

## **The Sustainable Development for Chikweti in the Forest Industry in Developing Mozambique**



### **- How can an Improved Management Structure Facilitate Chikweti's Business Performance**

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## Prologue

This thesis is based on a field study performed during a two month period in Mozambique, the Province of Niassa, Lichinga. We applied for a Minor Field Study, MFS, scholarship from SIDA, who has collaboration with the international program at Mälardalen University. This scholarship gave us the opportunity to be acquainted with many of the challenges that developing countries like Mozambique faces. The purpose with this scholarship is to gain the developing country, in such way that the outcome of the thesis will have a valuable contribution to the country's progression.

We contacted Mrs. Åsa Tham, who is the one that together with the Diocese of Västerås established the idea of starting forest projects that should benefit the communities in Mozambique by create labor opportunities. Mrs. Åsa Tham invited us to investigate Chikweti, one of the forest companies owned by GSFF, she is the CEO for Chikweti and also president for GSFF. Mrs. Åsa Tham gave us free access to study the whole organization from the operating core all the way up to the senior management. She provided us with opportunities to participate both in formal and informal situations, like representative dinners as well as informal meetings.

We have about 500 observation hours and have performed 45 formal interviews spread out on different levels and areas in the organization. This has given us the occasion to integrate and convene with diverse people that has provided us with lots of comprehension about their daily lifestyle and culture. We have conducted observation and interviews in many unusual situations like in container barracks, traditional African cottages, in cars during pouring rain, in a car on a bumpy road, on a roadside under a lunch break, under trees on a blanket and in a beautiful bishop courtyard. This has supplied us with the ability to adjust to given conditions and we have gain a lots of experience concerning the business environment in Mozambique, as well as get to know the Mozambician people on a personal level outside working hours.

We want to thank all of the employees in Chikweti for welcoming us in such a friendly way and making our visit to a life time experience with unforgettable memories. A special thank to everyone that has help us with all the administration concerning the field study and to the Tham family for their hospitality and for treating us like two family members. The outcome of this field study has been more than expected, we have not just increased our academic knowledge, but it also gave us strong bounds tied to humbleness and friendship.

## **Abstract**

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<b>Title</b>	The Sustainable Development for Chikweti in the Forest Industry in Developing Mozambique – How can an Improved Management Structure Facilitate Chikweti's Business Performance	
<b>Problem</b>	Chikweti is facing different internal obstacles that have decreased the business development and therefore, the growth rate that they intended to achieve was not reached. We will present theories that can make a contribution to the improvement of Chikweti's management structure and help it to grow in the right direction.	
<b>Purpose</b>	Our purpose is to examine how Chikweti can improve the existing management structure and how the administrative framework can facilitate and advance the organization and the work performance for the manager as well as the employees. The result of the improved management structure aims to provide competence and knowledge in the organization. To achieve this it is necessitate to explore what kind of variables the organization needs to improve in the management structure and which factors and significant attribute that needs to be consider while doing this.	
<b>Method</b>	This thesis consists of a field study on the company Chikweti Forest of Niassa. The study is based mainly on observations and interviews among the managers and the workforce. In addition, we have made a minor literature study, thus the thesis is based on a field study, the literature studies should function as a complement to the information source.	
<b>Summery</b>	Chikweti has had problems with establishing a stabile and functioning management structure. The factors generating this problem have been investigated and analysed with help of relevant theories. The lack of competent and loyal employees in the past has evoked organizational obstructions in management structure and strategy. This has more or less forced the company to be a centralized organization to maintain control. The analyse shows that Chikweti is too big and complex to be centralized and they need to find new coordination mechanisms to control the organization. To improve their existing management structure Chikweti needs to get an optimal contribution from the work force, by increasing knowledge and competence, since human capital is Chikweti's major production factor. One way to solve these problems are to create a relationship of trust within the organization, by implementing shared visions about the firm's mission and achieve legitimacy. It is suggested in the conclusion that decentralization will increase the information- communication- and knowledge flow in Chikweti, which will have a positive impact in their business performance and it will make the decision process more effective and completed.	

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# 1. Introduction

The operational changes in Chikweti has resulted in a numerous obstacles concerning the administrative framework, the organization and the management structure. We have investigated how these obstacles can be solved by improving the structure through implementation of decentralization and human resource management. Both of these theories require information and communication facilities and efficient decision processes, which is a weakness in Chikweti's organization today. Chikweti's resources consist of labor force, human capital, and therefore it is important to have an organization and management that constantly increases the employees' knowledge and competence, which these theories accomplish.

Chikweti was founded in 2005 by Global Solidarity Forest Fund (GSFF). GSFF consist of four companies located in the northern part of Mozambique, Chikweti Forests of Niassa, Tectona Forests of Zambezia, Ntacula Florestast da Zambezia and Florestal de Messangulo. Chikweti's focus is on reforestation with commercial forest pine plantation in Lichinga (Västeråsstift homepage) and manages 13 000 hectares<sup>1</sup> forest land that are divided on in 34 plantations and has established a sawmill and treatment facility that manufacture value added wood products. Chikweti has also established a nursery (Västeråsstift homepage) that has capacity to breed and handle up to 10 million pine plants per season and is there by the biggest nursery in Mozambique<sup>2</sup>. In April 2010, Chikweti had approximately 3 000 employees (Chikweti homepage).

## 1.1 Research Problem

Chikweti has different internal obstacles that have decreased the business development and therefore, the intended growth rate was not achieved. The CEO for Chikweti, Mrs. Åsa Tham, gave us different suggestions about subjects that Chikweti needs to have analyzed to increase their knowledge about the subjects to develop the organization. This thesis deals with improvement of the management structure, including how the workforce is managed. This so that Chikweti can achieve optimal contributions from the employees, where one of the main factor is to increase the workers knowledge and competence.

*Research question.* What can be improved to facilitate Chikweti's management structure to increase the productivity within the organization?

*Purpose.* Our purpose with the field study is to explore the business activity in the north area of Mozambique, the Province of Niassa, within Chikweti. Our aim is to examine how Chikweti can improve the existing management structure and how the administrative framework can facilitate and advance the organization. This will be reached through observations and interviews that are analysed with organizational theories, which are convenient for our analysis.

This thesis turns to Chikweti and other companies in the forest industry in developing countries in Africa to have as a complementary source when they are building up a management structure based on human resource.

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<sup>1</sup> According to Chikweti's Land Department

<sup>2</sup> According to Chikweti's Nursery Department

## **1.2 The Disposition of the Thesis**

The first part is an initial chapter about the business environment in Africa and Mozambique followed by background information about Chikweti. The following chapters consist of theories that inter-link with empirical findings, so the reader will consistently see parallels between the theories and the empiric findings. We have chosen this disposition to make it more interesting for the reader and to facilities the reader's ability to understand our reasoning and make it easier to survey the thesis progression. This is important for the reason that the thesis theoretical model is based on our empirical findings. The thesis will begin describing the hard organizational attributes that are physical and concrete like structure and decentralization. This will comprehend into the softer attributes that are psychological and abstract like management, culture, style and human resource. The integration of this attributes will progress into an organization configuration that will be the analytical answer for the research question.

## **2. Methodology**

This thesis is founded on a field study on the company Chikweti Forest of Niassa. The study is based on empirical findings from observations and qualitative interviews among the workforce and the managers.

### **2.1 Empirical Studies**

In a field study, the aim is to be present at the location where the company's business is performed. In our case this meant going to the Province of Niassa in the north of Mozambique to distinguish how Chikweti's management is structured and how it could be improved. This was a unique opportunity to gain access to knowledge possessed within the firm. This opportunity gave us firsthand information directly from the source. We have therefore done a field study based on observations and interviews that function as our core source. All the observations and interviews were constructed to result in finding variables to make it possible to define and measure knowledge, competence and how to improve the management strategy. This was essential to find a model that could be used to solve the causes of the problem.

#### **2.1.1 Observations of Chikweti**

The major part of our field study is observations which are a scientific method where the observers are on the tangible location and performing observations. By using this method the observers do not have to depend upon information told by others and secondary sources. (Esaiaasson, 2003) The areas for observations were the sawmill, the nursery, the plantations and the office. We observed one area at the time for approximately one week each. This method made it possible to recognize patterns in working processes and behaviors between workers and managers. We also got the opportunity to spend some private time with employees in management positions which have enlarged our observation view. The observations aroused questions and these remarks were transformed into interview questions.

The observations have supplied us with clear insight over several functioning units, relations and dynamics within and between the operating core, the production managers, the senior managers and the CEO. We likewise had the opportunity to accompany employees from different departments to observe other activities. This provided us with an extended range of Chikweti's business performance, for example FSC, secondary projects, business relations and business network between Chikweti, the society and the communities. This method was also suitable for us in order to gain increased knowledge about the forest industry in Mozambique and to get more efficient interviews.

#### **2.1.2 Interviews with Chikweti's Workforce and Managers**

The observations aroused questions that required to be answered by the respondents own perspective concerning their work in the forest industry. For that reason, an additional part of the field study is based on qualitative interviews that we have conducted based on what we had observed on the field. The interviews were performed during the week of observation for each area. We felt that it were important to be clear with our purpose and the thesis aim to get as valuable and correct information as possible. We executed 45 formal interviews on different levels in Chikweti's organization to get information that covers many opinions.

We performed all the interviews together and both of us were taking notes during the interviews. Directly after the interviews we compared our notes to make sure that we had understood the same things and to fill out conceivable gaps, that made it possible for us to get a complete data collection.

In the operating core we asked the manager for each area to select 8-12 persons. We also asked for mix of age, gender, working position and that the person had worked for Chikweti for at least two years, since we were going to measure knowledge and competence improvement. The employees were asked questions that embraced their view of their work routines and of the manager's integration in their work conditions, see Appendix 1. We performed 24 formal interviews with the workers in the operating core and each interview lasted between 30-40 minutes.

On the technico level we performed six interviews with persons from different departments that we had handpicked. Since the technico level is a middle level between the operating core and the production management, we asked the question in Appendix 1 and some of the questions from part 2 in Appendix 2. The interviews lasted approximately for 60 minutes.

Since the thesis is about improvement of the management structure we choose to interview the majority in the production management and all in the senior management. The production managers interviews were divided in two parts, see Appendix 2. The first part was focused on the manager's view of his/her roll toward the employees and the second part focused on the manager's view and opinion concerning Chikweti's administration, organization and management. We performed eight formal interviews that lasted between 60-90 minutes. The senior managers interviews were divided in three parts, see Appendix 3. The first part was about the person as a manager and his/her relationship toward his/her employees. The second part concerned the manager's participation in Chikweti's senior management (in some cases as well as in production management, due to the fact that some senior management members also participate in the production management team). The final part comprehended the manager's view on Chikweti's administration, organization and management. We performed six formal interviews that lasted between 90-150 minutes.

When the interviews were finalized, we performed a 120 minutes formal interview with the CEO, see Appendix 4.

All of the interview subjects were informed that all the answers that we received would be kept anonymous. We felt that this were incredibly important to obtain information that were as valid and reliable as possible.

## **2.2 Organizational Framework and Interview Plan**

Chikweti has a complex organizational structure, and therefore we feel that it is necessary to clarify the organizational schedule. At the same time we are going to demonstrate where in the organization the interviews were performed. As mentioned above, we interviewed the CEO, all of the members on the senior management level, which is the first level under the CEO and all of the production managers, (except for one forester), in the second level under the CEO. See figure 1.

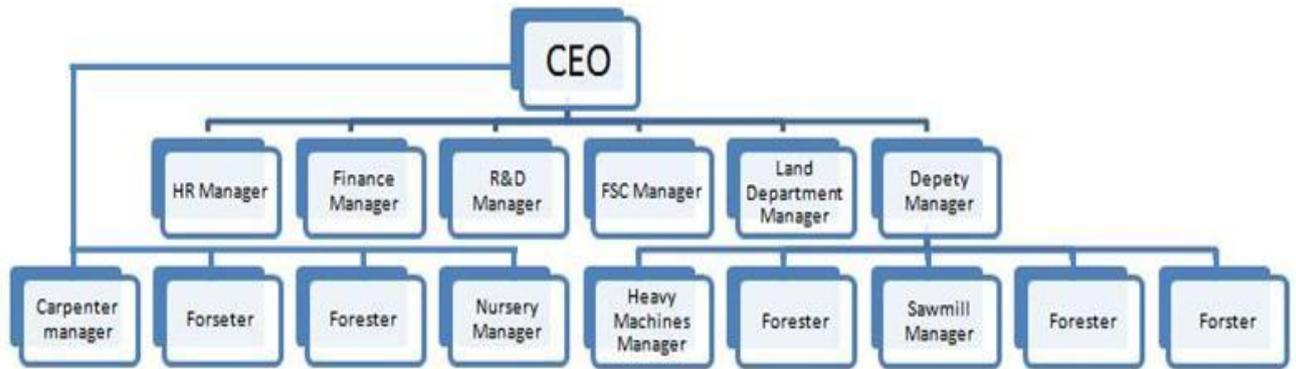


Figure 1. Chikwetis organization schedule over senior management and production management, we perform interviews with all managers except from one forester. (Own adaption)

Chikwetis has a hierarchy and centralized management structure with two management levels and one middle-level, the technicians. Senior management consists of seven persons including the CEO. The production management consists of nine persons (excluding three members from the senior management team) and five of them are foresters, who are managers for different plantation areas. Each forester is supposed to have three to four technicians (T) and under the technicians are the supervisors (SV), apontadores (A) and serventes (S). Each technico are supposed to have a maximum of 150 employees to manage, see Appendix 5.

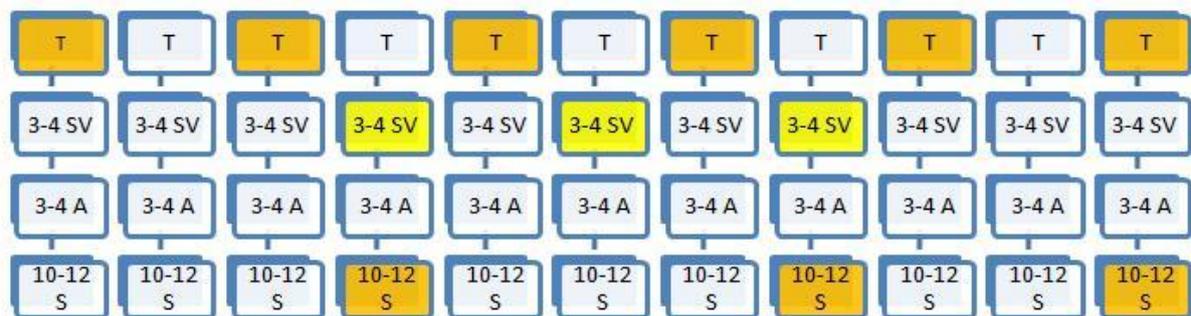


Figure 2. Organization schedule from technicians to the operating core and the orange squares stand for persons/groups we have interviewed. (Own Adaption)

Each of Chikwetis managers (except for three) have between one to five technicians. Under each technico there are three to four supervisors, and under each supervisor there are three to four apontadores. The apontadores function as a team leader over a group that consists of 10-12 persons, these persons are called serventes. This is illustrated in figure 2, that also illustrate the spreading of interviews. The orange squares stands for technicians and serventes we have interviewed. The yellow squares stands for supervisors that we have done informal interviews with, these persons were often the one's who helped us to translate the interviews with the serventes. Therefore, we talked a lot with these supervisors and asked them about their own opinion concerning their employment at Chikwetis.

### 2.3 Analytical Framework

Chikwetis management structure has not been studied academically before but Mozambique's forest industry, economical situation and business environment have been. We have taken part in several

studies to increase our knowledge and understanding about the Mozambican environment. The literature framework is based on science publications and secondary sources, primary articles and reports from different forest organizations. The science theory is based on economic organizational theories concerning management strategy and structure and human resources management, a part of the science theory is based on theories about managing business in Africa.

## **2.4 Operational Framework**

When we first came to Chikweti's office, we met up with the CEO that gave us a general introduction about the firm and its production as well as the organization. She showed us the organization schedule and described the firm as a hierarchic and centralized organization. This was something we noticed in our observations too. Therefore, we conducted interviews questions that could contribute with the employees view on the organization- as well as the management structure, see Appendix 2 and 3. Some of the interviews questions are formed in a way to enable us to hear and find out if the organization is centralized or not, as well as how the processes are running. We had some key components in all the interviews, which were decentralization, management, culture and style and human resource, which we also had in mind on a daily bases when we observed the organization.

To get a good overview over what could be improved in the management structure, we asked the managers how they would like Chikweti to be managed, along with which factors that are functioning and unfunctioning today, like the administration. We also felt that it was vital for us to know this so that we could analyses how Chikweti should be managed and decentralized through theories.

We suspected from the beginning that style and culture would have an impact on the leadership and organization in Chikweti's case. This was confirmed early through the observations and dialogs with the managers. The impacts of culture along with the style differences were also obvious in the interviews when we asked questions about relationship, understanding and team work within Chikweti.

Chikweti's most valuable asset is the employees. We got told that one of Chikweti's problems is that the employees in the operating core lack work ethic and therefore, they are struggling with developing their knowledge and competence base. Human resource management aims to increase the contribution from human capital by enhance the knowledge base. We asked the employees in the operating core questions that concerned motivation, engagement and their work development during their employment in Chikweti. We also asked the managers about their role in their employees' improvement of knowledge, as well as, their individual development.

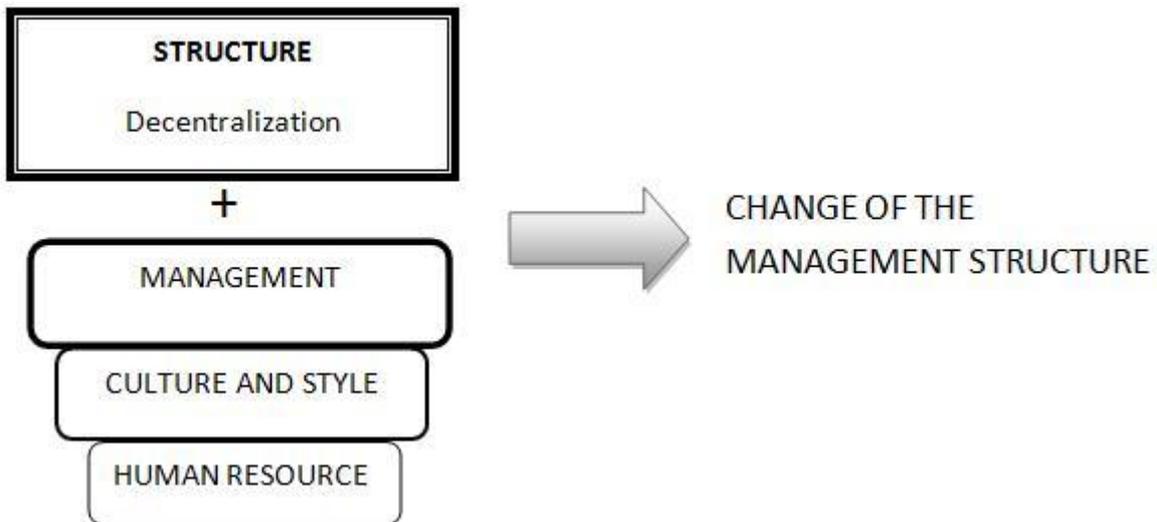


Figure 3. The operational framework of the thesis key components. (Own adaption)

As shown in figure 3, these attributes will lead to a change of the management structure that will consist of the key components mentioned above. The analysis of this components and their integration with each other will lead to a proposition for Chikweti, on how they can improve the management structure to be more efficient and create orderliness.

## 2.5 Obstacles in the Empirical Investigation

One problem we were aware of was the language barriers. We procured a translator for the employees that did not speak English, this only concerned the employees that work within the operating core. We know that information could be lost or misinterpreted in the transition of information between the concerning parts. To reduce the risk that the translator could misunderstand or rephrase the question, we simplified the English language and explained the question to the translator before the interviews. The management team consists of many nationalities and uses the English language on a daily basis which made the language barriers insignificant. Almost half of the management teams are Swedish which eliminated the language barriers.

### **3. The External and Internal Context of Chikweti**

In 2005, the World Bank published a report concerning the regulatory on business environment that companies faced across the world and highlighting the differences of cost for business between developed and developing economies. The report indicates that business in developing countries face higher regulatory burdens than the developed countries. Developing countries have three times larger administrative cost and almost double of the bureaucratic procedures and interruptions associated with them. They also have less than half of the protection of poverty rights, compared to the developing countries, which leads to an elimination of the poor in doing business. 40 % of the economy in the low-income countries is informal, this affects low-skilled workers, the young and the women. These days, African business managers are in a paradoxical situation where they need to form a leaner and competitive organization and simultaneous develop employees and that will add to socio-economic improvement of the communities. (Luiz, 2006)

Mozambique is a country located in the southern Africa and is ranked as one of the poorest countries in the world. The Mozambican population is approximately 22 million and the GDP per capita was 900 US dollars in 2009. (CIA homepage) The international community parade Mozambique as a story of success of African governance and development. This is based on that Mozambique once was a socialist state that was reformed into a democracy that has embrace a free market economy and capitalism development. (Harrison, 1998) The government of Mozambique has been distressing institutional alteration over the past two decades in the search for sufficient policies and strategies for the management of the natural resources. The challenges concerning the natural resources are to involve and integrate all actors of interest, the state, the private sector and the communities. (Dent, Kowero and Nhantumbo, 2001) The governments of Mozambique and its donors have pledge to an extensive range of programs and policies to support Mozambique's expressed goals to achieve reduced poverty and sustainable economic development. The national agricultural program was developed in 1999 and in 2002 and contains policies, regulations and laws for the wildlife and forestry sector. The program was formed for the vital of requirement for sustainable forest management and the development of forest industry with the goal to combating Mozambique's rural poverty. There are some keystones for a long term local development of forest management that should contain a system of restrictions. These restrictions are set up to 1) limit the annual cut to levels that maintain a long term sustainable forest, 2) create forest dispensations by develop management plans for adequate areas to be economical and 3) invent in-country processing balance between forest productivity and industrial capacity. All land in Mozambique belongs to the governance which can allocate forest license in form of a DUAT (Direito de Uso e Aproveitamento de Terra) (Mackenzie, 2006), this is a long term land lease that last for 49 years with an extension of an additional 49 years if the utilizes commitments have been fulfilled from the land user (Västeråsstift homepage).

GSFF is a Sweden based ethical investment fund and a private equity that has become an important actor in the African forest. GSFF develop forest based investments with a high level of potential returns that also benefits the development of the community since they want to profile as a strong ethical and socio-economical fund. GSFF was found by the Diocese of Västerås, Lutheran Church of Sweden and the Norwegian Lutheran Church Endowment, these combined with one of the world's leading pension fund, Stichting Pensioenfonds ABP, these are the main investors. The fund is aimed to take advantage about the forest in an ecological way and to use forest as a business activity. The

intention with the fund is both to contribute to the social development, as well as the environmental protection and to create long-term profitable investments for the own organization. The organization has improved its development during their time and has for the moment several projects in different areas in Mozambique. GSFF is notable because they do not devastate the natural forest and ship it out to other countries as export goods to make profit at the expense of the local community. Instead, GSFF's core business is to use the forest to self-support the local population by creating employment in the province of Niassa. Another benefit for Mozambique is that GSFF needs to buy a lot of products and services from the local market which creates even more labor opportunities. The requirement for this project is to achieve that the forest always is protected and not devastated. One of GSFF's goal is that all forest investments are tracked for certifications according to the Forest Stewardship Council (FSC). For each hectare that is used for forestry, one hectare is going to be protected in an eco zone. The company are managed to hold a half of a million hectare forest land and the goal is that all of the forest that are handled by GSFF is going to be FSC certificated. (Västeråsstift homepage)

### **3.1 Chikwetis Organization Structure**

There is no doubt that Chikweti is a company that has expanded and growth in a rapid extent. Therefore, Chikweti is a complex and dynamic business and this has resulted in that the organization has lost track in the direction they were heading to. Chikweti has been forced to do numerous of re-formations in the management structure. But the management structure and the administrative framework still have not develop in pace with the company's size and they need to coordinate so that all de important parts that constitute the business get integrated whit each other. The reason that Chikweti has not growth in the pace as expected is that they underestimated the condition for business performance in Mozambique, they had too highly predicted goals without a realistic attach to the Mozambican business environment. A second reason is that the firm has had problem to attract competent and qualified personnel with the right education.

From the technico level and up to senior management, we distinguish obvious differences in the effectiveness in the work process depending on how many employees the manager is managing. For instance, some of the foresters have too large areas to manage in comparison with what is possible to manage and handle in a productive way to deliver a satisfying result. We noticed that the Mozambican culture requires an engagement from the managers in the work performance. It is stated that managers that have smaller areas can easier manage the employees and provide more encouragement to the employees. This is a crucial factor, to be able to increase the output in the production. The foresters managing areas are not in a manageable proportion according to size and distance, which concludes the technicos responsibility in managing of the groups enhances. This necessitates a comprehensible communication and understanding between the technicos and the foresters to get the work process to run effortlessly. Even if the forester has large areas to manage, many of them feel that they have a good relationship with their co-works and believe that with a good collaboration they can achieve good results.

## **4. The Administrative Framework of Chikweti**

It is important to see a firm as a growing organization, to be able to analyse the firm from several attributes. It is essential for the creation of the firm to be able to see the big picture and how the different parts of the organization are connected and linked to each other and, how the top management's attitude reflects on the organization. A firm cannot be too big, it is a question if the administration has the ability to coordinate the firm and still maintain its core identity. The administrative organization sustains from a framework, conducting how the organization uses their resources, which make the administrative framework a vital controlling tool. If the organization starts to grow over the top management's control, decentralization can be an effective approach to retain the control. This can also benefit the specialization of the workforce which will increase the firms existing competences. The administrative framework can, and should be adjusted, modified, developed, changed and expanded in the pace with the firm. A firm can be seen as a collection of resources, which creates values for the firm business, which can take form both physical and psychical. (Penrose, 1959)

Much of the organizational theory is characteristic as the importance on collections of the organizational routines, the identity. An organization can be described as a complex adaptive system that frequently tries to interact with its environment that supplies the organization with increased outcomes of its routines of interaction. The organization routines are the outcome of its learning processes, and can be adapted by feedback from the internal, as well as the external environment. (Kilduff, 1991) The effective organization need to insure that it remarks the culture dimensions for African countries, which are based on large power distance and weak uncertainty avoidance. This refers to the family where the unquestionable personal authority of the father-leader excluding a small amount of formal rules. (Hofstede, 1983)

Chikweti has grown rapidly in size, in quantity of employees, which has resulted in lack of coordination of the organization. Since the administrative framework has not adjusted to the conversion of growth, and is therefore not able to administrate the organization. One of Chikweti's most demanding problem during the years has been the high turnover of personnel which have made it impossible for the company to maintain a good framework and to delegate responsibility and authority. The high level of personnel turnover depends on unreliable employees that mistreated given authority and responsibility and, therefore, Chikweti has difficulties in trusting the employees. Thereby, centralization of the firm and a complex bureaucratic administration are used as a tool to embrace the control. Chikweti tries to re-establish and learn from their previous mistakes, in the same time they are in the transition period from the developing phase as a young company with more of a project thinking and structure, to be a well-established company with instituted system. Therefore, the baby-sickness needs to be eliminated and one step in right direction is Chikweti's initiative to invest in high educated personnel in the higher positions.

### **4.1 The Need for Coordination Mechanisms in Chikweti**

A mechanism of coordination is an administrative tool for organizations to achieve integration between different units. One of the mechanisms of coordination is centralization or decentralization of decision making, which determines if the ability to take decisions are placed in higher or lower levels in the organization. Another mechanism is formalization and standardization, which are the extent of which job description, rules, policies etc. are written down in documents or manuals to establish procedures through standard routines. These mechanisms are formal and structural, but

there are also other mechanisms that are more subtle and informal and consist of three types of managerial tools. The first is called lateral relations, which crosses over the formal structure and include direct contact between managers of different units in the organization that has a common problem. This can be solved by permanently or temporary forces of assignment, committees, integrative departments, teams and integrating rules etc. The second is called informal communication, which complement the formal by constructing an informal network of personal contacts across managers over different units through management trips, corporate meetings and conferences, transfer of managers, personal visits etc. The last tool concerns the development of an organizational culture through a procedure of socialization of individuals through communication of how they should perform their work, the value and objectives of the company and the decision making method. (Martinez & Jarillo, 1989)

The employees in Chikweti have under the interviews confirmed a demand for this kind of coordination mechanism tools. The tools that exists within Chikweti today are appreciated, for example, the employees that have work prescription finds it very valuable in the execution of their work performance, and the departments that had clear rules and working policies in their daily work routine found their work process more satisfying. Because it is easier to deliver a result that satisfies the managers when the employees know what the manager wants and what the work conducts when it comes to responsibility areas.

## **4.2 How Decentralization can Benefit Chikwetis Structure**

The choice for an organization to be a centralized and standardized firm or a decentralized firm with mutual adjustment is a question of control and authority along with planning and analysing within the organization. Different types of decisions can take place in different areas in the organization, for example, decisions concerning the production in the operating core, can be made in the middle level of managers in their first line, and not in the strategic top management. (Mintzberg, 1993)

Decentralization is referring to a shift from central location to lower levels in the transfer of administrative functions. The transformations in adaption regarding decentralization and delegation have had an impact in developing countries concerning forest management. (Owino & Ndinga, 2004) Decentralization can take form in either vertically or horizontally decentralization. When authority is delegated in a formal way, vertically, power and decision are spreading down to lower levels in the hierarchic chain, from the top level in the organization to middle levels. The vertical decentralized organization will more likely try to coordinate and structure its choices and decision making on mutual adjustment trough the organization instead of standardization. Horizontal decentralization refers to the informal power of decision which in this case remains within a line of managers in the formal system of authority. But it can also flow further, outside the line of structure to people within different areas, for example, to support specialists, operators, analysts and staff-managers. Horizontal decentralization can be seen as a form of extension of decision and authority to levels and line that crosses and spreads horizontally and/or out through the organization and transform it to a wider organization when it comes to power and authority. (Mintzberg, 1993)

Today, Chikweti has difficulties to create a united and heterogeneous Top Management Team (TMT), which is needed to execute decentralization. One of the reasons for that is because the CEO is having too much authority and influenced power. It is argued that the CEO has too much to do and encourage to independent work, but still the CEO will not let go of the control. But the majority of

the managers states that if they need support from the CEO, the CEO will comply with them. The employees describe the CEO as a competent and strong leader but that she needs to let go of some control and to tighten up her amount of work commitment. The CEO has too much to handle so that it almost becomes impossible to manage and coordinate the daily work processes, this harms the business culture and spirit within the company. Motivation from the manager increases the employee's engagement to take responsibility which creates efficiency for all the concerning parts of the firm, but the manager cannot give responsibility if the employees are not motivated to receive it (, 1959).

#### 4.2.1 How Chikwetis Decision Process Should Take Action

An appropriate definition for forest planning context was stated by Cohon (1978): "Planning is the process by which analysts perceive a problem, define it, collect the data about it, formulate it (perhaps mathematically as a model), and generate and evaluate alternatives for solving it, leading to the end of the process when decision makers choose an alternative for implementation" (Duvemo, 2009). The purpose with the decision theory is to give structure and motivation that are rational to diversified conditions under which the decisions are performed. The problem with the decision theory is how many strategies that are presented to the decision maker combined with the risk of error implicated in to the elimination of strategy. This is the most crucial part in the decision process theory. (Archer, 1964)

An organization is in a vital need for a good framework, to be able to understand the meaning of control over the decision process. It is not the control over the decision that is important, it is the control over the action itself that leads to the decision. Actions can be controlled in more ways than just through the choices of decision making. The decision process can be seen as numeral steps that takes form when a situation arise, see figure 4. Starting with collection of information without any interference of personal opinions from the collector in the giving and sending of information to the decision maker. Step two embraces the essentialness of processing the information along with a personal opinion to the decision maker with advice on what should be done. In the third step, the focus is on determinations about the choice making along with what is intended to be done. The fourth step is where the decision maker is authorizing to different places concerning what is intended to be done in step three. The fifth and final step in the decision process is the execution stage, what is in fact done to transform from situation to action and realization. (Mintzberg, 1993)

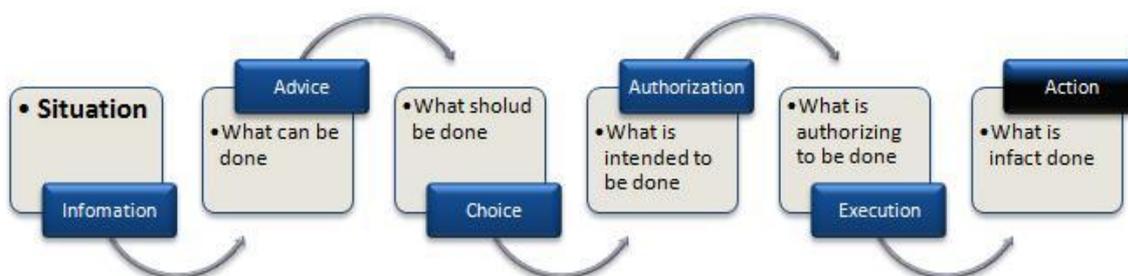


Figure. 4 The strategically five step decision process. (Mintzberg, 1993, p.100. Slightly modified)

This five-step process forms the decision process to be decentralized, meaning that the decision maker only controls the choice of making the decision or not. Consequently, the decision maker loses some power in the organizational hierarchy, while given power to the collectors of information and

the advisors, this means that it is authorized above while executed further down in the organizational hierarchy. (Mintzberg, 1993) A functioning decision process is essential for the value of human capital. Thus, it is an intangible resource for the reason that it adds value to a firm that depends on their capacity for problem solving and making decision in innovative and complex situations. (Birasnav & Rangnekar, 2010)

In our interviews, it is frequent stated that Chikwetis decisions processes are unfunctioning. When the top management takes a decision, they do not fulfill it, which causes errors in the process. Due to the fact that decisions are not put in to action, and it is not uncommonly that the decision is not written down. This causes an unnecessary setback, the problem recurs to the beginning of the decision process once again, and this causes an ineffective cycle in the decision process. This phenomenon that decisions are taken in a mediocre manor, not at all or in a numerous times, obstructs the ability to plan. This result in frustration and confusion for the top management team which generate the lack of engagement that affects primarily the production managers and the technicos. The decision process rarely reaches the final stage of a decision process, the realization through action. This leads to that the problems or the decisions never executes correctly, this could be referred to as crises management, that means taking rushed decision after the problem has occurred and not in prevented purpose. Chikweti has to break this ineffective cycle by follow through the whole decision process. To be able to accomplish this, the top management need to plan, analyse and follow-up, and distribute the decision down to lower levels, with high validity and reliability. Then the employees immediately get the information, trust it, perform and act after given decision, with the notion that the decision will not be changed in a near future.

#### **4.2.2 The Value of Information and Communication for Structuring the Organization**

The effectiveness of management is depending on the arrangement of information and incentives that handles the decision making, with given amount of technology and resources available. Choices made by management influence the organizational context by effecting the incentive structure and limits of information. A manager, even the most competent and conscientious one, cannot make high-quality decisions on input of resource without knowledge about the relative and absolute value of the diverse outputs. (Baden & Stroup, 2010) Value of information, VOI, is decreasing if the decision maker's alternative is limited, information access is important for the outcome of the decision. VOI is small if the decision maker's options are limited and with better information available the decision makers can make better decisions. (Duvemo, 2009)

Orderliness should be Chikwetis catchword, and one way to achieve that is to keep record of meeting agendas. Everything that is decided needs to be documented in the agenda and be followed-up, even problems that occur during the meeting should be on the agenda. Having a pre-written model with points that reappear every week is a quick and easy way to reduce the process of writing down topics like "who was at the meeting, meeting hour, date, last week's obstacles, follow-ups etc". As soon as a decision is taken, all the members at the meeting should sign the document, so that everyone knows that it is a conciliated decision by the management team. This can be regarded as bureaucratic, but in Chikweti, everything needs to be written down to be taking seriously and not be forgotten. We have been observing management meetings, and one thing we noticed is that to have a management meeting after working hours is not a preeminent idea. The managers are more alert and focused earlier on the day, which could make the meetings more valuable with a higher engagement. Chikweti needs to embrace the VOI thus decision bases on information that is comprehensible during

the decision process. If the right kind of valued information will occur in the right time, it will decrease unnecessary time spending on acquiring information access.

#### **4.2.3 The Degree of Difficulties to Institute Information- and Communication Systems in Chikweti**

One of the most important and crucial thing concerning the administrative framework is the information flow, that in any organization needs to be integrated through the whole organization. A good information flow is more or less based on a high level of good communication within the firm. It is essential that information flow automatically, both horizontal as well as vertical. This is a complex thing to manage and it takes time and effort to form and maintain, especially for a big firm like Chikweti that has growth in such a rapid timeline. Chikweti lacks in communication- and information systems which complicates the distribution. They rely on that information flows in the organization through word-of-mouth, but the poor communication has a negative impact on the information distribution. The technical conditions makes it harder for Chikweti than for firms in the western part of the world, for example, Mozambique lacks of good quality infrastructure and communications lines, like stable land lines for telephones and reliable internet connection.

The technical conditions have resulted in that Chikweti needs to communicate and spread information through the only thing they know are trustworthy, the radios. Hence, the radios reliability is low because of misunderstanding along with that not everyone have the radio switched on constantly. Another problem that occurs when information is distributed through the radio is that the receivers often mistrust the information if it is not supplied by a senior management member. Consequently, information that is not written down on paper does not flow through the organization and forgets easily. When information finally reach out in the organization it often lacks in formalities and details and is often given just in time or too late, this is a consequence of not planning ahead. An improved information flow will facilitate the planning for the manager and the work process will be performed more efficient. Today, the managers cannot plan and even if they do, it are always changes in the last minute. Chikweti's work processes is going forward, but it has a lot of potential to be more efficiency with some small efforts. A way to solve the complication with the communication- and information flow is to continually have meetings within each unit. A positive outcome of this would be that everyone gets involved and the managers obtain opportunity to explain purpose and consequences concerning the work process or the organization.

## **5. A Variety of Management Theories for Implementation of Chikwetis Improved Management Structure**

Once the administrative framework is in synergy with the organization the management can be improved, given that the administrative framework set up the frames for the structure of the management. For Chikweti, the culture plays an essential role because their base of resources consists of labor force.

### **5.1 Chikwetis Demand for a Culture Adjusted Management Behavior**

During the last 80 years management theory has been blinded for the fact that management and organization is dependent of culture. Culture has a big impact on people that are managed and organized hence it effects what we have learn in our families, school, work environment and society. Several of the management theories today are ethnocentric, which means that they take the culture environments for granted, what is needed is a further cultural sensitivity in the theories. A convergence of management is never going to exist but it can increase our understanding in how the culture affects our behavior and thinking patterns. This needs to be transferred in to the management theory to increase the understanding for managing multicultural organizations, which are essential for firm's survival. (Hofstede, 1983) Africa has been influenced by three fundamental cultures, Islamic culture, Western traditions and local culture (Luiz, 2006). It is irrational to assume that management is equivalent around the world, the national cultural differences have a great impact of differences on organization, leadership and motivation (Hofstede, 1983). Human resource is going to operate effectively if it is performed through team work, based on collective and group behavior, particularly if systems of reward are designed for team or group performance. This is an important issue to consider when managing people in Africa (Luiz, 2006).

Chikweti is a multi-diversified company with a great mix of age, gender and nationalities. This causes cultural differences that are both an advantage and disadvantages for the business. The disadvantage is the difficulties to understand each other's behavior and ethical and moral view towards work. This makes it hard for the leader to shape and match a good team that works in the same direction. But, when good team work is established and up and running, we have noticed that diversity has a positive influence on the group dynamic. As soon as the teams starts to realize and accept each other's personalities and locates a way to overcome the cultural differences, advantages are created, and new angles of insight and ideas will increase the work processes and the power of problem solving. We have found that this has favored the work process, as well as on a level of personal development. This is an important factor in the improvement of the team dynamic and it also increases the legitimacy for Chikweti, thus the employees are the face of the company.

### **5.2 Management Functions in the Organization**

Managerial services are productive services that every firm needs to utilize for the reason that they are administrative organizations. Managerial service facilitates the flow in the organization and is an important link between the units. Managerial services are the type of service that is going to contribute an efficiently work process in the firm and eliminate disturbance. By establish economic activities in the firm and coordinate this according to the administrative framework and policies, the firm create a structure that is needed to obtain a rational business culture. Managerial services are presumed to enlarge the knowledge, and to obtain that, the employees know-how have to

increase, for instance by team-work where the employees exchange knowledge and experience. This will result in an increased understanding for the best way for execution and then they can utilize opportunities and easier adapt to the environment. This creates uniqueness in the firms in their utility of opportunities. (Penrose, 1959)

At the moment, Chikwetis managerial services are dysfunctional. If Chikweti can create functional managerial services that produce internal links between different units that starts to interact with each other, it will reduce disturbing conditions and a more efficient integration will be created. This will lead to a transformation that will facilitate in a decentralized organization. The product of this will be increased productivity among the managers that will become a more efficient resource because they can manage authority independently because of the strong inter-links.

Managerial experience effect the productive service that executes in the firm as the experience contributes with enhanced knowledge and competence. By structuring and administrate the firm, the risk that the firm would get to big for its own best is eliminated, the firm can expand and grow without getting inefficient or economic unsustainable. To acquire that structure and administrative arrangement, business prefer a decentralize organization since it does not prevent processes that proceeds in the firm. To have knowledge about each other, how they prefer to work and each person's level of competence, will have an effective influence on the work process. This will increase the motivation to take responsibility and the work procedure will be more efficient since the decision making process will be more effective when management has a high-quality collaboration. It is important that the firm recognize if it has unexploited human resources, in form of competence, that can develop the management team competence. The team dynamic is an important factor to create a successful management work. (Penrose, 1959)

### **5.3 The Necessity to Expand Human Resource and Knowledge Management**

In African countries there are a vital requirement for institutional building to strengthen Human Resource Management (HRM), employment relation systems and practices. There is an underlining need to expand the human capital agenda which is perhaps one of the most essential challenges for Africa, since it demands to investigate in development and training to improve human resources development by building managerial capacity and HRM practice. (Luiz, 2006) Organizations are recognizing that their most valuable assets are the employees, and in many organizations there are fundamental challenges when it comes to retraining and requiting their core staff. The reorganization of the core competence often takes form in intangible assets like cultural intellectual capital, marketing knowledge or brand name which are the opposite of tangible assets like equipment and plant. To be able to have an efficient human resource based on intellectual capital investment, strategies calls for an understanding for the dynamics of training and preventing issues. The definition of a good quality knowledge management is "any process or practice of creating, acquiring, capturing, shearing and using knowledge, wherever it resides, to enhance learning and performance in organizations". (Hafeez & Abdelmeguid, 2003) It is also necessary that the firm formulate a strategy to each activity that are in align with their business strategy concerning organize-, creating-, using-, capturing- and accessing knowledge (Birasnav & Rangnekar, 2010).

#### **5.3.1 The Existence of Tacit and Explicit of Knowledge in Organizations**

According to Davenport and Prusak, knowledge is described as a liquefied blend of context information, framed experiences value with an approaching that supplies a framework for

incorporating and evaluation new information and experiences, this is applied and originates in the knower's minds. Knowledge generally resides in two types in any organizations - tacit and explicit knowledge. Tacit knowledge exists in employees' minds, perceptions and behaviors whereas explicit knowledge is shareable and documentable through information technology. (Birasnav & Rangnekar, 2010)

Explicit knowledge is relatively undemanding to communicate and attain through reading and listening, while relationship knowledge is more difficult to communicate and is learned through interactions. Tacit knowledge is referred to as "know-how" which is the most valuable form of knowledge and is acquired through learning by doing, using and experimenting. This is the most difficult form of knowledge and can be explained as hidden knowledge within ones head, which makes it difficult to communicate, quantify and comprehend. Tacit knowledge is to be seen as a strategic advantage, this affects the organization because it constantly struggling to find a way to discover how it can motivate their employees to be willing to shear their tacit knowledge. The organization then face the challenge to try to develop suitable procedures and policies in order to imitate " the knowledge flywheel effect", in which the knowledge is established through the interchange between explicit and tacit knowledge. A suitable mechanism and executed human resource system that imitates the knowledge flywheel, characteristics to have a lot to give to the organization, with rewards to managing in tacit knowledge. (Hafeez & Abdelmeguid, 2003)

In Chikweti there are managers that try to collaborate and work together with their employees, for example, managers in the plantations takes for example, a half of day now and then and work together with the employees. Then the managers own knowledge transfer to the workers and it also creates team spirit. This is something that the employees appreciate and it increases their engagement to work because they feel important. This will also reflect on the morals towards work and the engagement to attend at work, as well as towards their manager. This could have a domino effect among the employees. If some employees start so show pure joy, engagement and high moral, this will affect their co-workers to experience the same spirit, and this spirit will develop into shared values that will build up a business culture.

### **5.3.2 The Dynamic Knowledge Management Model**

Organizations have started to realize that good and suitable management of their competence and skill foundation is the key to a profitability and sustainability in the knowledge economy. Therefore the organization needs to be able to understand the dynamics of the human resource policy and the intellectual capital. For a simple management model, the key components should signify as an inter-link between skill, knowledge, competence and learning/training processes, see figure 5. It is important that strategic knowledge and competence through training and recruitment must be developed for a long term sustainability and competitiveness for the business. (Hafeez & Abdelmeguid, 2003)

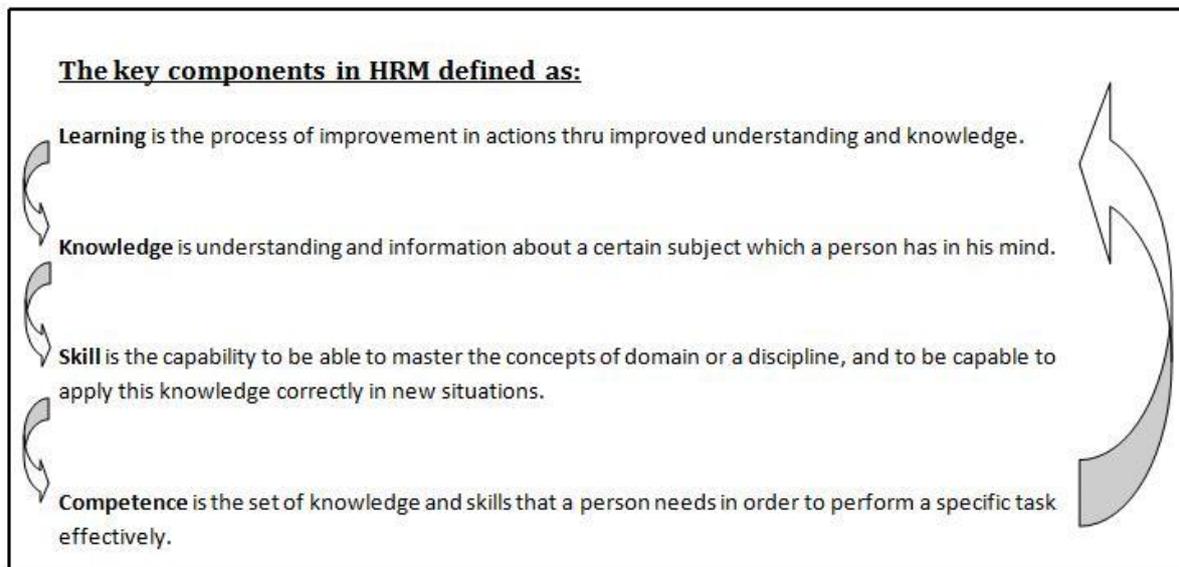


Figure 5. The inter-link process between HRM's key components. (Hafeez & Abdelmeguid, 2003, slightly modified)

All of the employees on the management levels have a high competence and knowledge level and most of them help their employees to improve their work processes. Chikwetis manager lacks the ability to develop these key components which results in that the employees knowledge and skill level do not increase. If the organization does not start to realize how the inter-links in these components interacts with each other and how this can help to improve the knowledge and competence base in the organization, they will miss out a lot. Chikweti must understand the advantage of learning through understanding. When the understanding process is established, the knowledge is present. The knowledge develops into skills that enhance the competence level. If Chikweti never provide its employees with skills, they will never utilize their knowledge in practice. Knowledge along with skills are what forms competence. Therefore, Chikweti must enlarge their employee's ability to learn, that will raise the competence in every level in the organization.

### **5.3.3 The Challenge to Develop a Knowledge Management Structure**

Organizations are continuously striving to develop and improve knowledge of employees who are engaged in a strategic business process. By encourage employees to be engaged in knowledge management (KM) processes and create infrastructure, particularly, communication facilities and supportive culture for knowledge sharing and acquisition, the organization will expand the range of both organizational knowledge and human capital. Organizations can develop their human capital through tactical KM process and problem-solving (communication- and innovation oriented culture). KM activities are intended to create an organizational knowledge by influence the employees' knowledge and are purposefully design for that. (Birasnav & Rangnekar, 2010)

Strategic management concludes a setup of decisions, actions and commitments. These combined with organization culture, human capital and leadership, are distinctive resources to become competitive. Knowledge is an important asset and is an intangible firm's specific resource and the firm's degree on knowledge depends on the firm's ability to generate it. A major part of the firm's knowledge exists in its human capital and the development, the selection and use of human capital generate value for the firm. Knowledge is generated through organizational learning and the firm can

compete effectively, grow and survive if it learns new capabilities. (Hitt, Ireland, Camp and Sexton, 2001) In strategic management, the most important focus is on how firms can gain knowledge and how the firms can learn to attain sustainable competitive advantages based on the continual creation of innovation. Strategy can be defined as planning and execution of the firms growth, that consists of trying to deciding the essential long term objectives, as well as, the resulting adoption of routes of action, based on distinctive competence, business definition and the firms mission. By examine the firm's relationship between its performance, diversification strategy and organizational structure and by examine the environment, which is an important matter in strategy for the firms, the firm will chose the best strategy. The best strategy for a firm is the one that is tailor made to match the individual capabilities of the firm. (Herrmann, 2005)

### **5.3.4 How to Manage Human Resource and Knowledge Management**

Managing HR knowledge is a developmental process that engages interconnecting between organizational employees and employees with available information. An employee that is involved in an external network also facilitates knowledge sharing among employees and enhances their knowledge. The degree of knowledge that transfers between employees will determine the quantity of human capital that an employee increases. An organization that performs brainstorming to find a solution to a problem caused for the failures of the products will by documenting knowledge improve the employee's problem-solving skills. That would add value to the components of the employee's human capital. To perform a successful KM and develop human capital, organizations most transfer the produced knowledge to additional parts of the organization before entirely utilize it. This necessitate knowledge infrastructure, by that means that the organization has a supportive knowledge culture and that the units have a good collaboration, then it creates transfer channels. Organizations regularly support bottom-up communication, by implementing open door policy, with a information flow that streams from employees to top management and the top management contacts the employees directly and request comments in the decision making process. Accordingly, such communications advance the employees engagement towards the work and the organization and the employees' insight in the management encourage innovationist ideas. (Birasnav & Rangnekar, 2010)

All the managers that we have interviewed believe and hope that they, in some sense, have developed their employee's knowledge and competence. The managers also have the feeling that almost every employee wants to increase their working skills in some way. But many managers feel that they need to have more and better knowledge in how to lead the employees in the right direction and how they should do to create motivation through engagement. This awareness would make them more capable to transform their knowledge to the employees. The manager's willingness to learn more about how a manager should lead people through efficient leadership is something that Chikweti needs to procure. We also found an interest among managers to learn more about the Mozambician culture. If the managers learn more about the Mozambician culture they would be able to provide their workers with new knowledge that matches the culture's way of understanding and learning. This is an important factor in the transfer of implicit knowledge, since it is related to the mind.

## **5.4 Team Competence for Managers and Sustained Growth**

Penrose (1959) argued that firm's resources can be valuable and unique overtime as they are interactively organized after routines and processes that managers implement and readjust when

they operating as a team. Managers play the leading function in deciding a firm's path by determining the resources combination it will deploy and nurture, and what market they will participate in. In particular, the combination of managerial executive processes reflects the TMT's knowledge, skills and competence. A team's output is not created by individual contributions, it is rather created collectively. When managers functioning as a team they share experience, when they take a strategic decision it includes debates and discussion, and during this procedure, managers accumulate the knowledge of each other's idiosyncratic habits and skills. Managers will contribute with a positive team dynamic as a result of spending time with the members within the team. (Kor, 2003)

Chikweti has multi diversified management teams, which makes the flow of knowledge in the expertise areas very important. To be able to develop team competence, the teams must have the will to develop and the strength to accomplish this. Team competence can be developed through constructive criticism and feedback, but most importantly through leadership training and team building. Chikweti has during the last month's started leadership- and teambuilding training which have started at the higher levels and is gradually going to be executed in the lower levels. This is something that has been appreciated by the managers that states that they have already seen some positive results. By develop and increase team competence, the individual capability to collaborate with an open mind toward others enhances.

### **5.5 The Importance of a United TMT in Chikweti**

The strategists in the organization, the TMT, must share commonalities in shaping strategic directions for the firm, but also promoting and organizing resources to understand the choice of strategies. The TMT set the direction and pace of competition for the firm and have an essential and central impact on the organization and the result. Thus, the TMT are authorized to make the strategic and important decision for the organization. Theorists have productively recognized that a united TMT heterogeneity is a vital driving force for the processes and the results in the organization. TMT can be characteristics as the heterogeneity of the firm when it concerns risk taking and strategic orientation, tendency agreements and experiences from the industry. The TMT choose the environment for decision making, which are conducive to understand the organizations potential. Additionally, top manager can influence internal and external environment by elimination, construction or defining distinctive elements of an environment. TMT faces treats regarding organizational tenure, age, technical specification influence and educational level. It is the Organizations decisions making process in situations of receptivity and, the organizations willingness to take risks that cause the degree of strategic business changes. It is stated that team demography has an influence on the team process in terms of communication and social integration. This process has in return an impact on the outcome and the organizational strategy. An organization that shows heterogeneity in the TMT, akin to the mean of their significant aggressive interaction, is more likely to shape a higher group performance on a higher level for the organization and probably perform better than their competitors. (Pegels, Song and Yang, 2000)

Chikweti's present senior management has existed since October/November, and do now consist of seven people with different working areas of expertise and each of these areas are a fundamental keystone for the business context. Consequently, it is exceptionally important that they have trust and commitment to each other and in each person's knowledge and expertise. Moreover, it is essential that they have an open and straight forward relation and communication. This will contribute to a higher group performance on a higher level that also will affect the whole

organization with a positive attitude. It is important to have a functioning and united TMT because it is the management team that will decide in which direction and in which pace the company is heading and they will also set the bar in how aggressive and competitive the company is going to be. Heterogeneity in a TMT is an advantage, thus it helps sharing a strong and powerful strategy that contributes in a high-quality business synergy, that improves the internal and the external environment. Senior management is a driving force for Chikweti, which is something that the team really needs to understand. The more united they are, the stronger the synergy effect in the organization will be, and this will contribute to achieve more efficient results. A strong group dynamic and efficient work performance will have a reflection on production management, as well as the whole organization.

To create a united top management, the senior management really needs to clear the air, due to the fact that a disharmonious management team will cause frustration, irritation and re-activation. For example, some team members exclude themselves because their lack of motivation, and that will not benefit the company in any way and it will also have a bad impact on the lower management levels. Frustration can also arise when the roles are unidentified for the team and these needs to be cleared out, because it crucial that they can rely on each other and their competence areas, otherwise this will lower the activity in the group that aims to be pro-active. It is vital that the TMT only discuss the essential management question and delegates out less relevant subjects of tasks to lower management levels. The senior management has a strong support from the underling management levels, and they claim to see a great potential in this group to become a strong and united one that will lead Chikweti in the right direction. It is just a matter of time before the TMT will develop a strong collaboration and grow together as a group with united competence and trust, for each other and as a group.

## **5.6 Implementing the Accurate Leadership Style for Managers**

When the management structure is established the leadership can play its role. One important factor for leadership is that the manager finds the right leadership style, by understanding the business environment, as well as the force of motivation for the employees. Otherwise the managers will not be able to lead the employees or increase the employees' knowledge.

The essential dimensions for leadership in a collectivist society indicate that the leadership should appear as a group phenomenon and the working group needs to be an in-group to be valuable and effective. The employees supply considerable loyalty in their work if the employer provides them with the feeling of protection and safety, the same way as their natural in-group do. In developing countries, the leader is expected to function as an autocratically leader that leads the employees in the right direction without their interfering in the decision making. (Hofstede, 1983)

Leadership is a process where the manager influences the employees to understand and agree about what needs to be effectively accomplished. Leadership is also the procedure for facilitating collective and individual efforts to complete the shared goal. The definition of leadership is conducted as a system of relationships performed in a dynamic process. The key components for the system and process of the leadership are the leaders, the followers and the context. Regarding the leaders, it is required to examine the identity, personal history, motivations, traits, and the expertise on how the leader practice its leadership, thus it is often connected with the leaders quality. It is the followers who decides if the manager is a truly leader and if he/she understand the followers, what they are

motivated by, and what they value along with personal threats. It is important that the managers knows how culture affects prospection and behavior in the work environment and that they understands the contexts, situations in the leadership, especially its effectiveness. The leader needs to be aware about the effect of the task that has to be performed, as well as external and internal organizational environment, due to the fact that different context necessitates different leadership approaches. Culture is one of the most important elements of the context. Hofstede argues that the context is vital in explaining how leaders emerge and it also influences what a managers needs to do to be successful. A manager must choose a leader style that suits the firm and to a substantial extent, the manager is restricted by cultural and experience expectation from the followers. (Luiz, 2006)

## **5.7 The Driving Force for Motivation**

Motivation is related to the individualism and collectivism dimensions and defines what encourage people to act. The vital motivation factor for the collectivist society is to fulfill their responsibility towards the in-group which can consist of the family, the enterprise or the country. The collectivist society do not seek self-respect or self-actualization, the primly seek legitimacy towards the group. Africa also characteristics of weak uncertainty avoidance and is feminine, this means that sustaining good relations between the employees increases the motivation. Competition is not a variable that is going to make them perform better, it is the solidarity between the employees that shapes the performance. (Hofstede, 1983)

## **5.8 The Termination of Leadership in Africa - Following the 3H's**

Leadership in Africa requires a mixture approach that combines performance orientation with collectivist human style. There are some questions based on the triarchic model of head, hart and hands, which the manager can use to ensure that he/she is on the right path. (Luiz, 2006, p. 103)

### **5.8.1 The Head Direction**

The direction of the head refers to seeing the big picture, evaluate the context correctly, act strategically and taking the initiative when it is needed to go in new direction before it becomes noticeable to others. "The checklist questions are: Do I know where we are going, and will this take us where we need to be in the long-term? Is everyone else aligned with where we are going?" (Luiz, 2006, p. 103)

Our interviews indicated that to make the employees in the operating core motivated, they need to feel an engagement from their manager. The managers on the other hand, need to have a motivation and leadership strategy to be engaged in his/her employee's daily work. If the manager lacks motivation, this will reflect on the employees that will feel unengaged and lost in their work. The employees want to be managed and not be involved in the strategic process. These shows clearly in Chikweti where the employees in the operating core lacks in taking initiatives, for example, if the managers left the workplace without carefully explaining to the employees what should be done, the work process will stop immediately.

### **5.8.2 The Heart Energy**

The energy of the heart embraces the emotional intelligence and includes the ability to understand others and to be influent and the underling facility to know and restraint oneself. It includes qualities of understanding, genuineness and respect, allowing the manager to bond with the followers and it also requires that the leader needs to have a high level of self-confidence. On a personal level, lifetime routines of self-discipline supply the base that maintains the leader resilient to face hard

times and it also provides that the leader is responsible in looking after the community's needs. "The checklist questions are: Am I in touch with my followers and generating energy in them. Am I in touch with, in control of, and generating energy in myself?" (Luiz, 2006, p. 103)

One thing that is clear for us after doing the interviews with employees in the operating core were that their engagement in their work performance increases if the managers are present and tries to create a relation whit his/her employees in a natural way. Simple things like shaking the employee's hand, ask how the work process is running and how the employees and their family are doing, if there has been problems concerning their work since the last time they meet, are questions that the employees want to be asked to feel that they have a mutual relation. It is vital to remember that no matter if it is for the better or the worst, the leader needs to communicate and appear as a leader towards his/her employees to strengthen the relation between them. The struggling administration process makes it hard for the manager to be present on the field with the employees and generate energy to them. This also takes energy from the manager, thus they need to administrate paperwork etc. and that causes unnecessary time waste, which makes it hard to provide them self with energy.

### **5.8.3 The Hands Performance**

The performance of the hands includes getting the work done. A good leader needs to get others to perform in outstanding ways that surprise even themselves. This involves motivating and holding people responsible for their performance. It also requires providing them with tools, in form of personal development and training to perform a good work. "The checklist questions are: Are our systems and processes the best they can be and are they working? Am I holding people accountable for extraordinary performance and also building their capacity?"(Luiz, 2006, p. 103)

The managers in Chikweti that take their time to follow the employees in their daily work and demonstrate how to work efficient, communicate, give instructions and correct the employees when they are doing the processes in the wrong way, are the managers that have the strongest support and engaged work force. In this way a manager can create a feeling of an in-group and the feeling of equableness. The managers should confront the employees directly no matter of what work position the employees have, for example, a servant gets the feeling of insufficient when the managers only communicate and confront the technicos and supervisors. If the manager will achieved this, he/she will have an impact and receive trust among the workers. Then the managers can reach a break through by making the employees understand that they work for their own sake, and for a reason, that will say their future, and not only for the moment. This will also create a better attendance level among the employees.

### **5.8.4 The Ethical Impact on Leadership**

Leadership aims for inspiring workers to move in a certain direction and to do this the leader needs to have presumption and courage, which requires a foundation for the ethical direction. Some leaders draw inspiration from ideals, others from religious faith. Therefore, there is an ethical dimension and a spiritual side of the leadership. The ethical and spiritual core flows through the three H's, it provides the "head" with a moral compass, it provides the "hand" with an ethical guideline and protection to observe the actions, and most significantly, it provides the "heart" with value which encourages the commitment to the importance of human beings that create humbleness. Before a leader can be effective and principle, a servant leader, he/she has to have been a follower. This leader seeks naturally to make sure that the workers needs are pleased, and

this type of leader intends to insure that the people they lead become more freely, wiser, autonomous and healthier. Then it is more likely that the manager develop into a servant leader in the future. “The checklist questions from the ethical dimension are: Am I in touch with, subject to, and being formed by a cause and a set of standards that transcend myself and my sub-group? Would I be comfortable if all my decisions and actions were reported in the newspapers? Checklist numerous two, Am I building a sustainable community for the future or just extracting short-term value in the present? Am I listening to those critical voices that can alert me to sides of the truth we may not have noticed, or am I listening to more of my own prejudice.” (Luiz, 2006, p. 104)

One way to create a better motivation is that the manager together with the work force, set up weekly or monthly goals and if they are achieved and sustained, the work force receives a small reward, for example cookies or fruits. Then the workers have a short-term goal to work for, and it is also a small step in the right direction to get the employees to re-think and plan ahead for the near future. This will step by step make it easier to get the employees to think in a more long-term way, and to see that their work is an important factor for Chikweti's performance and profit, and that will in the end benefit the community. This will also benefit the managers in the sense that they will be able to plan both in long-term and short-term, and it will be easier to see results and create mutual and sustainable relations that will gain the work procedures, as well as Chikweti as an organization. The managers have to rely on the employees and, the employees on the managers in a mutual and respectful way and have an open relation toward each other. Due to the fact that this creates a feeling of “togetherness”, and this is something that is important in the African culture, the feeling of a family and collectivism.

## **5.9 The Future Developing Leadership for Chikweti**

It is crucial to know which factors that in the long-run are going to effect the organization. The firm needs to have a pedagogic talent manager that is able to mediate these factors in a way that makes it easy for the employees to understand. The team work between the operative and the long-term strategic work is the core of stimulation in the strategic dialog within the organization, the daily work situations and processes are discussed conducted with thoughts about the future. The strategic work is well established in a close relation to the information flow from the operating core and through the organization. The leader must be able to not only react on direct signals but to plan and look to the future in the long run. This is a big challenge for any organization, big as small. (Borgbrant, 1990)

It is a known fact that some managers have a hard time to see the inclosing changes that takes place in the daily work process. These managers captures and holds on to the present and the daily routines along whit the feeling of safety in doing their work on a daily basis, and perform in the same way they have performed a numerous of times in the past. Reflection and impulses from the outside world are seen as a threat and in some cases even constructive feedback from colleagues are seen and experienced as negative criticism and need to be tackled. The managers then feel that he/she needs to defend him/herself from all kinds of criticism, good as bad. In these situations it is important and essential that the manager takes responsibility and commitment to try to develop, not only him-/herself, but also the employees in the lower levels in the organization, to reinforce the strength and to manage to face challenging demands and pressures that the organization is facing on a regular basis. (Borgbrant, 1990)

There is a great need for competent and skilled workers and competent leaders, but there is also essential to teach and train, both the manager and the employees. To see the leaders work process in the organization and the role he/she is performing, that needs to be developed and improved, but as a team working process in the organization. It is a fact that engagement, motivation, quality and accuracy are in direct relation to managers and employees and their way of communicate and relate to each other. These are the central factors in the process of a good work flow between the manager and the employees. (Borgbrant, 1990)

Some managers in Chikweti feel that their lack of leadership skills disturbs the knowledge and competence level among the workers. Still, the managers feels that they have a good relationship with their employees and that they get almost as much time as they want to have with their employees, to listen to them and solve problems together. It is a fact that the employees, due to their culture, feel that it is important to get answers to their questions. It is also important that the manager takes unanimously decisions that are partly based on the employees' contribution. Thus it is essential for African employees in the operating core to be heard, but they do not have the driving force to be willing to take decisions.

The core components in team work are listening, helping and supporting each other and come together as one strong group instead of strong individuals. Therefore, to be able to achieve this it is important to have team building training on a regular basis. This is an essential factor because people learn to understand and get to know each other on a more personal level which is important to be able to create a good team work and helping and supporting each other with work related issues and tasks. If the group sees itself as an impossible group, it will become an impossible group, this is something that the production and senior management groups need to consider in there interaction with each other. To gain from the group dynamic, everybody needs to "clear the air instead of sailing against the wind". All the group members need to strive in the same direction to take on the challenges the group faces and to achieve and reach the same goal, which are created by the company's mission and vision.

One way to develop the group is to strengthen the individuals within the group by increasing self-confident and self-awareness, so that all of the members feel confident and comfortable enough to be willing to share their contributions to the rest of the group. This is why development talks are so important, not only for the employees but also for the company, due to the fact that if every employee in a manager position feels brave and confident enough, they will increase their work performance. Development talks are a good and appreciated method and are uncomplicated for a company to implement and proceed with, and it is very cost efficient. The employees in Chikweti that have had development talks feel that this is something that needs to be done on a regular basis. The feedback and confirmation they received from the CEO about them self's as a person, improved them as an employee and they gained more confidence in both them self's, as well as in Chikweti as a firm.

## 6. Our Suggestions for Improvement of Chikwetis Management Structure

It is important that organizations adapt their processes and systems to maximize the opportunities provided by a diverse workforce. McKinsey's 7S model illustrates a classic organizational framework which is both a comprehensive and practical mechanism for analyzing the components of the organization, and it gives a systems view of the principle characteristics of organizational design, see figure 6. Shared values are placed in the center of the model, and indicate that it is the primary keystone for optimal organizational function and are served as a guiding principle for strategy, vision and crafting of mission. Cultural values are also embedded in shared values and are particularly essential to find ways of integrating them in a mutually satisfactory manner. In the periphery of the center are the "soft" and are people related components, skills, staff and management style, followed by the "hard" and operational organizational components, system, strategy and structure, and all are linked with one other. It is generally accepted that when the organization's value, vision and mission are set (these can be contributed or co-created by the employees), strategy should be created based on these factors. When the strategy is created, the structure of the organization must be formed so that the organization can optimize the implementation process of the strategy. A profound respect for social ethics and differences joined with the ability to merge different various mental models to corporate advantage, are valuable qualities for leaders. Emotionally mature management recognizes the shift relating to the employees within the organization: their value, their diversity, their power base, the way they think and how they in a unique way can add value and be a fundamental part of the strategic decision making process. The systems in the organization may require an adaptation to fit different environments. For example, performance management systems could need to include individual rewards, as well as team reward to combine the western and eastern way of operating. (Luiz, 2006)

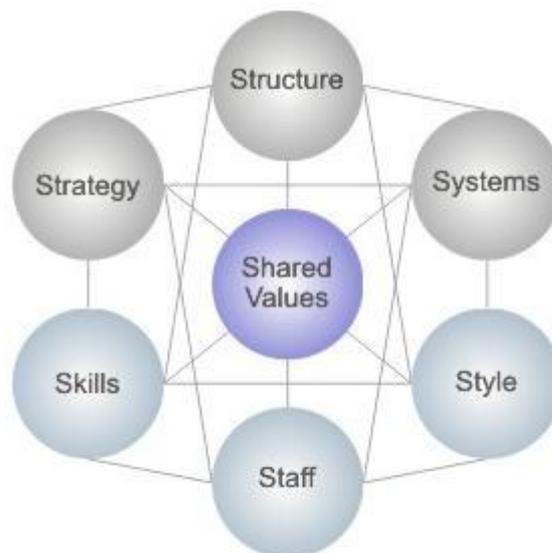


Figure 6. McKinsey's 7S model illustrates the creation of an organizational framework. (Luiz, 2006 p.180)

Since Chikwetis organizational framework is insubstantial and diffused for the employees it is vital for them to find a framework that fits the organization and can be implemented without complications. This is an important factor in the improvement of the management, they cannot perform a good

leadership style without an organizational framework or without a dynamic between the 7S-components. Therefore, Chikweti needs to find a balance between the soft and hard components and get them to integrate with each other. Chikweti has a strategy in how they want to reach their mission and vision, now they need to adapt the structure along with their strategy and adjust their systems after the structure. Without systems, Chikweti cannot execute their strategies. To get this hard components to function as a stable base that builds the organization and it is crucial that all the employees know what kind of structure, strategy and system that the organization relies on, so that the employees can adjust themselves to a style that fits the organization. This will result in that the skills matches Chikweti's needs and the employees can then be used in an optimal way.

If these six components can be balanced and integrated with each other, all the different units, as well as the employees, will strive in the same direction and the organization will naturally create shared values, which will shape the organization culture. This is the core of sustainable and long-term business development and performance. If Chikweti can manage to create shared values it will lead to a higher level of internal legitimacy and solidarity that will extend through the organization and makes it stronger, stable and efficient. It is the managerial service that creates the organizational framework by executing and integrating the keystones into a dynamic progression. Therefore, it can be a good exercise for the senior management team and the production management team to together deal with, and discuss the keystones and try to create a diamond shaped form that interlinks between them that is based on every work area. This will increase the understanding that every department is important for Chikweti's organization systems. This will contribute in a better organization but the outcome it will also gain an improved team work.

## 7. Analysis of Chikweti

The administrative framework consists of many variables that need to function to create a system for the organization and the management. We have summarized the variables that we believe are of most importance for Chikweti, see figure 7.

<b>Problem</b>	<b>Solution</b>	<b>Effect</b>
Organizational Framework	Decentralization	Effectiveness in work process
Team Work	Training & Communication	Feeling of solidarity and increased understanding for cultural differences
Knowledge & Competence	A correctly management structure and leadership style	Engagement and motivation to work

Figure 7. Conclusions over the most essential subjects that needs to be adjusted for Chikweti. (Own creation)

Chikweti has struggling with creating an organizational framework, which we think is a problem that could be solved with a gradually implementation of decentralization. That will have an effective impact on the work process. The production-, communication-, administration- and decisions processes will be more smoothly and quickly performed. Another problem is the team work, and the solution to that are training and communication, that will generate solidarity among the employees owing to an understanding for different personalities. The obstructions for Chikweti are the lack of knowledge and competence in the workforce in the operating core. This is something we think can be solved if the manager is provided with education in leadership and if Chikweti forms a good management structure to lean at. The effect of that would be that it will be easier for the manager to motivate the employees and in return, the employees' engagement to work will increase and that will automatically increase their knowledge and competence in the operating core.

By following the 3 H's, as we described under the heading of 5.8, the company will progress in to an effectual leadership, thus it combines and integrates the three essential factors concerning leadership, see figure 8. Personal qualities represent the core in the effective leadership. Chikweti consists of diverse personalities which is a side effect of various nationalities. This makes it essential for Chikweti's managers to continuously answer the 3H's checklist questions. By answer the checklist questions, Chikweti will receive an efficient leadership behavior, since the manager will know in which direction his/she is heading and that the employees are following the leaders path, and will perform their work in an efficient way. Hence, if the manager knows when the employees are following him/her or if they are lost in confusion, the manger creates a leadership style that matches the environmental requirements. It is the environmental requirements that will shape the context Chikweti is in and their opportunity to respond to the context demands.

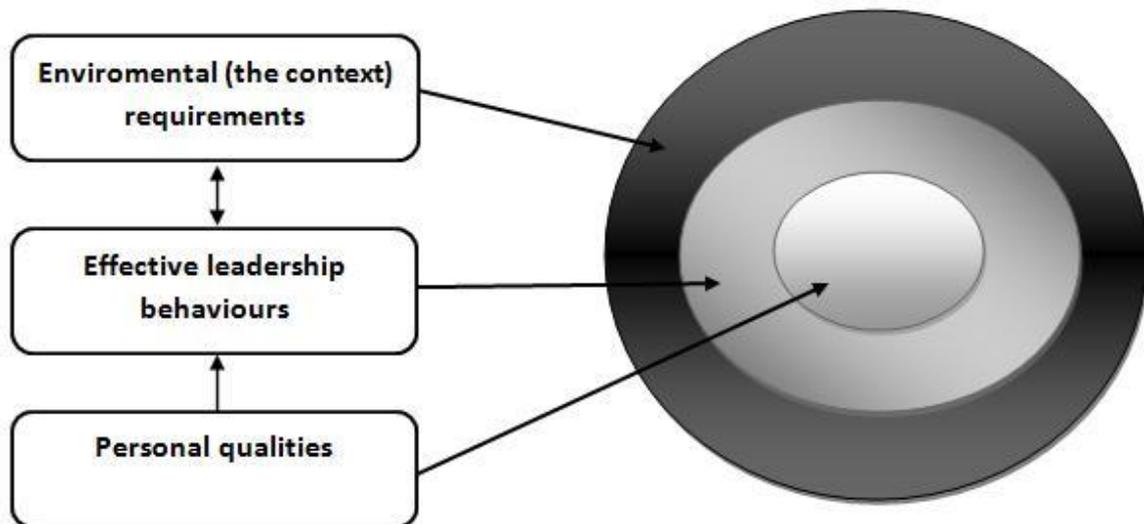


Figure 8. Effectual leadership arose when personal qualities are expressed in a behavior that matches the environmental (context) requirements and then convert them. (Luiz, 2006, p. 99. Slightly modified)

Chikweti can also use the 3 H's as a tool for the individual manager to evaluate him-/herself because when a individual is to occupied in work, it is easy to become blindfolded. In that case it is good to get some self- distance to survey the situation, and this will lead to a progressed development on a personal level for the manager. But most important, as mentioned above, the checklist question that the 3H's provides should be used as tool for the management team to be answered together, as a team to create a genuine leadership style in Chikweti and shape a unanimous vision on where Chikweti is heading.

A firm cannot grow too fast or be too big to manage, it is just a question of having a strong and adjustable framework that can adept itself in the same pace as the organization grows. Therefore, it is crucial for Chikweti, which has grown in rapid pace and is expecting to continue to grow, to have an adjustable and adaptable framework that can facilitate the work process and create efficiency that permeates the organization. This can be achieved through managerial service with McKinseys 7S as an initial model to use as a guideline, see figure 6.

As mentioned, Chikweti is an extreme case of a centralized company, which has bad experience from the past in delegation of responsibility. Chikweti's goal is to become a decentralized firm, which is necessary with Chikweti's size and complex structure. Chikweti is too big to be centralized efficiently. We believe that Chikweti should implement a mix between vertically- and horizontally decentralized to achieve the optimal results in the decision- and leading processes. Chikweti is in the starting point for implement decentralization in the organization. However, the CEO does not feel enough commitment from everyone in the management team to release the control of authority. For now, the CEO does not feel like there is any other option then to keep the centralized structure. We believe that as soon as Chikweti's existing management teams becomes more united and stronger, and with the right competence level, decentralization will be a good approach for the management structure. We argue that decentralization will improve the chains of value in production-, communication-, administration- and decision processes, which will lead to a more efficient and integrated organization. Decisions will be taken at a lower level and will reduce the hierarchical distract of the decision process, employees will feel more important and valuable for Chikweti. It is

important that Chikweti motivate and encourage their employees through engagement, to want to take responsibility. We believe that the team building training they are conducting is a good way to awake motivation for responsibility among the managers.

If decentralization gets implement with success, the processes of production, communication, administration and decision will be more efficient. That assumption is found on that less instances and persons are involved in the processes, in such way, it will eliminate that the involved will change their mind during the process and the ability to plan will be amplified. Then, the procedures in the organization flow will be more rapid and VOI increases. In a successful decentralized organization it is vital to have a good communication flow between managers at different levels. This will be one of the major challenges for Chikweti. We have also observed that a good relationship between managers will also develop the managers' competence, due to the will to share experience with each other, and the willingness to help solving each other's problems. What will facilitate the implementation of decentralization is the notion that the employees in the management apprehend as strong individuals with a good potential to become a powerful and united management team.

An important aspect in the decentralization institution is to set up guideline principles and goal congruence. Otherwise the responsibility will fail epically and the employees will not be able to distinguish direction for performing a good work. Chikweti suffers from too many panic decisions, which makes it hard for the employees to perform well. This is something that would eliminated if the decision process is following the strategically five step decision process, see figure 4. Managers reveal a frustration considering Chikweits unorganized and complex management structure, which makes it hard for the managers to perform even the most uncomplicated business procedures, for example, planning and budgeting. According to the majority of the production management, the structure Chikweti possess today is harming the company in the senses that managers do not feel that they are trust worthy and that the top management do not have confidence in them as production managers.

The production manager feels like the CEO have a strong need to control their work but at the same time, they are not given any guidelines, that makes it difficult for the manager to deliver satisfying results that the CEO desire. Work descriptions will not only solve this, it will also increase the coordination of the organization, and at the same time increase the firms production output. It is stated that the CEO has too much do, the managers apprehend the CEOs has a strong influence but a too wide business sphere, which in some situations harm the company. Thus, the CEO lacks the ability to see the details and be more aware in what is happening in the organization. This also results in that the top management does not have the time to collaborate with the production management and the operating core which is something that demands a lot from the technicos. Even though Chikweti is growing in struggling condition, the employees believe that the company is heading in the right direction, toward a united management and a suitable administrative framework.

## 8. Conclusion

It is argued that the senior- and production managers want to have a decentralized organization but many of the managers generate an understanding for why Chikweti still is centralized. This understanding among the managers is something that we consider as a positive feature. Thus, it could progress into extra motivation in the creation of a successful decentralized organization, both vertically and horizontally. Due to the fact, that it is the individual's personal legitimacy towards Chikweti that matters for the organizations progression. The first step towards the implementation of decentralization is the understanding about the meaning with responsibility and to create shared values that contribute to understanding of the importance to not abuse power and authority. Chikweti needs to find motivation among managers to find their engagement and willingness to take responsibility and pass that on to his/her employees to evoke an engagement towards the work process. If the departments' strategies can be conducted in a convergence, then the company, as whole, will grow in a self-chosen direction. The product of this will be a strong business spirit and culture. Establishing an encouraging culture that facilitates knowledge sharing and innovation and could be the indication for an organization engaging in the process of knowledge creation of human capital.

The next step for Chikweti is to reach the level where the decision is taken before the problem has appeared and not after it has occurred. This will be reached through a decentralization of decision, and then the senior management can take decision that is on their level and not waste time on simpler matters, as small issues that can be spread down vertically into lower levels in the organization. Thus, they have enough potential to handle and solve these issues. When decisions are too complicated to handle even for the senior management, they need to decentralize horizontally to experts on the specific areas, for example Camcore (an organization that has collaboration with Chikweti concerning the forest production). To take decisions on the right level will facilitate the collection of information that is needed to take the correct decision, this combined with that decisions is taken on the right level will render to realization and action in the decision process. Still we want to call attention to indicate that the best strategy for Chikweti, and any firm for that matter, is to tailor made and adjust to the organization after given situation. Every organization is unique, complex and need to have its own personal and niched strategy.

Both decentralization and HR demands an infrastructure of information, communication and knowledge. Through externalization-, socialization-, internationalization- and combination processes, the firms internal environment facilitates the exchange between explicit and tacit knowledge and new knowledge is created, this will facilitate the fly wheel effect. Chikweti has plenty of HR but their usefulness of HR depends on the organization, the type of organization that is requested from the employees is the feeling of being a family. Then, the organization needs to know what motivates the employees to develop the work process through learning. The motivating factors for the employees in Chikweti are engagement from higher authority and the feeling of safety at work. In this stage a leadership style can be defined and it should include solidarity between the co-workers so that the manager creates the feeling of an in-group, this will be easier to achieve through decentralization. The leader will be more connected with his/her subordinated and the leaders authority will increase when he/she has more power and that will increase their role as a father/mother figure, which returns to the required organizations structure, the feeling of a family.

There are three reasons why Chikweti should transform their structure to decentralization, the first reason is that not all decisions can be implicit and understood in one center, one brain. The second reason is that decentralization makes the organization able to more quickly respond to local changes and condition, thus the transmission of information between the center and other units takes time. The final reason for decentralization is that it is a stimulus factor for motivation, due to the fact that intelligent and creative people require plenty of space to maneuver. Chikweti could easier attract and retain such employees and utilize their inventiveness if they are given substantial power to make decisions, this kind of motivation is critical to perform a professional work. By authorizing power to managers at the middle-level it contributes in training in decision making. If Chikweti can manage to find a mix between vertical and horizontal decentralization, it can create an effective bound of mutual adjustment on different levels in the organization, as well as with experts outside the organization who can provide Chikweti with knowledge. Today, Chikweti relies too much on external expert advices and the advices could be more effectively executed if they were integrated with internal opinions before implementation.

All of the employees feel like they have learned a lot during their employment for Chikweti. It is common stated that the employees in the operating core are grateful for being a Chikweti member and are proud over them self for performing their work for Chikweti. The majority opinion among the employees are that Chikweti is performing something good and noble that benefits the communities, the society and the environment, as well as Mozambique's progress as a developing country. We believe that the future is bright for Chikweti and possess potential to grow in a vigorous way, even some of the employees share the same view. One outstanding factor that is an enormous benefit for Chikweti today, and that will facilitate their future growth and existent, is their awareness of their weaknesses as a company. But to overcome their weakness, they need to improve several areas concerning business administration and management.

## **8.1 A Summarizing of the Conclusion about the Improvement of Chikwetis Management Structure**

The result of the improved management structure is aimed to provide competence and knowledge in the organization. To achieve this it is necessitate to explore what kind of variables the organization needs to improve in the management structure and which factors and significant attribute that is needed to be considered while doing this. Management has an important part in the creation of knowledge and competence in the organization and it is sufficiently that every resource is used to create productivity and an ongoing work-process that runs efficiently.

- **Decentralization**
  - Decision on the right level which results in more efficient decision processes
  - Motivation to take responsibility and more engagement in the work process
  
- **Culture and style**
  - Solidarity between co-workers that create stronger band and understanding among the employees
  - Shared values influence everyone to go in the same direction

- Leads to a more sensitive leadership that develops team work and that will improve the knowledge base
- **Human resource management**
  - Creation of an internal infrastructure
  - Maximizes the contribution of the human capital

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## Appendix 1. Interview Question - Operating Core

X = the name for the production manager.

1. Name, age and working position. How many days per month do you work?
2. How long have you worked for Chikweti? For the sawmill/nursery/ plantation?

Do you like to work for Chikweti?

Do you like to work for the sawmill/nursery/ plantation?

3. Do you enjoy your work? Why?
4. Do you feel happy to go to work? Why?
5. Is your job important to you and your family? Why?
6. Do you feel comfortable at work? Why?
7. Do you like the people that you work with? Why?
8. Do you feel needed and important for:

Manager X?

Chikweti?

Why do you feel like this?

9. Do you like X as your manager?
10. Is X helping you to learn more about your work?
11. Have you learned a lot about your work during your time at the sawmill/nursery/ plantation?
12. Can you perform different workstations? Which ones?
13. Do you feel like you can learn new workstations if you want to? Does X support your development at work?
14. Do you have a good relationship as a worker with X?
15. If you want to tell X something, like if you have problems at work or at home, do you feel like you can do it?
16. Do you feel an engagement from X in your work?
17. Do you feel like you have knowledge enough to do a good work or do you want to learn more?
18. Do you have a work prescription about how your work is going to be performed?
19. Is there anything more you would like to add or tell us?

## **Appendix 2. Interview Question - Production Management**

### **Part 1. X as manager for the sawmill/plantation/nursery/construction/heavy machine and the relation with the worker**

1. Name, age and working position. How many are you manager for? Are you recognizing all of your workers? (face/name)

2. How long have you worked for Chikweti? For the sawmill/plantation/nursery/construction/heavy machine?

Do you like to work for Chikweti?

Do you like to work for the sawmill/plantation/nursery/construction/heavy machine?

3. Do you enjoy your work? Why?

4. Can you describe a normal workday. (Disposition of working areas, field/office, according to time)

5. Is your job important to you? Why?

6. Do you feel comfortable at work? Why?

7. Do you like the people that you work with? Why?

8. Do you feel needed and important for:

The employees?

Chikweti?

Why do you feel like this?

9. How would you describe yourself as a manager?

10. Are you helping and supporting your workers to learn more about their work?

11. Do you think that you have developed and increased your workers knowledge and competence during your time as manager?

12. Do you feel like your workers want to develop their work competence and knowledge?

13. What are the major problems with being a manager?

14. Do you have a good relationship with your workers?

15. If one of your workers confronting you with a problem, concerning home or at work, how do you receive them?

16. Do you feel an engagement from your workers in their work performance?

17. Do you feel like you have knowledge enough to do a good work or do you want to learn more?

18. Do you feel like the work process your performing is running smoothly?

- Do you have a method to make the performance efficiency?

19. Do you feel like you have enough time to be with your workers as much as you would like to?

**Part 2. X role as a production manager and view about the management structure**

20. Do you feel like you have support from the top management?

21. When you a manager take a decision, how does the decision process take form?

22. Do you feel like there is room (from Chikwetis side) to develop your own competence?

23. If you have a problem, do you feel like you get time and support you need, to solve it together with the management team?

24. How would you describe Chikwetis management structure?

25. Is it something that needs to be improved in the management structure?

-Is it something that needs to be improved about the administration?

26. What is your opinion about the information flow?

27. Do you have an important role for the company according to you? Why?

28. Do you feel like your work performance is appreciated by the company (management)?

29. If the management is going to change something at the X, are they consulting you before taking the final decision?

30. According to you, do you think that Chikweti has a strong and united top management?

31. According to you, do you think that the senior management has the right size?

The production management has the right size?

32. Do you feel like you have support from Åsa as a CEO?

33. How would you describe Chekweti as a company?

34. What do you think are the reasons that Chikweti has not developed /growth in the pace as expected?

35. Is it anything that you would like to add?

## Appendix 3. Interview Question - Senior Management

### Part 1. About you and you as a manager

1. Name, age and working position.

-How many are you manager for?

-Are you recognizing all of your workers? (face/name/%)

2. How long have you worked for Chikweti?

-Do you like to work for Chikweti?

-Do you like to work with HR/FSC/Finance/Land Department/Operator/CEO?

3. Do you enjoy your work? Why?

4. Can you describe a normal workday. (Disposition of working areas, field/office, according to time)

5. Is your job important to you? Why?

6. Do you feel comfortable at work? Why?

7. Do you like the people that you work with? Why?

8. Do you feel needed and important for:

The employees?

The senior management?

Chikweti?

9. How would you describe yourself as a manager?

10. Are you helping and supporting your workers to learn more about their work?

11. Do you think that you have developed and increased your workers knowledge and competence during your time as manager?

12. Do you feel like your workers want to develop their work competence and knowledge?

13. What do you think are the major problems with being a manager?

14. Do you have a good relationship with your workers?

15. Do you feel an engagement from your workers in their work performance?

16. Do you feel like you have knowledge enough to do a good work or do you want to learn more?

17. Do you feel like the work process your performing is running smoothly?

- Do you have a method to make the performance efficiency?

## **Part 2. Your participation in Chikwetis management**

18. Do you have an important role for the company according to you? Why?
19. Do you have a good relationship with the senior managers as a team?
20. If you have a problem, do you feel like you get time and support to solve it together with the senior management team? How does the process take form?
21. When you take a decision, how does the process take form?
22. Do you feel that there is room (from Chikwetis side) to develop your own competence?
23. Do you feel like your job is appreciated by the company? By the management ?
24. According to you do you think that you get as much responsibility that you feel that you can manage to handle and need- or would you like to have more or less responsibility?
25. How would you describe your participation in the senior management and how are you as a team player?

## **Part 3. Your view Chikwetis management**

26. How would you describe Chikwetis as a company?
27. How would you describe Chikwetis management structure?
28. Do you feel like you have support from the senior management?
29. Do you feel like you have support from Åsa as a CEO?
30. Is there something that needs to be improved in the management structure?
31. Is there something that needs to be improved concerning the administration within Chikwetis?
32. How would you describe the group constellation within the senior management?
33. Do you feel that there is room to develop the senior management competence as a team?
34. According to you, do you think that Chikwetis has a strong and united senior management team?
35. According to you, do you think that the senior management has the right size?  
-do you think that the production management has the right size?
36. What do you think are the reasons that Chikwetis has not developed /growth in the pace as expected?
37. According to you, what is your opinion about the information flow? How can it be improved?
38. Is it anything that you would like to add?

## **Appendix 4. Interview Questions - The CEO**

### **Part1. About you and you as a CEO**

1. Name, age and working position.
2. How long have you worked for Chikweti? When did you move to Lichinga?  
-Do you like to work as a CEO for Chikweti?
3. Do you enjoy your work? Why?
4. Can you describe a normal workday?  
-how often do you visit nursery, plantations, sawmill?
5. Is your work important to you? Why?
6. Do you feel comfortable at work? Why?
7. Do you like the people that you work with? Why?
8. Do you feel needed and important for:  
The employees?  
The production management?  
The senior management?  
Chikweti?
9. How would you describe yourself as a CEO? (strength/weaknesses)  
- how do you think your employees see you as a CEO?
10. Are you helping and supporting your employees to learn more about their work?
11. Do you think that you have developed and increased your employee's knowledge and competence during your time as CEO?
12. Do you feel like your employees want to develop their work competence and knowledge?
13. What are the major problems with being a CEO for Chikweti?
14. Do you have a good relationship with your employees?
15. Do you feel an engagement from your employees in their work performance?
16. Do you feel like you have knowledge enough to perform a good work or do you want to learn more?
17. Do you feel like the work process your performing is running smoothly?  
- Do you have a method to make the performance efficiency?
18. Do you have any methods for motivating your employees to work better?

-Does this distinguish between the management levels?

19. It has come to our knowledge that you are planning to delegate more responsibility – what is the reason for this and how are you planning to execute that?

## **Part 2. Your participation in Chikwetis management**

20. Do you have an important role for the company according to you? Why?

21. Do you have a good relationship with the senior managers as a team?

- Do you have a good relationship with the production managers as a team?

22. If you have a problem, do you feel like you get time and support to solve it together with the senior management team? How does the process take form?

23. When you take a decision as a CEO, how does the process take form?

24. Do you feel that there is room to develop your own competence in Chikweti?

25. Do you feel like your work is appreciated by the company?

26. According to you do you think that you delegate as much responsibility that you feel that you should and need?

27. How would you describe your participation in the senior management and how are you as a team player?

## **Part 3. Your view about Chikwetis management**

28. How would you describe Chikweti as a company?

29. How would you describe Chikwetis management structure?

30. Do you feel like you have support from the senior management?

31. Do you feel like you have support from production management?

32. Is there something that needs to be improved in the management structure?

33. Is there something that needs to be improved concerning the administration within Chikweti?

34. How would you describe the group constellation within the senior management?

- How would you describe the group constellation within the production management?

35. Do you feel that there is room to develop the senior management competence as a team?

-Do you feel that there is room to develop the production management competence as a team?

36. According to you, do you think that Chikweti has a strong and united senior management team?

37. According to you, do you think that the senior management has the right size?

-do you think that the production management has the right size?

- do you think that each production manager are able to handle there responsibility area?

38. What do you think are the reasons that Chikweti has not developed /growth in the pace as expected?

39. According to you, what is your opinion about the information flow? How can it be improved?

-the communication?

-the transportation?

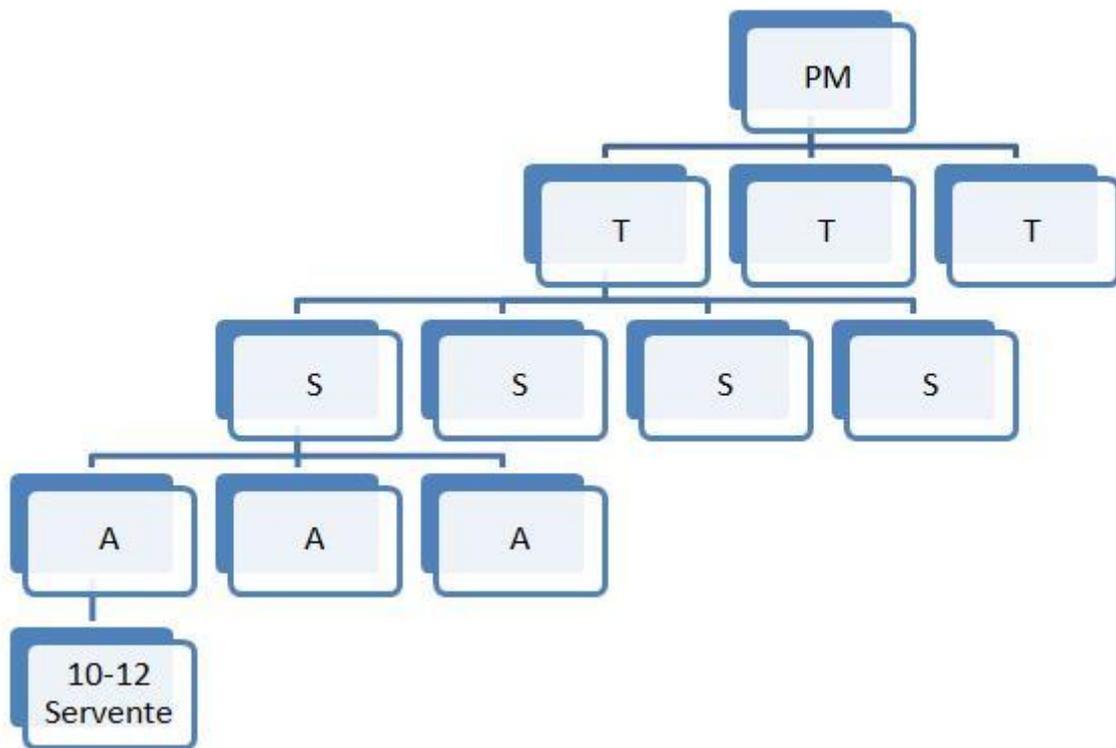
-the logistic department?

40. Have you distinguish any differences in the senior management team in since the reformation in October/November last year?

-Is the collaboration working more effectively now?

41. Is it anything that you would like to add?

## Appendix 5.



A clarification of the organizational schedule from the production management and down to the operating core.

PM - Production management

T – Technico

S - Supervisor

A - Apontadore