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Management and Management Education in a Less Developed Economy:  
the Case of Malawi.

Charles Thomas Jenkins

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The University of Aston in Birmingham

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Charles Thomas JENKINS

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Malawi is seen as a society in transition, and as a consequence, it is argued, Malawian managers face particular problems where traditional and Western values intersect. The role of the Polytechnic of Malawi as a provider of management education in this environment is thus problematical.

The thesis begins with a description of the Malawian business environment in its geographical, historical, political, cultural, economic and institutional forms, and then goes on to examine the problems practising managers themselves feel they face, and attempts to explain these problems in terms of the environmental factors described, and the environmental changes taking place.

It is concluded, from the analysis conducted, that the environmental features discussed interact in a complex way to make Malawian managers averse to exercising initiative and taking decisions. The question of what the Polytechnic can do to help overcome this aversion is addressed.

The field research was conducted in Malawi in the seven months January to July, 1980, during which time 207 questionnaires were administered to junior and middle managers working in all sectors of the economy at levels equivalent to Polytechnic graduate entry. In addition, a number of senior managers (both Malawian and expatriate) were interviewed, a case study was conducted in a manufacturing organisation, and a second questionnaire was administered to all business students at the Polytechnic. Extensive use of official statistics was also made where appropriate.

MANAGEMENT, EDUCATION, DEVELOPING COUNTRIES, MALAWI.

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## Preface

Management, in its various forms, is an activity of singular importance to man. It is concerned with the efficient mobilisation of scarce resources to satisfy his needs and wants. It is thus desirable, and often crucial, that managers perform to maximum effect. [1]

That the education systems of the world should eventually concern themselves with a subject of such significance was inevitable. Management is now recognised as a field of major academic endeavour, in both teaching and research.

Unfortunately, however, the academies (university business schools in particular) have not been entirely successful in gaining the appreciation and support of business practitioners. The main reason for this appears to be that practitioners have not been convinced that management qualifications guarantee the graduate's ability to actually manage anything. Criticism has been levelled against, for example, MBA programmes for being too quantitative, too academic, too esoteric, or simply irrelevant.

Perhaps such criticisms are to be expected: there are many managers who are not graduates themselves, and if they feel intimidated by the technical sophistication of the graduates they employ, they are likely to express their resentment in this way. However, such criticisms have come not only from "unqualified" managers, but also from business graduates themselves [2]; from these people, at least, resentment is unlikely to have provided the basis for such comments.

Criticisms of management education made by business graduates generally make reference to the lack of usefulness of the education they have received, in performing their professional tasks. It seems that what is taught is not always what is needed. With this issue in mind, Thackray wrote, of the education offered in American business schools

"..... for all the improvement in academic rigour applauded by the educational elite ..... the age old question of relevance, of the fit between what is taught and what qualifications employers seek among entry level managers, is as critical as at any time in the past." [3]

The problem of making management education "relevant," however, is one that is not easily solved. The basic approach taken in this thesis is that management education should be problem-oriented: that is to say, managerial problems should be identified, and management education should, as far as possible, be tailored to help students overcome these problems when they become practitioners. [4] But further problems arise here, in particular how to identify problems, and whose problems to identify.

Regarding how to identify problems, we have to decide whether we want to know the problems that managers themselves feel they face, or whether we wish to know how their problems are viewed by their employers. On this point, Garratt and Stopford make the interesting and important distinction between the customer and the consumer of management education. By the "customer" they mean the organisations that may sponsor employees to follow particular courses, or may simply wish to employ graduates of a given programme. The "consumer" on the other hand, is the course participant/graduate himself, who has to make use of what he is taught. They note:



"We consider ..... that there is a wide gap in perception between customer and consumer, even within a single organisation. The nature of the consumer demand needs to be determined in much greater detail than is possible at present; otherwise supply-and-demand models will continue to be misleadingly constructed on the customers' inappropriate assumptions of demand." [5]

Accepting Garratt's and Stopford's argument, we encounter a further problem in defining relevance with respect to the management education provided in the Polytechnic of Malawi. This problem lies in the fact that the "consumers" are students: some will not be sure about their future career, while others may have already made up their minds; of those who have a clear idea of what type of career they want, there may be a substantial proportion whose expectations are unrealistic. How can we assess with any confidence the problems that these people will face?

The approach adopted in this research has been to attempt to identify the problems faced by those people working in management at about the graduate entry level, and in so doing, to determine "consumer demand" for management education in Malawi.

In order to understand these problems it is necessary also to understand the environment out of which they arise. This is because problems do not simply exist; they exist for a reason or reasons, and these reasons are to be found in the context of managerial work. This contextual contingency means that it is, in many cases, likely to be inappropriate to transfer packages of techniques of western origin to other environments. Moris points out that

"..... by definition, management involves the employment of managerial techniques in a social context: the surrounding administrative culture is just as vital to effective management as are the specific techniques, if not, indeed, more vital." [6]

The point Moris is making here is an important one: he is not criticising developing country university business schools for not teaching their graduates to actually do anything; rather, he is saying that the techniques taught in these institutions have been developed in societies that are culturally different from the developing nations. As a result, the values and attitudes required for the successful application of these techniques may be lacking; moreover, these values may be much more difficult to transfer across cultural boundaries than the techniques themselves. He continues

"Let us distinguish carefully between techniques and administrative culture. Techniques are by definition readily identifiable skills; and, as such, they are subject to transfer by training. They have been the object of virtually all "management training" that has been conducted in Fourth World contexts to date. Administrative culture, on the other hand, is the combined outcome of a long process of informal work socialization, and the interaction of complex administrative structures. It is much less readily amenable to programmatic transfer at all." [7]

If we accept this, it is clearly important not only to identify the problems currently faced by an appropriate sample of practising managers, but also to be able to explain these problems in terms of the environment out of which they have arisen. Only when we have done this shall we be in a position to offer management education that can help to alleviate managerial problems by attempting to remove their causes; and until we do this, we shall continue to offer management education that comprises little more than sets of contextually independent techniques.

A primary reason for selecting Malawi for the fieldwork for this thesis is that it provides an environment that is significantly different from the western industrialised nations. As one of the

least developed countries of the world, Malawi is different from the western industrialised nations in socio-economic terms; as a central African nation it is different in socio-cultural terms; as a primarily agricultural economy, it is different in its resource endowments. Nevertheless, Malawi has, from its period as a British colony, inherited legal and administrative structures that are western in origin; multinational corporations have brought with them western organisational structures, performance criteria, and reward systems. And, perhaps most importantly, Malawi has chosen to undertake development in accordance with "sound business principles," (see 2.2.2). Given Malawi's post-independence political stance, "sound business principles" cannot be taken other than to mean "sound western business principles." Malawi is thus a very suitable country in which to study the difficulties experienced by indigenous managers in implementing western managerial techniques in accordance with western business principles.

This thesis is concerned with the quality of managerial education provided in Malawi. It focuses in particular on the business education offered by the Polytechnic of Malawi (a constituent college of the University of Malawi), because it is this institution that offers the highest level of academic business qualification in the country, and in so doing seeks to provide the senior management cadre of the future. That such education should be as relevant as possible is clear.

Quantitative issues in manpower education and training are not dealt with here, except to note that the number of people gaining business qualifications from the Polytechnic is significant in terms of Malawi's managerial manpower needs. The last manpower

survey conducted in Malawi (in 1971) [8] indicated that there were 11 vacancies among those managerial/professional/administrative positions to which holders of the Polytechnic's business qualifications might conceivably aspire [9,10]; in addition to this, 473 such posts were currently filled by expatriates. In the same year, 1971, 27 people graduated from the Polytechnic with business qualifications. [11]

This thesis begins with a description of the Malawian business environment in its geographical, historical, political, cultural, economic and institutional forms, and on the basis of this description anticipates some areas of difficulty likely to be experienced by Malawian managers, because of a mis-match between the Malawian and western managerial cultures. This description is followed by an analysis of the problems practising managers perceive themselves to be facing, which seeks to explain these problems in terms of the environmental features described. Finally, the thesis assesses the suitability of the management education offered in the Polytechnic of Malawi, and makes recommendations as to how this education may be made more appropriate to helping prospective managers overcome the managerial problems they are likely to face in their professional working lives.

Footnotes to preface

- [1] Joseph McGuire has written, in an article entitled "Management Theory: Retreat to the Academy,

"In a world where the average annual income of millions of individuals is less than \$300, where poverty and want are widespread, and where mere survival is a daily battle that is often lost, the ability to organise and manage resources for greater abundance, and to distribute outputs more widely and equitably is possibly the greatest of all talents."

Business Horizons, Vol. 25, No. 4, July/August 1982, p. 37.

- [2] For example see Tait, Grant, Hard Lessons of an MBA, Management Today, July, 1983, pp. 60-61.
- [3] Thackray, John, The Business School Backlash, Management Today, August, 1981, pp. 58-61, p.59.
- [4] "Problems" is used here in a broad sense, to include not only technical difficulties, but also emotional and interpersonal difficulties.
- [5] Garratt, Bob, and Stopford, John, (eds.) Breaking Down Barriers practice and priorities for international management education, Gower, Farnborough, 1980, p. 6.
- [6] Moris, Jon R., The Transferability of Western Management Concepts - A Fourth World Perspective, Development Digest, Volume XIX, Number 1, January 1981, pp.56-65, p.57.
- [7] *ibid.*, p. 59.
- [8] Malawi Government, Office of the President and Cabinet, Economic Planning Division, Manpower Survey 1971 - Results of the Survey and Analysis of Requirements 1971-1980.
- [9] The 1971 Manpower Survey uses the 1968 International Standard Classification of Occupations. Category 1 (top managers involved in policy decisions in medium and large size companies) and Category 3 (professional) occupations are grouped together as comprising the highest broad occupational level, as both categories generally require a university education, or the equivalent thereof. See *ibid.*, p. 19, para. 1.2.

[10] These positions were in the following areas:

Category 1	Vacancies	Expatriates
Government administrators	3	58
General managers	2	206
Other managers	1	40
Postmasters	0	2
Managers (wholesale & retail)	0	28
Managers (hotels & restaurants)	0	9
Category 3		
Accountants & auditors	5	130
TOTAL	11	473

[11] Malawi Government; National Statistical Office, Malawi Statistical Yearbook 1979, table 5.2, p. 28.

## Chapter 1

### Geographical, Historical, Political and Cultural Aspects of the Business Environment in Malawi.

The purpose of this chapter is to examine the geographical, historical, political and cultural features of the environment in which business enterprises operate in Malawi. Such an examination is necessary if we are to understand the managerial culture of the country, and this understanding is in turn necessary for us to understand the problems managers see themselves as facing.

The chapter is divided into three sections, as follows

1. the geographical environment
2. historical and political perspectives, and
3. the cultural environment.

In dividing the business environment in this way, it is not intended to imply that its components are independent: the divisions are made entirely for analytical convenience.

This chapter establishes a base of knowledge and information from which a management education curriculum can be examined with respect to the curriculum's relevance. Some particular aspects of the business environment in Malawi will then have to be examined in greater detail, and the development of the Malawian economy, and the regulation and conduct of management-worker relations, will be so examined in Chapters 2 and 3 respectively.

## 1.1 The geographical environment

Malawi is a small, landlocked republic in eastern central Africa: it is completely surrounded in the south by Mozambique, while in the north it is bordered by its fellow Commonwealth countries of Zambia (to the west), and Tanzania (to the east). (See Map 1.1).

The country is long and narrow in shape, measuring some 840 kilometres (525 miles) from north to south, and only 160 kilometres (100 miles) from east to west at the widest point.

The most striking geographical feature is Lake Malawi, which occupies almost a quarter (24 per cent) of the country's total surface area of 122,652 square kilometres (47,911 square miles, which is somewhat smaller than the size of England alone). Lake Malawi (the third largest lake in Africa, after Lakes Victoria and Tanganyika) is part of the East African Rift Valley system [1], and occupies almost the entire width of the rift valley floor, as a result of which the surrounding land rises sharply away from the lakeshore, which is 500 metres or less above sea level, to plateaux of between 1500 and 2500 metres.

Lake Malawi is drained by the Shire river, which runs south to the Zambezi, which in turn flows east to the Indian Ocean. The Shire valley is the lowest land in the country, with an elevation of less than 200 metres above sea level at the Mozambique border.



Map 1.1 Malawi and surrounding countries



Source: The Times Concise Atlas of the World, 1972, p. 87.

The terrain is also variable in areas not immediately adjacent to the lake. Malawi is a mixture of high plateaux in the northern and central regions, and lower plains in the south; although the southern plains are interspersed with outcrops of higher, harder rock, such as the Mulanje massif and the Zomba plateau. (See Map 1.2)

These topographical features have a marked influence on both temperature and rainfall. Temperature varies inversely with elevation; the following estimates have been made

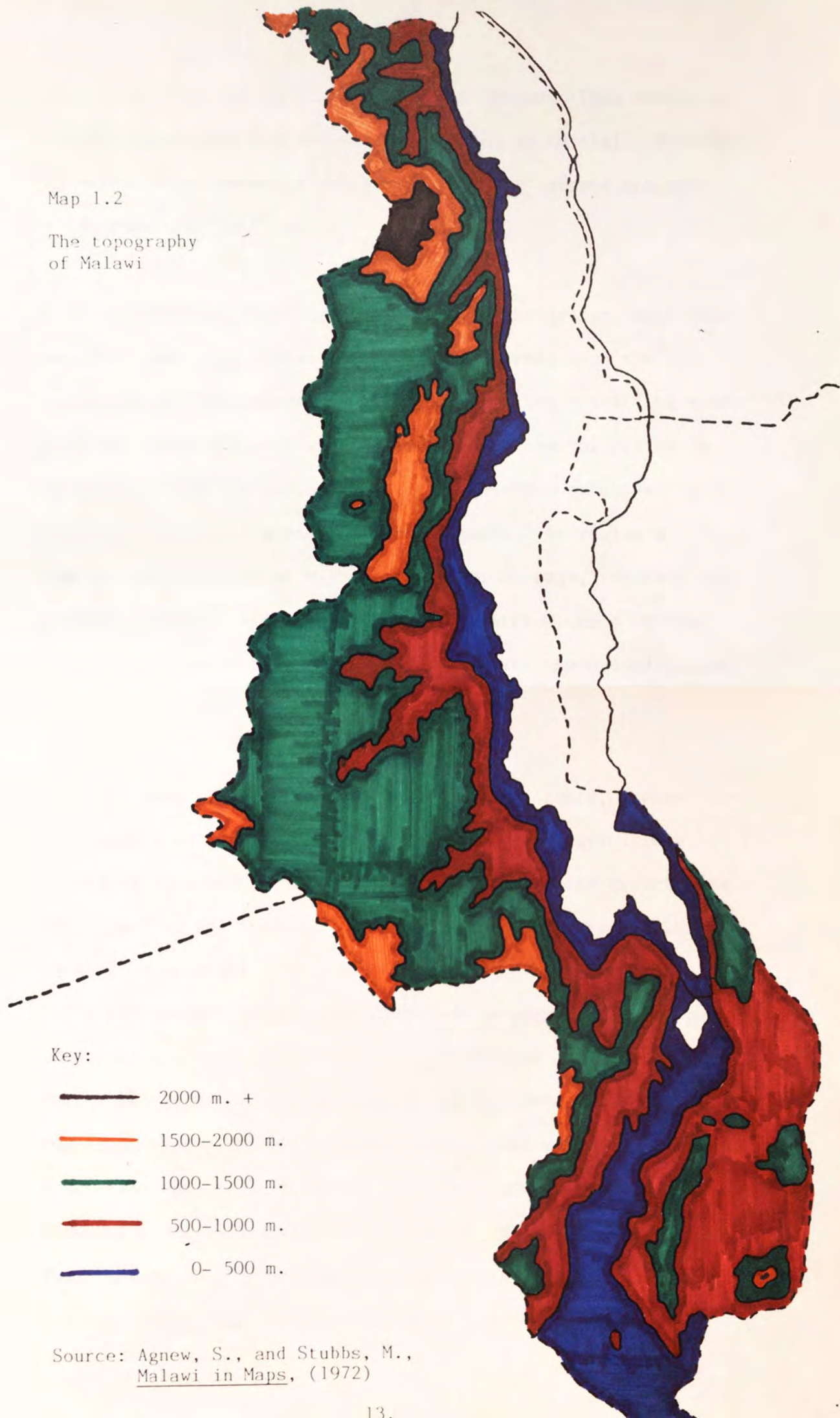
"..... there is a general decrease in temperatures with increasing altitude of about 0.55 degrees centigrade for every 100 metres at night and in early morning, increasing to about 0.92 degrees centigrade for every 100 metres during the hot part of the day ....." [2]

It has also been noted that the lake has its own local effects on temperature which modify the effect of its relatively low altitude. Maximum temperatures on the lakeshore are approximately 5 degrees centigrade lower than at equivalent altitudes on the Zambian border. The lake not only has the effect of lowering temperatures; it also seems to create its own independent thermal system. Isotherms (lines connecting points of equal temperature) would in this area normally be expected to run from east to west, parallel to the equator. However, in the northern and central regions of the country, isotherms run from north to south, parallel to the lakeshore. Only in the southern region, where the lake does not extend, do isotherms follow the expected pattern. [3]

However, despite variations in absolute temperature between regions, variations in temperature between seasons are consistent across regions, with October to January being everywhere the

Map 1.2

The topography of Malawi



Key:

- 2000 m. +
- 1500-2000 m.
- 1000-1500 m.
- 500-1000 m.
- 0- 500 m.

Source: Agnew, S., and Stubbs, M.,  
Malawi in Maps, (1972)

hottest months, and April to August the coolest. This variation roughly coincides with seasonal variations in rainfall, November to March being generally designated the "wet" season and April to October the "dry" season.

Like temperature, rainfall is affected by topography, with the mountains and high plateaux receiving more rain than the low lying plains. The lakeshore, where it faces the prevailing easterly and south-easterly winds which come across the plains of Mozambique from the Indian Ocean, also receives relatively high rainfall. Table 1.1 gives details of rainfall by region and by season: the district of highest altitude, Mulanje, receives the highest rainfall; and the western lake district, much of the shoreline of which faces south east, receives the second highest rainfall despite its low altitude.

Although some areas of Malawi are drier than others, nowhere in the country is rainfall insufficient to support agriculture providing suitable soil is present. The Upper Shire district is the driest in the country, receiving 77.5 centimetres (30.5 inches) of rain per annum, but even here groundnuts are successfully cultivated. Malawi must therefore be regarded as fortunate in having a climate favourable to agriculture: more fortunate than large areas of Angola, Namibia and Botswana to the south and west, where a desert climate largely precludes agricultural production, and more fortunate than large areas of northern Tanzania and Kenya to the north and east, where average rainfall is less than 38 centimetres (15 inches) per annum ( i.e. less than half that of Malawi's lowest rainfall district.)

Table 1.1. Rainfall in Malawi by region and by season

District	Rainfall in inches (a)			Per cent of total rainfall		
	Wet season	Dry season	Annual	Wet season	Dry season	Annual
	Nov - Mar (5 month total)	Apr - Oct (7 month total)		Nov - Mar (5 month total)	Apr - Oct (7 month total)	
Mulanje	63.2	21.0	84.2	75	25	100
Thyolo Highlands	43.3	11.5	54.8	79	21	100
Shire Highlands	43.4	5.9	49.3	88	12	100
Phalombe	34.9	3.0	37.9	92	8	100
Lower Shire	28.1	5.0	33.1	85	15	100
Upper Shire	27.8	2.7	30.5	91	9	100
Nsanje Hills	48.6	14.5	63.1	77	23	100
Namweras	37.2	3.2	40.4	92	8	100
Kirk Range	37.1	4.1	41.2	90	10	100
South West Lake	41.1	4.6	45.7	90	10	100
Central Province	33.5	2.1	35.6	94	6	100
Mzimba	32.0	2.0	34.0	94	6	100
Viphya	43.1	15.9	59.0	73	27	100
West Lake	47.3	24.3	71.6	66	34	100
Nyika	39.4	13.8	53.2	74	26	100
North Lake	36.7	4.1	40.8	90	10	100
Chitipa	35.8	0.7	36.5	98	2	100

(a) seasonal figures are calculated as a percentage of the twelve month total, and may therefore be slightly inaccurate.

Source: Pike, J.G., and Rimmington, G.T., Malawi: a geographical study, Oxford University Press, 1965, reproduced in Agnew, S., and Stubbs, M., Malawi in Maps, University of London Press, 1972, appendix, p.139.

It must be noted, however, that the figures given in Table 1.1 are averages, and that in some years the actual rainfall may have been considerably more or less than this. Such variations can (as will be seen in 2.5.2) have serious effects on the level of agricultural output.

Malawi can also be regarded as fortunate in having much good, fertile soil. In southern Africa as a whole, fertile land is limited; soil is either generally poor or seriously eroded. Malawi, however, possesses fertile sedimentary soils in the lakeshore plains and the Shire valley. It also possesses good plateau soils, particularly suitable for growing tea, in the Thyolo, Mulanje and Nkhata Bay regions, and in the Kasungu and Lilongwe high plains.

This combination of fertile soil and plentiful rainfall makes Malawi a favoured area for agriculture, and it is on these considerable natural advantages that the economy has been built. (This is discussed in further detail in Chapter 2).

Malawi's fertility has not only influenced its economic development; it has also influenced its demographic development. Clearly, fertile land is able to support more people than infertile land, and it is largely for this reason that the population of Malawi is substantially denser than in either the surrounding, less fertile, southern and central African countries, or in Africa as a whole (see Table 1.2). As will be seen (2.2.3), agricultural production by smallholder farmers in the rural areas has been encouraged by the Agricultural Development and Marketing Corporation.

Table 1.2 Population densities for Malawi and the rest of Africa, 1973

Region	Population density (persons per square kilometre)
Africa	11
Southern Africa	7
Malawi	52 (a)

(a) This figure was calculated by taking the 1973 United Nations Demographic Yearbook figure and dividing by total land area. This does not coincide with the U N figure, which calculates density on the basis of total area, and thus includes the lakes as potentially inhabitable areas. If the lakes are included, however, the population density of Malawi is still far higher than the African and Southern African averages, at 40 persons per square kilometre.

Source: Atlas of Africa, Jeune Afrique, 1973.

While Malawi is a favoured region for agriculture, it is almost totally lacking in mineral resources. The only mineral deposits of any significance are of bauxite, and these are to be found high up on the Mulanje massif. As a result of their location, the bauxite deposits are extremely difficult, and potentially very expensive, to reach; and so for the immediate future at least, they are not considered economically exploitable. Furthermore, Malawi has no oil, and so is obliged to import oil and petroleum for transport and industry.

To some extent, however, the economic vulnerability of Malawi's position as an oil importer is offset by its hydro-electric potential, which is estimated to be 1,000 megawatts. At present, only about 30 per cent of this potential has been tapped, and it has been estimated that Malawi will be able to meet its own needs for electrical power until well into the twenty-first century.

#### 1.1.1 Effects on the business environment

How, then, have the geographical features described above influenced the development of the business environment, and the managerial culture, of the country?

Firstly, the absence of mineral deposits has prevented the growth of mining or heavy industry, while the presence of fertile land and a climate conducive to agriculture have facilitated the establishment of various types of agri-business, including the manufacture of cotton products, foodstuffs, and beer. The development of agri-business has been well suited to the needs of Malawi, as the



raw materials are produced cheaply within the country. The Agricultural Development and Marketing Corporation (discussed in Chapter 2) has encouraged the production of a variety of raw materials through purchasing smallholders' surplus crops and thus supplementing the supply available to industry from estate production. [4] In this way industry has been able to develop, taking full advantage of cheap, locally produced raw materials and electrical power, while avoiding high transport costs and long time-lags involved in importing raw materials either by air or by surface across foreign territory.

The Agricultural Development and Marketing Corporation's activities have had a number of other effects on the business environment. The first of these has been educational in nature: it has introduced people to the use of money who would otherwise have had little experience of it. In doing so it has increased the domestic market for manufactured goods, and also laid the foundations of a modern, money using economy in the rural areas.

The second effect of the Corporation's activities has been to bring "prestige" in economic and social terms to the agricultural sector which this sector would otherwise have lacked. In giving smallholders purchasing power, and thus enabling them to buy goods such as bicycles, transistor radios, umbrellas and fashionable clothes, it has removed some of the fascination for "modern" urban life which in other Third World countries has pulled people to the urban areas in excessively large numbers. [5] It has also alleviated some of the poverty of the traditional subsistence sector which has pushed people from the rural areas. In improving the lot of people

in the rural-agricultural sector, the Agricultural Development and Marketing Corporation has, in combination with rigid wage controls in the urban areas, helped to prevent the growth of shanty towns around urban centres in Malawi.

Finally, and most obviously, the Agricultural Development and Marketing Corporation has brought about a rise in agricultural production, without itself needing to make any substantial direct investment in agriculture. By keeping investment in the agricultural sector low, more money has been left available to finance development in other sectors of the economy. (This is discussed further in Chapter 2, where it is shown that investment in agriculture accounted for only 5.7 per cent of development expenditure in the 1965-1969 Development Plan, and 15.3 per cent in the period 1970/1 - 1979/80).

It must be added, though, that while the geographical features described above and the activities of the Agricultural Development and Marketing Corporation have combined to have beneficial effects such as enabling Malawi to avoid some of the problems brought about by large scale urban unemployment, they have also given rise to some problems. In the first place, they have made Malawi highly vulnerable to climatic vagaries. A bad wet season, with insufficient rain, leads to a bad harvest which, because of the agricultural base of the economy, leads to an adverse situation in the Balance of Payments. That this is sometimes the case is demonstrated in Chapter 2. Moreover, it is suggested in Chapter 4 that this situation, in which factors beyond the control of mankind can seriously influence the success of planned economic activity, may lead to a

general lack of confidence in the ability of managers to influence future events by making current decisions.

In addition to this, several practising managers complained that it was difficult to keep a full workforce at harvest time.(4.5.2). Controlled low wages in the urban industrial sector led to it being more profitable for many who maintained contacts (and maybe some land) in their villages, to return to these villages for the harvest, and sell their surplus crops to the Agricultural Development and Marketing Corporation. Thus, at harvest time, unexplained absenteeism rose, causing problems of staff shortages.

While geographical factors may have influenced the development of industry and the business environment in Malawi, they have been by no means the only influences. For example, it has already been suggested that Malawi's relatively high fertility has led to its high population density. This may be true, but fertility alone cannot explain the distribution of population in Malawi. While the north is the least cultivated region, the central and southern regions are roughly equal in the extent to which they are cultivated. Yet Table 1.3 shows that in the period 1911 to 1966 population became increasingly concentrated in the south, while the share of both the central and northern regions fell. [6]

The explanation for this uneven distribution of population lies more in the pattern of colonial settlement than in the relative fertility of the different regions. For this reason, some historical and political analysis is necessary in order to understand the

Table 1.3 Distribution of population in Malawi by region, 1911-1977

Year	Number				Per cent of total			
	Region				Region			
	Northern	Central	Southern	Total	Northern	Central	Southern	Total
1911 (a)	184,322	388,172	397,876	970,370	19	40	41	100
1921 (a)	216,357	468,773	516,853	1,201,983	18	39	43	100
1931	220,284	613,647	739,523	1,573,454	14	39	47	100
1945	286,988	758,468	1,004,458	2,049,914	14	37	49	100
1966	497,491	1,474,952	2,067,140	4,039,583	12	37	51	100
1977	643,485	2,122,010	2,796,326	5,561,821	12	38	50	100

(a) figures are de jure as de facto figures are not available for these years.

Source: 1911-1945; Malawi Population Census, 1966: Provisional Report, National Statistical Office, Zomba, 1966  
 1966, 1977; Population Census, 1977: Preliminary Report; District Population by Traditional Authorities,  
 National Statistical Office, Zomba, 1978.

present distribution of population.

## 1.2 Historical and political perspectives

Before its independence in 1964, Malawi was the British Protectorate of Nyasaland. British involvement in the area began in 1859, when Dr. Livingstone made his first visit. Following this, the Universities' Mission to Central Africa entered the area in 1861, and this was followed in the 1870's by missionaries of the Church of Scotland and the United Free Church of Scotland.

This missionary work opened up the area to other forms of British settlement. In 1878 a group of Glasgow businessmen founded the African Lakes Company to organise transport in and to the area, and to supply the missions, and throughout the 1870's and 1880's British interests were increasing with the arrival of planters and big game hunters. By 1883 these interests were sufficiently substantial to merit the appointment of a British Consul to the area, which was then accredited to the "Kings and Chiefs of Central Africa."

The African Lakes Company, however, wanted stronger intervention than this from the British government. The slave trade had not ceased in the region by this time, and the Company, which was opposed to the slave trade, found itself in conflict with Arab and half-caste traders and their black African allies throughout the 1880's. As a result of this it mounted a political campaign in Britain in 1887 with the aim of influencing the British government to declare the Lake Nyasa region a British sphere of influence. This campaign

was strengthened when, in the following year, the Company was engaged in armed hostilities with Mlozi, a half-caste Arab slave trader in the north of the area.

However, it appears that it was the activity of a rival colonising power, Portugal, in the south, rather than the activities of the slave traders in the north, which finally influenced the British government to declare the Lake Nyasa region to be under the British flag. As a reaction against increasing British presence in the area the Portuguese mounted expeditions into the Nyasa region and, where possible, obstructed British trade. Such obstruction was easily implemented as the main transport link from the Nyasa region to the coast was via the Zambezi, which flowed through the Portuguese controlled area of Mozambique.

By this time the British government was determined not to relinquish its claims in the Nyasa region, and to strengthen these claims it appointed Harry Johnston "British Consul to Mozambique and the Interior" in 1889. By the end of that year Johnston had concluded agreements with the chiefs of the lower Shire, the Shire highlands and the western lakeshore.

In the same year, 1889, skirmishes occurred in the south between local chiefs and the Portuguese, as a result of which the acting Consul, Buchanan, declared the south of the area to be a British protectorate. A subsequent ultimatum was issued by the British government, the result of which was that the Portuguese withdrew their troops and undertook to forego all claims to the Shire highlands. Following this, in 1891, Johnston was appointed Her Majesty's

Commissioner to the British Central African Protectorate, the boundaries of which coincide with what is now Malawi.

The colonial capital of the protectorate was established in Zomba, in the southern region, as this was the area most easily accessible to the transport at that time, which was based on the path of the Shire river. Also for reasons of accessibility, the commercial centre grew up in the southern region, some 60 kilometres away in Blantyre. The concentration of administration and commerce in the south led to its being the area in which most of the employment was created and it was this, rather than the relatively high fertility of the region, which led to the high and increasing population density shown in Table 1.3.

In order to redress the regional imbalances in development a new capital city has been built in Lilongwe in the central region. Lilongwe officially replaced Zomba as the capital on 1 January, 1975, and the employment created in the central region as a result of its development explains why the 1977 census figures show a slight shift in the distribution of population towards the central region.

Neither the establishment of the protectorate nor Johnston's agreements with many local chiefs put an end to opposition to British involvement in the area. Throughout the early 1890's the Yao chiefs in the south, who collaborated with the slave traders, resisted Johnston's attempts to abolish the slave trade. The strength of this opposition was such that it was not until the end of 1895 that Johnston led forces that finally overcame Mlozi (with whom the

African Lakes Company had had armed skirmishes seven years earlier, in 1888) in the Karonga area, and effectively eliminated the slave trade in the protectorate.

Although the elimination of the slave trade did not immediately end opposition to the British presence, the scale and intensity of the opposition declined, and when in 1907 it was felt that the British presence had been established as a long term feature, the government consolidated its position by renaming the area the Nyasaland Protectorate, and replacing the post of Commissioner with that of Governor, thus strengthening its formal control in the area.

The next issue of major and longstanding importance which arose in Nyasaland was that of amalgamation with the Rhodesias. This was at the heart of political controversy from the 1920's, when the idea was first mooted, to the early 1960's. Amalgamation was favoured by white settlers in Nyasaland, as it was seen as a means by which they could further consolidate their position. However, it was opposed by blacks and their white liberal supporters, as conditions to the south of Nyasaland were known to be harder for blacks, who had for some time been migrating there to find jobs (by 1958 there were an estimated 170,000 Nyasalanders working abroad - more than 5 per cent of the estimated total population). It was feared that amalgamation with the Rhodesias would lead to conditions obtaining for blacks there being reproduced in Nyasaland.

In 1939 the Bledisloe Commission reported that an amalgamation of the Rhodesias and Nyasaland was inadvisable, and ten years later, in 1949, the settlers modified their aim from amalgamation to federation. The vehemence of black opposition to any policy to



connect Nyasaland with the Rhodesias did not decrease with the modification of the whites' demands, but despite this the British government in 1951 accepted the desirability of federation, and in 1953 established the Federation of Rhodesia and Nyasaland.

By this time, however, the black population had a national body to articulate its views. The body, the Nyasaland African Congress, was formed in 1944 from a number of local associations concerned with African welfare and advancement. It was a rather weak body, however, being poorly organised and divided by tribal rivalries. Furthermore, formed as it was on the rather nebulous concepts of "welfare" and "advancement" it lacked a strong, unifying sense of purpose.

Where possible, the Nyasaland African Congress took advice from Dr. H. K. Banda, a native Nyasalander who had left the country as a boy for South Africa, and subsequently undertaken medical training in the United States of America and in Scotland, and was then in a medical practice in London. So poorly organised was the Congress that it was only through a donation of £200 by Dr. Banda that in 1953 it was able to employ two organising secretaries.

Ironically it was the Federation, which was intended to consolidate the whites' position, which gave the Congress the unifying purpose it had previously lacked, and it formed a coherent policy of non-violent opposition.

From the mid-1950's Congress became more radical. Young activists, headed by H. B. M. Chipembere and Kanyama Chiume, were beginning to

demand self-government and universal suffrage, and this movement quickly gained popular support. Chipembere and Chiume, however, acknowledged that they lacked the age and experience to lead their people, and that an older, charismatic leader who would be acceptable to the mass of the population was needed. (This acknowledgment reflects traditional African cultural values, which will be returned to later). So Congress called on Dr. Banda to return to Nyasaland as its leader. This he did in 1958 and mounted a vigorous campaign to break the Federation. Although this campaign was non-violent, clashes between nationalists and colonial officials nevertheless arose, and between February 20 and March 19, 1959, 51 people were killed and 79 wounded, all of them black. [7] It was as a result of this that a state of emergency was declared in March, 1959. Under the conditions of the declaration the Nyasaland African Congress was banned and its leaders, including Dr. Banda, were imprisoned.

This attempt by the colonial government to re-assert its authority was not sufficient to stifle nationalist feeling, however, and six months later, in September, 1959, a group of prominent Nyasalanders (led by Orton Chirwa, Nyasaland's first African lawyer) who were not in prison founded the Malawi Congress Party to replace the banned Nyasaland African Congress. The new party gained popular support at once, enlisting several thousand members in the first two weeks. [8]

By now the British government realised that it could not maintain control in Nyasaland except by force of arms, and it was decided that it was in this case preferable to relinquish control altogether. So in April, 1960, Dr. Banda was released from prison and invited to

London to discuss independence.

Also in 1960 Nyasaland was granted a constitution which allowed partial self-government. Elections were held in 1961 in which the Malawi Congress Party won a landslide victory, and by 1962 Dr. Banda had established himself as de facto prime minister, a position that was regularised in 1963 by a constitutional amendment. The country was granted full independence on July 6, 1964, with Dr. Banda as its leader.

It has been suggested that the continued presence of Dr. Banda as the leader of the party (and the country) was not in accordance with the original plans of the leaders of the Nyasaland African Congress who asked him to return. [9] Nevertheless Dr. Banda, through a combination of personal charisma, popular appeal and ruthlessness in dealing with his opponents [10] succeeded in establishing himself firmly as leader not only of the fight against Federation but also of the newly independent Malawian nation.

After overcoming initial opposition from some of his ministers in the first year of independence, Dr. Banda consolidated his position as leader of the party and the nation in October, 1965, when the Malawi Congress Party accepted the Republic Constitution. It has been noted

"There was no referendum on the new constitution, nor was an election held before Malawi became a republic .....

The first President was chosen by the National Assembly, and to the surprise of no-one, Dr. Banda was selected ..... on July 6, 1971, at the end of his first five year term, he was sworn in as Life President of the Republic." [11]

The 1966 constitution, establishing Malawi as a "sovereign democratic republic" also formally established Malawi as a one-party state. Although this had been the de facto position since before independence, its inclusion in the constitution was another step in the consolidation of Dr. Banda's power.

Although a one-party system may be anathema to democracy in the liberal democratic tradition, it has been suggested that a measure of democracy may exist if real competition within the one party is possible. [12] In Tanzania, President Julius Nyerere argued that the multi-party system virtually disfranchised voters in the majority of constituencies, as members of the ruling Tanzanian African National Union party (TANU) were returned unopposed. The introduction of the one-party system, he said, would give voters a choice within the party which they did not previously have, and would encourage livelier discussion within the national assembly.

It has also been noted that in Zambia

"The practice of choosing between three UNIP (United National Independence Party) sponsored candidates affords the voter more choice than formerly. Under the previous multi-party system, voter orientation seemed to adhere more strongly to party labels than to individuals." [13]

It would be difficult to make the same case for Malawi, however. Not only does Dr. Banda vet all candidates for election to the National Assembly, he also, since 1968, has the power to appoint an unlimited number of people to cabinet positions. While it is not necessary for such selected ministers to be elected members of the National Assembly, such people become, ex officio, members of the Assembly. Similarly, the President can dismiss any person, elected or selected, from ministerial office. Finally, the President's power is further enhanced by his ability to appoint himself to any cabinet office he

chooses.

In practice, Dr. Banda does not hesitate to exercise these constitutional powers in any way he sees fit. Even in 1964, before his power was completely consolidated, he retained for himself six ministerial portfolios in the independence cabinet: in 1980 he held six different portfolios. Cabinet reshuffles on a large scale are commonplace: in January, 1982 it was reported

"The President of Malawi, Dr. Kamuzu Banda, has announced a cabinet reshuffle in which five ministers were dropped and three appointed." [14]

Dr. Banda's power is so complete that it has been said

"In practice the National Assembly has been little more than a rubber stamp for legislation and a forum for adulatory speeches praising his (Dr. Banda's) accomplishments." [15]

It has also been stated elsewhere that Dr. Banda has succeeded in reducing the position of the National Assembly to one of "sycophantic impotence." [16]

In that Dr. Banda has succeeded in eliminating political competition in Malawi it may be said that his regime is not democratic in either the liberal or the one-party sense. He has not, however, succeeded in eliminating opposition altogether. There are three political groups operating in exile whose aim it is to overthrow him.

The first of these is the Congress for the Second Republic, based in Dar es Salaam (Tanzania) and led by the former Minister for External Affairs and young radical of the Nyasaland African Congress, Kanyama Chiume.

The second is the Malawi Freedom Movement (known as MAFREMO), which is a left wing group led by the former Minister of Justice and founder member of the Malawi Congress Party, Orton Chirwa. MAFREMO is also based in Dar es Salaam, and claims to have wide support in Malawi. It has been reported that Mr. Chirwa and his wife were captured on 24 December, 1981, while making a secret visit to Malawi. [17] However, the MAFREMO organisation has claimed that the Chirwas were abducted from the Zambian border town of Chipata by Dr. Banda's forces. The same article that reported the Chirwas' capture went on to say

"Exiles have been dealt with even more ruthlessly. In 1979 the leader of LESOMA (the Socialist League of Malawi), Dr. Attati Mpakati, had his hands blown off by a parcel bomb in his office in Maputo. Dr. Banda later claimed credit for the assassination attempt."

LESOMA, the popular name for the Socialist League of Malawi, is the third of the exiled anti-Banda political groups, and is based in Maputo (Mozambique). It has claimed support from Cuba and the USSR [18], and in 1979 its leader, Dr. Mpakati, claimed it had about 15,000 active supporters, both in Malawi and in exile. [19]

Dr. Mpakati was shot dead in Harare (Zimbabwe) in March, 1983, and LESOMA accused Malawian government agents of his murder. While the Malawian government did not admit responsibility for Dr. Mpakati's death it should be noted that several Malawians were arrested in Zimbabwe in connection with the incident. [20]

Shortly after the death of Dr. Mpakati, in May, 1983, two prominent members of the Malawian cabinet, Mr. Dick Matenje and Mr. Aaron Gadama (who were respectively Secretary General of the Malawi Congress Party and Minister for the Central Region) died in Malawi

in mysterious circumstances. No official explanation was given for the deaths, but it was reported in the Times of Zambia

"There is strong reason to believe that the two men must have met their deaths at the hands of paid agents.

As MCP (Malawi Congress Party) chief Mr. Matenje was more or less number two man in Malawi. He could not therefore disappear even for a minute without the country knowing." [21]

In addition to these two deaths it has further been stated

"..... reports circulating in Malawi have it that fifteen prominent people from all walks of life have disappeared following the deaths of Matenje and Aaron Gadama. As if this were not enough Mr. Matenje's young brother has also been reported to have died in a car 'accident' while returning from his brother's funeral." [22]

Despite the opposition in exile, and occurrences within the country which we would expect elsewhere to lead to open criticism, Dr. Banda's position in Malawi appears unassailable, and it seems likely that he will continue to dominate Malawian politics for the rest of his life.

#### 1.2.1 Effects on the business environment

The history of colonial settlement and the development of the post-independence political regime described above, have both been influential in shaping the business environment and managerial culture of the country.

The presence of a colonising power removes from the indigenous population the possibility of exercising substantial control over its own future. Decision making authority is assumed by a body which bases its decisions largely on considerations external to the needs of the colony itself: thus decision making is, from the point of view of the indigenous population, a very remote activity.

This remoteness was accentuated by the establishment of the Federation of Rhodesia and Nyasaland, which resulted in much administrative and political authority being removed from Nyasaland and concentrated in Salisbury. (Salisbury [now Harare] was, as well as being the capital of what was then Southern Rhodesia [now Zimbabwe], the federal capital).

One aspect of this centralisation of power was that the budget for the development of the transport system came under federal, rather than regional, control. Because the Rhodesias were rich in mineral deposits and Nyasaland was not, there was seen to be very little justification for allocating more than a token amount to the development of transport in Nyasaland. This meant that any development which did take place in the protectorate had to make use of existing transport facilities, which were more complete in the southern region than elsewhere. Thus the establishment of the Federation may be seen not only to have retarded the growth of the transport network, but also to have reinforced the imbalances in regional development and population distribution mentioned above.

Malawi's lack of mineral resources and the colonial regime also combined to influence the development of the business environment in a different way.

Firstly, the absence of mineral resources led to a relatively small industrial base being established in the Nyasaland protectorate. In 1964 mining, manufacturing and quarrying together accounted for only 9.4 per cent of gross domestic product at factor cost: in the



same year in Zambia, Malawi's western neighbour, which has plentiful deposits of copper, the same sector of the economy accounted for 53.6 per cent of gross domestic product at factor cost. Also in the same year agriculture, which accounted for only 11.5 per cent of Zambia's gross domestic product, accounted for 57.2 per cent in Malawi. [23, 24]

Although precise employment figures are not available for the year of independence, it will be clear that employment in the industrial sector will have been limited compared to industrial sector employment in countries with substantial mineral resources. This in turn means that it is likely that a higher proportion of wage earners in Malawi will have been engaged in non-industrial employment than in countries with significant mineral deposits.

In Malawi, as is implied above, it is likely that a high proportion of wage earners would have been engaged in agriculture. But this has an important implication. It means that, at the time of independence, there were probably very few Malawians who had any experience of industrial organisation at all. Such Malawians as were engaged in administrative posts were engaged by the British colonial government. Thus it is very unlikely that there was any stock of experienced industrial managers and administrators among the indigenous population in 1964, and those Malawians who had administrative experience had gained it in a very bureaucratic environment, that of the colonial administration. [25]

This has contributed substantially to the highly bureaucratic nature of the business environment in Malawi today. Several senior

expatriate managers spoke of "red tape" or "the civil service mentality" (which are taken to be popular synonyms for bureaucracy) prevalent in Malawian business enterprises, and personal observation during my researches supports these impressions.

However, the bureaucratic background of the indigenous population with administrative experience at the time of independence is not in itself sufficient to explain fully the bureaucratic traits observable in Malawian management today. Two other factors have also been influential.

Firstly, bureaucracy provides the manager with a stable working environment. It sets down clear guidelines relating to his activities and responsibilities within the organisation, and establishes for him frameworks within which he is able to make decisions. As the manager's experience of industrial management is likely to have been at best limited (and at worst, non-existent) it is also feasible to assume that he would have welcomed a bureaucratic structure which eliminated much of the uncertainty in his unfamiliar environment, and so provided him with a feeling of enhanced security.

Secondly, the desire for a structure that removes from the individual the chance to exercise initiative and enables him to avoid responsibility is likely to have been reinforced by the political environment in which indigenous managers have grown up. President Banda has never allowed any individual to gain enough power to be a threat to him, nor has he ever tolerated any criticism of his regime or questioning of his decisions. In the political sphere

it has not been uncommon for public figures to be removed from their positions when the President considers they have become too popular or too powerful: and no important decision is ever taken, or important speech made, without the prior approval of Dr. Banda.

The President's power of censure is not confined to prominent public figures. Through his security forces, particularly the Malawi Young Pioneers [26] he keeps a check on any opposition. One Malawian interviewee (whose anonymity must obviously be preserved) who had been held for several months as a political prisoner, although no formal charges were ever brought against him, insisted on recounting his experience in only vague detail and in total privacy. Ironically, the over-zealous public figure responsible for the interviewee's internment has since been executed himself, as he was seen to gain too much influence. The interviewee was not, at the time of his imprisonment, and still is not in any way a political or public figure.

The police, the armed forces and the Malawi Young Pioneers are constantly on the lookout for people who commit such crimes as "spreading false rumours" [27] or being "confusionists." [28] Such "false rumours" and "confusion" are often not elaborated upon, but it is widely held that they comprise suggestions that party policy (and hence, Dr. Banda's policy) is in some way sub-optimal or wrong. The expression of individual opinion is thus discouraged at all levels in Malawian society by fear of reprisals.

As the expression of individual opinion and the exercising of individual initiative are similar in nature, it may be that the

denial of one implies the suppression of the other, so that the individual whose opinions are stifled is also reluctant to exercise discretion if he can avoid it. He thus seeks the safest way to make decisions, and so embraces bureaucracy willingly, as its rules and procedures remove the burden of personal responsibility from him. The only mistake he can make is to misapply the established rules, and he minimises the chances of doing this by adopting a deliberate and meticulous - if rather pedestrian and uninspired - approach to his work.

The desire not to exercise initiative (which may be positively stated as the desire to avoid responsibility) is reflected in the observations of several senior expatriate managers, who noted among their Malawian subordinates a tendency to bring problems to their superiors which they should really have been able to solve for themselves. In Chapter 4 it will be seen that a substantial proportion of managers stated their aversions to taking decisions without clearly defined rules and procedures, and considered any activity which took place outside a specific procedural framework problematical.

It can thus be seen that the history and politics of Malawi have affected the development of the business environment, and in so doing have influenced the Malawian managerial and administrative culture. It has to be added that to some extent the features of Malawian management described above have been influenced by the indigenous traditional culture, and so it is to a description of the cultural environment that we turn our attention now.

### 1.3 The cultural environment

Culture is a very difficult concept to define. There have been many attempted definitions, emanating from different anthropological schools of thought, but we have no universally accepted definition, nor even a reasonably detailed conceptualisation, of culture. The content, the purpose, and the levels of culture are regarded in different ways by different theorists, in accordance with their specific areas of interest and concern. In terms of content, the culture of a given society may embrace moral values, religious beliefs, upbringing of children, organisation of economic activity, music, architecture, and many other spiritual, social, and material artefacts. In terms of purpose, culture has been variously regarded as a social process for satisfying human needs (functionalism); a mechanism for the transmission of knowledge which contributes to the stability of social organisation (structural-functionalism); or a system of social norms which result from the interaction between human societies and their environments (ecological-adaptationism). In addition, some theorists are concerned with identifying common cultural features present in diverse societies (e.g. structuralists), while others concentrate on the examination of specific cultures over time, or with the differences in cultures across societies (historical-diffusionists). In terms of levels, theorists concerned with the dynamics of change are interested in sub-cultures, or even counter-cultures, in a society.

The various ideas regarding the content, purpose, and levels of culture are not necessarily mutually exclusive, but reflect difference in emphasis. If one's prime concern is with moral values,

one is not compelled to deny that buildings are part of culture - one is simply attributing more significance to moral values than to architecture. Similarly, if culture's importance in adapting to the rest of the environment is stressed, it does not mean that culture may not also be satisfying human needs. Finally, a concentration on the differences among sub-cultures does not exclude the possibility of common cultural characteristics. However, in order to provide a working definition of culture for use in this thesis, a commitment to one or more of the schools of thought which deal with culture is needed. The criteria on the basis of which such a commitment can be made must come from the nature of the research itself.

This thesis is primarily concerned with formal management education, and the contribution this can make to the development of a managerial sub-culture in a transitional society. The two principal emphases here are on learning and change, thus there is a natural tendency to accept the priorities of schools of thought which deal with culture as an adaptive body of knowledge which relates society and the environment. So, in the analysis and recommendations of this thesis, culture is viewed as a shared body of knowledge comprising values, beliefs, and norms, which enable the individual both to interpret his environment and shape his behaviour in such a way that it is comprehensible and acceptable to others who share the same culture. This is broadly consistent with the views of the Cognitive school of thought. In this thesis, culture as a system of values, beliefs, and norms is also treated as both a resultant and an instigator of environmental change. Culture is acquired by individuals through a process of socialisation of which formal education is a part. Individuals contribute to cultural change through the subcultures they can influence. As the relationship between a society and its



environment changes, so culture may also change. This view of the reciprocal relation between a society and its environment via culture is broadly consistent with the Ecological-Adaptationist school of thought [29] and not inconsistent with the Cognitive school.

Values, beliefs, and norms can be shared by members of the same nation, tribe, class, religion, profession, organisation, et cetera. This may, or may not, create problems for the individual. If the values, beliefs, and norms of all the groups of which the individual is a member are mutually supportive, and if the individual identifies with them, then he is unlikely to experience difficulties because of his multicultural membership. If there is a clash between the values, beliefs, and norms of two or more groups to which the individual belongs, then significant problems may still not arise if the sub-cultures concerned are characterised by tolerance for pluralism. Members of a society which tolerates pluralism are likely to be relatively well equipped to deal with ambiguities and conflicts between the values, beliefs, and norms of the various sub-cultures. However, in a society characterised by rigidity and intolerance, members will be less well equipped to deal with ambiguities and conflicts.

It seems that Malawi, with its monolithic system of government (1.2) and its concentration on law and order, is unlikely to engender in members of its society a capacity to live easily with what, in the language of organisational theory, is referred to as role ambiguity and role conflict. But, as shown throughout this thesis, the environment of Malawi is changing, and some of the cultural characteristics of the nation do not seem to fit easily the environ-

mental changes taking place in certain sectors, particularly in industrial and commercial development. At the moment, it is argued, many Malawian managers do face a conflict between the values, beliefs, and norms of traditional African culture and those of Western culture. Some important examples of such conflicts are given below.

### 1.3.1 Malawian - Western culture conflicts

In traditional African society organisation is simple: the village headman allocates land to villagers and settles such land disputes as may from time to time arise. However, responsibilities relating to the use of land are highly complex. In the first place, neither the headman nor the villagers own the land: land is only of value if it is cultivated, and so the villager only keeps his rights to the land allocated to him as long as he cultivates it. He has a responsibility to other villagers to cultivate it, for if it is allocated to him it cannot be allocated to them. If for any reason the villager leaves his land, therefore, he has no automatic right of return to it. This responsibility is not only to other villagers, however; Pachai says of the land in traditional Malawian society

"The dead chiefs had an interest in it, the living chiefs had an interest in it; the occupants had an interest in it and the unborn generations had an interest in it." [30]

It is the strength and extensiveness of responsibilities relating to the use of land that lead Pachai to describe it as

"..... a sacred unit of traditional life." [31]

Thus in his everyday work the traditional villager is engaged in fulfilling a complex and extensive set of obligations to past, present, and future generations.

In traditional society the villager also has wide ranging family obligations. His responsibilities are not only to himself and his



immediate family (i.e. wife, or wives, and children) but also to all members of his own and his wife's (wives') families. For example, a man whose wife's sister's husband is taken ill or dies may bear at least part of the responsibility for the welfare of his sister-in-law and any children she may have.

Thus in the traditional system work is not carried out solely for the benefit of the individual and his immediate family: it is carried out in order that the individual may fulfil his manifold traditional responsibilities to his society past, present and future and to his extended family.

In the industrial capitalist sector life is very different. The economic structure is far more complex, while the individual's responsibilities are much simpler. When an individual takes a job for wages, he undertakes to work specified hours at or above some (usually objectively) defined level of performance, in return for which he is given money. He has no responsibilities to his employers outside the workplace, and even in the workplace there is no question of his being obligated to past or future generations of employers. Furthermore, he moves to a culture in which normal familial responsibilities are limited to the immediate family, and his responsibilities to his own extended family are not taken account of.

The urban migrant may, however, find himself in difficulties if members of his extended family presume that his obligations to them still obtain. These difficulties may arise both within and without the workplace. The following extract from an interview I had with a senior expatriate manager highlights the sort of problem that can arise outside the workplace, but which may nevertheless

be a disincentive to the individual to gain advancement, thus increasing the complexity of the problem of motivating Malawian managers:



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The absence of the medium of writing is a great barrier to education. Firstly, it limits the geographical range of the teacher, and so limits the number of pupils with whom he can communicate. But there is also a barrier to those pupils with whom he has face to face contact, as they have no means of recording what they are taught outside their memories. Thus the acquisition of knowledge is largely an experiential process: the individual may retain some of what he is told by people who know more, but most of the sum of his knowledge will be acquired through his own experience. It is as a result of this that knowledge is associated with age in traditional societies: those who have lived the longest have had the greatest experience. For this reason status is directly related to age, with the older, wiser members of society enjoying deference from the young. In Malawi this is reflected in the fact that the Chichewa word for "old" is the same as the word for "big" (wamkulu), and similarly, the word for "young" is the same as the word for "small" (wang'ono).

Modern literate society is very different. Knowledge can be acquired by different individuals at vastly differing rates, because now the rate of acquisition can be determined by individual ability and enthusiasm, and not solely by the occurrence of events on which practical experience is based.

In the traditional, collective, non-literate system it would be difficult to avoid acquiring knowledge through experience. In the modern, individualistic, literate system however, people can fail to acquire knowledge through lack of ability, or avoid acquiring it through lack of enthusiasm. Therefore in the modern system it is necessary to have some measure of how much knowledge the individual has acquired, and this measure takes the form of qualificat-

ions. As soon as qualifications are introduced it is possible for the young person to be formally in possession of more knowledge than his elders. Thus respect for age, while not necessarily eliminated, may be seriously eroded by the transition from a non-literate to a literate culture.

This traditional attitude towards age reinforces what was described above as a "civil service mentality". One senior expatriate manager noted that length of service was frequently employed as a criterion in making decisions about promotion, and interpreted this as a reflection of civil service promotion criteria [36]. This it might well have been, but it should also be noted that the principle of promotion on the basis of length of service is also essentially similar to the principle of seniority on the basis of age. It can be seen from this that it may be difficult for more than one reason to promote someone young on the basis of merit alone to a position senior to that of someone older and/or more experienced in the company who is less competent. The senior manager quoted above who complained of the use of length of service as a promotion criterion was, at the time he was interviewed, involved in making a promotion decision within his department. He wished to make his decision on the basis of merit alone, but was unsure whether he would be able to, as the candidate he felt was most competent was not the longest serving, and he anticipated his appointment leading to a great deal of resistance from, and friction within, the rest of the department.

The traditional attitude to age outlined above also leads, paradoxically, to a higher proportion of managers who wish to avoid using their individual discretion nevertheless expecting that promotion will come to them as a matter of course. It will be seen in Chapter 4 that the junior managers questioned consistently expected to

be promoted, in many cases to a very senior level, but that senior managers often considered their expectations to be unrealistic.

### 1.3.2 Hofstede's work-related values

The examples given above provide useful insights into how values and beliefs may conflict between traditional and Western industrial cultures, and cause problems for the individual who is caught between both cultures. It is possible to go further than this, and evaluate culture within a more rigorous framework which enables us to compare different cultures with reference to specific values. Such a framework has been developed by Hofstede, whose work is of particular relevance here as he is concerned with the examination of work-related values.

In a recent book, Hofstede presents an analysis of over 116,000 questionnaires, gathered principally from respondents employed in the same organisation, in 40 countries [37]. The book "aims at being specific about the elements of which culture is composed" and to this end it "identifies four main dimensions along which dominant value systems in the 40 countries can be ordered and which affect human thinking, organisations and institutions in predictable ways." [38]

These four main dimensions are described below, with reference to some of the characteristics of each cited by Hofstede. Although Hofstede's questionnaire and methodology were not used in this research, it is nevertheless possible to conduct a qualitative evaluation of Malawi in terms of Hofstede's work-related values, and this is done below.

### 1.3.2.a Power-Distance

The Power-Distance dimension describes the extent to which inequality is accepted in a society. Human inequality is regarded as a basic fact of human existence, but it is noted that different societies cope with this fact in different ways. Hofstede notes that among both non-literate and modern societies "the general conclusion... is that stratification systems are extremely culturally dependent and that we should be very careful about extrapolating experience from one culture or subculture to another." The basic distinction drawn in his study is between societies exhibiting low Power-Distance and those exhibiting high Power-Distance (although the score is actually measured on a continuum).

Because Power-Distance is a societal attribute, it is a measure not only of the extent to which superiors try to maintain the gap in authority between themselves and their subordinates, but also of the extent to which subordinates themselves accept this gap and support it. With reference to Power-Distance, Hofstede writes:

"In work organisations, we find that managers model their decision-making behaviour in accordance with these values, and that subordinates feel more comfortable with managers who correspond to the model." [39]

It is suggested here that Malawi is characterised by a relatively high measure of Power-Distance. Table 1.4 shows some of the features associated with high Power-Distance societies by Hofstede, together with references in this research which concur with Hofstede's findings.

High Power-Distance also has implications for education, which will be discussed in Chapter 6.

Table 1.4 Power-Distance characteristics

<u>Characteristic</u>	<u>Thesis reference</u>
Tropical & subtropical climate	1.1
More traditional agriculture, less modern industry less urbanisation	2.1, 2.2, 2.3.1
Less national wealth	2.1
Political power concentrated	1.2, 2.4, 3.2
History: occupation, colonialism, imperialism	1.2
Teachers are omniscient teaching is one-way	6.4.1
Less questioning of authority in general	6.4.1
Limited or non-existent labour unions	3
Tall organisation pyramids	4.1, 4.4, 4.5



### 1.3.2.b Uncertainty Avoidance

Uncertainty Avoidance arises because "a basic fact of life is that time only goes one way." We are all the time heading for the future, and we know we shall be affected by it, but we can only ever actually experience the present: thus we inevitably exist in a state of continuous uncertainty. Different societies have developed different ways of accommodating uncertainty:

"Ways of coping with uncertainty belong to the cultural heritage of societies and they are transferred and reinforced through basic institutions like the family, the school, and the state. They are reflected in collectively held values of the members of a particular society." [40]

Leaving aside the particular ways in which societies accommodate uncertainty, a basic distinction can be drawn between those societies which are highly averse to uncertainty, and those which show a greater willingness to accept uncertainty and risk.

It is suggested here that Malawi has a high Uncertainty Avoidance index, and Table 1.5 lists some of the features Hofstede associates with high Uncertainty Avoidance, together with references in this research which seem to concur with Hofstede's findings.

The educational implications of high Uncertainty Avoidance will be examined in Chapter 6.

### 1.3.2.c Individualism

Man is regarded as a fundamentally social animal, but one who is nevertheless imbued with a degree of inherent self-interest. The balance between social- and self-interest varies between societies, with some placing a high value on individualism, while others have a more collective orientation.

Table 1.5 Uncertainty Avoidance characteristics

<u>Characteristic</u>	<u>Thesis reference</u>
Beginning modernisation; high rate of change in society	2.1
Higher average age in higher level jobs; gerontocracy	1.3.1
Less achievement motivation	4.1.3, 4.1.4
Managers less willing to make individual and risky decisions	4.1.1, 4.3.2
History: inheritance of developed system of legislation	1.2
Hierarchical structures of organisations should be respected	4.5
Preference for clear requirements and instructions	3.4, 4.1, 4.3
Need for written rules & regulations	3.4, 4.1, 4.3
Company rules should not be broken	1.2.1, 4.3.2
Lower tolerance for ambiguity in looking at own job	4.3

The basic distinction here is between societies in which the norm is highly individualistic, and societies which are characterised by a low degree of individualism. It is suggested here that Malawi is characterised by a relatively low degree of individualism, and Table 1.6 cross-refers this research to some of the features Hofstede associates with societies exhibiting a low Individualism index.

#### 1.3.2.d Masculinity

"In a strict sense, only behaviours directly connected with procreation are 'feminine' or 'masculine'. Yet every society recognises many other behaviours as more suitable to females or more suitable to males; however, these represent relatively arbitrary choices, mediated by cultural norms and traditions.' [41]

However, within societies it seems to be typically the case that males take on more active and authoritative roles, while females adopt more passive and submissive roles. Thus, Hofstede makes the following generalisations:

"The common pattern of male assertiveness and female nurturance leads to male dominance in matters of politics and, usually, of economic life."

and

"Male behaviour is associated with autonomy, aggression, exhibition, and dominance; female behaviour with nurturance, affiliation, helpfulness and humility." [42]

At the societal level, Hofstede seeks to measure to what extent the total society, on average, leans towards masculinity (assertiveness, aggression, et cetera) or femininity (nurturance, affiliation, et cetera).

Little evidence emerged in this research to suggest a strong leaning towards either masculinity or femininity in Malawi. There

Table 1.6 Characteristics of low individualism

<u>Characteristic</u>	<u>Thesis reference</u>
Emotional dependence on company	4.4.1
Managers aspire to conformity	4.1
Extended families & clans, offering protection in exchange for loyalty	1.3.1
Collectivity orientation	1.3.1
Less economic development	2.1
Tropical & subtropical climates	1.1
More traditional agriculture, less modern industry, less urbanisation	2.1, 2.2, 2.3.1
Unbalanced political power systems	1.2, 3.2
Income inequality between sectors of the economy	2.3, 2.5
Less press freedom	1.2.1
Employees expect organisation to look after them like a family	4.4.1
Promotion on seniority	1.3.1

was a limited concurrence between the way in which Hofstede characterised low Masculinity countries, possibly indicating that the Masculinity score for Malawi would not be high. This is shown in Table 1.7.

#### 1.3.2.e Seddon's findings

Recently, evidence has been presented which lends support to the qualitative appraisal of Malawi given above. Using Hofstede's questionnaire and methodology, Seddon conducted a survey of Nigeria and Kenya. The results of this survey, together with a summary of Hofstede's findings for the United Kingdom and the United States of America, are shown in Table 1.8.

#### 1.3.3 Cultural differences and the transferability of western management concepts and values.

The evidence presented in this and the following chapters suggests that the national cultures of African countries, measured in terms of Hofstede's four work-related values, are generally different from the national cultures of the industrialised nations. The African countries analysed scored higher on Power-Distance and Uncertainty Avoidance, lower on Masculinity and Individualism, than the U K or U S A.

Management ideas which arise out of Western cultural environments, because of the internal consistency of the various facets of culture, are likely to embody western national cultural values. Thus when management ideas of western origin are super-imposed onto a national culture embracing different (work-related) values, it is likely that the individuals required to implement those ideas will experience what is described above as role conflict. Perhaps this is what led Seddon to observe, with respect to Western biased manage-

Table 1.7 Characteristics of low Masculinity

<u>Characteristic</u>	<u>Thesis reference</u>
Weaker achievement motivation	4.1
People orientation	1.3.1
Less industrial conflict	3

Table 1.8

Estimates of work related values in Malawi, compared with values recorded in Kenya, Nigeria, United Kingdom and United States of America.

Value	Hofstede		Seddon		Jenkins
	U K	U S A	Nigeria	Kenya	Malawi
Power-Distance	Low	Moderate	High	High	High
Uncertainty Avoidance	Low	Low	Moderate	Moderate	High
Individualism-Collectivism	Individual	Individual	Collective	Collective	Collective
Masculinity	High	High	Moderate	Low	Not High

Source: adapted from Seddon (1985), table 2, p. 6; and

Hofstede (1980), p. 49.

ment training in Africa

"... the Africans simply did not consider it 'normal' to behave in the manner being trained." [43]

while Mendoza has commented that, with respect to the cultural specificity of management practice

"... what may be a 'principle' in the west is not necessarily a principle elsewhere." [44]

It is clear from the above discussion that the influence of national culture on the transferability of management concepts and practice, and hence the development of a managerial culture, is both important and complex. It seems that Malawi may have chosen to embark on a path of economic development which depends on values not embodied in the national culture: managers in this environment are therefore likely to suffer the discomfort of role conflict, and this is reflected in the results of this research which indicate a strong tendency towards Uncertainty Avoidance.

Given the cultural differences cited above, and the definition of culture used, there is no reason to suppose that Malawi will necessarily develop culturally in the same way as the Western industrial nations. However, it is the case that the environment of Malawi is changing; and as culture arises out of the relationship between a society and its environment, it may be that, through a reciprocal process, Malawian culture will also change, and a managerial culture, different from those of the West, but more or less consistent with the changing national culture, will emerge.

The purpose of this research is to examine how education can assist in the development of such a managerial culture, and recommendations will be made in Chapter 6.



Footnotes to Chapter 1

- [1] The East African Rift Valley, also known as the Great Rift Valley, is the largest system of its type in the world. It stretches more than one seventh of the way around the globe, from Aqba (Egypt) in the north, to Natal (South Africa) in the south. It was formed when a series of roughly parallel faults occurred in the earth's crust, and the land between them dropped. The faulting is believed to have taken place within the last 70 million years, in the tertiary and quaternary geological periods. In geological terms, this is comparatively recent: the Cambrian period is the earliest named period, and this commenced some 500 million years ago; but some pre-Cambrian fossils have been estimated as between 3.5 and 4 billion years old. (1 billion =  $10^9$ ).
- [2] Torrance, J.D., in Agnew, S., and Stubbs, M., Malawi in Maps, University of London Press, London, 1972, p. 28.
- [3] *ibid.*, p. 28.
- [4] Traditionally, smallholder farmers produced very little over and above the day to day needs of themselves and their families. For this reason, they are often referred to as being in the "subsistence sector." In estate production, the worker sells his labour for money, and the commercial objective of the estate owner is to have the workers produce a marketable surplus of crops.
- [5] It has been noted that "the allurements of the 'bright city lights' " is a factor which has been, and still is, a determinant of the decision to migrate from a rural to an urban area. See Todaro, M., Economic Development in the Third World, Longman, New York, 1981, p. 237.
- [6] There is nothing to indicate in any Census report that the boundaries according to which the regions are defined changed at any time. We may therefore assume that a real redistribution of population occurred.
- [7] Pachai, B., Malawi: the history of the nation, Longman, London, 1973, p.251.
- [8] McMaster, C., Malawi: foreign policy and development, Julian Friedmann, London, 1974, p. 23.
- [9] *ibid.*, pp. 21-26.
- [10] McCracken, J., in Africa South of the Sahara, 1981, pp. 573-4.
- [11] McMaster, C., *op. cit.*, p. 63.
- [12] Tordoff, W., Tanzania; democracy and the one-party state, in Government and Opposition, Volume 2, Number 4, July-October 1967, pp.599-664.

- [13] Chikulo, B.C., Elections in a one party participatory democracy, in Turok, B., (ed.), Development in Zambia, Zed Press, London, 1979, p. 206.
- [14] The Guardian, 7 January, 1982.
- [15] McMaster, C., op. cit., p. 64.
- [16] McCracken, J., op. cit., p. 573.
- [17] The Guardian, 8 January, 1982.
- [18] McCracken, J., op. cit., p. 574.
- [19] The Guardian, 24 December, 1979.
- [20] Times of Zambia, 23 May, 1983.
- [21] *ibid.*.
- [22] Sunday Times of Zambia, 5 June, 1983.
- [23] Government of Malawi, National Statistical Office, Malawi Statistical Yearbook 1973, table 20.1, pp. 176-7.
- [24] Government of Zambia, Central Statistical Office, Statistical Yearbook 1968, table 16.3, p. 189.
- [25] The concept of bureaucracy referred to here is based on Weber's ideal type of bureaucratic organisation, which was characterised by
- i) hierarchy of authority
  - ii) division of labour
  - iii) rules governing the behaviour of personnel
  - iv) procedures formalising work methods
  - v) impersonality of relationships
  - vi) requirements for technical qualifications for entry to the organistaion.
- [26] The Malawi Young Pioneers were established by Act of Parliament in 1964 (see Laws of Malawi, Cap. 13.03). In theory their purpose is to train young people who are not academically talented, for practical occupations. In practice, however, the Young Pioneers are a strongly pro-Banda, paramilitary force. Their paramilitary nature is reflected in Dr. Banda's position as Commander of the Malawi Young Pioneers. McMaster (op. cit., p.56) has noted
- "He (Dr. Banda) was also commander of the Young Pioneers, a well organised, though not always well disciplined, group of young men and women whose loyalty lay with Dr. Banda."
- [27] In an article entitled "Lilongwe Rumours Dismissed," it was reported in "The Times" of Malawi on 25 April, 1980, that the Minister for the Central Region, Mr. Aaron Gadama (later killed in a car crash), had dismissed rumours that there was a group of people in Lilongwe stealing and killing children. Such rumours "..... were aimed at disturbing the peace and calm law and order prevailing in Capital City under the wise and dynamic leadership of His Excellency the Life President

"Ngwazi Dr. H. Kamuzu Banda."

The Minister went on to warn that "..... the Government will not tolerate anyone residing in or coming to the city to confuse the people."

- [28] In "The Times" of Malawi of 9 May, 1980, it was reported that Member of Parliament Mr. David Chiwanga "..... called on people in Chikwawa to be on guard against confusionists ..... He told people to be on the alert against subversive elements aimed at disrupting Malawi's political stability and its tremendous economic and social development achieved under the wise and able leadership of the Ngwazi."
- [29] Allaire, Y., and Firsirotu, M.E., Theories of Organizational Culture, Organization Studies, Volume 5, Number 3, 1984, p. 218.
- [30] Pachai, B., Malawi: the history of the nation, Longman, London, 1973, p. 96.
- [31] *ibid.*, p.96.
- [32] Interview with Jack Brookfield, OBE, Managing Director of United Transport (Malawi) Limited, and Chairman of the Employers' Consultative Association of Malawi.
- [33] Goldthorpe, J.E., The Sociology of the Third World, Cambridge University Press, Cambridge, 1975, p. 10.
- [34] Mazrui, A.A., The African Condition; a political diagnosis, Heinemann, London, 1980, p. 119.
- [35] Goldthorpe, J.E., *op. cit.*, p. 55.
- [36] The senior manager quoted here offered a perfectly candid interview providing his name was not used. His comments have proved very valuable, and naturally his wish for anonymity has been respected.
- [37] Hofstede, G., Culture's Consequences; International Differences in Work-Related Values, Sage Publications, Beverley Hills, 1984.
- [38] *ibid.*, p. 11.
- [39] *ibid.*, p. 91.
- [40] *ibid.*, p.111.
- [41] *ibid.*, p.177.
- [42] *ibid.*, p.178.
- [43] Seddon, J.W., The Development and Indigenisation of Third World Business: African Values in the Workplace, paper presented at the Association of Teachers of Management/Ashridge College conference on Research in Management, January 3-4, 1985, p. i.
- [44] Mendoza, G., The Transferability of Western Management Concepts and Programs; An Asian Perspective, in Black, J.E., Coleman, J.S., and Stifel, L.D., Education and Training for Public Sector Management in Developing Countries, Rockerfeller Foundation, New York, 1977.

## Chapter 2

### The Malawian Economy - Development since Independence.

Many important changes have taken place in the Malawian economy since the country gained its independence in 1964. This Chapter outlines these changes and assesses their significance in terms of the development of the Malawian business environment and the managerial and administrative culture.

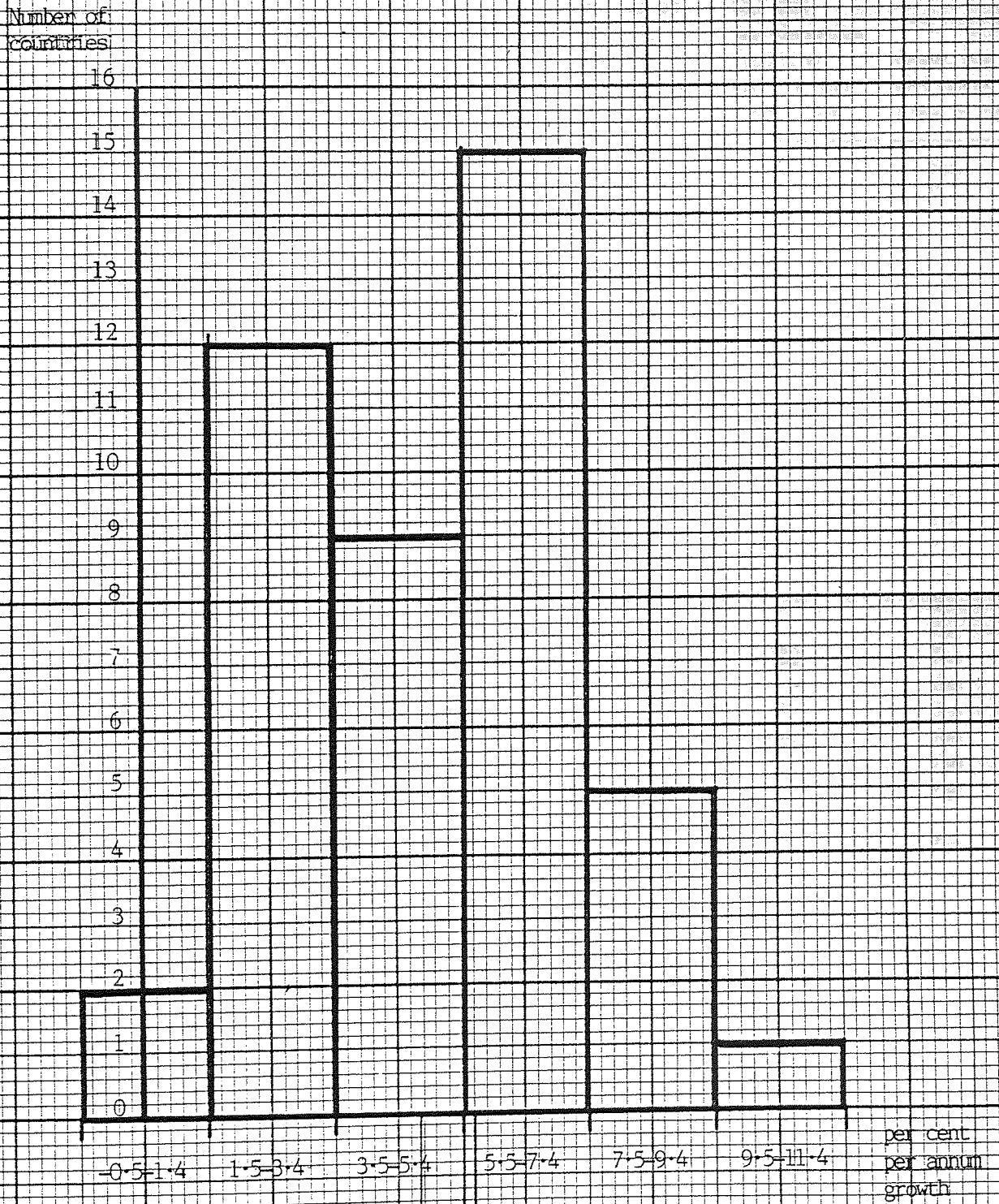
#### 2.1 Economic growth

The Malawian economy has undergone significant growth since independence in 1964. Real gross domestic product (GDP) at market prices has risen at a mean annual rate of 5.7 per cent over the period 1964 - 1979, which compares favourably with growth rates experienced by many other developing countries. Figure 2.1 shows that Malawi's position in a frequency distribution of the economic growth rates of 44 developing countries lies clearly above the fiftieth percentile, and this becomes more impressive when some of the natural advantages of other countries in the sample are taken into account. Table 2.1 shows that, of the 16 countries in the sample with higher growth rates, 11 have substantial deposits of oil and gas, and 15 have their own coastline and ports.

##### 2.1.1 From subsistence to market economy

The economic growth that has occurred in Malawi reflects two types of change that have been, and still are, taking place. The first has been a change from a subsistence to a market-oriented economy. A subsistence economy is one in which no more than the basic

Figure 2.1 Frequency distribution of the growth of GDP over varying periods, 44 developing countries.  
(Based on Table 2.1)



Mean  
(4.86%)

Median  
(5.4%)

Malawi  
(5.7%)

Table 2.1 Growth rates of gross domestic product: 44 developing countries

Rank order	Country	Period	Purchasers' or factor values (P or F)	Mean annual growth rate of real gross domestic product; per cent per annum (a)	Oil and gas deposits (million tons of oil equivalent)	Coastline and ports (Yes or no)
1	Saudi Arabia	1970-77	P	11.2	15,069	Yes
2	Brazil	1965-78	F	8.6	110	Yes
3	Ecuador	1965-77	P	8.0	233	Yes
4	Syrian Arab Republic	1960-78	P	7.7	301	Yes
5	Indonesia	1970-78	P	7.6	1438	Yes
6	Thailand	1960-78	P	7.5	-	Yes
7	Bangladesh	1972-78	P	6.9	-	Yes
8	Kenya	1965-78	P	6.4	-	Yes
9 =	Iraq	1965-75	F	6.3	4,657	Yes
9 =	Morocco	1970-77	P	6.3	0.1	Yes
9 =	Tunisia	1960-78	P	6.3	370	Yes
12 =	Costa Rica	1960-78	P	6.2	-	Yes
12 =	Nigeria	1960-75	F	6.2	2,671	Yes
14 =	Mexico	1960-78	P	6.1	959	Yes
14 =	Turkey	1960-78	P	6.1	53	Yes
16	Bolivia	1970-76	P	6.0	33	No
17	MALAWI	1964-79	P	5.7	-	No
18 =	Colombia	1960-78	P	5.6	113	Yes
18 =	Nicaragua	1970-78	P	5.6	-	Yes
18 =	Pakistan	1960-78	F	5.6	10	Yes
21	Venezuela	1970-78	P	5.5	2,092	Yes
22	Tanzania	1965-78	F	5.4	-	Yes
23	Cyprus	1960-78	P	5.3	-	Yes
24	Trinidad & Tobago	1970-77	F	4.9	71	Yes
25 =	Honduras	1960-78	P	4.8	-	Yes
25 =	Sri Lanka	1963-78	P	4.8	-	Yes
27	Belize	1970-76	F	3.8	-	Yes
28	Ethiopia	1963-76	F	3.7	-	Yes
29 =	Guyana	1960-76	P	3.6	-	Yes
29 =	India	1970-78	P	3.6	411	Yes
31 =	Argentina	1960-78	P	3.4	315	Yes
31 =	Burundi	1970-78	P	3.4	-	No
33	Chile	1960-78	P	3.3	25	Yes
34 =	Benin	1970-77	F	3.0	-	Yes
34 =	Peru	1970-78	P	3.0	102	Yes
36	British Virgin Islands	1970-78	P	2.8	-	Yes
37	Burma	1963-78	P	2.6	9	Yes
38	Nepal	1965-77	P	2.5	-	No
39	Uganda	1960-78	F	2.4	-	No
40	Haiti	1960-78	P	2.3	-	Yes
41	Zambia	1965-78	P	1.8	-	No
42	Uruguay	1960-78	P	1.6	-	Yes
43	Zaire	1970-77	P	0.5	69	Yes
44	Ghana	1970-76	P	0.0	-	Yes

Notes to Table 2.1

(a) Percentage growth rates were calculated according to the following formula

$$g = \left[ \sqrt[n]{\frac{P_n}{P_0}} - 1 \right] \times 100$$

where: g = mean annual growth rate

n = length of time in years

$P_n$  = real gross domestic product in year n

$P_0$  = real gross domestic product in year 0

- Sources:
1. Yearbook of National Accounts Statistics 1979, Volume 1, United Nations, New York, 1980, Table 4b, pages: 14, 61, 87, 95, 107, 135, 138, 153, 156, 198, 205, 218, 232, 294, 325, 474, 507, 509, 514, 549, 578, 586, 745, 916, 927, 930, 986, 996, 1034, 1085, 1169, 1239, 1332, 1338, 1369, 1374, 1381, 1401, 1456, 1505, 1510, 1540, 1542.
  2. Malawi Government, Office of the President and Cabinet, Economic Planning Division, Budget Document Number 4, Economic Report 1972, table 2.1, p.5  
Economic Report 1980, table 2.1, p.5
  3. Crabbe, D., and McBride, R. (eds.), The World Energy Book, Kogan Page, London, 1978, pp.212-217.

necessities of life are produced, and each productive unit (whether the individual, the family or the household) consumes all or most of what it produces. The subsistence economy differs from the market-oriented economy in which productive units aim to produce a surplus of commodities (surplus, that is, to their own needs) in order that they may exchange their surpluses for the different surplus commodities produced by other productive units. While it is not necessarily the case that a market economy is a money-using economy (a barter economy is market-oriented) the terms "market-oriented" and "money-using" have in practice become synonymous. The extent of the transition in Malawi, from a subsistence to a monetary economy, is shown in Figure 2.2 Subsistence production accounted for 49 per cent of GDP at factor cost in 1964. By 1979, it accounted for only 30 per cent. [1]

#### 2.1.2 Changes in sectoral contribution to GDP

This transition has had some influence on the second type of change that has occurred in the economy - the change in the proportional sectoral origins of GDP. Table 2.2 summarises the increases and decreases in proportional sectoral contributions between 1964 and 1979. Some of these changes can be explained to a significant extent by the increasing importance of the market-oriented, money-using economy: for example, the increasing share of banking and finance may be seen as a result of the increasing use of money, and the increasing share of distribution may be seen as resulting from a rise in the production of a marketable surplus.

These changes in the economy have occurred within a framework set



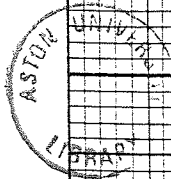


Figure 2.2 Monetary/non-monetary sectoral contributions to GDP at factor cost, Malawi, 1964-1979

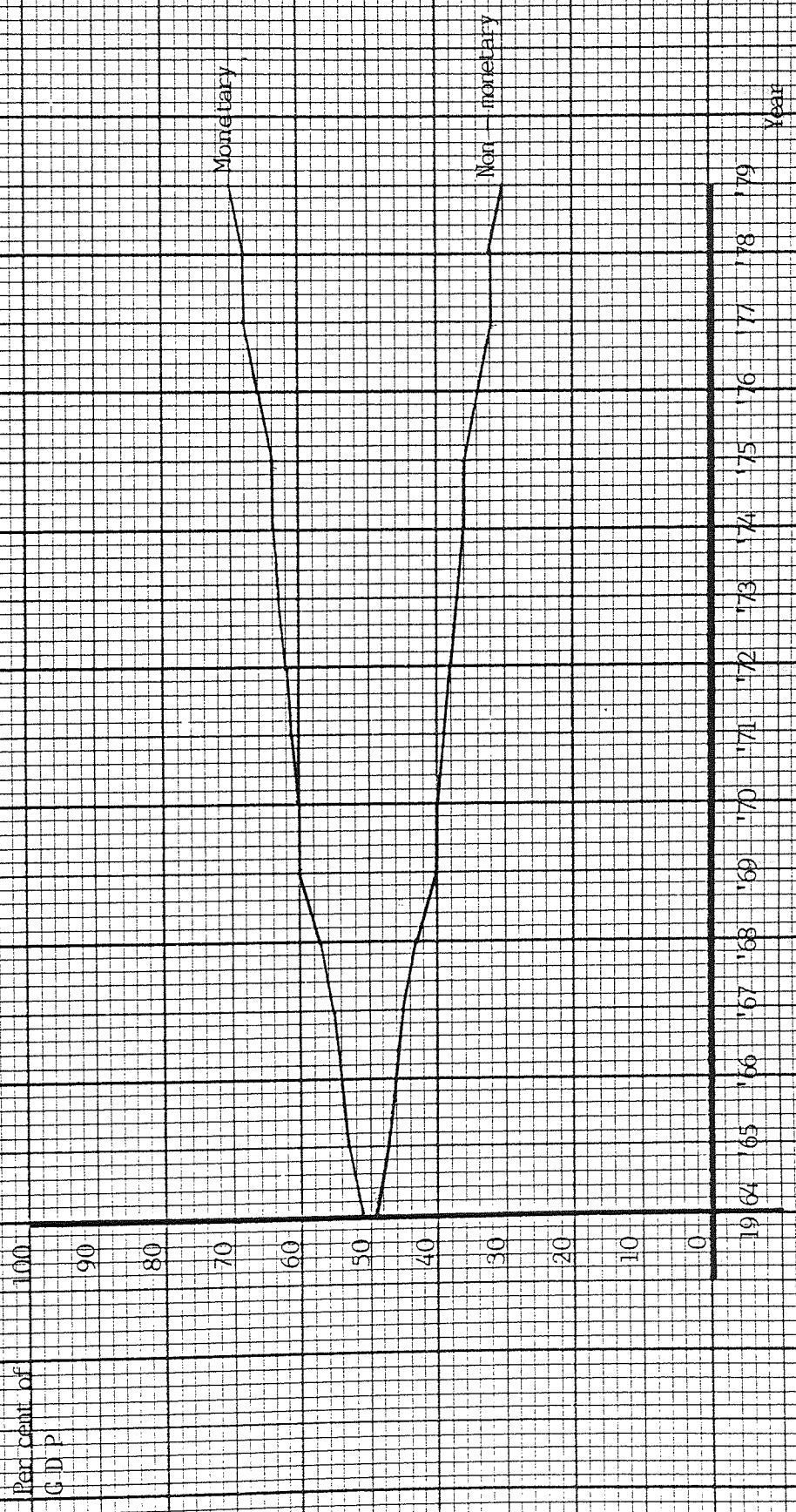


Table 2.2 Changes in the sectoral origins of gross domestic product:  
1964 to 1979

Sector	Contribution (per cent of GDP)		Net change (percentage points)
	1964	1979	
Banking and finance	-0.1	4.5	+4.6
Distribution	8.0	12.6	+4.6
Manufacturing	9.3	12.4	+3.1
Building & construction	3.8	5.5	+1.7
Transport & communications	3.8	5.2	+1.4
Education	1.9	2.8	+0.9
Electricity & water	0.7	1.4	+0.7
Health	0.8	1.1	+0.3
Real estate	2.5	2.6	+0.1
Other services	2.7	2.7	0.0
Public administration & defence	9.3	7.9	-1.4
Agriculture	57.2	42.7	-14.5

Source: Malawi Government, Office of the President and Cabinet,  
Economic Planning Division, Budget Document Number 4,  
Economic Report 1969, table 2.2, p.9  
Economic Report 1980, table 2.1, p.5

by the country's development policies. These policies have directly influenced many of the structural changes that have occurred, and in so doing have shaped the environment of business practice. The degree of success attained in pursuing planned objectives strengthens the President's case for Westernisation. It is therefore appropriate, in the context of this thesis, to outline the development plans (see 2.2) and analyse the changes consequent upon them (see 2.3).

## 2.2 Development policy

Malawi's development from 1964 to 1980 was influenced by two major development plans. The one which covered the period from 1965 to 1969 inclusive was the first plan produced since independence. (Prior to that there had been a plan for the Nyasaland Protectorate [see 1.2] which covered the period 1962 to 1965. In 1962 many of the areas that would normally have been included in a development plan were excluded because they were under the control of the federal government of Rhodesia and Nyasaland; for example, the road network.) It was not until 1965 that the full range of development problems was considered. The second post-independence plan covered the period 1971 to 1980 (see 2.2.3).

### 2.2.1 The 1965-1969 development plan

The introduction to the 1965 plan stated that its main objective was to accelerate the rate of development, which had been slow for most of the 73 years that the country was under colonial rule

"..... over the next five years the pace (of development) must be greatly accelerated if the government is to fulfil its responsibilities to the people." [2]

From this stress on responsibilities to the people it was not surprising that the plan should also seek to improve the lot of as many of the population as possible.

It was acknowledged also that Malawi is a country with its own particular advantages and disadvantages, so the plan stated

"It has been thought right, therefore, not to attempt any theoretical balance between services, but rather to make allocations in accordance with the actual requirements of the nation." [3]

The three guiding principles, of speedy development, maximum benefit, and recognition of Malawi's special circumstances, governed the allocation of expenditure of almost 90 million kwacha among four main fields

- "a. the expansion of agricultural production (which accounts directly for over half the gross domestic product) so as to provide for increased domestic consumption by the growing population, and also for greatly increased exports;
- b. the provision of greatly improved internal communications with a view to reducing transport costs, and thus increasing the competitiveness of the country's agricultural exports in the world market;
- c. a great expansion of the facilities for secondary and post-secondary education so as to provide the skilled manpower which is essential for development, both in the Civil Service and in the private sector of the economy; and
- d. the stimulation of the private sector of the economy and, in particular, the encouragement of industrial development." [4]

Implicit in this policy is the aim of monetising the economy, as the plans outlined clearly involve the production of an exchangeable surplus.

Table 2.3 shows how the expenditure was distributed among these four main fields, and what other areas received allocations.

Table 2.3 Development expenditure on the Development Plan: 1965-1969

Service	Allocation (kwacha '000)	Percentage of total
Agriculture & fisheries	5,080	5.7
Forestry & game	3,738	4.2
Transport & communications	23,154	25.9
Education	15,950	17.9
Finance, commerce & industry	21,184	23.7
Government buildings	2,550	2.9
Health	4,662	5.2
Housing	1,650	1.8
Community development & social welfare	258	0.3
Lands & surveys	1,550	1.7
Posts & telecommunications	1,670	1.9
Water supplies & sanitation	1,892	2.1
Veterinary	526	0.6
Miscellaneous	5,410	6.1
TOTAL	89,274	100.0

Source: Malawi Government, Development Plan 1965-1969,  
appendix 1, p.16.

The major items will be discussed in the order in which they appear in the objectives quoted.

a. Agriculture

The overall development of the agricultural sector would certainly affect the majority of the people. Precise figures for 1965 are not available, but it is a reasonable estimate that over 90 per cent of the economically active population then worked in agriculture. It was in agriculture that Malawi had, and has, its greatest natural advantage (see 1.1.) . To give it priority therefore satisfied all the principles stated above. In view of this, it may seem surprising that only 5.7 per cent of planned development expenditure in the 1965-69 plan was allocated specifically to agriculture and fisheries. There are several reasons for this.

Although "Forestry and game" appears as a separate item in the plan, in the national accounts the first two items in Table 2.3 appear as a single unit, so it could be argued that the figure should be 8.71 million kwacha for agriculture, making 9.8 per cent of the total planned expenditure. In addition, much of the 526,000 kwacha shown in Table 2.3 for veterinary services, was for their expansion in the agricultural sector. Of the 1.8 million kwacha allocated to water supplies and sanitation, 416,000 were for the drilling of boreholes which

"..... enable cultivation and settlement on land remote from natural water supplies and are thus an important segment of the proposals to increase agricultural productivity." [5]

These facts suggest that a substantially higher priority was accorded to agriculture than the first item in Table 2.3 implies. Both communications and education (which are discussed below) were to be developed largely to assist the agricultural sector. Direct assist-

ance to agriculture could only have limited developmental effects in the absence of facilities for collecting, transporting, and distributing any resultant surpluses. Much of the assistance was therefore indirect. It will be seen later in this thesis that the emphasis on agriculture was an important factor in shaping the attitudes and values held in Malawian business (see 4.1).

#### b. Transport and communications

This accounts for the largest single planned expenditure in Table 2.3. As explained earlier (see 1.2 and 2.2) the transport network had been designed to help the Federation of Rhodesia and Nyasaland, and was not suited to Malawi's needs. There was therefore much lost ground to recover. The 1965-69 plan gives its second priority to

"the provision of greatly improved internal communications with a view to reducing transport costs, and thus increasing the competitiveness of the country's agricultural exports in the world market." [6]

#### c. Education

More than 1 million kwacha of the 15.9 million allocated to education was to be spent on agricultural education. The remainder of the educational expenditure was also practically oriented. The bulk of the expansion was to take place at secondary level, especially in technical subjects, in order that technical, administrative, and managerial positions could be filled by local people without a drop in standards.

In order that post-secondary qualifications could be gained in Malawi, the sum of 4.8 million kwacha was set aside for the building of a national university, but, in 1965, this was still at the planning stage.

#### d. Finance, commerce and industry

The final item of major interest in the plan is the allocation of 21.2 million kwacha (23.7 per cent of the total) to finance, commerce and industry, of which 20 million kwacha was used to establish the Malawi Development Corporation. The part played by this body in Malawi's development is described below (see 2.2.2).

The government's intention was that the private sector should both provide and take advantage of development finance. It wanted development projects to be undertaken and run "in accordance with sound business principles." (see 2.2.2). The government was prepared to encourage industrial development by exploiting the natural resources of the country (for example, by developing its hydro-electric potential), and it was prepared to give infant industries some tariff protection, although details of this are not given in the plan. It was not prepared, however, to use high import tariffs to sustain inefficient and uneconomic enterprises. The subsequent plan stated

"The object of tariff policy is to provide a secure domestic market for internationally competitive producers and manufacturers - not to provide a shelter for the inefficient or a stimulus to uneconomic investment." [7]

This is the framework set by the government within which development took place in the period 1965-1969.

#### 2.2.2 The Malawi Development Corporation

The Malawi Development Corporation is a parastatal body established by Act of Parliament in 1964. All semi-commercial government activities (such as saw-milling) were to be transferred to it; but, more than this, the Corporation was to be set up as a holding company which provided finance for projects that were both genuinely developmental and commercially viable. It is stated in the Malawi



## Development Corporation Act

"The purpose of the Corporation shall be to develop the agricultural, commercial, industrial and mineral resources and the economy of Malawi, to the intent that such development may be planned, expedited and conducted in accordance with sound business principles." [8]

It was stated, in the 1965-69 development plan, of the sum of 20 million kwacha allocated to the Malawi Development Corporation

"This sum is, of course, only the government contribution, and it is hoped that the capital of the Corporation will be further augmented very considerably by extra-governmental bodies." [9]

So the Malawi Development Corporation was established as a para-statal organisation not only for providing finance to the private sector, but also for receiving investment from the private sector. On 1 January, 1970, it ceased to be a statutory body, and became instead a limited company with 2.2 million kwacha in shares owned entirely by the Malawi government.

The extra-governmental bodies from which the Corporation has received finance have been many and varied. At 31 December, 1978, total extra-governmental borrowing amounted to 14,665,748 kwacha, which came from a total of 22 creditors. [10]

### 2.2.3 The 1971-1980 development plan

The "Statement of Development Policies 1971-1980" which is outlined below maintained the positive approach adopted in the 1965-69 plan

The factors of production with which Malawi is relatively well-endowed are land and labour; the factors which are in short supply are capital and high level skills. It is therefore no more than common sense to make maximum use of land and labour and economise on the use of capital and skills." [11]

It is therefore not surprising that agriculture remained the country's top priority.

No summary of planned expenditure (such as in Table 2.3) is given in the 1971-1980 plan, but Table 2.4 has been calculated from official estimates of expenditure on the development account in each year from 1971 to 1980. In order not to give undue weight to sectors receiving more finance in the latter part of the decade, all expenditure estimates have been deflated to 1970 kwacha. A list of deflators used is given in Appendix 2.1.

The development plans cannot be regarded as lists of cash allocations between discrete and independent sectors: they must be regarded as integrated wholes. Only in this way can the bias towards agricultural development be fully appreciated.

When the sectoral shares of planned development expenditure for 1965-69 are compared with the sectoral shares of estimated development expenditure for 1970/1 to 1979/80 some substantial changes can, however, be seen. The four main areas in Table 2.4 will be discussed.

#### a. Agriculture

Expenditure on agriculture amounted to 15.3 per cent of the development budget in the 1970/1 to 1979/80 period (compared with 5.7 per cent in the 1965-69 plan; Table 2.3)

The money that was directly allocated to agriculture was to be spent in two ways: firstly to provide intensive investment in highly productive projects, and secondly to finance projects by which the overall productivity of the smallholder sector could be increased. The latter category included the improvement of the marketing network which connected the smallholder with the market. The

Table 2.4 Distribution by function of aggregate expenditure on the development account, 1970/1 to 1979/80, in constant (1970) kwacha.

Service	1970 kwacha '000	Percentage of total
Agriculture	64,595	15.3
Fisheries	1,794	0.4
Forestry & game	12,716	3.0
Transport & communications	153,416	36.3
Education	21,629	5.1
Finance, commerce & industry	5,165	1.2
Government buildings	48,864	11.6
Health	9,552	2.3
Housing	7,852	1.9
Community development & social welfare	617	0.1
Lands & surveys	1,742	0.4
Posts & telecommunications	13,753	3.3
Water supplies & sanitation	13,012	3.1
Veterinary services	6,442	1.5
New capital	20,428	4.8
Works organisation	4,952	1.2
Power	27,935	6.6
Miscellaneous	7,912	1.9
TOTAL	422,346	100.0

Source: Malawi Government, Approved Estimates of Expenditure on the Development Account for the Financial Year 1975/76, table III, p. (iv)

Malawi Government, Approved Estimates of Expenditure on the Development Account for the Financial Year 1977/78, table III, p. (iv)

Malawi Government, Office of the President and Cabinet, Economic Planning Division, Budget Document Number 2, Estimates of Expenditure on the Development Account for the Financial Year 1979/80, as laid before Parliament on 16 March 1979, all tables.

principal means of connection is through the Agricultural Development and Marketing Corporation (known as ADMARC).

ADMARC is a parastatal organisation that was set up in 1971 to replace the Farmers' Marketing Board. Its stated functions are as follows

- "- The promotion of Malawi's economic interests through the increase in volume of exportable crops and an improvement in the standards of agricultural production;
- The provision of an efficient system of supplying agricultural requirements to farmers on customary land;
- The purchasing for cash - and their processing where necessary - of the crops produced by these farmers;
- The marketing of agricultural produce for export and the promotion of its consumption in Malawi and abroad;
- The establishment and development of agro-industrial enterprises to more fully exploit the agricultural potential of the country." [12]

It is clear in this policy statement that it was intended that agricultural development should bring about not only self sufficiency in foodstuffs, but also the specialised production of crops for export.

It is also significant that the ADMARC was established to bring about development through the smallholder sector. This allowed some of the benefits of modern life to accrue to people still working within a traditional system of productive organisation and authority. It will be suggested in Chapter 4 that in combining traditional life and modern rewards in this way, ADMARC has been influential in determining the managerial and administrative culture of Malawi.

#### b. Transport and communications

As was noted in the previous plan, much of the expenditure outside the agricultural sector was the result of the need to expand the infrastructure necessary for agricultural development, and this

was once again the case in expenditure on transport.

"It is essential to the success of Malawi's approach to development that there are adequate transport facilities for getting crops from farm to market....." [13]

The extensive development of the transport network under the 1965-69 plan rectified some of its most obvious inadequacies, thus making the choice between the remaining alternatives more difficult. This is reflected in the following extracts from the 1971-1980 plan

"The transport infrastructure which Malawi inherited at the time of independence was clearly incapable of handling the volume of produce which Malawi is planning to produce and the need for new and improved roads, both trunk and feeder, was so widespread that almost any new development was justified." [14]

"The heavy emphasis placed on remedying the more glaring deficiencies in transport facilities in 1964 has, as a consequence of its success, increased the difficulty of investment choice between both modes and sectors. For the future greater emphasis will be placed on quantitative appraisal ....." [15] (emphasis added).

It is clear that the "difficulty of investment choice" did not prove insurmountable as the share of the development budget allocated to the transport sector did not drop below 19.5 per cent at any time in the decade, and amounted, on average, to 33.8 per cent of total expenditure, compared with 25.9 per cent in the 1965-69 period. In the period 1970-1978 total freight transport increased by almost 30 per cent, and this figure included a rise of almost a thousand per cent in air freight services.[16] In addition there was a 150 per cent increase in bitumen surface roads between 1970 and 1977. [17] It is clear from this that Malawi enjoyed considerable success in pursuance of its transport development objectives.

### c. Education

The proportion of development expenditure on education fell markedly in the 1970's, for several reasons.

Education had been given a high development priority in 1965, and

as a result, much of the money required for capital investment in education up to or beyond 1980 was made available in the 1965-69 plan. This included a provision of 4.8 million kwacha for the building of a national university. At the time of independence in 1964, degree level courses were not available in Malawi. It was necessary that they be made available in order that Malawians become qualified to take over jobs previously done by expatriates. On these grounds the establishment of a national university was an important and necessary part of national development. However, the provision for its building had only to be made once, and as it was made in the 1965-69 plan, it did not have to be made in the 1971-80 plan. The university was extended in the 1970's, but some of the expenditure involved in its extension was met out of the Life President's personal fortune. Regarding the building of a great hall complex at the Chancellor College campus in Zomba, the Life President (who is also the chancellor of the university) sent the following communication to the university's vice-chancellor

"As regards that special building needed by the university... I have considered the matter carefully ..... You can go ahead at once, and send the bills to me each month." [18]

In this way the university has received supplementary finance that has not come out of the national development account.

The share of the development account allocated to education was further reduced by a new and cheaper supplementary approach to secondary education. The need for continued expansion was acknowledged, but it was hoped that this could be provided to some extent by the Malawi Correspondence College, which was established to augment the secondary education offered in schools. This provided a secondary education for people at a lower cost than would have been incurred had new schools been built.

d. Finance, commerce and industry

In the case of finance, commerce and industry, as in the case of education, a substantial one-off investment was made in the 1965-69 plan; this was the government's contribution of 20 million kwacha to the capital of the Malawi Development Corporation (see 2.2.2). Although the government did make further contributions to the Corporation in the 1970's (after it had become a limited liability company), these contributions were not of the same order of magnitude, and amounted to only 2.81 million kwacha at constant 1965 prices in the period 1970/1 to 1979/80.

If one deducts major capital items which had inflated the amounts in the 1965-69 plan for education, and for finance, commerce and industry, the remaining absolute sums are slightly higher for 1970/1 to 1979/80 than previously, though the relative position of these two sectors compared with agriculture and transport has declined.

An important feature of the development strategy is that industrialisation has been made to take place on "business-like" lines. Industrialisation has been regarded as developmental only in as far as it has been able to generate profits for re-investment and thus create more employment. Uneconomic industrialisation has never been considered developmental, and neither has unnecessarily capital intensive industrialisation

"As a general rule, therefore, Malawi's development strategy rules out the promotion of highly capital-intensive undertakings, unless their function is clearly essential and there is no choice of technology." [19]

It will be seen below (2.4.1) that the observance of this principle has led Malawi to have a relatively very high elasticity of employment, so that the numbers of people employed have increased sharply in response to economic growth.

The policy framework within which development has taken place from independence to 1980 has now been outlined, and the pattern of changes in the sectoral origins of gross domestic product may be more easily understood as largely illustrating the successful realisation of the plans' objectives.

### 2.3 The Changing Structure of Gross Domestic Product

The most significant changes in the sectoral contributions to the gross domestic product that occurred between 1964 and 1980 are described below, and are shown in Table 2.5.

#### 2.3.1 Agriculture

The plans to increase agricultural output met with considerable success, as the real product of the agricultural sector expanded at a mean annual rate of 4.5 per cent from 1969 to 1978. Despite this, the contribution of agriculture to gross domestic product fell from 57.2 per cent in 1964 to 42.7 per cent in 1979. Thus the falling share of agriculture is to be explained by a relatively faster rate of growth of other sectors, rather than by an unsatisfactory rate of growth in the agricultural sector itself.

#### 2.3.2 Distribution

The share of the distribution sector in gross domestic product increased steadily from 8.0 to 9.6 per cent in the period 1964-1970 (a mean annual increase of 3.1 per cent in the percentage share). Then in 1971 it rose suddenly from 9.6 to 12.0 per cent (a rise of 25 per cent), after which it rose from 12.0 to 12.6 per cent in the period 1971 to 1979 (a mean annual increase of 0.6 per cent in



Table 2.5 Sectoral proportions of gross domestic product, 1964 to 1979.

Sector	Per cent of gross domestic product															
	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Agriculture, forestry & fishing	57.2	57.3	55.2	53.9	51.3	50.6	51.1	50.1	49.2	47.8	46.5	44.6	45.5	44.6	44.1	42.7
Mining & quarrying	0.1	0.1	0.1	(b)	(b)	(b)	0.1	(c)	(c)	(c)	(c)	(c)	(c)	(c)	(c)	(c)
Manufacturing	9.3	9.8	10.4	11.4	11.9	12.6	12.6	12.7	13.4	11.9	11.8	12.9	11.9	12.0	12.4	12.4
Building & construction	3.8	3.8	4.6	4.2	4.8	5.2	4.8	5.3	5.6	4.8	4.7	5.0	4.7	4.5	5.5	5.5
Electricity, water & sanitation	0.7	0.7	0.9	1.0	1.1	1.1	1.1	1.1	1.2	1.2	1.2	1.4	1.4	1.4	1.4	1.4
Distribution	8.0	8.5	8.1	7.6	9.0	9.6	9.6	12.0	12.1	12.5	13.0	12.3	12.4	12.0	12.7	12.6
Transport, communications & storage	3.8	4.1	4.6	5.1	4.9	4.5	5.0	5.0	5.3	5.5	5.7	5.8	5.6	5.4	5.1	5.2
Banking, insurance & finance	-0.1	0.2	0.2	0.2	0.2	0.2	0.2	1.0	1.2	2.7	3.8	4.2	4.1	4.0	4.4	4.5
Real estate	2.5	2.5	2.3	2.5	2.6	2.5	2.4	2.2	2.2	2.4	2.5	2.6	2.6	2.5	2.4	2.6
Public administration & defence	9.3	8.0	8.1	8.4	8.3	7.8	7.5	5.9	5.7	6.4	6.2	6.2	6.1	6.0	7.0	7.9
Education	1.9	1.8	2.1	2.1	2.4	2.3	2.2	2.0	1.9	1.9	1.8	2.2	2.2	2.3	2.5	2.8
Health	0.8	0.8	0.8	0.8	0.7	0.8	0.7	1.0	0.9	0.9	0.9	0.7	0.7	0.7	0.9	1.1
Other services	2.7	2.4	2.6	2.8	2.8	2.8	2.7	1.7	1.3	2.8	3.0	3.0	2.9	2.8	2.8	2.7
Unallocable (d)										-0.8	-1.1	-0.9	-0.1	1.8	-1.2	-1.4
GDP at factor cost	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Net indirect taxes	3.3	4.0	5.1	5.3	5.2	5.7	6.8	6.7	6.7	6.6	6.7	6.2	4.9	5.9	7.6	8.0
GDP at market prices	103.3	104.0	105.1	105.3	105.2	105.7	106.8	106.7	106.7	106.6	106.7	106.2	104.9	105.9	107.6	108.0

Notes to Table 2.5

- (a) estimate
- (b) less than 0.05 per cent
- (c) from 1971, "mining and quarrying" is included in "manufacturing."
- (d) category not introduced until 1973.

Sources: National Statistical Office, Malawi Statistical Yearbook 1973,  
table 20.1, pp.176-7

Malawi Government, Office of the President and Cabinet,  
Economic Planning Division, Budget Document Number 4,

Economic Report 1972, table 2.1, p.5

Economic Report 1974, table 2.1, p.6

Economic Report 1975, table 2.2, p.8

Economic Report 1977, table 2.1, p.8

Economic Report 1980, table 2.1, p.5

the percentage share). Figure 2.3 shows the rising contribution of the distribution sector graphically; the dotted lines are regression lines for the periods 1964-70 and 1971-79. The steady rates of increase before and after 1971 are reflections of the increasing production of a marketable surplus, and as such are to be expected. These increases are also testimony to the successful development of better transport facilities. The more substantial rise in 1971 requires further explanation, however. Although the extent of this rise is not commented on in the official figures, it appears that it may be partly accounted for by two events in 1970 and 1971.

The first was the establishment of the Import and Export Company of Malawi Limited by the Malawi Development Corporation (see 2.2.2) in 1970. The stated purpose of the Import and Export Company was

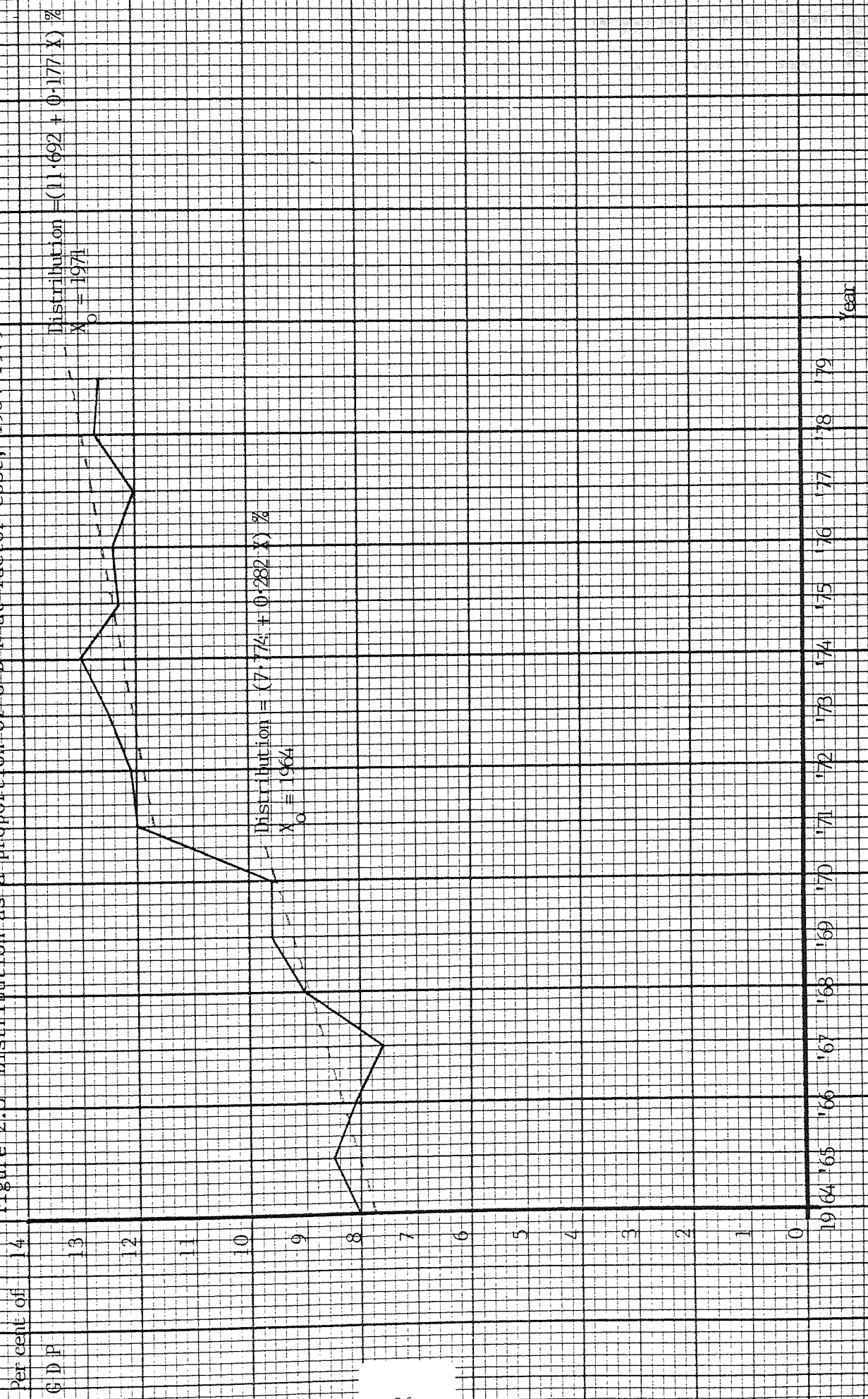
"..... to bring to the rural areas of the country a full range of goods required by the agricultural community." [20]

In addition to fulfilling this original purpose, the Import and Export Company has controlling interests in several other companies operating in the distribution sector (for example, Malawi Pharmacies Limited, Malawi Motors Limited and Marketing Services [Malawi] Limited). Although its turnover for 1971 is not known, it seems likely that the establishment of the Import and Export Company could have had a significant effect on the value added in the distribution sector since, in 1978, the gross turnover of the company was 54.7 million kwacha.

The effects of the establishment of the Import and Export Company on the national accounts could have been delayed by lags in the Development Corporation's accounting systems. This is suggested in the following statement

"..... a major reorganization of the Corporation's investments in the wholesale and retail sector has been undertaken,

Figure 2.3 Distribution as a proportion of G D P at factor cost, 1964-1979



and will be reflected in the 1971 estimates." [21]

The second event was the establishment of the Agricultural Development and Marketing Corporation (ADMARC) which has already been noted (see 2.2.3.a). It replaced the Farmers' Marketing Board in April, 1971. In its first year, ADMARC's domestic crop purchases were 48 per cent higher in money terms (38 per cent in real terms) than those of the Farmers' Marketing Board in the previous year, at 14.2 million kwacha. As a result of this it was stated

"About a quarter of the total value-added in the distribution sector comes from the handling, movement and storage of crops by ADMARC and, with an increase in the tonnage of crops handled of over 20 per cent, this contributed a large proportion of the increase in net output." [22]

The improved services provided by ADMARC can thus be seen to be directly contributory to the growth of the distribution sector in 1971, and evidence of the successful application of business principles.

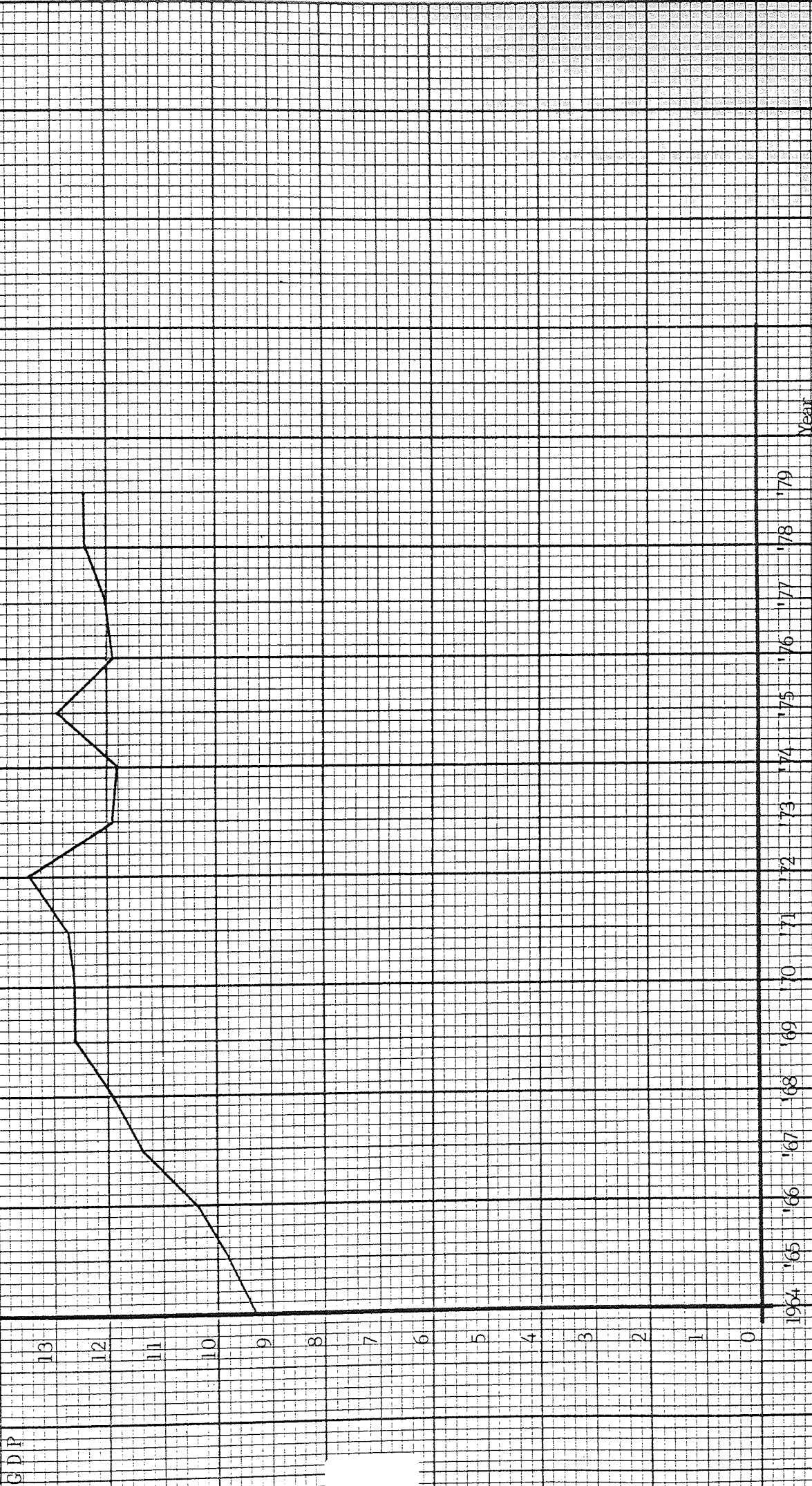
### 2.3.3. Manufacturing

The rate of industrial growth from independence in 1964 to 1969 was steep, since manufacturing had been neglected prior to independence. Its relative contribution to gross domestic product therefore rose rapidly, as shown in Table 2.2, and this was a considerable achievement. Between 1969 and 1977, however, the rate levelled off, and it was stated that

"The slowdown in the growth rate of manufacturing industry was expected in view of the very rapid growth which took place in the period 1964-1969, during which time most of the obvious opportunities for major new industries were taken up." [23]

Figure 2.4, therefore, shows that manufacturing's contribution to GDP remained between 11.8 and 13.4 per cent throughout the nineteen-seventies. As GDP was rising at an average annual rate of 5.4 per cent from 1972 to 1979, it is clear that the output of the manufact-

Figure 2.4 Manufacturing as a proportion of GDP at factor cost, 1964-1979



uring sector was also rising, even though its relative contribution to GDP was never greater than in 1972. In any case, Malawi's landlocked position, and lack of mineral resources limit the potential for industrial growth. In these terms its manufacturing performance can be judged as successful.

#### 2.3.4 Transport and communication

Transport was the sector that received the largest share of development expenditure in both the post-independence plans. The direct contribution of the transport sector to GDP increased by 1.4 percentage points between 1964 and 1979, from 3.8 to 5.2 per cent. This is considerably lower than the increase in the contributions of other sectors in the same period (see Tables 2.2 and 2.5). Development of the transport sector has, in fact, taken place through the activities of other sectors, of which distribution, cited above (2.3.2) is an example. Expenditure on road building is not only transport sector development, but also building and construction sector revenue, and some of the building materials used may, in turn, represent revenue to the manufacturing sector. Because of such linkages as these the development of the transport sector has led to the expansion of other sectors, relative to itself.

Secondly, transport is a service, and as such is dependent on the performance of the sectors it services. A high level of demand for transport is indicative of a high level of activity in the economy, while a low level of activity in the economy leads to a low demand for transport services. This being the case, we would expect, *ceteris paribus*, the share of transport in GDP would remain fairly stable. Table 2.5 indicates success on these terms since 1970.

Finally, it must be remembered that the object of developing the transport sector was not to increase the revenue accruing to it, but was "with a view to reducing transport costs and thus increasing the competitiveness of the country's agricultural exports in the world market." On the grounds that it was intended to reduce transport costs per unit of agricultural output we may expect that the share of transport in GDP should perhaps have fallen, indicating that unit costs of transport have fallen. Table 2.6 shows that the monetary production of the transport sector as a percentage of monetary GDP at factor cost did, in fact, fall steadily from 1975 to 1979.

The rising share of transport in gross domestic product is a result of the increasing importance of the monetary sector of the economy. Throughout the 1970's more than 95 per cent of the production of the transport sector was in the monetary sector, and, in this time, the share of the monetary sector rose from 60 to 70 per cent of GDP. Appraised in these terms, the development of the transport sector appears to have been a considerable success.

#### 2.3.5 Banking and finance

The monetisation of the economy, implicit in both development plans, has been steadily achieved (see Figure 2.2). The banking and financial system has had to develop to accommodate this growth in monetary economic activity. The period may conveniently be divided into four stages

- a. constant contribution, 1964 to 1969
- b. changes in the banking system, 1970 to 1972
- c. external changes, 1973 to 1974
- d. steady share, 1975 to 1979.



Table 2.6 Monetary product of the transport sector as a proportion of monetary gross domestic product at factor cost, 1964-1979.

Year	Per cent of monetary GDP
1964	7.6
1965	7.9
1966	8.8
1967	9.5
1968	9.0
1969	8.6
1970	8.9
1971	7.8
1972	8.2
1973	8.4
1974	8.6
1975	8.7
1976	8.0
1977	7.6
1978	7.2
1979	7.3

Source: National Statistical Office, Malawi Statistical Yearbook 1973, table 20.1, pp.176-7

Office of the President and Cabinet, Economic Planning Division, Budget Document Number 4, Economic Report 1972, table 2.1, p.5  
Economic Report 1974, table 2.1, p.6  
Economic Report 1975, table 2.2, p.8  
Economic Report 1977, table 2.1, p.8  
Economic Report 1980, table 2.1, p.5

a. Constant contribution, 1964-1969

The proportional contribution of banking and finance to GDP remained constant at 0.2 per cent from 1965, when the Reserve Bank of Malawi was established, to 1970. [24]

During this period there were two commercial banks operating in Malawi; the Standard Bank Limited, and Barclay's Bank DCO, and the real value added of the banking and finance sector grew at a mean annual rate of 4.7 per cent

b. Changes in the banking system, 1970 -1972

In April, 1970, the Commercial Bank of Malawi was established, and commenced operations. The Commercial Bank was jointly owned by a major Portuguese bank and the Malawi Development Corporation (see 2.2.2 above). Then, in July, 1971, the Malawi businesses of the Standard Bank Ltd. and Barclay's Bank DCO amalgamated to form the National Bank of Malawi. Fifty one per cent of the shares were divided between Standard Bank and Barclay's, and the remaining forty nine per cent were held by government nominees.

The contribution of banking and finance to GDP rose from 0.2 per cent in 1970 to 1.2 per cent in 1972. Between 1970 and 1972 the real value added rose at a mean annual rate of 155.6 per cent, largely generated by these changes within the banking system itself.

c. External changes, 1973-1974

Table 2.7 shows the supply of money and quasi-money from 1965 to 1979. As can be seen, there was a 31.7 per cent increase in the money supply in 1973 compared with 1972, and a 35.6 per cent increase

Table 2.7 The supply of money (a) and quasi-money (b), 1965-1979

End of year	Millions of kwacha						Total notes, coin and deposits	Per cent increase on previous year
	Private sector deposits							
	Notes and coin	Demand	Time and savings	Total	% increase on previous year	Total notes, coin and deposits		
1965	8.88	n.a.	n.a.	15.52	-	24.40	-	
1966	10.57	10.35	7.80	18.15	18.2	28.72	17.7	
1967	11.82	9.62	10.68	20.30	11.8	32.12	11.8	
1968	11.57	9.55	13.02	22.57	11.2	34.14	6.3	
1969	12.54	12.87	13.19	26.06	15.5	38.60	13.1	
1970	13.27	14.85	15.41	30.26	16.1	43.53	12.8	
1971	14.80	14.93	18.86	33.79	11.7	48.59	11.6	
1972	17.30	19.54	18.10	37.64	11.4	54.94	13.1	
1973	21.31	27.78	23.27	51.05	35.6	72.36	31.7	
1974	28.31	35.26	35.73	70.99	39.1	99.30	37.2	
1975	27.84	34.87	41.04	75.91	6.9	103.75	4.5	
1976	23.07	35.38	39.61	74.99	-1.2	98.06	-5.5	
1977	24.57	45.42	52.67	98.09	30.8	122.66	25.1	
1978	29.81	45.14	58.28	103.42	5.4	133.23	8.6	
1979 (c)	32.30	45.31	61.57	106.88	3.3	139.18	4.5	

(a) money = currency outside the banks + private sector demand deposits in the commercial banks.

(b) quasi-money = private sector time and savings deposits in the commercial banks

(c) figures for 1979 are provisional

Sources of Table 2.7:

Malawi Government, Office of the President and Cabinet, Economic  
Planning Division, Budget Document Number 4,

Economic Report 1972, table 9.1, p.69

Economic Report 1974, table 9.4, p.61

Economic Report 1976, table 10.1, p.59 & table 10.3, p.61

Economic Report 1977, table 10.1, p.59 & table 10.3, p.61

Economic Report 1978, table 10.1, p.57 & table 10.3, p.59

Economic Report 1979, table 10.1, p.60 & table 10.3, p.62

Economic Report 1980, table 10.1, p.57 & table 10.3, p.59

in private sector deposits. The suggested reason for these sudden jumps is that world oil prices caused inflation in Malawi's trading partners, and led to

"a transitory increase in liquid funds in private hands, produced by the substantial and sudden improvement in the 1973 balance of payments compared with 1972." [25]

This explanation is reinforced by the discussion below (see 2.4.4) and by Table 2.13, at the end of the chapter.

While domestic savings increased in 1973 and 1974, loans granted by the banks to the private sector fell by 2.5 million kwacha. This was partly

"due to a rearrangement of the loans and advances portfolio of the commercial banks towards more equal proportions between Malawi and other borrowers." [26]

Statutory bodies held 8 million kwacha more bank investments in 1973 than in 1972, and these bodies themselves, as intended, became an alternative source of finance to both the official and private sectors (see 2.2.2 above).

The combination of expanding domestic deposits in the banking system and contracting domestic credit facilities granted by the banking system, led to a net increase in foreign assets held, particularly reserves of foreign exchange, which stood at 54.9 million kwacha at the end of 1973 - more than 90 per cent above the level at the end of 1972. [27]

In 1974 there was a continued rise in deposits in the banks. At the end of the year private sector deposits had risen 39.1 per cent over the December 1973 level (see Table 2.7). There was also a resumption of credit expansion, so that net domestic credit from the banking system at the end of 1974 stood at 52.8 million kwacha, 65.5 per cent higher than in December, 1973. [28]

#### d. Steady share, 1975-1979

During this period the rate of increase of the contribution of the banking sector to GDP slowed, but it maintained a steady share of between 4.0 and 4.5 per cent (see Table 2.5).

The overall expansion of the banking system since independence reflects a substantial increase in the financial activity taking place in the economy. Table 2.7 shows not only an increase in the money supply, but also an increase in the use made of banks as repositories for savings. This has been due to an increase in the overall level of savings which has in itself been an important development in the Malawian economy.

### 2.4 Domestic savings

In 1964 consumption expenditure was higher than GDP at market prices, giving rise to negative domestic savings of 1.1 million kwacha: in 1974 savings stood at 74.5 million kwacha, or 13 per cent of GDP, and it has not fallen to less than 10 per cent since.

The effect of this increase in the level of domestic savings, as can be seen from Table 2.8, has been to increase substantially the extent to which investment in Malawi can be financed out of domestic funds.

#### 2.4.1 The role of savings in the development process

The capacity of an economy to generate investment finance in the form of domestic savings has been seen as crucial to the development process itself. For example, W. Arthur Lewis, in 1954, wrote

Table 2.8 Domestic savings and investment, 1964-1979

Year	Gross investment (millions of kwacha)	Gross domestic savings (millions of kwacha)	Per cent of GDP at current market prices		Gross domestic savings as a % of gross investment
			gross investment	domestic savings	
1964	11.9	-1.1	8	-1	-9
1965	17.8	2.0	10	1	11
1966	27.7	3.8	15	2	14
1967	22.8	5.4	11	3	24
1968	35.8	3.6	17	2	10
1969	40.4	10.8	17	5	27
1970	48.6	18.1	18	7	37
1971	57.1	27.8	17	8	49
1972	66.1	23.9	18	6	36
1973	78.5	36.0	18	8	46
1974	117.5	74.5	21	13	63
1975	145.6	57.6	26	10	40
1976	135.0	69.9	21	11	52
1977	158.4	135.4	20	17	85
1978	265.8	178.5	31	21	67
1979	238.4	143.4	22	13	60

Sources: Office of the President and Cabinet, Economic Planning Division,  
 Budget Document Number 4, Economic Report 1969, table 2.3, p.10  
Economic Report 1971, table 2.2, p.8,  
 table 2.3, p.10  
Economic Report 1972, table 2.2, p.6  
 table 2.3, p.7  
Economic Report 1973, table 2.2, p.8  
 table 2.3, p.8  
Economic Report 1974, table 2.3, p.9  
 table 2.4, p.9  
Economic Report 1975, table 2.3, p.9  
 table 2.4, p.10  
Economic Report 1976, table 2.1, p.7  
 table 2.3, p.9  
Economic Report 1980, table 2.5, p.8

"..... the central fact of economic development is rapid capital accumulation (including knowledge and skills with capital)!" [29]

According to this criterion the rises in domestic savings have facilitated the growth of the monetary, industrial capitalist sector, and so indicate that development has occurred.

However, since Lewis's article was written the concept of economic development has been refined, so that it now includes more than just the economic growth that Lewis implied. For Ozay Mehmet, for example, the notion of development also includes

"wider accessibility to educational, health and welfare facilities, greater political participation in the national decision making process, and a more equitable distribution of the benefits of progress, achieved through economic planning." [30]

Thus, Mehmet writes, the difference between growth and development is

"based on a fundamental difference between the rate and pattern of economic change." [31]

Clearly, the rate of economic change in Malawi has proceeded at a satisfactory pace, and this represents a success in that control has been exercised over economic events. Regarding the pattern of economic change, it should be noted that while education and health facilities are still relatively limited by western standards, it is nevertheless the case that access to education is based on ability and access to health and welfare is based on need. It is also the case that all three have been improved since independence. So with respect to these services we may say that they are accessible now to a greater section of the population than previously, and that development as well as growth has therefore taken place.

It is also clear, however, that political participation in the national decision making process has not come about, and so in this



respect development, as Mehmet defined it, has not taken place.

It may also appear that development has been limited by the growing concentration of the increasing wealth into the hands of those who can afford to save. Wages as a proportion of GDP at market prices fell from 30.5 per cent in 1968 to 23.6 per cent in 1976.[32]

Clearly, if a lower proportion of GDP accrues to labour, a higher proportion must accrue to factors other than labour (i.e. land and capital). Therefore, taking this as a proxy measure for income distribution, it appears that the distribution of income changed to the detriment of the wage-earning workforce.

According to Lewis, however, this was a precondition of economic development. He believed that it was necessary for the growing wealth of a developing nation to be increasingly concentrated in the hands of those people who gained their income from profits and rents, as those were the people who would save the greatest proportions of their incomes. [33] But this conflicts with Mehmet's criterion of bringing about "a more equitable distribution of the benefits of progress." However, the heading "Gross Domestic Savings" in Table 2.8 includes the savings of statutory bodies, whose bank deposits increased substantially, as noted above (2.2.2 and 2.3.5). So the rise in domestic savings seen in Malawi since independence does not necessarily imply an increasing concentration of wealth in the hands of private individuals. Lewis's condition of wealth concentration has been met without adding too much wealth to land-owners and capitalists. The distribution of income has been altered to the detriment of wage-earners, but in favour of statutory bodies, which have invested it through the medium of the banking sector. We cannot therefore conclude that the concentration of income seen in Malawi throughout the 1970's has been in any way contra-developmental

## 2.5 Other transformations in the economy of Malawi

### 2.5.1 Wage employment

As a result of monetisation, wage and salary employment has risen. Table 2.9 shows that wage employment in 1968 accounted for 5.9 per cent of the economically active population. In 1979 the percentage was 12.7 per cent. The mean annual increase in the number of people employed between 1968 and 1979 was 9.6 per cent, which was substantially higher than the growth rate of real GDP in the same period (6.1 per cent per annum). This has meant that the elasticity of employment (the sensitivity of employment to the rate of economic growth, calculated by dividing the rate of growth of employment by the rate of growth of real output) was very high throughout the period. Table 2.10 shows that the elasticity of employment in Malawi was clearly the highest of any of the 21 developing countries for which the relevant data are available.

There appear to be two reasons for this high elasticity of employment. The first is that, as already mentioned (see 2.2), the development plans were biased towards long-run agricultural development (which is in itself labour intensive) and biased against capital intensive investments except in essential projects where there was no choice of technology. While the proportion of GDP created in the agricultural sector fell, the proportion of wage employment attributable to agriculture rose from 32.9 per cent in 1968 to 39.4 per cent in 1976, a rise of 6.5 percentage points. [34]

Clearly, Malawi's bias towards agricultural development has contributed in a major way to its success in creating employment.

Table 2.9 Employment in Malawi, 1968-1979

Year	Economically active population (a)	Wage and salary employment	Percentage of economically active population employed	Percentage of economically active population not employed
1968	2,280,283	134,483	5.90	94.10
1969	2,333,002	146,512	6.28	93.72
1970	2,386,847	159,342	6.68	93.32
1971	2,442,305	172,224	7.05	92.95
1972	2,498,958	189,554	7.59	92.41
1973	2,556,829	215,502	8.43	91.57
1974	2,615,429	226,709	8.67	91.33
1975	2,676,312	244,757	9.15	90.85
1976	2,737,970	264,123	9.65	90.35
1977	2,801,492	308,876	11.03	88.97
1978	2,857,473	338,883	11.86	88.14
1979	2,915,039	369,100 (b)	12.66	87.34

- (a) Economically active population is taken to be all persons resident in the country between 15 and 64 years of age. Population censuses do not give this age group as a separate category, but it has been estimated by the World Bank that the economically active population as a proportion of total population was 56 per cent in 1960 and 51 per cent in 1975. The mean annual rate of decline of the proportion of the population that was economically active was calculated (0.6216 per cent), and economically active population was then estimated from the total de facto population estimates in each year. It was assumed that the proportion of population that was economically active continued to decline at the same rate after 1975.
- (b) Provisional.

Table 2.10 Elasticity of employment: 21 developing countries

Rank order	Country	Period	Mean annual growth rate of employment(%)	Mean annual growth rate of domestic real gross product (%)	Elasticity of employment
1	Malawi	1968-79	9.6 (a)	6.1	1.57
2	Colombia	1975-78	8.6 (b)	6.1	1.41
3	Mexico	1974-78	4.2 (b)	4.1	1.02
4	Brazil	1970-75	10.6	10.8	0.98
5	Costa Rica	1973-78	4.8 (b)	5.5	0.87
6	Malaysia	1973-77	5.4	6.9	0.78
7	Mauritius	1970-75	5.8	7.5	0.77
8	Kenya	1972-78	4.0	5.6	0.71
9	Guyana	1970-76	2.6	3.7	0.70
10	India	1975-78	3.0	4.7	0.64
11	Tunisia	1975-78	3.7 (b)	6.8	0.54
12=	Bolivia	1970-76	3.2 (b)	6.0	0.53
12=	Thailand	1971-78	3.9 (b)	7.3	0.53
14	Burundi	1972-78	2.4	5.2	0.46
15	Paraguay	1972-78	3.8 (b)	8.4	0.45
16	Sri Lanka	1971-78	2.1	4.8	0.44
17	Pakistan	1974-78	2.2 (b)	5.3	0.42
18=	Libya	1975-78	4.5 (b)	11.0	0.41
18=	Korea	1971-78	4.3 (b)	10.4	0.41
20	Zambia	1971-77	0.3	2.6	0.12
21	Haiti	1970-78	-0.2	4.5	-0.05

(a) employment figures in Malawi are only recorded for establishments employing 20 or more people.

(b) civilian employment only.

Sources: United Nations, Yearbook of National Accounts Statistics 1979, New York, 1980,

Table 4b, pages: 107, 135, 156, 205, 219, 507, 509, 549, 679, 745, 770, 810, 859, 902, 916, 1034, 1077, 1239, 1338, 1374, 1546.

International Labour Office, Yearbook of Labour Statistics 1980, Geneva, 1980,

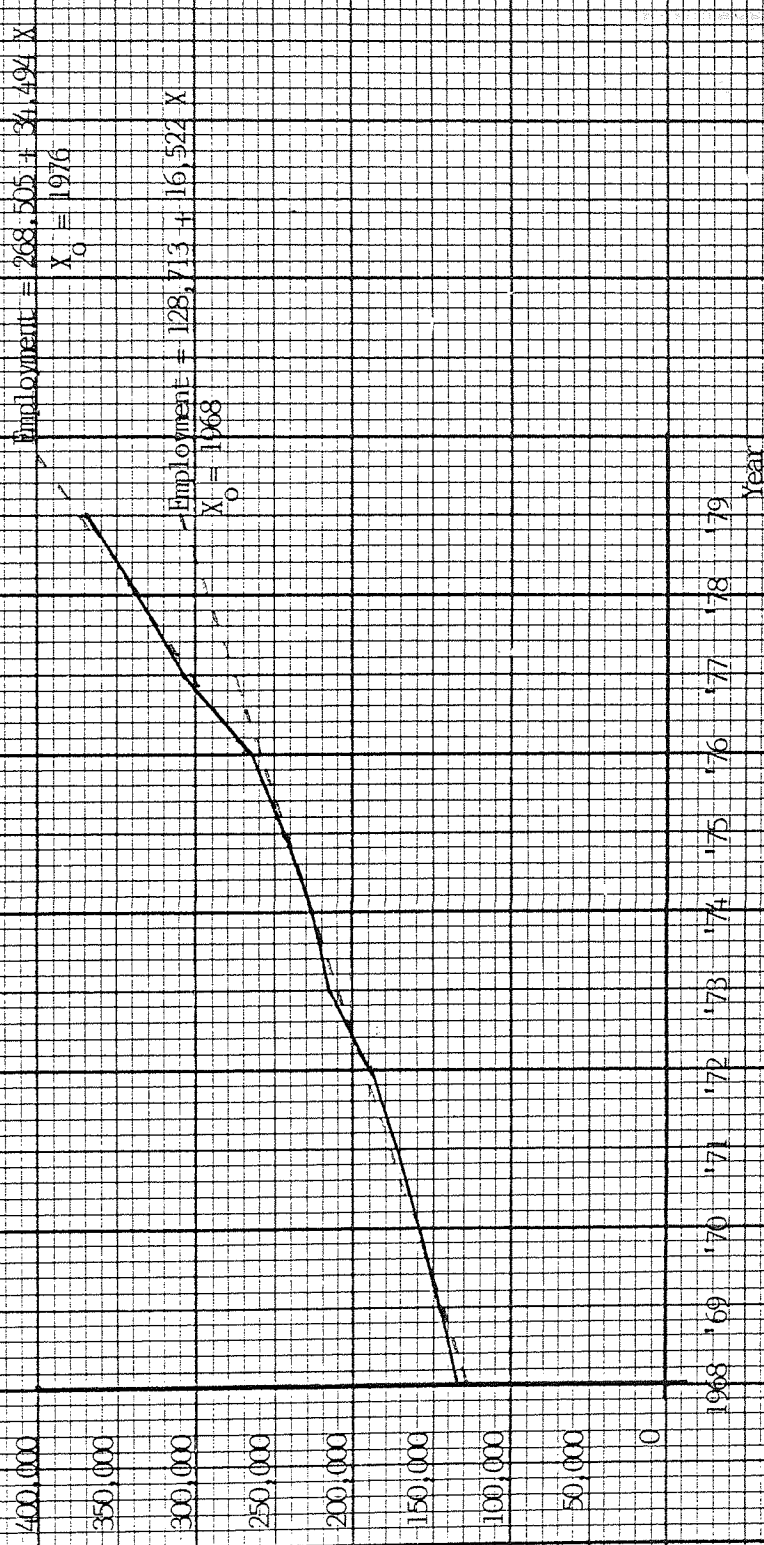
Table 3, pages: 160, 162, 163, 164, 165, 166, 167, 169, 170, 171, 173, 176, 178, 179, 180, 181.

The second reason for the high elasticity of employment in Malawi is the presence of a highly effective incomes policy, which restricts pay increases to a maximum of 5 per cent per annum, with any greater increase having to be sanctioned by the Minister for Labour. The mean annual rate of increase of per capita income at current prices for the period 1968 to 1976 was well within the 5 per cent limit, at 2.95 per cent. [35] This incomes policy maintains the attractiveness of investing in labour intensive projects, although it will be seen (in 4.5.2) that one senior Malawian manager viewed it as a managerial as well as a workers' constraint.

The imposition of a rigid 5 per cent pay ceiling is an integral part of Malawian economic policy, and its effects on employment may be viewed as a policy success. However, it is an important point here that this policy is imposed on managers and workers alike from a remote source of authority, and thus removes an area of discretion from the set of managerial activities. It will be suggested (in 4.1.1.c) that this type of external control over organisations' activities is an important feature of the Malawian business environment, and so influences the managerial culture.

Another notable feature of the growth of wage and salary employment in Malawi is that it was considerably faster after 1976 than before. This is shown in Figure 2.5, in which the dotted lines are regression lines, based on the least squares method of calculation. It appears that employment increased more than twice as rapidly after 1976 as before. This, of course, affected the elasticity of employment, which rose from 1.38 in the period 1968 to 1976, to 2.23 from 1976 to 1979 (with a mean of 1.57 shown in Table 2.10).

Figure 2.5 Wage and salary employment in Malawi, 1968-1979



No official explanation or comment is given, but one event that could have influenced the rise in the growth of wage employment was President Banda's directive in 1974 ordering the immediate suspension of the recruitment of Malawians to work in the mines in South Africa. The directive was issued following an aeroplane crash in which 75 Malawians returning from work in the South African mines were killed. As contracts made by Malawians to work in South Africa were normally for two years, it would have taken two years for the full effect of the directive to become apparent. The full effect was an increase in the supply of labour in Malawi of more than 120,000 people between 1974 and 1976. Migrant labour to South Africa amounted in 1972 to a total equivalent to 65 per cent, and in 1973 to 57 per cent, of wage employment offered within Malawi (5.0 and 4.8 per cent of the economically active population), and although Williams wrote

"..... nothing indicates that domestic demand for labour is high enough to absorb a substantial proportion of the migrant labour force, far less absorb it in its entirety." [36]

the possibility that the increasing growth of employment was a response to this extraordinary rise in the labour force cannot be dismissed out of hand.

The rapid generation of employment represents a success for Malawian development policy. Pursuit of a labour intensive strategy has brought about a relatively large amount of employment for each unit of investment, and this is reflected in the fact that Malawi has a very high elasticity of employment. However, as stated above, this policy is one that is imposed rigidly from a centralised and remote source of authority: thus the successful control of this aspect of the economy is a result of governmental, rather than managerial/organisational actions.

From 1964 to 1979 total revenue from taxation rose from 9.4 million to 100.4 million kwacha, and this resulted in a rise in the tax ratio (tax revenue as a percentage of GDP at market prices) from 6.5 to 11.4 per cent. [38]

#### 2.5.2 Balance of payments

It has been noted that one of the aims of the 1965-1969 development plan was "increasing the competitiveness of the country's agricultural exports in the world market" (2.2.1) and the stated functions of the Agricultural Development and Marketing Corporation (2.2.3) emphasise this aim.

Malawi has been successful in the pursuit of this objective. Agricultural products have clearly dominated the country's exports since independence, accounting for 88 per cent of the exports in 1964 and 91.6 per cent in 1979. [39]

The success of the agricultural sector has not, however, been due solely to the activities of ADMARC. A change in the structure of agricultural production has taken place, with estate (as opposed to smallholder) production becoming an increasingly important source of export earnings. This change is marked in the tobacco industry. In 1964 estate produced tobacco accounted for only 31.8 per cent of tobacco export earnings; by 1974 it accounted for 61.5 per cent. This increase in the proportional contribution of estate production occurred despite ADMARC's success in increasing the value of smallholder produced tobacco exports at a mean annual rate of over 10 per cent for the period.



The production for export of sugar (an estate crop) has grown dramatically since independence. In 1964 its value as an export commodity was less than 0.5 million kwacha, and by 1979 its export value was 22.0 million kwacha (more than 11.5 per cent of total exports). [40]

While Malawi has been successful in substantially increasing its export earnings from agricultural products, it is clear that its emphasis on agriculture has also made it susceptible to variations in climatic conditions. Table 2.11 shows a marked increase in the visible trade balance deficit in 1978, and this has been attributed to a bad harvest resulting from unusually low rainfall in the wet season. The effect of this was to reduce the value of total exports by 23 million kwacha compared with the 1977 level. Thus it can be seen that Malawi's source of economic strength is also an important source of economic vulnerability, as the success of her economic plans is always subject to the climate, an exogenous factor. This, it will be argued (4.1.1.a) is an important factor in the Malawian business environment, and exerts a significant influence on the managerial culture.

The rate of increase of expenditure on imports has matched that of revenue accruing from exports. In the period 1966 to 1979, imports rose at a mean annual rate of 15 per cent. This figure is slightly overstated, as 1966 imports were valued free on board, while 1979 imports were recorded inclusive of cost, insurance and freight, but the figure is nonetheless comparable with the annual rises in the values of domestic exports (16 per cent) and total exports (14 per cent) over the same period.

Table 2.11 Malawi balance of visible trade, 1966-1979

Year	Millions of kwacha		
	Total exports (+)	Total imports (-)	Visible trade balance
1966	34.8	54.3 (c)	-19.5
1967	40.9	50.9 (c)	-10.0
1968	43.1	58.2 (c)	-15.1
1969	44.0	61.5 (c)	-17.5
1970	49.7	71.4 (c)	-21.7
1971	59.3	89.7 (d)	-30.4
1972	55.1 (b)	103.0 (d)	-47.9
1973	68.8 (b)	114.7 (d)	-45.9
1974	89.5 (b)	157.7 (d)	-68.2
1975	122.1	218.7 (d)	-96.6
1976	151.6	188.5 (d)	-36.9
1977	180.4	209.8 (d)	-29.4
1978	157.4	285.3 (d)	-127.9
1979 (a)	190.0	328.0 (d)	-138.0

(a) estimate

(b) domestic exports only (i.e., total exports net of re-exports)

(c) 1966-1970, imports valued free on board

(d) 1971-1979, imports valued inclusive of cost, insurance and freight

Sources: Malawi Government, Office of the President and Cabinet,

Economic Planning Division, Budget Document Number 4,

Economic Report 1974, table 4.2, p.14

Economic Report 1977, table 4.1, p.14

Economic Report 1980, table 4.2, p.13

table 4.5, p.15

National Statistical Office, Malawi Statistical Yearbook 1978,

table 18.4, p.178.

Table 2.11 shows the balance of visible trade from 1966 to 1979. Imports were substantially higher than exports at the beginning of the period (54.3 million compared with 34.8 million kwacha), and the trade balance has been in deficit throughout the period. The fact that imports have risen, and that the visible trade balance has remained in deficit, does not mean, however, that Malawi has been unsuccessful in satisfying domestic demand with domestically produced goods. Just as the structure of exports changed, with estate crops becoming more significant, so the structure of imports changed, with consumer goods becoming less significant and capital goods becoming more significant (see Table 2.12). This is a trend which is not peculiar to Malawi, but one that has been noted and commented upon elsewhere.[41]

Malawi's status as a developing country has, predictably, made it the recipient of substantial amounts of official long-term capital since independence. Perhaps less predictably, however, given its lack of economically exploitable mineral resources, it has also been the recipient of substantial amounts of private long-term capital. In the period 1964 to 1979, almost a quarter of net long-term credit on the capital account was in the private sector.[42] Interviews I conducted with expatriate businessmen indicated that Malawi's success in attracting foreign private capital is a result of its reputation for internal political stability, and prompt honouring of international financial commitments. The ability to attract foreign private investment in this way must be seen as a success for Malawi. However, like agriculture, this strength is also a potential source of vulnerability: Malawi is regarded favourably by international investors as long as it is politically stable and continues to meet its financial commitments. If these situations

Table 2.12 Proportionate distribution of the value of imports by end use, 1966-1979

End use	Millions of kwacha, free on board					Millions of kwacha: cost, insurance and freight									
	1966	1967	1968	1969	1970	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979(a)
Consumer goods	23.0	25.0	21.6	19.5	18.2	17.6	17.3	17.6	16.7	16.5	13.9	11.9	13.7	12.6	14.7
Plant, machinery & equipment	12.7	9.8	15.1	13.0	12.6	11.9	11.6	11.9	12.6	12.2	12.5	15.1	16.5	20.6	14.1
Transport means	13.1	14.1	15.6	15.3	14.8	14.5	13.9	16.3	14.3	14.0	16.0	13.9	10.8	13.5	12.7
Building & construction materials	6.3	6.9	7.4	9.8	7.1	7.4	8.2	10.0	9.0	8.4	7.8	10.3	7.9	8.3	8.2
Basic & auxiliary material for industry	24.5	26.1	23.0	25.7	31.7	30.7	30.1	27.7	31.0	32.0	33.2	29.1	29.6	26.2	27.5
Parts, tools & miscellaneous appliances	2.0	2.6	2.7	2.9	4.1	4.1	4.5	3.0	3.1	2.9	3.3	3.8	5.0	4.9	4.0
Commodities for intermediate & final consumption :	16.4	13.2	12.2	11.5	9.5	12.0	12.8	12.1	12.4	13.6	12.9	15.4	16.0	13.4	18.4
of which															
oils, fuels & lubricants	3.7	4.3	5.3	5.4	5.0	7.8	8.5	8.2	8.0	9.5	9.1	12.6	12.2	n.a.	n.a.
Other	2.0	2.4	2.2	2.3	2.0	1.8	1.6	1.4	0.9	0.4	0.5	0.5	0.5	0.5	0.3
Total imports	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

(a) estimate

Sources of Table 2.12:

National Statistical Office, Malawi Statistical Yearbook 1978,  
table 18.4, p.178

Malawi Government, Office of the President and Cabinet, Economic  
Planning Division, Budget Document Number 4, Economic Report 1980,  
table 4.5, p.15.

change, the result may be a withdrawal of international capital, with resultant detrimental effects on the Malawian economy.

Finally, Malawi's overall balance of payments position from 1964 to 1979 is shown in Table 2.13. It can be seen that from independence to 1974, inflows of long-term capital were sufficient to offset deficits on the current account, so that official reserves remained buoyant; but that from 1975 onwards the situation worsened, and in four of the last five years in the period official reserves had to be used to finance an overall deficit.

The decline of the overall balance of payments from 1975 was due to a sharp increase in the current account deficit. The rise in oil prices after 1973 certainly contributed to this, as can be seen from the marked rise in the value of Malawi's oil imports after 1973 (from 8 per cent of total imports in 1973 to 12.6 per cent in 1976). It is likely that the rise in oil prices would have also led to a general rise in the price of imports relative to the price of exports.

The banning of Malawian labour from taking up contract employment in South Africa (see 2.5.1) would have also had an adverse effect on the balance of payments, as it removed a source of factor incomes from abroad, which would have previously appeared as a credit on the current account.

In addition to these factors, of course, is the sharp fall in export earnings in 1978 due to a poor harvest.

Table 2.13 Malawi balance of payments summary, 1964-1979

Year	Millions of kwacha			
	Current account balance	Long term capital movements	Short term capital movements plus errors and omissions	Official reserves (increase - decrease +)
1964	-0.8	4.2	0	-3.4
1965	0.2	4.4	3.0	-7.6
1966	-20.2	12.4	3.2	+4.6
1967	-13.4	14.4	-1.4	+0.4
1968	-22.6	20.4	3.8	-1.6
1969	-25.6	26.8	-1.4	+0.2
1970	-28.3	25.6	9.6	-6.8
1971	-26.3	23.7	3.5	-1.0
1972 (a)	-26.9	30.6		-3.7
1973	-32.8	41.0	19.1	-27.3
1974	-29.5	49.0	-5.7	-13.8
1975	-75.0	81.5 (b)	-19.9	+13.4
1976	-39.1	38.4	-30.8	+31.5
1977	-33.6	74.8	11.1	-52.3
1978	-105.7	80.4	10.0	+15.3
1979 (c)	-164.6	126.7	34.3	+3.8

(a) estimate

(b) imputed: actual figure not given. The sum of 68.4 million kwacha appears to be erroneously recorded as a government debit instead of a net credit in the 1980 Economic Report. If this is added to the 13.1 million kwacha private net credit on the long term capital account, net long-term capital movements amount to 81.5 million kwacha, and the figures balance.

(c) there appears to be a mistake in the 1979 long term balance figures as recorded in table 2.6 in the 1980 Economic Report. A net credit of 28.9 million kwacha under the heading of "Trust Fund Loan" seems to have been omitted from total net "Long Term Capital Movements." If it is added, total net "Long term Capital Movements" rises to 126.7 million kwacha and the balance of payments then balances.

Sources: Malawi Government, Office of the President and Cabinet, Economic Planning Division, Budget Document Number 4, Economic Report 1969, table 4.5, p.19  
Economic Report 1971, table 4.5, p.18  
Economic Report 1972, table 2.4, p.8  
Economic Report 1973, table 2.4, p.9  
Economic Report 1974, table 2.5, p.10  
Economic Report 1975, table 2.5, p.10  
Economic Report 1980, table 2.6, p.9

## 2.6 Summary

The development of the Malawian economy since independence has been influenced by two major development plans. These have placed emphasis on exploiting the country's available resources for the benefit of as wide a section of the population as possible.

As the country's natural resources are limited, development policy has focussed on the agricultural sector, either through direct investment, or through the provision of the economic infrastructure essential for increasing agricultural output.

The development plans have been generally successful. Agricultural output has increased substantially, ADMARC has provided smallholders with a source of money income, and formal sector employment has expanded impressively. In addition, the economic and social infrastructure has been substantially improved; transport, communications, power, banking and health facilities have grown and improved rapidly. Education has also been expanded and improved under the development plans; Malawi now has its own national university, and secondary education has been extended, both through conventional schools and through the Malawi Correspondence College. In education, as in all other areas of the infrastructure which have been developed, the underlying philosophy has been one of pragmatism.

While the development plans have been generally successful, it is clear also that the Malawian economy is characterised by vulnerability. Despite the measures taken, the Malawian balance of payments has been extremely adversely affected by climatic vagaries, over which neither the business organisations nor the government can have any control. In addition it has been noted that Malawi



attracts substantial foreign private investment; but it is doubtful that Malawi would remain attractive to foreign private investors if the next regime swung politically to the left, or if it lost its reputation for internal stability.

Thus, while Malawi can currently be regarded as having successfully followed pragmatic development plans, it should not be forgotten that this success has largely depended on favourable climatic conditions, and the continued goodwill of foreign investors.

The presence of powerful exogenous determinants of economic events, in combination with formal attempts to manage the economy by the central government, has had the effect of removing much control over organisations from the managers of those organisations. This is an important feature of the Malawian business environment which, it will be argued (4.1.1) significantly affects the way in which managers view themselves.

Footnotes to Chapter 2.

- [1] Malawi Government, Office of the President and Cabinet, Economic Planning Division, Budget Document Number 4, Economic Report 1972, table 2.1, p.5  
Economic Report 1980, table 2.1, p.5
- [2] Malawi Government, Development Plan 1965-1969, p.5
- [3] *ibid.*, p.5
- [4] *ibid.*, pp.5-6
- [5] *ibid.*, p.15
- [6] *ibid.*, p.5
- [7] Malawi Government, Statement of Development Policies 1971-1980, p.2
- [8] Laws of Malawi, Chapter 39.01, The Malawi Development Corporation Act.
- [9] Development Plan 1965-1969, p.7
- [10] Malawi Development Corporation, Annual Report 1978, Annexure 1, pp.36-37
- [11] Statement of Development Policies 1971-1980, p.1
- [12] Malawi Government, Department of Information, Malawi, 1964-1974; Building the Nation, p.10
- [13] Statement of Development Policies 1971-1980, p.3
- [14] *ibid.*, p.3
- [15] *ibid.*, p.59
- [16] Economic Report 1979, tables 7.1 & 7.2, p.38  
tables 7.3 & 7.5, p.39
- [17] Economic Report 1971, table 9.9, p.66  
Economic Report 1978, table 7.10, p. 42
- [18] Kimble, D., The Chancellor and the University, Vice-Chancellor's degree congregation address, 27 October, 1979, p.6
- [19] Statement of Development Policies 1971-1980, p.2
- [20] Economic Report 1971, p.58
- [21] *ibid.*, p.58
- [22] Economic Report 1972, p.51
- [23] *ibid.*, p.4

- [24] The Reserve Bank of Malawi is the central bank, and not to be confused with the National Bank of Malawi, which is a commercial clearing bank.
- [25] Economic Report 1974, p.56
- [26] *ibid.*, pp.56-57
- [27] *ibid.*, table 9.1, p.58
- [28] Economic Report 1975, table 10.1, p.59
- [29] Lewis, W. Arthur, Economic Development with Unlimited Supplies of Labour, (1954) reprinted in Agarwala, A.N., and Singh, S.P., The Economics of Underdevelopment, Oxford University Press, 1958, pp.400-450, p.416
- [30] Mehmet, Ozay, Economic Planning and Social Justice in Developing Countries, Croom Helm, London, 1978, p.175
- [31] *ibid.*, p.175
- [32] National Statistical Office, Reported Employment and Earnings Annual Report 1972, table 1, p.3  
Reported Employment and Earnings Annual Report 1976, table 1, p.9  
Economic Report 1974, table 2.1, p.6  
Economic Report 1980, table 2.1, p.5
- [33] For example, Lewis wrote  
 "The central fact of economic development is that the distribution of incomes is altered in favour of the saving class.  
 Practically all saving is done by people who receive profits or rents."  
 Lewis, W. Arthur, *op. cit.*, p.417.
- [34] This refers to formal registered wage employment on estates: for a discussion of traditional employment relationships not taken into account here, see Chipeta, C., Economics of Indigenous Labour, Vantage Press, New York, 1982.
- [35] Reported Employment and Earnings Annual Report 1972, table 1, p.3  
Reported Employment and Earnings Annual Report 1976, table 1, p.9  
Economic Report 1974, table 2.1, p.6  
Economic Report 1980, table 2.1, p.5
- [36] Williams, T.D., Malawi - the politics of despair, Cornell University Press, London, 1978, p.297
- [37] This is in contrast to what happened elsewhere. In neighbouring Zambia, for example, "Public Administration and Defence" accounted for a steadily increasing proportion of gross domestic product, rising from 4.16 per cent in 1965 to 7.66 per cent in 1971, a mean annual increase of 10.7 per cent in the share during the six year period.  
 See; Republic of Zambia, Central Statistical Office, National Accounts 1972, table 6.3, p.115

- [38] See; National Statistical Office, Malawi Statistical Yearbook, 1973, table 16.4, pp.148-9  
1978, table 16.4, p.160
- [39] Economic Report 1974, table 4.2, p.14  
Economic Report 1980, table 4.2, p.13
- [40] Economic Report 1974, table 4.2, p.14  
Economic Report 1980, table 4.2, p.13
- [41] For example, see Fincham, R., Economic Dependence and the Development of Industry in Zambia, Journal of Modern African Studies, Volume 18, Number 2, 1980, pp.297-313.
- [42] See; Economic Report 1969, table 4.5, p.19  
Economic Report 1971, table 4.5, p.18  
Economic Report 1972, table 2.4, p.8  
Economic Report 1973, table 2.4, p.9  
Economic Report 1974, table 2.5, p.10  
Economic Report 1975, table 2.5, p.10  
Economic Report 1980, table 2.6, p.9

## Chapter 3

### Management - Worker Relations

A notable feature of management - worker relations in Malawi is that they are "stable," in the sense that formal conflict appears to be very little. Table 3.1 compares the level of formal conflict, as reflected in man-days lost through strikes in Malawi to that in eleven other nations, in both the developing and industrialised worlds. It can be seen that relatively little production time is lost in Malawi because of strike action. [1]

This chapter is concerned with explaining the "stability of Malawian labour relations. This is considered important because Malawi has been following, and is continuing to follow, a pattern of development which makes as much use of labour as possible (see 2.2.3). In such a labour intensive environment, the level of production is likely to be highly responsive to workforce performance levels, and so a dissatisfied and/or militant workforce has the potential to severely disrupt the production process, and adversely affect the level of output. For this reason the minimisation of disputes between management and workers assumes a high priority.

Four environmental factors are discussed below as being of particular importance in the area of management - worker relations, and these are

3.1 legislation

3.2 Malawian politics

3.3 the formal institutions in management - worker relations

3.4 the bureaucratic nature of the Malawian business environment.

Table 3.1 Industrial dispute statistics for 12 nations, various periods

Country	Period	Mean number of workers in dispute per annum ('000)	Mean number of days lost through disputes per annum ('000)	Mean level of employment per annum ('000)	Per cent of workforce involved in disputes	Mean number of days lost through disputes per worker
Malawi	1968-79	1.2	1.4	216.5	0.55	0.01
West Germany	1964-81	148.0	699.5	25,570.2	0.58	0.03
Kenya	1967-78	18.3	50.2	747.1	2.45	0.07
Sweden	1964-81	60.6	378.3	3,929.1	1.54	0.10
France (a)	1964-81	1,802.6	3,013.1	19,275.6	9.35	0.16
Zambia	1966-77	39.2	82.8	350.7	11.18	0.24
Israel	1968-80	116.6	317.0	998.8	11.67	0.32
Jamaica (b)	1972-79	18.0	241.2	659.3	2.73	0.37
United Kingdom	1964-81	1,414.3	9,269.8	24,627.5	5.74	0.38
U.S.A.	1964-81	2,137.9	36,510.6	84,134.9	2.54	0.43
Peru	1972-81	667.8	2,047.3	4,771.6	14.00	0.43
India	1972-81	1,892.6	26,086.1	20,530.3	9.22	1.27

(a) no figure recorded for 1968

(b) no figure recorded for 1978

Source: International Labour Office, Yearbook of Labour Statistics 1971, table 3, pp.306-329

Yearbook of Labour Statistics 1974, table 3, pp.270-296; table 27, pp.736-744

Yearbook of Labour Statistics 1980, table 3, pp.160-195

Yearbook of Labour Statistics 1982, table 3a, pp.215-222; table 28a, pp.675-682

### 3.1 Legislation

Two pieces of legislation are discussed in detail here. These are

1. The Trade Union Act (1959); and
2. The Trade Disputes (Arbitration and Settlement) Act (1952).

#### 3.1.1 The Trade Union Act (1959)

The 1959 Trade Union Act clearly states that employees have a right to freedom of association, and that non-membership of a union should not be used by employers as a condition of employment.[2]

It is in fact the case that, although they are generally ineffective, some trade unions do exist in Malawi. [3]

The 1959 Act requires that trade unions be registered with the Registrar of Trade Unions. Unregistered bodies are prohibited from carrying on business as trade unions

"No trade union or officer or member thereof shall perform any act in furtherance of the objects for which the trade union has been formed unless such trade union has first been registered." [4]

Although the information called for on the registration application form is straightforward (see Exhibit 3.1), registration is by no means automatic. The Act specifies the grounds on which the Registrar may refuse registration to an applicant union, and also the grounds on which he may cancel the registration of an existing union, and thus effectively dissolve it.

Many of the criteria for registration which must be satisfied are quite predictable; for example, the objects of the constitution must



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not be unlawful, nor may the funds be employed in any unlawful cause. However, there are two criteria of particular interest here. The first is that a union may be refused registration if

"any other trade union already registered is sufficiently representative of the whole or a substantial proportion of the interests in respect of which the applicants seek registration." [5]

This means that the individual employee would not be faced with a choice regarding which union he should join, because as soon as one union undertakes to represent his interests and is registered, no other union may be registered to represent the same interests. Thus the Trade Union Act removes the possibility of inter-union demarcation disputes, which sometimes arise elsewhere when different individuals performing the same function in an organisation are members of different unions. In removing the possibility of such disputes the law contributes to stability in the area of labour relations. [6]

The second criterion of interest is that which limits the scope of interests that any one union can represent. Registration may be refused if

"the trade union is an organisation consisting of persons engaged in, or working at, more than one trade or calling, and that its constitution does not contain suitable provision for the protection and promotion of their respective sectional trade or industrial interests." [7]

One interpretation of this criterion could be that it protected the interests of workers by ensuring that they did not become members of a union from which they did not benefit, and, in so doing, forego the right of representation by another union.

An alternative, (or additional, since they are not mutually exclusive), interpretation may be that this criterion makes it difficult to form a general union, or a union that represents a variety of specific

interests. The practical effect of this is two-fold. In the first place it limits the potential size of any one union (as reflected in its membership), and thus, arguably, limits its potential power as a bargaining unit. In the second place, it isolates such disputes as may arise to specific interest groups, which could not expect to gain broad based support through membership of a general (and very influential) union.

If we consider these two criteria together, it can be seen that the combined effect is to impose a high level of specificity into the area of labour relations: the individual worker has no option to choose between alternative unions, and the individual union is limited in the interests it can represent. Thus, disputes that may arise can be expected to remain limited, and not extend to other industrial, economic or trade spheres.

If this interpretation of the purpose of the Trade Union Act is valid, we should expect to find somewhere in the legislation a statement prohibiting action by members of one union on behalf of, or in support of, the members of a different trade union. Such a statement is to be found in the Trade Union Act itself with respect to picketing and intimidation, whereby a person is forbidden from picketing unless he/she

"is, or immediately before the first such attendance in relation to such trade dispute was, an employee of the employer by or with whom such trade dispute is contemplated or has occurred in the trade or industry in which such trade dispute was contemplated or has occurred." [8]

It can be seen that the membership of any one union is restricted by law to one interest group or closely related set of interest groups; thus, when a union becomes engaged in a dispute, it cannot be supported by the actions of other unions. It may be argued, therefore, that

stability in labour relations is influenced by those aspects of the Trade Union Act which preclude the spread of disputes outside their original and specific arena.

### 3.1.2 The Trade Disputes (Arbitration and Settlement) Act (1952)

In addition to creating stability by limiting the scope of disputes, it is possible to create stability by limiting the actions that may be undertaken in any particular dispute. It is this second type of limitation which is dealt with in the Trade Disputes (Arbitration and Settlement) Act of 1952.

The 1952 Act provides for the prompt and binding settlement of any disputes that may arise. It prohibits strike action by unions in essential services [9]; but the explicit statement that this is the case is taken to imply that strikes are not prohibited in non-essential services.

In the case of a dispute in a non-essential service, the internal negotiating machinery of the organisation, if there is any, is used in the first instance to attempt to find a solution. At this first stage, however, either or both parties to the dispute may report it to the Secretary for Labour. If the dispute is reported at this juncture, the Secretary (or someone appointed by him) may attempt to reach a settlement by conciliation. In this case the settlement may be set down in writing and endorsed by the Minister for Labour, as a result of which it would be considered as a binding award.

At this initial stage, even if the dispute has not been officially reported, the Secretary for Labour may, with the Minister's approval, appoint a Board of Enquiry for the purpose of enquiring into, and reporting on, the dispute. Although this Board has no power to stipulate a settlement, it may perform the function of informing those attempting to reach a conciliated settlement, or if conciliation fails it may provide information at the level of arbitration.

Arbitration is authorised by the Minister only if an agreement is not reached, excepting the case where both parties to the dispute may for some reason agree to go directly to arbitration. When a dispute does go to arbitration, the Minister authorises the Secretary for Labour to refer the matter to a tribunal. The tribunal may take one of three forms. Firstly, it may take the form of a sole arbitrator, appointed by the Minister; secondly, it may comprise an arbitrator plus equal numbers of assessors nominated by employers and employees, all of whom must be appointed by the Minister; or, thirdly, it may take the form of a panel of arbitrators, selected by the Minister in equal numbers from nominees of employers and employees.

Whichever form the tribunal takes, it is normally expected to make its report within 21 days, and this period is only extendable at the Minister's discretion. Agreements negotiated and awards made in the arbitration process are binding, and subsequently become an implied term of the employment contract. Furthermore, once the tribunal has made an award, no application may be made to vary that award within six months of its publication.

In the case of disputes in non-essential services, it can be seen that the Trade Disputes (Arbitration and Settlement) Act provides

a framework within which a binding solution will inevitably be reached. If the parties to the dispute are unable to reach an agreement of their own accord, the authority of the state is exercised to override the management-worker negotiating process.

Furthermore, it is clear that the Minister for Labour is in a position of substantial influence. He may authorise enquiries into disputes that have never been reported; and, in addition, the final decision regarding the membership of an arbitration tribunal rests with him. If the Minister considers a nominee to a tribunal to be unacceptable for any reason, he has the authority to refuse to appoint him. More than this, the Minister is not compelled to invite nominations; it is within the bounds of his discretion to appoint a sole arbitrator if he sees fit. Thus the opportunity for the state, through the office of the Minister for Labour, to influence or even determine the decisions of tribunals, is substantial.

The system for settling disputes in essential services (see Exhibit 3.2 for the schedule of essential services) is quite similar to that used in non-essential services, although it is to be remembered that such a dispute cannot legally involve strike action.

If a dispute arises in an essential service where no registered trade union is, in the opinion of the Minister for Labour, sufficiently representative of the workmen involved to take part in that dispute on the workmen's behalf, the employer and the workmen may appoint a maximum of five representatives each to negotiate for them.

As in the case of disputes in non-essential services, a conciliation of the parties to the dispute is sought before the matter is sent to arbitration. If the conciliation process fails to reach a settlement

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within 21 days of the dispute being reported to the Minister, or if the Minister considers a settlement is unduly delayed, he may refer the matter to a tribunal for settlement. In any case the Minister must refer an unsettled dispute in an essential service to a tribunal within 28 days of its being reported to him. This means that a dispute in an essential service should not last for more than seven weeks after being referred to the Minister (i.e. 28 days maximum before it must be referred to a tribunal, plus 21 days for the tribunal to report).

It is clear that in the area of industrial relations, the state, through the provisions of the Trade Union Act and the Trade Disputes (Arbitration and Settlement) Act, exercises substantial control and provides a stabilising influence. The ability of the state to exercise such control and influence must, of course, depend on the power of the state itself; thus the political system requires further consideration with respect to its effects on industrial relations in Malawi.

### 3.2 Malawian politics

Malawi is a one party state, and has effectively been so since before its independence in 1964 (see 1.2). The absence of competition between different political parties within Malawi has probably contributed to stability in formal management-worker relations, in that it has prevented the situation arising in which a change of government leads to a change of policy, and hence to a change in legislation. This situation can be seen to have arisen elsewhere: in Britain, for example, in the early 1970's, it became part of the Labour Party's stated intentions that it would, if elected, rescind the 1971 (Conservative government's) Industrial Relations Act. When a Labour government was returned in 1974, it did so: and, since the election of another

Conservative government in May, 1979, we can see marked reversals of, and changes in, the policies and legislation of the 1974-79 Labour government.

Frequent and contradictory changes such as those described above are unlikely to occur within the Malawian political system, because of the consistency of policies of the Malawi Congress Party.

Even in other African one party states we may not find the same degree of legislative stability as is found in Malawi. The substantive content of the two Acts cited above (3.1.1) has not been subject to amendment since the country's independence in July, 1964. In neighbouring Zambia, which gained independence in October, 1964, and has itself been a one party state since 1973, amendments to the Industrial Relations Act [10] can be found. The most recent amendment took effect from May 1, 1983.

"The Prices and Incomes Commission has been empowered to approve all collective agreements with effect from May 1..... This follows amendments to the Industrial Relations Act which transferred the power to approve agreements between employers and trade unions from the Industrial Relations Court." [11]

Furthermore, it should be noted that the Zambian "Industrial Relations Act" was passed in 1971, seven years after the country's independence.

The political and legislative stability commented on within the Malawi Congress Party is much enhanced by the pervasiveness of President Banda's influence (1.2). Not only is Malawi a one party state, it is a state in which the one party has been dominated by one personality since before national independence. Moreover, that one personality has never permitted anyone to challenge, or even to question, his position of supreme authority. Whenever objections or questions have been raised, they have been dealt with promptly, sometimes ruthlessly, and



always effectively.

Thus the legal restrictions on trade union activity, and the existence of a political environment that is relatively unchanging, and in which opposition to the status quo is actively discouraged, have led to a situation in which trade unions, while they are permitted in law, have in practice at most a negligible influence in the area of management-worker relations.

Once again it should be noted that this is not an inevitable by-product of the one party system. In Zambia, by contrast, it has been noted that

"Timothy Walamba, boss of the Miners' Union of Zambia, (MUZ) ..... is highly critical of the increasing unemployment and layoffs. He is laying the groundwork for the next round of collective bargaining, and warns: 'We're not going to accept a wage freeze.' In Ndola, the head of the Zambian Confederation of Trades Unions (ZCTU), Frederick Chiluba, takes a similar strong line: 'The workers are being asked to tighten their belts some more. But I know some in the government who wear elastic belts. Everybody must make sacrifices.'

Next to President Kaunda, the two most powerful men in Zambia are Chiluba and Walamba .....

..... The unions have always ruled out any idea of their organisation becoming subservient to UNIP [12] ..... 'Our support of the party is never assured in advance,' Chiluba points out." [13]

The possibilities of either a union disobeying the government, or a union leader being described as the second most powerful man in the country, seem remote in Malawi.

The absence of influential trade unions does not, of course, mean that no management-worker consultation takes place; it means that such consultation takes place through other channels, the most important of which are now discussed.

### 3.3 Formal institutions in management - worker relations

In addition to regulating directly the activities of trade unions, and ensuring that disputes reach an enforceable settlement, legislation exists which undermines the potential influence of trade unions by providing for institutions to regulate minimum wages and conditions of employment.

#### 3.3.1 The Wages Advisory Board and Wages Advisory Councils

The Regulation of Minimum Wages and Conditions of Employment Act of 1958 [14] provides for the establishment of a Wages Advisory Board and Wages Advisory Councils which report and make recommendations directly to the Minister for Labour.

##### a. The Wages Advisory Board

The Wages Advisory Board is established by the Minister for Labour. It comprises a minimum of seven members, three of whom must be "independent;" that is, they should not be directly representative of either employers or employees. From among the three independent members the Minister selects the Chairman and Deputy Chairman of the Board. In addition, the Minister appoints, in equal numbers, representatives of employers and employees.

The Board is authorised to make enquiries either at the request of the Minister, or of its own volition, into the wages of any employees in Malawi. In addition it is required to examine such conditions of employment as may be prescribed by the Minister.

Any recommendations submitted by the Board, whether concerning minimum wages or conditions of employment, are acted on at the discretion of

the Minister, and may ultimately become legally enforceable.

b. Wages Advisory Councils

Wages Advisory Councils are established by the Minister for Labour to enquire into minimum wages and conditions of employment among particular specified groups of employees. The powers of a Council are thus much less widespread than those of the Board. The Minister may limit the functions of a Council as he sees fit in the Wages Advisory Council Establishment Order, by which a Council is created, (see Exhibit 3.3).

The Wages Advisory Board may recommend the establishment of a new Council, or the abolition, or amendments to the brief, of an existing Council.

The composition of a Council is similar to that of the Board. It has a minimum of seven members, of whom not more than three are independent. The Chairman and Deputy Chairman are appointed from among the independent members. In addition, representatives of employers and employees are appointed in equal numbers.

A Council is responsible for making enquiries into minimum wages and conditions of employment in a particular industry or trade, but this is not to say that it is established to look into a particular case. Like the Wages Advisory Board, a Council is able to make enquiries, within the limits set out in its Establishment Order, of its own volition, and make recommendations on the basis of these enquiries. Action on a Council's recommendations is subject to Ministerial discretion.

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Conditions of Employment

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The Wages Advisory Board and Councils regulate negotiations, and guarantee employees' representation, in the important issues of wages and conditions of employment. Arguably, this is likely to create the impression among both workers and managers that little would be gained from the establishment of a more active union movement. Thus regulation by an extra-organisational authority is an important factor in the Malawian industrial relations system, and it restricts the potential for direct management-worker conflict. This, it will be argued (4.1.4.b), influences the attitudes to competitiveness held in the Malawian managerial culture.

### 3.3.2 The Employers' Consultative Association of Malawi

Although employees are not strongly represented by trade unions, there is an active employers' association, known as the Employers' Consultative Association of Malawi (ECAM). ECAM was established in 1963, at the request of the government, as the need was seen for a central organisation of employers

"through which the Government could consult employers on all matters of common interest concerning wages and conditions of employment." [15]

The stated objectives of ECAM are as follows

- To provide a recognised channel of communication and consultation between Government departments and Employers as a whole on all industrial relations matters affecting the interests of employers.
- To encourage good relationships between employers and employees.
- To provide for joint consultation between members.
- To take action to give effect to the views of members.
- To act as a consultative and advising body for its members.
- To advise or assist in industrial disputes or other labour problems of members.
- To encourage employers with similar interests to form Employers' Associations for the purpose of regulating relations between employers and employees.
- To provide advice and guidance to members on all matters concerning relationships between Employers and their Employees.

- " To make the Secretary's personal services available for advice, guidance or assistance on any industrial disputes or problems affecting an individual.
- To collect from members, or from other appropriate sources, such statistical or other data as may be deemed necessary or desirable for the study of wage structure, conditions of employment and any other matter affecting the relations between employers and employees in Malawi, subject to the agreement of the member." [16]

It is particularly interesting to note that while this list of objectives is concerned with encouraging good relationships between employers and employees, and advising in disputes, it is only concerned with consultation among the members of the Association and between the Association and the government. In other words, while ECAM is concerned with industrial relations, it does not consider it necessary to include among its objectives the negotiation of industrial relations matters with representatives of the employees. This is a reflection of the fact that employees do not have effective formal representation at the national level with which ECAM could negotiate.

#### 3.4 The bureaucratic nature of the Malawian business environment

It has been argued that the Malawian business environment, through a combination of political, historical and cultural factors, has developed in a bureaucratic manner (1.2, a.3). On the one hand, the presence of rigid sets of rules governing behaviour, and procedures formalising work methods within a framework of highly impersonal relationships, has led to the removal of some of the insecurity which people may otherwise have experienced in a new and unfamiliar industrial environment. On the other hand, the opportunity to follow rules whenever possible has enabled people to avoid using discretion in making decisions, and in so doing avoid taking personal responsibility for the results of those decisions. This latter feature of

the bureaucratic environment has the joint advantages of reducing the individual's personal security, and of providing the opportunity to conform rather than to excel, which, as already established, is desirable within the Malawian political system (1.2, 3.2).

The fact that the business environment is bureaucratic in nature has an important implication for the settlement of industrial disputes in Malawi. It means that it is likely that the parties to a dispute would tend to look to an established framework of rules and procedures within which that dispute could be settled, and not normally resort to spontaneous, dramatic or unorthodox action as a means of reaching a settlement. The low level of stoppages of work in Malawi (Table 3.1) would seem to indicate that settlements are generally reached within the established framework.

### 3.5 Summary

Management-worker relations in Malawi, as reflected in the amount of production time lost through strike action, are very stable. It has been argued that this stability has arisen because of laws that limit the forms an industrial dispute can take, and that these laws are themselves stable and long-standing because of the absence of political competition which may result in their being changed. These laws make provision for the establishment of formal bodies which regulate the key areas of wages and conditions of employment; and it is through these same bodies that substantial extra-organisational influence is exercised in the industrial relations arena.

The legal system as a whole, while making provision for the registration of trade unions, limits both the scope and mode of union action. In combination with the discouragement of opposition and

conflict inherent in the political system (1.2, 3.2), the restrictions on trade unions in the legal system have discouraged union growth. This is reflected in the following statement made during an interview with the Chairman of the Employers' Consultative Association of Malawi

"We do a lot of things for the unions in this country that in a developed country we'd say 'That's up to them to do,' but here we consider if it's fair to them because they haven't got a voice to shout for themselves. . . . . We've got to make sure we don't immorally take advantage of the situation - we've got to ask 'Is it good for the country?' and sometimes we've got to say 'No - be fair - there's nobody to fight against you.' [17]

The absence of formal industrial relations problems does not mean that organisations do not have problems with their employees, or that managers do not have problems with their subordinates; it simply means that such problems as do exist are likely to be of an informal nature. It would therefore be wrong to assume that a management education programme in Malawi should not address itself to problems associated with management-worker relations. Such a programme should address itself to the problems managers actually experience, irrespective of whether these problems are formally manifested or not. The next Chapter is concerned with identifying the problems managers perceived themselves to face, and examining their relationship with the environment (of which the industrial relations system is an integral part) in which they occur.



Footnotes to Chapter 3

- [1] This low level of recorded disputes does not appear to be the result of some peculiarity in the recording system itself, and so we may assume that the figures given in Table 3.1 do reflect a genuinely higher degree of stability.
- [2] Laws of Malawi, Cap. 54:01, The Trade Union Act (1959), section 61.
- [3] For example, in the 1979 edition of Africa South of the Sahara, four trade unions were cited as being affiliated to the Trades Union Congress of Malawi. These were
- a. Building, Construction, Civil Engineering and Allied Workers' Union, founded in 1961 (1,300 members)
  - b. Malawi Railway Workers' Union, founded in 1954 (2,100 members)
  - c. Teachers' Union of Malawi, founded in 1964 (3,000 members)
  - d. The Malawi Government Employees' Association (300 members).
- [4] The Trade Union Act (1959), section 18, paragraph 1.
- [5] *ibid.*, section 15, paragraph 1, subsection (d).
- [6] For example, in Britain the "Pearson" Court of Inquiry, which reported in 1968, was established to investigate the issue of multi-union recognition in the steel industry. Two unions, the Association of Scientific, Technical and Managerial Staff (ASTMS), and the Clerical and Administrative Workers' Union (CAWU), called strikes in the steel industry which spread to the car industry, because the British Steel Corporation refused them recognition. Recognition was refused on the grounds that the workers concerned were already adequately represented by other recognised unions. See the "Pearson" Court of Inquiry Report, Command Paper, Cmnd.3754, August, 1968.
- [7] The Trade Union Act (1959), section 15, paragraph 1, subsection (9)
- [8] *ibid.*, section 57, paragraph 2, subsection (b).
- [9] Laws of Malawi, Cap.54:02, The Trade Disputes (Arbitration and Settlement) Act, section 12, paragraph 1.
- [10] Laws of Zambia, Chapter 517, The Industrial Relations Act.
- [11] Times of Zambia, May 5, 1983, p.1.
- [12] UNIP is the United National Independence Party, Zambia's ruling political party.
- [13] Langellier, Jean-Pierre, Zambia's Costly Mistakes: Under-nourished Children and Jobless Workers, Le Monde, translated in The Guardian Weekly, Volume 18, May 1, 1983, p.14.
- [14] Laws of Malawi, Cap.55:01, The Regulation of Minimum Wages and Conditions of Employment Act (1958).

[15] Employers' Consultative Association of Malawi, Annual Report 1979, p.1.

[16] *ibid.*, pp.1-2.

[17] Interview \_\_\_\_\_, Chairman of ECAM.

## Chapter 4

### Malawian Managerial Culture: the results of two surveys.

In Chapters 1 to 3 we have seen the business environment of Malawi described in detail. It is now appropriate to draw together the contents of those chapters with a view to providing a description of the managerial culture. This will enable us to compare the values relevant to business practice which obtain in Malawi with those that obtain in the industrialised nations, where the management theories currently being transferred were developed. Any significant differences between these managerial cultures may help us explain why some western management concepts do not "fit" the Malawian environment, and why some Malawian managers face the problems they do.

#### 4.1 Malawian and western culture contrasts

Malawi has been viewed as a transitional society which is undergoing a multi-dimensional transformation. Economic growth is occurring, and the nature of the economic activities in which people engage is changing. But, more than this, a change of values is occurring which requires people to accept such innovations as private ownership, the profit motive, wage relationships, authority legitimated by formal qualifications, and the nuclear family. This transition is not complete; these changes are still taking place. Thus the value sets held by many Malawians are fluid, and may contain many internal contradictions, as they struggle to accept new values, but are unable to shed the old.

Such contradictions also exist within the managerial culture of the country, which is at a stage in its transition where the values and attitudes of many managers conflict with the values and attitudes embodied in the techniques they are seeking to implement in accordance with "sound (i.e. western) business principles."

The relations between the macro-environmental features described in Chapters 1 to 3 and the cultural difficulties in internalising western management techniques are summarised in Figure 4.1, and described below. Four issues are seen as being of major importance here, and these are

4.1.1 Attitudes to controlability

4.1.2 Attitudes to decision making and responsibility

4.1.3 Attitudes to dynamism and creativity

4.1.4 Attitudes to competitiveness.

#### 4.1.1 Attitudes to controlability

The first difference between the Malawian and western managerial cultures which makes difficult the application of management techniques of western origin, is that in Malawi the idea of exogenous control over economic events is relatively strong. Correspondingly, the idea of endogenous control is relatively weak. There are three reasons for this, as follows

(a) the agricultural base of the economy

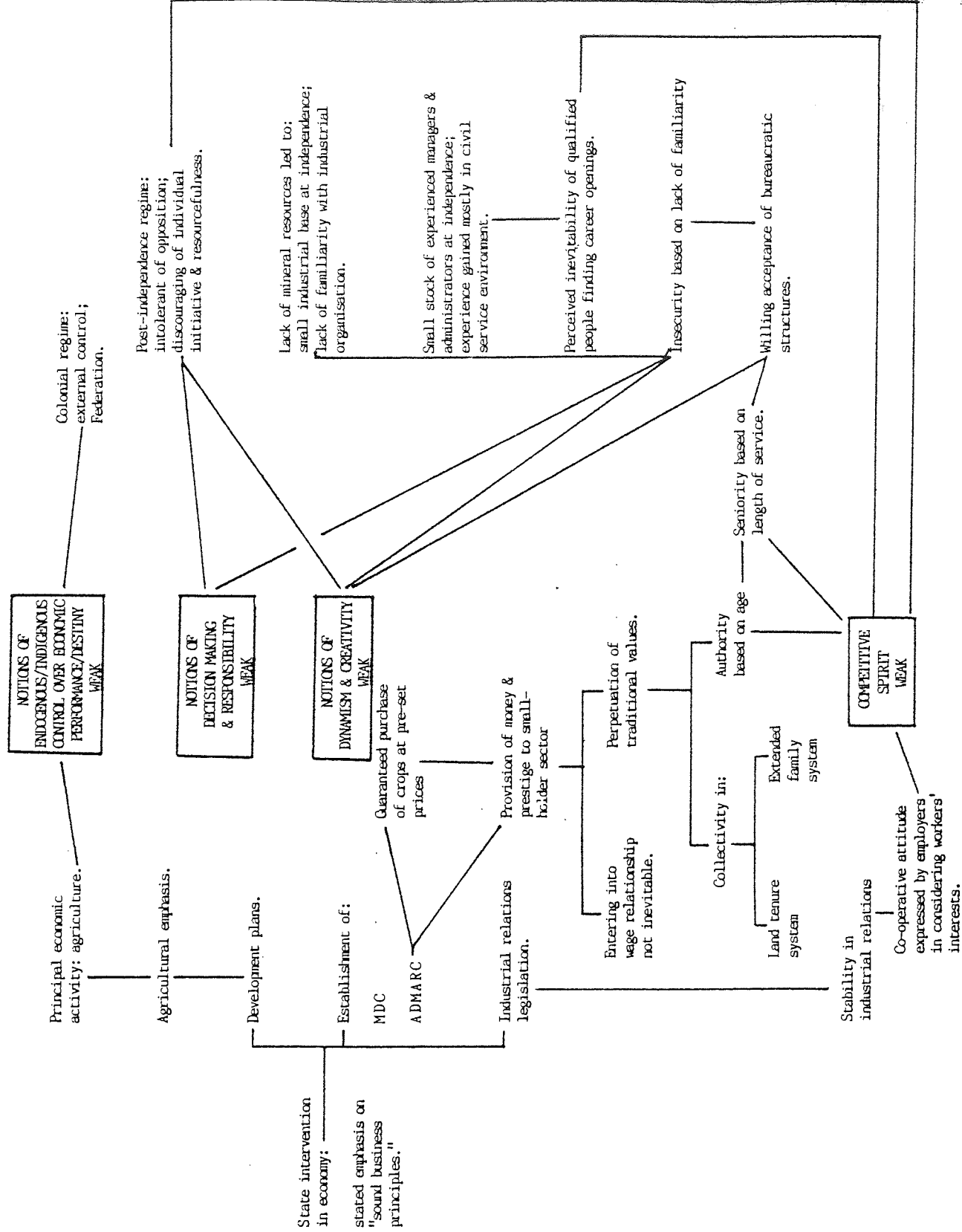
(b) the period of colonial rule

(c) the post-independence political regime.

(a) the agricultural base of the economy

Economic activity is traditionally based in agriculture, and it has been shown (see 2.2.1, 2.2.3), that development plans since independence have also accorded top priority to the agricultural sector. Such emphasis in the development plans has been justified by reference to the wide-ranging benefits of agricultural production, and the fact that agriculture is the sector of the economy in which most of the country's natural resources lie. The economic performance of the country since independence shows that it has been largely

Figure 4.1 Macro-environmental determinants of the Malawian managerial culture.



successful in its pursuit of the objectives laid down in the development plans.

However, it is also shown (2.5.3) that while Malawi has been successful in developing the agricultural sector it has, through its dependence on agriculture, become vulnerable to the sometimes very substantial "external" influence of climatic conditions. Inadequate rains can seriously reduce agricultural output, as was the case in the late 1970's, to the detriment of the nation's balance of payments. Inadequate rains have also seriously affected food production in much of southern Africa in 1984. The relatively high importance of exogenous factors in determining the outcome of economic activities is thus an idea that is likely to be strong among people engaged in the agricultural sector. Conversely, the idea that endogenous control is sufficient to ensure the achievement of pre-set goals through planned future activity is likely to be relatively weak.

(b) the period of colonial rule

Colonial rule is, by definition, rule by an alien power: thus there was, in the initial stages of Malawi's economic development, government from without. The effect of this may have been to weaken further the notion that endogenous control (or in this case, indigenous control) could be effective. Moreover, the establishment of the Federation of the Rhodesias and Nyasaland, with the federal capital and administration being based outside Nyasaland, had the effect of taking the control of some of the important developmental decisions to a further stage of remove from the indigenous population.

(c) the post-independence political regime

Dr. Banda's regime has done little to encourage the idea that the Malawian people are able to control their own destiny. The President, (see 1.2), practises a remote style of leadership, making autocratic decisions without apparently subjecting himself to the advice and/or opinions of others. His decisions at times appear idiosyncratic rather than rational (for example, the banning of Malawian labour to South Africa in 1976 as the result of an aeroplane crash [2.5.1]). Thus his strong personal and idiosyncratic influence in the affairs of the nation may be viewed as exogenous, in that it cannot be made subject to the will of the Malawian people.

Attitudes to controlability are different in the western managerial culture. It is, of course, accepted that the future is uncertain, but it is also expected that we can intelligently anticipate what it is likely to hold. Thus Drucker writes

"Predictions concerning five, ten or fifteen years ahead are always 'guesses.' Still, there is a difference between an 'educated guess' and a 'hunch,' between a guess that is based upon a rational appraisal of the range of possibilities and a guess that is simply a gamble." [1]

Given that we can intelligently and rationally appraise what the future is likely to hold, we can take action now with a view to achieving desired future outcomes. In a chapter entitled "Today's Decisions for Tomorrow's Results," Drucker writes

"An objective, a goal, a target serves to determine what action to take today to obtain results tomorrow. It is based on anticipating the future. It requires action to mould the future." [2] (emphasis added).

Taking "action to mould the future" is an important idea. It implies that we are able, through the decisions we make now, to exercise influence or control over future events. The idea that such influence

or control is feasible underlies the managerial decision making techniques that have been developed. In other words, the idea of control expressed here - endogenous control exercised by managers through the decisions they make - is part of the managerial culture in which decision making techniques have been developed.

#### 4.1.2 Attitudes to decision making and responsibility

Regarding decision making and responsibility, the following attitudes were noted among Malawian managers

- [i] individual initiative and personal responsibility were regarded as undesirable, and were to be avoided if possible
- [ii] impersonal rules and procedures were to be used, wherever possible, in pursuance of [i].

Two factors in particular have contributed to the establishment of these attitudes. These are

- (a) lack of experience of industrial organisation, and
- (b) the post-independence political regime.

(a) lack of experience of industrial organisation

At the time of independence there was a very small stock of indigenous Malawians with managerial or administrative experience. This was partly due to the colonial policy of retaining the instruments of government and administration in the hands of the colonising power. It was also partly a result of the fact that Malawi had virtually no exploitable mineral resources, and so the industrial base was very small. In 1964, 49 per cent of GDP at factor cost was created in the non-monetary sector (see 2.1.1), while only 9.3 per cent had its origin in the manufacturing sector (Table 2.2).



Even by 1979, manufacturing accounted for only 12.4 per cent of GDP at factor cost. Moreover, in 1968 (figures for 1964 are not available) only 5.9 per cent of the economically active population was employed for wages or salaries. (see 2.5.1).

Thus at the time of independence the Malawian people had little experience of administration and management, and indeed, little experience of industrial organisation at all. The relatively few Malawians who had been employed had worked either on estates or in junior clerical positions in the colonial administration. Thus it is likely that there were few, if any, Malawians who had internalised the values of managing in a competitive, industrial environment and culture.

Those Malawians who now found themselves placed in managerial and administrative positions of authority were likely to experience anxiety and insecurity arising out of the unfamiliar pressures now facing them. This anxiety and insecurity would lead them to seek guidelines that would both structure their actions and legitimate their new-found authority.

The only experience of organisational and administrative guidelines these people were likely to have experienced were those of the colonial civil service. Such procedural guidelines generally typified the "bureaucracy" referred to in 1.2.1 and 3.4. As a result, such guidelines were welcomed as they not only provided a framework for decision making, but also, through their inflexibility and impersonality, removed the necessity to exercise personal initiative. In removing personal initiative from the decision making process, such guidelines also removed the burden of personal responsibility for

the results of any decisions made. Thus bureaucracy, as an organisational form, was welcomed by a group of people charged with new responsibilities and given new authority in an uncertain and unfamiliar environment.

These attitudes to decision making and responsibility do have practical manifestations. Two senior expatriate managers whom I interviewed noted the tendency of their Malawian subordinates to pass problems up the hierarchy, when they were in possession of sufficient authority and expertise to deal with the issues involved themselves. One of these expatriates also noted the tendency to rely on pocket calculators instead of mental arithmetic to solve even the simplest problems. This latter tendency could be attributed to poor mathematical training and/or a low level of ability. However, the interviewee made particular reference to an economics graduate who used a calculator to work out 12 per cent of 1,000. We may reasonably assume that the individual concerned was capable of solving the problem without the aid of the calculator. In this case, a possible explanation for his behaviour is that he was placing the responsibility for the calculation elsewhere than with himself.

(b) the post-independence political regime

It has been shown (see 1.2) that Dr. Banda's regime is not only characterised by its concentration of power in the hands of one man, but also by its intolerance of any form of opposition to that one source of power. Not only is criticism by public figures dealt with harshly, but at the level of the commonplace, the pervasiveness of the police, the armed forces, and the Malawi Young Pioneers (see 1.2.1), guarantees that individuals do not voice critical opinions. It may reasonably be argued that the political regime in Malawi encourages individuals to seek and adhere to norms of opinion

and behaviour, and not to venture personal opinions or act on their own discretion or initiative. Bureaucracy, with its impersonality and formalised, rigid procedures, is clearly a form of organisation which is suited to people's needs.

#### 4.1.3 Attitudes to dynamism and creativity

The values described above in 4.1.2 contrast markedly with the values of western culture, in terms of managerial activity in particular and man's nature in general.

Morris and Burgoyne list six metaphors commonly used by managers to express their views of managerial work and management development. Two of these - the "medical metaphor," in which managers diagnose and treat business problems, and the "military metaphor," in which managers mobilise the resources of an organisation, and use tactics to achieve strategic aims -

"bring out the initiative and energy of managers." [3]

Morris and Burgoyne also note that

"the international company, with its complex and dynamically developing business is more concerned with managers as resourceful people." [4]

Drucker, in a similar vein, writes

"The manager is the dynamic, life-giving element in every business," [5]

and also that

"Management is ..... a distinct and a leading group in industrial society." [6]

In the western managerial culture individual resourcefulness and initiative are regarded as essential qualities of the successful manager. Success and advancement are rewards for exercising initiative

and making good decisions. Resourcefulness and decisiveness are therefore desirable qualities.

The importance of resourcefulness and initiative is stressed within the education systems and labour markets of the western free market economies. Moreover, we do not only assume that one must exercise initiative in order to gain advancement, we also assume that, at the general level, it is in man's nature to exercise his creative abilities. Man's inherent creativeness underlies, for example, Marx's theory of alienation [7], and Maslow's concept of self-actualisation [8]. Even Frederick Taylor, who had a less than flattering opinion of the ability of the average worker, believed that managers must be resourceful and exercise initiative. [9]

The transfer of ideas and techniques from a culture that places such emphasis on dynamism, creativity and initiative, to one in which security is sought in routine, and in which personal responsibility and initiative are avoided whenever possible, is thus problematic.

#### 4.1.4 Attitudes to competitiveness

It has already been seen that the idea of personal advancement based on individual initiative and resourcefulness, is weak (4.1.3). Management is not viewed as a fundamentally competitive occupation. In addition to this, two other major factors contribute to the lack of competitive spirit in Malawi. These factors are

- (a) the activities of ADMARC, and
- (b) the absence of employer-employee conflict.

(a) the activities of ADMARC

ADMARC's success in stimulating smallholder production has been noted (2.2.3.[a], 2.5.3). This has given smallholders the opportunity to enjoy some of the benefits of a monetary economy while remaining within their traditional culture. It has been seen (1.3) that the traditional cultural attitude towards age as a source of authority and wisdom conflicts with the ideas about the sources of knowledge and authority in western culture. In encouraging the development of the smallholder sector, ADMARC is fostering the retention of at least one other traditional institution that conflicts with the values of the western managerial culture. This is the traditional (or "customary") land tenure system.

The traditional land tenure system (see 1.3), was not based on the individual ownership of land. A person was allocated a piece of land for his use, and it was only through his productive use of this land that he retained the right to it. Land, if it was considered subject to ownership at all, was subject to common ownership. President Julius Nyerere of Tanzania states this succinctly

"To us in Africa land was always recognised as belonging to the community. Each individual within our society had a right to the use of land, because otherwise he could not earn his living and one cannot have the right to life without also having the right to some means of maintaining life. But the African's right to land was simply the right to use it; he had no other right to it, nor did it occur to him to try and claim one." [10]

It may be argued that in introducing some of the benefits of a monetised economy to smallholders, ADMARC has encouraged people to remain on "customary" land, [11] and in so doing has encouraged them to retain their traditional, collectivistic, rather than western, individualistic, values relating to the use of land.

In addition to encouraging the retention of certain traditional values, ADMARC creates an uncompetitive environment for the smallholder. It is ADMARC's policy to set prices for the various agricultural products it purchases before the planting season. Providing the smallholder has produce of acceptable quality for sale, he can sell it at these fixed prices. Thus a key feature of western business activity, that of price competition among suppliers, is absent from this sector of the Malawian economy. This contrasts with the following description of the environment in which businesses operate in the west

"Industrial and commercial activity in a capitalist society is highly competitive. Individual enterprises stake their capital along with that of others in a risk-taking activity, in which the production of socially necessary goods and services is almost a by-product of profitability." [12]

(b) the absence of employer-employee conflict

A final aspect of competition absent from the Malawian business environment is that which in the west exists between employers and employees. In Chapter 3 the climate of industrial relations in Malawi was described as very stable (see Table 3.1). This stability was attributed to legislation, the political regime, the formal institutions in management-worker relations which exercise extra-organisational authority, and the bureaucratic nature of the Malawian business environment. In addition to this, we may consider that in encouraging the development of the smallholder sector, ADMARC creates the idea that economic activity does not inevitably take place within a structure of wage relationships. Lloyd has noted that the opportunities for self-employment which exist in Third World countries, coupled with the desire among many urban dwellers to return to their natal villages, render inappropriate our western, dichotomous models of societal structures, in which there is inherent conflict between the bourgeoisie and the proletariat, capital and

labour, or management and workers. Given these different opportunities, Lloyd asserts

"The reaction to ..... wage employment is thus to evade rather than oppose it." [13]

The absence of competition in the sphere of industrial relations was expressed by the Chairman of the Employers' Consultative Association of Malawi (see 3.3.2), in the following way

"We have to do a lot of things for the unions in this country that in a developed country we'd say 'That's up to them to do.' But here we consider if it's fair to them because they haven't got a voice to shout for themselves ..... We've got to make sure we don't immorally take advantage of the situation - we've got to ask 'Is it good for the country?' - and sometimes we've got to say 'No - be fair - there's nobody to fight against you.' " [14]

#### 4.1.5 Summary

We have seen that the Malawian managerial culture is substantially different from that of the west. The values and attitudes of managers towards the business enterprise are, in many respects, different from those held by their western counterparts. These attitudinal differences are summarised in Figure 4.2.

We have also seen that Malawi has expressly chosen a development path based on "sound business principles." These principles certainly include efficiency and competitiveness. But we have also seen that these ideals, firmly held in the west, may not occupy a prominent place in the Malawian managerial culture. This may lead to Malawian managers experiencing problems when they try to act in accordance with the values of, and implement the techniques of, the managerial culture of the west.

Figure 4.2 Malawian and western managerial culture contrasts

Cultural values	Managerial culture	
	Malawian	Western
Notion of endogenous control over economic events	Weak	Strong
Preparedness to accept responsibility and make decisions	Weak	Strong
Notion of the manager as dynamic, resourceful and creative	Weak	Strong
Notion of competitiveness in managerial work and managerial careers	Weak	Strong



## 4.2 The Polytechnic survey: background

The research for the survey reported below was conducted in the Polytechnic of Malawi between January and July, 1980. During this period I was informally engaged in teaching management at the Polytechnic. This had the beneficial effect of setting the research on an apparently formal footing when I sought assistance and co-operation from business practitioners and government agencies.

### 4.2.1 The sample

The data below were gathered using the questionnaire reproduced as Appendix 4.1. This questionnaire was given to a sample of 207 junior and middle managers employed in various industries, companies, and functional areas of management. The questionnaire was administered while these managers were attending short (3 day) courses in a variety of management subjects at the Polytechnic of Malawi, between January and July, 1980, during which period I was teaching on these courses. Figure 4.3 gives a breakdown of the sample by age, education, type of employer, and occupation. It can be seen from the breakdown that the sample is diverse, and that many sections of Malawian junior/middle management are represented.

However, while the sample is diverse, it is not random. Figures 4.4 and 4.5 show quite clearly that the age and education distributions of the sample are biased towards younger (less than 40 years of age), better educated people, when compared with the age and education structures of the total population. Without more data regarding the age and education structures of managers as a group, (which are not available), it is not possible to say whether we may reasonably generalise the results of the survey to include Malawian managers as a whole. We can, however, make observations regarding the associations and variations found within the sample.

Figure 4.3 Characteristics of the Polytechnic respondents.

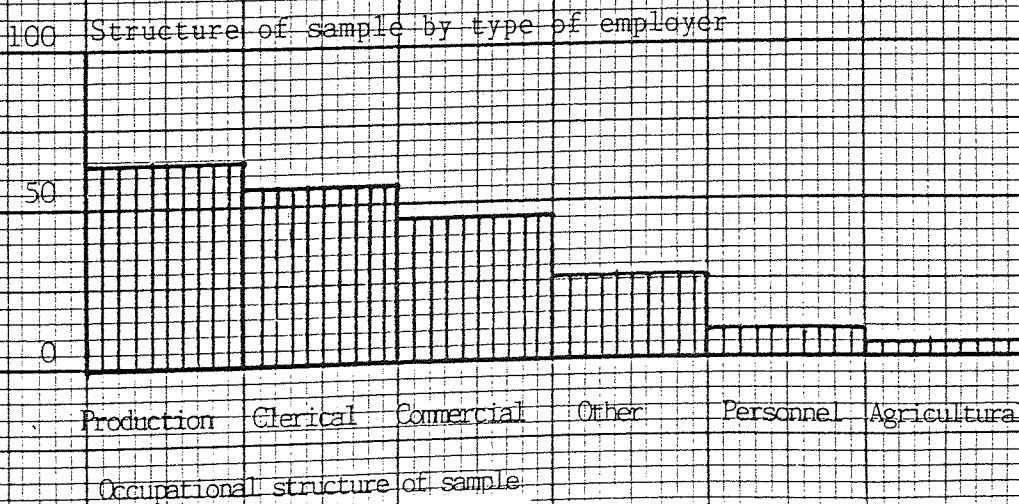
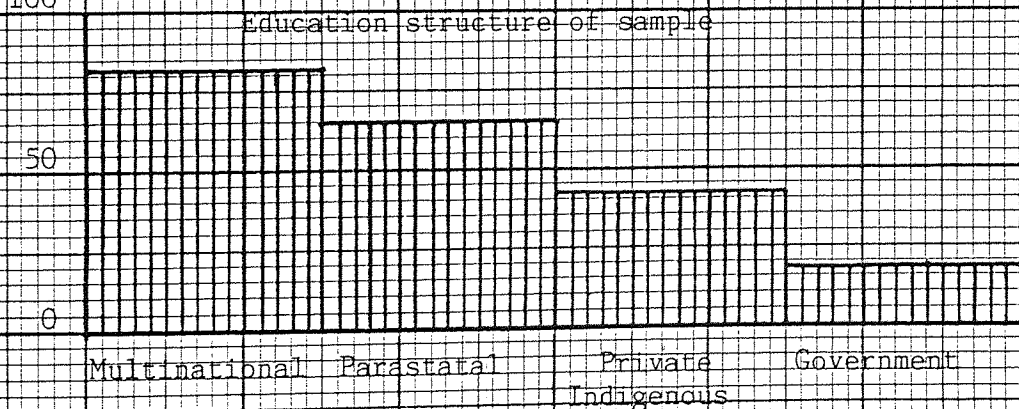
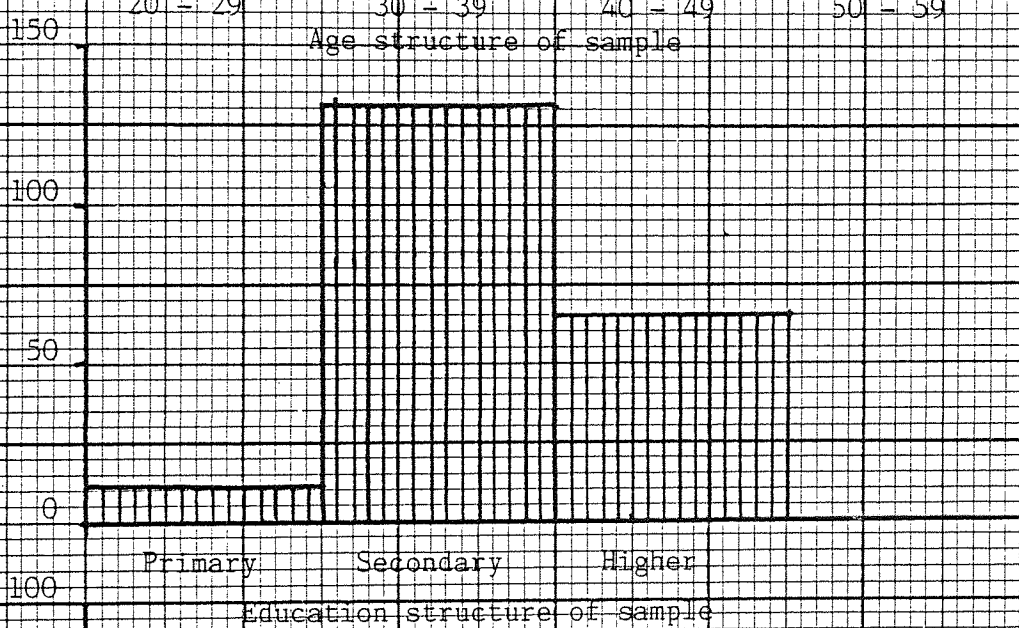
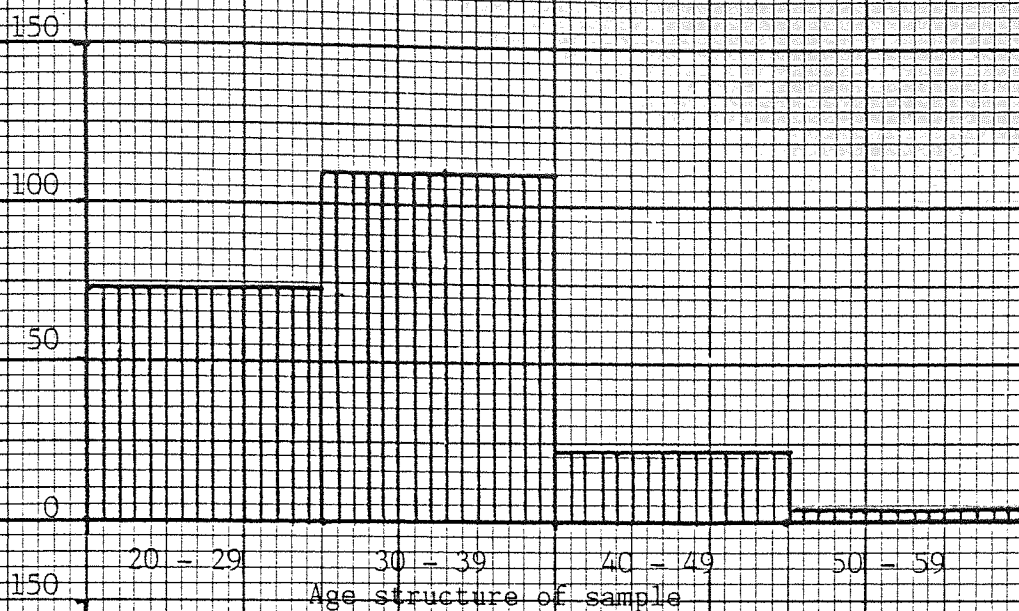


Figure 4.4 Age structure of the Polytechnic sample, compared with the age structure of the population

Per 100 cent

90

80

70

60

50

40

30

20

10

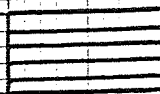
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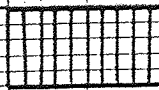
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Age structure of population



Age structure of sample

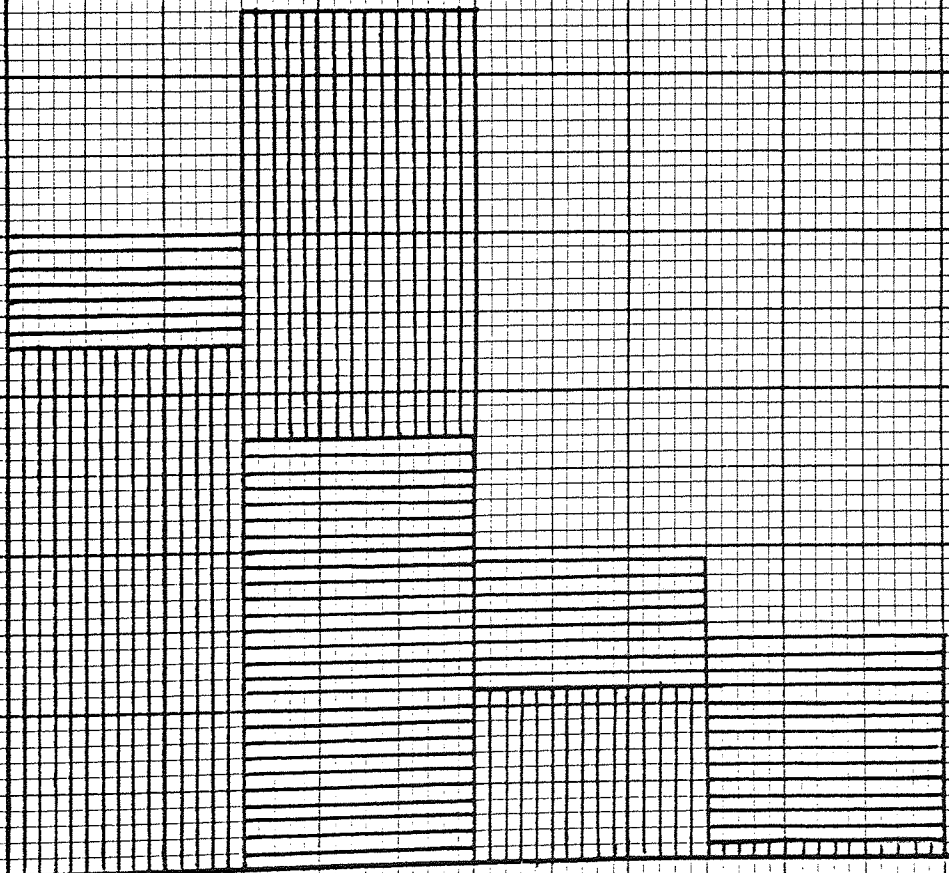
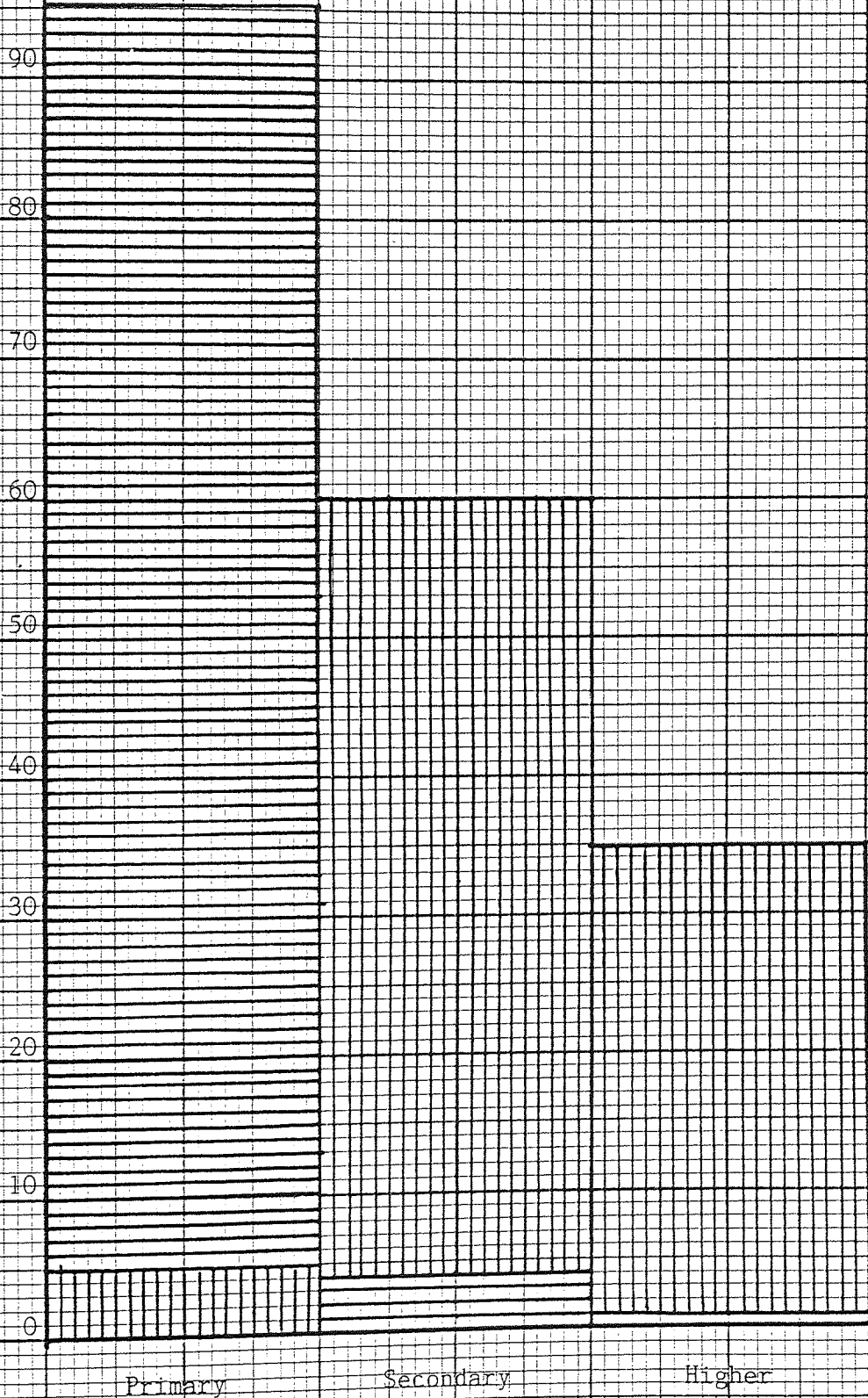




Figure 4.5 Education structure of the Polytechnic sample, compared with the education structure of the population.

Per 100 cent



Education structure of population

Education structure of sample

Senior managers (those concerned with long-term policy and strategy decisions) were excluded from the sample - as were directors - as the management education offered in the Polytechnic's diploma and degree programmes was not directed towards this level. Table 4.1, which breaks the sample down according to the number of managers/supervisors reporting to the respondents, gives a further, more concrete indication of the levels of management at which the respondents were engaged.

Expatriates were also excluded from the sample, as they were considered to be the products of different backgrounds and different education systems, and so the problems they perceived would not necessarily be of concern to the Malawian management education system.

#### 4.2.2 The questionnaire

The questionnaire was designed with a number of purposes in mind. Firstly, information regarding managers' perceptions of the problems they faced was required. Such information is generally lacking in the developing countries, and it is a main argument of this thesis that management education should be relevant to the problems encountered, and not simply relevant to an a priori (western) conception of what management problems should be. For instance, as will be shown below, problems associated with managers' lack of confidence in their ability to exercise personal discretion in discharging their managerial duties are very important in Malawi, and this, it is argued, implies that the management education that is provided should place emphasis on developing students' confidence in their own decision making ability.

Table 4.1 Structure of Polytechnic sample by number of subordinate managers/supervisors

Number of subordinate managers/supervisors	Number of respondents	Per cent of total respondents
0	84	42.4
1 or 2	57	28.8
3 to 5	39	19.7
6 to 9	11	5.6
10 or more	7	3.5
Total	198	100.0

Some of the managerial problems faced may be explicable in terms of macro-environmental variables that have shaped Malawi's managerial culture. These variables have been discussed in Chapters 1 to 3. However, it is also possible that some categories of problems may occur more frequently in particular types of organisations. For this reason, information relating to the characteristics of the organisations in which respondents were engaged was required (meso-environmental variables, see 4.4.1).

Finally, it is also possible that some categories of individuals experienced specific problems more frequently than others. Information relating to the individuals themselves (micro-environmental variables, see 4.4.2) was therefore required.

Before the questions could be set, however, two methodological problems had to be overcome. The first had to do with clarity of communication. It was anticipated that managers in the sample would be from widely differing backgrounds, and hold diverse educational qualifications. It was expected that some respondents might not be sufficiently familiar with written English to grasp the meaning of the question set. This problem was approached in three ways: firstly, the wording of the questions was kept simple and jargon-free; secondly, the questions were set in both of Malawi's official languages, English and Chichewa, to assist any respondent who had difficulty in understanding written English; and finally, an oral preamble to the questionnaire was given, in which its purpose was explained, roughly as follows

"I'd like to ask you now if you would mind filling in a questionnaire for me. The reason for this is that I'm doing some research which I hope will lead to improvements in the management diplomas and degrees taught at the Polytechnic, and as you people are full time managers, you are a valuable source of information about the work that managers do in Malawi. Please be assured that the answers you give will be

"treated in the utmost confidence - there is no danger that you will go back to work tomorrow and your boss will say to you 'Now what do you mean by the answer to Question 16?'"

Please bear in mind also that there are no right and wrong answers here; all I am interested in are your opinions.

If you have difficulty with any of the questions, please do not hesitate to ask for help.

Thank you very much for your co-operation."

The second methodological problem arose because the responses sought were of two different kinds. On the one hand, empirical data, such as age, length of service, et cetera, were required. Because they were factual data, they could be gathered using structured questions such as

6. Age - Zaka zanu

Under 20    20-29    30-39    40-49    50-59    60 or over

On the other hand, subjective data concerning managers' personal perceptions were also required. For eliciting this type of information, such a structured approach was considered inappropriate, as it could suggest to managers answers that they would not otherwise have considered. For this reason, an open-ended approach was adopted, in which the manager was required to think for himself about his responses, rather than selecting one from an already specified list of alternatives. [15] So, for example, managers were asked

20. What do you think are your biggest problems as a manager?  
Pa udindo wanuwo, kodi chomwe chimakubvutani kwambiri ndi chiani?

While this open-ended approach was considered more appropriate than structured questions for gathering subjective responses, it is important to note that it does not overcome all the difficulties associated with the handling of subjective data. One important residual problem is that while the researcher may be careful not to influence the responses made, he will nevertheless be bounded in

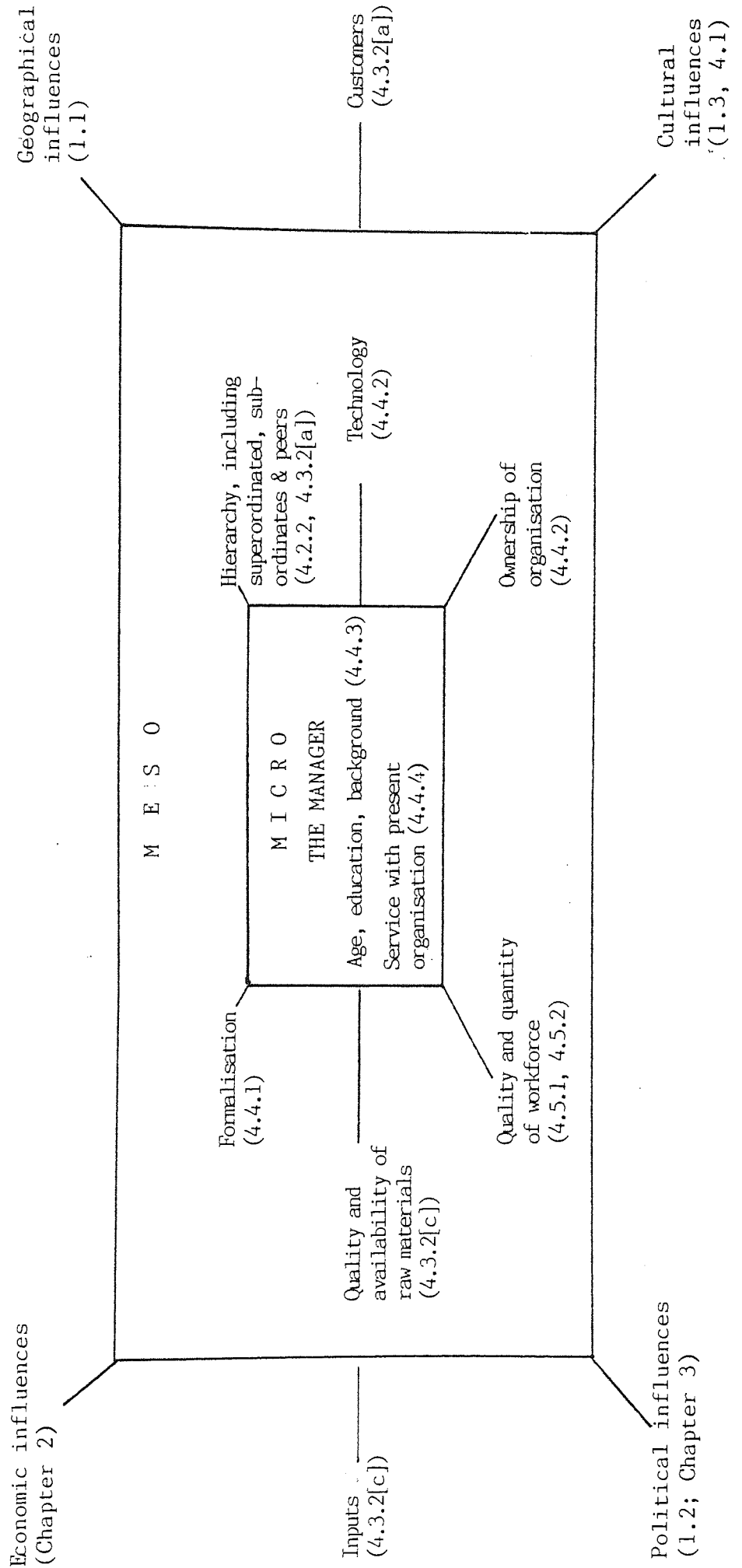


his interpretation of these responses by his own experience and his familiarity with the rules and norms of his own discipline. In short, a researcher may attach a different meaning to an answer from that intended by a respondent. [16] It is therefore important that a researcher should disclose any a priori assumptions he holds about possible responses. The writer's views on the potential sources of managers' problems are summarised in Figure 4.6. It was assumed that, because the manager works within the immediate environment of an organisation, it both defines his tasks, and stipulates the immediate constraints within which those tasks are to be achieved. Outside the organisation, however, there are other factors that also affect the manager. In the first place, the organisation is likely to perform some transformation process that refines and increases the value of some resource(s), which can then be sold. The organisation requires supplies of crude resources, and customers for the finished product. The customers, either explicitly or implicitly, set constraints on matters such as quality, price, and delivery dates; and these constraints may be formalised through the legal system, for example, by the official specification of safety standards, and by price legislation. If the crude resources have to be purchased, then their cost, quality and availability form another set of constraints within which the organisation, and hence the manager, has to operate. The cost, quality and availability of crude resources will also depend on whether they are produced within the country, and, if they are not, the ease with which they can be imported, in terms of both physical constraints (such as distance, and the efficiency of transport networks), and also economic constraints, (such as import and currency control restrictions).

The writer assumed that, though the list of possible constraints could be considerably extended, Figure 4.6 shows the areas to which

Figure 4.6 Possible sources of managers' problems

M A C R O



managers might refer as their "biggest problems."

Nevertheless, managers' responses cannot be categorised with certainty. For example, one respondent stated that his biggest problem was "communication in writing." This was classified as an impersonal problem relating to the job itself, and the problem was seen as an inadequacy on the part of the manager himself. It was not considered that the real problem was that the company was insensitive to the needs of its personnel, and should have sought some alternative means of internal communication. Neither was it assumed that the problem was an interpersonal one. If this appears to be common sense, then this is an indication that the categories used have face validity, but the point nevertheless remains that alternative categories are available to the imagination.

#### 4.3 The Polytechnic survey: results

Respondents were asked to specify their principal sources of job satisfaction and dissatisfaction, and job related problems. Their responses were categorised and, where possible, were interpreted in terms of macro-, meso-, and micro-environmental variables.

##### 4.3.1 Sources of job satisfaction and dissatisfaction

It was thought that data concerning managers' sources of job satisfaction and dissatisfaction might reflect the Malawian managerial culture described above (4.1.1 to 4.1.4). It has been convincingly argued elsewhere that people from different cultural backgrounds may derive satisfaction and dissatisfaction from different sources. Nevis, for example, argues that Maslow's hierarchy of needs [17] is culturally specific, and for it to be applied to the situation

in China it has to be rearranged. [18] We should therefore not expect that the sources of satisfaction and dissatisfaction cited by Malawians will fit any pattern established in surveys in the west, such as that conducted by Herzberg. [19]

The responses to the questions concerning job satisfaction and dissatisfaction were categorised, and are summarised in Table 4.2. Examples of the responses in each category are given in Appendix 4.2. Several interesting points emerge, which relate to the business environment described in chapters 1 to 3, and to the attitudes described in 4.1.1 to 4.1.4.

Firstly, routine aspects of the job performed were the most frequently cited sources of both job satisfaction and job dissatisfaction. For example, book keeping was a source of satisfaction for some managers, while it was a source of dissatisfaction for others. Many respondents viewed both job satisfaction and dissatisfaction in terms of the routines involved. This shows a tendency to regard the job primarily in terms of the routines involved in its execution, and may be taken to indicate the acceptance by managers of bureaucracy (see 1.2.1, 3.4) as part of their working lives.

The argument that Malawian managers have accepted bureaucracy as the normal organisation structure, is supported by the 50 respondents (24 per cent of the total) who cited organisational uncertainty as a source of dissatisfaction. This category of responses includes statements that dissatisfaction arises because rules and procedures are broken, and also because rules and procedures are not adequately established in some cases. Such responses indicate that while some routine aspects of the job may cause dissatisfaction, the absence of routine is, in itself, also an important source of dissatisfaction.

Table 4.2 Sources of satisfaction and dissatisfaction cited by respondents in the Polytechnic survey

Sources of satisfaction	Rank order	Number of citations	Per cent of total citations	Per cent (of 207) respondents
Job itself: routine	1	162	47	78
Job itself: social	2	53	15	26
Status	3	27	8	13
Achievement	4	26	8	13
Salary/fringe benefits	5=	24	7	12
Responsibility	5=	24	7	12
Recognition	7	17	5	8
Promotion prospects	8	9	3	4
Other	9	3	1	1
None	-	6	-	3
Total		345	101	

Sources of dissatisfaction	Rank order	Number of citations	Per cent of total citations	Per cent (of 207) respondents
Job itself: routine	1	71	28	34
Job itself: social	2	56	22	27
Organisational uncertainty	3	50	20	24
Relations with boss	4	32	13	15
Salary/fringe benefits	5	24	10	12
Extra-organisational uncertainty	6	12	5	6
Poor promotion prospects	7	7	3	3
None	-	42	-	20
Total		252	101	

Secondly, social aspects of the job were important sources of both satisfaction and dissatisfaction. Respondents indicated that, for example, enjoying good relationships with their fellow workers was positively satisfying. Moreover, this category of job satisfaction was cited more frequently than remuneration, achievement, status, recognition, responsibility, and promotion prospects.

However, socially uneasy situations, such as having to deal with the personal problems of subordinates, were regarded as definitely dissatisfying.

The importance of social factors as sources of both satisfaction and dissatisfaction, was interpreted as indicating that traditional collectivistic values (see 1.3, 4.1.4.[a]), which would prompt respondents to view their organisations as social (as well as productive units), were still strongly held by many managers.

Thirdly, prospects of promotion were unimportant sources of both job satisfaction and dissatisfaction. This corresponds with the attitudes to competitiveness in the Malawian managerial culture (4.1.4). These attitudes are associated with the "civil service mentality," which leads people to expect promotion on the basis of seniority and length of service (1.3), and not as a result of successful, competitive behaviour. This argument is supported by the fact that 96.1 per cent of the respondents expected to be promoted; 76.3 per cent expected to reach a level senior to that of their present boss; and 54.1 per cent expected to reach senior management level. The comments of senior managers who were responsible for making decisions about promotions indicated that, in their opinions, Malawian junior and middle managers had unrealistic promotion expectations.

Finally, it is noticeable that significantly more managers stated that they had no sources of dissatisfaction than stated that they had no sources of satisfaction. Only six respondents (2.9 per cent of the sample) stated that they had no sources of satisfaction, while forty two (20.3 per cent) stated no sources of dissatisfaction. This could be interpreted as indicative of a tendency to accept the status quo, and/or a reluctance to criticise or express an opinion as to how a situation ought to be. Such an interpretation would suggest that this result is associated with the attitudes to dynamism and creativity (4.1.3), which would lead people to accept a situation, providing it was bureaucratically ordered. Care should be taken in interpreting these results, however, as they are hardly conclusive; although 20 per cent of the sample did not cite any source of dissatisfaction, 80 per cent did cite at least one.

#### 4.3.2 Categories of perceived problems

Responses to the question

20. What do you think are your biggest problems as a manager?

Pa udindo wanuwo, kodi chomwe chimakubvutani kwambiri ndi chiani?

can be divided into five categories. The first two categories can each be sub-divided into three parts. These principal and sub-categories are described below, and a breakdown of the responses between categories is given in Table 4.3.

Category a. Interpersonal problems

This broad category comprises problems arising out of the relationships between the manager and the people with whom he would be

Table 4.3 Problems cited by respondents in the Polytechnic survey

Problems	Number of citations	Per cent of total citations	Per cent of sample (207)	Rank order: main categories	Rank order: sub-categories
Interpersonal, of which:	121	46	58	1	
superiors	35	13	17		4
subordinates	72	27	35		1
customers	14	5	7		6
Personal security, of which:	114	43	55	2	
job itself	69	26	33		2
lack of training/ experience	9	3	4		7
lack of guidelines	36	14	17		3
Supply of materials	8	3	4	4	8
Other	21	8	10	3	5
None	22	-	11	-	-
Total	264	100			



required to interact in his managerial roles. These people may include his superiors, his subordinates, and other functionaries at varying levels within the organisational hierarchy. They may also include people outside the organisation, for example customers, suppliers, and government officials. The responses in this group related particularly to three groups of people; superiors, subordinates and customers.

a (i) Superiors

Interpersonal problems between the manager and his superiors took several forms. Firstly, there were problems arising out of a straightforward disagreement or personality clash between the manager and his superior. A typical response of this type was

"A boss who does not take my views."

Apart from this type of problem were problems the manager associated with incompetence on the part of his superior. In some cases this incompetence related to the manager's job, for example

"Dealing with a superior who lacks enough knowledge of my job."

In other cases, however, this incompetence was related to the superior's ability to do his own job. Several of the responses in this group were concerned with the superior's failure to delegate authority, for example

"Not enough authority is delegated to me by my boss."

and

"My boss issuing instructions to my juniors without my knowledge and juniors reporting back directly to my boss."

Although junior managers complained that their superiors did not delegate enough authority to them, it seems that a higher proportion of their own number may have been guilty of failing to delegate authority to their subordinates. 36 per cent of respondents considered their activities to be "closely controlled" by their boss,

while 53 per cent considered that they "closely controlled" the activities of their subordinates. It might be, therefore, that delegation is a general problem faced by managers at all levels, rather than a problem that exists between junior managers and their superiors. Nevertheless, from the point of view of the sample taken, such problems were considered to be associated with superiors, and so are included in this category here.

In total, problems concerning the manager's relationship with his superior(s) accounted for 35 (13 per cent) of the 264 problems mentioned.

a (ii) Subordinates

This was the most frequently cited problem, accounting for 72 (27 per cent) of the 264 problems mentioned.

Subordinate oriented problems are not, of course, peculiar to Malawi. In the industrialised countries substantial research into motivation, performance, productivity, et cetera, has been conducted, with a view to discovering ways in which managers can elicit more effective effort from the workforce.

However, the subordinate oriented problems faced by Malawian managers may have some characteristics that are not to be found (or at least not frequently to be found) in the industrialised nations.

In the first place, the relative novelty of industrial organisation will mean that some of the workforce will inevitably be unfamiliar with what is required of them. Not only will they be unfamiliar with the technical actions required, but they will also be unfamiliar with the notions of efficiency, urgency and dynamism with which these

actions have to be conducted. The problem of workforce motivation is thus likely to be compounded when a group of workers with non-industrial attitudes to work have to be managed within the framework of an industrial organisation. Typical responses that indicated the existence of this kind of problem were

"Having to motivate some inherently stubborn staff."

and

"Making subordinates understand the importance of their various jobs."

Moreover, traditionally, the social nature of work is to some extent incompatible with the economic requirements of industrial and commercial organisation. Traditionally, work is a communal and co-operative activity that takes place within a complex network of social responsibilities and obligations (see 1.3). Industrial work is a more technically complex activity, but it takes place within a more limited network of social responsibilities and obligations. Problems can arise when traditional, collectivistic values are carried into the modern, individualistic setting, and employees assume that their employing organisations have a complex network of responsibilities to them. For example, one manager complained

"My workers come to me with their personal problems."

Several respondents alluded to "personal problems." At first, I assumed that they meant "personnel problems," but further discussion with them made it clear that they were referring to the personal problems of their workers. In this case, the workers regarded their employing organisation as a source of employment, and also as a source of sympathy and understanding.

a (iii) Customers

In total, 14 of the 264 problems cited (5 per cent), indicated that respondents experienced some problems in their relationships with

customers. Examples of answers in this category are

"Getting them [the customers] to understand ..... our invoices."

and

"..... to make local people understand the bridge we are playing between them and government."

Responses of this type imply that customers are not regarded as a sovereign force, but rather that they have somehow to be made to accept and fit the purposes and structures of the organisation. The western free market adage "The customer is always right" would not give rise to responses such as these; nor would the following sentiment, expressed by Drucker

"The purpose of a business is to create customers. The purpose is to provide something for which an independent outsider, who can choose not to buy, is willing to exchange his purchasing power." [20]

As seen in 2.5.1, however, by 1979 still only 12.7 per cent of the economically active population was employed for wages or salaries, or in Drucker's terms, worked in order to gain "purchasing power;" and in 1968 this figure was only 5.9 per cent.

Without the concept of purchasing power, the concept of a customer, and hence of consumer sovereignty, cannot exist. The relatively small number of people in the monetary sector in 1979 shows that even then, for the great majority of the population, the role of the customer was not a common one. Furthermore, the increase in wage employment from 134,483 in 1968 to 369,100 in 1979, indicates that the role of the customer may have been relatively new to many of those engaged in the monetary sector by 1979.

It seems, therefore, that the un-western attitude towards customers described above is explicable in terms of the relative newness of the customer's role in Malawian life.

Such an explanation, while necessarily tentative, draws support from the fact that of the 14 responses in this sub-category, only 3 were concerned with positively satisfying customers, and all 3 of these respondents were employed in multinational companies, which would be expected to uphold western values more strongly. (Employees of multinationals accounted for 7 of the 14 responses).

In total, interpersonal problems were cited 121 times out of a total of 264 citations (46 per cent), and this made them the most common type of managerial problem.

#### Category b. Problems of personal security

The second most common category of problems comprises diverse responses which have in common that they are rooted in a lack of confidence on the part of the manager. These problems I have termed problems of personal security, and, like interpersonal problems, they are divided into three sub-categories.

##### b (i) Problems with the job itself

This first sub-category comprises problems arising because the individual manager finds difficulty in carrying out some standard requirement of his job.

As managers in the sample were engaged in many and diverse areas of management, the problems in this sub-category are also diverse. Some problems were stated in very vague terms (e.g. "General administration"), while others were much more specific and stated at length.

Three underlying themes emerged in this sub-category, however.

The first was the difficulty respondents experienced in making decisions. Of the 69 respondents, 10 made explicit reference to making decisions.

It has been shown that a number of macro-environmental factors in Malawi combine to create an environment in which people are reluctant to take decisions and accept personal responsibility. In the light of this analysis of the Malawian managerial culture, this problem is hardly surprising.

The second theme that emerged concerned the difficulty experienced in forward planning. Eight respondents made specific reference to this. Again, the problem is not surprising, as planning and decision making are highly inter-related activities. We are told in management texts, for example

"The managerial system is concerned primarily with decision making for planning and controlling organisational endeavour."  
[21]

and

"Planning is a process wherein decisions regarding the future of the organisation are made." [22]

If people are averse to decision making, they are also likely to be averse to the decisional aspects of the planning process.

For our purpose here, however, it is useful to distinguish between decision making and planning, as the latter introduces the factor of time. Time is viewed differently in traditional and industrial societies. [23] Whereas in the traditional society time is seen as cyclical, and hence repetitive, in industrial society it is seen as linear, so that a particular moment in time is unique. In industrial society, as a result, time is a source of greater (at times almost fanatical) concern. This is nowhere better summed up

than in the following passage by Braverman:

"Efforts have been made to find a means of gaining a continuous, uninterrupted view of human motion . . . . in the end, sound waves, using the Doppler shift, have been chosen as the most suitable. . . . . This device goes by the name Universal Operator Performance Analyser and Recorder (UNOPAR), and is said to be, if nothing else, an excellent timing device, accurate to 0.000066 minutes, though not to be compared in this respect to electronic timing devices, which are accurate to a millionth of a second. But these last, we are told ruefully, are useful only for experimental purposes, and not in the workplace." [24]

Our concern with the accurate measurement of time is a reflection of our increased concern with urgency and efficiency. It is this notion of urgency that gives rise to the third underlying theme in this sub-category. This is that managers find it difficult to cope with what would be regarded in industrial society as the normal, everyday pressures of management, such as meeting targets and deadlines. A total of 17 of the 69 responses in this sub-category referred to problems of this kind. Typical responses were

"To fulfil fixed dates for reports to headquarters."  
and  
"To meet targets set by my company."

However, the fact that attitudes towards time differ between traditional and industrial cultures is not in itself sufficient explanation of this problem. Attitudes to time change in response to other changes, and Malawi is, as has been shown, undergoing many changes. One of these changes is the transition from a subsistence economy to a surplus oriented, monetised economy (see 2.1.1). In the traditional, subsistence economy, the family produces the food it needs for its own consumption. Natural conditions may, from time to time, cause surpluses and shortfalls, but the family will not deliberately work to produce a surplus for the purpose of trading. This is partly because products are usually perishable (and therefore can have a trading value for only a limited period), and partly because the range of products available would be so homo-

geneous as to render trading almost pointless.

The introduction of money into an economy means that if a surplus is produced, it may be possible to exchange it for what (ignoring inflation) is an imperishable store of wealth. This would not in itself encourage the production of goods surplus to families' needs, however. It is also necessary to widen the range of goods so as to make trading attractive. The use of money as a medium of exchange encourages this diversification: people no longer need to produce their own food, as long as someone else produces a surplus from whom they can purchase it. Those people who sell surplus food can then use the money they receive to buy the products of non-food producers. Thus the orientation of the economy shifts from subsistence to surplus.

Clearly, the move from subsistence to surplus orientation requires a rise in efficiency. In as much as commercial organisations are profit oriented, we may expect them to be concerned with producing as much surplus as possible (subject to the constraints of economic feasibility). In other words, we would expect commercial organisations to seek to be as efficient as possible. Etzioni makes this point

"In contrast to earlier societies, modern society has placed a high moral value on rationality, effectiveness and efficiency." [25]

As stated above, the majority of the economically active population participates only marginally, if at all, in the monetary sector of the economy; and many of those now participating in this sector have entered it only relatively recently. Hence the requirements of efficiency (deadlines, targets, and so on) may be unfamiliar to them, in the sense that they have not been part of their upbringing.



Consequently, these requirements provide a source of pressure not experienced by people to whom such requirements are familiar.

This concern with urgency and efficiency has led to attempts to find improved ways of carrying out functions. Research and development in production technology has given an additional element of dynamism to the environment. This did not exist in traditional society, where technology was static: but in industrial society, invention and innovation are a standard part of everyday life. In discussing the period of Britain's industrial revolution, Deane writes

"Innovation ..... is the heart and core of technological progress. It is this that enlarges the possibilities of production, requires new combinations of factors of production, and creates new cost structures." [26]

It is for this reason that she describes technology as

"revolutionary in its economic effects." [27]

However, technological complexity and innovation do not appear to be characteristic of traditional society. Mair clearly believes that many features of traditional African society are explicable in terms of the low level of technology available

"Much of what is described as 'naturally African' is simply characteristic of the limited possibilities open to societies of simple technology." [28]

Also regarding the lack of innovation in traditional societies, Lerner writes

"It is not that traditional people did nothing ..... It is rather that they did nothing new." [29]

By way of contrast to this, Toffler summarises the process of technological advance in industrial societies as follows

"Technological innovation consists of three stages, linked together into a self-reinforcing cycle. First, there is the creative, feasible idea. Second, its practical application. Third, its diffusion through society.

The process is complete, the loop closed, when the diffusion

"or technology embodying the new idea, in turn, helps generate new creative ideas." [30]

It seems, then, that not only does modern society differ from traditional society in its possession of complex technology, but also that, underlying this complexity, is technological dynamism in the former society, and technological stasis in the latter.

b (ii) Lack of training/experience

This is similar to sub-category b(i) in as much as the problems included here arise out of the manager's lack of confidence in his ability to carry out his job. Responses in this class, however, stated specifically that it was a lack of training or experience, rather than a lack of the individual's personal ability, that caused the problem. Typical responses were

"Lack of basic knowledge in hotel management,"  
"Insufficient training."

and

"Not experienced yet."

Altogether, only 9 respondents (4 per cent of the sample) came in this particular sub-category, and despite its similarity to sub-category b(i), it was felt that the shift in emphasis from the individual's innate ability, to his training or experience, was sufficiently significant to merit the inclusion of this group of responses separately.

b (iii) Lack of a framework of rules and procedures

The final group of problems associated with a lack of personal security is quite different from the previous two, but nevertheless stems from the manager's lack of confidence in his ability to do his job. The 36 respondents (17 per cent of the sample) in this sub-category all indicated that they found it difficult to take executive actions unless they were within well specified guidelines.

Such problems may arise because the guidelines were not sufficiently specified in the first place, or because other people cut across those guidelines, thus giving the manager a sense of instability.

We have seen above that this problem is explicable in terms of a set of macro-environmental characteristics of the managerial culture. We have also seen that such a problem would be unlikely to be as common in the western industrial nations, where we assume autonomy to be an essential factor in job satisfaction and motivation.

Thus there is a conflict between the managerial cultures of the western, industrialised nations, and Malawi. The reaction of Malawian managers to this conflict is to seek formal guidelines to absolve them from personal responsibility for their actions and decisions.

In total, problems of personal security were cited 114 times out of a total of 264 citations ( 43 per cent), and this made them the second most common type of managerial problem.

#### Category c. Supply of materials

The third category of management problems was cited by only eight respondents , but it was felt that it merited separate inclusion because it reflected a number of features of the Malawian business environment of which the management education system should take account. The problems in this group were all associated with the supply of materials. A typical response was

"Getting raw materials from overseas on time."

There are a number of reasons for the existence of this problem, and

in view of these it is perhaps surprising that the problem is not more widespread.

In the first place, Malawi possesses no economically extractable mineral resources (see 1.1). For this reason, any mineral based goods, including capital equipment, have to be imported. The process of importing such requirements is complicated by two further features of the Malawian business environment. Firstly, Malawi is a land-locked country, so imports from countries other than its immediate neighbours (Mozambique, Tanzania and Zambia), which are transported by surface, have to be brought through at least one other country. This lengthens and increases the cost of importation as well as leaving the Malawian economy vulnerable to the inefficiencies and breakdowns in the transport systems of its coastal neighbours, Mozambique and Tanzania. Clearly, many of these problems may be overcome by using air transport, but the cost of this is generally much higher than that of surface transport.

The second complicating factor is the existence of currency control and import regulations. Certain goods may not be imported at all; but this should not provide a significant problem as these are goods that are produced within the country anyway (e.g. tea, sugar). However, even if goods can be imported, payment cannot be made until they are landed in the country; this means that the firm that supplies the goods has to wait for the goods to arrive, then wait for payment to be approved, then wait for payment to be made. This can frequently lead to a gap of several months between the supplier dispatching the goods and receiving payment for them. One senior manager said

"I've had two firms in the UK write to me and say that the last time we bought anything from them they had to wait 15 months for

"their money, and they can't carry on supplying us on those terms." [31]

Although this problem is not widely cited at the moment, it may become more common as the industrial sector grows, and more companies come to rely on imported raw materials and capital equipment. At the moment, however, inventory control techniques are not included in the curriculum of either the diploma in business studies, or the degree in commerce, offered at the Polytechnic of Malawi. It seems appropriate that the management education system should take account of this problem, and include such techniques in its curricula, particularly techniques appropriate for materials and components with long and uncertain lead times.

Category d. Other perceived problems.

The fourth category of problems comprises responses that do not fit into any of the above categories, and do not have any unifying theme in themselves. Some answers are highly specific, for example

"I have to work from 7.30 am to 9.00 and I have only one day off duty, which dissociates me from my family."

While the obligations of the extended family system have been acknowledged (1.3), it seems likely that this particular problem would present itself to someone from a nuclear family background in a similar position, and care has been taken not to read too much into answers such as this which mention families.

Other responses in this group were difficult to interpret because the respondent's meaning was not clear, for example

"My office is not so impressive."

or

"Getting people to evaluate competence per se instead of personality and reputation."

The manager whose office was "not so impressive" did not indicate why this was a problem. Presumably he felt that he deserved a better office; but if this was the case, then he was really citing a source of dissatisfaction rather than a problem. (A number of respondents perceived problems and dissatisfaction in the same way, but in most cases their response fitted one of the problem categories above).

Then again, the manager who wanted people "to evaluate competence per se" was presumably bemoaning the fact that people assess one another in a subjective manner; but he gave no indication of to whom he was referring (whether customers, superiors, et cetera).

In total, 21 responses (8 per cent of total citations) were in this category.

#### Category e. No problems perceived

The final category of responses came from managers who indicated that they perceived no problems in discharging their managerial duties. In total there were 22 (11 per cent of the sample). The significance of these responses is impossible to estimate, as they may be interpreted in various ways, among which are the following

- they are the result of apathy in filling out the questionnaire
- they reflect a relatively high level of reluctance to admit that problems exist, or to be seen to criticise
- they are the result of a lack of articulacy, with less educated people being unable to express their problems, although they may in reality perceive themselves as facing them
- they may reflect competence - when a manager says he has no problems, he means exactly that.

Regarding these possible explanations, the following facts are pertinent

- of the total of 22 respondents who cited no problems, 12 also cited no sources of dissatisfaction
- the mean number of problems cited per respondent rose as the respondent's education rose. Those with only primary education cited only 0.73 problems per person; those who had received secondary education cited 1.25 problems each, while those who had received higher education cited 1.42 problems each.

These facts could be interpreted as supporting any or all of the first three interpretations of "no problems" responses suggested above.

#### 4.3.3 Problems and attitudes

The sources of job satisfaction and dissatisfaction, and the perceived problems, cited by respondents in the Polytechnic survey, are related to the business environment and the managerial culture of Malawi.

There was a strong tendency among respondents to consider their jobs in terms of the routine, technical operations involved. This was reflected in the fact that routine aspects of the job were the most frequently cited sources of both job satisfaction and dissatisfaction. The importance of routines to respondents was further reflected in the fact that the absence, or breaking, of routines, was also an important source of job dissatisfaction.

This affinity for routine was also evident among managers who faced problems of personal security (and particularly those who found that working without routines was a problem in itself). Thus there

is clearly an association here between sources of dissatisfaction and managerial problems, both of which relate to a general desire to rely on rules and procedures, in order to avoid the use of individual initiative, and the acceptance of personal responsibility. These responses correspond with the attitudes to decision making, responsibility, dynamism, and creativity outlined in 4.1.2 and 4.1.3.

Interpersonal problems were the most frequently cited problems, and these are partly explicable by reference to the collectivistic values of traditional society which lead people to view work as a social activity, and hence, to view the organisation as a social, as well as a productive, unit. The continued existence of traditional, collectivistic values is also reflected in the importance of social aspects of the job as sources of both satisfaction and dissatisfaction.

The lack of importance of promotion prospects as a source of either job satisfaction or dissatisfaction, reflects both the bureaucratic values of the "civil service mentality," and the traditional values which attach respect and authority to age (see 1.3). These attitudes, together with other factors, are associated with a general lack of competitiveness in the Malawian business environment and managerial culture, of which a lack of concern with promotion is an example, (see 4.1.4).

#### 4.4 The Polytechnic survey: further results

So far we have seen that Malawian managers perceive two major categories of problems. These categories have been interpreted by reference to the environmental factors that have influenced the development of the Malawian managerial culture, and the associated



attitudes described in 4.1, and depicted in Figure 4.6. This figure showed also the meso- and micro- factors that were postulated as influences on the problems managers face. Subsidiary analyses were conducted to include these factors where possible.

#### 4.4.1. Formalisation of the employing organisation in relation to managers' problems

The concern of Malawian managers with the establishment of, and adherence to, formal routines has been noted (4.3). This concern is seen to be consistent with the attitude to decision making and responsibility described (4.1.2). It was, therefore, hypothesised that managers in highly formalised organisations would have fewer problems of personal security than managers in less formalised organisations.

To test this hypothesis, the incidence of each major category, and each sub-category, of problem mentioned was related to the formalisation score of the organisation (as represented by the respondents' perceptions of the extent to which their own activities were specified by rules and procedures; Appendix 4.1, Question 12).

A chi-square contingency test was used to compare the distribution of each individual major and sub-category of problems with respect to the level of formalisation, with the distribution of all other problems together with respect to formalisation.

The hypothesised inverse relationship was found, but was weak. (Incidence of problems of personal security = 39% in highly formalised organisations, and 45% in less formalised organisations). The chi-square test was below statistical significance.

However, a statistically significant positive association was found between formalisation and interpersonal problems with subordinates, compared with other problems (see Table 4.4).

Malawian managers tend to view organisations as social units, as well as productive units (4.3.1). This view is linked with the traditional complex network of social obligations within which economic activity takes place. When managers are faced with the personal problems of their subordinates (4.3.2), a rigid framework of rules and procedures could limit their discretion to fulfil their traditional obligations. In this transitional society, therefore, the manager can find himself holding the attitudes described above (4.1), and so looking for personal security in formalisation, but, at the same time, finding this formalisation denies him the flexibility to operate in interpersonal relations with his subordinates as they expect him to.

#### 4.4.2 Other meso-level analyses and results

Data were available (see Appendix 4.1) to look at the problems experienced in relation to

1. ownership of the employing organisation (government, parastatal, private indigenous, or multinational)
2. the level of technical complexity as perceived by respondents in their organisation (2 indicators, see Appendix 4.1, Questions 14 and 15)
3. functional area of respondent's job
4. how closely the respondent felt himself to be supervised by his boss.

The contingency theory literature suggests that any of these may be a determinant of the problems managers face. Analysis of the research data in this study on the lines indicated for formalisation above (4.4.1) failed to provide any significant relationships with

Table 4.4 The relation between subordinate oriented problems and formalisation

Level of formalisation (a)	Number of subordinate oriented problems		Number of all other problems cited		Total O
	O	E	O	E	
High	23	16.175	36	42.857	59
Medium	19	23.832	68	63.146	87
Low	1	3.011	10	7.979	11
Total O	43		114		157

O: Observed frequency                      E: Expected frequency

(a) Responses to Question 12 (see Appendix 4.1) were scored (a) = high; (b) = medium; (c) = low. Response (d) was not included in the analysis, as it is not an indicator of formalisation.

$$\chi^2 = 7.185 \text{ with 2 degrees of freedom.}$$

This result is significant at the 5% level.

interpersonal problems or with problems of personal security. and

#### 4.4.3 Micro-level analyses - background, age and education

At the micro-level, personal details were of interest. The first of these was the respondent's background. The extent to which a manager internalises modern industrial values, and the rate at which he internalises them, may depend on how strongly entrenched his traditional values are. It was thought that managers from a traditional background would find it more difficult to accept western ways, and that they would face more problems, or different problems, than their contemporaries from an urban industrial environment. The respect accorded to older people (1.3) suggests that younger managers would find supervision, and especially the supervision of older people, difficult. However, as the transition to a literate society takes place, qualifications rather than age become indicators of competence, so that less qualified managers may face more problems than more qualified managers.

The distribution of each problem was analysed, using the chi-square technique as described in 4.4.1, with respect to the occupations of the respondents' fathers, and to respondents' own age and qualifications. Managers' problems were not statistically related to their backgrounds or to their age. There was, however, the expected relationship between qualifications and problems, but only for one class of problems, namely interpersonal problems with subordinates. Sixty three per cent of managers with only primary school qualifications perceived such problems, compared with twenty nine per cent of managers with secondary, and twenty three per cent with tertiary education. This result was significant at the five per cent level (see Table 4.5).

Table 4.5 The relation between subordinate oriented problems and education

Level of education	Number of subordinate oriented problems		Number of all other problems cited		Total O
	O	E	O	E	
Primary	5	2.162	3	5.758	8
Secondary	44	42.018	110	111.894	154
Higher	23	27.820	79	74.084	102
Total O	72		192		264

O: Observed frequency

E: Expected frequency

$$\chi^2 = 6.332 \text{ with 2 degrees of freedom.}$$

This result is significant at the 5% level.

Age, however, was significantly inversely related to qualifications, as shown in Table 4.6. Thus managers were either younger and more qualified, or older and less qualified. The advantage of qualifications balanced the disadvantage of youth, and the advantage of age balanced the disadvantage of lack of qualifications. This could indicate that the cultural transition Malawi is undergoing requires that authority be legitimated "rationally" (in the bureaucratic sense) as well as traditionally. If this is the case, it means that education (with formal qualifications) is becoming a means of legitimating authority. If this is so, it appears from the data, that secondary education is, at present, a substantially greater legitimator of authority than primary education, but the contribution of higher education is not substantially greater than that of secondary. If the degrees and diplomas are to be respectively, "a recognised qualification for junior management" and "invaluable ..... for ..... general management," one would hope that they could provide managers with a more substantial addition to their perceived legitimate authority.

#### 4.4.4 Length of service and problems

It is possible that another source of managers' authority is their length of service with their present organisation. Seniority in service could be respected in a similar way to chronological age. Thus, an analysis of problems by length of service was conducted.

Subordinate oriented problems were perceived less frequently by managers who had been with their present employer for more than one year (44 per cent of managers with less than one year's service compared with 34 per cent of managers with one year's service or more).

Table 4.6 The relation between age and education

Level of education	20 - 29		30 - 39		Total O
	O	E	O	E	
Primary	0	3.763	11	7.208	11
Secondary	37	42.530	87	81.463	124
Higher	34	24.708	38	47.328	72
Total O	71		136		207

O: Observed frequency

E: Expected frequency

$\chi^2 = 12.185$  with 2 degrees of freedom.  
This result is significant at the 0.5% level.

Managers with less than one year's service experienced more problems with subordinates than any other class of problems (subordinate problems accounted for 41 per cent of the total problems cited by this group, compared with 27 per cent for the sample as a whole). It seems that the manager's authority must still be to some extent "traditionally" legitimated.

The expectation that a new manager would experience his major problems from the nature of the job itself was not supported. On the contrary, problems of personal security increase after completion of one year's service (such problems were cited by 34 per cent of respondents with less than one year's service, compared with 56 per cent with one year's service or more). However, it was not surprising that difficulties because of "lack of training/experience" declined with experience (from 7% among those with less than one year's service, through 5% for 1-4 years, 3% for 5-9 years, and none for 10 years or more).

#### 4.5 The second survey: location

The Polytechnic survey was re-administered in a working organisation in order to appraise whether or not the findings from the first sample would be upheld in a specific meso-environment.

The company chosen was David Whitehead and Sons (Malawi) Limited, which is well suited for a study of this kind because in many ways it typifies the kind of Malawian business organisation we would expect to grow out of the macro-environment described, and at the same time it places a heavy emphasis on training. Thus, analysis of the problems faced by managers in this organisation, and comparison with the results of the Polytechnic survey (especially 4.4.3) may



indicate whether training is of any practical value in helping managers to overcome their problems.

#### 4.5.1 The company - David Whitehead and Sons (Malawi) Limited

David Whitehead and Sons (Malawi) Limited, (DWS[M]Ltd), is a textile company which buys local raw cotton and produces various grades of cotton cloth, as well as other cotton goods. It is part of the multinational Lonrho corporation, which owns 51 per cent of the Malawian subsidiary. The remaining 49 per cent is owned by the Malawi Development Corporation (2.2.2) (29 per cent), and Press (Holdings) Limited [32] (20 per cent). In addition to being the majority shareholder, Lonrho is contracted to supply the senior management team of the company.

DWS(M)Ltd accords with Malawian development policy in utilising locally produced agricultural raw materials. It also is financed from multinational, parastatal and private indigenous sources, and so is representative of a variety of interests.

DWS(M)Ltd was established in 1967, and since then it has expanded impressively. At the time of its establishment, total employment in the company was 800; at the time of this survey, 13 years later, total employment was 3,200, making DWS(M)Ltd the biggest employer of labour under one roof in the country (see Table 4.7).

#### 4.5.2 Organisation of the company

Two aspects of company organisation are considered here. They are

- (a) structure, and
- (b) management-worker consultation.

Table 4.7 The growth of David Whitehead and Sons (Malawi) Limited, 1967-1979

	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Sales:													
Cloth ('000 yards)	2,643	6,490	9,353	11,943	16,241	17,576	18,179	21,574	23,254	18,938	19,208	24,324	24,722
Home		146	44	28	36	8	3	19	8	-19	1	27	2
per cent rise, year on year													
Export										294	4,379	3,751	6,256
per cent rise, year on year											1,389	-14	67
TOTAL	2,643	6,490	9,353	11,948	16,241	17,576	18,179	21,574	23,254	19,232	23,587	28,074	30,978
per cent rise, year on year		146	44	28	36	8	3	19	8	-17	23	19	10
Twine ('000 kgs.)									16	97	125		
Yarn ('000 kgs.)										24	886		
Employees	800	950	1,088	1,275	1,358	1,557	1,767	1,882	2,034	2,252	2,837		
Floor area ('000 sq. ft.)	112.5	112.5	132	195	195	195	243.5	243.5	302.5	302.4	445.1		
Turnover (K'000)	677	1,984	2,404	3,874	5,264	6,006	6,406	8,380	10,574	9,896	13,630		
per cent rise, year on year		193	21	61	36	14	7	31	26	-6	38		
Fixed assets	1,877	1,893	2,137	3,778	4,123	4,248	5,134	5,465	6,564	9,767	13,935		

Source: David Whitehead and Sons (Malawi) Limited.

(a) structure

Employees in the company are divided into three categories, and within each category there are a number of bands.

The first category is that of "operative grades," within which there are fifteen bands. Operative grades are shop floor workers who perform entirely manual tasks, having no supervisory or managerial responsibilities.

The second category is that of "junior staff." There are seven bands within this category, which comprises clerical and secretarial workers. At the top of the junior staff scale, employees may have supervisory, but not managerial, responsibilities.

The third category is that of "senior staff," within which there are eleven bands. This category includes supervisory and managerial staff in all departments up to and including the level of general manager.

It is noticeable that the organisational structure is very tall, with a total of 33 bands in the hierarchy. Such a structure is typical of the bureaucratic style of organisation referred to in 4.1.2.(a).

(b) management-worker consultation

Management-worker consultation in DWS(M)Ltd takes place through the Joint Consultative Committee, which has three main functions, outlined in its constitution as follows

- "(a) to keep under review the health and welfare of employees
- (b) to encourage and consider suggestions for improvement in methods, work organisation, productivity and the testing of such suggestions

"(c) to aid in the enforcement of the provisions of the disciplinary code as laid down in the employees' conditions of service." [33]

The Committee is advisory, and has no authority to instruct the management to take action in any matter. Furthermore, the constitution explicitly states

"the committee will have no responsibility for negotiation of wages."

In the absence of a credible trade union movement (see Chapter 3), the fact that workers are unable to exert influence on the level of wages through committees such as this, may appear to indicate a unilateral system. In Malawi, however, wage increases are very tightly controlled by the government. This policy is effective in practice, as has been demonstrated (2.5.1). The mean rise in per capita income from 1968 to 1976 was 2.95 per cent per annum. In many cases, government wage-fixing is as much a problem for the employer, wanting to increase his workforce and maintain a high level of staff contentment, as it is for the employee who has to work for a low wage. One senior Malawian manager in the company observed that absenteeism among the lower paid workers became a serious problem at harvest time each year, as many of them, through their families, maintained their traditional rights to an allocation of land in their villages (see 1.2), and at harvest time it was beneficial for them to return, albeit temporarily, to village life, and to sell their surplus produce to ADMARC.

#### 4.5.3 The market

DWS(M)Ltd supplies both domestic and international markets. In the home market its products are sold through wholesale and retail

outlets in both the parastatal and private sectors. It faces little competition, except at the expensive end of the market, where imported cloths are also sold. Thus in the home market for DWS(M)Ltd's products, competition is generally lacking, as it is in the Malawian business environment at large.

In the international market, DWS(M)Ltd supplies cloth on a regular basis to Zambia and Zimbabwe, and also supplies high quality cloth to Europe (in particular, to the United Kingdom, West Germany and France). Competition in the international market, and especially in the European market, is harder than in the domestic market.

#### 4.5.4 Functions within the company

As DWS(M)Ltd is a large organisation it employs, in addition to production workers, its own clerical, accounting, marketing, sales, maintenance, personnel and training staff. The sample is as representative of different functional categories as was the Polytechnic survey.

#### 4.5.5 How the company recruits and trains

##### (a) recruitment

DWS(M)Ltd's recruitment procedure varies according to the category of staff to be appointed. Operative grades are normally recruited through the Ministry of Labour, which circulates to all companies detailed lists of job seekers. On occasion, operative grades may be recruited from the factory gates, if the need is urgent.

Junior staff are also recruited through the Ministry of Labour whenever possible, but sometimes vacancies at this level have to

be advertised in the press. Candidates for junior staff vacancies are interviewed by the personnel manager and the prospective department head.

Senior staff vacancies are always advertised in the press and candidates are interviewed by the general manager, the assistant general manager, the personnel manager, and the prospective department head.

On appointment, operative grades and junior staff are required to work a three month probation period. The probation period for senior staff is six months.

(b) training

In addition to recruiting people directly into one of the above standard categories, DWS(M)Ltd has in the past recruited a small number of people as management trainees. Some of these people have been graduates and diplomates from Chancellor College or the Polytechnic (5.1.4), but DWS(M)Ltd prefer to pick people with a Malawi Certificate of Education (MCE) only (5.1.2). The reason for this is three-fold.

Firstly, the management of DWS(M)Ltd consider the subjects offered in the Malawian higher education system to be largely irrelevant to the textile industry.

Secondly, DWS(M)Ltd management consider people with a low level of academic and industrial experience are able to adapt more quickly to the working environment of a textile mill, which is thought in many respects to be unique.

Finally, the experience of DWS(M)Ltd, (and in particular their experience of Chancellor College graduates), has shown them that graduates generally expect too much too soon, so that they are unwilling to spend time learning all that they need to. A senior executive in the company stated that it has also been the experience of DWS(M)Ltd that Chancellor College graduates tend to look down on their less qualified colleagues, and this has, on occasion, led to a good deal of ill feeling.

On appointment, management trainees go on an eighteen to twenty four month development and familiarisation course, at the end of which they take up senior staff positions. The position of the management trainee in the organisation is between junior and senior staff levels. On completion of the two year training period a substantive appointment is made, and the employee becomes eligible for promotion.

DWS(M)Ltd has its own in-plant training school, with twelve instructors and two supervisors, under the control of the training officer. Comprehensive training is provided, both in induction and refresher courses, in all the skills required in the mill.

Training is provided either by instructors in the training school itself, or in the form of "on the job" training by instructors attached to particular departments.

DWS(M)Ltd also sends a number of people, selected by their department heads as showing particular potential, on training courses in the United Kingdom. In the first instance, such people are sent to either Blackburn or Oldham Technical Colleges to study for a City and Guilds Full Technical Certificate in either weaving or spinning, at the company's expense. On their return to Malawi they go back

onto the shop floor, and the department head assesses how well they are able to put what they have learnt into practice. If they are successful in applying the theory they have learnt, they may be sent abroad again, to study for a higher qualification, but this is by no means automatic.

Management trainees spend an initial three months in the training school, during which they are taught and tested on all the processes in the mill. Their results are closely watched, and their attitudes and aptitudes are recorded. Their subsequent placement in the company is based largely on the evaluation of their performance during these first three months.

#### 4.5.6 Summary

Section 4.5 provides a description of the meso-environment in which the second survey was conducted. It can be seen that DWS(M)Ltd is representative of Malawian business organisations, and at the same time offers the opportunity to analyse the effects on managers' problems of highly organised, in house training. As DWS(M)Ltd's training is more comprehensive than that generally offered within business organisations in Malawi, we might expect some of the management problems cited in the Polytechnic survey to be less important in the Whitehead organisation than in the country at large.

### 4.6 The second survey

#### 4.6.1 The respondents

The sample was 64 DWS(M)Ltd employees, this being the total number of people employed in senior staff bands 1 to 5. (Band 1 is the



lowest band in the senior staff category, and band 11 the highest). A breakdown of the sample by age and education is given in Figure 4.7. Comparison with Figures 4.4 and 4.5 shows that in the DWS(M)Ltd sample, respondents were generally older (28% were 40 years of age or older, compared with 12 % in the Polytechnic sample), and less well qualified (33% of the DWS[M]Ltd sample had received only primary education, compared with 5% in the Polytechnic sample; and 19% of Whitehead's respondents, compared with 31%, had received higher education) than respondents in the Polytechnic survey.

As a back up to the survey, four respondents were selected and interviewed personally for approximately twenty minutes each. This was done to ensure that their understanding of the questions was compatible with the intended meaning of the questions, and also that the researcher's interpretation of their responses was compatible with their intended meaning. Respondents were selected for interview on the basis of the fluency and clarity of their responses, and care was taken also to ensure that they came from different departments.

Finally, six senior managers (senior staff band 9 or above) were given unstructured interviews. Their comments were recorded and, where appropriate, were incorporated into the overall study.

#### 4.6.2 Questionnaire modifications

A modified version of the questionnaire used in the Polytechnic survey was used. It was modified in three ways. In the first place, although attempts were made to ensure that all questions in the first survey were clear and easily understood, some questions gave rise to responses that were not usable. In these cases, the language

Figure 4.7 Characteristics of David Whitehead's respondents.



of the questions was modified in order that the meaning of the questions might be interpreted correctly.

Secondly, some additional information was gained from the second survey by the inclusion of new questions on the questionnaire. Finally, some questions were made company specific (e.g. "senior management" was defined as senior staff band 9 or above).

The modifications made are indicated in Appendix 4.1.

#### 4.6.3 The results

The problems cited by respondents in the second survey fitted well into the problem categories used in the first survey. However, while the categories themselves were useful, the relative importance of the different categories differed between the two studies (see Table 4.8).

The most important difference between the two sets of results was that in the Polytechnic survey only 15 respondents (7.2 per cent of the sample) stated that they had no problems in discharging their managerial duties, while in the DWS(M)Ltd survey, 32 respondents (50 per cent of the sample) stated that they had no problems in their managerial work. It is also noticeable that no DWS(M)Ltd respondent cited more than one category of problem. It is likely that the comprehensive training provided by DWS(M)Ltd contributes substantially to the higher incidence of "no problem" responses.

The hypothesis that DWS(M)Ltd's training programmes reduce the problems faced by its managers is supported by the total absence of

Table 4.8 Frequency of problems cited in the Polytechnic and David Whitehead surveys

Problems	Polytechnic			David Whitehead's		
	Number	Per cent of citations	Per cent of respondents	Number	Per cent of citations	Per cent of respondents
Interpersonal	121	46	58	19	59	30
superiors	35	13	17	2	6	3
subordinates	72	27	35	17	53	27
customers	14	5	7	0	0	0
Personal security	114	43	55	6	19	9
job itself	69	26	33	6	19	9
lack of training/ experience	9	3	4	0	0	0
lack of guidelines	36	14	17	0	0	0
Materials supply	8	3	4	3	9	5
Other	21	8	10	4	13	6
None	22		11	32		50
TOTAL	264	100		32	100	

two categories of problems cited in the Polytechnic survey from the DWS(M)Ltd responses. The first of these is the problem of personal insecurity resulting from a lack of training or experience, which was cited by 9 respondents (4 per cent) in the Polytechnic survey. The absence of problems associated with inadequate training indicates that the training provided is adequate.

Secondly, no respondent in the DWS(M)Ltd survey cited "lack of guidelines" as a problem, while in the Polytechnic survey this problem was cited by 34 respondents (16 per cent of the sample). Moreover, respondents' perceptions of the extent to which their jobs were controlled by rules and procedures were similar in the two surveys; thus, the absence of this problem cannot be explained by a greater awareness of rules and procedures on the part of DWS(M)Ltd employees. The absence of "lack of guidelines" as a problem may therefore be explained by the comprehensive in-house training provided by DWS(M)Ltd which serves to thoroughly familiarise the employee with his organisational environment.

The efficacy of DWS(M)Ltd training programmes is further endorsed by the relatively low incidence of problems associated with the job itself in general. Six respondents in the DWS(M)Ltd sample (9 per cent) mentioned such problems, compared with 68 respondents (33 per cent) in the Polytechnic sample.

These results indicate strongly that comprehensive training is able to reduce substantially the incidence of problems associated with personal security on the part of the manager, and is able to eliminate some problems altogether. This is, of course, a most important finding in the context of this research, which is based on the assumption that education and training really are able to

ameliorate the problems that managers face.

Interpersonal problems related to customers were also absent from DWS(M)Ltd responses. This was not surprising, because the company has little contact with the ultimate consumers of its products. As noted (4.5.3), most of the company's products are sold through wholesalers and retailers, thus its direct customers are relatively few in number. These direct customers are also business people themselves, and so are quite familiar with the practices of business organisations; therefore they do not have to have standard business routines explained to them (it will be remembered that the problems associated with customers [4.3.2] included such items as "getting them [the customers] to understand ..... our invoices."

Finally, as noted (4.5.2), DWS(M)Ltd is a bureaucratic organisation with a total of 33 bands in the hierarchy. In 4.4.2 a significant direct relationship was found between the level of formalisation and subordinate oriented problems. The frequency with which such problems were cited was similar in the two surveys (Polytechnic, 34%; DWS(M)Ltd, 27%). This appears to support the finding in the Polytechnic survey that subordinate oriented problems are related to the level of formalisation. Perhaps more importantly, it suggests that the type of training provided by DWS(M)Ltd, while it is effective in helping managers to overcome personal security problems, is not very effective in helping them deal with subordinates.

#### 4.7 Summary

The results of the Polytechnic survey suggested that managers in Malawi face two principal types of problems, and that these are related to personal security and interpersonal relations. It was

also apparent that while, on the basis of the macro-environmental features and the managerial culture described, a highly formalised, bureaucratic style of organisation would be favoured among Malawian managers, the presence of formal rules and procedures was associated with subordinate oriented problems.

These findings were in general supported by the David Whitehead survey. It was also clear from this second survey that appropriate training could reduce substantially the personal security problems faced.

However, the management of DWS(M)Ltd preferred not to employ graduates, but to train their own managers. When a large, successful company, representing a variety of interests, prefers to recruit non-graduates as trainee managers, the questions of what the national management education system is doing, and what it ought to be doing, arise. These issues are the subjects of the last two chapters.

Footnotes to Chapter 4

- [1] Drucker, Peter, The Practice of Management, Pan, London, 1968, p. 113.
- [2] *ibid.*, p. 113.
- [3] Morris, John, and Burgoyne, John, Developing Resourceful Managers, Institute of Personnel Management, London, 1973, p. 30.
- [4] *ibid.*, p. 13.
- [5] Drucker, (1968), *op. cit.*, p. 13
- [6] *ibid.*, p. 13.
- [7] Reification is an important component of Marx's concept of alienation. The concept also embraces the estrangement of the worker from the product of his labour, and also the reduction of the worker himself (as distinct from his labour) to the level of a commodity. It is this first component, however, which gives us the greatest clue to Marx's idea of the inherently creative nature of man.  
For further reference, see Stevenson, Leslie, Seven Theories of Human Nature, Clarendon Press, Oxford, 1974, especially pp. 55-57.
- [8] Maslow, Abraham, Motivation and Personality, Harper & Row, New York, 1970.
- [9] For example, see Taylor, Frederick, Scientific Management, Testimony to the House of Representatives Committee, 1912, reproduced in Pugh, D.S., Organization Theory, Penguin, 1971, pp. 124-146.
- [10] Nyerere, Julius, Ujamaa; Essays on Socialism, Oxford University Press, Dar es Salaam, 1968.
- [11] This is reflected in the increasing purchases of ADMARC from smallholders. In 1969, the total purchases amounted to 142,325 tonnes: by 1981 this had risen to 215,850 tonnes, a mean annual increase of 3.5 per cent over the period.
- [12] Morris, J., and Burgoyne, J., (1973), *op. cit.*, p.10.
- [13] Lloyd, Peter, A Third World Proletariat?, George Allen and Unwin, London, 1982, p.117.
- [14] Interview with Jack Brookfield, OBE, Managing Director of United Transport (Malawi) Limited, and Chairman of the Employers' Consultative Association of Malawi.
- [15] For a fuller justification of this type of approach to the gathering of impressionistic data, see Glaser, B.C., and Strauss, A.L., The Discovery of Grounded Theory, Weidenfeld and Nicholson, London, 1968.



- [16] The problem of subjective meaning is much discussed in philosophy. For a good, concise summary see Winch, Peter, The Idea of a Social Science and its Relation to Philosophy, Routledge and Kegan Paul, London, 1958, pp 24-39.
- [17] Maslow, A., (1970), op. cit..
- [18] Nevis, Edwin C., Cultural Assumptions and Procutivity: The United States and China, Sloan Management Review, Spring 1983, Volume 24, Number 3, pp. 17-29.
- [19] Herzberg, Frederick, The Motivation to Work, Wiley, Ontario, 1959.
- [20] Drucker, Peter, Managing for Results, Heinemann, London, 1964, p. 85.
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- [22] Wieland, G.F., and Ullrich, R.A., Organizations: Behaviour, Design and Change, Irwin, Illinois, 1976, p. 312.
- [23] Terpstra, Vern, The Cultural Environment of International Business, South Western Publishing Company, Cincinnati, 1978, pp. 68-74.
- [24] Braverman, Harry, Labour and Monopoly Capital: The Degradation of Work in the Twentieth Century, Monthly Review Press, New York and London, 1974, p. 177.
- [25] Etzioni, Amitai, Modern Organizations, Prentice Hall Inc., New Jersey, 1964, p. 1.
- [26] Deane, Phyllis, The First Industrial Revolution, Cambridge University Press, Cambridge, 1969, p. 95.
- [27] *ibid.*, p. 95.
- [28] Mair, Lucy, New Nations, Weidenfeld and Nicholson, London, 1963, p. 9.
- [29] Lerner, Daniel, in Lerner, D., and Schramm, W. (eds.), Communication and Change in the Developing Countries, East-West Center Press, Honolulu, 1967, p. 306.
- [30] Toffler, Alvin, Future Shock, Pan, London, 1971, p. 34.
- [31] Interview with Jack Brookfield, see [14].
- [32] Press (Holdings) Limited is a private, indigenously owned, holding company, in which the major shareholder is the President.
- [33] David Whitehead and Sons (Malawi) Limited, conditions of service booklet.

## Chapter 5

### The Malawian Management Education System

So far the Malawian manager, and the problems he perceives himself as facing, have been set in the context of the business environment in which he operates. The purpose of this chapter is to describe the management education offered in Malawi, and to assess how useful this is likely to be in helping prospective managers to overcome the problems they will face.

The chapter begins with a description of the Malawian education system as a whole, and then moves on to describe in more detail the management education provided. Finally, it assesses the likely usefulness of the management education provided in the context of the cultural transition described in 4.1, and the managers' problems described in 4.3.2.

#### 5.1 The Malawian education system

Education is provided at the primary, secondary and tertiary levels in Malawi. However, it is not as yet compulsory at any level, and so by no means all of the population have received any formal education (the 1977 Population Census showed that only 45 per cent of the total population had received formal education at any level). Consequently, the rate of illiteracy in Malawi is very high: two years after independence, in 1966, almost 80 per cent of the population were classed as illiterate by the United Nations. [1]

However, the level of enrolment in primary schools rose at a mean annual rate of 8.8 per cent between 1966 and 1976 [2], while between 1970 and 1976 total enrolment in secondary schools rose at a mean

annual rate of 6.3 per cent. [3] As the mean annual rate of population growth for the period 1966 to 1977 was 2.9 per cent [4], it is clear that the emphasis placed on education in the development plans (2.2.1, 2.2.3) was effective, in that the proportion of children of schoolgoing age enrolled in formal education was increasing.

#### 5.1.1 Primary education

Full primary education takes eight years, with examinations at the end of the fifth and eighth years. The first of these examinations, (known as the "Standard V" examination), is important in as far as it has to be passed if the pupil is to proceed to the last three years of primary education. However, it is not competitive in the sense that there are places in Standard VI for all pupils who pass.

The final year examination, for the Primary School Leaving Certificate (PSLC), is competitive in the sense that there are insufficient places to guarantee admission to secondary school to those who pass. There are three possible results in the PSLC examination

- i) a pass with selection for secondary school
- ii) a pass without selection for secondary school
- iii) an outright fail.

Failure to gain selection for secondary school at the first sitting is not necessarily the end of a student's chances of receiving a secondary education, however, as it is still possible to re-sit the PSLC examination with a view to achieving better results. Nevertheless, competition for secondary school places is severe, as can be seen from Table 5.1, which shows that in the academic year 1971/2 approximately one child in six who reached Standard VIII primary

Table 5.1 Enrolment in primary and secondary education,  
1971/2 to 1978/9

Year	Enrolment		(a)
	Primary Standard VIII	Secondary Form 1	$\frac{\text{Form 1 (t+1)}}{\text{Standard VIII (t)}} \times \frac{100}{1}$
1971/2	25,995	4,170	
1972/3	32,815	4,116	15.8
1973/4	30,820	4,175	12.7
1974/5	37,950	4,105	13.3
1975/6	41,534	4,404	11.6
1976/7	47,774	4,478	10.8
1977/8	52,047	4,690	9.8
1978/9	54,195	4,854	9.3

(a) Secondary enrolment as a percentage of the previous year's primary Standard VIII enrolment.

Source: National Statistical Office, Malawi Statistical Yearbook 1979, tables 5.8 & 5.9, p.34.

went on to secondary school, and that by 1978/9, this proportion had fallen to one child in eleven. This is partly explained by the fact that, as shown above, primary education was expanding more rapidly than secondary education during this period. It is also partly explained by the cheaper approach taken to the expansion of secondary education in the 1971 to 1980 development plan, in which the Malawi Correspondence College was established (2.2.3).

(Enrolment in the Correspondence College is not included in the figures for total secondary enrolment).

#### 5.1.2 Secondary education

The student who secures a secondary school place then faces a further four years of education, and two sets of examinations. The first set of examinations, for the Junior Certificate of Education, is taken after two years. This is similar to the Primary Standard V examinations, in that Junior Certificate examinations are not competitive with respect to places in Form 3; all that is required is that they be passed.

The Form 4 examinations are for the Malawi Certificate of Education, (MCE), which is important as it is the highest local qualification offered at secondary level. As such it is considered important by employers (it will be remembered that the management of David Whitehead and Sons [Malawi] Limited expressed a preference for MCE holders over graduates of the University [4.5.5 (b)] ).

The Malawi Certificate of Education is also important in that it forms the basis of entry to the University of Malawi. It has now completely superseded the Cambridge Overseas School Certificate in the Malawian education system, having initially been run in

parallel with it. It may be considered, therefore, that the MCE is approximately equivalent to the British General Certificate of Education at Ordinary level.

Competition is once again severe in the MCE examinations, as passes in the requisite subjects do not guarantee a place at the University. In the period 1971/2 to 1978/9, less than half the students enrolled in Secondary Form 4 went on to attend the university in the following year. [5] If this proportion seems high, it should be remembered that competition to reach secondary school is severe, and that not all children of schoolgoing age attend school at all. [6]

#### 5.1.3 The Malawi Young Pioneers

Failure within, or failure to join, the formal education system does not always mean that the individual receives no training, as he/she may still join the Malawi Young Pioneers. The Young Pioneers are a statutory body whose stated function is to train those young people who have not the aptitude to achieve academically high standards, but may nevertheless benefit from training of a more practical nature. As seen, however, (1.2, 4.1.2[b]), the Young Pioneers, as well as being a training organisation, also form a paramilitary force which strongly supports the President.

#### 5.1.4 University education

Those students who progress to the university may attend one of the four constituent colleges. These are

- i) Chancellor College, in Zomba, which provides most of the purely academic education at university level;

- ii) Bunda College of Agriculture, near Lilongwe, which offers degree and diploma programmes in agricultural subjects; [7]
- iii) Kamuzu College of Nursing, in Lilongwe, offering degree and diploma programmes in nursing; and
- iv) The Polytechnic of Malawi, in Blantyre, which offers degree and diploma programmes in business studies, commerce, engineering and technical teaching.

It is the business and commerce education provided by the Polytechnic of Malawi which is of particular interest here.

## 5.2 The curriculum of the Department of Business Studies.

The Department of Business Studies offers two programmes; a three year diploma in business studies, and a five year degree in commerce. The objectives of these courses are to prepare people for junior and general management positions; thus it states in the curriculum that the diploma is

"a recognised qualification for those seeking employment at the junior management level"

while the degree is

"invaluable for those desirous of entering general management."  
[8]

The success of the programmes offered in fulfilling these objectives will depend on whether they prepare prospective managers to face the problems believed to be faced by practising managers on the basis of the analysis of Chapter 4.

The programmes offered are described and critically appraised below, and recommendations for a modified curriculum are made in the final chapter.

### 5.2.1 The diploma in business studies

A breakdown of the diploma in business studies syllabus by courses and contact hours is given in Exhibit 5.1. It can be seen that the syllabus makes provision for the teaching of both background and mainstream business subjects, and that a broad range of topics is covered.

The topics covered, however, while being wide-ranging, are predominantly technical in nature, and the subject matter is treated as a set of objective techniques. The notable exceptions to this are the "Human Behaviour" course in the first year, and the extended essay which has to be prepared by students in their third year of study. "Complementary Studies" concentrates mainly on the technical aspects of communication; it does not focus on the psychological aspects of interpersonal communication.

### 5.2.2 The degree in commerce

The degree in commerce is a continuation of the diploma in business studies. It is of five years' duration. A breakdown of the syllabus by courses and contact hours is given in Exhibit 5.1.

The fourth and fifth year courses in the degree syllabus place heavy emphasis on accounting and finance based subjects, which together account for 46 per cent (19 out of 41) of the fourth and fifth year contact hours.

As in the case of the diploma in business studies, the degree in commerce syllabus deals mainly with the presentation of techniques.



UNIVERSITY OF MALAWI - THE POLYTECHNICDepartment of Business StudiesSummary of Courses and Contact HoursDiploma in Business Studies

	COURSE TITLE	CONTACT HOURS PER WEEK
YEAR 1	Principles of Accounts	4
	Economics I	4
	General Principles of Law	4
	Mathematics	5
	Human Behaviour	3
	Complementary Studies:	
	Communication Studies ) )	5
	Oral Production ) )	
	<u>TOTAL</u>	<u>25</u>
YEAR 2	Financial & Cost Accounting	4
	Economics II	4
	Commercial Law	4
	Statistics I	4
	Complementary Studies	
	Communication Studies	4
	<u>TOTAL</u>	<u>20</u>
YEAR 3	Accounting, Auditing & Taxation	6
	Economics III	4
	Company Law	4
	Business Administration	4
	Extended Essay	1
	Complementary Studies:	
	Communication Studies	3
	<u>TOTAL</u>	<u>22</u>

Degree in Commerce

YEAR 4	Financial Accounting	4
	Management Quantitative Techniques & Data Processing	5
	Taxation	3
	Statistics II	4
	Industrial Law	4
	Project	1
		<u>TOTAL</u>
YEAR 5	Management Accounting	4
	Financial Management	4
	Auditing & Investigations	4
	Development Economics	4
	Management Principles & Practice	4
	<u>TOTAL</u>	<u>20</u>

### 5.2.3 Admission to the diploma and degree programmes

To gain admission to the diploma programme, students must have passed a minimum of five subjects at MCE level, including English language and mathematics. This is a minimum requirement, and does not in itself guarantee entry to the diploma programme (5.1.2).

As the education system is not compulsory, students do not necessarily sit MCE examinations at a particular age; therefore there is no standard age for university entry. The majority of students, however, are between 19 and 23 years of age when entering the diploma programme.

Admission to the degree programme is based on the student's performance on the diploma programme. That is to say, students do not register for the degree programme from year 1, but from year 4.

### 5.2.4 Teaching methods and assessment

At the time this research was conducted in 1980, the predominant teaching methods employed were lectures and seminars. Lectures gave almost no opportunity for student participation, and seminars tended to depend heavily on the contributions and guidance of the member of academic staff who was seen to be "running" the discussion.

During a return visit to the Polytechnic of Malawi in 1982, I noticed that although lectures and seminars were still the most frequently employed teaching methods, increasing use was being made of the case-study method, and that three staff members had produced together a collection of management case studies set in the Malawian context.

In addition to the formal classroom teaching that takes place during term time, students at the end of their second year on the diploma programme, and at the end of their third and fourth years on the degree programme, have to undergo a period of "industrial attachment." This requires that they spend their long vacations, from July to September inclusive, working in a business organisation. Their experience is expected to form the basis of their extended essay (in the case of diploma students), or their project (in the case of degree students). This is potentially a very useful learning experience for students, but one which at the time of this research was not being exploited to its greatest advantage. Further comments will be made on this in 6.4.3.

In all courses, 50 per cent of total marks are awarded for written coursework, and 50 per cent for examinations. The amount, and difficulty, of coursework set varies between subjects, and between teachers. Except in that it may form the basis of extended essays and projects, industrial attachment is not assessed.

### 5.3 Management education and managers' problems

It has been shown (4.3.2) that managers in Malawi face two major categories of problems in their managerial work; interpersonal problems, and problems of personal security. These problems have been explained in terms of a set of attitudes in the Malawian managerial culture (4.1) which arise out of the macro-environmental features described in Chapters 1 to 3.

Furthermore, it is clear from the David Whitehead survey that task oriented, in-house training is able to reduce substantially problems associated with personal security (4.6.3). But it has also been seen

that the management of David Whitehead and Sons (Malawi) Limited prefer not to employ graduates, but rather to recruit people at the MCE level and train them within the company. The question therefore arises as to whether the education offered by the Polytechnic is likely to be successful in achieving its stated aims of preparing people for junior and general management positions.

#### 5.3.1 The courses offered on the diploma and degree programmes

As stated above (5.2), the courses listed in Exhibit 5.1 cover mainly techniques and standard procedures. That is to say, the material taught generally does not require that students exercise their ability to interpret subjective information and situations. Relatively little emphasis is placed on human behaviour, for example, while a relatively strong emphasis is placed on accountancy and finance, economics, mathematics and statistics, and law.

Emphasis on rule and procedure based subjects may encourage students to believe that they can have at their disposal a set of techniques, from among which an appropriate course of managerial action can generally be determined. If this is the case, then the emphasis on rule and procedure based subjects may be useful in developing students' acceptance of the notion that their environment can be subject to human intervention and control. Thus the courses offered may help the student to come to terms with the attitudinal difficulties described in 4.1.1. However, as will be seen (6.4.1.) the dependence on the teacher to establish guidelines and courses of action is unlikely to foster the development of autonomy among students.

This emphasis on rules and procedures within the management education system is unlikely to change the attitudes to decision making and responsibility described in 4.1.2, however. The application of standard techniques, rather than encouraging the exercise of individual initiative, facilitates its avoidance. Similarly, rule and procedure based courses are unlikely to develop in students the attitudes to dynamism and creativity which are part of the western managerial culture described in 4.1.3. Finally, rule and procedure based courses are likely to encourage conformity among students, rather than individualism and competitiveness, as described in 4.1.4.

Thus we can see that the largest part of the material covered in the diploma and degree programmes is unlikely in itself to change the attitudes to decision making, responsibility, dynamism, creativity, and competitiveness described in 4.1.

It is likely that, in emphasising the application of formal techniques, and so developing the student's notion of the controlability of his/her environment, the courses offered may ease future problems of personal security. While this is clearly desirable, it should also be noted that the lack of emphasis on interpersonal skills means that interpersonal problems will be virtually unaffected by the management education provided. The results of the David Whitehead survey indicate that while task-oriented training can reduce substantially the incidence of problems of personal security, it has little effect on the incidence of interpersonal problems.

### 5.3.2 Teaching methods

At the time this research was being conducted (in 1980), lectures and seminars were the predominant media of instruction (5.2.3). Both lectures and seminars were organised as highly structured teaching situations; both, because of the nature of the subject matter being taught, were centred on the application of standard techniques; and both involved the students being guided towards a "correct" answer by a member of academic staff.

This method of presenting course material is likely to encourage the student to accept the notion that his/her environment is to some extent controllable. But it is unlikely that this teaching method will affect any of the other attitudes described in 4.1. Students in this type of teaching situation are not encouraged to exercise discretion and to accept responsibility for doing so; nor are they encouraged to be creative or competitive. Rather they are encouraged to believe that every management problem has a unique solution, which can be identified by applying correctly the appropriate procedure.

The use of case studies referred to in 5.2.4 could help to change some of the attitudes described in 4.1.2 to 4.1.4, providing these case studies are not simply used as extensions of seminars; that is, as guided discussions in the application of standard techniques to structured problems. Suggestions as to how this might be done are given in 6.4.

### 5.3.3 Industrial attachment

Industrial attachment currently takes place during the long vacations

(from July to September inclusive) following the student's second year of study on the diploma programme, and following the third and fourth years of study on the degree programme. Students are allocated to industrial attachment places through the Polytechnic where possible, but some students arrange their attachment privately. While it is expected that the student's period of industrial attachment will form the basis of his/her extended essay or degree project, industrial attachment is not formally assessed by the Polytechnic, and so does not necessarily contribute to the student's overall grade at the end of his/her course.

Clearly, industrial attachment has the potential to provide the student with the opportunity to see how the theories and techniques described in the lecture room are applied in a practical situation. However, as it is currently organised, industrial attachment is subject to a good deal of criticism from both managers and students.

Some senior managers said that they found industrial attachment a nuisance because it was inconvenient for the company to spare a full time member of staff to supervise a student properly, when that student would not be with the company long enough to make a worthwhile contribution in return. One senior manager stated in addition that, because industrial attachment was not adequately organised, there was general uncertainty among employers regarding the ability of diplomates and graduates to apply their theoretical knowledge. Consequently, there was a tendency among employers to rush to employ more diplomates/graduates than they needed, in the belief that some of them would be unsatisfactory. Thus the shortage of trained manpower was exaggerated, and to some extent, artificial. The manager in question felt that if the industrial attachment

programme was improved in some way, this could help to overcome the artificial element of this shortage, as it would improve senior managers' estimation of the practical experience and ability of diplomates and graduates, and so in the long run discourage employers from over-recruiting.

Students, especially those who had already undergone one or more period(s) of industrial attachment, were also critical of its organisation. All second, third and fourth year students were asked how useful they expected, or found, their period of industrial attachment to be. It was found that second year students, who had not at the time undertaken a period of industrial attachment, expected it to be more useful than their colleagues from the third and fourth years of study, who gave a retrospective appraisal. A chi-square test showed that this association between experience of and perceived usefulness of industrial attachment was significant at the 0.1 per cent level. (see Table 5.2) The linear correlation coefficient for the data shown in Table 5.2 was calculated, and this showed a very strong negative correlation between the perceived usefulness of industrial attachment and the year of study (taking third and fourth year students as one group). The correlation coefficient ( $r$ ) was  $-0.903$ . [9]

The reasons that third and fourth year students gave for their dissatisfaction with industrial attachment can be divided into four categories, as follows

1. they could not see the connection between the job they were required to do, and the theory they learnt at the Polytechnic;



Table 5.2

Pre-experience expectations and post experience impressions of the usefulness of industrial attachment training: 2nd, 3rd and 4th year students in the Department of Business Studies of the Polytechnic of Malawi.

Usefulness of industrial attachment	Year of study				Row total
	O	2	O	3	
		E		E	
High	34	24.47	14	23.53	48
Medium	13	14.78	16	14.22	29
Low	5	12.75	20	12.25	25
Column total	52		50		102

O: Observed frequency

E: Expected frequency

$$\chi^2 = 17.61, \text{ with 2 degrees of freedom.}$$

This result is significant at the 0.05% level.

2. they felt that they were given only the very simplest jobs to do, to the extent that there was no opportunity to gain experience of the application of management theory at all. Some students stated that they viewed their period(s) of industrial attachment as a step backwards academically. For example, one said

"It was not something related to my future qualification—rather it was related to my form four experience."

while another responded

"..... In most cases a person in charge of a department was just giving me irrelevant jobs, such as drawing lines on cash books."

3. they ended up working in an area of business
- a) that they did not intend to pursue as a career, or
  - b) in which they were not interested
4. they felt that the time spent in industry was too short to get any real benefit from it.

Clearly, the current organisation of the industrial attachment programme is inadequate. Employers are dissatisfied with it, and it is a source of disillusionment and frustration to students who undertake it. As such, it is unlikely to contribute to the reduction of the problems students will face when they take up jobs as practising managers.

However, the industrial attachment system could be of great benefit if it were better organised, in that it could provide students with the opportunity to see the practical relevance of their academic studies, and also be used by students to inform subsequent classroom discussions. In addition, it has the advantage of giving students

an insight into interpersonal issues as they arise at work.

The industrial attachment system is not currently being exploited to its fullest advantage, and recommendations regarding how it might be better organised are given in Chapter 6.

#### 5.4. Summary

The management education currently being provided by the Polytechnic of Malawi is unlikely to achieve its stated objectives of preparing students for careers in junior and general management. The reason for this is that it does not address itself sufficiently to the problems the manager is likely to face in practice, nor does it address itself to the issue of changing the attitudes that lead to these problems.

If the education system is to achieve its objectives in training managers, then it must do more than provide its students with sets of objective techniques; it must provide them also with encouragement to exercise discretion and initiative in the application of these techniques, and the confidence to find ways of dealing with problems that have neither easy nor unique solutions.

How the education currently offered might be modified in order that it can fulfil its objectives is the subject of the last chapter.

Footnotes to Chapter 5

- [1] UNESCO, Statistical Reports and Studies No. 22, Statistics of Educational Attainment and Illiteracy, UNESCO, Paris, 1977, table 6, p. 145.
- [2] Malawi Government, Office of the President and Cabinet, Economic Planning Division, Budget Document Number 4, Economic Report 1972, para. 6.2, p.65  
Economic Report 1978, table 9.3, p.52
- [3] Economic Report 1972, para. 6.3, p.65  
Economic Report 1978, table 9.4, p.52
- [4] National Statistical Office, Population Census 1966, Final Report, table 1; and Population Census 1977, Final Report, Part 1, table 1.
- [5] National Statistical Office, Malawi Statistical Yearbook 1979, table 5.3, p.29, and table 5.9, p.34.
- [6] 1386 students entered the University of Malawi in 1978/9. They were selected primarily from 2886 secondary form 4 pupils in 1977/8, who were all that remained of a secondary intake of 4105 in 1974/5. That secondary intake was in turn drawn primarily from a primary standard VIII enrolment of 30,820 in 1973/4. In this example, only 4.5 per cent of pupils reaching primary standard VIII proceeded to university. By no means all people reach standard VIII: the 1977 Census estimated that only 6.4 per cent of the total population had been educated to standard VIII or higher.
- [7] This reflects once again the agricultural emphasis of the development policies outlined in 2.2.
- [8] University of Malawi - The Polytechnic, Department of Business Studies, curriculum.
- [9] The formula for calculating r, the correlation coefficient, is

$$r = \frac{n \cdot \sum xy - \sum x \cdot \sum y}{\sqrt{(n \cdot \sum x^2 - [\sum x]^2) (n \cdot \sum y^2 - [\sum y]^2)}}$$

## Chapter 6

### Recommendations

Despite its lack of mineral resources and land-locked position, Malawi has been generally successful in achieving the aims laid down in its development plans (2.2). Economic growth has occurred, employment has increased, and the socio-economic infrastructure has been expanded considerably. Nevertheless, Malawi is still highly dependent on expatriate manpower in senior management positions (see Preface, p.6). This, and the presence of widespread problems perceived by practising Malawian managers, irrespective of their level of education, suggests that the Polytechnic is probably not yet achieving its stated educational aims "to equip students for positions in junior and general management." (5.2).

Evidence has been presented in this thesis to suggest that the attitudes of Malawian managers diverge from those associated with "sound business principles" in the West. The divergence has been explained in terms of cultural differences between Malawi and Western industrialised nations (4.1). So what, if anything, can be done to alleviate the consequential problems faced by Malawian students and managers? A country's national culture is part of the macro-level environment of business (Figure 4.6). Malawi's problem is that a set of managerial practices of Western origin has been introduced in an African environment in which no managerial sub-culture has yet developed at the meso-level to provide a link. If there were such a sub-culture, the problems currently faced by practising managers (4.3.2) would be alleviated. It was suggested (1.3) that there is no reason to suppose that Malawi will necessarily develop a national culture that is identical with that of a Western industrialised nation, but environmental changes may facilitate the

development of a managerial sub-culture which has both Western and traditional features. What part might formal management education play in such a process? It will be argued that, in Malawi, there is a dual role for formal management education: firstly, to stimulate the formation of a core group of managers, and secondly, to provide these managers with the requisite development to be cultural pioneers. Before recommendations can be made on how the Polytechnic might fill these two roles, we need to discuss how culture is acquired and develops, and how learning takes place.

### 6.1 The transmission of culture

In Chapter 1, culture is viewed as linking a society and its environment. It is an adaptive body of shared knowledge which is acquired by members of society through a process of socialisation. According to Worsley, socialisation is

"the transmission of culture, the process whereby men learn the rules and practices of social groups ..... Just as we learn a game by playing it, so we learn life by engaging in it; we are socialised in the course of the activities themselves." [1]

Thus, in addition to formal education, there are many agents of socialisation, including the family, peer groups, professional associations and other reference groups, from which we learn the values, beliefs and norms of our society. Although Worsley notes that formal education occupies more of our lives in industrial than in pre-industrial society [2], he concludes

"Education - deliberate instruction - is thus only part of the socialisation process; it is not, and can never be, the whole of that process." [3]

Unlike formal education, socialisation has no clearly defined beginning and end. Throughout life the individual may switch between groups, and even nations, and so be required to learn new standards;

moreover, the groups of which he is a long-term member may undergo cultural change over time, as changes in their environments take place. The important point here is that culture is a group product, which is acquired by the individual through group membership; the existence of a group is a necessary condition for the existence of a culture. At the moment, it seems, Malawian managers do not share a group awareness, and thus no managerial sub-culture will develop. Hence it will be suggested below that in addition to providing a body of knowledge suited to the professional environment of "qualified" managers, the Polytechnic should seek to stimulate a group identity among them - the incipient managerial sub-culture, into which successive individuals will be socialised.

It should also be recognised that the Polytechnic is not only a centre of formal instruction, but is also an agent of socialisation. A student is not simply an individual attending lectures and tutorials, writing essays, et cetera; he is a member of the student community, and as such imbibes the student culture from his peers. He is also a member of a wider learning community, embracing faculty members, who may themselves share a faculty culture (see 6.5). Thus, in the Polytechnic, socialisation - informal learning - occurs alongside the formal learning from the curriculum. In as far as the Polytechnic aims to prepare business students for work as managers, it is clearly desirable that, when a managerial sub-culture develops, the socialisation which takes place at the Polytechnic is compatible with the values, beliefs and norms of that sub-culture.

Management education cannot, of itself, create a managerial sub-culture. This will evolve out of the relationship between managers as a group and the environment in which they operate. Formal management education is only part of that environment. Nor could a managerial

sub-culture, if it existed, be transmitted through formal education alone, for the reasons stated. The recommendations set out below should not, therefore, be viewed as a grand solution to the managerial problems faced, but rather as a set of suggestions designed to bring about a positive development in the present situation.

## 6.2 Learning theory and management education

A core group of cultural pioneers will have acquired attitudes that differ from traditional ones. Western style management learning events are frequently designed with objectives such as developing more positive attitudes towards training itself, or raising confidence among trainees in their ability to apply any techniques they have mastered [4]. The notion that the Polytechnic's Department of Business Studies might address itself to the attitudes of students, as well as to the content of their technical knowledge is, however, novel within the Polytechnic. On what grounds can the idea be commended? There are two main ones: firstly, the needs of students, and secondly, the effectiveness of learning. Since students come to the Polytechnic with pre-existing attitudes, they will in any case interpret whatever they experience during their years in the Polytechnic in the light of the wider culture. Through interaction with fellow students, and socialisation into the student culture, attitudes are likely to be modified, but in what direction? By default, the direction may be unhelpful to students in that it will not be in accordance with the requirements of management practice. Thus the totality of students' experience within the Polytechnic is important, not just the formal curriculum. The experiments of Breer and Locke [5] demonstrated that subjects who experienced successful individual activity showed attitude change in the direction of individualism, while subjects



who experienced successful collective activity showed attitude change in the direction of collectivism. A definition of learning which embraces the foregoing is that of Burton

"Learning is a change in the individual, due to the interaction of that individual and his environment, which fills a need and makes him more capable of dealing adequately with his environment." [6]

This definition emphasises the needs of the learner and also ties in with the idea of culture as "an adaptive body of knowledge" which "consists of whatever it is one has to know or believe in order to operate in a manner acceptable to its members." [7] This thesis has explained that consumer demand in management education in Malawi (see Preface) is for managers to become more "capable of dealing adequately with their environment," and this will involve attitude change. The second ground for considering such change as a deliberate learning objective for the Polytechnic is to improve the effectiveness of the learning. We turn, therefore, to some ideas about what is involved in learning.

#### 6.2.1 The ideas of D. Kolb

Popular ideas of learning, according to Kolb, are

"..... to observe, read and memorise what the teacher assigns, and then to repeat 'what we have learned' .....

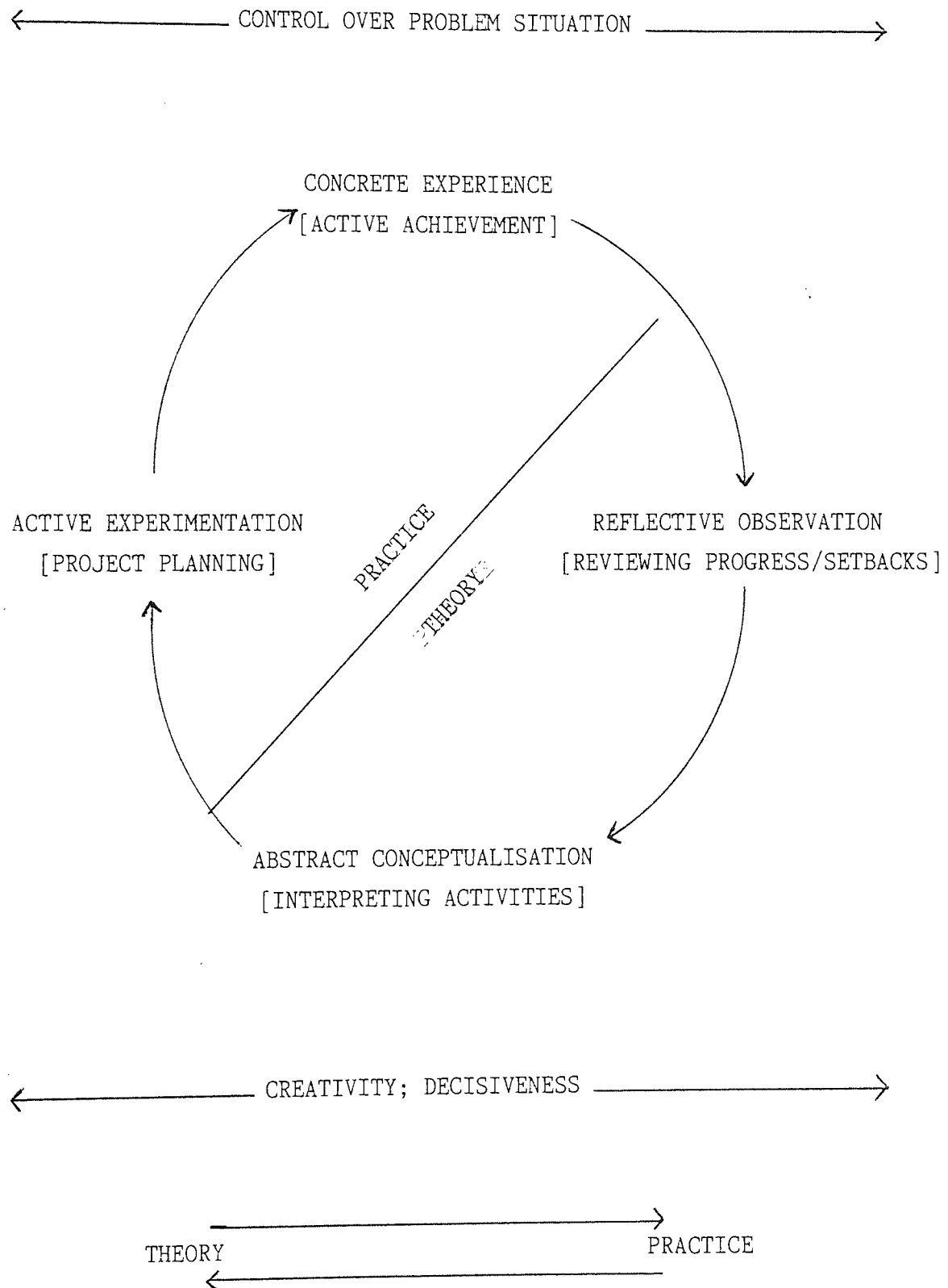
..... a special activity cut off from the real world and unrelated to one's life. Learning and doing are separate and antithetical activities." [8]

These popular notions are held by many students who enter the Polytechnic, but they do not fit with Burton's definition of learning as enabling persons to cope better with life's demands. What sort of learning will do this? Kolb's theory is that learning is essentially problem-solving; thus there is a clear link between learning and real-world activity. There are four stages in Kolb's learning model:

concrete experience;  
reflective observation upon the experience;  
abstract conceptualisation - formulating hypotheses; and  
active experimentation - testing the hypotheses through action.

Kolb states that these stages are followed in order and that the kind of mental activity involved is different at each stage. Learning involves proficiency in all of them, but different types of environmental complexity may bring about a selective emphasis so that the cycle is distorted. Although Kolb has had his critics [9] his four stage model has been found useful in applied studies [10]. The Kolb cycle has been interpreted by Morris in terms of managerial activities: "project planning" and "active achievement" are seen respectively as the equivalents of "active experimentation" and "concrete experience"; while "reviewing progress/setbacks" and "interpreting activities" are matched respectively with "reflective observation" and "abstract conceptualisation." [11] Morris makes the point that this model should not be viewed as "a closed circle of repeated experience, so much as an expanding spiral of enlarged experience at a level of heightened awareness." [12] Morris's interpretation of the Kolb learning cycle is relevant to the specific attitude changes that would be helpful to Malawian managers. Figure 4.2 showed that these were towards acceptance of endogenous control, towards readiness to innovate and compete, and towards decisiveness. These target areas are shown at the top and bottom of Figure 6.1. The middle of this figure shows that this learning theory emphasises two theoretical mental activities - reviewing progress/setbacks, and interpreting activities - and a practical activity, project planning, which leads to the concrete experience of active achievement (which is then reviewed, and so on). The top of the diagram indicates that the purpose of this activity is to achieve control over an equivocal situation. The bottom of the diagram shows that this requires creativity and decisiveness, which involve both the practical applic-

Figure 6.1 The relevance of the Kolb learning model to management learning needs.



ation of theory, and the ability to generalise from experience so as to develop theory. Thus the task of the educator is to narrow the gap between theory and practice. It is not enough to see learning as problem solving; it has to be seen as real-world problem solving.

The model shown is not culture bound. It specifies that certain processes occur in learning, but leaves scope for diverse expression of the thought processes, whether in Western forms or in forms indigenous to Malawi. Kolb's suggestion that there may be differential opportunities to practise the different mental activities in different environments does, however, enable one to connect his model with the notion that a sub-culture may be conducive or unconducive to the full learning cycle. Each individual's thinking will be coloured by his or her personal schema or mental map, and for Malawians this map will contain cultural elements indigenous to Malawi.

It is stated above that the dual role for formal management education is to stimulate the formation of a core group of managers, and to provide these managers with the requisite development to be cultural pioneers. Ideas regarding how culture is transmitted and how learning takes place have been discussed, and concrete recommendations on the basis of these discussions can now be offered.

### 6.3 The development of a management group identity

The problems experienced by managers lie not so much in technical inability as in the absence of a system of values, beliefs and norms held in common, that can serve as the basis for self-appraisal. Not only does such a sub-culture not exist in Malawi, but there is not even a group that might be instrumental in forming one. There is also,

apparently, a barrier between current learning at the Polytechnic and subsequent socialisation. (It has been noted, in 4.5.5 above, that one major company prefers to recruit non-graduates as management trainees.) So what can be done?

#### 6.3.1 A Malawian Institute of Management?

There is at present no professional institute of management that might create a sense of common interest among managers. Though the Polytechnic is not in a position to create and manage such an institute, it is well placed to propose that one be established. It would be possible for the Polytechnic to conduct research into the composition, functioning, and operations of Institutes of Management elsewhere, including those in Africa and other Third World countries. Clearly, it would be in the Polytechnic's own interest to have, at national level, a body concerned with promoting professionalism in management, especially a body which believes that graduate managers are needed and that the Polytechnic has itself a role to play in providing them. Staff at the Polytechnic might therefore take some part in calling for the setting up of an institute.

#### 6.3.2 Department of Business Studies Advisory Board

If an Institute of Management were established, senior members of that institute might be appointed, ex officio, to a Department of Business Studies Advisory Board whose purpose would be to discuss, and contribute to the development of, the work of the Department of Business Studies at the Polytechnic. Other senior officials, such as the Governor of the Reserve Bank, and the Managing Director of the Malawi Development Corporation, might also sit on such a Board.

The existence of the Advisory Board would be an indication that the Department of Business Studies valued the advice and opinions of practitioners and wished to utilise their experience to enhance the relevance of the education offered. The establishment of such a board need not await the forming of a Malawi Institute of Management, but could enhance the possibility of students being accepted as members of such an institute when it comes into being. The Advisory Board could also help to break down some of the resistance to the Polytechnic.

### 6.3.3 An Alumni Association

At present students who graduate from the Polytechnic's Department of Business Studies may be recruited into the public, parastatal or private sectors of the economy. There is no mechanism which encourages past graduates to maintain professional contact and hence to discover that their problems are shared by others. An Alumni Association would facilitate contact and hence a sense of shared identity among graduates. It could keep records of the contact addresses and professional development of graduates, and provide this information on request to members. The Association could, in addition, publish a newsletter offering and inviting comments on issues of interest to its members, and informing readers of the career development of its most successful alumni.

### 6.4 The development of individual students through management education

A number of recommendations are offered below regarding the way in which the education currently provided by the Department of Business Studies may be modified to make it more appropriate to consumer demand. Recommendations requiring changes internal to the University

of Malawi are discussed first; these are followed by a recommendation relating to the industrial attachment system, which would require negotiations with outside employers, and the government (as the grant awarding body).

#### 6.4.1 Lectures and tutorials

The current practice of providing technical instruction and information through lectures can be maintained, as the lecture method is suitable for "prescriptive" purposes (giving advice, recommending behaviour, et cetera), and "informative" purposes (giving knowledge, information, et cetera) [13]. However, at the time of this research these were the only instruction methods used, and by themselves they are unlikely to engender a balanced learning style. This is because, in terms of Figure 6.1, all emphasis is concentrated on the theoretical part of the learning cycle - reviewing and interpreting while no emphasis is laid on the practical activity of project planning, or the experience of active achievement.

In addition to being unsuitable because of its detachment from the real world, the lecture method is also unsuitable because it involves a highly authoritarian instruction style. The tutor is active, while students are passive (at the Polytechnic I noted that tutorials were tutor-led discussions, with a tendency to drift into mini-lectures). In this situation, what is learnt is equated with what is taught. Stiefel suggests that this educational method

"must necessarily lead to an immature learner, who is unable to self initiate and activate the learning potential in his environment." [14]

Such a learning situation is accepted by students in Malawi, being brought up as they are in a high Power-Distance society. However, this type of education does not effectively equip students for

independent work outside the Polytechnic environment, as they develop a reliance on an authority figure to stimulate their learning. As an example of the practical results of an overly authoritarian education, Harrison cites the following case in which an American manager criticised European trained research chemists in his employment for not being able to work without externally imposed guidelines:

"These chemists had learned a general method of doing research (ask the professor) which did not work when they were left on their own. They had also acquired an image of themselves as low in the ability to generate their own approaches to problems. Though they were all well trained in their basic discipline, their instrumental learning about how to solve problems required a relationship to authority that was not available in this organisation." [15]

In a similar vein, Heron cites "dependent advice seeking and permission seeking" and "being a compulsive helpee/student/'puer aeternus' " as the results of authoritarian teaching methods [16]. Some senior managers in Malawi complained of a tendency among their juniors to pass problems upwards unnecessarily (4.1.2); this clearly fits the high Uncertainty Avoidance index cited in 1.3. Exclusive use of authoritarian instruction methods is likely to encourage such upward delegation, and thus invite more such complaints from senior managers in future.

Thus while an authoritarian teaching style is useful for specific prescriptive and informative purposes, and while it fits the high Power Distance, high Uncertainty Avoidance environment of Malawi, it is unlikely to lead to a balanced learning style among students, or to equip them to work independently after leaving the Polytechnic. It is desirable that, in addition to lectures, there should be learning situations in which the student plays a more participative role, while the tutor plays a less authoritarian and more catalytic role. To some extent this is possible within the present system through the use of tutorials. If tutors modify their style, so that



instead of leading discussions, they observe, comment, encourage, criticise and introduce important points they feel have been neglected, without dominating the discussion, then this will be a move in the right direction. It may well be that students in later years of study will rely less on the tutor than in earlier years: if this were the case, then it would indicate progress towards the development of students' autonomy. Thus we may hope to achieve a situation in which students become progressively more active in tutorials, while the tutor becomes progressively more catalytic.

#### 6.4.2 Group discovery learning

A more major change recommended here is that students should be required to undertake a programme of Group Discovery Learning (GDL). The purposes of this programme are to give students the opportunity to:

- i. develop independent skills in the use of the techniques to which they are introduced in lectures;
- ii. integrate material with which they have been provided in various technical courses;
- iii. develop positive attitudes towards the full range of problem solving activities; and
- iv. work co-operatively in groups.

Recommendations as to how these courses should be organised are given below, with respect to five details:

- a. timing and frequency;
- b. group size and composition;
- c. group structure;
- d. group tasks; and
- e. assessment and feedback - the tutor's role.

a. timing and frequency

Depending on timetable and staff availability restrictions, GDL sessions should be organised for students on a weekly, or possibly a fortnightly basis. The nature of the exercises envisaged would make it appropriate for GDL sessions to be allocated a full afternoon, rather than a one hour slot, on the timetable.

The GDL programme should be for students in the years immediately prior to, and following, the Industrial Attachment period.

b. group size and composition

Students should work together in relatively small groups of 5 or 6. This size would be sufficient to encourage a wide range of discussion, and at the same time small enough to enable everyone to participate, and to make non-participation conspicuous.

In allocating students to groups, tutors should take account of personalities as well as intellectual abilities. It has been suggested that a group of dominant personalities will have their group achievement limited because they will waste effort in competing with one another [17]; they will achieve less than their combined intellectual ability suggests them to be capable of. Similarly, a group of submissive personalities may discuss alternatives intelligently, and fail to make a decision. Tutors may thus find formal personality tests useful in allocating students to groups.

c. group structure

Responsibility for creating an appropriate internal structure should rest with each group. There will be occasions where a chairman may be a useful figure to assist with the tasks set. Groups could be left to themselves to decide whether and when to appoint a chairman and,

if appointed, what his brief should be.

d. group tasks

At the beginning of each exercise, groups should be presented with a description of a business situation. The situation should be problematical in more than one respect, but no list of pre-set questions or discussion topics should be provided. The task of the group should be to decide on a suitable course of action in response to the situation described.

A wide range of reading should be made available. Initially, tutors may recommend specific reading which should be undertaken in preparation for particular exercises, but over time, as students become more independent, they may be required to find their own reading material, and decide for themselves what is most relevant. (There is, for example, a wide range of official statistical information available concerning the Malawian economy; as this material will be of use to many practising managers, it is a positive step for student managers to make themselves aware that this material exists, and to use it independently in considering business problems, during their studies). Also as students progress through the programme, the situations with which they are presented should become more complex and testing.

The first task of the group should be to define the problems that exist in the situation described. The inclusion of more than one problematical issue in the situation, and the variety of reading material, should ensure that the initial stages of the discussion lead to the identification of more than one problem. The problems identified should then be ordered or categorised according to

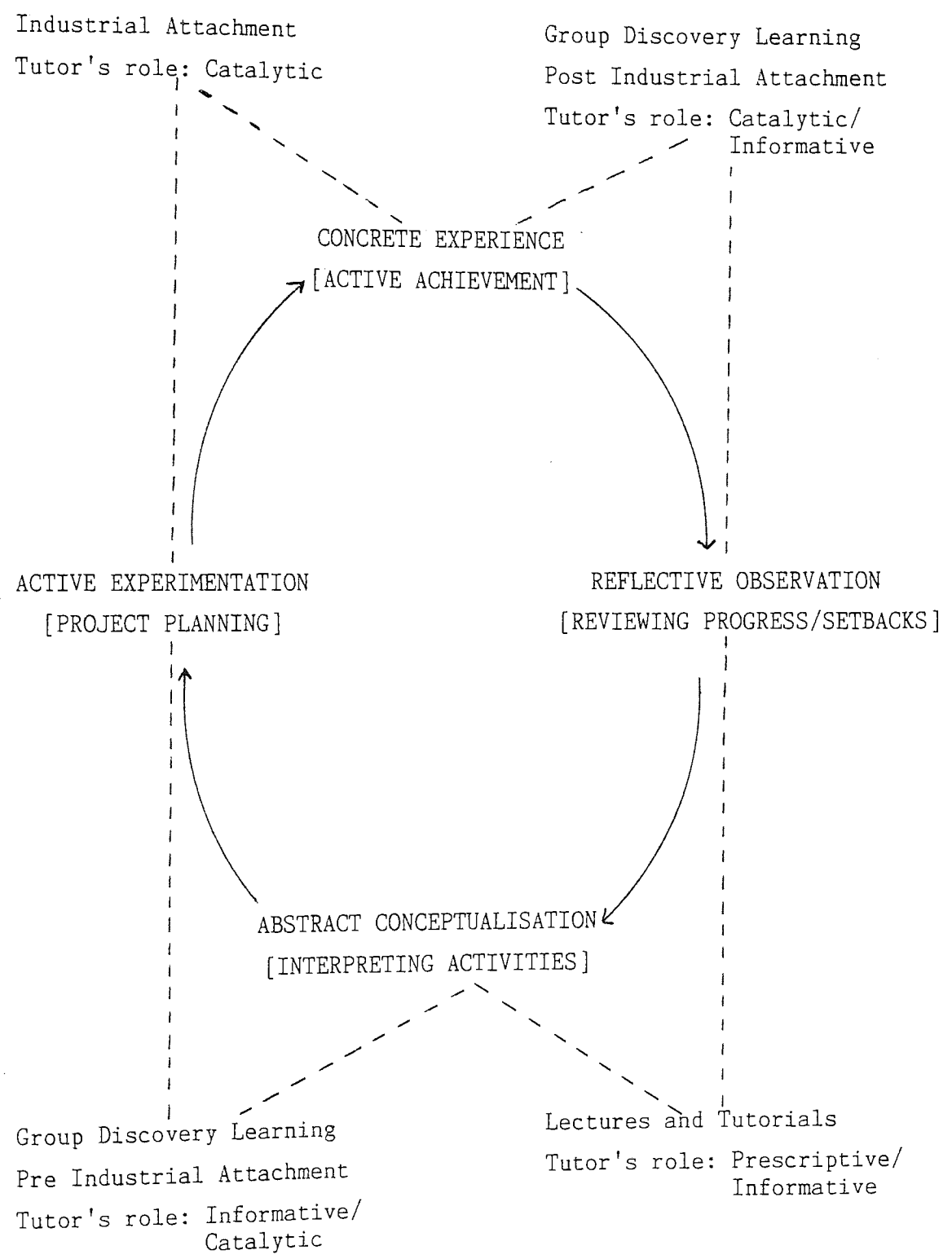
criteria agreed within the group, and courses of action designed to solve the most urgent problems should then be recommended. Once again, the variety of approaches prompted by the diverse reading recommended/available may lead to a variety of suggested solutions, which will require collective appraisal by the group. Finally, details of how the solution chosen should be implemented should be established.

This type of exercise encourages both abstract, theoretical thinking (in the discussion and definition of problems and alternative solutions), and simulated practical activity (in the selection and proposed implementation of solutions). The total learning experience here is thus balanced, and includes theoretical and practically oriented thinking. This is shown in Figure 6.2, which puts the GDL programme and the proposed Industrial Attachment period into the framework of Kolb's learning cycle: it can be seen that the recommendations made here would offer students learning experiences involving all four of Kolb's learning styles.

In addition to encouraging the development of a wider range of learning abilities, GDL also takes place without the dependent authority relationship of student on tutor, and within a co-operative framework which demands interpersonal action in order to achieve control over a problematical situation. In doing these things, GDL addresses the major problems faced by Malawian managers, and the attitudes underlying these problems.

The GDL sessions before Industrial Attachment should serve to sensitise students to the problems with which practising managers are faced, and as such provide them with a means of relating the experience they will gain to the abstract lessons of the lecture room. If the exercises are realistic, students should be able to

Figure 6.2 Concrete recommendations within the framework of the Kolb learning cycle.



compare their proposed GDL courses of action with what they observe in practice.

The post Industrial Attachment GDL sessions will allow students to bring to bear the benefits of their practical experience. This experience will be particular to the individual, and as such independent of the tutor, thus naturally reducing the authoritarian role of the tutor, and laying greater emphasis on the active participation of students.

e. assessment and feedback - the tutor's role

Tutors would be present at most class meetings, but as observers only. Feedback on GDL sessions should take the form of a discussion between the tutor and the individual student. The discussion should focus on the student's technical mastery of the skills he uses, and also on the contribution the tutor considers the student has made to the work of the group at each stage in the activities outlined above (that is to say, the discussion should focus on the student's performance in terms of the learning objectives of GDL). It is important that this should be a discussion - that the student as well as the tutor should make contributions - otherwise there is a danger that the tutor will reinstate himself in a prescriptive, authoritarian role. The tutor may observe, for example, that the student's strongest contribution to the group was made after the problems had been defined and categorised; the implications of this may then be discussed, and the desirability of developing the student's theoretical learning style could be put into the framework of his career ambitions. Such a discussion between tutor and student could clearly become time consuming, and because of this, and also because of the amount of preparatory work that would be involved for the tutor, it would probably not be feasible for more than one such discussion per student per term to take place.

Nevertheless, this would still amount to six such discussions during the two years for which students would be on the GDL programme, and benefit could doubtless be derived from this level of feedback.

Finally, assessment in the GDL programme should not be in the form of a mark, but in the form of a testimonial appraising what the student has achieved in terms of the GDL learning objectives. If these comments were combined with the comments of a manager who had been responsible for the student during his period of Industrial Attachment, they could form the basis of a reference for the student on graduation, which would be regarded as useful and meaningful by prospective employers. In the current system, a reference can do little more than reflect a student's marks in academic exercises, and this is usually insufficient from the prospective employer's point of view. Thus the provision of a more useful testimonial would help to break down further any resistance that employers may have to the Polytechnic, while the incorporation of practitioners' comments in testimonials would suggest a commonality of interest and purpose between the Polytechnic and the business community (ie, a group identity).

#### 6.4.3 Industrial attachment

The second major change to the current programmes recommended is that the period of Industrial Attachment should be extended to a full year. That is to say, the programmes offered should become "thick sandwich" courses. The reasons for this are three-fold.

Firstly, a full year placement would be sufficient for firms to get a return from students on the training time they invest in them. Thus the students should be given more interesting and demanding jobs to do; correspondingly, they should derive substantially more

benefit from their attachment to an organisation, thus increasing the value of the concrete experience gained (Figure 6.2). Some managers at the moment do not think that a three month attachment period warrants the investment of training effort in Polytechnic students (5.5.3).

Secondly, a one year placement scheme would, if properly organised, improve contacts between the Polytechnic and the Malawian business community, and break down any prejudice against the Polytechnic (4.5.5).

Finally, the problems which arise because the Polytechnic staff are often absent from the institution during the vacation period (when industrial placement currently takes place) would be overcome if the placement was for a full year.

This recommendation has serious practical implications in terms of the duration of the programmes offered, and in terms of administrative responsibilities. These are discussed below in 6.5.

## 6.5 Practical considerations

The concrete recommendations made above could not be approved and implemented without a number of practical difficulties arising, and it would be remiss not to anticipate these.

In the first place, any proposals for change in the Business Studies programme would have to be agreed on at Departmental and then at School level, before being taken to the University Senate for ratification. It will be seen below that the proposals made will involve changes in the activities of faculty members, and hence these faculty members may resist such proposals. Before the proposals



could be approved they would have to be "sold" to faculty members, and this may not be easy. The faculty culture is based on the notion of tutors as instructors; faculty members may well resist a change in their role, particularly if this involved additional work and further training. Moreover, at the time of this research, only one member of the Business Studies faculty was Malawian; the remaining five were all expatriates on short-term (generally two year) contracts. Five years later, none of these expatriates are still in the employment of the Polytechnic of Malawi. Clearly, such people would not find the prospect of re-training for work within the Polytechnic of Malawi very attractive; nevertheless, these people are in a position to veto the proposals made.

Another problem associated with this high turnover of staff is that the Polytechnic should, it is argued, seek to stimulate the formation of a core group of managers to be cultural pioneers. It will be very difficult for the Polytechnic itself to become an integral part of that core group if the majority of faculty only stay for two to four years. With this in mind, the development of a core group of Malawian faculty becomes desirable; but as in many other Third World countries, appropriately qualified nationals are attracted to practise rather than to preach by the comparatively higher salaries offered to practitioners [18], especially in the private sector. This is a difficult problem, to which there is no proven solution. In some cases, faculty members are encouraged, or perhaps merely permitted, to undertake private consultancy work to supplement their University salary. In as far as this increases interaction between faculty and the business community, and keeps faculty members in touch with real world problems, this is a good thing. However, it is quite conceivable that some faculty members would develop a sufficient clientele to set themselves up as consultants on a full-time basis.

As an alternative, some Third World business faculties seek to recruit practitioners on a part-time basis to undertake teaching in their areas of specialisation. However, it often proves difficult to recruit successful practitioners, who pay high marginal rates of personal income tax, when the rate of remuneration offered by the University is relatively low.

In addition to this, the GDL programme and the Industrial Attachment programme could not be implemented without a number of further practical considerations being taken into account. The most important of these are discussed below.

#### 6.5.1 Group discovery learning

If a GDL programme were to be introduced, it would have serious implications for staff recruitment and training, with subsequential administrative implications. The establishment of a GDL programme would require the appointment of additional teaching and administrative staff. The current annual intake to the diploma/degree programme is between 35 and 40. GDL courses - one before and one after the Industrial Attachment year - would thus eventually involve between 70 and 80 students in any one year. This represents between 12 and 16 groups of the recommended size of 5 or 6 students. In addition to this, contact with the 35 or 40 students on Industrial Attachment, and with the managers responsible for those students, would have to be maintained. Administratively, placements would have to be negotiated with companies, and students would have to be allocated to the places available.

Clearly, the amount of additional work is considerable; and at present faculty members are fully occupied with academic responsibilities.

The appointment of four additional faculty members to perform these functions would, assuming an even distribution of work, give each new member of staff responsibility for 3 or 4 GDL groups, and 9 or 10 Industrial Attachment students. In combination with the development of learning materials, administrative work, and research, this would represent a full workload.

However, this is not to suggest that only four people should be responsible for the GDL programme; it is simply an estimation of the amount of additional work involved. For a number of reasons it would be preferable for all faculty members to be involved with GDL. Firstly, if new staff were appointed and given the sole responsibility for implementing the GDL programme, it may be perceived by other staff members and students as being somehow separate from the 'mainstream' academic content of the overall course; Figure 6.2 shows that both GDL and Industrial Attachment are regarded here as important and integral components of a balanced learning experience. Secondly, involvement is an effective way of gaining commitment; if only a few staff members were involved in GDL, those not involved may well be indifferent to, or even resentful of it. The involvement of all faculty members should help to overcome such problems.

The organising of GDL sessions does, of course, require tutoring skills other than those usually practised in the lecture room, and such skills are probably not to be found at present among the majority of faculty members. The recommendations made could well fail to achieve their objectives if tutors maintained a highly prescriptive/informative, authoritarian style of instruction; in this case, the informal learning of the students (ie, the learning of a dependent learning style) would conflict with the formal aims of the course. Recruitment policy should take into account the broad needs of

teaching staff, and the Polytechnic should make provision for the further training of staff where necessary. Information regarding the availability of further training for management teachers could be obtained through, for example, the Institute of Personnel Management, and the Association of Teachers of Management, in the United Kingdom; and also the European Foundation for Management Development, and the International Labour Office.

Finally, additional office space to accommodate new faculty members would be needed, and capital provision for this purpose would be necessary.

#### 6.5.2 Industrial attachment

The introduction of a one year Industrial Attachment system would have serious implications for the duration of the programmes of study offered.

Currently, the diploma programme is of three years' duration, and the degree programme is of five years' duration. Attainment of the diploma is prerequisite to admission to the degree programme (5.2.3). If the placement year were to follow the second year of the diploma programme, this would effectively increase the durations of the diploma and degree programmes to four and six years respectively. It would also mean that degree students would have three years back in the Polytechnic following their placement: for this reason, it is not feasible to add the placement year within the diploma programme.

An alternative might be to offer a taught diploma programme, and a sandwich degree programme. This would certainly overcome the difficulty of the placement year occurring too early in the degree

programme. However, it would mean that the Polytechnic would still be producing qualified people who had not undertaken a balanced learning experience. Another alternative might be for the Polytechnic to offer only one programme, which was a sandwich programme.

If a sandwich programme were to be introduced, the University Senate would have to take a policy decision regarding the number of qualifications to be offered, the duration of each programme, and so on.

## 6.6 Summary and conclusions

This thesis has sought to evaluate consumer demand for management education in Malawi, through an analysis of the problems practising Malawian managers currently feel themselves to be facing. These problems have been classified as either "personal" or "interpersonal" (4.3.2); moreover, they have been seen as arising because a Western style of management, practised in accordance with "sound business principles," has been introduced in the Malawian environment. This environment has characteristics which distinguish it from the Western industrialised nations, and these have been described in detail. In particular, it has been noted that while in the industrialised nations managerial sub-cultures have developed, there is as yet no managerial sub-culture in Malawi. Where a culture or a sub-culture exists, it provides a set of shared and adaptive values, beliefs and norms, which links a group of people with a common identity to their environment, and facilitates their operating in that environment. Consequently, the development of a Malawian managerial sub-culture is desirable if the problems currently experienced by practising managers are to be alleviated.

The Department of Business Studies of the Polytechnic of Malawi provides management education, the stated aim of which is to prepare students for work in junior and general management. As yet the Polytechnic has not been entirely successful in fulfilling this aim. One reason for this is that the education currently provided does not offer students a balanced learning experience, and recommendations have been offered which, if implemented, would hopefully rectify this problem. However, without a managerial sub-culture to assist managers to deal with their environment, it is doubtful that an effective transfer of management concepts and knowledge would occur. Recommendations have also been made, therefore, regarding measures the Polytechnic might take to stimulate the growth of a managerial sub-culture, and to assist with the socialisation of students into this sub-culture during their years at the Polytechnic. It is hoped that these proposals will contribute towards the aim of the Department of Business Studies - to prepare students to practise management.

Footnotes to Chapter 6

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Appendix 2.1 Deflators used in constant price calculations (a)

Year	Index at 1964 prices	Index at 1970 prices
1964	100.0	
1965	102.2	
1966	104.4	
1967	106.6	
1968	108.9	
1969	111.3	
1970	121.4	100.0
1971	129.9	107.0
1972	134.5	110.7
1973	143.0	117.7
1974	163.4	134.6
1975	171.5	141.3
1976	190.5	157.0
1977	211.8	174.5
1978	223.5	184.1
1979	261.9	215.8

(a) price indices are estimated for gross domestic product at factor cost.

Method of calculation:

1. 1969, 1974 and 1979 figures are given in the Economic Report for 1980 (table 3.1, p.10)
2. for 1965-1968 a constant rate of inflation is assumed from 1964 to 1969
3. the remaining indices (1970-73 and 1975-78) are calculated from adjustments made in converting current to constant prices, year on year, in the Economic Reports.

Sources: Malawi Government, Office of the President and Cabinet,  
 Economic Planning Division, Budget Document Number 4,  
Economic Report 1972, table 2.1, p.5  
Economic Report 1973, table 2.1, p.5  
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Economic Report 1980, table 2.1, p.5  
 table 3.1, p.10

Appendix 4.1

The Questionnaire

Respondents in both the Polytechnic and the David Whitehead surveys were asked the questions listed below. The questions are ordered here such that those which elicited usable responses are listed first. Amendments made for the David Whitehead survey are given at the end.

UNIVERSITY OF MALAWI - THE POLYTECHNIC  
MANAGEMENT STUDIES

Please complete in BLOCK CAPITALS  
Please attempt all questions

Yesani kuyankha mafunso onse:

1. Name - Dzina
2. Company - Malo a ntchito
3. Job title - Ntchito yanu
4. Sex - Mwamuna/Mkazi
5. Nationality - Dziko lanu
6. Age - Zaka zanu  
Under 20      20-29      30-39      40-49      50-59      60 or over

7. Education - Maphunziro  
If you have attended an educational establishment at any level, but did not get a qualification, please state the number of years you attended.  
Ngati munakhalapo pa sukulu ili yonse koma simunalandire setifiketi, mulembe zaka zomwe munakhala pa sukuluyo.

8. How long have you worked for your present company?  
Mwagwira ntchito zaka zingati mukampani yanu?

9. In which area of management are you involved:  
Kweni-kweni makugwira ntchito yanji:

Production :  
Maintenance :  
Quality control :  
Stores :  
Despatch :  
Agricultural (plantation) :  
Personnel :  
Accounts :  
Marketing :  
Sales :  
Other (please specify) :

10. Do you have any other managers/supervisors working under you?  
Kodi pakati pa wanthu womwe mukuyang'anira alipo ma manenjala kapena a kapitao?

If yes, how many?  
Ngati choncho-ndi angati anthuwo?

11. How many people are responsible to you in total, both directly and indirectly?  
Anthu onse amene mukuwayang'anira inuyo alipo angati pamodzi?
12. Are your activities as a manager in the firm:  
Kodi pogwira ntchito yapaudindo wanuwo, mumadziwa zochita mwatsatane-tsatane ndi malamulo a kampani:
- a) rigidly specified by rules and procedures  
nthawi zonse
  - b) specified in some areas but not in others  
nthawi zina
  - c) the results of your own decisions in most cases  
kapena simuuzidwa
  - d) closely controlled by your boss  
kapena mumauzidwa ndi omwe amakuyang'anirani
13. Are the activities of your subordinates in the firm:  
Kodi anthu omwe mumawayang'anira inuyo, pogwira ntchito yawo, amatsatira mwatsane-tsatane zomwe auzidwa ndi malamulo a kampani:
- a) rigidly specified by rules and procedures  
nthawi zonse
  - b) specified in some areas but not in others  
nthawi zina
  - c) the results of their own decisions in most cases  
satsarira malamulo nthawi zonse
  - d) closely controlled by you  
kapena mumawanza zopanga
14. Is your company:  
Kodi kampani yanu imagwiritsa ntchito machine:
- a) highly technological, using many complex machines and processes  
apamwamba kwambiri
  - b) moderately technological  
apamwamba pang'ono
  - c) not very technological at all  
machine wamba
15. Is your company:  
Kodi kampani yanu kuti iyende bwino-bwino imatsatira machini:
- a) highly dependent on machinery  
kwambiri
  - b) moderately dependent on machinery  
pang'ono chabe
  - c) not very dependent on machinery at all  
sidalira machini

16. Please list, in order of importance, those aspects and characteristics of your job which give you the greatest satisfaction:

Mulembe pamusipa ziwalo za udindo wanu zomwe zimakusangalatsani. Muyambe ndi ntchito yomwe mumaikonda kwambiri:

17. Please list, in order of importance, those aspects and characteristics of your job which give you the greatest dissatisfaction:

Mulembe pamusipa ziwalo za udindo wanu zomwe sizikusangalatsani zomwe mumazida. Muyambe ndi ntchito yomwe mumaida:

18. What do you think are your biggest problems as a manager?  
Pa udindo wanuwu, kodi chomwe chimakubvutani kwambiri ndi chiani?

19. What level of management do you expect to reach:  
Kodi maka-maka mumalaka-laka mutafika udindo wanji pa ntchito yanuyo:

- a) stay at your present level  
kungokhala pomwe mulipo
- b) your current manager's level  
kufika pomwe pali omwe akukuyang'anirani panopo
- c) senior management level  
kapena kufika pa wamkulu woyang'anira kampani monga jenolo manenjala
- d) between b) and c) above  
kapena pakati pa jenolo manenjala ndi omwe akukuyang'anirani panopo.

20. Father's occupation:

---

The following questions were also asked, but the responses given were not usable, or not used.

1. Which areas of management have you been involved in previously, and for how long?  
Kodi musanayambe kugwira ntchito yoyang'anila anthu? Ngati ndichoncho munagwila liti, ndipo munagwila zaka zigati?
2. If you have worked in management before, was it with:  
Ngati munakhalapo kale paudindo uwu kodi munali:
  - a) a government body - mu boma
  - b) a parastatal body - mu kampani ya boma
  - c) a private company - mu kampani wamba

3. Are there any particular areas of management in which you feel you need to improve?  
Kodi pali mbali za ntchito yanu zina zomwe muona kuti muyenela kulimbikira?
4. How do you think you could improve in these areas?  
Kodi mukuganiza kuti mungakhoze bwanji, mbali za ntchito zomwe muyenela kulumbikira?
5. How much use do you think your education has been to you in getting your job?  
Kodi maphunziro anu akuthandizani bwanji kuti mupate ntchito yanuyi?
- a) essential - kwambiri zedi :
  - b) very useful - kwambiri :
  - c) fairly useful - kwambiri pang'ono :
  - d) not very useful - sikweni-kweni :
  - e) not useful at all - sanali ofunikira ndipang'ono pomwe :
6. How much use do you feel your education has been to you in doing your job?  
Kodi maphunziro anu akuthandizani bwanji pogwila ntchito yanu?
- a) essential - kwambiri zedi :
  - b) very useful - kwambiri :
  - c) fairly useful - kwambiri pang'ono :
  - d) not very useful - sikweni-kweni :
  - e) not useful at all - sanali ofunikira ndipang'ono pomwe :
7. Have you found any direct applications for your education in the job you do?  
Kodi maphunziro anuwo mukuwagwiritsa ntchito kwambiri pa ntchito yanuyo?

If yes, please list the most important:  
Kweni-kweni mbali yanuyo mukuigwilitsa ntchito ndi itiyo:

8. Can you suggest any ways in which your education and training may have been improved to enable you to do your job better?  
Pali njira zina zimene mukuganiza kuti zikadathz kupititsa patsogolo maphunziro anu?

9. Do you think management education is of more value "in career" that is, when you have some practical experience to which to relate it?

Kodi mukuganiza kuti maphunziro anu woyang'anila anthu pa ntchito akadakhala bwino kuphunzira mukuyigwila ntchitoyi?

10. Are you at present undertaking any further courses of study? (please specify)

Kodi panopo mukutenga maphunziro ena ache?  
(monga ati)

11. Would you consider undertaking any further courses of study? Please specify which courses, and in what circumstances.

Kodi mukuganizila zokatenga maphunziro ena?

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#### Modifications in the David Whitehead questionnaire

Question (12) from the first section above, was split into two questions, as the original structure of the question caused some confusion. The two new questions were:

i) Is your job:

- a) rigidly specified by rules and procedures :
- b) specified in some areas but not in others :
- c) not highly specified at all :

ii) Is your job tightly controlled by your boss, or does he leave you to get on by yourself?

- a) tightly controlled :
- b) left alone :

Whitehead's respondents were also asked:

iii) Was it necessary for you to undertake any further training after joining David Whitehead's?

Yes :

No :

Responses to this question were not usable, as all respondents had been put on the DWS(M)Ltd induction, and cited this as further training.

iv) How difficult is it for a Malawian manager to be in charge of older people (e.g. 10 years older)?

a) extremely difficult :

b) very difficult :

c) fairly difficult :

d) not very difficult :

e) not difficult at all :

Responses to this question did not appear to be associated with either the age of the respondent, or with his level of education, or with his background (as indicated by his father's occupation).

Typical responses indicating sources of satisfaction and dissatisfaction: the Polytechnic survey.

1. Satisfaction

a. Job itself: routine

Responses in this category indicated that the respondent found satisfaction in some routine aspect of his job.

"Preparing monthly balances," and

"Book keeping,"

were typical of the responses made.

b. Job itself: social

This category of responses indicated that the respondent regarded positive social aspects of his job as a source of satisfaction.

Typical responses were:

"To get on well with my friends I work with," and

"To work well together with other people."

c. Status

These responses indicated satisfaction arising from being perceived as important by other people.

"Having the respect of my boys," and

"When all accept the orders I give and without questioning,"

are typical of responses in this category.

d. Achievement

These responses indicated a tendency to relate satisfaction to success in applying routines and procedures.

"When my department is running properly and no problems," and

"Seeing output up and all jobs finished,"

are typical of this category of responses.

e. Salary/fringe benefits

"To earn a good salary" was a typical response here. However, a



number of respondents in this category appear not to have answered the question set, but instead to have answered the question "What would you, (rather than what do you) find satisfying in your job?"

This is reflected in the fact that they responded, for example, that earning a good salary was a source of satisfaction, and that earning a poor salary was a source of dissatisfaction.

f. Responsibility

f. Responsibility

Responses in this category indicated that respondents found satisfaction in being held personally responsible for the functioning of their department.

"Being responsible for the smooth running of my section," was a typical response. However, responses such as

"Being given the responsibility of looking after my department," (my emphasis) indicate

indicate that there may be an overlap between this category, and "recognition" (g).

Similarly, responses such as

"Having the responsibility for instructing my subordinates,"

implies an overlap with "status" (c).

g. Recognition

This is similar to "status" (c), but responses here indicate satisfaction arising out of praise or recognition conferred by superiors, rather than having one's position of authority recognised and respected by subordinates.

Typical responses were

"When my boss appreciates my good work," and

"To see the bosses praising the output."

h. Promotion prospects

As with "salary/fringe benefits" (e), some responses implied that respondents had not answered the question set. Several respondents indicated that "good promotion prospects" were sources of satisfaction, while, for example "little chance of promotion" was a source of dissatisfaction.

i. Other

Three respondents gave answers which did not fit into any of the above categories. Two indicated that they gained satisfaction from

from living close to their work, while the third found it satisfying to live in Blantyre. Without further elaboration, it was not possible to classify these responses.

j. None

Respondents either answered "None," or they left the question unanswered.

## 2. Dissatisfaction

a. Job itself: routine

Responses in this category indicated that the respondent found dissatisfaction in some routine aspect of his job, for example

"Book keeping," and

"Stock taking."

b. Job itself: social

This category of responses indicated that the respondent found dissatisfaction in the effects of his job on his social relations in the workplace. Many responses relating to such dissatisfaction made reference to the respondent's relationship with his subordinates, for example

"When my boys come to me with their personal problems," and

"When my juniors cannot do their jobs in time and so they are lowly motivated."

c. Organisational uncertainty

Responses in this category indicated dissatisfaction either with established procedures not being observed, or with a lack of clear definition of the respondent's job. Typical responses were

"Jobs being given to my juniors without my knowledge, and my schedules not being met," and

"Not to know what I have to do about certain things."

d. Relations with boss

This category of responses is included separately from "job itself: social," (b), as dissatisfying relationships with the respondent's boss were often expressed in functional and hierarchical, rather than social, terms. For example

"My boss does not understand the job I have to do," and

"Having a boss who cannot delegate, and is always checking on me,"

are typical responses.

- e. Salary/fringe benefits  
See 1.(e) above. Typical responses in this category were  
"To earn a poor salary," and  
"Not enough pay and loans."
  
- f. Extra-organisational uncertainty  
This category of responses related to instability and uncertainty in the organisation, which were generated by factors perceived to be outside the control of the organisation. For example  
"When we cannot do the job because of no spare parts," and  
"Our imports take a long time to arrive, and not when we need them,"  
were typical responses.
  
- g. Poor promotion prospects  
See 1.(h) above.  
"Little chance of promotion," and  
"No prospects,"  
were typical responses.
  
- h. None  
Respondents either answered "None," or they left the question unanswered.

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