

## **Chapter 2**

### **LITERATURE REVIEW**

#### **2.1. Introduction**

In this study, a literature review is carried out on issues relating to concepts, definition and studies of managing styles, managerial performance and development, and psychometric assessment profile especially pertaining to Myers Briggs Type Indicators as instrument in this research study.

#### **2.1. Review of Relevant Literature**

##### **Psychometric Assessment Profiling and MBTI**

Williams (1999) provided a great deal of relevant, useful information about managing styles of managers, their strengths and areas for development as measured using psychometric assessment profile. That was how some of the most important behaviours combine and interact when managing, to produce different management action styles. The management action profile identifies four distinctive patterns or styles of managing. Those were as follows.

- A. Activator – Motivator
- B. Director – Controller
- C. Co-operator – Appeaser
- D. Evaluator – Reflector

He also deals in length on, “What is psychometric profiling and why it is used in this study?” The British Psychological Society defined that a psychometric test as, “an instrument designed to produce a quantitative assessment of some

psychological attribute or attributes” (cited in Cater and Russell, 2001, p. 2). Edenborough (1997) illustrated the significance of using psychometrics as a practical guide to testing and assessment.

Williams (1999) added that psychometric tests and profiles were but largely confined to managerial and professional staff profiling had been rapidly use in business and industry since the 1970's. Over 50 clients companies, test providers, universities, business schools and professional bodies were approached in a major investigation programme, in order to identify discernible trends in psychometric profiling within the U.K, Ireland, France, Germany, the Netherlands, USA, Canada, Australia and New Zealand.

With minor variations between countries, the summarized findings from the above international sample indicated among others that psychometric testing will continue to expand thus it represented big business, worldwide. Profiling, itself, is becoming a more integrated and systematic process that is individual profiles are becoming linked into team profiles, then linked to profiles of organization capability, integrity, 'style' and culture (Williams, 1999).

Typically, the instruments used for profiling purpose can be classified under one of these two categories. Firstly are the personality inventories, which include well-know instruments as the Myers Briggs Type. This study will use the second category of psychometric assessment and exploration, which are behavioral profiles. Those are primarily instruments aimed at identifying specific preferences, behaviours and competencies, usually associated with managerial, professional and leadership roles.

According to Williams (1999) there were claims that 18, 000 words in the English language relating to personality and behaviour and, paradoxically, this provides scope for both considerable accuracy and also distortion whenever we attempt to describe what people do and how we believe they are. Psychometric profiles are

means whereby we can determine something of the extent to which those needed skills; attributes and behaviours are likely to be present within individuals, especially when backed up by other diagnostic data.

In practical terms, well-constructed psychometric instruments provide relevant but useful information about people and their strength and areas for development. No manager is likely to keep to one managing styles but will demonstrate several styles. This profile by William (1999) is therefore designed to indicate which are the most frequently used styles and the strengths as well as areas for managerial development.

Briggs Myers (1993) uses MBTI to sort people and managers into four opposite bi-polar dichotomies or preference scales as follows.

**Exhibit 2.2.1: The Four MBTI Opposite Bi-Polar Dichotomies**

E = Extraversion	or	I = Introversion
S = Sensing	or	N = Intuition
T = Thinking	or	F = Feeling
J = Judging	or	P = Perceiving

The combination of the four preferences illustrated the fullest and the richest picture of psychological types of the Malaysian managers. (However, there are sixteen combinations of type as illustration in the type table in exhibit 3.7.2.)

The MBTI preferences indicate the differences in managers that results from the following interpretations:

- Where they prefer to focus their attention and get energy (E –I).
- The way they prefer to take information (S-I)
- The way they prefer to make decisions (T-F).
- How they orient themselves to the external world (J-P).

It must be noted here that MBTI is one of the most research and tested instrument with its history of over 50 years since its inception based on Carl G. Jung's theory in 1920s. It has reliability, validity data and normative data (*MBTI Manual*, 1998).

### **Management Theory and Practice: Management Styles and Managerial Performance and Development**

Theory and practice of management are mainly originated from Western societies and cultures. Those are from Taylor's system of scientific management, Foyol's administrative management, Follett on behavioural management, McGregors' Theory X/Theory Y, Herzberg's hygiene/motivation factors, McClelland's achievement need, Likerts' authoritative/participative groups, Blake's Managerial Grid, and Drucker's management by objectives (Wren, Daniel (1994) and Griffin, 1999). Pigors and Myers define management as the process of formulating and carrying out of objectives through use of human and material resources (Griffin, 1999).

Abdullah (1993) articulated that tomorrow's managers will need an array of skills not only to manage the technological complexity but, more importantly, the increasing more sophisticated needs of employees and the marketplace. This study revealed that Malaysian managers' management styles are very much influenced by that of the western paradigms such as Blake's Managerial Grid and Drucker's due to the absence of indigenous research and theories.

According to Abdullah (1993), most of the Malaysian managers' management styles then were merely caretakers by attaching themselves to the old styles of management alongside a traditional number-crunching administrative managers, thus losing out to new opportunities and challenges. He believed that useful management styles would help organizations to survive and do their job better including successful leader and manager would be the "manager of change" – one who could initiate changes for his benefit or one who could regards these changes as a necessary process for organizational renewal and long term survival.

Reddin (1992) emphasized on how to make one's management style more effective by improving managerial effectiveness through either changing situations or using the right style management style.

Yeoh (1998) who articulated on the use of the U.S western model was of the opinion that in order for Malaysian managers to achieve greater heights of success, his or her core managing style must include the power of alignment. This is but to ensure successfully implement a strategic vision and manage rapid change to refocus their businesses and strategic directions. It is a clear alignment between staff, customers, strategy and processes. The power of alignment gives managers at every level of the organization the ability to rapidly deploy a coherent business strategy, to be totally customer focused, to develop world-class people and to continuously improve business processes all at the same time.

There were write-up on interviews with our local chief executive officers and managers compiled in the book titled, *Malaysian Savvy – Top Profiles in Management* (2001). According to Tan from Pen Apparel Sdn. Bhd., "A good manager is one who isn't worried about his own career but rather the careers of those who work for him" (*Malaysian Savvy*, 2001). This is a humanistic approach in management that believes in the philosophy of helping other people to help his

or her career and ultimately the end result will be contributing to the success of the organization.

Vincent Loh from LKT Industrial Berhad stressed that management styles are that of prizing the employees. Ng Tieh Chuan's managing style is that, for the people, by the people. Ng Kim Weng advocated, "You take people as far as they will go, not as far as you would like them to go". Lim Kok Wing opined that, "To lead the people, walk behind them". These examples clearly states that Malaysian management is all about the art of getting the best productivity out of the people is the key to better performance (*Malaysian Savvy*, 2001).

On the other hand, Wan Azmi and Teh Hong Piow were for the entrepreneur-manager type. That is in the spirit of enterprise for successful management of any organization. Wan Azmi emphasized that in entrepreneurial functions for success is to back winners and abandon losers rather than managerial function is to seek solutions and minimizes risks and loses and maximizes rewards. His management philosophy is that, "There are no hopeless situations. There are only men who have grown hopeless about it". This clearly exhibits the value of an entrepreneur (*Malaysian Savvy*, 2001).

In term of management performance and success, Mahaleel shared his view that knowledge plus energy plus competency equal performance. In addition to this, managers should manage based upon fundamental principles, not on ad hoc basis to stay prudence even before and after crises (*Malaysian Savvy*, 2001).

As for Richard Hu, former CEO of Shell Malaysia, suggested that effective managers must have these five characteristics. Those were as follows.

- Helicopter quality A – the ability to see the broader picture, while not losing sight of the details.

- Helicopter quality B – the ability to place the problems and facts in their broader context and their relationships with systems.
- Power of analysis – the ability to transform complicated issues into simple and understandable issues.
- Sense of reality – being practical and fair.
- Inspiring and effective leadership – the ability to convince and influence people. (Cited in *Management In Malaysia*, 1999).

There was no doubt that poor managing style had brought massive loss to organizations. In 1989, of the 1,148 public enterprises in Malaysia, about half had not been making profit (Efficient Management (1989, June 1), *New Straits Times*). This was due to incapable managers without honesty and integrity. This is very true until today with many big companies facing financial distress after the Asian Financial Bankruptcy in 1997.

Another contemporary writer and researcher, Hadi stated that Malaysian managers practiced both the Western and the Asian styles of management due to the strong influence of the foreign multinationals like Mobil Oil and Citibank (cited in *Management In Malaysia*, 1999). Hadi focused more on the culture of management seeing Malaysia as a multi-racial country. His conclusion was that Malaysian management was Asian-biased, in which the art of getting the best productivity out of the people was the key to better performance.

He added that this managing style was also the gateway for Malaysia to achieve vision 2020. Managerial values were emphasized here based on the study carried out by Malaysian Institute Of Management (MIM). It was a three-year study on Managerial Values, Expectation and Practices, with its published report in 1991/1992. The results provided ten strongest values consisted goal clarification, cooperation, decisiveness, commitment, achievers, accountability,

mentoring, meritocracy, creativity and deadlines. The study concluded that Malaysians were team players, which placed important on co-operation and commitment (*Management In Malaysia*, 1999).

In another study spearheaded by Bettignies in 1987 from INSEAD (European Institute Of Business Administration) concluded that Malaysia like other ASEAN countries had lack of local entrepreneurs, project leaders and managerial skills. He pointed out that Malaysian managerial style was a tendency to look for “quick-fix” solutions (cited in *Management In Malaysia*, 1999).

Greaves, Sim and Manickavasagam in 1980 interviewed thirty managers from ten organizations on the skills needed to perform their job effectively in a study carried out some twenty-two years ago. Those skills in priority order were communications 67%, technical 50%, leadership 50%, peer relation 47%, decision-making 37%, resource allocation 10% and entrepreneurial 3% (cited in *Management In Malaysia*, 1999).

Malhi (2000) stressed on the enhancing managerial performance by empowering oneself to become a high performance manager with great emphasis on competencies of Malaysian high performance managers. This is with strong belief that all successful managers have one thing in common that is they take action to create the desired results.

Similarly, Gordon (2003) in his article has outlined fourteen must-have attributes of a good manager. Those are as follows.

1. Effective decision-making.
2. Strategic problem solving.
3. Maintain change processes effectively.
4. Efficient planning and administration of work procedures.
5. Managing productive meetings.



6. Professional staff training.
  7. Quality work performance.
  8. Inculcating creativity.
  9. Articulating corporate vision.
  10. Managing change processes effectively.
  11. Stress management through emotional intelligence.
  12. Formulate an effective appraisal system such as evaluation by peers, subordinates, superiors and customers respectively.
  13. Analyzing demographic characteristics of their management team.
  14. Recognizing key sources of sustainable competitive advantage
- (Gordon, 2003)

These attributes were but a behavioral approach in fundamentals of management where great significance was placed in corporate cultures. In sum, different cultures influence management thinking. Trevor had further stressed that one could not be a better boss or manager until one first learned how to be a better person, and great emphasis was placed on good managerial training was a key element in management. In this instance, management training is taken as a range of competencies, behaviors and activities.

Like most of the management gurus, he believed that the right personality was an important factor in management as it reflects one's management style. Hence, he had characterized seven managerial types. Those were as follows.

1. Commander that is authoritative, stern and forceful.
2. Avoider is one that sets low goals and prefer routine work.
3. Pleaser that is one's typical public-relations type who prefers to be identified as the popular type and applies "placebo psychology".

4. Bully is one that is argumentative and hot-tempered. His typical type is never supportive but de-motivating.

5. Performer is one who likes to hog the limelight and seek prestige and recognition.

6. Achiever is one that sets high objectives and is very dynamic but workaholics too.

7. Strategist is skillful, calculative and diplomatic. To a strategist, quality does not have to broadcast because it is recognized instantly.

Low (2001) explained the bridge of the past and the present management styles alongside to reconcile managerial concepts from the East and the West. The author compared between the ancient Asian management wisdom like Sun Tzu's art of war – for project management was written 2500 years ago and the modern-day management theories from the West like Blake and Mouton's managerial grid (1964). However, according to Low (2001), both sets of the paradigm could co-exist side by side.

Most of the managing styles in Low's illustrations are lessons from Chinese sages. For example, Lao Tzu's Tao Te Ching – for effective project leadership, which was basically gracious and non-competitive, includes meekness, purity of heart, selflessness, righteousness, faithfulness and one's unfailing love for others. These were but useful virtues and attitudes in managing people in general and personal conflicts/stress in particular.

Blake and Mouton (1986) were most known for their research into behavioural approaches to management using the managerial grid. The two main dimensions in their research were "concern for production" and "concern for people". In short,

one had to achieve the objective of the project and, at the same time, managed his subordinates (people). The Grid was a set of theories pertaining to how people use their intelligence and skills in working with and through other people for results. It formed a matrix of possible management styles. From a total of eight-one grids positions, five were premiered as key management styles or in Blake and Mouton words, five "Pure Styles".

Grid 1,1 shows impoverished management with little concern for people or productivity, avoid taking sides and stay out of conflicts. They do just enough to get by.

Grid 1,9 is country club management with great concern for people and little for production. They avoid conflicts and concentrate on being well liked. Their goal is to keep people happy.

Grid 9,1 is authority-compliance management. Managers in this category have great concern for production and little for people. They desire for tight control in order to get task done and consider creativity and human relations unnecessary.

Grid 5,5 is middle-of-the-road management or the Organization Man management. They attempt to balance concern for production and people but are not committed to either one.

Grid 9,9 is team management, which is considered as ideal. This leadership styles have great concern for people and production and work to motivate employees to reach the highest levels of accomplishment. They are flexible and responsive to change, and understand the need to change.

Blake and Mouton concluded that the grid position 9,9 was the most effective leadership styles for organizations. The 9,9 type of leadership presumed a

needed connection between organizational needs for production and the needs of people for full and rewarding work experiences.

Drucker (1999) on the other hand, first popularized "Management by Objectives" (MBO) in 1954 where managers identified and agreed on the goals that were to be pursued and set in motion concrete activities for achieving them. It is a goal setting process in which a manager and his or her staff negotiate specific goals and objectives for the staff to achieve. Then it is periodically evaluate the extent to which those goals have been achieved.

Walmsley (1998) then advocated the needs for managers to consciously use the transformation of management styles to develop and motivate staff to achieve peak performance. This approach was chosen and should correspond to the needs of the situation like addressing people issues using facilitative skills such as coaching and counseling is the most effective way to implement the modern participative style of management that is empowering your staff in order to get the best results. In nutshell, it is a book about helping managers to develop themselves and increase their performance effectiveness by revamping their management style. It places great importance on managerial performance and management styles.

Walmsley (1998) emphasized on the facilitative techniques as tools needed to implement the modern participative empowering theories of management style. The model of management styles was but a continuum of possible management styles from the most directive (manager decision-making) to the most empowering (subordinate decision-making).

According to Walmsley (1998), a manager must balance the needs of people and the requirements of business. That is developing the ability to shift to different points on the continuum as warranted by the needs of the individual and the situation. However, practical considerations and good human relations skills must

be integrated. The author also included Blake and Mouton's Leadership Grid as a useful framework for analyzing one's management styles.

Walmsley (1998) also suggested that in choosing styles would depend on four things such as the situation, the individual's personality, the manager's personality and the culture of the company. For example: Empowering styles are more effective when one is quite sure staff are capable of coming up with workable answers or solutions. Directive (task-oriented) styles are more effective when the situation is a semi-emergency and fast action is needed.

The rest of the chapters dealt with how to be a conscious manager, a developmental manager, a manager with positive impact and a manager who spots opportunities. The overall results will be peak performance for both the manager and the staff.

Moser-Wellman (2001) used creative thinking styles to succeed at work. The author advocated business renaissance and business artists were products of the nature of creativity and how to cultivate it. People in organizations such as Chief Executive Officer or managers could utilize the creative thinking strategies and flourish in the workplace. There were five creative styles of thinking drawn from the realms of art, science, and business that make up the five distinct "faces" as follows.

- Seer is the power to image. Seers see pictures in the minds' eyes, and these pictures become the impetus for ingenious ideas.
- Observer is the power to notice details. Notice details of the world around them and collect them to construct a new idea.
- Alchemist is the power to make connections. Brings together separate domains like different ideas, disciplines, or systems of thought and connect them in a unique way to develop breakthrough ideas.

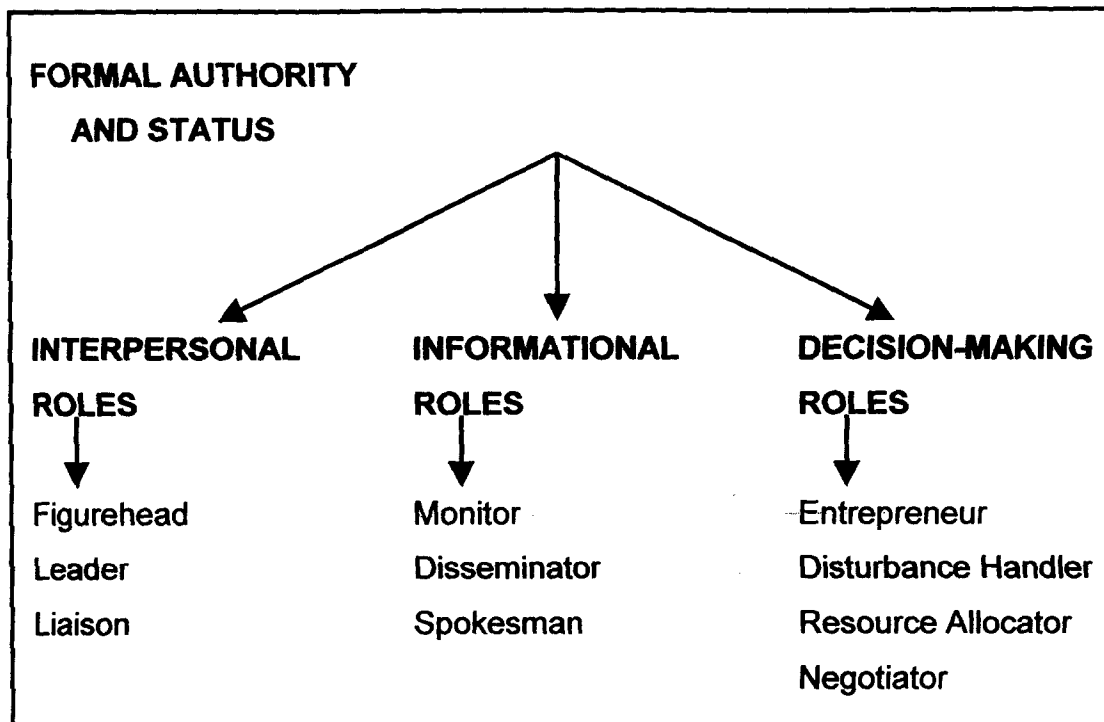
- Fool is the power to celebrate weakness. Fools practice three related skills: excelling at inversion, seeing the sense in absurdity and having unending perseverance.
- Sage is the power to simplify. Sages use the power of simplification as the primary means to inspiration.

Howie (1997) used Neuro-Linguistic Programming (NLP) to deal with management skills and managing development to thinking manager. The author advocated NLP as advanced psychological skills for the thinking managers and initial keys to management success. The core of the book was on the techniques of pacing and leading in internal and external communication through the “intra-psychic” techniques to be an archetypal OAF-like manager, which were the three features of an effective manager. (Note: O = outcome that is to know what you want. A = acuity that is to notice what you are getting. F = flexibility that is to change what you do until you get what you want.)

According Drucker (1999), managers have become a leadership group in the last two decades largely because they have developed such discipline for the managerial half of their job: the planning, building and leading of the human organization of a business. But for the other, the entrepreneurial half deals with the specific and unique economic function of business enterprise that is the specific task that systematically directs resources to economic performance and results. All over the world managers have committed themselves to management as a discipline.

Mintzbergs (1973) explored into the ten managerial roles. These roles were identification to what a manager does daily at workplace that makes them a manager as illustrated in exhibit 2.2.1

**Exhibit 2.2.2: The Manager's Roles According To Henry Minzbergs.**



Stevens (2001) in his book *Extreme Management* outlined five skill sets of managing that focus on pragmatic application of curriculum to real-world business issues. Those are as follows.

- Making decisions and motivating people.
- Assuring organizational competence.
- Competing successfully in the global arena.
- Improving quality, productivity, and teamwork.
- Understanding modern corporate finance.

This call for managers with, firstly, de-specialization style with broad range of disciplines and functional capabilities. Secondly, managers with externalization style by achieving business objectives in collaboration with the full range of external forces. Finally, managers with leadership style thus recognizing that what they know in comparison to what they still need to learn alongside take the

voyage of discovery to learn steps en route to becoming the best managers in the world.

Blanchard and Johnson (1983) stressed that managing styles on the humanistic aspects of the managers and employees. These include one minute goal setting that is written goals of not more than 250 words, one minute praising that is catching people doing the right things and praise them immediately and publicly, one minute reprimanding that is catching people doing the wrong things and reprimand them privately where emphasis is placed on being immediate and specific in dealing with employees in one's managing style.

Watson (1994) came out with a scheme of management competencies devised for ZTC Ryland. Managers are to adopt such styles of personal orientation (outer world) like achievement and results oriented, couple with cognitive style on how he thinks like vision and strategic thinking and interpersonal style on how he relates like sensitivity and listening.

Peters and Austin (1985) presented the concept of managing by wandering about (MBWA) as an effective managing style in management of top organizations. This will ensure the three secrets of long-term excellence. Those are as follows. Firstly, ensures that superior customer or client service. Secondly promotes constant innovation. Thirdly, to make sure that full use of the abilities of every company employee.

Fortune magazine (1989, July, 3) outlined three major changes in influencing the management styles in the 1990s as follows. Firstly, many a large corporation will be struggling to remain competitiveness and many will no longer need traditional administrative managers. Secondly, the diffusion in information communication technologies and developments will replace numerous traditional management works more efficiently and cheaply. Finally, explosive growth in the service sector will demand managers to be more talented.



New York Times, however, categorized managing styles using the humanistic approach to manage into the five distinctive types of employees in turning brilliantly flawed performers into strong achievers. Those were as follows.

1. The hero who think more about wining the war and less about individual battles.
2. The meritocrat believes that the world is a fair market in which the best ideas will always win on their merit.
3. The bulldozer is people who decided early on that the world is a hostile place where you should do unto others before they do unto you.
4. The pessimist worries are sometimes justified where they based-on-knowledge of mistakes that others have made.
5. The rebel who pretests against "the system" doesn't go beyond simple grousing (cited in *Managing Away The Bad Habits*, 2001, December 9. *New Sunday Times*).

According to Goleman (1998) that championed the concept of emotional intelligence in management articulated that the need to achieve is the single strongest competence that sets apart star from average executives. In other words, achievement orientation and strong high achievement drive chiefly in attaining goals are known hallmark of high performance managers. He asserted that the ability to handle emotions (thus using emotional intelligence) in a way that promotes and enhances one's productivity, personal power and quality of life around oneself determines one's success in life.

Garfield (1986) stated that peak performance starts with a commitment to mission, which is attaining mission, set challenging and realistic goals and collaborate with others as a collective act to leverage their results. This includes an internal decision to excel like job promotion. Therefore, attaining predetermined goals to excel or be promoted from rank-and-file, as rewards for

high achievers succinctly articulated by Fadiman (1989) as those who set goals create their own future.

Hall and Donnell (1979) research over 1000 managers revealed that the managers' speed of career advancement was associated with their motivation to achieve (cited in Bass, 1990). Bass (1990) articulated that effective managers are proactive (that is taking active to accomplish something) and stay ahead of changes in their environment. Studies show that recognition and rewards is still the greatest motivator of people (Cited Hackett, 1994).

According to Jones and Woodcock (1985), self-management sets a ceiling on managerial effectiveness that is in order to manage others effectively; managers need to manage themselves successfully. For example, research showed that effective general managers are generally emotionally stable (Kotter, 1982).

Study showed that self-objectivity was essential to managerial success or recovery of derailed managers. As for derailed managers to make fast track recovery if they improve their skills in these six areas: making goals clear and important; planning and problem solving; facilitating the work of others; obtaining feedback; exercising control; and recognizing good performance (Jones Communications, 1999).

Great leaders are persistent (or perseverance) in pursuit of their visions (Knouzes and Posner, 1987). That is a continuous effort employed to accomplishing a target or goal without giving up until succeeded. This is with high self-confidence appears to strongly linked with managerial effectiveness (Boyatzis, 1982).

LeBoeuf's finding (1985) revealed that the greatest management principle in the world is that, the things that get rewarded get done. This comes with the magic question of "What's being rewarded?" is but the key to getting results.