CHAPTER 1: INTRODUCTION

1.1 <u>Introduction</u>

One of the most fundamental challenges facing companies is determining what gives rise to competitive advantage and how it can be sustained (Srivastava, Fahey & Christensen 2001). With globalisation and increased business competition, the importance of identifying and understanding factors likely to produce sustained competitive advantage, growth and enhanced company financial performance have become even more important to both managers and shareholders (Gursoy & Swanger, 2007).

Research into organizational productivity is demonstrating the importance of organizations' culture as the critical success factor in tomorrow's competitive market place (Guinn, 1996). The way in which an organization leads and manages its employees to use their knowledge and technology can be a differentiating factor for companies thriving in the 21st century (Guinn, 1996).

According to Gursoy and Swanger (2007) hospitality companies face this same challenge and managers understand that their companies exist in a contingent relationship with their environments. Whilst company success depends on external and internal factors, most of the time companies have little control over external factors. This study therefore focuses on internal strategic factors, the manager in particular and the competencies perceived to contribute towards a competitive advantage. Previous studies support the view that competence-based strategies are likely to enable companies to achieve and maintain competitive advantage in the market place (Hamel & Heene, 1994).

Leadership formulates the company's business strategy and builds its resources, including its people, finances and operations. Therefore, leadership can be the most important asset of the company or its worst liability. The success of business organizations depends to a great extent on the calibre of managers (Sanyal & Guvenli, 2004). Boyatzis (1982) also illustrates the importance of manager competencies and states that the competence of managers, to a large extent, determines the returns that organizations realise from their human capital. Management creates the vital link between the economic progress, the required organizational effectiveness and the actual performance of the people involved (Labbaf, Analoui and Cusworth, 1996, Miller, 1991). It appears crucial to develop competent managers who can be entrusted with the responsibility to transform their organizations.

Management as a process is becoming increasingly dynamic and complex. Middle management, in particular, is placed under tremendous pressure to deal with the ever-changing direction from top management on the one hand and the continuously changing aspirations of society on the other hand (Mbokazi, Visser & Fourie 2004). The complexity involved in implementing new strategies has increased while the time available to managers to respond to competitive threats and implement change has decreased (Longenecker & Fink, 2001). According to McCauley and Moxley (1996:16) "managerial work is very relationship intensive: managers must direct, influence, motivate and coordinate the work of others". Thus, how others perceive them has a direct bearing on how well they will be able to carry out their work. Given the crucial role of middle managers and the challenges they face, Mbokazi *et al.* (2004:1) asked the vital

question of "what competencies are crucial or essential for middle managers to survive and be effective in these challenging times?"

Managers often do not naturally get feedback on their performance in the workplace, especially at higher organizational levels and from direct reports and employees yet in order to create awareness and insight of the need to change, managers must first receive feedback.

According to Redman and Snape (1992) a popular view of leadership emphasizes the learning organization and stresses the need for a shared perception of what is important in an organization between the managed (employees) and management (managers). This shared perception requires a two-way mutual evaluation of behaviour with respect to valued objectives. Upward appraisals may help to develop such a sharing of perceptions and therefore this study examines perceptions of managerial competencies in the restaurant industry using the upward appraisal process.

1.2 **Background**

Prahalad and Hamel (1994:202) describe competencies as:

" Competencies are the well spring of future product development. They are the "roots" of competitiveness and individual products and services are the 'fruits'. Every top management team is competing not only to protect the firm's position within existing markets, but to position the firm to succeed in new markets. Hence any top management team that fails to take responsibility for building and nurturing core competencies is inadvertently mortgaging the company's future"

Prahalad and Hamel's (1994) definition illustrates the importance of competencies in relation to management and the success of a business. The development and use of core competencies to create competitive advantage is being more widely used in the hospitality industry. Against this background the present study attempts to identify core competencies within the restaurant industry and to determine whether managers possess these competencies using feedback from manager's self-appraisals and employee appraisals.

1.2.1   The importance of competency models

Competency models have been described as being helpful to both individuals and organizations in developing leadership skills. They have been able to assist individuals in the following areas (Hollenbeck, McCall & Silzer, 2006):

- Summarizing the experience and insight of seasoned leaders
- Specifying a range of useful leader behaviours
- Providing a tool that individuals can use for self development
- Outlining a leadership framework that can be used to help select, develop and understand leadership effectiveness.

Developing and training of management on key competencies have become the focus of much attention during the past three decades. Attempts have been made to identify a set of competencies and their implications in the areas of management education and development to further the development of competent managers (Mbokazi *et al*. 2004).

This study aims to explore alignment between managers' perceptions of themselves and employee perceptions of their managers.

To create insight and awareness of the need to change, it is imperative that leaders first receive feedback. Leaders, however, seldom receive the kind of feedback that can enable them to change the behaviours that everyone in the organization whispers about behind their backs. Giving executives such feedback is often perceived as a career-limiting move (Guinn 1996). Although Guinn's (1996) study was based on assessment techniques for top executives, many valuable lessons from this bottom up assessment are applicable to middle managers in this study. These include the benefits of feedback on both the organization and the individual. The organization benefits with improved performance as a result of this feedback. Employees see the new organizational values being clearly modeled by their superiors and also see change itself (Guinn, 1996). Guinn's (1996) discussion of the barriers to top executive assessments also proves useful and informs the research methodology employed in this study.

1.2.2 Benefits of Feedback

Numerous studies have highlighted the benefits of feedback approaches. McCauley and Moxley (1996) share three important lessons about self-awareness and development from their extensive experience working with managers:

- People can learn, grow and change to become better managers. They share the belief that people are not simply born to be good managers but rather hard work and continuous learning goes into the process.

- Self awareness has been described as the cornerstone of development and they believe that self-awareness means that a person understands his/her own personality, preferences and abilities and how these contribute to one's becoming skilled at some tasks in some situations, whilst not skilled at other times (McCauley & Moxley, 1996). Managers can benefit from self-awareness to better apply and refine his/her talents in situations needed and work to improve in areas that they might be less naturally talented.

- Development is an ongoing process linked to work. Learning and working are not distinct from each other, but too often are viewed as such. The challenges a person faces at work forces them to grow and as the person learns the work they evolve. The same principle applies to managers: they continue to need to change as their work changes (McCauley & Moxley, 1996).

Feedback enhances self-awareness by encouraging better alignment of self-views with the views of others and by demonstrating that others do see one's weaknesses. This could result in an "unfreezing process" (Mullins, 2005: 910) rather than the continuation of doing things in the same manner; the manager is motivated to rethink his or her behaviour and its impact on others. Through this process, conscious attempts are made to alter behavioural patterns.

1.3   Motivation for the research

The lack of managerial skills in small businesses has been identified as one of the main causes of business failure in South Africa (Van Scheers & Radipere, 2007). Enterprise-

based problems were associated with 65% of small business failure (Dockel & Ligthelm, 2002) and Peterson (1998) estimates that internal factors were responsible for 70% of small business failures. Human capital is undeniably a hospitality organization's most valuable resource and has the potential to provide one of the most sustainable competitive advantages in the market place. The local hospitality industry employs approximately 470 000 people who have the power to impact on the establishments' reputation and ultimately the bottom line (www.uj.ac.za/sth/Newsandevents). It is therefore crucial that managers, who are responsible for directing and shaping the organization constantly improve their competencies because these are critical factors for success of managers and the business.

Effective leadership is a central goal for many organizations and increasingly organizations are committed to developing managers' skills and competencies (McCarthy & Garavan, 2007). According to Nikolaou, Vakola and Robertson (2006) there is evidence that companies in the new millennium will invest considerably in leadership development. A significant development in the field of leadership in recent years is the use of upward multi-source feedback. Previous studies have focused on an American or European context and literature on upward appraisals has not been widely explored in South Africa, especially in the restaurant industry.

This study focuses on upward appraisals as a tool for manager development based on the premise that awareness, identifying weaknesses and establishing development needs are key steps to managerial development. This study can offer insight into identifying

competencies specific to the hospitality industry from a multi-rater appraisal perspective and explore training and development approaches to assist where gaps may exist.

1.4 <u>Problem statement</u>

According to Kantor and Weisberg (2002) few companies use appraisals of their managers as perceived by their employees. Bernardin (1986) believes that employees are sometimes in a better position to assess certain managerial aspects because by the very nature of their working relationship, employees are often in close contact with their manager and are in a good position to directly observe managerial behaviours. Employees have the opportunity to observe their managers and provide a wealth of insights. According to Nevels (1989) (in Redman & Snapes, 1992) upward appraisals may facilitate employee involvement in key aspects of organizational life and are consistent with the leadership models of the future.

This study aims to explore employees/employee's perception of their managers by exploring feedback regarding manager competencies from managers' self-awareness and from employee perceptions. It also intends to compare employees' perceptions of their managers to manager's self-evaluations in order to identify if there are any mismatches/misalignments between how managers perceive themselves and how their employees perceive them. The study aims to identify differing perceptions regarding managerial competencies and thereafter recommends strategies to shorten the gap. This study will also explore if gender plays a role in misalignment and if so which gender is

more prone, so that this group can form a target group for developmental/educational programmes.

1.5   <u>Objectives of the Study</u>

- To compare managers' self-evaluations with that of employees' perceptions of managerial competencies within the restaurant business.

- To investigate if gender plays a role in competency ratings of managers.

- To explore managers' attitudes towards training and development

- To explore if gender plays a role in managerial attitudes towards training.

1.6.   <u>Research methodology</u>

This study explores managers' competencies within the restaurant industry through convenience sampling (location, sample was obtained from the Greater Durban area). The definition of small businesses in this study is aligned with that of the National Small Business Amendment Act (102/1996), which defines a small business as:

""small business" means a separate and distinct business entity, including co-operative enterprises and non-governmental organizations, managed by one owner or more which, including its branches or subsidiaries, if any, is predominantly carried on in any sector or subsector of the economy mentioned in column I of the Schedule and which can be classified as a micro-, a very small, a small or a medium enterprise by satisfying the criteria mentioned in columns 3, 4 and 5 of the Schedule opposite the smallest relevant size or class as mentioned in column 2 of the Schedule" (National Small Business Act, 1996).

Small business classified under the category: catering, accommodation and other trade are defined by 50 full-time employees, with a total turnover of R6 million and total gross asset value of R 1 million (excluding fixed property).

The study is limited to one industry (restaurant) in order to make comparison of manager competencies more effective. Due to the nature of this study (self appraisal and employee appraisals of their superiors), a two-questionnaire approach was implemented. Questionnaires were administered to a total of 25 managers of private businesses in the Greater Durban area and three of their employees, resulting in a total sample of 100 respondents. Participants included a mixture of male and female managers and employees in order to determine if gender plays a role in the study (as outlined in the objectives).

Questionnaires were distributed through direct contact and were self-administered. The study was largely quantitative in nature, with some qualitative questions. A combination of qualitative and quantitative research designs provides more reliable and valid research results than a single methodology as it helps overcome the biases of both methodologies (Van der Velde, Jansen & Anderson, 2004).

1.6.1 Instruments

Quantitative questionnaires for managers and employees were employed. Questionnaires comprised of a mixture of open-ended and closed questions. Professional profiles were determined using open and close-ended questions, while perceptions and attitudes about the importance and implementation of managerial competencies were measured using

items arranged on a 5 point Likert scale. The rankings were arranged from most negative comments/perceptions/attitudes (represented on the scale by 1) to the most positive perception/attitude (represented on the scale by 5). In addition, open-ended questions were also incorporated into the questionnaire design in order to allow respondents to identify or discuss other relevant issues.

1.6.2 Data Collection

Data were collected using a non-probability sampling design: convenience sampling (based on location). According to the yellow pages, there are 149 restaurants in Durban (www.yellowpages.co.za). The sample comprised of twenty-five restaurants from the Greater Durban area, these were small/medium businesses, which were in operation for 5 years or more. The age of a business reflects its market experience and affects its ability to grow. International experience has shown that births and deaths among small businesses tend to be concentrated among younger and smaller firms (Van Scheers & Radipere, 2007). Businesses in operation for 5 years and more were therefore selected for stability purposes. In addition, in older establishments, there would be increased interaction between managers and employees, placing employees in a better position to comment on their managers' competencies. Managers and employees were approached before and after lunch shifts, as this was the most convenient time. Three employees per manager participated as selection of a larger number of employees would have impacted on the operational functioning of the restaurant.

1.6.3 Data Analysis

The Likert scale used in the questionnaire produced ordinal data. Descriptive statistics were used to analyse ordinal data with the assistance of a statistical software package for social sciences (SPSS) computer programme version 15. Data from both manager and employee questionnaires were programmed into SPSS and coded accordingly. Cross tabulation (Chi-square) was used for comparative purposes between manager and employees responses. Qualitative data was analysed by identifying common themes.

1.7   <u>Limitations of the Project</u>

- Not based on 360 degree evaluation

- Convenience sampling, unable to generalise findings to the population

- Only three employees per manager were chosen based on time and resource constraints. Employee's relationship with manager will have an effect on results/biases introduced

- Analysis does not focus on race or age as categories for stratification

- Sample limited to only one type of business, not easy to relate to other businesses.

Beyond the scope of the study but also a limitation, unable to correlate managers high levels of competency to success (financial, years of operation or employees happiness) of business due to large number of variables.

1.8   <u>Structure of the dissertation</u>

1.8.1   Chapter Two

Literature Review

This chapter examines the theory underpinning this research: managerial competencies and how they are evaluated. It reviews various scholastic sources (peer reviewed journal articles, dissertations and books) from interrelated and unrelated disciplines. Literature was reviewed with the aim of exploring different managerial competencies and how employees' perception of manager's competencies differs from managers' perception of these competencies. It views national and international theory on the subject, with the attempt of locating this study within a context and illustrating how it can contribute to the subject area.

18.2   Chapter Three

Methodology

This chapter focuses on the research methodology employed (survey-questionnaire and interviews) in this study to investigate the research problem. It outlines the rationale behind selecting this approach and discusses anticipated problems and preventative measures as well as highlighting problems experienced and the manner in which the impact was minimized. Data analysis procedures are also outlined.

1.8.3 Chapter Four

Data Analysis and Results

Data were analysed using SPSS and various statistical tests were conducted. The profile of the business and respondents is presented. Findings are graphically illustrated and tabulated, followed by discussions of the major findings.

1.8.4 Chapter Five

Limitations, recommendation and conclusion

The critical objectives of the study are addressed. Limitations of the study are discussed, in an attempt to assist future studies. Based on the findings, several recommendations are proposed and options for future studies discussed.

1.9 <u>Conclusion</u>

This chapter introduces the study, details the problem statement and objectives and reviews the research methodology. To set the context for the study, Chapter Two reviews several areas of literature focusing on competencies and its various definitions, upward appraisal systems and its value. This is followed by literature review of gender and its effects with regard to managerial competencies and explores management development programmes.

CHAPTER 2: Literature Review

2.1   <u>Introduction</u>

This chapter reviews literature in order to develop an understanding of the theoretical framework of self and employee perceptions in upward appraisal systems and their application and creates a context for the present study based on a focus on previous work relating to the research problem, reviewing previous work relating to methodology and results.

The chapter begins with discussion of the numerous conflicting concepts/debates of managerial competencies and defines competencies in the context of the study (restaurants). Thereafter the focus of the literature is on appraising selected competencies and discussion on the 360-degree appraisal system. The two main categories (manager self-evaluation and employee evaluation) selected from the 360-degree approach are discussed in more detail. Finally the effect of gender on competency appraisals is evaluated from manager-employee dyads.

Importance of managerial competencies and implications

At the turn of the century, South Africa hosted an estimated 3 million small enterprises (including informal businesses) (Steyn and Steyn, 2006:322). These enterprises contribute significantly to the country's economy. However, the failure rate of small businesses in South Africa is high (Van Scheers & Radipere 2005). Brink, Cant and Ligthelm (2003) attribute a lack of proper management skills as one of the factors for

failure and are of the opinion that managers in small and medium sized enterprises need proper managerial competencies. A growing research stream explores the premise that effective leaders possess certain core competencies that contribute to their high performance (Brownell, 2008).

2.2 <u>The concept of competencies</u>

Competencies, when properly designed, leverage experience and insight of leaders in an organization (Hollenbeck *et al.* 2006). Boyatzis (1982) introduced the concept of competencies that grew popular in the late 1980s. He defined a competency as an underlying characteristic an individual possesses and uses, which leads to successful performance in a life role (Mbokazi *et al*. 2004). Much exploration of the concept over time has led to two major approaches: one that places emphasis on behavioural aspect of a competency by defining it as a set of behavioural patterns that an individual needs to possess, it is a dimension of overt and manifest behaviour, incorporating both the desire and the ability to behave in a competent way.

The second approach views competency in a broad sense and as an underlying characteristic of an individual, incorporating motive, trait, observable skill, social role or body of knowledge (Mbokazi *et al*. 2004). Scott (1996) has provided a more holistic and detailed description of a competency, combining various facets (knowledge, skills, behaviour and attitude). He defines a competency as a cluster of related knowledge, attitudes, and skills that affect a major part of one's job (role or responsibility) and that correlates with performance on the job, which can be measured against well-accepted

standards and which can be improved through training and development (Mbokazi *et al*. 2004). This definition is most applicable to the current study as it describes a competency and lends support to the fact that competencies can be developed and improved. This study aims to compare perceptions of competencies (as defined by Scott 1996) from two different perspectives: managers' self-evaluations and from assessments of their employees. This study also aims to investigate whether gender plays a role in employees' perceptions of managerial competencies.

Studies on identifying key leadership competencies are inundated with typologies and lists of various skills and attributes/abilities. Goleman (2000); Palmer, Walls, Burgess & Stough (2001) Abraham, Karns, Shaw and Mena (2001) report that effective managers possess skills that include communication, team building, problem-solving and decision-making. Goleman (2000) also makes strong arguments for a competency-based perspective. Kirkpatrick and Locke (1991) include intelligence, initiative and knowledge of the business, whereas Topping (1997) focuses on confidence, trust, teamwork, communication and a desire to develop others.

Exploring manager competencies illustrates that numerous researchers have derived independent conclusions regarding the requirements for effective leadership. Most leadership competencies identified in studies do not incorporate emotional competencies as described by Goleman (2004). According to Goleman (2004) the great divide in competencies lies between the mind and heart, or more technically, between cognition and emotion. Some competencies are purely cognitive such as analytic reasoning or

technical expertise, whilst others combine thought and feeling. Goleman (2004) believes that our emotional intelligence determines our potential for learning, the practical skills that are based on its five elements (containing 25 emotional competencies).

- Self-awareness

- Motivation

- Self-regulation

- Empathy

- Adeptness in relationships

Of the five elements listed above, self-awareness is extremely important to this study as managers' self-awareness (in respect of competencies) is being tested. Personal competence is also particularly vital in this study as it aims to investigate managers' perceptions of their own competencies as well as assess if managers are willing to learn, an important factor if training and development are to be successful.

According to Brownell (2008), several decades of research have been unable to isolate a generic core skills/competencies that ensure success in all contexts. Competencies can become rather complex due to varying definitions, classification of more than one type and the fact that there is no universal set of competencies that can generally be applied to managers. Competencies vary depending on the type of business and manager competencies, similar to company core competencies, which can change with variables such as time, location of business or size of business. The general list is to some extent applicable to all jobs. However different jobs make differing competency demands

(Goleman, 2004), therefore this study has been limited/restricted to small restaurant businesses only in an attempt to test for competencies related to this industry.

2.3   <u>Appraisals for competencies</u>

The performance appraisal process has been described by Brauch (1996) as serving two major purposes: first as a source of information used by management to make decisions about promotions, salaries, training needs and training support and secondly serving as a feedback tool for employees, facilitating personal improvement and development. For the purposes of this study the appraisal process is based on a reversal of roles, where the focus in on evaluating managers, from an employee perspective rather than the other way around. This study aims to evaluate managerial performance, using a combination of the functions outlined by Brauch (1996) and focusing on:

1) using manager appraisals to make decisions regarding training and support

2) used as feedback tool facilitating personal improvement and development

It is believed that the appraisal might identify a need for training and feedback and development can positively contribute to improving organizational functioning and overall business success of the company.

There are a range of techniques available for conducting managerial competency assessments such as psychological testing, individual competence assessment conducted by external consultants and multi-source assessment feedback from superiors, customers, peers, employees and self-assessments (Guinn, 1986). The modern trend in appraisals however is focusing on the 360-degree appraisals, which offers prospects of generating

more objective assessments than one-way feedback, which previously characterised organizational practice (Atwater, Waldman & Brett, 2002; Boice & Kleiner, 1997 and Millmore, Biggs & Morse, 1997).

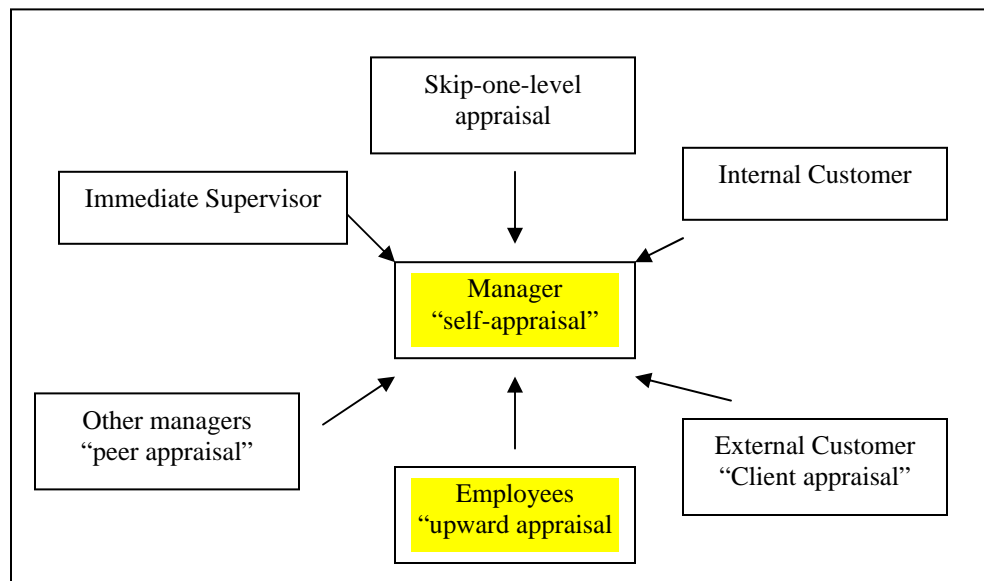**2.3.1   Upward appraisals/ 360 degree appraisal feedback process**

Figure 2.1: Potential appraisers in a multi-appraisal system for managers (from Redman & Snape, 1992:33).

According to Mount and Judge (1998:557) "the 360-degree feedback system is characterised by evaluating individual's performance by multiple raters from multiple levels in the organization". This generally includes performance assessments derived form the following four categories: peers, employees, supervisors and self-ratings, these dimensions however are generally dealt with individually in the literature (Millmore *et al.* 1997). The majority of 360-degree systems include feedback from peers, employees,

supervisors and self-ratings (Millmore *et al.* 1997). Strong supporters of this approach include Edwards (1996) who believes that the accuracy and credibility of the 360-degree performance evaluations are enhanced by expanding the sources of assessment. McCauley and Moxley (1996) are of a similar opinion believing that when feedback is consistent across multiple raters or from different perspectives, it is hard to deny that there is some truth to it. This study supports the belief that expanding the sources of assessment is beneficial, however, the study will only focus on managers' self-appraisals and employee appraisals as the multi-source assessment process is administratively time consuming as each assessee has a typical minimum of five data inputs and has considerable financial implications.

By incorporating a multi-feedback approach in this study (combining self-appraisals and employee appraisals) attempts are made to remove the potential for biases inherent in single-rater appraisal systems (Atwater & Yammarino, 1993; Redman & Snape, 1992).

Employee appraisals were chosen in the study because employees can provide valuable insight into managerial behaviours and competencies. Employee appraisals (also known as upward appraisals) are contrary to traditional approaches because they operate counter to the traditional top-down flow of most organizations (Millmore *et al.* 1997). Kantor and Weisberg (2002) believe that that employees are sometimes in a better position to assess certain managerial aspects because of the close everyday working relationship and this study aims to explore this. A similar view is shared by Mount (1984) who believes that employee ratings represent a valid source of performance assessment because employees are in a better position, than other raters groups to provide meaningful assessments of certain managerial behaviours.

2.3.2 Self-appraisals

Self-appraisals refer to the process in which individuals rate their own performance. This is well described by Brutus, London and Martineau (1999) who describe self-appraisal as a type of feedback in which the individual (in this study managers) is the source, the evaluator and the recipient of the information. There is, however, obvious biases associated with this practice and findings from the literature reflect that rating errors are more common in this approach compared to other appraisals (Fox, Caspy & Reisler, 1994). Yammarino and Atwater (1997) point out that most biases reflect positive biases, which is similar to Jansen and Vloeberghs' (1999) findings that over-rating by an individual is more common than under-ratings.

This study therefore is not only based on self-awareness of managers but on a combination appraisal approach (as mentioned earlier). The advantage of appraisals from more than one perspective is that they allow individuals (managers in this study) who are being rated to compare their self-perceptions with the perceptions of others (their employees in this study) with regard to their own behaviour and competencies. According to Garavan, Morley and Flynn (1997) feedback of this nature is based on two assumptions: firstly that the awareness of any differences between how individual see themselves and how others see them will enhance self awareness and secondly it will maximize performance and enhance personal learning. These assumptions are particularly relevant to this study as it aims to identify if a difference in perceptions exist as well explore manager's willingness to explore options to address this (through training or educational programmes relating to leadership and management).

2.3.3 Importance of self and employee ratings

While most studies involve the 360-degree appraisal approach, the approach selected for this study focuses on self and employee perspectives, for which literature also exists. The self-other rating model presented by Yammarino and Atwater (1997 (Fig 2.2) indicates different combinations and their respective outcomes and development needs. For example good high self-ratings=high employee ratings category translates into very positive outcomes and low development needs.

Comparison	Self-Employee Types	Outcomes	Development Needs

Self-Ratings

Self-Other Comparison

Employees Ratings

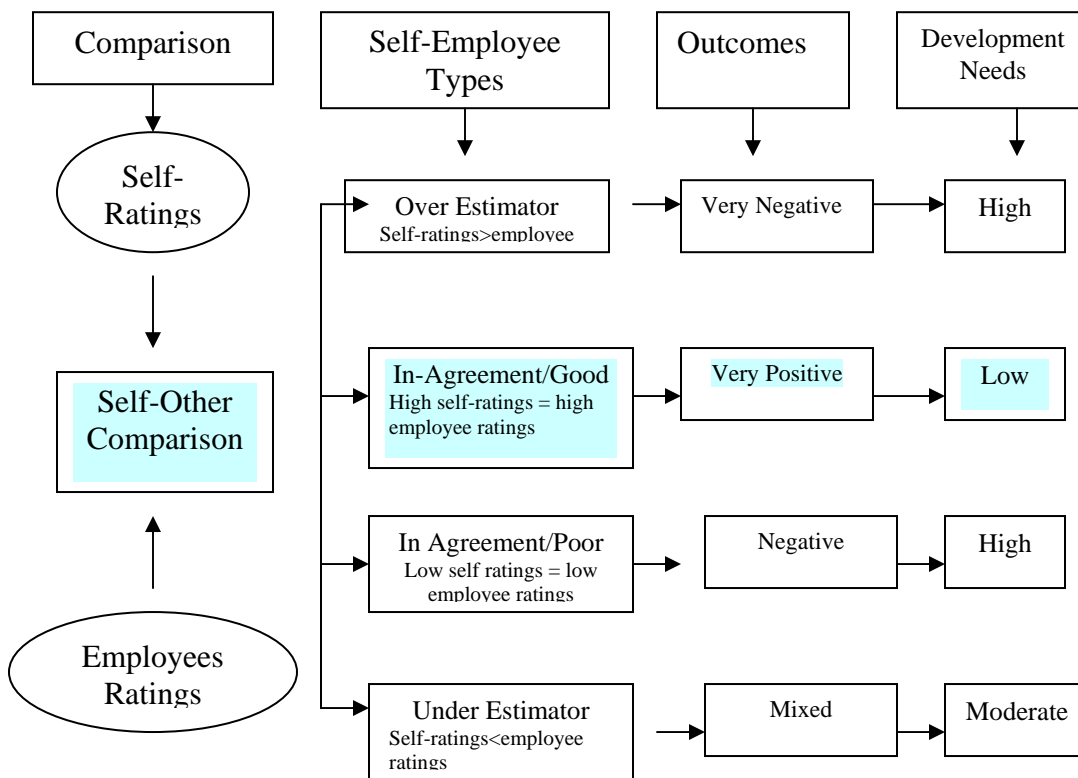| Over Estimator Self-ratings>employee	Very Negative	High
In-Agreement/Good High self-ratings = high employee ratings	Very Positive	Low
In Agreement/Poor Low self ratings = low employee ratings	Negative	High
Under Estimator Self-ratings<employee ratings	Mixed	Moderate

Figure. 2.2: Self-employee Rating Model (adapted from Yammarino and Atwater 1997:37).

The level of agreement or congruence between self-ratings and external ratings of one's behaviour or performance is usually taken as an index of self-awareness (Wohlers &

London, 1989). Such a measure is not objective, but indicates the degree of similarity between self-assessments and assessment by others.

According to Fletcher (1999), from a theoretical and empirical perspective, congruence has a wide significance and there is growing evidence that congruence seems to be associated with higher performance. Bass and Yammarino (1991) examined convergence of self and employee ratings on leadership qualities among naval staff and found that higher congruence was correlated with higher performance measures. Furnham and Stringfield (1994) also revealed similar findings, examining congruence in a study involving 400 Chinese and Caucasian airline employees. They found that smaller differences between target managers and employee's ratings on leading and motivating were linked with higher/superior (independent) rating of the targets.

2.4   Effect of Gender on Perceptions

2.4.1   Gender Issues based on self-evaluations

The observation that there are gender differences in self-assessment is not new. Beyer's studies (1990, 1992) on accuracy in self-evaluations of performance revealed that there were gender differences in accuracy of self-assessment on masculine gender-typed tasks, with women significantly understating their performance. Interestingly this difference was not observed on neutral or feminine gender typed tasks. There is evidence that gender differences in self-assessment generalize to work situations (Fletcher, 1999). Wohlers and London's study (1989) of self-awareness in managers showed that female managers tended to rate themselves lower than their males did and lower than their

bosses rated them. Millmore *et al.*'s (2007) findings contrast with this, showing that female ratings were significantly higher. Lindeman, Sunvik and Rouhiainen (1995) found that female staff in a sales and marketing company were less likely to overestimate their performances (measured objectively) compared to their male counter parts.

An investigation conducted by Van Velsor, Taylor and Leslie (1993) did not find any gender differences using the benchmark rating system, however their participants and sampling technique was criticized for biasing the results (as nearly all participants were female). Recent research generally demonstrates little or no difference in the self-ratings of females and males across a variety of organizations (Bartol, 1999; Skipper & Bell, 2006).

2.4.2   Gender issues based on manager and employee perceptions

The literature is inconsistent regarding the impact of gender on self and other ratings. Some studies conducted reveal that there is evidence of gender differences in the level of agreement between self and employee ratings (Bartol & Butterfield, 1976; Brown, 1979; Heilman *et al.* 1988; Millmore *et al.* 2007; Nivea & Gutek, 1980; Petty & Lee, 1975; Petty & Miles, 1976, and Wexley & Hunt, 1974 found in Wexley & Pulakos, 1983). In Nivea and Gutek's study (1980) raters perceive women managers as possessing less power than their male colleagues, whereas London and Wohler's (1991) found higher agreement between self and employee competency ratings for female managers than for male managers. Alimo-Metcalfe's (1998) study also supported these findings: reporting greater self-employee agreement for female managers. Findings from other studies

(Osborn & Vicar's, 1976 found in Millmore *et al.* 1997) indicate that employees express a preference to/more favourable attitude towards female managers compared with male managers. This was especially true with those in higher management levels (Millmore *et al.* 1997). Higher ratings for female managers, differs from the traditional trend, where females were subjected to negative, sex-based stereotypes. At face value it would appear that female managers are out performing their male counterparts on work-related competencies, however other possible explanations include:

- Female managers have something more to prove than male managers and as a result work harder to achieve results (Greener, 2007).

- "Gender contrast" effect, as outlined by Heilman, Martell and Simon (1988), could play a role, whereby raters are surprised by the actual performance of females in comparison to sex-based stereotypes and this leads to over-compensation in any ratings of performance.

- Employees overrating their managers could also impact on the study. Bernardin and Beatty (1987) discovered that even within anonymous rating systems, some employees confessed to over-rating managers in order to portray them positively rather than negatively.

There are also studies which conclude that there are no gender differences in performance ratings (Bartol, 1999; Griffeth & Bedeian, 1989; Mobley, 1982; Skipper & Bell, 2006). Most studies (Dobbins & Platz, 1986; Eagly & Johnson, 1990) point to the similarities that exist between men and women, which tend to outweigh the differences. One reason suggested for this is that over time many occupations, management in particular, have

become gender neutral rather being viewed as stereotypically female or male oriented thereby reducing a potential source of bias (Millmore *et al*. 2007). According to Millmore *et al*. (2007) this might suggest that females possess higher self-esteem and are more confident compared to females two or three decades ago. A view supported by Sanyal and Guvenli (2004) for similar reasons.

2.5   <u>Learning and Managerial Development</u>

According to Cho and Schmelzer (2000), traditional education commonly focused on teaching and learning styles that follow the objectivist educational model. This theory functions on the basis that an objective reality can be delivered to the learner, who in turn will modify his/her behaviour accordingly. Teachers focus on transferring knowledge from the expert to the learner. This study explores models for managerial training and development that differs from the objectivist education model and teacher-centered approach and emphasizes a learner-centred experience.

Management training programmes based on principles such as those outlined by Winch and Ingram (2002) are extremely valuable:

- People are recognised as individuals who make personal meaning in social situations and each with their own learning styles.
- Collaborative active learning in groups is more effective than content driven training courses.
- Action learning can help develop both the individual and organizational learning as well as implementing business strategy.

2.5.1 Action learning

Action learning involves learning collaboratively to solve organizational problems and develop people (Winch & Ingram, 2002). According to Longenecker and Fink (2001) managers learn best by doing. Giving managers the opportunity to learn by tackling real world problems (action learning or learning by doing) is a very effective method of management development. "Learning by doing increases retention of covered material, stimulates trainees to rethink current organizational practices and provides opportunities for managers to take risks in decision-making, and learn how to work with a diverse work group" (Longenecker and Fink, 2001:14).

2.5.2 Workplace learning

Workplace learning has been high on the agenda for employers around the world, and spanning more than 40 years (Prestoungrange, 2002). Most managers have life and workplace experience that must be interpreted and built upon for self-actualization to occur, a significant outcome in its own right (Prestoungrange, 2002).

Enterprises institutionalising continuous learning processes within the corporate framework and the concept of corporate business schools (CBS) are built on the assertion that "managers learn best at work" (Prestoungrange, 2002). This is supported by Wills (1993 found in Prestoungrange 2002: 331) most frequently quoted phrase: "The enterprise where we work is far and away the most significant business school that managers ever attend". By implication, there is no replacement for learning by doing, provided that the doing is captured, reviewed and integrated into the enterprise's learnt

systems. Prestoungrange (2002) argues that a learning organization is one where the feedback from actions taken and evaluated is continually used as the basis to update and amend the way things are done. Learning comes to life when management is involved in the process: they already direct the action, now they can direct the learning and its capture, which include the curriculum and the courses of learning within the CBS as these are wholly derived from challenges facing the enterprise (Prestoungrange, 2002).

2.5.3   Combining action and workplace learning

Accredited action learning as outlined by Teare and Rayner (2002) is an approach that can be applied to managers in the restaurant industry as it is known to yield a high return, especially if set in the context of an internalized structure such as corporate business schools. Teare and Rayner's (2002) study demonstrated the success and potential to internalize, accredit and certify action learning at work. Their study also indicated what could be achieved by enabling senior managers to combine personal learning and career development with strategic project work. All participants viewed this approach as more beneficial as it enabled them to work on immediate business challenges and work on their own competencies (Teare & Rayner, 2002).

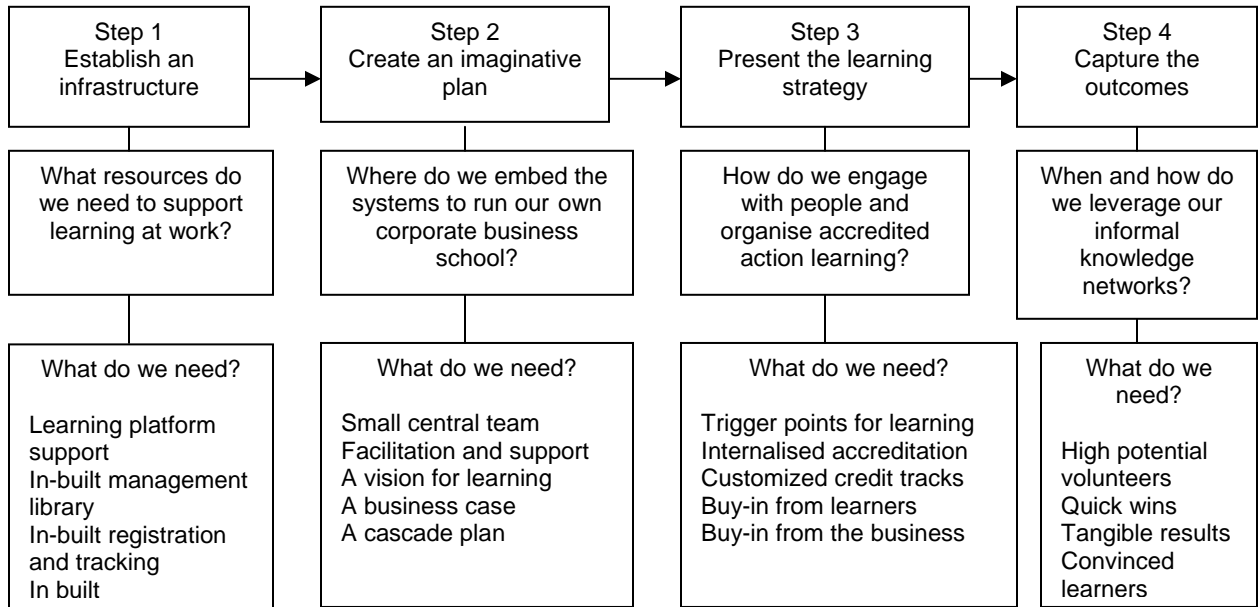| Step 1 Establish an infrastructure	Step 2 Create an imaginative plan	Step 3 Present the learning strategy	Step 4 Capture the outcomes
What resources do we need to support learning at work?	Where do we embed the systems to run our own corporate business school?	How do we engage with people and organise accredited action learning?	When and how do we leverage our informal knowledge networks?
What do we need? Learning platform support In-built management library In-built registration and tracking In built	What do we need? Small central team Facilitation and support A vision for learning A business case A cascade plan	What do we need? Trigger points for learning Internalised accreditation Customized credit tracks Buy-in from learners Buy-in from the business	What do we need? High potential volunteers Quick wins Tangible results Convinced learners

Figure 2.3: Capturing organizational learning (Teare & Rayner, 2002: 356).

Research conducted by Best, Lashley and Rowson (2007), supports another possible alternate approach. Results from a qualitative survey of 17 pub managers reported positive impressions of an in-company education approach and the majority of participants stated that the course led to increased sales, profits, customer and staff satisfaction. These claims are supported in the study by results obtained from company and sales data where sales, gross profit and unit performance all show overall improvements compared to company averages (Best *et al*. 2007). Best *et al's* (2007) study built upon previous research and was informed by a research model developed by authors for the Hospitality Training Foundation (Eaglen, Lashley and Thomas 1999), which has explored the business benefits of training programmes to staff and management. Important and relevant to this study is that the conceptual model suggests that the benefits of training and development cannot be captured by economic measures

and should adopt a balanced score card of measures. Perhaps future research in this field should consider a broad range of measures, such as that offered by balanced score cards, which include the views of trainees, measure of employee and customer experiences as well as financial measures (Best *et al*. 2007).

Organizational learning can also extend beyond the company and managers can benefit and develop from network learning. According to Bottrup (2005), in recent years companies have increased their collaboration with other organizations, suppliers or customers in order to meet challenges from a globalised market. They participate in various networks in order to improve innovation, organizational learning and effectiveness.

To address the need for developing managers in the hospitality industry, focusing on restaurant managers, a conceptual model presented by Cho and Schmelzer (2000) offers a different and valuable perspective. The model combines critical thinking, collaborative learning and just-in-time (JIT) education tools that managers will require to be successful in the workplace (Table 2.1). The educational approach to learning allows managers to collaborate with others in the hospitality business community though the use of technology. For each learner, the components of the model have a slightly different but relative role in this process. Each learner becomes an expert by following his/her individual course of thinking and gathering knowledge. This model has several advantages and applications for the hospitality industry: it has been designed for

managers in the hospitality industry; it is flexible and allows for some development in individual areas, which is extremely important for managers with different needs.

Table 2.1: Constructs of the JIT model (taken from Cho & Schmeizer 2000)

Model	Basic premise	Goals	Major Assumptions	Implications for instructions
Constructivism (critical thinking skills)	Learning is done by constructing knowledge	Forming abstract concepts to represent reality to assign meaning to it.	Students learn best when they discover things for themselves and when they control the pace of learning.	Learner-centered active learning. Instructor as a facilitator.
Collaboratism	Learning is don e through the shared understandings of more than one learner.	Improving communication, listening, participation and socialization	Active participation of learners with previous knowledge is critical to learning	Instructor as questioner and provider of feedback.
Just-in-time Education	Learning can be done at any time and any place	Creating a virtual learning community which provides learner-oriented, random-access, interactive multi-media systems 24 hours a day	The educational process assumes a new format without loss of integrity and content and with gains in timelines and efficiency	The learning process is without boundaries of time and place

Needs assessment is an important part of the development process and Woods' (1992) training cycle begins with developing the needs assessment, followed by training and implementation (identifying training objectives, contents, methods, implementation) and finally evaluating the programme. Although Woods' (1992) model is designed for multicultural training in restaurant industry, it offers valuable lessons for developing managerial development programmes.

Another important consideration in training and development in the restaurant industry is identifying deterrence factors in training. Lee and Kye-Sung Chon (2000) identified several deterrence factors to training in this environment and these include:

- Cost

- High turnover rates

- Lack of support from management

- Time associated with training

- Absence of training specialist

- Difficulty in implementing training

- No apparent need

Although Lee and Kye-Sung Chon's study (2000) was based on deterrence factors that affected employees, some of these are valuable and applicable to manager training/developing programmes.

2.6   <u>Conclusion</u>

This chapter reviews the literature used to address the objectives of the study, outlined in Chapter One. It discusses in detail the process of 360 degree or upward appraisals and its benefits, along with discussions on managerial competencies and views on the role gender plays in managerial competencies. This chapter also explores learning and unconventional options for managerial training and development. The next chapter provides an overview of the research methodology used in the study and the rationale behind its selection.

CHAPTER 3: METHODOLOGY

3.1 <u>Introduction</u>

The previous chapter examined literature on upward appraisals, managerial competencies and explored the effect of gender. This chapter describes the methodology implemented in the present study. The methodology is based on theoretical underpinnings from the literature review. The research approach and design were chosen in order to address the objectives of the study and this chapter also provides a brief overview of the data analysis.

The aim of fundamental organizational research is to gain insight into certain events, processes and phenomena (Van der Velde *et al.* 2004). Research procedures can illuminate organizational problems and contribute to greater understanding of the problem in the search for solutions. Research is purposeful and can be defined "as a process of gathering data in a strictly organised manner" (Davies, 2007:56).

The focus of the current research is on investigating managerial competencies within the restaurant business from different perspective to identify if gaps exist and explore the prospect of intervention for purposes of managerial development.

3.2   Aim and objective of this study

The aim in the present study is similar to the primary goal of most multi-rater feedback processes: to improve managerial skills. The rationale that supports this goal rests with the notion of self-perception (Yammarino & Atwater 1997). Research suggests that feedback increases the accuracy of self-perceptions and informs managers /leaders about the need for behaviour change or personal development. According to Yammarino and Atwater (1997) managers who never receive feedback will tend to retain inaccurate self-perceptions and remain ignorant regarding perceptions from others. This could also have a negative effect on the productivity and success of the organization.

3.3   Research Design and Methodology

There appears to be much disagreement in the literature regarding research design and how to identify core competencies of a firm. Winterscheid (1994) identified them through interviews with managers whilst Collis (1996) and Roberts and Shea (1996) generated their own lists from literature or surveys. This study has generated several key competency areas based on previous studies. In addition, competencies in the study are restricted to the restaurant business as this has benefits for comparative purposes. Von Eck and Verwey (2007) also recommend restricting studies to one industry as organizations within that industry are likely to experience the same challenges.

Chabert (1998) describes organizational participants as being best able to identify core competencies since they have an insiders' view of workings of the organization. Hence this study acknowledges that "insiders" offer a valuable perspective, therefore managers

and employees within the company were selected and not all stakeholders who are usually associated with a 360-degree appraisal.

3.4   Ethics

Prior to data collection, upper management at 25 restaurants, in the Greater Durban area, KwaZulu-Natal, were contacted for permission to conduct research in their firms. Permission was also received to interview both managers and their employees within the firm. Signed letters of permission from firms along with individual consent from managers and employees (Appendix 2) were submitted as part of the ethical clearance (Appendix 1).

3.5   Sampling

According to Jankowicz (2005) non-probability sampling involves identifying and questioning informants because of interest in their individual positions, roles or background experience, much of which pertains to this present study. Convenience sampling was chosen due to budget and time constraints, however, limitations associated with this technique are acknowledged.

3.6   Data Collection

This study incorporated both primary and secondary data sources. This section describes how the data were compiled from both sources and highlights the instrument chosen to gather primary information on competencies from two different perspectives.

3.6.1 Primary Data Collection:

Literature searches reveal that most upward appraisals schemes involve questionnaires and this is one of the reasons why this instrument was employed in the present study. Based on the comparative nature of this project, primary data were collected using two different survey instruments: a questionnaire designed for managers in the restaurant industry (Appendix 3) and a different questionnaire for their employees (Appendix 4).

A similar procedure was followed as with multi-source feedback assessments, which involved:

- Identifying a number of observable managerial behaviours/competencies believed to be important for managerial success.
- Selection of individuals (in this case employees) in the company to rate the manager anonymously.
- Comparison of managers' self-evaluations with that obtained from employees.

3.6.2 Secondary Data

Secondary data were collected from books, dissertations and journals. Peer-reviewed electronic journals, however, provided the majority of secondary data. Articles were accessed via e-journals, e-databases and internet scholastic searches. Pertinent information was extracted from a variety of journals spanning multiple disciplines (Management and Hospitality, Business Reviews, Organizational Behaviour, Human Resources, Psychology and Industrial Psychology). The literature provided theoretical background, identified concepts and approaches on which to base the research and

expand understanding. Secondary data were used to refine the research design, provide background and formulate the investigative questions.

3.7   Construction of the Instrument

3.7.1   Questionnaires

Although several different methods are commonly used for the systematic and orderly approach of data collection in business and management research, this study implemented the survey method. The technique of data collection consisted of the distribution of self-administered structured questionnaires.

3.7.2   Decision to use self-administered questionnaires

According to Saunders, Lewis and Thornhill (2003) the decision to use questionnaires should be influenced by a variety of factors, of which the following have been highlighted as they influenced the decision taken to use questionnaires as opposed to other data collection techniques.

- the types of question one needs to ask to collect data
- importance of reaching a particular person as a respondent
- importance of respondents' answers not being contaminated or distorted
- the resources available in particular time to complete the data collection, financial implications of data collection and entry

Sekaran (2006), states that the use of personally administered questionnaires is a good way to collect data if the survey is confined to a local area and the organization is willing and able to assemble employees, conditions which were both met in the present study.

A combination of the above factors, along with the advantages of self-administered questionnaires, resulted in its selection for data collection in this study.

3.7.3   Advantages of using self- administered questionnaires

Self-administered questionnaires are less expensive compared to other approaches. It has little turnaround time in obtaining the raw data as opposed to questionnaires delivered via post or e-mail. A 100% response rate was ensured and it was quicker to administer than interviews. In addition it afforded respondents more control and avoided interviewer evaluation apprehension that could have arisen from an interview approach. Self-administered questionnaires, personally delivered, are also an attractive option as the researcher can establish rapport and motivate respondents (Sekaran, 2006). It also gives respondents an opportunity to clarify any doubts that may arise.

3.7.4   Disadvantages of self-administered questionnaires

Self-administered questionnaires are very time-consuming in the workplace. Organizations may be reluctant to give up company time for the survey with groups of employees assembled for the purpose. In this study, this was not the case as all business owners and managers were co-operative. A mutually convenient time was also selected.

3.8   Questionnaire design

3.8.1   Measurement

According to Guinn (1986) there are two basic techniques for multi-source assessment: a multi-point Likert type scale or a paired comparison approach. The 5 point Likert scale was preferred and chosen for this study based on the following reasons:

- most studies of a similar nature incorporated this approach rather than the paired comparison.

- The paired comparison approach is better suited if the number of stimuli presented is small and respondents are generally asked to choose between two objects at a time (Sekaran, 2006), which was not the case in this study.

- According to Hysamen (1996), a five-point Likert scale is widely used for measuring opinions, beliefs and attitudes, which is directly applicable to this study.

- The 5-point Likert scale is easier to compile than any other attitude scale and it provides a variation of scores, which tends to be more reliable (Hysamen, 1996).

The majority of questions in the managers' questionnaire therefore implemented a 5-point Likert scale.

3.8.2   Questionnaires for Managers

The survey questions in the questionnaire designed for managers attempted to elicit managers' self-awareness regarding several competencies and their attitude towards intervention. Questions regarding gender were also included as the study aimed to investigate if gender played in a role in perceptions from both manager and employee

perspectives. The total sample of managers composed of 17 males and 8 females, all of who were chosen from approximately the same organizational level in order to control for sources of unreliability, which occurs when raters are from varying organizational levels. Both male and female managers were selected in order to investigate if gender affects perceptions regarding managerial competencies.

This study acknowledges that the working hours of restaurants extend beyond conventional business hours and managers and employees generally work shifts. Although there are generally more than one manager per restaurant, based on time constraints and limited resources only one manager per restaurant was selected for this study. Meetings with managers were arranged based on a time that was suitable for them, so as to minimize disruption of their busy schedules.

3.8.3   Questionnaires for Employees

Questions designed for employees examined their views regarding the same competencies outlined in their managers' questionnaires.

Most of the literature on the multi-rater feedback indicates that participants are generally chosen from a list of employees generated by the managers for selection based on frequency and significance of contact. A number of organizations allow managers to select their own raters from amongst peers and employees (Redman & Snape, 1992). The logic underpinning this is that it may enhance the credibility of the raters. According to Stinson and Stokes (1980) the raters' competence in making an assessment and their

motives in doing so should not be in question and therefore giving the appraisees (managers in this case) the task of selecting the rater is an important ingredient. This combined with the fact that the researcher was limited in accessing employees and was dependent on managers' resulted in managers selecting 3 employees. In addition, during sampling employees were chosen based on the following practical reasons/circumstances:

- availability of employees (those working their shift at the time).

- employee workload (participants included waiters/waitress who were not serving clients at the time the questionnaire was administered).

- employees who were willing to participate and consented.

3.9   <u>Anonymity of employees</u>

Three employees per manager per restaurant were selected. This study chose to keep the responses of employees anonymous for the following reasons:

- Virtually all the literature and case studies on upward appraisal emphasize the need for anonymity in order to overcome employees feeling threatened or fearing punishment for expressing honest but unfavourable ratings (Redman & Snape, 1992).

- Research evidence suggests that the use of non-anonymous upward feedback considerably impacts on the strength of open and possibly negative employee feedback (Mathews & Redman, 1997). In order to avoid such a situation this study has chosen the anonymous route.

Anonymity does have some effect on ratings and has implications regarding the sample size in this study. According to Bernardin (1986) a minimum of five subordinates are required in order to foster confidence in the anonymity of the system. Bernardin and Beatty (1987) also suggest a minimum of five raters and note that in practice companies often set the number of minimum employees at a much higher level. Due to the fact that the purpose of the appraisal is for developmental purposes and not for promotional purposes, in addition to financial and time constraints, only three employees per manager were selected. More than three employees would not have been practical in a business setting as it would have interfered with operational functioning of the restaurant and it is was anticipated that requesting more than 3 employees per restaurant would have resulted in a lower participation rate.

3.10. <u>Administration of the Questionnaire</u>

Questionnaires were self-administered by the researcher to the respondents preceding and proceeding lunch shifts and preceding dinner shifts. Questionnaires avoided dinner sessions as dinner sessions continued to 10pm, after which it was anticipated that participants would not be very responsive. Questionnaires were first administered to managers and thereafter employees were interviewed one at a time. Employees were instructed to complete the questionnaire describing their managers from their own points of view in terms of competencies and attitudes towards improvement/personal development. Although this approach was time-consuming as opposed to employees completing the questions simultaneously, it was employed because managers could not allocate 3 staff members at any one given time as this would interfere with business

performance and impact on client service. The benefit of working with employees on an individual basis is that it created an opportunity for employees to clarify any issues/questions that they might have.

3.11 <u>Analysis of Data</u>

3.11.1 Quantitative data analysis

The Likert scale used in the questionnaire produced ordinal data. The data was firstly edited to check for errors, omissions, uniformity of entry and completeness. Thereafter the data were arranged to simplify coding and tabulation.

Numerical coding of 1 to 5 was assigned to the Likert scale. Descriptive statistics were used to analyse ordinal data with the assistance of a statistical software package for social sciences computer programme version 15. Data from both manager and employee questionnaires were programmed into SPSS and coded accordingly.

Cross tabulation tables were constructed using the data from manager and employee questionnaires. Cross tabulation was chosen because it is one of the simplest and most frequently used ways of demonstrating the presence or absence of a relationship (Bryman & Cramer, 2005). The presence of a relationship between two variables (in this case managers' and employees' perceptions regarding any of the competencies) could have arisen by chance or have been a product of sampling error. It was therefore necessary to determine the probability of a relationship between the two variables and the Chi-square test was used to do this. The Chi-square test was chosen because it is widely used in

conjunction with contingency tables for this purpose (Bryman & Cramer, 2005). The Chi-square test is a test of statistical significance and allows the researcher to ascertain the probability that the observed relationship between two variables may have arisen out of chance (Bryman & Cramer, 2005).

Responses on managerial competencies requiring improvement were ranked from a manager perspective and from an employee perspective and ranks were compared. Thereafter the Kendall's tau test, was used to investigate concordance (agreement) among the ranks of managers and employees.

In order to identify negative responses on managerial competencies (undecided or unfavourable or very unfavourable) from managers and employees, the Wilcoxon signed rank test was used. This test was chosen because it compares pairs of scores in matched samples. The Wilcoxon signed rank test was used to compare the relative positions of paired participants (managers views and employees views) in order to identify if the pattern could have occurred by chance. The Wilcoxon test was suitable for this study because the data met the requirements for this test. Data were ordinal (based on results obtained from a rating scale reflecting respondents' opinions and the test is used for comparative purposes between two groups (managers and employees).

3.11.2 Qualitative Data Analysis

Data obtained from unstructured open-ended questions from both manager and employee questionnaires were recorded and analysed according to common themes.

3.12 Limitations

Allowing managers to choose employees rather than the researcher randomly selecting them from a composite staff list might result in favourably biased appraisals and this is acknowledged. Convenience sampling gives no assurance that the results obtained can be related, in terms of probability levels to the population from which they were drawn. The use of this sampling technique should be borne in mind when considering the results of this study. The confidence that can be claimed for the generalisability of the conclusions is limited but according to Davies (2007) it is still reasonable to expect that variables may be tested for their relationship with other variables, which is carried out in this study. This study acknowledges the limitation of convenience sampling, however, taking into consideration cost and time constraints this technique is still considered valuable but the results obtained should be considered in this context. This research nevertheless gave the researcher exposure and experience of the full quantitative research process and delivered findings that, if supported by studies carried out in different locations, could be found to reflect the views or experiences of a wider population. This study provides valuable insight into managers' and employees' perspectives on managerial competencies and attitudes towards intervention, which can be explored in greater detail in further studies.

3.13 Findings

The objective of the questionnaires served a three fold purpose: firstly to compare manager and employee perspective on managerial competencies, secondly to investigate if gender has an influence on perceptions and thirdly to probe managers' attitudes to intervention.

3.14   Conclusion

This chapter presents insight into the research methodology utilised for this study and the supporting theory, which informed decisions on the research methodology selected. The survey, although conducted through convenience sampling provides valuable insight into managerial competencies in the restaurant business, which is supported by Van der Merwe and Verwey (2007) who believe that convenience sampling can be a good source of data in exploratory research. Results obtained from various analyses are presented in the next chapter.

CHAPTER 4: DATA ANALYSIS

4.1   Introduction

The previous chapter provides the relevance of the research methodology selected for this study. This chapter presents and discusses the findings of the data obtained from the completed questionnaires of both managers and employees. Data retrieved from personally administered questionnaire are analysed using various statistical tests in order to firstly examine if managers' and employees' perceptions differed regarding various managerial competencies and secondly to investigate the role, if any, that gender plays in manager and employee perceptions on competencies.

4.2   Business profile
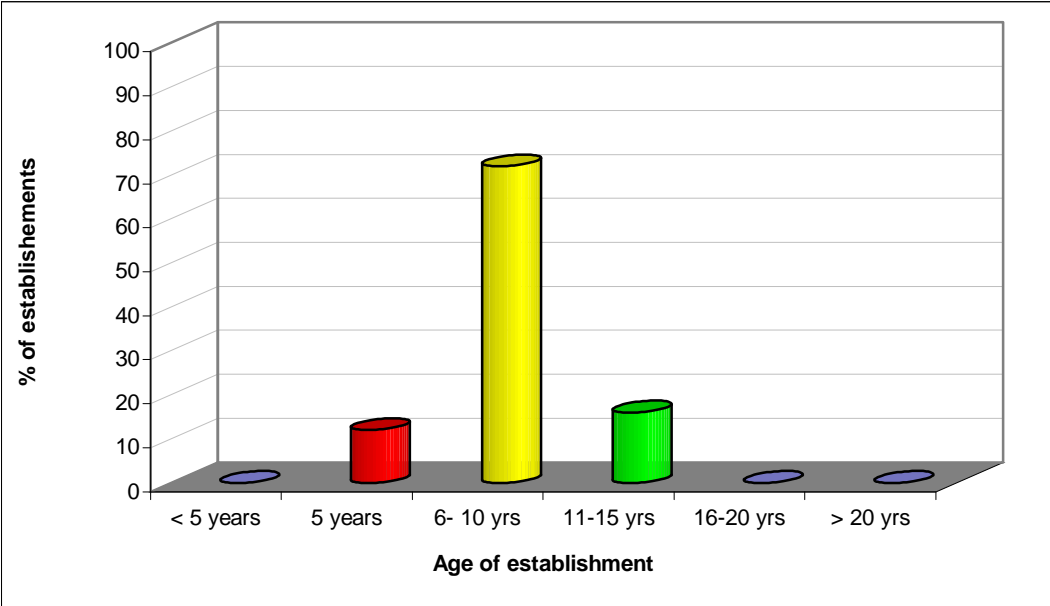
Figure. 4.1: Number of years the business has been in operation

The sample involved 25 restaurants located in the Greater Durban area, KwaZulu-Natal. All restaurants selected were in operation for five years and more, as this was perceived to be an indicator of success. As shown in Figure 4.1, the largest amount (72%) of restaurants in the survey was in operation for between 6-10 years.
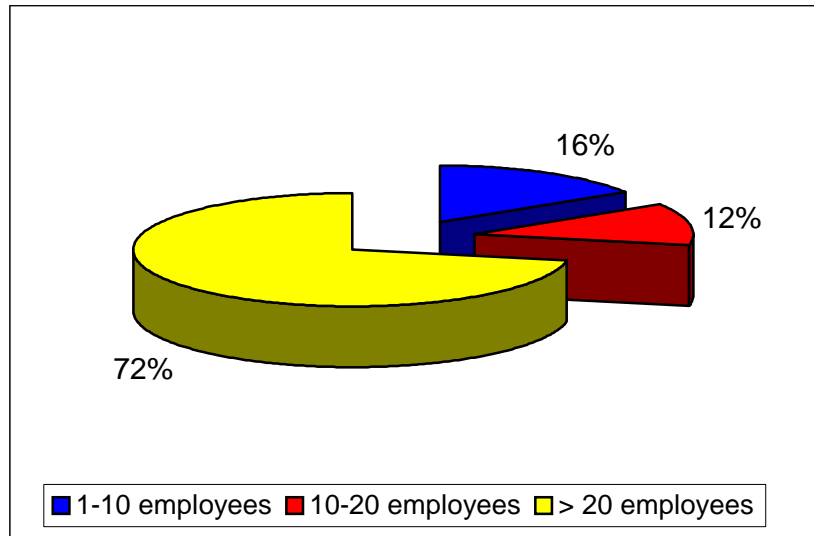

Figure. 4.2: Number of employees in the restaurant sample

Figure 4.2, shows the number of employees in the sample of restaurants. Most managers, 72%, in the sample were responsible for more than 20 staff (including waitrons, kitchen and administrative staff). The majority of restaurants in the sample had more-than 20 employees.

4.3   Profile of respondents

Table 4.1: Profile of sample (in percentages)

Respondents	Managers (n=25)	Employees (n=75)
Gender		
Male	68	47
Female	32	53
Age		
17-20	0	15
21-30	60	73
31-40	16	11
41-50	24	1
Experience in the restaurant business		
< 1 year	4	
1-5 years	32	
6-10 years	40	
11-15 years	8	
More than 15 years	16	
Employment with current employer		
< 1 year	4	17
1-5 years	60	69
6-10 years	28	12
11-15 years	8	2

Table 4.1 provides details of gender, age, experience within the industry and current employment data of respondents. This data is discussed in the following sections.

4.3.1   Manager Profile

Gender proportions of male and female managers in the sample indicated approximately two thirds were male managers (n=17) compared to one-third female managers (n=8) as reflected in Table 4.1. The majority of managers were younger than 31 years indicating the managerial sample comprises of young people. This perhaps is indicative of the industry, with a high turnover of employees, with younger managers requiring managerial training.

Most managers had between 6-10 years of experience in the restaurant business (40%), followed by 5 years and less (32%). This experience relates to the restaurant business and not necessarily a managerial position, indicating that despite a relatively long length of service in the restaurant business, managers can still benefit from managerial training and development.

4.3.2   Employee Profile

Male and female employees in the sample were almost equal. Of a total of 75 employees sampled there were 35 males and 40 females. The ratio male: female employees varied from 2:1 to 1:2 in restaurants and this was largely due to the availability of staff at the tine of administering the questionnaires. The majority of employees in the sample were younger than 31 years of age, a pattern similar to that observed for managers.

4.3.3 Managers and Employees

Table 4.1 indicates that the majority of managers (60%) and employees (69%) have been employed in their present companies for a length of service ranging between 1 and 5 years. This is a relatively sufficient period for employees to have interacted with their managers and rate their managers on the various managerial competencies. According to Sanyal and Guvenli (2004), those who have been working in an organization long are likely to be better able to determine how the organization has functioned and the role managers have played over a period of time.

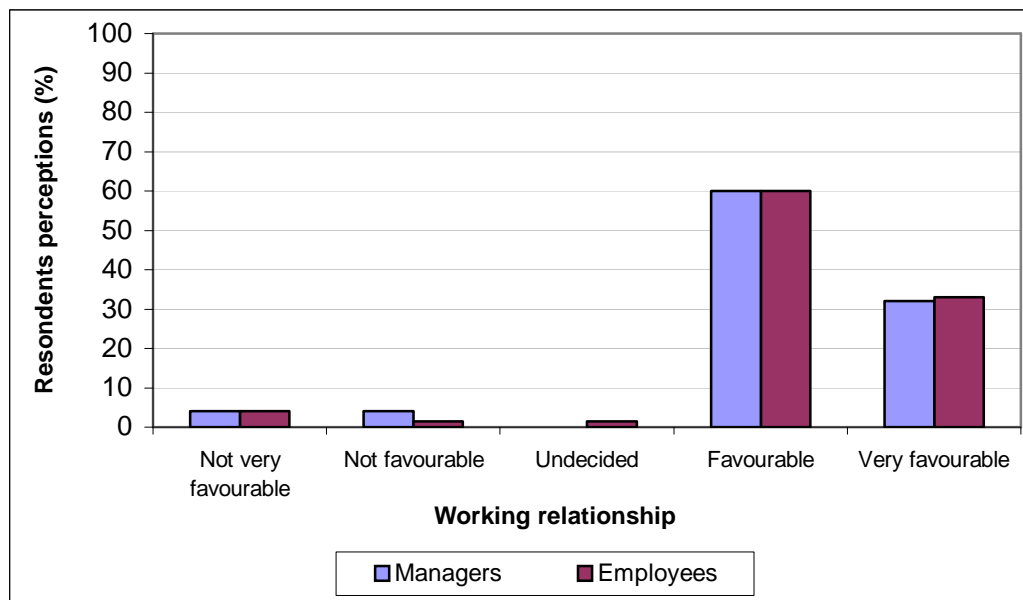**Working relationship between manager and employees**

Figure. 4.3: Description of the working relationship between managers and employees

Statistical analyses (Chi-squared) were performed on the working relationship between managers and employees, depicted in Figure 4.3. Analysis was based on combining unfavourable (not very favourable and not favourable cells) and undecided responses

because of the extremely low response in these categories. There was no difference in opinion between managers and employees perceptions regarding their working relationship (Chi-square = 0.015 with a p-value of 0.902). Both managers and employees agreed to very favourable and favourable descriptions of their working relationship.
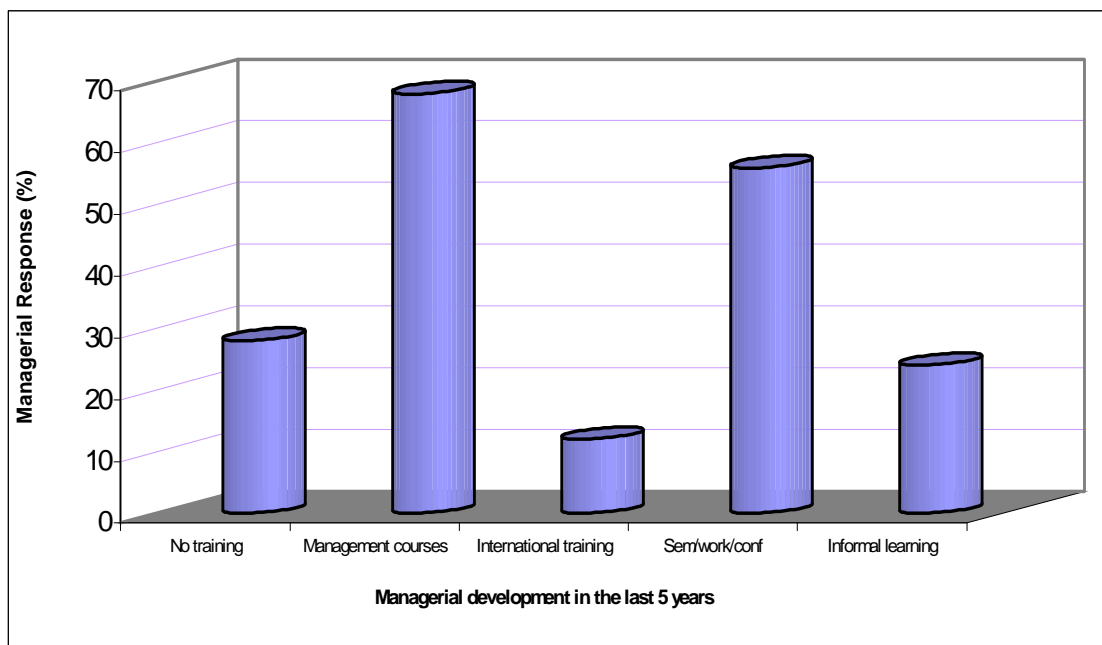
4.4   <u>Managerial development</u>

Figure. 4.4: Developmental programmes/Training attended by managers in the last five years

Managers were allowed to select more than one option therefore the total percentage does not equal 100%. Figure 4.4 depicts managerial development amongst the respondents of the study. The majority of managers have attended managerial training programmes (68%) and seminars/conferences/workshops (56%) within the past 5 years. The lowest response was obtained for international training and perhaps may be linked to financial restraints.

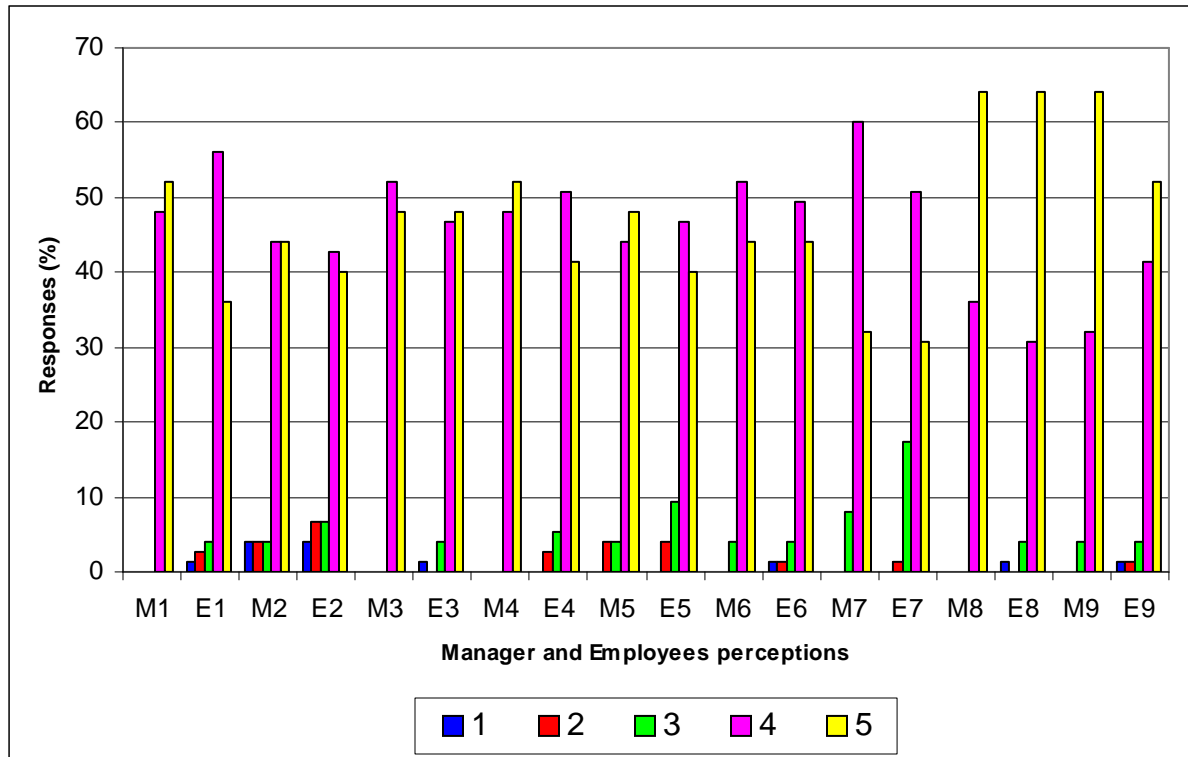## 4.5   <u>Managers and employees perceptions on managerial competencies</u>

Figure. 4.5: Managers and employees perspectives on managerial competencies

Key:

1 = Not very favourable

2 = Not favourable

3 = Undecided

4 = Favourable

5 = Very favourable

M1-M9 = Managers views on managerial competencies 1 to 9

E1-E9 = Employees views on managerial competencies 1 to 9 (as outlined in Table 4.2)

Figure 4.5 depicts managers and employees perspectives on managerial competencies one to nine as detailed in Table 4.2. Results obtained were very similar with both groups choosing the favourable and very favourable categories. Both groups are in agreement,

with feedback indicating largely positive results. This could be linked to the very positive

working relationship described by both managers and employees (depicted in Figure 4.3)

or perhaps this could be influenced by positive biases, with employees presenting their

managers in an extremely positive light. Statistical tests were run on data from Figure 4.5

in order to test if both groups perspectives were closely aligned or not. These results are

included in Table 4.2.

Table 4.2: Statistical comparison of managers and employees perspectives on managerial
competencies, using Chi-square.

Competency	Managerial Competencies	Results	
		Chi-square	P value
1	Communication skills	2.000	0.157
2	Expressing opinions freely	0.124	0.725
3	Manage effectively	0.003	0.925
4	Self-confidence in achieving objectives	0.866	0.352
5	Maintaining efficiency under stress	2.000	0.157
6	Efficient problem solving	0.000	1.000
7	Adapting to new situations	0.016	0.901
8	Knowledge of the restaurant business	0.000	1.000
9	Attention to service quality	1.091	0.296

Chi-square values were calculated based on combining undecided, not favourable and not

very favourable cells, due to the extremely low number of responses within these

categories. Chi-square analyses reveal there is no difference in opinion between manager

and employees regarding any of the managerial competencies mentioned in Table 4.2.

Both managers and employees rated communication skills positively (favourable and very favourable categories). A very small number of employees rated communication skills negatively or were undecided.

The great majority of responses from both managers and employees regarding managers' abilities to express opinions/feelings freely were also very positive and clustered around the favourable and very favourable categories.

A similar pattern/trend was noted for all the following managerial competencies. Managers' and employees perspectives did not differ on managers' abilities to work well with people and manage effectively; managers self confidence in achieving objectives; ability to maintain efficiency under stress; efficiency in identification and solving of problems, ability to adapt to new situations, knowledge of restaurant environment or on attention to service quality.

Table 4.3: Negative responses obtained for managerial competencies (undecided or

unfavourable

Competencies	Employee (%)	Manager (%)
Communication skills	8.0	0.0
Opinions	17.3	12.0
Manage effectively	5.3	0.0
Self-confidence - objectives	8.0	0.0
Efficient under stress	13.3	8.0
Efficient problem solving	6.7	4.0
Adapt	18.7	8.0
Knowledge	34.7	36.0
Service quality	6.7	4.0

Table 4.3 presents the results from performing a Wilcoxon signed rank test for the difference between the percentages undecided or worse for employees and managers. This shows, the mean rank for positive ranks is 6.5 (z-value = -2.509) with a p-value of 0.012. This indicates that the percentage undecided or unfavourable is greater for the employee group than for the manager group when all issues are taken into account. Both groups agree that managers perform worst on the issue of knowledge. Employees rate managers poorly on ability to adapt to change. Both managers and employees also rate managers' abilities to express their opinions openly and freely negatively.

4.6 <u>Areas requiring improvement</u>
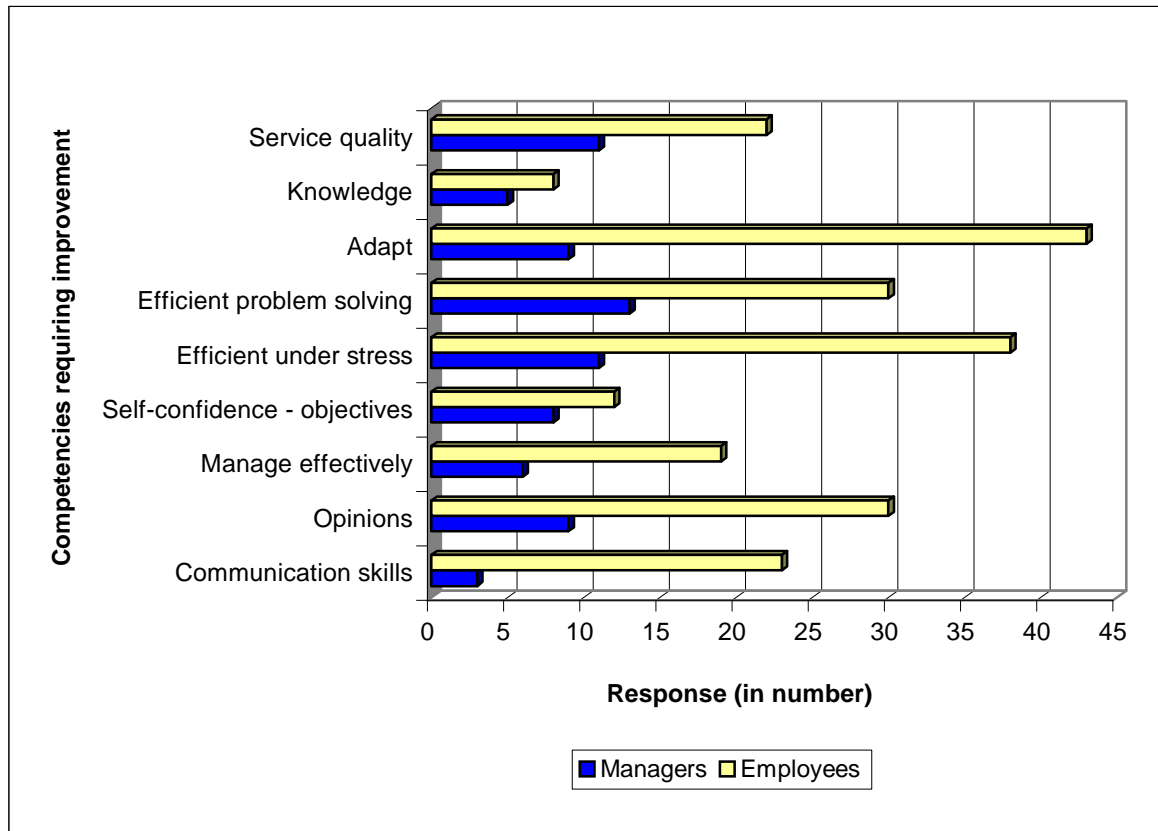
4.6.1 Quantitative Responses

Figure. 4.6: Competencies identified for improvement (counts)

Figure 4.6 illustrates managers and employees perceptions on areas requiring improvement varied. The highest two selected by employees were managers abilities to adapt to new situations and efficiency under stress whereas managers chose efficient problem solving, service quality and self-confidence.

Table 4.4 presents the responses to ranking of areas requiring improvement and showing the convergence of these views between managers and employees.

Table 4.4: Competencies identified for improvement (ranks)

Competencies that can be improved	Managers' Responses Ranked	Employees' Responses Ranked
Communication skills	9.0	5.0
Opinions	4.5	3.5
Manage effectively	7.0	7.0
Self-confidence - objectives	6.0	8.0
Efficient under stress	2.5	2.0
Efficient problem solving	1.0	3.5
Adapt	4.5	1.0
Knowledge	8.0	9.0
Service quality	2.5	6.0

Rank 1 = can improve most, Rank 9 = can improve the least.

When testing for concordance (agreement) among the ranks of managers and employees, the Kendall's tau = 0.008 with a p-value of 0.886 i.e. no agreement in ranks (Table 4.4). The areas for improvement chosen by managers differ from those chosen by employees. Managers focus on efficient problem solving, efficiency under stress and service quality as areas they would like most to improve in, while employees focus on managers ability to adapt to new situations and efficiency under stress.

4.6.2 Qualitative Responses

Qualitative responses, obtained from the open-ended question on how managers can improve, are grouped according to themes observed for managers and those obtained for employees as shown in Figure 4.7.

Managers Views on Ways to improve

- More help from owners and senior management
- Consulting with other managers
- Attending workshops/courses
- Training
- Furthering their education
- Wanting to learn more

Employees Views on Ways to improve

- Learn from other managers
- Having a mentor to show him the ropes
- Training
- Attending workshops/courses
- Management training
- Understand people and feelings
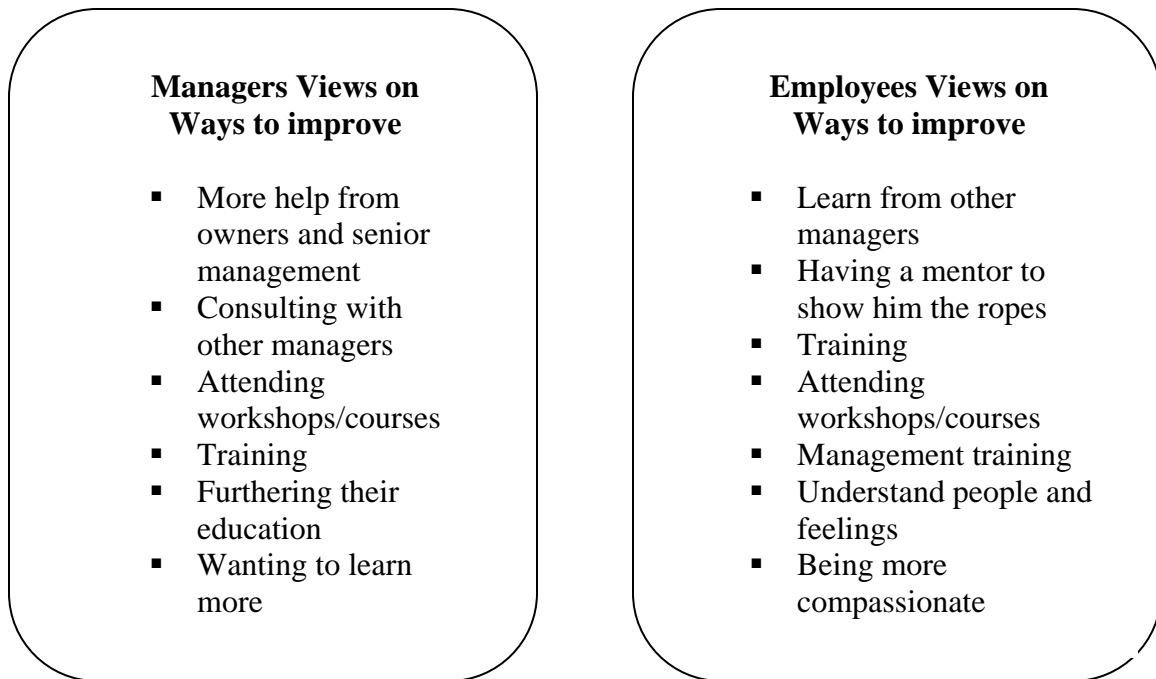- Being more compassionate

Figure 4.7: Themes identified from Qualitative Analysis

Themes were used to analyse responses on improvement. This is shown in Figure 4.7 with, managers focusing on improving through help from others as well as through furthering their education, training, attending courses and workshops. Employees felt that managers could improve by learning from others, having a mentor, attending workshops/courses or management training programmes and by displaying more understanding and compassionate.

4.7   Role of gender in attitudes

Tables 4.5a and 4.5b show competency based on gender attitudes

Table 4.5a: Effect of gender on managerial competencies

Competencies	Chi-square	p-value
Communication skills	7.749	0.021**
Expressing opinions freely	0.446	0.800
Manage effectively	4.514	0.211
Self-confidence in achieving objectives	2.720	0.257
Maintaining efficiency under stress	0.719	0.869
Efficient problem solving	3.016	0.555
Adapting to new situations	1.413	0.703
Knowledge of the restaurant business	4.034	0.258
Attention to service quality	2.092	0.719

** Significant at the 5% level of significance.

Of all the competencies tested and shown in Table 4.5a, statistically testing (Chi-squared)
revealed that gender only has an effect on communication skills and therefore this
competency was examined more closely and the results are shown in Table 4.5b.

Table 4.5b: Effect of gender on managerial communication skills

	Gender		Total
	Men	Women	
Strongly disagree, disagree and undecided combined	4	2	6
Agree	34	20	54
Strongly Agree	14	26	40
Total	52	48	100

Chi-square = 7.749 with p-value 0.021. On the issue of communication, women are more in agreement than men regarding their communication competencies. Women rate themselves higher than men do.

4.8 Importance of management areas

Table 4.6 presents the results from analysis of managerial competencies.

Table 4.6: Importance of management areas in the restaurant business

Competencies	Chi-square	p-value
People and working in teams	9.724	0.002***
Human resources	10.425	0.001***
Food and dining management	4.357	0.037**
Service quality management	8.333	0.004***
Marketing	17.172	0.000***
Financial management	15.956	0.000***

** Significant at the 5% level of significance.

*** Significant at the 1% level of significance.

With regard to all of the management areas in Table 4.6, managers are more in agreement than employees, and overestimate the importance of the management areas when compared with their employees. The data per managerial competency is shown in the following tables.

Table 4.7a: Managers and Employees views on people and working in teams

| | | People and working in teams | | | | | |
		1	2	3	4	5	Total
Manager	Count				6	19	25
	% within position held				24	76	100
Employees	Count				45	30	75
	% within position held				60	40	100

As shown in Table 4.7a, both managers and employees rate people and working in teams in the restaurant business as important and very important. The majority of managers rate people and working in teams as very important, whereas the majority of employees view it as important.

Table 4.7b: Managers and Employees perspectives on the issue of human resources

| | | Human Resources | | | | | |
		1	2	3	4	5	Total
Manager	Count			1	8	16	25
	% within position held			4	32	64	100
Employees	Count	1		19	34	21	75
	% within position held	1.333		25.3.	45.3.	28	100

As shown in Table 4.7b, managers view human resources as more important compared to employees. The majority of managers rated it as very important (64%) followed by important (32%) whereas employees' views were distributed across the options.

Table 4.7c: Managers and Employees views on Food and dining management

		Food and dining management					
		1	2	3	4	5	Total
Manager	Count				4	21	25
	% within position held				16	84	100
Employees	Count			2	27	46	75
	% within position held			2.6.	36	61.3.	100

As shown in Table 4.7c, managers' responses to the importance of food and dining management are restricted to two choices: as very important (84%) and important (21%). The majority of employees view food and dining management as very important and important (36%), with a small percentage remaining undecided (2.6%).

Table 4.7d: Managers and employees perspectives on service quality

		Service Quality					
		1	2	3	4	5	Total
Manager	Count				3	22	25
	% within position held				12	88	100
Employees	Count			1	32	42	75
	% within position held			1.3.	42.6.	56	100

As shown in Table 4.7d, managers rate service quality higher than employees do. Responses by managers are only in the very important and important categories, whereas

those for employees are distributed amongst the very important (56%), important (42.6%) and a small percentage in the undecided category (1.3%).

Table 4.7e: Managers and employees perspectives on marketing

		Marketing					
		1	2	3	4	5	Total
Marketing	Count			1	7	17	25
	% within position held			4	28	68	100
	Count	1	7	17	33	17	75
	% within position held	1.3.	9.3.	22.6.	44	22.6..	100

As shown in Table 4.7e, managers and employees express a wide range of opinions on the importance of marketing. The majority of managers responded positively (96% combined: very important and important categories) with only 4% undecided. Employees' responses, however, were distributed as important (44%) and equally shared between very important and undecided (22.6% each). A small percentage of employee responses were negative, viewing marketing as not very important (1.3%) or not important (9.3%).

Table 4.7 f Managers and employees perspectives on financial management

		Financial Management					
		1	2	3	4	5	Total
Manager	Count			1	7	17	25
	% within position held			4	28	68	100
Employees	Count	2	2	17	36	18	75
	% within position held	2.6.	2.66..	22.66.	48	24	100

As shown in Table 4.7f, managers rate financial management higher than employees. The majority of managers views are once again categorized by very important (68%), whereas the majority of employees views are in the important (48%) category. A significant proportion of employees (22.66%) are undecided regarding the importance of financial management in the restaurant business, followed by a small percentage with negative views (5.2%).

4.9 <u>Approach to improve managerial skills</u>

This section discusses approaches for improvement of managerial competencies
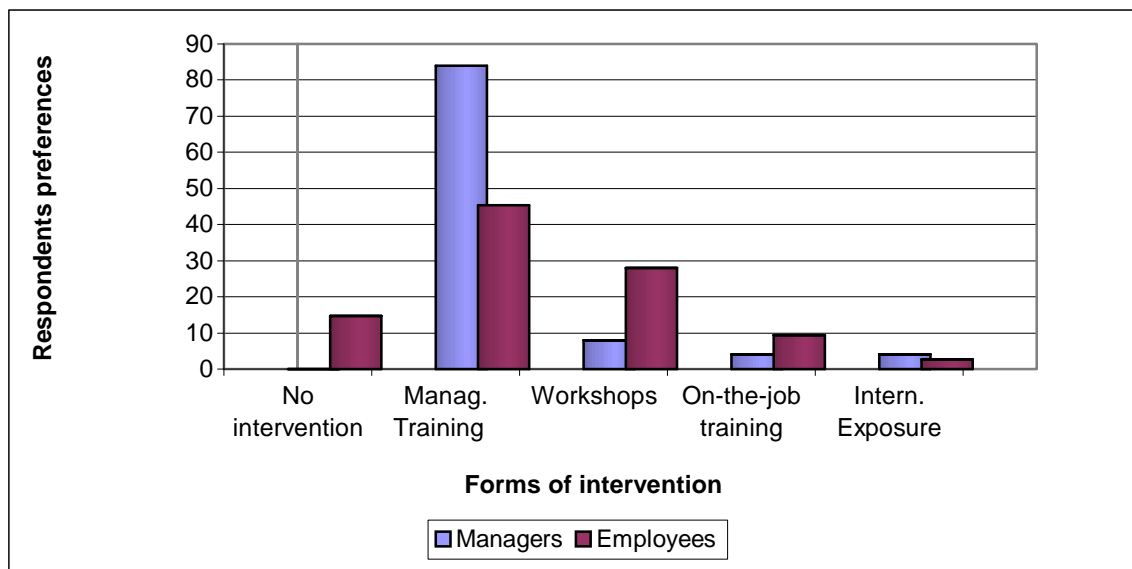
Figure. 4.8: Interventions for managerial development

Chi-square was performed on the various forms of intervention for improvement to managerial skills. Figure 4.8 indicates a difference in perceptions with values of 12.082 with p-value 0.012 . Managers and employees chose different approaches to improving

managerial competencies, with managers preferring management training programmes, whereas employees favour management training programmes and workshops.

4.10   Attitude towards training

This section discusses attitudes towards managerial training by both managers and employees and analyses gender differences in this regard.
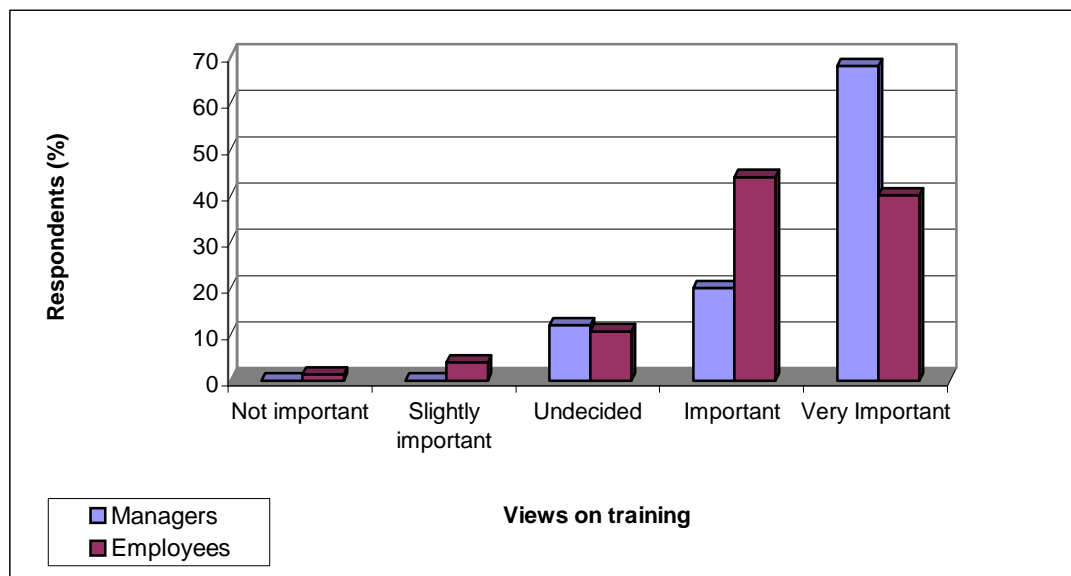

Figure. 4.9: Manager and employees perspectives on training

Chi-square analysis performed on data from Figure 4.9 reveals no significant difference in views between both groups (Chi square = 7.333 with p-value 0.119). Managers and employees view training as important. A positive attitude towards intervention and managerial training will allow managers to develop and grow.

Attempts to measure the business benefits from a training and development programme are difficult. While financial indicators (such as sales, growth or profits) are often difficult to link directly to specific training intervention and may be affected by external

factors, there is now considerable evidence that training and development does benefit business performance. Best *et al*. (2007) as examined in Chapter Two, discusses a wide range of tangible and intangible benefits result from attempts to improve the skills of unit management personnel.

Table 4.8: Gender and managers views on training

		Managers' views on training			Total
		Slightly Important	Important	Very Important	
Gender of manager	Male	1	5	11	17
	Female	0	2	6	8
Total		1	7	17	25

Chi-square = 0.593 with a p-value of 0.743.

Table 4.8 reveals that there is no difference with regard to the way male and female managers view training. Gender of managers does not affect views on training. The majority of managers view training very positively (as very important and important).

4.11   Managers' perspectives on the value of employee feedback

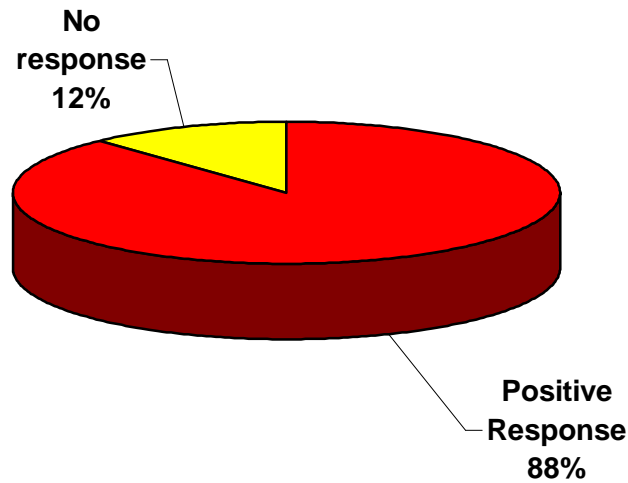This section discusses the attitude managers place on employee feedback.

Figure 4.10: Managers views regarding employee feedback

Figure 4.10 illustrates that the majority of managers in the sample view employee feedback positively (88%). A small percentage of managers did not respond to the question, and there were no negative responses. A positive response by managers to employees' views and acknowledgement of the benefits of feedback has positive implications for managerial development and growth. Managers are interested in improving and benefit from the input.

4.12 Discussion of results

4.12.1 Managers and employees perspectives on managerial competencies

Comparison of managers and employees perspectives on managerial competencies (Figure 4.5) and statistical tests (Table 4.2) reveal that there is no difference between managers' self-evaluations and employees' perceptions of their managers with regard to all the managerial competencies listed below:

- Working relationship between manager and employees

- Expressing opinions freely

- Working with people and managing teams effectively

- Self-confidence in achieving job objectives

- Maintaining efficiency under stress

- Identifying and solving problems

- Adapting to new situations

- Knowledge of the restaurant environment

- Attention to service quality

Both groups rated manager competencies positively, choosing favourable and very favourable categories. These results are comparable to the self-other rating model developed by Yammarino and Atwater (1997) as discussed in Chapter Two. The largely positive results in this study could possibly be attributed to the following factors: the belief that people are not very good at evaluating themselves as others see them and the general trend observed reflects that most biases reflect positive biases (Yammarino & Atwater, 1997) or that over rating by an individual is more common than under-ratings,

which suggest that people are generally more optimistic about their competencies (Jansen and Vloeberghs, 1999), as discussed in Chapter Two.

Bernardin and Beatty (1987) explain positive employee evaluations as a result of some employees over-rating their managers in order to present them in a more favourable light and this occurs even with anonymous rating systems, as mentioned in Chapter Two. Both managers and employees described their working relationship very positively in this study (Figure 4.3). McCauley and Moxley (1996) describe managerial work as very relationship intensive so perhaps this positive relationship might have influenced employees' views of managerial competencies.

While high self-ratings and high employee ratings are desirable, it is important to view these results with caution on the basis of the sampling method (convenience sampling) and the problematic nature of self-ratings. A long history of research dating from the 1920s documented the problematic nature of self-ratings (whether it was on behaviours, personality or skills). Problematic areas identified include: inflation, unreliability and bias.

4.12.2 <u>Gender and competency ratings of managers</u>

Findings in this study reveal that gender does not play a role in managerial self-evaluations or in employees' perspectives of managers and their competencies, except for communication skills (Tables 4.5a and b). The literature is inconsistent regarding the impact of gender on self and other ratings. While some studies (Alimo-Metcalfe, 1998;

Bartol & Butterfield, 1976; Brown, 1979; Heilman *et al.* 1988; London & Wohler, 1991; Millmore *et al.* 2007; Nivea & Gutek, 1980; Petty & Lee, 1975; Petty & Miles, 1976, and Wexley & Hunt, 1974) have found differential ratings of managers as a result of gender of manager and employee, others have not.

Findings in this study (Tables 4.5a and b) are similar to those of Bartol (1999); Griffeth & Bedeian (1989); Mobley (1982) and Skipper and Bell (2006) where little or no difference in the ratings of females and males were found. Dobbins and Platz (1986) and Eagly and Johnson (1990) point to the similarities that exist between men and women, which tends to outweigh the differences and this trend was evident in the results of this study. Sanyal and Guvenli (2004) offer the viewpoint that in recent years the workforce in many societies has changed, where participation of women in the labour market has increased as well as become permanent. More women are choosing managerial positions and over time this may have led to occupations becoming more gender neutral, thereby reducing a potential source of bias that may have previously existed (Millmore *et al.* 2007).

4.12.3 <u>Role of gender on managerial communication skills</u>

London and Wohlers' (1991) research indicated that the correlation between self-ratings and employee ratings was higher for females than male managers and suggested that this was because women are more likely to be concerned about interpersonal relationships. A similar view is shared by Gallos (1989) that women are more likely to be concerned about interpersonal relationships as they affect their jobs and careers more than men. For

women career development means understanding and strengthening the self in relation to others, (communication will play an important role in this regard) whereas for men development is striving towards independence and self-sufficiency (London & Wohlers, 1991). Perhaps this could shed light on this study and why ratings for women were higher than those for men when it came to communication skills (Tables 4.5 a and b).

4.12.4 <u>Importance placed on management areas</u>

The responses in this study show managers and employees have different perspectives on the importance of certain management areas in the restaurant business (Table 4.6 and Tables 4.7a-f). In each of the areas below managers placed more importance on these areas than employees.

- People and working in teams

- Human resources

- Food and dining management

- Service quality

- Marketing

- Financial Management

This is not unexpected as managers are involved with most, if not all of these areas on a daily basis and are aware of its importance whereas employees may not be as involved. Employee response may also have varied depending on the management area in question because the employee sample comprised of both waitrons and waitresses and kitchen

staff, who share different responsibilities, working experiences and participation in the above areas.

Overall managers may therefore place more importance on people and working in teams because one of the major responsibilities of a manager is working with people, guiding them towards a common goal of the business and overseeing that teams work effectively. Human resources also comprise a very important aspect of management services and in the hospitality industry plays a key role in the delivery of services. Therefore in a people oriented industry, it is vital that the people component is developed so that the industry can be successful in the long-term. Managers are more aware of this as they are tasked with the responsibility of operational functioning of the restaurant. The restaurant business is a service industry, where success is dependent on quality, in addition managers are involved with finance and marketing as managers oversee all aspects of the operational functioning of the business and therefore place more emphasis on these aspects in comparison with employees.

4.12.5 <u>Managerial areas requiring improvement</u>

The analysis shows employees believed that managers needed to improve in their abilities to adapt to new situations and their abilities to perform efficiency under stress whereas managers chose efficient problem solving, service quality and self-confidence (Figure 4.6). According to Armstrong (2005) there is a management culture that sees the focus of management action as being purely about analysis and factually rational decisions. Conventional executive education programmes focus on hard skills in areas of marketing

and finance with little attention to people management skills covering aspects of how to make things happen or manage change. This combined with the fact that most managers might not have been formally exposed to such courses could explain why most managers identified needing to improve in areas of "soft skills".

4.12.6 Approach to managerial development

This study indicates managers prefer management training programmes, whereas employees choose management training programmes and workshops as approaches to improve managerial competencies as reflected in Figure 4.8. The majority of managers have attended managerial training programmes (68%) and seminars/conferences/workshops (56%) within the past 5 years (Figure 4.4) and perhaps their preference for managerial training rather than workshops may be linked to their past experiences. Managers might have based their views on which approach was more beneficial in terms of learning and therefore indicated their support for this approach. Perhaps employees are more exposed to workshops and therefore favour this as they can relate to their own learning experiences through this medium. According to Longenecker and Fink's (2001) study on improving management performance in rapidly changing organizations, managers rated seminars and workshops extremely low. Although seminars and workshops can be excellent means of helping managers broaden their knowledge, expose them to current information in the field and to network with managers facing similar problems in their organizations, the value of these approaches are limited.

Longenecker and Fink (2001) criticize seminars and workshops as often focusing on past problems and not the future, providing information that is too general to apply to the managers' specific industry or not providing the tools to transfer information to new behaviours, strategies or actions which can be used to improve manager performance. Perhaps managers in this study rated workshops much lower based on some of the reasons mentioned above.

Qualitative responses from both managers and employees have themes of learning from others and mentoring (Figure 4.7). According to Longenecker and Finck (2001) being mentored by senior managers was ranked in the top ten approaches for improving managerial development. Reasons attributed to this and which are relevant and applicable to this study consist of the following:

- Provide focus on the important aspects of their jobs and those challenges faced by the organization
- Reinforces the importance of management development in general
- Demonstrates that there is a long-term commitment to their development and advancement within the organization.

In addition, perhaps many of the managers in this study selected mentoring and guidance because the managerial sample is extremely young (Table 4.1) and can learn significantly from older more experienced managers in their organizations.

4.12.7 <u>Manager's attitudes towards intervention</u>

Both managers and employees in this study viewed training as very important (Figure 4.9). While their approaches to develop managerial competencies varied, qualitative responses by both groups (Figure 4.7) indicate similar themes. Both managers and employees believed that learning from other managers and having a mentor or assistance from senior management would be beneficial. These responses focus on the underlying principles of collaborative learning model rather than the constructivist-learning model. The collaborative model proposes that learning is enhanced by the construction of knowledge through discussion and information sharing (Cho & Schmelzer, 2000). Through group experiences, learners communicate with each other and share knowledge that is based on different understandings and opinions. Another aspect of the collaborative theory is that learners' existing knowledge and previous experiences assists them in the discussion (Cho & Schmelzer, 2000). Both of these aspects can be incorporated into workshops and managerial training programmes if the instructor serves as a questioner and provider of feedback rather than the conventional role of dispenser of knowledge.

Studies on the effects of cooperative or collaborative learning have shown positive results in many areas, including motivation to learn, individual improvement, critical thinking, diversity of ideas and improved long-term retention (Flynn, 1992; Schlechter, 1990).

From the respondents in this study, managerial gender does not affect views on managerial training and development (Table 4.8), indicating that perhaps approaches to

development should focus on isolating individual managerial needs as outlined by Woods' (1992) and discussed in Chapter Two.

According to Longenecker and Finck (2001), one of the keys to successful management development is to assess each manager on his/her own particular strengths and weaknesses and to match the proper learning experience with each manager's development needs. For management development programmes to be fully effective, managers must be actively involved in their own deficiencies and needs.

4.12.8 <u>Managers' perspectives on employee feedback</u>

A key element in a performance appraisal system is that it is acceptable to the people involved. Research in the US found that managers in the public and private sector (Redman & Snape, 1992) were generally supportive of upward appraisals if used for the purpose of development and not evaluative purposes (linked to promotions or pay). This study indicates positive views towards employee feedback, perhaps because the purpose was for managerial development. It is important to note that receiving feedback per se does not necessarily lead to an improvement in managerial competencies. A number of other factors are important to maximize the unfreezing of the self-view and subsequent efforts to improve or change behaviours (McCauley & Moxley, 1996). Feedback from employees, for example, enhances self-awareness by encouraging better alignment of views with the views of others and by demonstrating that others can identify weaknesses. This can lead to an unfreezing process: rather than continuing to do the same thing, the

manager is motivated to reevaluate his/her behaviour and its impacts on others and try to improve (McCauley & Moxley, 1996).

4.13   Conclusion

This chapter provides a comprehensive analysis of the results of the two questionnaires utilized in this study. The results indicate positive feedback from both managers and employees, with agreement between both groups regarding all of the managerial competencies focused on. Findings also reveal that gender does not impact on manager and employee perspectives on managerial competencies in the restaurant business. The next chapter discusses limitations of the study and provides recommendations.

CHAPTER 5: LIMITATIONS & RECOMMENDATIONS

5.1 <u>Introduction</u>

In the previous chapter the results and findings from the survey were presented and discussed. In this final chapter, the focus is on summarising main findings, discussing limitations experienced in this study and exploring recommendations and avenues for future studies.

5.2 <u>Research objectives</u>

The research objectives outlined in Chapter One are explored in relation to the findings of this research.

5.2.1 "To compare managers self-evaluations with that of employees perceptions of managerial competencies within the restaurant business"

This objective was met with comparison of managers' self-evaluations and the use of upward appraisals. Results indicated an alignment and agreement between both groups regarding managerial competencies in the restaurant business. Differences between managers and employees perspectives were, however, observed for managerial areas requiring improvement and for the approach to use. Whilst positive results and aligned perspectives were found for managerial competencies, they must be viewed with caution and take into account positive biases.

5.2.2 "To investigate if gender plays a role in competency ratings"

This objective was met comparing both genders from the managers and employee samples and their responses to managerial competencies. Results indicated that gender does not impact on how managers and employees perceptions of managerial competencies are viewed, except for communication where gender does play a role. Analysis of the results showed that women rate themselves higher than men do on the issue of communication.

5.2.3 "To explore managers' attitudes towards training and development"

Managers displayed positive responses to training and development. Most managers chose management training programmes as a vehicle for professional development. This positive managerial response to training and development is encouraging and can lead to more in-depth exploration of managerial preferences with regard to training programmes.

5.2.4 " To explore if gender plays a role in managerial attitudes to training"

Findings indicate that gender does not influence managers' attitudes towards managerial training. This means that managerial training programmes do not have to be designed for a particular gender but rather focus on individual manager needs and weaknesses.

5.3　Limitations of study

The ratings of managerial jobs, in any type of appraisal system, is by its very nature a complex process, since outputs for many managerial jobs are difficult to measure and performance standards may be ambiguous (Redman & Snape, 1992). Upward appraisal systems therefore vary considerably in the criteria being appraised making comparison of data difficult. The study was not based on the 360 degree approach, which is characteristic of current evaluation systems commonly adopted and perhaps ratings obtained from a variety of sources might have yielded different results.

The use of convenience sampling (based on location) was also a limitation in this study. Although a convenience sample is a good source of preliminary data, it is not necessarily representative of the whole population.

According to Yammarino and Atwater (1997), researchers and human resource professionals who use upward and 360 degree feedback approaches must emphasize the importance of rater training and simply caution people about common rating errors (leniency bias and central tendency bias), this was not done in the present study. A relatively small sample of employee per manager was chosen based on resource constraints and for practical reasons but perhaps a larger employee sample might have presented a different picture of managerial competencies. Employees were selected based on availability and with the assistance of managers. The involvement of managers could have resulted in positive biases introduced into the data analysis and skewed the results.

5.4   <u>Recommendations</u>

The continuous state of change and uncertainty in all sectors of the business environment creates a situation that requires constant learning for managers (Cho & Schemizer, 2000). Various options can be explored with regard to delivering managerial training programmes in the 21st century. This study, however, recommends unconventional training and development programmes for the restaurant business rather than traditional methods of learning such as obtaining a qualification in higher educational by physically attending an institution or through distance learning.

Findings in this study indicate that managers and employees favour managerial training programmes and learning from others and therefore this study proposes that future training and development programmes should encompass collaborative learning and a combination of the following building blocks, which have been isolated from various studies discussed in Chapter Two: action learning, life-long learning, collaborative learning and learning in context.
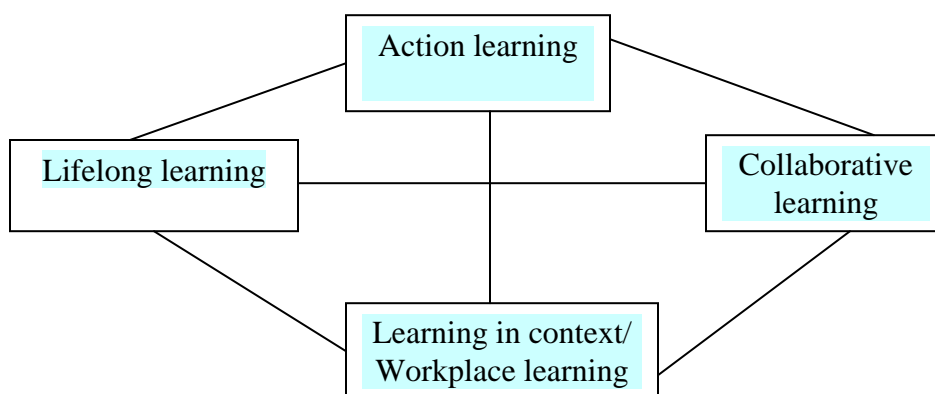

Figure 5.1: Proposed components for managerial development in the restaurant business.

These components have been selected and are believed to assist in training and development programmes designed for managers in the restaurant business because they are flexible, practical in nature, and closely aligned to managers work contexts.

The driving force in life-long learning is self-actualization of individuals, which occurs through the organizations where people work and live (Prestoungrange, 2002). Feedback is continually used as the basis to update and amend the way things are done. Upward appraisals can assist in improving self-awareness and identifying areas requiring improvement. The study recommends the following steps, modified from Woods (1992).
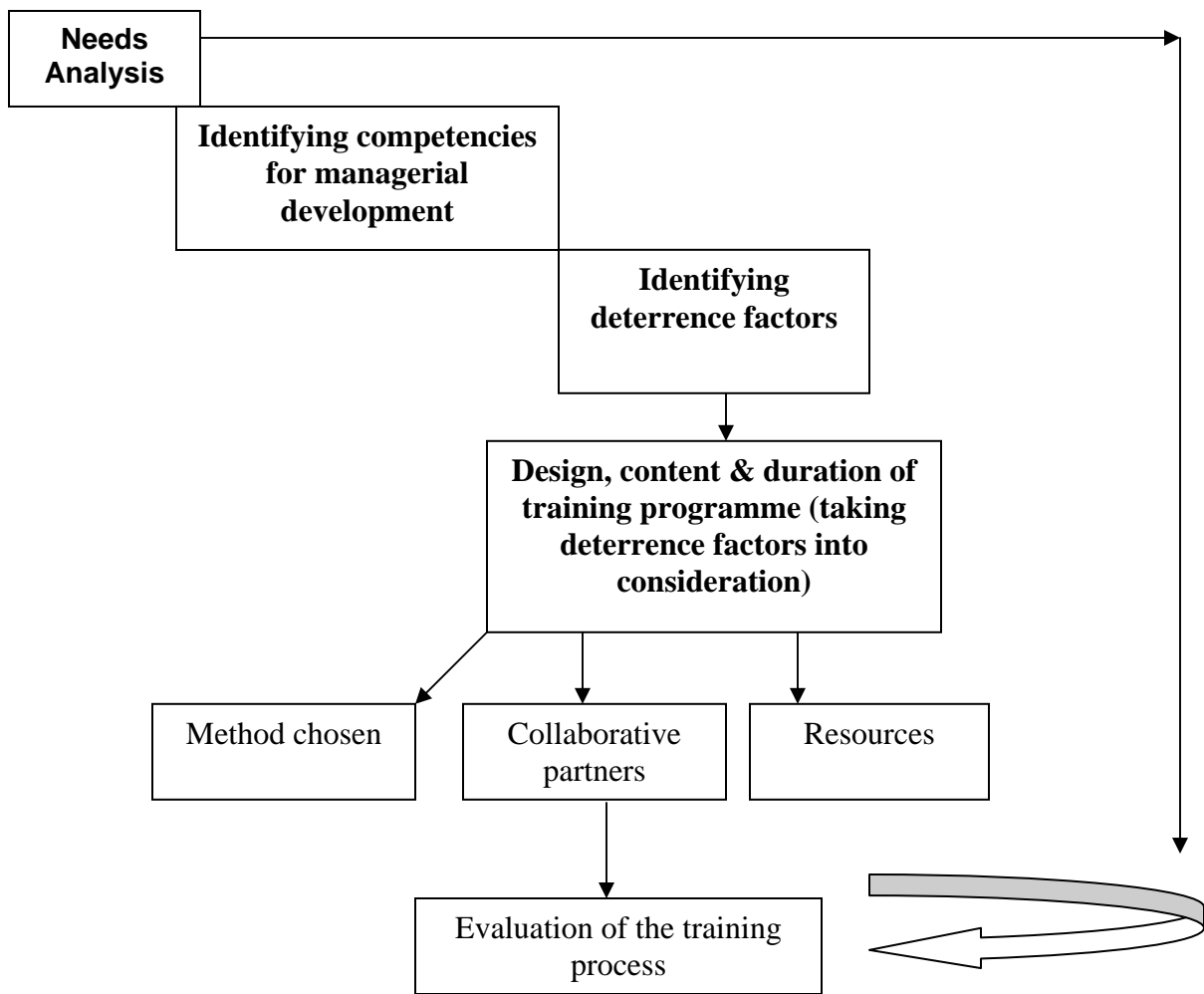
Figure 5.2: Proposed Training development model (modified from Woods, 1992)

Collaborative learning is strongly recommended and this can be achieved through various different approaches. Working in a network with the use of technology and infrastructure such as intranets is recommended, similar to the approach outlined by Teare and Rayner (2002), but does not have to be towards a formal qualification. Engaging in networks is one way of getting access to relevant information, knowledge and inspiration that can lead to organizational development (Bottrup 2005). Managerial development programmes can be designed with networking on various different levels, internal (in the form of mentorship programmes, manager discussion groups) as well as external to the organization (networking with academic institutes, other restaurants, like in the case of the JIT model, which allows managers to collaborate with others in the hospitality business community though the use of technology).

Due to continuous changes in the business environment, and the fact that managers have different development needs, the study proposes training programmes with a curriculum and courses of learning that focus on challenges facing the enterprise rather than inflexible and possibly outdated curricular. In order to design management development and training programmes tailored to the needs of the restaurant business, it is important to identify deterrence factors so that managerial training programmes can be designed to minimize these.

5.5   Future Studies

The link between competency mapping for a particular industry and an education system for that industry is relatively unexplored. There is also a need to relate competencies to critical factors for success for a particular industry (Jauhari, 2006). Managers must have orientation in different aspects of managing the business, while this study established the importance of managerial competencies: financial management, marketing, human resources, service quality, it did not investigate managers' competencies in this regard or their prior exposure, experience and training. Future studies should explore this in more depth especially since the failure rate of small, medium and micro enterprises (SMEs) is between 70% and 80% in South Africa and failure has been attributed to deficiencies in the internal environment. These revolve around a lack of expertise in management skills, financial knowledge, and deficiencies in functional areas such as marketing or human resource management (Brink *et al*. 2003).

 Future studies should investigate managerial competencies with regard to these areas because this cannot be left to "on-the-job" experience. Inputs, especially with regard to financial management and marketing, need to be given in a formal structured manner.

Future studies should use random or quota sampling and combine qualitative interviews with managers, peers and employees with quantitative approaches to triangulate the data. In this study, managers were not required to provide examples of past behaviours in support of their responses prior to making ratings. Perhaps future studies could explore

competency evidence as outlined by Jones and Fletcher (2004) in order to increase reliability of information.

Future studies can also investigate a higher number of potential key competencies, and using factor analysis condense the data to a smaller number of key items if the items correlate.

Analysis in this study does not focus on the ethnic and cultural backgrounds of managers and employees, which could affect perceptions of competencies. Other studies have taken cultural differences into account and shown that it does impact on manager evaluations. Individual's perceptions of minority group members may be affected by stereotyping, exaggeration of differences between members of majority and minority groups (Yammarino & Atwater, 1997). It is particularly relevant in a South African context to consider that self and employee appraisals can be affected by individual's backgrounds (race, religion, ethnic or cultural groups) and perhaps future studies can investigate cultural differences.

This study has identified that a need exists for managerial training and development in the restaurant industry and the two most preferred options amongst respondents of this study were workshops and managerial training programmes. Several options for managerial training programmes have been recommended and perhaps future studies can explore managerial preferences and feasibility of the various approaches. Deterrence

factors should also be investigated as these can provide more insight into the success of a particular approach.

5.6   <u>**Summary of recommendations**</u>

Organizations need to become learning organizations that are innovating on a continuous basis. Organizations that neglect the relationship between strategy and learning are more vulnerable and are depicted by short-term success, "fire fighting" or instability, clearly these are factors, which should be avoided in any industry (Teare & Rayner, 2002). This study therefore recommends action and collaborative learning for managerial development.

The hospitality business today is demanding very different managerial competencies than it did in the past. Identifying and improving these competencies is critical for the success of managers in the restaurant business, which are increasingly affected by trends in globalisation and competitive pressures. Manager development can be achieved through a process, which begins with self-awareness and is enhanced by multi-rater feedback, or upward appraisals. Upward appraisals and different perspectives (manager and employee) can provide insight into competency needs, and provide the foundation for developing managerial training and development programmes.

5.7   <u>Conclusion</u>

This study set out to explore multi-rater feedback to gain insight into managerial competencies for the purpose of contributing to managerial development. The objectives of the study are detailed in Chapter One and these have been met, as discussed in Chapter Five. The rationale for the research methodology selected is provided in Chapter Three. Survey instruments were submitted to 25 restaurant managers and three employees per manager. The results of the analysis of the data obtained from the questionnaires is discussed in Chapter Four. The results, together with the literature review, facilitated the development of the recommendations presented.

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Appendix 1: Manager/Employee Consent Form

Manager/Employee

UNIVERSITY OF KWAZULU-NATAL

GRADUATE SCHOOL OF BUSINESS

Dear respondent

MBA Research Project

Researcher: Vanessa Singh   (031 2601356)

Supervisor: Ms. Gill Manion (031 2603380/3167)

My name is Vanessa Singh and I am an MBA student at the Graduate School of Business of the University of KwaZulu-Natal. You are invited to participate in a research project entitled: Managerial Competencies in the restaurant industry: managers and subordinates perceptions. The aim of this study is to determine what managers perceive to be the most important managerial competencies in the restaurant industry and compare these with subordinates' perceptions. Comparison of these two perspectives will give insight into any gaps that may exist and the study aims to explore interventions such as training and developmental programmes.

Through your participation I hope to gain insight into managerial competencies in the restaurant industry. The results of the survey are intended to contribute to managerial development using managers' self-appraisals and subordinate feedback.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. Confidentiality and anonymity of records identifying you as a participant will be maintained by the Graduate School of Business, UKZN.

If you have any questions or concerns about completing the questionnaire or about participating in this study, you may contact me or my supervisor at the numbers listed above. The survey should take you approximately ten minutes to complete. I hope you will take the time to complete this survey.

Sincerely

Ms Vanessa Singh

Investigator's signature_____   Date_____

CONSENT

I _____ the undersigned have read and understand the above information. I hereby consent to participate in the study outlined in this document. I understand that participation is voluntary and that I may withdraw at any stage of the process.

Participant's signature_____   Date: _____

Appendix 2: Manager Questionnaire

UNIVERSITY OF KWAZULU-NATAL

GRADUATE SCHOOL OF BUSINESS

MBA Research Project

Researcher: Vanessa Singh   (031 2601356)
Supervisor: Ms. Gill Manion (031 2603380/3167)

Survey on: Managerial Competencies in the restaurant industry: managers and subordinates perceptions

Questionnaire for Managers in the Restaurant Industry

The purpose of this survey is to solicit information regarding key competencies needed in the restaurant industry and to compare managers' self-perceptions with that of subordinates' perceptions about these competencies. The information and ratings you provide us will go a long way in helping us identify competencies specific to the restaurant business. The questionnaire should only take 10-15 minutes to complete. In this questionnaire, you are asked to indicate what is true for you, so there are no "right" or "wrong" answers to any questions. Please endeavour to respond to all questions. Thank you for participating!

Background Information
1. Your age is _____ years.

2. Please indicate your gender _____ male _____ female.

3. How many years of formal education do you have beyond secondary/high school?

_____   years.

4. What is your highest academic/professional qualification? _____

5. How long have you been employed in the restaurant business? _____ years

6. How many years have you worked in your present company? _____ years

7. Please indicate your main organizational function:

_____ Administration

_____ Customer service

_____ Manager

_____ Other (please specify):_____

Questionnaire for Managers

Please mark the appropriate box with an "X"

1.   How many years has the restaurant been in business? _____ years

2.   Have you attended/used any of the following in the last 5 years? (you can tick more than one answer)

   ☐   Training offered external to the company

   ☐   Training offered within the company

   ☐   Educational courses/programmes from tertiary institutions

   ☐   Workshops

   ☐   Seminars/conferences

3.   Have you attended any courses/ training relating to management in the last 2 years?_____

4.   How many subordinates do you have in your current position?
   ☐   1-10
   ☐   10-20
   ☐   More than 20

5.   How would you generally describe your working relationship with your subordinates?

Not Very favourable	Satisfactory	Favourable	Very Favourable

6.   Please rate your performance in the following areas:

6.1 You possesses the ability to express your opinions and feelings freely	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
6.2 You display self-confidence in your ability to achieve job objectives	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
6.3 You are able to maintain efficiency under stress, time pressure or conflict.	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
6.4 You have perseverance in solving problems	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
6.5 You are efficient in solving problems		Disagree	Undecided	Agree	

when detected	Strongly Disagree				Strongly Agree
6.6 You are able to work with people and manage teams	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
6.7 You communicate in an effective manner	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
6.8 You have knowledge of the restaurant environment	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
6.9 You pay attention to service quality management	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

7. From the above (6.1-6.9) which 3 areas would you personally like to improve in? (select the numbers only)

_____   _____ and _____

8. What approach do you think would be best to overcome these 3 areas (identified in question 7 above)?

_____

_____

_____

_____

9. The following are important for a restaurant manager

9.1 Personality	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
9.2 Skills	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
9.3 Knowledge about restaurants and management	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
9.4 Experience	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

10. What approach would you use to improve your skills?

Nothing	Training	Educational courses/programmes	Workshops

11.   What approach would you use to improve gaps in your knowledge of managing a restaurant?

_____

_____

_____

12.   How do you view training/educational programmes?

Very negatively	Negatively	Neutral	Positively	Very positively

THANK YOU FOR TAKING THE TIME TO COMPLETE THIS QUESTIONNAIRE

Appendix 3: Employee Questionnaire

UNIVERSITY OF KWAZULU-NATAL

GRADUATE SCHOOL OF BUSINESS

MBA Research Project

Researcher: Vanessa Singh   (031 2601356)
Supervisor: Ms. Gill Manion (031 2603380/3167)

Survey on: Managerial Competencies in the restaurant industry: managers and subordinates perceptions

Questionnaire for Employees in the Restaurant Industry

The purpose of this survey is to solicit information regarding key competencies needed in the restaurant industry and to compare managers' self-perceptions with that of subordinates' perceptions about these competencies. The information and ratings you provide us will go a long way in helping us identify competencies specific to the restaurant business. The questionnaire should only take 10-15 minutes to complete. In this questionnaire, you are asked to indicate what is true for you, so there are no "right" or "wrong" answers to any questions. Please endeavour to respond to all questions. Thank you for participating!

Background Information
1. Your age is _____ years.

2. Please indicate your gender _____ male _____ female.

3. How many years of formal education do you have beyond secondary/high school?

_____ years.

4. What is your highest academic/professional qualification? _____

5. How long have you been employed in the restaurant business? _____ years

6. How many years have you worked in your present company? _____ years

7. Please indicate your main organizational function:

_____ Administration

_____ Customer service

_____ Manager

_____ Other (please specify):_____

Questionnaire for Employees

Please mark the appropriate box with an "X"

1.   My manager is a   ☐ Female   ☐ Male

2.   How long have you worked for this manager? _____ years

3.   How would you generally describe your working relationship with your manager?

Not Very favourable	Satisfactory	Undecided	Favourable	Very Favourable

4.   Please rate your managers performance in the following areas:

4.1 He/She possesses the ability to express opinions and feelings freely	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
4.2 He/She displays self-confidence in their ability to achieve job objectives	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
4.3 He/She is able to maintain efficiency under stress, time pressure or conflict.	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
4.4 He/She has perseverance in solving problems	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
4.5 He/She is efficient in solving problems when detected	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
4.6 He/She is able to work with people and manage teams	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
4.7 He/She displays a positive attitude	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
4.8 He/She has knowledge of the restaurant environment	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
4.9 He/She pays attention to service quality management	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

5. From the above (4.1-4.9) which 3 areas would you personally like to improve in? (select the numbers only).

_____   _____   and   _____

6. What approach do you think would be best to overcome these 3 areas (identified in question 5 above)?

_____

_____

_____

_____

7.

7.1 Manager has a good understanding of Financial matters	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
7.2 Manager has skill at managing people/human resource management	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
7.3 Manager is skilled at marketing	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
7.4 Manager is skilled at conflict resolution	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

8. What approach would you recommend for your manager to improve his/her skills?

Nothing	On-the job training	Educational Courses offered by Business Schools	Workshops offered by consultants	International Exposure

9. What approach would you recommend for your manager to improve his/her gaps in knowledge of managing a restaurant?

_____

_____

_____

_____

10. In your opinion, how does your manager view training/educational programmes?

Very negatively	Negatively	Undecided	Positively	Very positively

THANK YOU FOR TAKING THE TIME TO COMPLETE THIS QUESTIONNAIRE

RESEARCH OFFICE (GOVAN MBEKI CENTRE)
WESTVILLE CAMPUS
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14 OCTOBER 2008

MS. V SINGH (941320164)
GRADUATE SCHOOL OF BUSINESS

Dear Ms. Singh

ETHICAL CLEARANCE APPROVAL NUMBER: HSS/0594/08M

I wish to confirm that ethical clearance has been approved for the following project:

"Managerial competencies in the restaurant business: Managers and employees perspectives"

PLEASE NOTE: Research data should be securely stored in the school/department for a period of 5 years

Yours faithfully

MS. PHUMELELE XIMBA

cc.   Supervisor (Ms. G Manion)
cc.   Mrs. C Haddon

Inding Campuses: 🔴 Edgewood 🟠 Howard College 🟡 Medical School 🟢 Pietermaritzburg 🔵 Westville