

Why do Management Theories Fail? Reasons and Solutions: A Perspective of African Context

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Abstract

The paper is a discourse of why management theories fail, particularly in the African environment, and how to make them work in the context of Africa. The paper notes that most of the management theories are foreign to African environment and are inappropriate to African situations. It posits that a major reason management theories fail in Africa, particularly, is because they are applied indiscriminately without being circumstance/environment contingent. It therefore recommends that to make theories work in Africa, management theories must be indigenized, but beyond that, such indigenous theories must be circumstance contingent and managers must use them in a circumstance contingent way. The high points of the paper are that it brings to bear the arguments in the contingency theory of management and the relevance of the theory in management in Africa in contemporary times.

Keywords: Management theories; Fail; African context; Reasons and solutions; Circumstance/environment contingent

Introduction

Many management theory developers are more concern with and highlight companies which succeed with their theories and ignore the whole lot which fail applying their theories. They highlight the success side of theory and cover up the side of failure. They fail to identify and address circumstances in which companies did exactly what was prescribed but yet failed. The obsession with using successful companies and their best practices as case studies is a major reason why new developments in management come and go frequently without being sustained and why much of early stage management thinking cannot stand the test of time. The efficacy of many of the early theories in management is now facing challenges in modern day circumstances.

No doubt, there is now difficulty in managing business enterprise in today's environment and this is increasingly becoming worrisome. Managerial decisions have in very many cases failed to yield the expected results and solutions. Managers are therefore becoming overwhelmed by the many problems which confront their enterprises which are unyielding to solution methods and processes, even when such solution methods and processes are based on existing theories about such problems. The situation has led users and developers of management theories to ask several questions including, why problems can be unyielding to solution methods and processes? Why would preferred methods and processes derived from the relevant theories not work? Why are the applications of theories failing to yield the solutions to enterprise problems? Are the theories not workable in our today's environment? Why did they work before now? These questions culminate into the central question in this paper: Why do management theories fail, particularly in certain environments? Answering this question is the thrust of this paper. The author proffers answers to this question with reference to African context. The objective is not only to reveal the challenges in adopting existing foreign management theories, but also, to redirect managers in Africa toward appropriate application of management theories in industry in Africa to ensure effectiveness, understanding that most theories in management have their origin outside African societies and cannot be expected to yield the same results in Africa since the social characteristics are different.

Overview of Management Theory

To begin our answer to the central question in this paper we

will have to explain what a management theory is and its role and usefulness in management practice. Management theory is a set of interrelated principles which attempts to present in a coherent manner, loose facts about human behavior in organizations [1]. It is simply a statement predicting which actions will lead to what results and why. Essentially management theory provides logical reasoning in the form of a set of broad principles that provide a general frame of reference by which management practice can be evaluated and the development of new practices and procedures are based. The most important goal of management theory is to provide a coherent set of logical principles that form the general frame of reference for the evaluation and development of sound management practices. It is instructive to note that every action that managers take and every plan they formulate, is based on some theory at the back of their minds that makes them expect the actions they contemplate will lead to the results they envision.

The value of theories in management can be summarized in two points: They help in interpreting the present, to understand what is happening and why; and they help in making predictions. In other words "theories help to sort the signals that portend important changes in the future from the noise that has no strategic meaning".

From this general view of the functions of management theory, it is without gain to say that management theory is an important tool in the practice of management. It is a means to an end. In other words management theory serves as a tool to increase the effectiveness of managers. Managers who are up to date in management theories are more likely to be up to date in practice, if and only if they would, and are able to apply the knowledge gained from the theories.

Management theory is useful to the manager by helping him to explain the dynamics of organization and shedding light on the

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problems often faced by him in practice, such as those related to motivation, productivity, satisfaction etc.

In specific terms, management theory is useful in the following ways: It increases efficiency. A manager becomes more effective and efficient as he/she uses established guidelines to help solve problems; It improves managerial learning and development, because it provides an established structural framework of knowledge, which would appear to be useful, and which managers can fall back on to crystallize the nature and process of management and to simplify the process of learning [2]. Without theories and principles learning managerial practice would depend upon haphazard trial and error.

The universality vs. contingency perspective in management thought

Over time the universality view of the application of management theories and principles have been challenged by the contingency view. The universality view is that management theories and principles are universally applicable and work similarly or yield similar result in given conditions irrespective of environmental differences and organizational circumstances. Thus an application of a management theory to a problem in organization in the U.S. will be equally effective and yield similar result upon application to similar problem in organization in the Gambia or Ghana. In other words, management theories are equally effective across countries and industries. But the contingency perspective argues against this approach and states that the suitability of a theory and its effectiveness is determined by the prevailing circumstance to which it is applied. In other words the use of a theory depends on the existing conditions and the environment under which the condition exists.

Given the universality perspective, it is expected that success of theories is guaranteed across organizations and societies but as we have observed in many organizations application of given theories do not yield expected result [3,4]. Indeed in many cases the theories are quite unsuccessful, thus nullifying the universality proposition. Evidently a number of theories have been disregarded or dis-reputed and disused because they have failed in many instances. The originators had carelessly claimed they would work in every instance instead of seeking to learn when they would work, when they wouldn't and why. In the circumstance, the contingency proposition has become an attractive argument as an attempt to reduce the rate of failure in the use of theories in management practice. Apparently, the contingency argument in the application of theories to organizational problem presents a more sustainable approach than the universality perspective. The perspective of the contingency approach presents the theoretical framework for this paper. The paper rides on the contingency thought to give an understanding of why management theories fail. The critical question for exploration in general is why does management theory fail? But first we need to understand the concept of "failure" with regards to management theory [5,6].

The concept of failure of management theory

Theories are applied to problem situations in management to solve them, thus, when upon application of the supposed required theory, the problem remains unsolved, then the theory is said to have failed. It is unable to address the problem to which it is applied. In other words, a management theory is said to have failed if upon application of its prescriptions the expected result(s) is not achieved. A theory is ineffective when predictions made about future occurrences and events, based on its prescriptions, are incorrect [7]. A theory is unsuccessful

if its application does not help the user-manager to achieve set organizational goals. Therefore, the concept of failure of management theory is used to mean the inability of a given theory to help the user to achieve the purpose for its development and application under the given situation and circumstance.

Why do management theories fail?

Essentially, theories are built under assumptions that certain conditions exist and the application of a given theory is subject to the fulfillment of the assumptions underlying it, if it must fulfill its purpose. In other words the application of a theory is contingent upon certain circumstances resulting from the interactional relationship between some factors. The nature of the relationship and the result may change from time to time and place to place as the factors change structure or form and volume (complexity) and even assume greater fluidity, leading to the violation of the essential assumption that the specified conditions remain stable over time. Events and situations are affected and determined by the realities of the environment in which they occur [8,9]. Thus situations vary according to environment and even according to time in a given environment. Impliedly, solutions to problem situations vary according to situations on hand, and the environmental influence on them, as well as the binding conditions under which they exist.

Evidently, in many occasions, managers encounter circumstances in which the recommended actions (application of the supposed relevant theory) do not yield the predicted results. The question that arises is that "why doesn't it work?" The simple answer is that the theory does not comply with the requirement for it to work. In other words it does not fit the circumstance to which it is being applied. A situation that is usually referred to as lack of "circumstance-contingency." Application of many theories suffers from this lack of "circumstance-contingency." The reason is that the theories do not explain the condition for their effectiveness or when they don't work. Consequently managers ignorantly apply such theories indiscriminately to related similar circumstances without observing the conditions for yielding the expected results. The critical point to note is that many theories have failed because they have been misapplied. Essentially, a theory in management is reliable only when "its statement describing the actions that must lead to success explains how they will vary as a company's circumstance change".

Failure of management theories in African context

Why don't management theories work in African organizations? Management theories have their roots in the west and are developed based on the environment of the western world, and therefore, to put the question more strictly, as many people have asked it, is to ask "why don't Western theories work in African context? or why can't they work effectively in African Organization? The preceding analysis answers this question as simply that the western based theories are inconsistent with African environment. African management situations defy Western theories. In other words, western theories are not suited to African conditions and circumstances. But this simple answer can be nullified if the theory of management universality is held valid. However, this theory has been challenged greatly in contemporary management. The result of this challenge is the development of the contingency/situational theory of management which recognizes variations in management environment and circumstances and questions the efficacy of management transferability, and therefore advocates a contingency approach to management practice. The new field of comparative management is also an appreciation of the variations in

the environment of management and the weakness of the theory of management universality.

The Western and African environment and circumstances are greatly different in many ways. Unfortunately, many of the theories which managers in Africa apply in their organizations have been built in the west under western environmental circumstances, without sensitivity analysis of their suitability to other environmental circumstances. These theories are generally not circumstance/environment-contingent. Therefore, to apply them to African organizations is tantamount to misapplication and the consequence is that managers in Africa often discover that these theories fail to work, leaving a general impression that theories don't work.

But theories work and effectively too, if only they are built and used in circumstance contingent ways. Impliedly, western theories fail in Africa organizations and in many developing countries because managers in these societies import and rely on theories from the management advanced western societies and abuse them by applying them indiscriminately without being circumstance-contingent. As Christensen and Raynor described the situation, the development and use of non-circumstance-contingent theories is to adopt "a one-size-fits-all" approach and this can lead to very poor results. Apparently this is the case with management practice in Africa.

Making theories work in the African context

The quest for workable theories for Africa organizations have resulted in a great deal of arguments, theorizing, suggestions and propositions. In broad terms two major approaches have been more popular among the various participants, viz., an adaptive transfer of management theory and practice; and development of indigenous management theories and practices. Unfortunately, these approaches are also bedeviled by number of factors. None of these approaches have been able to see the light of day. They still run short of the basic requirement for success - circumstance-contingency - both in development and application.

To make theories work is not only the task of the builder who must build the theory to conform to the requirement of circumstance-contingency, but also that of the user manager who must apply it in a circumstance contingent way. It begins at the level of the builder - in the categorization stage of the theory development, and ends with the manager's (user's) judgment or assessment of the right circumstance under which it can be applied. The manager must probe to understand the circumstances which the theory does and does not work. He must ask such questions as "does this theory apply to my industry?" "Does it apply to this particular situation?" In other words, they must be discerning consumers of theories by defining their circumstances, not only to know unambiguously what circumstance they are in, but also what circumstance they are not in.

Evidently many scholars have the view that problem of management practice in Africa is the lack of indigenous theories, and that effective management practice will be largely achieved if indigenous theories are developed to capture the local circumstance as basis for management decision making and practice in other aspects and functions of management. While this may be a valid argument or suggestion, but this will only serve limitedly if such indigenous theories are not circumstance contingent even within the indigenous environment. An indigenous theory that is not circumstance contingent will suffer the same fate as an imported theory, since even within the same environment, circumstances vary. Apparently, most indigenous theories have also failed greatly in many cases because of this reason.

Therefore, the recommendation is not just to develop indigenous theories but to develop indigenous theories that are circumstance-contingent and for managers to use them in a circumstance-contingent way. Not until we begin to develop theories that fulfill this condition and managers use them in such way, management practice in Africa and the developing world in general will continue to be denied of predictable success.

One major challenge that managers have is not being able to detect a good theory i.e. a theory that fits into their situation. Now, because managers do not know how to detect a good theory, or relevant theory to their situation, they resort to trial and error, by trying a new idea to see if it works. Definitely this is not an option. The manager will be putting too much at stake, adopting management by trial and error. Through trial and error, the manager can cause a great harm to the organization without knowing or even before he knows it. This is why in the market place of ideas, there is also "caveat emptor" - let the user beware. Thus if you apply a theory that ended destroying your organization or creating more problems than ever existed, you can't blame it on anyone but yourself as an unscrupulous manager. A good manager needs to know not only where, when, and why things must change and how to make the shift and create the new order, but also must know what should stay the same. He must know what policies and structures to break or reorder, and when to do such change to reduce pains and conflict.

Conclusion and Recommendations

The absence of sufficient theories based on the environment of African societies has indeed turned western management thought and theories into 'sacred cows' for industrial development in Africa. Managers in African countries somewhat believe in the adoption of western thought and practices as the means to achieve effective and efficient management of resources. Therefore, many organizational practices and management development programmes in these countries are based on an uncritical adoption of the prescriptions of theories founded on the experiences from western societies, with utter disregard for the fundamental variations in socio-cultural conditions and circumstances which may affect the effectiveness and hence the validity of theories across societies.

The result of this uncritical adoption of western theories and thought, by managers in African countries is that, in many cases, organizations have failed to achieve set goals following strategies or prescriptions of western theories. Jaeger puts it that, uncritical transfer of management theories and techniques based on western ideologies and value systems has in many ways contributed to organizational inefficiency and ineffectiveness in the developing countries context.

Managing organization is a complex act. It requires a thorough understanding of the dynamic relationships within the socio-technical system (the internal environment) and the relationship to the external environment with which the system is in constant interaction. Since the external environment of organizations in the developing countries is different from that of the western countries, management theories and practices developed in the developed country context may have only limited applicability in the context of developing world. If the above premise is true, it becomes clear that there is a need to develop management theories that are founded on existing facts in Africa.

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