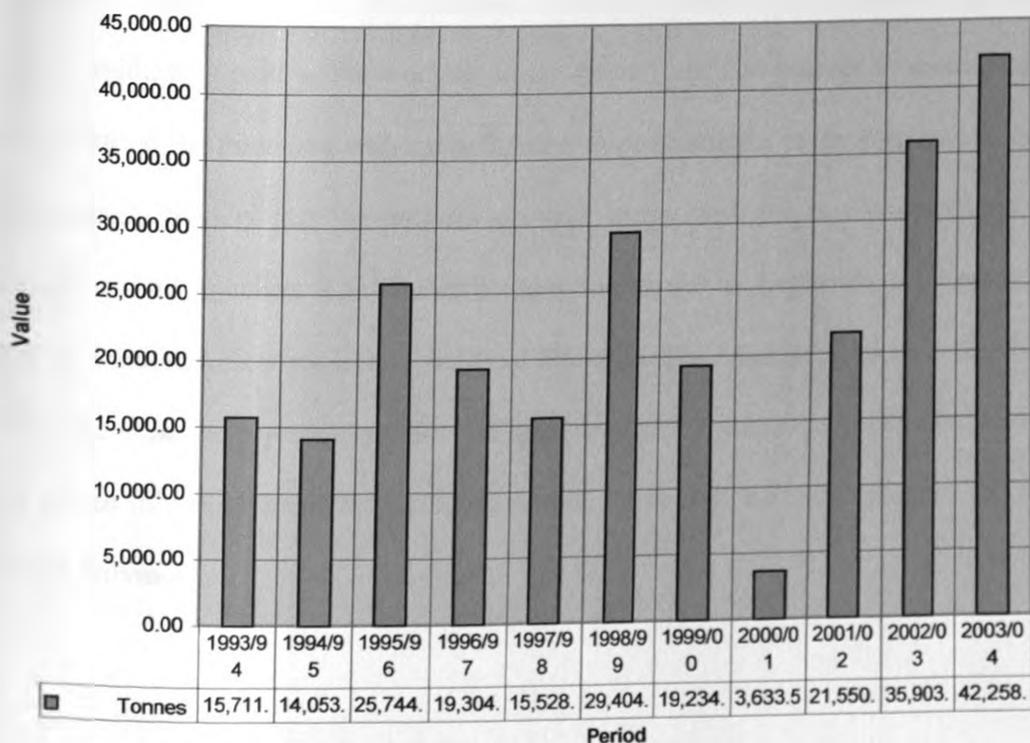
he chart shows that the factory has never reached its optimal capacity in the last ten years. However, the introduction of new management approaches has resulted in improved production. The production for the 10 months of this year 2003/2004 (excluding may and June) has already reached over 40,000 tones. It is because of this increased output that the receivership management has been extended by three more years. These findings are similar to studies carried out by Litterer (1986), Cumming and Huse (1994) and Robbins (1930) on performance at different plants, which had adopted this programme. The results were quite promising. Product output was high by over 35%.

It is evident from the data presented and analyzed that there is a high rate of participatory management and improved performance in the factory. This has led to achievements of some of the factory's objectives. From the Human Resource Manager, it was also learnt that in a month, the factory makes about Ksh. 100 million and Ksh 60 million is immediately paid to the farmers. Ksh. 15 million is paid to the workers in the factory and the balance is used to pay debts and others. During the interview with some farmers' representatives in the Agricultural department, it was glaringly evident that the farmers are very happy with the new management and its new management approaches. The farmer's economic power is beginning to improve and this is likely to influence their social and political life style. The Manager also reported that out of the 647 workers the factory employs, 80% of them are from Nyanza Province. The factory is serving as a source of employment for the local people. Only 20% of the employees are from outside Nyanza Province.

CHAPTER 5

SUMMARY, CONCLUSION AND RECOMMENDATIONS

The study was an assessment of how institutional performance depended on adaptability and responsiveness to change. It noted that some management approaches and techniques are more adaptive than others, leading to different levels of performance. The two key approaches used were the bureaucratic and the participatory management approaches.

The study, using this sugar company as a case study, revealed that the company had been experiencing various management problems that were affecting its performance before 2001. In fact these problems became so severe that the company virtually ground to a standstill in 2000. Consequently, a new management team took receivership of the company in March 2001.

The new team effected a complete overhaul of the factory by introducing several administrative changes. Key among these changes was the fact that they abandoned the bureaucratic management style favoured by their predecessors and introduced the participatory approach. The reason for this shift was their recognition of the inherent weakness of bureaucracy, especially its tendency to look down upon workers and its habit of creating more problems than it can solve.

The participatory approach, on the other hand, was favoured because of its various strength, key among which is the fact that by treating the workers as co- owners rather than mere tools. It uplifts their morale and ends up creating a team of dedicated staff members. After three years of implementation of this approach the study found it necessary to assess its effectiveness in putting the company back on a firm financial footing.

In carrying out the investigation, participatory management approaches was independent variable while performance of the company was the dependent variable. The study was predicted on the fact that effective performance depended on effective management strategies. The main participatory management strategies used were communication, worker participation in the company's operation and teambuilding.

In assessing the impact and effectiveness of these participatory management strategies various indicators were used. First, the workers aptitude for work was gauged. This was necessary because greater interest in their work means dedicated services and the company can only profit from this. Secondly, a comparison was made between the number of staff before the company collapsed and after the new management took over. This was compared with the company's performance in terms of tonnage output. It was expected that stalling of the company before 2001 when it had a big workforce meant there was inefficiency and wastage. Consequently, a new management approach should entail reducing the workforce to make it more efficient and in the process increase output.

The findings from the field were presented in tables and charts as well as bar graphs. Overall, the findings validated the initial assumption that participatory management approaches had been introduced in the factory. All the three strategies of this approach existed in varying forms in the company. Communication in the company, between workers as well as between workers and their superiors had allowed for shared goal setting between the managers and their subordinates. The study found out that there were consultations and periodical meetings between the company's workforce.

In participation the study found out that employees were more involved in planning, controlling and making decisions regarding their work. The study also found out that teambuilding, another participatory strategy, was a key component of the workforce. Often times, an inspection by the researcher found the workers in deep consultations with one another wherever a problem arose, before deciding to forward the problem to the superiors.

Overall the study concluded that the participatory management approach adopted by the new management has been very effective. This can be seen in several instances. First, the workers have a high aptitude for their work and take greater interest in their work. The new management methods allow for workers to air their grievances without fear of being antagonized and this has led to a more freer working environment.

Secondly, the workers have gained a renewed sense of pride in the factory, which they often refer to as "Our factory". This is as a result of them being given a greater role in decision-making. This has given them a sense of co-ownership and a feelings of appreciation.

The workers uplifted morale has had a positive impact in the company, as it has been able to increase its output for the last four years. This improved performance in term of output has had a spillover effect and made the company realize its primary objective. For example, prompt payment to the farmers for cane deliveries has raised the economic power of the local population who are now able to feed, clothe and pay school fees, among other benefits. Further, 80% of the company's workforce comes from the surrounding regions meaning the benefits of the company's performance are both informal and formal.

Four years down the line the new participatory management approaches initiated by the factory are beginning to bear fruits. The company is on its way to a firm financial footing once more. This proves the hypothesis that adaptability and responsiveness to change are the only way an organization can survive. And the study, using Muhoroni Sugar Company as a case study, has proved that participatory management is the key to the future survival of companies.

RECOMMENDATIONS.

Several recommendations, both academic and policy related, can be advanced from the findings of this study. Academically it would be of interest to find out if participatory management approaches were the only factors that led to improved performance in the factory. How tenable is the argument that political influence and not bureaucratic management was the major cause of the company's decline? This would be of interest because there are other organizations that still follow bureaucratic model yet production has not declined.

Secondly, what has been the impact of the NARC government's policy towards the sugar sub-sector? Of what effect has the government's recent write-offs of monies owed by sugar farmers or its payment of cane money to the farmers? Could the war on corruption have led to reduced illegal importation of sugar thus making sugar more profitable to produce? It would be interesting to find answers to all these questions before giving final verdict on the efficacy of participatory management approaches.

In the meantime the findings of the study suggest strongly that participatory management approaches should be extended to all institutions and organizations in Kenya. So far, the method is strongly suggestive of increased efficiency, productivity and ultimately, competitiveness.

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APPENDIX 1

LOCATION OF NYANDO IN KENYA

Provincial Boundary
District Boundary

100   0   100   200 Kilometers

Prepared by CBS, 1999 Pop Census

This map is not an authority over administrative boundaries

APPENDIX 2

QUESTIONNAIRE

Section One

1. Name of sugar factory: _____
2. Department/Section: _____
3. Designation: _____
4. Sex: Male_____ Female_____ _____
5. Years of service at the factory: _____
6. Level of formal education: _____
7. Type and number of professional courses/training attended:
   Type_____ Number_____
   (I)_____
   (ii)_____
   (iii)_____
   (iv)_____
8. Number of management courses provided in the last two years_____
9. Official hours of reporting for duty_____
10. What are your actual hours of reporting for duty? _____
11. Please specify your actual responsibilities
    (i)_____
    (ii)_____
    (iii)_____
    (iv)_____
12. How often do you work beyond the normal working hours?

Very Often	Some times	Neutral	Rarely some times	Very rarely
5	4	3	2	1

13. What duration of time is taken to obtain office requirement? _____
14. How would you say the organization has achieved its goals in the last ten years?
    _____
15. What specific activities/steps have enhanced the achievement of the factory goals?
    _____
16. What aspects of the management have facilitated improvement of your performance?
    (i) _____
    (ii) _____
    (iii)_____
    (iv)_____

17. How would you rate the extent to which the following aspects of the management have improved your performance?

(i) Cooperative teamwork

Quite substantially throughout	Substantially	Neutral	A little	In no way at all
5	4	3	2	1

(ii) Communication with superiors

Quite Substantially throughout	Substantially	Neutral	A little	In no way at all
5	4	3	2	1

(ii) Consultations by superiors

Quite Substantially throughout	Substantially	Neutral	A little	In no way at all
5	4	3	2	1

(iii) Meetings

Quite Substantially throughout	Substantially	Neutral	A little	In no way at all
5	4	3	2	1

Section Two

18 How would you rate teamwork in this factory?

It is substantially throughout the Organization	There is moderate amount	Neutral	it is relatively little	There is none
5	4	3	2	1

19 To what extent do your superiors recognize problems that you encounter?

Generally quite Well aware	Moderately aware	Neutral	Aware of some unaware of others	Often are unaware
5	4	3	2	1

20 To what extent is communication throughout the organization adequate?

Excellent	Good	Neutral	Fair	Poor
5	4	3	2	1

21 At what level are decisions regarding your work made?

I'm involved In all decisions regarding my Work	I'm involved in some cases	Neutral	largely at the bottom	largely at the top
5	4	3	2	1

22 How often does your management involve you in solving problems?

Are involved In solving Problems related to my work	Usually consulted	Neutral	Occasionally consulted	Not at all
5	4	3	2	1

23 (**Applicable to section/departmental heads**). How often do you consult employees who work in your section in solving problems?

Staff are always consulted	Sometimes they are consulted	Neutral	they are rarely consulted	staff are never consulted
5	4	3	2	1

24. Do you agree that employees are free to air their views concerning issues or problems in the Factory?

Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
5	4	3	2	1

25. How have the results of your job affected your goals?

Highly Significantly	Moderately significantly	Neutral significant	Not very	Not at all
5	4	3	2	1

26. To what extent has the factory provided for interaction of employees?

Much with individuals and groups	Quite a bit	Neutral	Little	Very little	Both
5	4	3	2	1	

27. How often has the management gotten ideas from all the employees in the last two years?

Always get ideas from farmers	Usually they get ideas	Neutral	Sometimes they do from staff	Seldom
5	4	3	2	1

28. What would you say is the dominant flow of information?

Down, up & down and up With peers.		Neutral	Mostly downward	Downward
5	4	3	2	1

INTERVIEW SCHEDULE FOR THE TOP MANAGEMENT

1. What was the original aim or objective of the factory?

   _____
   _____
   _____

2. In which aspects has the factory achieved its goals in the last ten years?
   (i) _____
   (ii) _____
   (iii)_____

3. How would you rate the performance of the factory in the last five years?

Excellent	Good	Neutral	Fair	Poor
5	4	3	2	1

4. What have been the major management innovations in the last five years?
   (i) _____
   (ii) _____
   (iii)_____

5. What have been the major management constraints in the last five years?
   (i) _____
   (ii) _____
   (iii)_____

6. How has the factory ensured that employees are encouraged to adopt new
   Methods such as: -
   (a) Teamwork

   _____

   (b) Participation

   _____

   © Communication

   _____

7. What new communication procedures have been adopted in the last five years?
   (i) _____
   (ii) _____

8. What new steps have been undertaken to encourage teamwork in the factory in
   the last five years?
   (i) _____
   (ii) _____
   (iii) _____

9. What methods does the factory use for getting to know the problems of employees?
   (i)_____
   (ii)_____
   (iii)_____

10. What methods does the factory use for getting to know any other problem in the organization?

   (i)_____

   (ii)_____

   (iii)_____

11. In which way has the factory been motivating its staff in the last five years?

   (i)_____

   (ii)_____

   (iii)_____

12. How would you rate the performance of the employees in this factory in as far as their productivity, efficiency, and general performance is concerned?

	Very high	Above Average	Neutral	Below Average	Low
Productivity					
Efficiency					
General performance					

13. How would you rate the performance of the organization in terms of productivity, efficiency, staff development, staff turnover, adoption of new methods and competitiveness?

	Very high	Above Average	Neutral	Below Average	Low
Productivity					
Efficiency					
General performance					
Staff Development					
Staff Turnover					
Adoption of new methods					
Competitiveness					

14. What areas of management require improvement?

Area	Improvement required

Observation Guide

Through personnel Office, Observe:

1. Structure of factory   Number of top management.
   Number of Departments for sample size and number of respondents.

2. Historical data   Output dating back 10 years
   Staff turnover dating back 10 years