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## ***African Factory Management: A Study of Some Factories in Southern Nigeria***

### **Introduction**

Factory management in Nigeria has experienced two waves of dramatic change in the last two decades. The first wave occurred between 1974 and 1980 after the oil price increase. The period saw an increase in the number of medium and large scale plants, following the intensification of the process of import substitution and the establishment of firms to undertake domestic manufacturing of goods previously imported (Terriba, Edozien and Kayode, 1981). In general, the period was characterised by a transformation of the manufacturing sector with a massive increase in employment and the introduction of new technology. Alongside this development was the increasing importance of the specialist function of the management of personnel. The Personnel Manager as a specialist in the management of personnel, assumed an influential status in the management hierarchy. This was noticeable in the number of appointments of Personnel Managers to the board of a number of medium and large scale manufacturing companies. In the survey of 358 companies of which the present study is an outgrowth, 267 Personnel Managers were elevated to management board level between 1975 and 1980.

The second wave of change occurred between 1980 and 1985. This was in the early period of the now well-documented Nigerian economic crisis during which manufacturing declined dramatically (Olukoshi, 1989). A great number of firms closed plants, reduced production drastically and laid-off workers in their thousands. According to the Nigerian Labour Congress (NLC), well over 60 per cent of workers in the manufacturing sector retrenched workers in this period alone (Oloyede, 1991). Against this background was a change in the character of management in many business organisations. A significant development in this regard was the increased centralisation of management structures. As with the first wave of change between 1974 and 1980, this was more noticeable in large establishments which had previously decentralised their management structures. For example, as the organisational chart of 301 of the 358 companies surveyed showed, the positions of General Manager, Executive Director, Personnel Director and Operations Manager were scrapped. Most of the responsibilities of these management functionaries were vested in the hands of the Managing Directors and Factory Managers. The changed economic condition also brought about pressures on manufacturing companies to change their manufacturing strategies. For example, the change in both product and the labour markets, mediated by new technology of production during the

first wave, influenced the manufacturing towards gaining competitive advantage (Oloyede, 1991). But manufacturing strategies during the second wave were simply reflections of a pragmatic response to the dramatic downturn in economic activity in Nigeria. There was the adoption of the maximisation of profit through the maximum utilisation of machines of production many of which were fast becoming outdated and obsolete owing to lack of spare parts, a consequence of the scarce foreign exchange with which to purchase them. Market exigencies for efficiency implied that management would devise strategies for maximum utilisation of labour effort and minimum product defects (Oloyede, 1991). This meant that Factory Managers had the responsibility to manage and organise their workers in ways that would ensure these goals. This entailed meshing personnel functions with production responsibilities.

The increased responsibility put the factory manager in a more important position in the management hierarchy. Though the factory manager position has always been important in the management hierarchy in manufacturing firms in Nigeria, part of its responsibilities was taken over during the first wave of change when personnel policies and practices were vested firmly in the hands of the personnel specialist, the personnel manager. These included the recruitment, selection, appraisal, reward and training of workers. It is worth noting that the erosion of the factory manager's power especially regarding hiring and firing in this period coincided with the management's serious recognition of the unions and collective bargaining as reflected in a range of processes and outcomes; time spent informing and consulting with unions, the use of industrial relations channel of productivity bargaining to obtain performance improvements, and the impact of any union mark-up on wages. The second wave of change appears to have restored many of these responsibilities back to the shoulders of the factory manager leaving routine matters like record keeping, preparing letters and documents on instructions, making and interpreting procedures and agreements to the personnel specialist. The factory manager now reports directly to the chief executive of his establishment (the Managing Director) as the position of General Manager to whom he earlier reported directly, has been abolished in many of the firms as the present study reveals. In effect, the factory manager now occupies a more important position in the management hierarchy. His name is invoked in all matters concerning production, the planning of marketing and distribution of manufactures and the management of factory workers. Yet, what the factory managers actually do and how they do it is an unexplored area in the study of management and indeed the factory in Nigeria. This is the objective of the present study. It presents new empirical material aiming to fill a gap that has been a largely neglected area of study. Also of significance, perhaps, is that the knowledge of the management of the factory would help in providing a better and more enlightened understanding of labour relations in the manufacturing sector. In other words, as Purcell (1983) has argued, it is insufficient to concentrate on industrial relations institutions as

though they are self-contained entities. In Nigeria the subject matter has tended to be equated with trade unions and collective bargaining, the narrowness of which has become increasingly apparent (Otobo, 1989). Widening the subject matter of industrial relations necessarily means that there is a need to examine the role of managers who are not industrial relations specialists, yet are directly engaged in the management of labour over a narrow range of issues, namely, wages, job security, gratuities, pensions, sick benefits to broader aspects of the 'control' of workers. This is the basis of the study.

It focuses specifically on the role of the factory manager and his (in the survey, all the factory managers were men) relationship with the wider company management hierarchy. The main concerns are the day-to-day running of the factory in terms of management of workers and the delegation of responsibilities; the extent to which he is involved in the formulation of policies and decision about how these will be implemented. In general, the study presents an overview at an empirical and theoretical level of factory managers in Nigeria dealing mainly with factories in the south of the country.

### **Studying Managers**

Not much is known about factory managers in Nigeria. Indeed, detailed knowledge of the operating processes within the factories are still largely under-researched and imperfectly known. The practices of factory management and the day-to-day procedures of industrial relations in factories have not been a subject of research. Yet, there exists a sizeable body of theoretical and empirical literature, both in management and industrial sociology, on management, managerial behaviour and managerial work (Dalton, 1959; Brewer and Tomlinson, 1964; Dubin and Spray, 1964; Sayles, 1964; Child and Ellis, 1973; Fletcher, 1973; Mintzberg, 1973, 1975; Drucker, 1974; Wortman and Sperling, 1975; Silverman and Jones, 1976; Kotter, 1982a, 1982b; Stewart, 1967, 1976, 1982). These studies have been concerned with defining what constitutes managerial work and who is a manager. The research focus varies considerably reflecting the diversity of interests, purposes and perspectives of researchers. For example, Mintzberg (1973) considers managerial work as more self-contained, Sayles (1964) views it within the context of organisational processes, Stewart (1976) concentrates on managerial role performance in which behaviour of managers is set within the context of substantive role demands, Kotter (1982a), attempts an examination of formal patterns of work elements concentrating on the distribution of time between particular behaviours or activities. Brewer and Tomlinson (1964) concentrate upon the distribution of time between areas of responsibility.

Despite these differences in focus, a central theme is discernible in the literature: managerial work is contingent upon function, level, organisation (type, structure and size) and environment (Hales, 1986). This is to suggest that managerial work is diverse and this, according to Hales (1986), can be captured by

examining the interaction between behaviour and outcomes. According to him, what it entails is an understanding of how managerial function is constituted within the overall work process of an organisation; 'investigation must be concerned with the nature of the work process in organizations and the function of management in that process' (Hales, 1986:p.107). He suggests that a reasonable starting point is a nominalist definition of 'managers', that is, those who are designated as such. The route taken in the present study is that it identifies a group of managers carrying out a broadly similar job: that of managing a factory's production. A role is thus identified and its occupant studied. Factory managers in this study are those in charge of substantial production units and who occupy an important place in the managerial hierarchy by being responsible for the overall running of the unit and for ensuring that policies developed at higher levels of the firm (on production schedule, health and safety, manpower planning or a range of other matters) are implemented at shop-floor level. The discussion starts with the methodology of the study followed by the section on the profile of the factory managers studied. The second part consists of a section on managerial decision-making and the section on the management of labour in the factories.

### **Methodology**

My endeavour was to examine the role of factory managers in relation to the broader institutional context in which they were embedded. The general aim was to give a picture of the factory manager's work, to record faithfully, the characteristics of the factory manager's work over the past 10 years and to indicate the main trends and influences to which it has been subjected. My methodology thus took cognisance of the economic process that underpins the work factory managers do. In the past 15 years of economic slowdown in Nigeria, the word 'survival' has become deeply embedded in the national psyche. It is not hard to see why: an absence of a reasonable purchasing power, an ever increasing inflation, a lack of opportunity for personal improvement. The word has come to mean to exist as distinct from to live. In other words to be physiologically functioning without the basic needs for a decent life. In the world of manufacturing, where industries have been operating in an inflationary environment exacerbated by a very huge cutback in consumer spending or lack of it as a result of the absence of a purchasing power, 'survival' has become part of the corporate objective (Oloyede, 1991). It refers to the functional forms of the overall company. As a corporate objective, survival strategy includes plans and policies used by management to direct work tasks, to evaluate and discipline workers under the condition of the economic slowdown. It is an underlying assumption of this study: that the context of corporate survival has a profound impact on the role of factory managers. The point here, as has been shown elsewhere (Oloyede, 1991) is that the management strategy of survival which was based on fast adjustment to the economic downturn subjected exist-

ing structures, that is, the various organisational forms and personnel used by the organisation to recruit, maintain and discipline the labour force in the company, to decisions that led to the internal restructuring. With this came a reallocation of responsibilities especially at managerial level.

The study used the following methods: intensive observation (shadowing the factory managers), tape-recording informal interviews and analysing the factory manager's records. Through observing the managers, I was able to go beyond the defined and officially approved tasks of the factory manager. The method also allowed a recognition of much of the informal arrangements that are mixed with formal procedures. Above all, it allowed me to get a reasonable description of the activities undertaken by factory managers.

### **Features of the sample**

The data came from a survey conducted in Lagos, in the southern part of Nigeria, between June 1995 and January 1996. The sampling area was the industrial districts of Ikeja and Apapa. The sampling was a two-stage process. In the first phase, firms were selected according to a systematic stratified method, and in the second phase, manufacturing firms were selected from the first sample to reflect differing degrees of product market and organisational change during the period 1980 to 1995. A total of 60 manufacturing firms (34 in the Ikeja area and 26 in the Apapa area) were selected but only 34 were included in the present sample – 22 in Ikeja and 12 in Apapa. The selected firms were more than 10 years old at the time of the survey. They had experienced organisational changes and had a well-kept documentation of these changes (a very useful but rare corporate practice). According to the Ikeja and Apapa local governments, there were over 140 small, medium and large scale manufacturing firms in both districts. Thus, the sample represents 24 per cent of manufacturing firms in these districts. The fact that the data came from Ikeja and Apapa manufacturing districts of Lagos was particularly advantageous to the study. Lagos is the commercial capital of Nigeria and one of the most cosmopolitan centres. It has the largest concentration of foreign and local manufacturing firms.

I conducted the face-to-face interviews and observations during a 5-month period, July to August 1995 and November 1995 to January 1996. Altogether 34 factory managers were interviewed and observed. The observation involved shadowing an individual factory manager for two days; 3 hours per day. The total number of hours spent shadowing the factory managers in the present study was 214 hours. The main survey interview elicited information on the factory's position within the firm (independent/dependent, this applied to 18 of the 34 companies surveyed; these were part of a larger business group), current problems and survival strategy, employment levels, changes in the workforce, procedural arrangements for consulting the workforce. It is hoped that the study will generate baseline information on factory managers in Nigeria that is useful for further studies of managers and management there.

## Characteristics of the Companies and Factories

The factories were chosen with the general aim of obtaining a wide range of plants according to their production activities. These characteristics are highlighted in this section. The survey included 34 companies, 22 in Ikeja industrial district and 12 in Apapa industrial area. The breakdown of the factories is as follows: plastics, 6 in total with 4 in Ikeja and 2 in Apapa; Paints, 5 in total, 3 in Ikeja and 2 in Apapa; 5 Chemicals plants, 2 in Ikeja and 3 in Apapa; 2 Card-board factories, 1 each in Ikeja and Apapa; 5 Soap making factories, 4 in Ikeja and 1 in Apapa. 2 Electrical/Electronics factories, both in Ikeja; 2 Nail factories, both in Ikeja; 4 Cosmetics factories, 3 in Ikeja and 1 in Apapa and 2 Soft Drinks plants, 1 each in Ikeja and Apapa industrial districts.

In terms of size, 20 of the surveyed firms employ well over 50 workers while the remaining 14 are firms with less than 50 workers. For the purpose of convenience, factories employing well over 50 workers will be referred to as medium-sized plants and those employing less than 50 workers will be considered small-sized factories. In the survey, there were 13 medium-sized factories in Ikeja and 7 in Apapa; 9 small-sized factories in Ikeja and 5 in Apapa. Half of the plastics factories surveyed are medium-sized; 2 out of the 5 paints plant are medium-sized; other medium-sized plants include: two-thirds of the chemical plants; four-fifths of soap making plants; the two electrical/electronics plants; the two soft drinks plants; three-quarters of cosmetics plants. All others are small-sized plants.

The pattern of ownership is as follows. The factories surveyed are owned variously by Nigerians, Lebanese, Chinese, Indians, British and Europeans. The breakdown is as follows: 10 British-owned factories, all of which are subsidiaries/agents of multinational companies. Two of these are in Ikeja industrial district and are medium-sized factories while the remaining 8, also medium-sized are in Apapa industrial district. There is one European-owned factory, also a subsidiary of a multinational firm and medium-sized and based in Ikeja. Fully-owned Nigerian firms are 12; 7 in Ikeja and 5 in Apapa industrial districts. Half of these are medium-sized. There are 6 Lebanese-owned factories, half of which are medium-sized and based in Ikeja; 3 Indian-owned factories, 2 of which are medium-sized and 3 Chinese-owned factories, 2 of which also are medium-sized.

The factories in the sample have more male workers than female workers. This is to be expected. Factory work in Nigeria has always been predominantly male. However, since the 1970s economic boom, there was an increasing number of women employed. It is estimated their numbers in factories in Nigeria increased to 35% of the total workforce as at 1983 (Fahoyin and Idowu, 1985). The period of crisis saw a reduction in the number of factory workers, but this affected more male workers than female workers (Oloyede, 1991). This may seem a little surprising in view of the common trend for women to be squeezed out of industrial jobs in economic downturns. As revealed in the present study,

this was not the case. This however has to be taken with some caution because factories vary from one to the other, and so also the type of jobs in the factories. Women are concentrated in dead-end jobs (Oloyede, 1991). This is confirmed in the survey even though women tend to be more in some factories, for example, in the plastics moulding plants. This would seem to be because in such factories, jobs defined as female jobs like packaging, stacking (of light weight finished products) are more numerous than those considered male-type jobs such as machine tending, chemical handling etc. This might also explain the greater ratio of female to male workers in the cardboard factories. When one looks at the chemical factories in the survey, it is clear that the ratio of the male workers to the female workers is far greater than in other factories in the survey. This would seem to confirm the suggestion that chemical handling is defined as a male job. Of particular interest in terms of the ratio of male to female workers is the cosmetics manufacturing factories. Here there appears to be an almost equal number of male and female workers. This, probably, might be because jobs defined as male (chemical handling/machine tending) are almost as many as jobs defined as female (packaging/stacking) in such factories. Cosmetics manufacturing require both types of job tasks almost in equal numbers especially if it is small-scale manufacturing of less-sophisticated cosmetics – the mass produced easily affordable body and face gels.

Also of interest is the employment level. The total number of workers employed in all the 34 surveyed factories was 10,666 in 1985. By 1995 when the survey was carried out, this has fallen to 2,445, a fall of almost 75%. The average annual percentage change in employment was 7.5%. Sectorally the factories seem to have experienced more drastic change in employment between 1985 and 1995 than all other sectors of the economy (banking, finance, oil). Industries have been operating in an inflationary environment. Conditions have been exacerbated by a downward spiral and the erosion of purchasing power resulting in a dramatic cutback in consumer spending. Unit volumes dropped and capacity utilisation in some factories was on average 20%. The capacity utilisation in all the 34 factories surveyed fell dramatically between 1985 and 1995. The fall in the capacity utilisation in the plastics manufacturing factories was 20% within that period, the corresponding figure for the paints manufacturing factories was 52%, chemicals 45%, Cardboard 37%, Soap 22%, Electrical and Electronics 45%, Nails 38%, Cosmetics 34% and Soft drinks 22%. There are two major reasons that can account for this: One was the scarcity of foreign exchange to buy the necessary raw materials. Factories hardest hit because of this were those whose import content was high, for example, the chemicals plants, paints, electrical and electronics plants. 12 out of 19 such factories in the present study had a 75% imported raw materials component. With such a very high imported raw materials component, the impact on production would undoubtedly be severely felt as foreign exchange to purchase raw materials becomes scarce.

Secondly, the cutback in consumer spending as mentioned earlier also meant that demand for consumer products fell. A fall in demand also means a cutback in production: in some factories, this did not only mean scaling down what was produced by individual machines but actually 'laying-to-rest' (in the words of a factory manager) some machines. This was considered to make economic sense in that labour lost was reduced, so also was overheads – electricity and machine maintenance. Those machines left operating were, in many factories, fully utilised to meet the management's goal of maximum production.

The general picture then, is of factories in which production had fallen drastically through a very difficult period. About 70% had survived fairly well and were at the time of this study enjoying a significant increase in demand for their products even though they were operating below full production capacity and, consequently, improved profits which owed more to mark-up prices than anything else. The remaining 30% were still in the midst of severe difficulties. If factories are enjoying demand for their products, management will be obliged to increase capacity utilisation. One way of doing this has been to introduce shift working. Economists have always argued that shift work is desirable. At the macro-level, shift-working reduces the average amount of capital required to produce a given unit of output. The increased capital productivity which results should lead to a faster rate of economic growth. The more intensive utilisation of capital is likely to lead to a quicker writing-off and hence a more replacement of capital. This should lead to faster rate of technical progress and therefore a faster rate of increase in productivity.

At the level of the establishment shift-working offers a greater capital utilisation. This should make it possible for the firm to obtain a higher rate of return on its capital that is possible with a single shift system. Shift work became a very prominent feature of manufacturing in the 1970s boom period in Nigeria. There appears to be two main reasons for this: importation of advanced technology of production which allowed for continuous process operations and a growing demand for manufactures as a result of the expanding market. The then advanced technology of production has now become near obsolete in many factories that have not been able to retool or purchase spare parts. The survey sought some information on the extent of shift work, partly to assess whether it, and the utilisation of equipment, had declined over the period of economic recession.

In all, 8 out of the surveyed 34 factories reported some kind of shift system. Most popular was a double-day shift system (an arrangement of two shifts during an extended day, for example, 6 am to 2 pm and 2 pm to 10 pm). A related issue is the extent to which shift working has changed in response to the recession. About half (16) of the surveyed factories have never had a shift system while 10 out of the 18 factories that reported some kind of shift system no longer operate it.



It is within this general institutional context that the management of the factories was examined. There is no doubt that what has been presented above impacted on the running of the factories. The environment in which factories operate exert pressures on management. Managing these pressures is part of the management of the factory in that the environmental pressures and the responses operate on each aspect of management practices. Before this is examined in detail, the profile of the factory managers is essential as this is also a factor in management style.

### **A Profile of Factory Managers**

What is it about factory managers that makes them different from other managers? What experience of management development do they have? These are some of the questions asked in an attempt to build their profile. There were 18 Nigerian factory managers, 5 Lebanese, 3 Chinese, 3 Indian 2 British and 3 other nationalities in the survey. The breakdown in terms of age was as follows: Among the Nigerian managers, ten were older than 30 but less than 40 years old; eight older than 40 but less than 50. Among the Lebanese managers, those older than 30 comprised 4/5th of this group; and all the managers of Chinese, Indian, British and other nationalities were older than 40 but less than 50. The mean age of the factory managers was 40. 35% of all the managers in the survey had university degrees and 55% had some other technical qualification in food technology, chemical engineering or electrical engineering. There were 8 Nigerian factory managers out of the 18 in the survey with university degrees; 1 Chinese manager with a university degree out of the 3 in the study; 1 Indian manager out of the 3 in the survey had university education; the 2 British managers in the survey had university degrees and 1 out of the 3 factory managers of other nationalities. None of the Lebanese managers had a university education. Almost 80% of the managers had spent their careers in their present firms. The British managers and those of other nationalities had a peripatetic career history.

In summary, the data on age and education seem to represent quite closely the overall profile of managers in Nigeria in the past 10 years. Managers are increasingly becoming more educated. It can be said that Factory Managers do not appear to have differed much from other managers in terms of their educational qualifications, age or mobility between firms. The lack of mobility of factory managers would seem to suggest that there are few career paths in management in Nigeria. Once promoted to the position of factory managers, most tend to remain so for a considerable period as the career history of the Nigerian managers in the survey revealed. The lack of mobility may have become significantly higher in the past one and half decade of economic slow down.

What then is the work situation of factory managers given the lack of mobility? Do their jobs fall within a clear grading structure? What kind of training do they have? These questions are relevant to provide a more rounded profile and

indeed an insight into their management practices in terms of how they exercise their authority. The present survey shows that 80% of the factory managers said that they were paid according to formal structures. These were mostly those managers in small-sized factories. The evidence that emerged concerning rewards is that even though they were paid according to grade structure, less formal procedures appeared to be very common with managers having room to negotiate their salaries.

### **Managerial Decision-Making**

How far were factory managers involved with the detailed operation of the factory, especially its technical, administrative and regulative aspects? To what extent do they have decisions cleared with a higher level of authority? The results concerning the extent to which factory managers were involved in decision-making within their factories seem relatively straightforward. Several of the decision-making areas, for example, redeployment of workers within the factory, related specifically to matters internal to the factory itself. One would thus expect them to be very much involved in the day-to-day matters in the factory. The evidence points to a considerable level of involvement. For example, 95% of the managers said they were involved in decisions regarding redeployment, 90% were involved in redundancy, 80% set overtime requirements, 90% were involved in disciplinary matters. What is striking is that while the formulation and application of disciplinary procedures is sometimes seen as one of the central areas of personnel management expertise, the final authority to dismiss as this study reveals does not necessarily lie with the personnel specialists but with the factory managers.

The general picture then is that factory managers run the factory as they have always done. But unlike the period before the economic slowdown, they have become more involved in such broad areas of manpower policy such as recruitment. They were more likely to take decisions in the apparently individual and specialised area of dismissals (a task vested in the hands of the personnel specialists before the economic recession) than they were in such general matters as dealing with plant breakdowns, which 60% of the surveyed factory managers said they delegated to the production manager, who in the 18 factories that have such managers, were grouped with middle management. It is striking that plant breakdowns which certainly can be disastrous for the survival of the factory was delegated. The stress seems to be on the regulative aspect of management, though, not at the expense of production. A plant breakdown means a temporary break for workers.

The point that a high premium is placed on workers and maximum utilisation of workers' effort is central to a company's survival strategy in an economic recession. Hence, as the survey reveals, dismissals were less likely to be delegated in factory management decision-making than plant breakdowns which, in many cases, lay beyond management control. More often than not

these breakdowns were the result of the rather intermittent supply of electric power from the National Electric Power Authority, the sole supplier of electricity in the country.

On issues of broader significance, all the factory managers surveyed said that they consulted higher levels in the firm. Also, they all said they received broad policy guidance, but final decisions rested with them. On issues going beyond the individual factories of which pay is the most obvious, the managers reported taking little or no decision on this. In summary, the picture that seems to emerge from the above is that the day-to-day management and running of the factory is firmly in the hands of the factory manager.

### **The management of labour in the factory**

The overwhelming managerial objective in Nigeria as in any other country is profit maximisation. But in a period of economic downturn, this takes on a variety of different forms as has been shown in other studies (see for example, Oloyede, 1991). A constant characteristic across sectors was the factory manager's utilisation of a multiplicity of control devices such as tight rules and quarterly performance reviews to elicit the required level of task effort from the workers. But there was also evidence of informal routinisation in the day-to-day running. This was the case in all the small-sized factories suggesting, perhaps, a relationship between this informal way of running the factory and size of workforce. Clearly, there is a contradiction in the control devices at work and the informal routinisation in the day-to-day management. This contradiction would seem understandable looking at one of the policies that was common in 22 of the surveyed 34 factories: the policy that stressed that as long as workers came to work regularly and did their work, there was no problem. Underpinning this policy was the unitarist assumption that workers consider themselves as having the same 'stake' in the organisation as management: if the organisation survives, then their source of livelihood and survival under the economic recession is relatively safer. This thinking is summed up in the words of one manager: 'You work for the company. The company works for you. Simple!' In this sense, the form of management is quite different to what is often referred to as 'macho' management, one in which the worker is expected to give all of himself/herself and the mechanisms to ensure this were set up by management and rigidly adhered to. Of course there were mechanisms through which the managers exerted their authorities in the factory but these tend not to be rigidly used; informal method of exercising authority prevailed in 80% of the factories.

All the surveyed managers strongly believed that they knew what is best for their firm notwithstanding the little control they have over the external environment. They also believed that because of their task in developing an 'efficient' and 'effective' means of achieving the organisation's maximum-utilisation-

of-resources objectives, they understood the workers better than the personnel specialists. In the words of another factory manager:

As the number one man in the factory, it becomes my responsibility to see that I get the best out of the workers to ensure continuous production of our goods otherwise the company will collapse. As number one, I am in a position to know how to do this: I understand and know my workers; I understand and know my industry; I understand and know the economy. So, I have to make the workers understand that we are all in the same boat. We are all victims of the economy and we are all struggling to survive.

What would seem clear from the above is that factory managers appeared to perceive their factories in a purely unitarist sense. Of particular interest was the attitude of the Chinese, Indian and Lebanese factory managers. This group of factory managers tended to personalise any industrial relations problem in the factory and to implicate those individuals they regarded as 'trouble makers', a term which they often used. What is thus obtainable in the surveyed factories was the tendency of factory managers to situate industrial relations problems within the psychological make-up of individual shopfloor workers. The day-to-day running of the factory described above will become clearer by examining its key features.

### **Features of the day-to-day factory operation**

An aspect of management-worker relations which is seldom given attention is the physical context within which work takes place. This is especially true in looking at the day-to-day running of the factory in that the physical layout may affect the systems devised to ensure both the managerial presence and worker effort. Of the 34 factories surveyed, 27 were designed in such a way that the managers' offices were glass-fronted overlooking the shop-floor thus allowing the managers to keep an eye on the workers. However, the data reveals that the stress put on visibility as an aspect of the effective day-to-day running of the factory by the factory managers varied. Eighteen out of the 27 managers that have glass-fronted offices consider it as a great advantage in their running of the factory. It makes it easier to spot 'who is working and who is not'. At the same time, the worker is able to control his extra-work activities on the shop-floor because of his/her consciousness of being visible to the manager who may not be on the shop-floor. In effect, the glass-fronted office is in itself a 'control device': one that is powerful enough to allow the form of management of the factory that was described earlier. Workers know what to do each day without having to be told by the factory manager. The work may involve a narrow range of operations, for example, one process in a component factory producing a wide range of plastic mouldings. The worker is expected to be sensitive to the condition of the machine (if it requires continuous tending, his/her attention needs not be distracted), the nature of the raw materials and the temperature of the process, all of which are critical in the production of not only high quality components but also minimum defective components. Workers

were thus expected to operate the machines without any hands-on supervision but nevertheless, under the eye of the factory manager from his glass-fronted office. What does this mean for management-worker communication on the shop-floor?

Internal communication existed in all the factories but varied in intensity. In 18 out of the 34 factories, emphasis was placed on personalities, or dealing with workers at individual level – not least because a significant number of them were known personally to the factory managers. This was evident in factories where the managers were Nigerians. The following remark sums up such a relationship:

I know my workers very well because I was responsible for their employment. I recommended them for employment. Although not all but majority were employed because of my recommendation. In short, I am the employer if I can put it that way.

What, perhaps, can be drawn from the above statement is that recruitment practices tend to complicate relationships between the managers and workers in the factories where the managers were involved in the recruitment of the workers. This involvement tended to lay the basis for the factory manager's authority. It is a source through which factory order is secured and discipline maintained. Indeed, it is an important key in understanding how the factories operate on a day-to-day basis. The use of informal methods of recruitment and wider social networks appear increasingly prevalent in manufacturing industries since the economic slow down especially in factories where the production capacity has been significantly increasing as a result of demands for their products. This method allows the managers to develop an efficient and effective means of achieving the company's interests and objectives.

It is important to mention that these do not suggest a typical uniform pattern of manager-worker relationship. The relationship is uneven across the surveyed factories even within the same factory. The observed relationship is at the same time, both individual with respect to the individual workers and yet patterned in relation to the workforce as a whole.

### **Summary and Conclusion**

This study presents the first attempt to examine factory management and factory managers in Nigeria. The content of factory management undoubtedly varies across factories in the country. Nevertheless, there are common activities such as the maintenance of work process in terms of the monitoring of production and workers; the allocation of resources and setting up of boundaries of the jobs. The findings strongly support these universal patterns of factory management. There is evidence of factory managers performing both specialist/technical and general administrative work but these have taken on an added dimension. Within the general universal pattern of factory management, the data suggest that the content and form of management may have been affected

by the nature of the economy: the long-running economic recession seems to have had a significant bearing on the management of the factory. Since the 1980s, there has been a decline in manufacturing industries: plants have been shut and low capacity utilisation, as the present study reveals, appears to have necessitated a dramatic change in work organisation and managerial hierarchies. There was a trend within manufacturing organisations in which factory managers increasingly took on more responsibilities within the organisation other than their 'traditional' responsibility of technically running the factory.

Within the context of the second wave of change, the period of economic down turn, factory managers can be seen as significantly central in the battle for organisational survival. They were in the forefront of work reorganisation in the factory; one that involved the 'integration' of workers within the production schedule designed for the maximisation of profit from low capacity utilisation. They provided not only operational control, technical expertise and specialist support so vital for this strategy but, significantly, had a direct say, and indeed were involved, in the recruitment and discipline of factory workers. In other words, they had added administrative responsibility in the running of the factory. Despite this added personnel management function, there was little evidence of preplanning especially concerning labour relations in the factory. To the majority of the factory managers, as long as the shop-floor workers were working, there was no problem. There was evidence in all the factories of a unitary view of industrial relations, both in its classic form stressing the autonomy of organisational needs, and in a more personalised form stressing the factory manager's authority. The factory managers, (all the nationalities), did not consider the notions of the management of labour 'problematic' and in need of any form of preplanning unless a problem arose. The general attitude was that there was a pool of unemployed from which they could draw from at any time.

How is the management of the factory described in this study to be understood? Typologies of management strategy may be helpful. Edwards' idea of a movement through stages from 'direct' to 'technical' and 'bureaucratic' forms is appealing. This charts a development over time to systems of management based on internal hierarchies and complex impersonal forms of governance. It also accepts the predominance of earlier types of control in some industries. Friedman's typology of 'direct' and 'responsible' autonomy also offers some insight in that it highlights differences between and within industries. Friedman's point that 'tight' and 'accommodative' approaches are a function of market conditions is helpful in explaining changes in management policies over time. But as rightly noted by Inges, there are problems with any typological approach: they are often over-schematic and deterministic, failing to convey the variety of strategies from which management can choose. As he went on to suggest, it is probably more historically accurate to look at the problems and opportunities which have confronted management over time and at the mix of strategies with which they have experimented.

The first wave of changes presented management with a different set of problems from the second wave. The second wave with a shrinking economy and market clearly provided an opportunity to recast workplace organisation and authority in a systematic way. The sort of strategy that may be read as a set of coherent policies concerned with control over workers. This type of reading assumes that the management of the factory entails a strategic approach to controlling product manufacture and workers for profit maximisation. It does of course seem reasonable to expect that having a strategy for survival will involve the factory managers who now have labour-management responsibility having clear policies about worker control which appeared to be the case across sectors. But this would seem to be overstating the importance of worker control as a strategic goal of factory management. A pattern in the study is that the management of the factory is a fairly empirical matter. There was no identified management doctrines that factory managers followed. Most of the managers pursued a more paternalistic approach to the shop-floor workers. This applies more to the Nigerian, Indian and Lebanese managers. In the case of the Nigerian managers, they have been directly involved in recruiting a significant number of the workers through a system of networks, and thus tend to be paternalistic in the management of the workers. The Indian and Lebanese managers have the last say in who to recruit but were hardly directly involved (in all the cases in the present study, the senior supervisors were the 'recruiting agents') like the Nigerian managers, yet were paternalistic in managing the workers. In their case, apart from ownership and size factors, which may explain the paternalism, all the Indian and Lebanese managers are part of families that have become well established in Nigeria and who tend to do things the 'Nigerian' way (subtly invoking deference to exercise authority). Many of them belong to families some of whose members have been given the chieftancy titles by traditional rulers. In general however, the paternalism of the managers seems to be based on what can best be described as fairly conventional ideas about the relative merits and demerits of each type of worker. There was scarcely any systematic reflection or theorising on what good management entails. This is hardly surprising given the fact that this stratum of managers can hardly be regarded as professional managers in the sense of having some form of management training. They were generally men who had some qualification of some sort other than management ones. Though the ideas of Taylor and scientific management especially concerning timekeeping were evident, the style of management can hardly be described as such; more what Stinchcombe refers to as 'craft administration'. In this case, it refers to the management of the factory where the production tasks have become sufficiently routine as not to require the factory manager to systematically plan the technical, financial and labour aspects of the factory in detail.

One must be careful when assessing the above general patterns for an explanation of factory management and the factory manager's work. The variables

of ownership, size, sector and turnover matter. No determined attempt was made to explore these in the present study. This surely is a limitation. Yet the aims of the study were merely to provide baseline information on factory managers and factory management in Nigeria. Further research is needed to cover the issues of size, the systems of power and influence within the firm and their effect on factory management, especially in those organisations of which the factory is a division. Qualitative study needs to be done to capture the process involved in factory management to build a rounded picture.

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