THE CHARACTERISTICS OF THE INDUSTRIAL

BUSINESSES IN TEGUCIGALPA, HONDURAS

AND THEIR MANAGERS WITH IMPLICATIONS

FOR DEVELOPING TRAINING PROGRAMS

By

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INTRODUCTION

Background

Honduras is a country with a territorial area of 112,088 square kilometers and a population of approximately four million people. Most of these people, 70%, live in rural areas with their main economic activity being in agriculture as farmers or as wage earners in agricultural companies and large farms. Forty two percent of the urban population lives in Tegucigalpa and San Pedro Sula, which are the country's largest cities. The Honduran population is relatively young. Forty percent of the population is less than fifteen years of age and ten percent is older than sixty years. Fifty three percent of the population is potentially economically active. Table I shows the population which is potentially economically active along with the major occupations of this group.

As revealed in Table I, Honduras has traditionally been agriculture-oriented. It is reflected in the fact that Honduras' main export items are wood, bananas and coffee. The agricultural industry activity is the major contributor to the gross national income as shown in Table II.

Although the manufacturing industry is small in terms of the number of people employed, it is the second largest contributor of the national income (Table II). The industrial sector in Honduras is new and is still in the developmental stages. In 1950, the number of industrial centers was 200 (General Direction of Statistics, 1950). In 1982, the General Direction of

Industries (Direccion General de Industrias) reported that there were 849 manufacturing industries in the country, and by 1985, the number of industrial centers had grown to 936. Table III shows the actual structure of the manufacturing sector in Honduras, where it can be observed that most of the industrial centers fall in the small and middle sized ranges. Only 12% of the industries can be considered as large industries. Of the 936 industrial centers, 490 are located in the city of San Pedro Sula (52%), 308 are located in the city of Tegucigalpa (32%), and 138 are located in other places of minor importance (16%).

TABLE I

POPULATION ECONOMICALLY ACTIVE
BY TYPE OF ACTIVITY

Type of Activity	Number of People Economically Active	Percent
Agriculture, Fishing, and Hunting	1,228,800	57.9
Trade and Services	480,143	22.6
Craftsmanship	119,438	5.6
Manufacturing	48,108	2.3
Unemployment	245,092	11.6

SOURCE: General Direction of Statistics, 1982, p. 59.

TABLE II

HONDURAS ECONOMIC ACTIVITY AREAS
AND THEIR CONTRIBUTION TO THE
GROSS NATIONAL INCOME

Type of Activity	Millions of Dollars	Percent
Agriculture, Fishing, and Hunting	745.0	41.0
Craftsmanship and Manufacturing	285.0	15.0
Construction (Building)	84.5	5.0
Trade	199.0	11.0
Electricity	25.5	1.0
Transportation and Communication	114.5	6.0
Bank and Insurance	69.5	4.0
Public Administration and Defense	56.5	3.0
Services	140.0	8.0
Other	118.5	6.0
Total Gross Income	1,840.0	100.0

SOURCE: National Bank of Honduras Yearbook (1985), p. 43.

TABLE III

STRUCTURE OF THE INDUSTRIAL SECTOR
BY SIZE OF INDUSTRY

Size of the Industry	Number of Industries	Percent
Small-sized industry (5 to 10 employees)	524	56.0
Middle-sized industry (21 to 99 employees)	298	32.0
Large-sized industry (more than 100 employees)	114	12.0
Total	936	100.0

SOURCE: General Direction of Industries Yearbook (1985, p. 24)

Since 1972, a great deal of interest has been given to the development of the industrial sector of the Honduran economy. Financial programs have been available through the national bank (banca estatal) to help develop and establish these industries. Also, the National Institute for Occupational Education (Instituto Nacional de Formacion Profesional) has conducted training programs to improve the skills of the industries' employees at all employment levels. It is suspected, however, that some of the training programs are not meeting the training needs of many of the industries because such programs were developed without regard to the particular needs of each individual, industry, and its employees (especially those in the management level).

Statement of the Problem

The problem as far as this study was concerned was that specific information was not available for Honduras to develop sound manager training programs.

Purpose of the Study

The purpose of this research was to determine the appropriate characteristics of the industries in the manufacturing sector of the city of Tegucigalpa, Republic of Honduras, and their managers, which can serve as a basis for developing manager training programs.

Objectives of the Study

1. To identify the characteristics of the industrial businesses of the city of Tegucigalpa in terms of:

     a.   type of industry

     b.   size of business in terms of the number of employees

     c.   skill level of the employees

     d.   type of business in terms of the form of ownership

2.   To identify common characteristics among managers in terms of:

     a.   age of managers

     b.   level of education

     c.   managers' opinion about training

     d.   leadership style by size of business

Limitations of the Study

1.   The subjects of this study were the managers of the manufacturing industries at the top level of management. Only one manager for each industry was sent the questionnaire.

2.   The study was limited to researching those characteristics of industries and managers which have been cited in the objectives of the study.

Definition of Terms

Small-sized industry: For purposes of this study, a small industry is an industry with more than four employees and less than twenty.

Mid-small sized industry: For purposes of this study, a mid-small industry is an industry with more than twenty employees and less than fifty.

Medium-sized industry: For purposes of this study, a medium industry is an industry with more than fifty employees and less than one hundred.

Large-sized industry: For purposes of this study, a large industry is an industry with more than one hundred employees.

Characteristics of the industry: Defined as the size of the industry in terms of number of employees, organizational structure in terms of type of structure, and the type of industry in terms of the type of products it produces.

Characteristics of the managers: Defined in terms of the leadership style, age, level of education, and attitude toward training.

Top Managers: a person performing as a manager on the top level of the organization like the general manager, division or department heads.

Administrative Personnel: Employees without subordinates, performing as a typist, accountants, salesman, tellers, cashiers, in short, workers not related with the production process nor holding a managerial position.

Supervisors: First line supervisors, directly related to production workers.

Production Workers: Workers directly related to the production process. Machine and equipment operators, or tool operators.

Form of Ownership: Type of legal form of business organization.

CHAPTER II

REVIEW OF LITERATURE

Introduction

The success of any enterprise seems to depend on two main factors. First, on how well the enterprise was started, and second, how well the enterprise is being managed. The first factor deals with an activity known as entrepreneurial activity and the second one with an activity known as management. Both activities require, from the person who performs them, different types of skills and attitudes. This chapter provides a conceptual view of the enterprise, entrepreneurship and management. It also provides a guide for understanding what should be the desired characteristics, attitudes, and skills required by both entrepreneurs and managers in order to perform effectively the tasks related to the act of enterprise and the act of managing an enterprise.

Concept and Nature of the Enterprise

The Longman Dictionary of the American Language (1983, p. 227) defines enterprise as "a plan to do something new or difficult", as "the courage that is needed to do something daring or difficult" and as "a way of organizing business firms". Meyers (1984) defined the business enterprise from the point of view of the consumer's needs by stating that "the work of a business enterprise is the conversion of actual or potential consumer want or desire into an effective demand." (p. 14). To Meyers, the starting point of a business is a

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clear understanding of the consumers needs, so that all other elements of the business system can be assembled to satisfy these consumers needs. The National Institute for Occupational Education (Instituto Nacional de Formacion Profesional, Yearbook 1983), views the definition of enterprise from the point of view of an organization in which three main elements converge to produce goods and services which may satisfy some consumer needs. Those elements or resources are: physical resources (raw materials, equipment, buildings), human resources (workers), and concepts (policies, rules, ideas, objectives, etc.) (p. 12).

Types of Enterprise

There are many criteria under which business enterprises can be grouped. For this study three criteria have been considered:

a. the size of the business operations
b. the type of economic activity
c. the form of ownership

Types of business enterprise in terms of size: The criteria for grouping business enterprises regarding the size are mainly two: the number of employees held by the enterprise and the amount of the investment. Whichever criterion is used, the type of business enterprise falls into one of these categories:

a. small-sized businesses
b. middle-sized businesses
c. large-sized businesses

Types of business enterprise in terms of economic activity: The National Institute for Occupational Education (Instituto Nacional de Formacion

Professional Yearbook, 1983) has classified the business enterprises in Honduras into three main categories:

1. Agricultural Businesses

2. Manufacturing Businesses

    a. meat processors

    b. food processors

    c. clothing

    d. building and building materials

    e. metal-mechanic

3. Trade and Services

Nevertheless, other type of classification is possible in terms of economic activity, as an example, Meggison and Trueblood (1975), have classified the business enterprises in the United States in six main categories: (1) retailing, (2) services, (3) wholesaling, (4) research and development, (5) consulting, and (6) manufacturing. This classification could be applied to the Honduran situation too.

Types of business enterprise in terms of the form of ownership: The type of business enterprise regarding the form of ownership is different from country to country because it must agree with the country's legislation. Generally speaking, however, business enterprises fall into three main categories: individual proprietorship, partnership, and corporation.

Meggison and Trueblood (1975) define "proprietorship" as an enterprise owned by a single individual, "partnership" as the joining together of two or more individuals to form an organization, and "corporation" as a legal entity. The latter legal form of ownership is more formal and complex than the former legal forms of ownership.

Types of Mercantile Organizations in Honduras: The Code of Commerce of Honduras identifies six types of mercantile organizations:

1. individual merchant

2. general partnership

3. simple limited partnership

4. limited liability company

5. corporation

6. stock issuing partnership

Each type of mercantile organization is defined as follows: (1) "individual merchant" in which case an individual owns the entire interest in his operation, (2) "general partnership" as a company doing businesses under a firm name in which all partners are unlimitedly and jointly liable for the company's obligation, (3) "simple limited partnership" as a company organized under a firm name and composed for one or more general partners (comanditados) who have joint and unlimited liability, and one or more limited partners (comanditados) who are liable only to the extent of their contributions, (4) "limited liability company" as a company where the number of partners is limited to 25 and they are liable only to the extent of their contributions, (5) "corporation" as the type of company which requires a minimum of five members, each of whom subscribes to at least one share, and the capital subscribed must not be less than 12,500 dollars, and (6) "stock-issuing partnership" as a partnership composed of one or more partners with joint, unlimited liability and one or more limited partners who are liable only for the amount of their shares. (Source: Honduras Chamber of Commerce Yearbook, 1986-87).

Concept and Nature of the Entrepreneur

Several authors in the past have attempted to find a universal definition of an entrepreneur, but until now, they have failed to find a universally accepted definition of it. The Longman Dictionary of American Language defines "entrepreneur" as a person who owns and runs a business. The Webster's New World Dictionary describes "entrepreneur" as one who organizes a business, and assumes the risk for the sake of the profit. Morrison (1974) has pointed out that an entrepreneur is "the owner-manager" (p. 6). Morrison limits the concept of entrepreneur to the independent businessman who is the owner and the manager of a private business; the person who is his own boss and has complete control of his enterprise. The main idea of Morrison's definition of entrepreneur is that for a person to be an entrepreneur he or she has to be both owner and manager at the same time. He must also employ people outside his or her family to produce goods and services. Therefore, to Morrison, a landlord, a stock owner, one who mostly employes his relatives, and a business owner who does not devote his or her full time to the business are not considered entrepreneurs.

On the other hand, Schoolhammer and Kuriloff (1979) view the entrepreneur as any person who has organized and built a successful enterprise since the industrial revolution. The authors point out that entrepreneurs, in the modern sense, "are the self-starters and doers of businesses". (p. 8).

Other authors have viewed the concept of entrepreneur from the point of view of what an entrepreneur usually does. For example, Greenwood, Bice, LaForge, and Wimbley (1985) use five specific aspects of entrepreneurship

suggested by Shapiro and Sokol as a basis for developing a sound definition of entrepreneur. Those aspects are the following:

1. Intuitive taking. One or more individuals take the responsibility of founding a new business.

2. Consolidation of resources. The founders assemble resources and develop a business structure to accomplish some objectives.

3. Management. The founders are actively involved in the management of the business.

4. Relative autonomy. The founders have a great deal of freedom in using the resources of the business.

5. Risk taking. The founders are directly responsible for the success or failure of the business.

From this basis, the authors say that "small business owners are those who typically take initiative, consolidate resources, manage with relative autonomy, and assume the risk of the business venture" (p. 5). Meggison and Trueblood (1975), referring to managers of small businesses, point out that to be an entrepreneur is to have a strong sense of enterprise. That is, to have the well developed desire to use ideas, ambitions, aspirations, and initiatives to risk in the adventure named "business".

In conclusion, although there is not a universally accepted definition of entrepreneur, the authors provide a basis for a sound definition. The following summarizes their ideas:

-- the entrepreneur is the owner of a business

-- the entrepreneur is one who conceives an initial idea and takes the risk of investing in it

-- the entrepreneur is a person who is both the owner and manager of the business

--   the entrepreneur is someone who starts a business and devotes most of his or her time in managing and controlling it. In summary, an entrepreneur can be defined as a person who starts, owns, manages, controls, and takes the risk of the business venture with a great deal of freedom in the decision-making process.

Characteristics of the Entrepreneur

The literature pertaining to entrepreneurial characteristics demonstrates the existence of a large number of dimensions under which entrepreneurs can be characterized. Nevertheless, as it has been pointed out by Montagno, Kuratko, and Scarcella (1986), those dimensions begin to fall into a set of similar categories such as physical, psychological, and managerial ability. The most important physical characteristics of the entrepreneur to assure success, say Montagno, Kuratko, and Scarcella, seems to be good health and age, the latter being related to emotional maturity or emotional stability. The psychological characteristics of the entrepreneur are self-confidence, and self-control. Characteristics such as realism, superior conceptual ability, and enterprise sense are among the management abilities of the entrepreneur.

Olson (1985) referring to the abilities that the entrepreneur should possess, says that these abilities are related to the type of tasks performed by the entrepreneur. Those tasks are the inventive and innovative activities that a person must do to succeed as an entrepreneur.

Meggison and Trueblood (1975) say that what best characterizes an entrepreneur is a strong sense of independence and enterprise.

The Nature of Management and the

Role of the Manager

To Plunkett (1977) management is the team of people that occupies positions of formal authority in any organization and is charged with the coordination of human and material resources through the functions of planning, organizing, directing and controlling the work of others. To him, thus, the word management is related to the concept of authority, formal organization and to the idea of getting things done through others. Drucker (1974) views the above concept as a traditional definition of management. As Drucker points out, "early in the history of management, a manager was defined as someone who is responsible for the work of other people" (p. 390). A careful study, however, of the tasks performed by a wide group of managers has left great doubts about the validity of Plunkett's definition of management. Drucker himself claims that a better definition of management needs to be established. Many managers are in the position of having to perform the work by themselves rather than through others. Drucker's way of reasoning has been the position of several authors in the field of small business. For example, some of them argue that the traditional point of view of a manager getting things done through others does not fit, after all, with most small business managers. Meggison and Trueblood (1975), speaking in a general sense say that "management is getting things through people" (p. 78). Nevertheless, managing a small firm is more than that or at least it is different from managing a large business. The manager of a small business, Meggison and Trueblood state, must decide how to allocate the finances and the physical and human resources by him or herself, so that the business achieves its objectives. Abrahamson (1981) view the managerial function as a process of planning, organizing, directing, staffing, and controlling

but they agree with Meggison and Trueblood in the fact that managing a small business is different from managing a large business. The authors point out that management is a function of supervising the activities of the employees so that they accomplish their specific tasks. From this definition of management, say the authors, "the work of a manager clearly distinguishes between doing and managing. However, in the small business this distinction is not so clear. Owner-managers ordinarily work side by side with employees" (p. 192).

"Although the success of any company" Schoolhammer and Kuriloff say, "depends upon the capabilities and ingenuity of its managers, the managerial responsibilities, however, are conditioned by the size and unique operating characteristics of the individual enterprise" (p. 179). They point out that there are some essential differences between managing small and large companies. Some of these key differences between managing small and large business are summarized in Table IV.

As shown in Table IV, the real differences in managing a small business from managing a large business can be found in the fact that in the small firm, with its limited resources, most of the business' functions must be performed by the manager himself or herself rather than through other people.

The Role of the Manager and the Success of the Enterprise

First of all, two questions must be answered before discussing the role of the manager and the success of the business: 1) Is there any difference between the role of the manager and the role of the entrepreneur? 2) Is there any difference between managing a small business and managing a large business? Drucker (1974) points out that a manager always has to administer. "He has to manage what already exists and is already known". (p. 45). But also

TABLE IV

DIFFERENCES BETWEEN MANAGING A SMALL
FIRM AND MANAGING A LARGE BUSINESS

Variables	Small Firm	Large Firm
Source of authority	a. tradition (ownership) b. personal	a. expertise b. office
Basis of philosophy	a. no diffusion between ownership and control b. no conflict between personal and company objectives c. integration of work and social values	a. control without ownership b. conflict between individual and organizational goals c. values of the work both individual and social values
Characteristic Skills	a. adaptive b. diagnostic c. exploitation of change d. tactical facility e. pragmatic use of techniques as aid to problem solving f. social skills applied	a. predictive b. prognostic c. control of change d. strategic facility e. coordination and control of specialists f. manipulative skills applied largely on an impersonal basis
Organization	a. informal relationship b. no divorce between planners and doers c. appointment and promotion often on the basis of birth or personal friendship d. everyone prepared to muck-in as required e. open system of communications	a. formal relationships b. divorce of planning from doing c. technical qualifications as basis of appointment and promotion d. precise definition rights and obligations, duties, and responsibilities e. structured system of communications

SOURCE: Schoolhammer, Hans and Arthur Kuriloff. Entrepreneurship and the Small Business Management. 1979.

Drucker adds, he has to be an entrepreneur. From Drucker's point of view management and entrepreneurship are not the same thing, so managers and entrepreneurs may have different roles. Pickle and Abrahamson (1981) have pointed out that the major hazard of a small firm is the incompetence of the owner manager when performing as a manager. "From the standpoint of the firm, owner-managers (entrepreneurs) are incompetent because they do not possess the leadership, ability and knowledge necessary to operate their own firms."

From the above, it is clear that management and entrepreneurship are two different kinds of work and, therefore, may require different abilities and skills.

In answering the second question, Morrison and Trueblood (1974) point out that there are some advantages and disadvantages in both managing a small business and a large business, thus, both situations of management may be different to each other. Some of the advantages of managing a small business, Morrison says, are the following:

1.   the ability to make prompt decisions

2.   the ability to quickly correct wrong decisions

3.   the ability to control the quality of the work

4.   the ability to control the costs more effectively

On the other hand, Morrison says, the disadvantages in managing a small business, which actually are advantages in managing a large business are:

1.   inability to make sound decisions

2.   less power to hire and attract well-qualified employees

3.   less quantity purchasing power

In summary it can be stated that management and entrepreneurship are two different tasks which sometimes must be performed by the same person as in the case of the small business where the owner performs as both

entrepreneur and manager. On the other hand it can be said that the function of management may differ according to the size of the business.

The Role of the Owner Manager as an Entrepreneur

As an entrepreneur an owner-manager must have two main abilities. As it is pointed out by Olson (1985), those abilities are the invention and the innovative abilities. For many years, Olson says neurologists and psychologists have known that the human brain is divided into two hemispheres. Each of them has a specialized function. In most people, the right hemisphere provides intuitive, synthetic, and simultaneous processing, while the left hemisphere operates in a rational, analytic and linear thinking mode. When an individual undertakes the first phase of the entrepreneurial process, right hemisphere thinking would appear to be the more important processing mode. This activity is associated with the invention abilities of the entrepreneur. However, when the individual (entrepreneur) moves from this phase into the second phase, that is, putting into practice the original idea, left hemispheric processing becomes increasingly dominant. The entrepreneur's primary orientation at this stage of the entrepreneurial process is to be rational and analytical about the potential demand of the future product or service.

The role of the entrepreneur thus is to create the business enterprise by developing the initial idea and then through the years to innovate the business according with the changes.

The Role of the Owner-Manager as a Manager

It seems that the main role of performing as a manager in any business as Drucker (1974) points out is to manage what already exists and is already

know. But, what already exists and what is already known, of course, is an enterprise, a product or service, in short, what already exists and is known is an idea developed by an individual placed in the role of an entrepreneur.

In order to have an idea of the manager's role in any business, it is necessary to explore briefly the four major functions of management which are common to all managers. These functions are planning, organizing, directing and controlling.

Planning is the most prominent function of all of the functions of management. As pointed out by Smith, Carrol, Kefalas, and Watson (1980), planning is a mental process of anticipating what the future will be like. Plunkett (1977) says that planning is the first and most basic management function. "Through it a manager attempts to prepare for and predict future events" (p. 199). To Plunket, planning involves the construction of a program for action which achieves stated goals through the use of procedures and practices. To him, planning is the process by which a plan is formulated, and it is the combination of policies, objective, goals, purposes, missions, procedures, programs, and practices.

Organizing is the process of determining the task to be performed in relationships among and between the people who will accomplish them. Plunket (1977) points out that planning and organizing are two management functions which cannot be accomplished separately. To Plunket, the organizing process involves steps such as:

1. determine the tasks to be accomplished to reach program objectives
2. subdivide major tasks into individual and group-related ones
3. identify and design into the organization the interpersonal relationships necessary to perform the tasks
4. delegate the necessary authority and responsibility, and

5. emphasize balance, cooperation, flexibility and efficiency.

The function of directing has the same meaning as supervising. Plunket says that the directing function involves "the manager's ability to motivate, educate, guide, and communicate to subordinates individually and in groups, as they carry out their assigned roles" (p. 123). To Pickle and Abrahamson (1981), directing is a function that involves interaction between the owner-manager and the employees on a daily face-to-face basis. It includes the activities of leadership, motivation, and communication where leadership is defined as the process of influencing others to follow, motivation is defined as the personal knowledge of the subordinates, their needs, desires and ambitions, and communication as the ability to convey a clear understanding of instructions and events and the reasons behind them.

Controlling is the function through which a manager knows the level of achievement. Plunket (1977) defines control as "the ability to prevent, identify and correct deficiencies in all phases of the business operations (p. 467). To Plunket, a good control may require well established standards under which the desired results are compared. Schoolhammer and Kuriloff (1979) point out that whether a business enterprise is small or large, a key to its success is an effective control system. They define control as the process which includes the following steps:

1. defining standards consistent with planning objectives;

2. designing an information feedback system to give prompt, adequate, and accurate data about operational activities;

3. comparing the predetermined standards with the actual achievement; and,

4. taking corrective action when needed.

Leadership Styles

One of the management functions which best characterizes the nature of a manager's job is directing. This function, as pointed out by Smith, Carrol, Kefalas, and Watson (1980), is closely related with the concept of leadership. In other words, to the authors a good leadership style is key in the task of directing and it is defined as the process of influencing others toward the achievement of the organization's objectives. For many years, several authors have tried to find out what makes a good leader. That is, to identify those characteristics possessed by effective leaders which make them different from ineffective leaders. Such studies have lead to what we know now as theories of leadership.

Theories of Leadership

Two approaches of leadership have dominated the field of study. Those approaches have been the behavioral and the situational approaches of leadership. The first approach views the leadership style as a matter of the leader's personality or better said, as a matter of the attributes and personal characteristics of the leader as Smith, Carrol, Kefalas, and Watson (1980) point out. The second approach say the authors, views the leadership style as a matter of the situation being faced by the leader. In other words, a situational leadership style depends on the situation being faced by the manager.

One of the earliest theories of leadership in the field of the behavioral approach was a theory called theory X and theory Y, developed by Douglas McGregor in the 1950's. As pointed out by Davis and Luthens (1977), McGregor's theory X represents the old style authoritarian type of management which is based on some assumptions about human beings.

> The average human being has an inherent dislike to work and will avoid it if he can; because of their human characteristics of dislike of work, most people must be coerced, controlled, directed and threatened with punishment to get them to put forth adequate effort toward the achievement of organizational objectives; and the average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition, and wants security above all (p. 19 and 20).

On the other hand, Davis and Luthens say, McGregor's theory Y is the other side of the coin and represents the new style, democratic type of management which is based on the following assumptions about human beings.

> The expenditure of physical and mental effort in work is as natural as play and rest; external control and the threat of punishment are not the only means of bringing about effort toward organizational objectives. Man will exercise self-direction and self-control in the service of objectives to which he is committed; commitment to objectives is a function of the rewards associated with their achievement; and the average human being learns under proper conditions, not only to accept but to seek responsibility (p. 20).

Under McGregor's theories X and Y, a leader can be either autocratic or democratic. It will depend on his or her way of thinking about human beings.

Later, as a result of research undertaken at Ohio State University, behavioral theories became more refined. The major contribution of the research (19) was to identify that leadership styles depend on two variables which are associated with two main concerns of the leader: concern for people and concern for the task to be accomplished. Based on this findings, Trewatha and Newport (1979) point out, Robert Blake and Jane Mouton developed the first model of leadership style known as the managerial grid. As noted in Figure 1, the grid includes two-nine point scales, reflecting degrees of concern for each
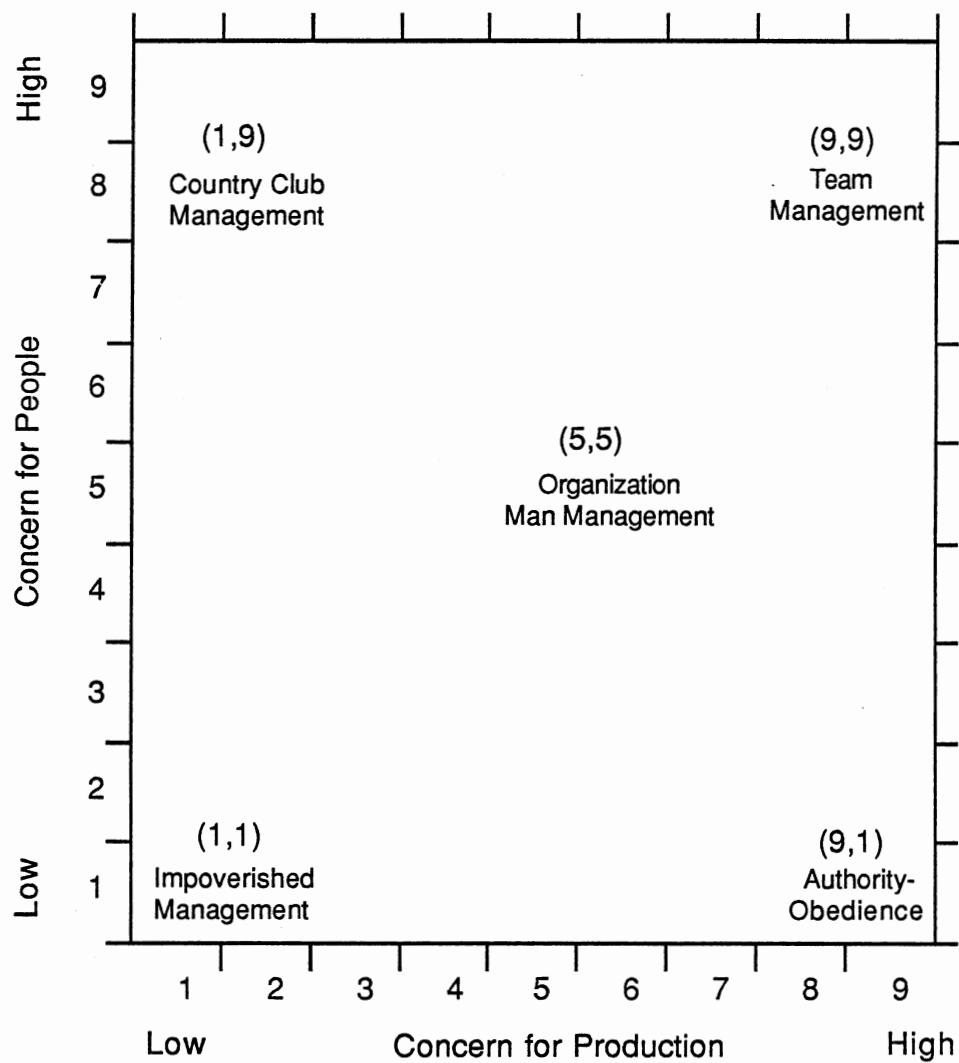
Figure 1. The Managerial Grid

SOURCE: Trewate and Newport, 1974, p. 474.

of the factors or variables. Although there are 81 possible relationships in the grid, Blake and Mouton focus only on five of these possible relationships:

1. High concern for production and low concern for people (9.1).
2. Low concern for production (task) and high concern for people (1, 9).
3. Low concern for both production and people (1, 1).
4. High concern for production and for people (9, 9).
5. Middle concern for production and people (5.5).

Those five relationships in the grid are associated with five of the most common types of leadership which are known as autocratic, missionary, free rein leadership, compromiser, and democratic.

On the other hand, as it was stated before, the situational leadership approach is based on the idea that the best leadership style is one which fits with a given situation. One of the most popular situational leadership models is the model developed by William Reddin, a Canadian professor, based on Blake and Mouton's model of leadership. Reddin, however, added a third dimension to this model: the dimension of effectiveness (20). To Reddin, as shown in Figure 2, there are four basic leadership styles. Those basic styles of leadership were identified by Reddin as separated, dedicated, integrated, and related. Each of the four basic styles Luthans (1977) says, "can be effective or ineffective depending on the situation (p. 451). When a basic style is used in a situation where the style is appropriate, it may result in effective leadership performance. On the contrary, a basic style used in a wrong situation may result in ineffective performance.

Based on Redding's situational model, Hersey and Blanchard (1982), developed a sound leadership model (Figure 3) named "Situational Leadership." Hersey and Blanchard, instead of using the terms "task oriented"

Effective Styles

Developmt.	Executive
Bureaucrat	Benevolent Autocrat

Basic Styles

Relationship Oriented (RO)

Related	Integrated
Separated	Dedicated

Task-oriented (TO)

More Effective

Ineffective Styles

Missionary	Compromiser
Deserter	Autocrat
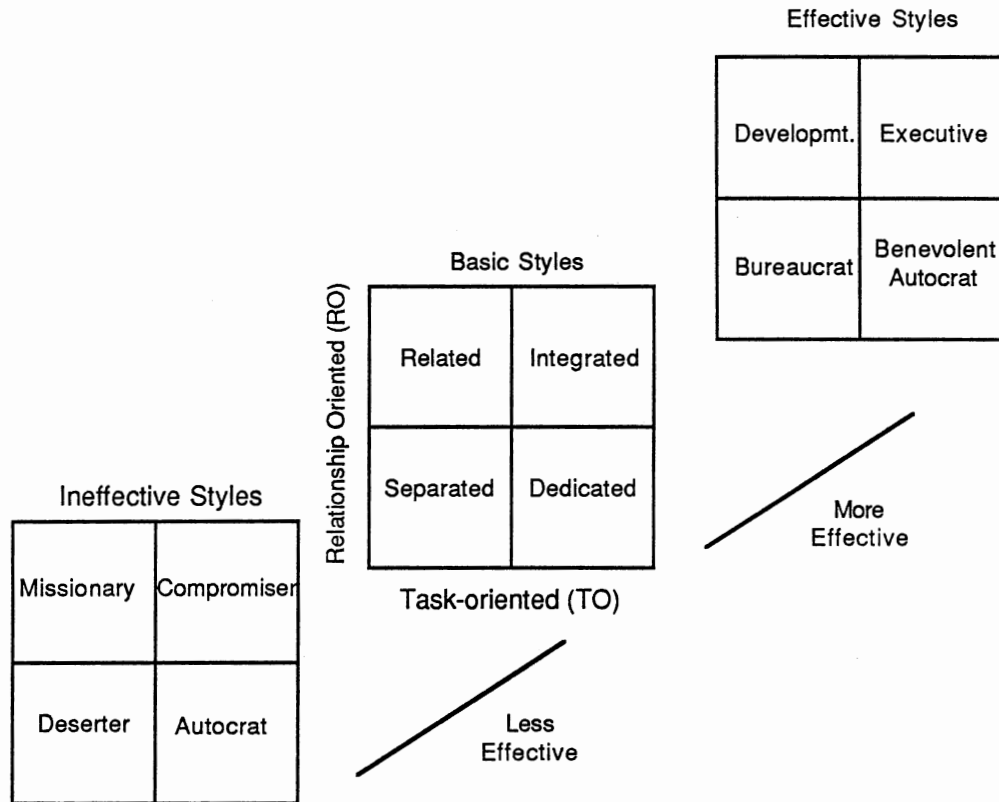
Less Effective

Figure 2.   Reddin 3-D Model of Leadership Styles

SOURCE: Luthans. Organizational Behavior, 1977, p. 451.

Effective Styles

H.R. and L.T.	H.R. and H.T.
L.R. and L.T.	L.R. and H.T.

Basic Styles

High Relationship and Low Task	High Relationship and High Task
Low Relationship and Low Task	High Task and Low Relationship

Relationship Behavior

Task Behavior

Ineffective Styles

High Relationship and Low Task	High Relationship and High Task
Low Relationship and Low Task	High Task and Low Relationship

7 6 5 4 3 2 1 0 1 2 3 4 5 6 7

Figure 3.   Tri-Dimensional Effectiveness Model

SOURCE: Hersey and Blanchard. Situational Leadership, p. 163

and "relationship oriented" to describe the two dimensions, as in Reddin's model, they use the terms "task behavior" and "relationship behavior".

As shown in Figure 3, four basic leadership behavior quadrants are labeled and also four effective styles and four ineffective ones. The effectiveness of the styles depends on how well the basic styles fit into a given situation.

Summary

The purpose of this Chapter has been to analyze three key aspects for managing a business in the best way possible and therefore important enough to be included in any training program for business managers.

First of all, through the revision of this literature, the difference between being a businessman and a manager was clearly established. Both tasks are of different nature and therefore they require different knowledge and skills from the person who is to perform either function. The task of starting a business is essential in any business and during certain stages of its life. During the initial stage of the business, the entrepreneurial skills of the person who will manage it are extremely important. One must decide to engage in a risky adventure. Certain steps toward the establishment of a business must be undertaken. One must consider the needs for materials, equipment, and human resources. But the role of the businessman does not end here since in certain stages of the future of the business, other entrepreneurial actions must be taken. For example, decisions pertaining to new products or changes and innovations of existing products have to be undertaken, or when a business has been successful enough to consider its expansion.

For a successful start-up of a business, the businessman must be familiar with the world of business and with the business itself, as well as having well-developed skills of invention and innovation. He or she must also be familiar with laws and regulations pertaining to business and commerce of his or her country, with the techniques of adequate selection and development of products, with knowledge related to strategic business sites and with the necessary techniques for the selection of the best market strategies he or she will follow.

When the business has been initially established and is in its operational stage, the managerial role then acquires an essential importance. In this stage of all businesses' lives the knowledge and skills of planning, organizing, directing and controlling are of extreme importance. From the execution of these four functions will depend the success and the accomplishment of the business' objectives.

Taking into consideration that a large amount of the businesses in Honduras are directed by persons that are also the owners and the managers of them (businessmen), the training programs for such persons should include knowledge and the necessary practices for the development of their skills in performing both functions.

The second aspect that was analyzed in the literature review Chapter was the fact that the managerial activity differs in nature depending on certain characteristics of the business. For example, it has been said that there are marked differences between managing a small business and a large one. Each type of business has different types of problems. Also, the conditions under which each one operates are different, so the nature of the decisions to be undertaken under each must also be different.

From the above stated facts, we can conclude that the training programs for managers should be designed after a thorough consideration of particular characteristics of each business, in order to be able to provide special training programs for managers who belong to a certain group of businesses with similar characteristics.

Last, through the revision of this literature, special attention was given to the problem of leadership as a key aspect of the managerial function. The inadequate functioning of many businesses is due to a bad leadership For this reason, a good training program for managers should include knowledge, skills and necessary techniques for the development of leadership abilities among business managers.

As a result of the above stated facts, the forthcoming Chapters in this study will be dedicated to the design of the necessary instruments to obtain the information that will allow us to get to know the characteristics of businesses and managers in Tegucigalpa, Honduras. Based on this information, we will be able to establish certain guidelines that will allow for the design of training programs for managers according to the specific training needs of the businesses and their managers.

CHAPTER III

PROCEDURES

Introduction

As was stated in the introduction Chapter, the purpose of this study is to determine the characteristics of the industrial businesses located in the city of Tegucigalpa, Republic of Honduras, and to identify the characteristics of their managers.

Analysis of the Population

The population surveyed were 308 industrial businesses located in the city of Tegucigalpa, Republic of Honduras. These industrial businesses were obtained from a listing of industries kept by the National Institute for Occupational Education. In order to do this study those industries were grouped into three categories regarding the number of employees of the industrial enterprises as shown in Table V.

Sample

Based on the fact that all of these industrial businesses were located in one city, a sample of 20% of the population was considered to be representative (Table VI). These 60 industries (20% of the population) were proportionally distributed among the three categories. That is, by choosing a sample of 20% of the population of each of the categories as it is shown below.

30

TABLE V

NUMBER OF INDUSTRIAL ENTERPRISES IN
TEGUCIGALPA BY SIZE OF BUSINESS

Categories or Sizes	Number of Industries
Small-sized industry (more than 4 but less than 20 employees)	167
Middle-sized industry (from 20 to 99 employees)	96
Large-sized industry (more than one hundred employees)	45
Total Population	308

TABLE VI

REPRESENTATIVE SAMPLE OF THE INDUSTRIAL
ENTERPRISES TO BE RESEARCHED

Categories	Population	Percentage	Sample
Small-sized industry	167	20	34
Middle-sized industry	96	20	19
Large-sized industry	45	20	7
Total	308	20	60

A random sample technique was used to choose the observations for each of the categories.

Areas Researched

The areas researched through this study were the industries and the managers of these industries.

The type of data obtained from the industries as industrial units was:

-- the number of employees of each industry

-- years of operation of the industrial business

-- skill level of the industrial business' employees

-- type of products

-- type of ownership

The information gathered about managers was:

-- age of managers

-- level of education in terms of their formal education as well as in terms of their informal education as managers

-- leadership style of the managers

-- managers attitudes toward training

Instruments

The instrument used to gather data was the questionnaire technique by conducting face-to-face interviews with top managers of the industries under research. A manager was interviewed for each of the industries by asking him to respond to the questions of the structured questionnaire (Appendix 1).

To determine the leadership style of the managers a situational leadership model was used. The model used was the Leader Effectiveness and

Adaptability Description (LEAD), developed by Paul Hersey and Kenneth H. Blanchard in 1973. This instrument deals with two variables: supportive behavior and directive behavior: twelve situations were given to the managers. Each of the situations had four alternative actions from which managers were asked to choose one (Appendix II).

Location of Research

The research was conducted in Tegucigalpa, the capital of the Republic of Honduras, during September 1987. Four employees of the National Institute for Occupational Education were trained to gather the information. The data gathering process started on the third of September and lasted until the 28th of the same month.

Analysis of the Data

The sample in this study was determined based on three categories according to business sizes: small size, middle size, and large size. Due to the fact that significant differences were found among the businesses of the middle size range during the process of analysis of data, it was necessary to break down this category into two business size ranges: mid-small sized business (20 to 49 employees) and medium-size businesses (50 to 99 employees).

CHAPTER IV

RESULTS OF THE STUDY

This Chapter is designed to report the findings of the study in terms of the businesses and industries located in the city of Tegucigalpa, Republic of Honduras, as well as the characteristics of those businesses' managers. The findings are described so that sound training programs can be developed according to both, industrial businesses and manager characteristics.

The findings are presented according to the objectives of the study which are:

1. To identify the characteristics of the businesses/industries of Tegucigalpa in terms of:

   a) Type of industry

   b) Size of the business in terms of the number of employees

   c) Types of business in terms of the form of ownership

   d) Level of skills of the employees

2. To identify common characteristics among the business managers in terms of:

   a) Age of the managers by size of business

   b) Managers level of education by size of business

   c) Managers opinions about training

   d) Leadership style of the managers by size of business

Analysis of the Data with Respect to

the Objectives

Objective 1: To identify the characteristics of the business in Tegucigalpa, frequency distributions are used (Table VII to XVII). Table VII shows the characteristics of the business in terms of the type of industry.

As can be seen, the businesses studied fall into five types (categories) of industry: furniture, clothing, manufacturing, food and beverages, and shows and leather. Twenty-five of the businesses (42%) were in the manufacturing industry. Twelve (20%) in the furniture industry and 11 (18%) were in the food and beverage industry.

TABLE VII

TYPE OF INDUSTRY BY SIZE OF BUSINESS

Type of Industry	Size of Business									
	Small		Mid-Small		Medium		Large		Total	
	N	%	N	%	N	%	N	%	N	%
Furniture	4	11.8	2	28.5	3	25.0	3	42.8	12	20.0
Clothing	5	14.7	2	28.5	2	16.6	-	-	9	15.0
Manufacturing	13	38.3	3	43.0	5	41.6	4	57.2	25	41.7
Food and Beverages	10	29.4			1	8.4			11	18.3
Shoes and Leather	2	5.8			1	8.4			3	5.0
Total	34	100.0	7	100.0	12	100.0	7	100.0	60	100.0

The type of the proprietorship by size of business is presented in Table VIII using a frequency distribution. The businesses under study fall into three categories of proprietorship: Individual proprietorship, partnership and corporation. Twenty-six businesses (43%) are individual proprietorship, and 23 business, (38.3%) are corporations. All of the businesses which were individual proprietorships were in the categories of small and mid-small businesses. In other words, 22 of these businesses were small with less than 19 workers and 4 were mid-small businesses. On the other hand 16 businesses out of 23 which were corporations were in the medium and large size business. Only 11 out of 60 businesses were partnership and 7 of them were in the small size business.

TABLE VIII

TYPE OF PROPRIETORSHIP BY SIZE
OF BUSINESS

Size of Business	Individual Proprietorship		Partnership		Corporation		Grand Total	
	N	%	N	%	N	%	N	%
Small (0-19)	22	64.7	7	20.5	5	14.8	34	100.0
Mid-Small (20-49)	4	57.0	1	14.5	2	28.5	7	100.0
Medium (50-99)	-	-	3	25.0	9	75.0	12	100.0
Large (100 or more)	-	-	-	-	7	100.0	7	100.0
	26	43.3	11	18.4	23	38.3	60	100.0

In order to know the skill level of performance among the business employees, managers were asked to classify their employees regarding the

type of job. Three types of jobs were identified: production, sales, and administration. Thirty-six managers of the 60 studied, considered the employees from the production area as semi-skilled workers and 21 of the managers classified them as skilled workers. Only one manager reported that the employees in the production area were highly skilled and two of the managers reported that the production workers were unskilled. Forty managers reported the sales people as semi-skilled workers and 20 as skilled workers. On the other hand, employees performing in the administrative area were reported as skilled. At lest 41 out of 60 managers agree (Table IX).

TABLE IX

LEVEL OF SKILL OF THE EMPLOYEES
BY TYPE OF JOB

Level of Skill	Type of Job		
	Production	Sales	Administrative
Unskilled	2		1
Semi-skilled	36	40	18
Skilled	21	20	41
Highly-skilled	1	-	-

To have a wider idea of the skill of the employees, data were arranged for each type of job and by size of business. From this point of view, 25 managers out of 34 who come from the small sized business, reported the employees in the production area as unskilled and semi-skilled. It is approximately 74

percent. Only 26 percent of the managers classified the employees in the area of production as skilled. On the other hand, 5 of 7 managers from the large business reported that their employees in the production area were skilled or highly skilled. It represents 72 percent of all of the managers from large businesses (Table X). In general terms, 38 managers out of 60, or 63 percent of them reported the employees in the area of production as unskilled or semi-skilled workers.

TABLE X

LEVEL OF SKILL OF THE EMPLOYEES IN THE
PRODUCTION AREA BY SIZE OF BUSINESS
ACCORDING TO MANAGERS

	Level of Skill							
	Unskilled		Semi-Skilled		Skilled		Highly Skilled	
Size of Business	N	%	N	%	N	%	N	%
Small	2	5.8	23	67.0	9	26.0	-	-
Mid-Small	-	-	5	71.0	2	29.0	-	-
Medium	-	-	6	50.0	6	50.0	-	-
Large	-	-	2	28.0	4	58.0	1	14.0
Total	2	3.3	36	60.0	21	35.0	1	1.7

Table XI reports the opinion of the managers with respect to the level of skill of the employees in the area of sales by size of business. Twenty-six of 34 managers from the small business classify the sales people as semi-skilled and 8 of them reported the people in the sales area as skilled. On the other hand, 11 of 19 managers from the medium and large size business classified the

sales people as skilled workers. In general terms, 40 of 60 managers classified the people in the area of sales as semi-skilled. That was approximately 67 percent. Twenty of the managers reported the sales people as skilled workers.

TABLE XI

LEVEL OF SKILL OF THE EMPLOYEES IN THE
SALES AREA BY SIZE OF BUSINESS
ACCORDING TO MANAGERS

| | Level of Skill | | | | | | | |
| | Unskilled | | Semi-Skilled | | Skilled | | Highly Skilled | |
Size of Business	N	%	N	%	N	%	N	%
Small	-	-	26	76.0	8	24.0	-	-
Mid-Small	-	-	6	85.0	1	15.0	-	-
Medium	-	-	5	42.0	7	58.0	-	-
Large	-	-	3	43.0	4	57.0	-	-
Total	-	-	40	66.7	20	33.3	-	-

On the other hand, in general terms 41 out of 60 managers qualify the employees in the administrative area as skilled workers, that is, 68 percent approximately (Table XII). Twenty-three of the managers who reported the workers in the administrative area as skilled are managers from the small size business and 15 of 19 who do so too, are from the medium and large businesses.

A closer view of the employees in the business industries of Tegucigalpa indicates that 52 percent of all of the workers reported in the sample of 60 businesses were employed in the large business. In other words, 7 large

businesses hold 1,620 workers out of 3,119 workers reported by the business under study (Table XIII). Also, this table shows that 85 percent of those workers are in the production area; 4.2 percent are supervisors; 6.9 percent are in the administrative area, and 3.6% are top managers.

TABLE XII

LEVEL OF SKILL OF THE EMPLOYEES IN THE
ADMINISTRATIVE AREA BY SIZE OF
BUSINESS ACCORDING TO
MANAGERS

Size of Business	Level of Skill							
	Unskilled		Semi-Skilled		Skilled		Highly Skilled	
	N	%	N	%	N	%	N	%
Small	1	3.0	10	29.0	23	68.0	-	-
Mid-small	-	-	4	57.0	3	43.0	-	-
Medium	-	-	2	17.0	10	84.0	-	-
Large	-	-	2	28.0	5	72.0	-	-
Total	1	1.7	18	30.1	41	68.2	-	-

Some indicators for all of the businesses and for each of the sizes are presented to show the differences in the four business sizes. These indicators are in terms of production workers per first line supervisor; number of production workers per administrative personnel; number of supervisors plus personal administrative per manager and the average of employees held by each size of industry.

TABLE XIII

NUMBER OF PEOPLE EMPLOYED BY SIZE OF
BUSINESS AND TYPE OF JOBS

| | Types of Jobs | | | | |
	Top Mgmt.	Administrative	Supervisory	Production	Total
Small	31	28	16	326	401
Mid-Small	8	31	12	155	206
Medium	36	98	48	710	892
Large	39	60	54	1,467	1,620
Total	114 (3.6%)	217 (6.9%)	130 (4.2%)	2,658 (85.3%)	3,119

TABLE XIV

NUMBER OF WORKERS IN THE PRODUCTION
AREA BY SIZE OF BUSINESS

Size	Number of Workers	Number of Supervisors	Workers per Supervisor
Small-Size Business	326	16	20
Mid-Small-Size Business	155	12	10
Medium-Size Business	710	48	15
Large-Size Business	1,467	54	27
Mean for all Businesses	2,658	130	20

Large business have the large rate of production workers per supervisor. That is, 27 workers for each supervisor which could be considered the span of

control, while mid-small businesses have the lowest rate, that is 10 workers per supervisor (Table XIV). Also, Table XIV shows that the rate of workers in the production area per supervisor for all of the businesses under study is 20.

For each employee in the administrative area the large business had 24 workers in the area of production, while the average of all of the businesses under research is 12 workers (Table XV).

The mid-small businesses had the lowest rate. That is, 5 workers in the area of production per each administrative employee.

TABLE XV

NUMBER OF WORKERS IN THE AREAS
OF PRODUCTION AND IN THE
ADMINISTRATIVE AREA

Size	Number of Workers	Personnel Administrative	Workers per Employee
Small-Size Business	326	28	11
Mid-Small-Size Business	155	31	10
Medium-Size Business	710	48	5
Large Business	1,467	60	24
Average or Mean	2,658	217	12

It is considered that the direct subordinates of the level of management are the supervisors and administrative employees. Table XVI shows the number of supervisors and administrative people for each manager in each of the business sizes. The mid-small businesses have the highest rate or number.

of employees per manager. That is, 5 subordinates per manager and the lowest rate correspond to the small business with 1.4 subordinates for each manager.

Ending with the characteristics of the businesses in the city of Tegucigalpa, Table XVII examines the years of operation of those businesses. Based on Table XVII it can be said that 46 businesses or 77 percent approximately have been in the market place for less that 20 years and that 26 of them have no more than ten years of operation. Eighteen businesses out of the 26 which have no more than ten years of operation are small businesses.

TABLE XVI

NUMBER OF SUPERVISORY AND ADMINISTRATIVE
PERSONNEL AND MANAGERS BY
SIZE OF BUSINESS

Size	Number of Superv. & Admin.	Number of Managers	Superv. & Admin. per Manager
Small-Size Business	44	31	1.4
Mid-Small-Size Business	43	8	5.3
Medium-Size Business	106	36	4
Large Business	114	39	3
Average or Mean	347	114	3

Objective 2. To identify the characteristics of the managers from the industries under study, frequency distributions were used (Tables XVIII to Table XXXV). Table XVIII shows the ages of the managers by size of industry. None

of the managers are less than 20 years old, but on the other hand, only 4 out of 60 managers interviewed are more than 51 years old, that is, 7 percent approximately.

TABLE XVII

YEARS OF OPERATION OF THE BUSINESSES BY SIZE OF INDUSTRY

Years of Operation	Level of Skill									
	Small		Mid-Small		Medium		Large		Total	
	N	%	N	%	N	%	N	%	N	%
1 to 10 years	18	53.0	3	44.0	3	25.0	2	29.0	26	43.3
11 to 20	10	29.0	2	28.0	6	50.0	2	29.0	20	33.3
21 to 30	6	18.0	-	-	2	17.0	1	14.0	9	15.0
31 to 40	-	-	-	-	1	8.0	1	14.0	2	3.4
41 and more	-	-	2	28.0	-	-	1	14.0	3	5.0
Total	34	100.0	7	100.0	12	100.0	7	100.0	60	100.0

Managers from the businesses of Tegucigalpa are relatively young. Fifty managers out of 60 of them or 83% are between ages 21 to 40 and 18 are between ages 21 to 30. Most of the managers from the small sized businesses are less than 41 years old (88%). But, most of the managers from the medium and large businesses are older than 32 years (73%).

Viewing the educational level of the managers (Table XIX), it has been found that 56 managers out of 60 or 93% have at least the secondary level of education and 22 of them, that is 37 percent, have completed the university

level of education. Only 4 of the managers interviewed reported to have only completed the elementary level of education and all of these 4 managers are from the small businesses.

TABLE XVIII

AGE OF THE MANAGERS BY SIZE OF
BUSINESS

| | Range of Ages (Years) | | | | | | | | | |
| | 21 to 30 | | 31 to 40 | | 41 to 50 | | 51 or more | | Total | |
Size	N	%	N	%	N	%	N	%	N	%
Small	11	32.0	19	56.0	3	9.0	1	3.0	34	100.0
Mid-small	2	28.0	3	43.0	2	29.0	-	-	7	100.0
Medium	2	17.0	9	75.0	1	8.0	-	-	12	100.0
Large	3	43.0	1	14.5	2	28.0	1	14.5	7	100.0
Total	18	30.0	32	53.0	8	13.0	2	3.4	60	100.0

The secondary level of education in Honduras (high school in other countries), submits degrees in accounting, elementary teacher, technical education and high school. Thirty-six of the managers who have completed the secondary level of education have a degree in accounting, two of them in technical education, 16 of them completed high school as a previous step to enter at the university level, and four of the managers have a degree in elementary school teaching.

Besides their formal level of education, managers have participated in some other courses related with the business activity (Table XX). Thirty-seven

managers out of 60 or 62 percent approximately have taken courses related to the business activity.

TABLE XIX

LEVEL OF EDUCATION OF THE MANAGERS
BY SIZE OF BUSINESS

Level of Education	Size of Business									
	Small		Mid-Small		Medium		Large		Total	
	N	%	N	%	N	%	N	%	N	%
Completed Elementary School	4	12.0	-	-	-	-	-	-	4	7.0
Completed Secondary School	23	68.0	4	57.0	7	58.0			34	57.0
Completed Higher Education	7	20.0	3	43.0	5	42.0	7	100.0	22	36.0
Total	34	100.0	7	100.0	12	100.0	7	100.0	60	100.0

Although many of the managers who had taken courses are from the small business (18 managers), they represent only 53%. On the contrary, Table XX shows that 79 percent of the medium and large business managers have participated in courses related with the business activity.

Most of the managers who have participated in training programs took their courses at private training institutions. Thirty-one managers out of 37 who have taken courses reported doing so (Table XXI). Ten managers reported to have taken the courses at the National Institute for Occupational Education and only

one of them took courses at the University of Honduras through university extension programs. The observations in Table XXI are larger in amount than the number of managers who attended courses because some of them reported to have taken courses in both, private and government training institutions.

TABLE XX

MANAGER'S PARTICIPATION IN TRAINING
COURSES BY SIZE OF BUSINESS

| | Managers' Participation | | | | | |
| | YES | | NO | | | |
Size	Managers	Percent	Managers	Percent	Total	Percent
Small	18	53.0	17	47.0	34	100.0
Mid-Small	4	57.0	3	43.0	7	100.0
Medium	9	75.0	3	25.0	12	100.0
Large	6	86.0	1	14.0	7	100.0
Total	37	62.0	23	38.0	60	100.0

Managers who participated in some king of training were asked to respond whether or not the courses taken by them were or were not useful to the business' success. Table XXII shows that 36 or 97% of the managers answered yes to the question.

TABLE XXI

PLACES WHERE MANAGERS TOOK THE
TRAINING COURSES

Size	Training Institutions							
	INFOP		UNAH		Private		Total	
	N	%	N	%	N	%	N	%
Small	6	27.2	1	4.5	15	68.3	22	100.0
Mid-Small	1	10.0	-	-	4	90.0	5	100.0
Medium	2	20.0	-	-	7	80.0	9	100.0
Large	1	20.0	-	-	5	80.0	6	100.0
Total	10	23.8	1	2.4	31	73.8	42	100.0

Managers who did not take any courses were asked to respond why they did not participate in any training program. Eighteen managers said that the main reason was that there were not courses available (Table XXIII). Most of them are small business managers (14). Four managers responded that the reason for not taking any courses was the lack of time.

Twenty-six managers out of 60 who were interviewed are owner-managers (Table XXIV), and 20 of them are small business managers. On the other hand, 34 managers are employees without any proprietorship participation in the business and 50 percent of them are medium and large business managers.

TABLE XXII

MANAGERS OPINION ABOUT IF THE COURSES
WERE OR WERE NOT USEFUL

Size	Yes	No	Total
Small	17	1	18
Mid-small	4	-	4
Medium	9	-	9
Large	6	-	6
Total	36	1	37

TABLE XXIII

REASONS FOR NOT PARTICIPATING IN ANY
KIND OF TRAINING PROGRAMS BY
SIZE OF BUSINESS

Reasons	Business Sizes				
	Small	Mid-Small	Medium	Large	Total
Lack of time	1	2	1		4
There were no courses available	14	1	2	1	18
Courses are too expensive	1	-	-	-	1
Totals	16	3	3	1	23

TABLE XXIV

MANAGERS PROPIETORSHIP RELATIONSHIP
BY SIZE OF BUSINESS

Size	Owner-Manager Individual Propietorship	Partner Manager	Manager Employee
Small	18	2	14
Mid-small	2	2	7
Medium	-	2	10
Large	-	-	7
Total	20 (34%)	6 (10%)	34 (56%)

By the time the information was being gathered, 29 of the managers were holding the position of general manager (Table XXV) and 17 were performing as managers in the administrative area. Twenty-four managers who were performing as a general manager are small and mid-small sized business managers.

To identify the leadership style of the business managers, data was gathered by using the instrument called "Leadership Style Effectiveness" developed by Paul Hersey and Kenneth Blanchard (See Appendix 3). These data were arranged in special sheets to show the leadership style for each of the managers (Appendix 4). Once the data were arranged in these sheets, frequency distributions has been used to show the trend of the managers leadership style for each of the business size. Table XXVI shows the level of effectiveness of the small-business managers when using their leadership style

TABLE XXV

POSITION OF THE MANAGERS WITHIN THE
ORGANIZATION BY SIZE OF BUSINESS

Position	Small	Mid-Small	Medium	Large	Total	Percent
Personnel Manager	1	-	1	1	3	(5.0)
General Manager	20	4	2	3	29	(48.0)
Accounting Manager	2	-	3	1	6	(10.0)
Sales Manager	1	-	2	-	3	(5.0)
Administrative Manager	9	2	4	2	17	(28.0)
Supervisor	1	1	-	-	2	(2.0)

orientation. Eighteen managers out of 34 managers in the small business range are quadrant one-oriented, that is, their main orientation. In other words, those managers are high task oriented and low relationship oriented (Figure 4). The level of effectiveness of the managers quadrant one oriented is very low. Thirteen of them are ineffective using this type of leadership orientation and one of them is very ineffective. Twelve managers in the small business range are quadrant two oriented. In other words, they are high task and relationship oriented (Figure 4). The level of effectiveness of these managers when using their leadership orientation is higher than the level of effectiveness of the quadrant one oriented managers. Only two out of the twelve managers are ineffective using this type of leadership orientation.

Figure 4.   Leadership Style Orientation and Level of Effectiveness of the
            Managers from the Small Business Range (Hersey and Blanchard
            Model)

Four small business managers, on the other hand, are quadrant three oriented. In other words, high relationship oriented and low task oriented and none of them is quadrant four oriented.

TABLE XXVI

LEVEL OF EFFECTIVENESS OF THE MANAGERS
IN THE SMALL BUSINESS RANGE WHEN
USING THEIR LEADERSHIP STYLE

Quadrant	No. Obs.	Very Ineffective -24 to - 13		Ineffective -12 to 0		Effective 1 to 12		Very Effective 13 to 24	
		N	%	N	%	N	%	N	%
I	18	1	5.5	13	72.0	4	22.0	-	-
II	12	-	-	2	17.0	10	83.0	-	-
III	4	-	-			4	100.0		
IV	-	-	-	-	-	-	-	-	-
Total	34	1 (3%)	-	15 (44%)		18 (53%)		-	-

Generally speaking, 47% of the managers in the small business range are ineffective using their leadership orientation. The average of effectiveness of the managers who are effective using their leadership orientation is 4.16 on the effectiveness scale (Figure 4). The average of ineffectiveness of the managers who are ineffective in their leadership orientation is -3.93. When considering all of the managers business levels of effectiveness the average is 0.35 on the scale of effectiveness.

It is not expected that the managers have a unique leadership style orientation, rather than that, managers have a mix of leadership orientations. Table XXVII shows the level of leadership orientation of the managers in the small business range in each of the four quadrants. From Table XXVII we can

see that although the 24 small business managers are quadrant one oriented only 14 of them are high oriented and one of them strong oriented. All of the managers in the small business range are quadrant two oriented, too. But only nine are high oriented. On the other hand we can see that 33 of the managers are not quadrant four oriented.

TABLE XXVII

LEVEL OF ORIENTATION OF THE MANAGERS LEADERSHIP STYLE IN THE SMALL BUSINESS RANGE

Quadrants	Level of Orientation									
	Non-O. 0		Low O. 1 to 3		Med. O. 4 to 5		High O. 6 to 8		Strong 9 to 12	
	N	%	N	%	N	%	N	%	N	%
I	-	-	12	35.0	7	20.0	14	42.0	1	3.0
II	-	-	12	35.0	13	38.0	9	26.0	-	-
III	2	6.0	22	65.0	8	23.0	2	6.0	-	-
IV	33	97.0	1	3.0						

The mid-small business managers are mainly quadrant two and quadrant one oriented (Table XXVIII). In other words, four out of seven managers in the mid-small range are high task and relationship oriented, while the remaining three managers are high task oriented and low relationship oriented (Figure 5). The level of effectiveness of the managers quadrant one oriented is low. Two managers our of three managers are ineffective when using this particular leadership style orientation while the managers quadrant two-oriented are in a
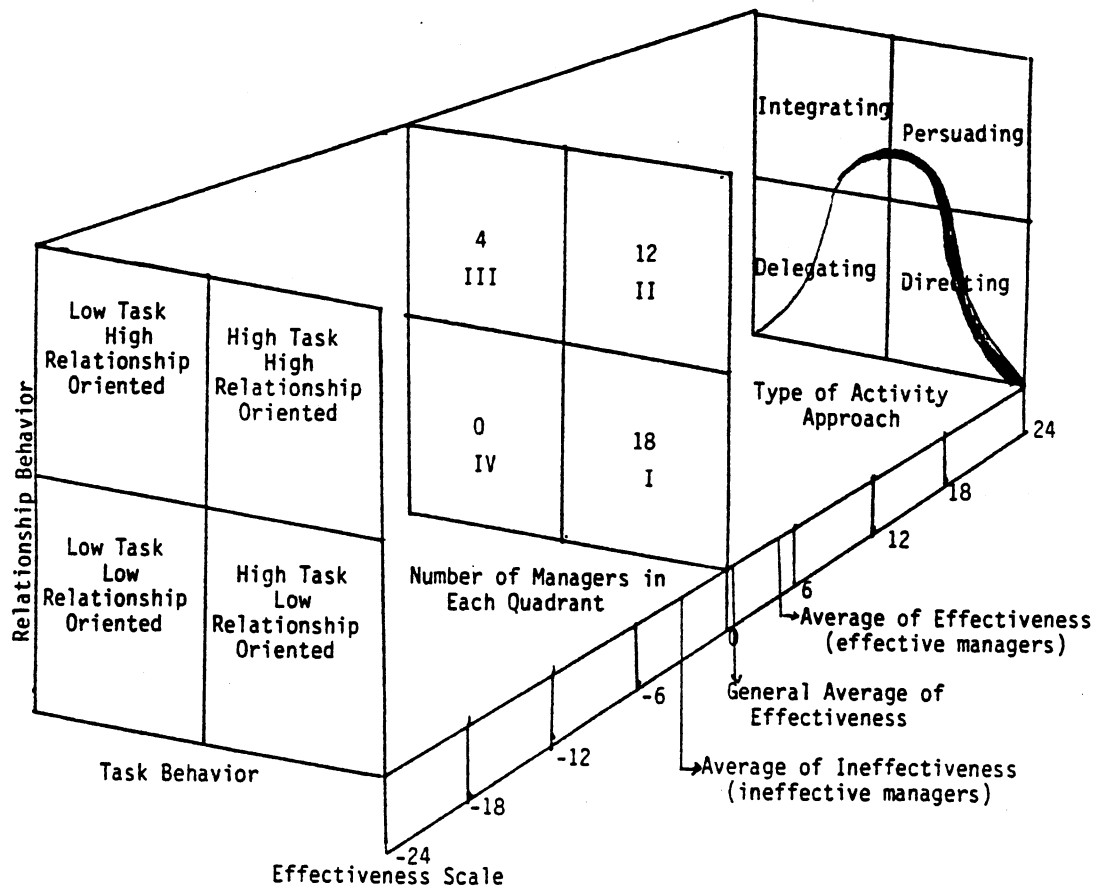
Figure 5.   Leadership Style Orientation and Level of Effectiveness of the
            Managers from the Mid-Small Business Range
            (Hersey and Blanchard Model)

two by two relationship. In general terms, 57 percent of the managers in the mid-small business range are ineffective using their leadership orientation.

The average of effectiveness of the managers which are ineffective using their leadership orientation is -2.75 and the average of effectiveness of those managers who are effective using their leadership orientation is 3.7. The general average of effectiveness of all of the managers in the mid-small range business is 0 on the effectiveness scale (Figure 5).

TABLE XXVIII

LEVEL OF EFFECTIVENESS OF THE MANAGERS IN
THE MID-SMALL BUSINESS RANGE WHEN
USING THEIR LEADERSHIP ORIENTATION

Quadrant	Obs.	Level of Orientation							
		Very Ineff.		Ineffect		Effective		Very Eff.	
		-24	-13	-12	0	1	12	13	24
		N	%	N	%	N	%	N	%
I	3	-	-	2	67	1	33	-	-
II	4	-	-	2	50	2	50	-	-
III	-	-	-	-	-	-	-	-	-
IV	-	-	-	-	-	-	-	-	-
Total	7	-	-	4	57.0	3	43.0	-	-

All of the managers under study in the mid-small business range have some degree of orientation in quadrants one, two and three. Only one of the managers had some kind of orientation quadrant four, but in a low degree (Table XXIX).

The level of orientation of the leadership style of the managers in quadrant one is low. Five out of seven managers are mid and low oriented in quadrant one. On the other hand, the level of orientation of the managers in quadrant two is higher than the level of orientation in quadrant one. Three of the seven managers are quadrant two oriented in a high degree.

TABLE XXIX

LEVEL OF ORIENTATION OF THE MANAGERS'
LEADERSHIP STYLE IN THE MID-SMALL
BUSINESS RANGE

	Level of Orientation									
	Non-Or.		Low Or.		Mid-Or.		High Or.		Strongly Or.	
Quadrant	0		1	3	4	5	6	8	9	12
	N	%	N	%	N	%	N	%	N	%
I	-	-	2	28.0	3	43.0	1	14.5	1	14.5
II	-	-	1	14.0	3	43.0	3	43.0	-	-
III	-	-	7	100.0	-	-	-	-	-	-
IV	6	86.0	1	14.0	-	-	-	-	-	-

Managers in the medium business range are quadrant one and two oriented (Table XXX). Seven out of twelve are quadrant one oriented and five quadrant two oriented. In other words, there are mainly high task oriented and low relationship oriented (Figure 6).

Sixty percent of the managers quadrant two oriented are effective using this type of leadership orientation, but only 29 percent of the managers quadrant one oriented are effective using this leadership style. In a general
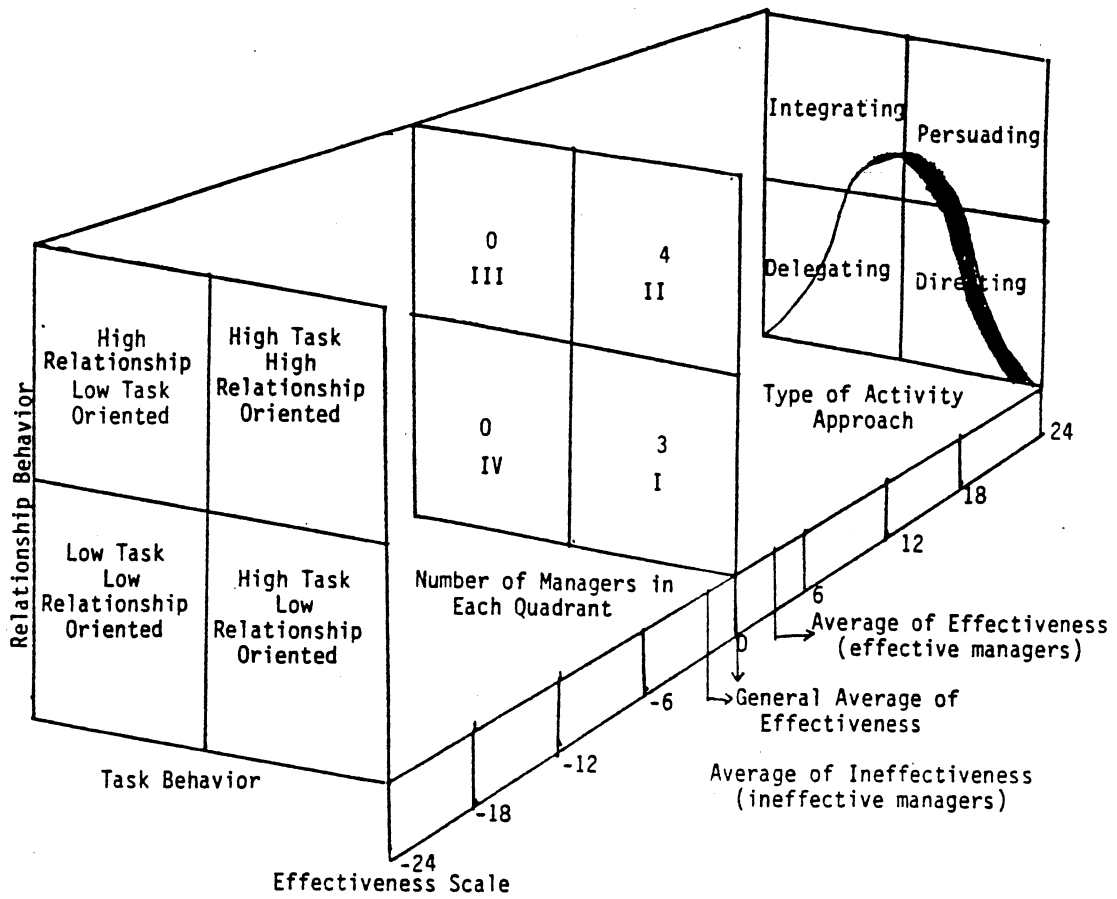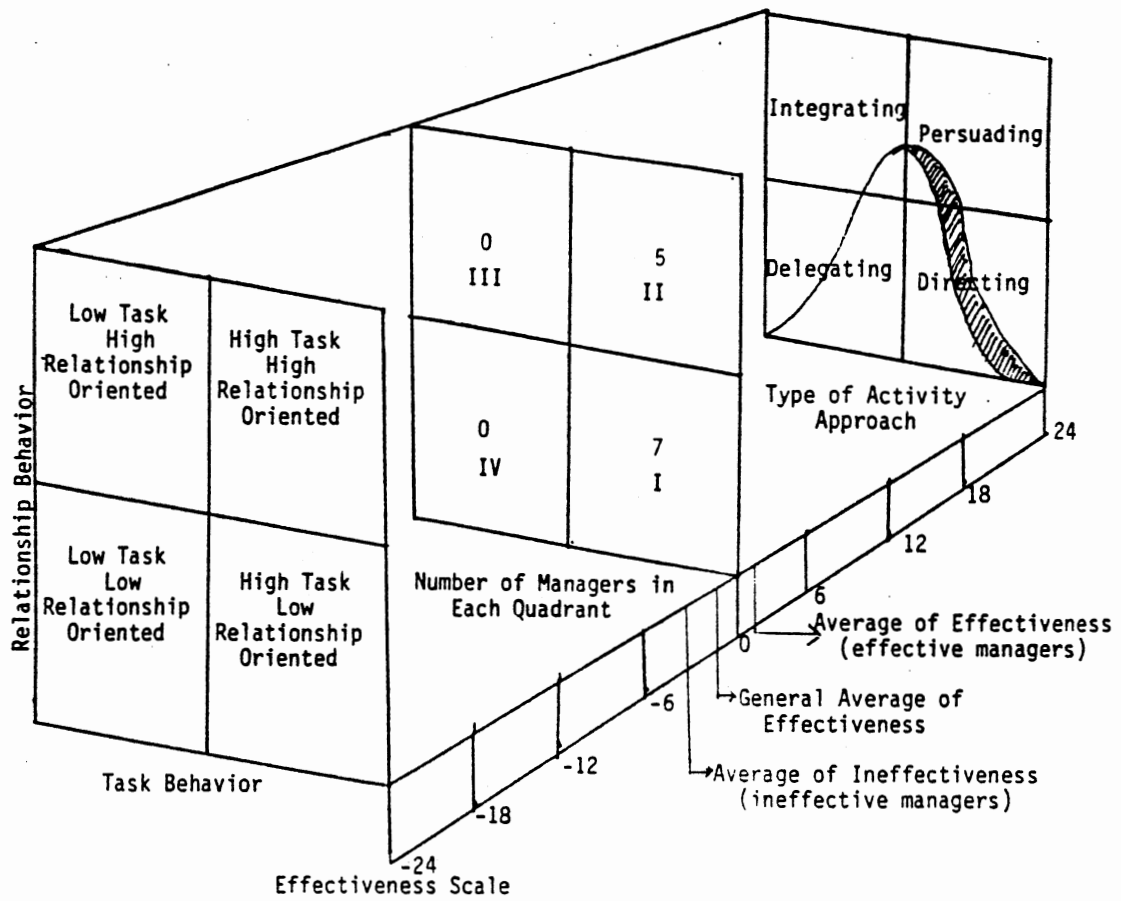
Figure 6.   Leadership Style Orientation and Level of Effectiveness of
            the Managers from the Medium Business Range
            (Hersey and Blanchard Model)

sense, seven out of 12 medium-sized business managers are ineffective using their leadership orientation.

The average of effectiveness of the managers who are effective using their leadership style is 1.9 on the effectiveness scale (Figure 6). The average of ineffectiveness of the managers who are ineffective using their leadership orientation is -3.43 (see Figure 6). The general average of effectiveness of all of the managers in the medium business range is -1.25 on the effectiveness scale.

TABLE XXX

LEVEL OF EFFECTIVENESS OF THE MEDIUM SIZE
BUSINESS MANAGERS USING THEIR
LEADERSHIP ORIENTATION

Quadrant	OBS	Level of Orientation							
		Very Ineff.		Ineffective		Effective		Very Ineff.	
		-24 N	-13 %	-12 N	0 %	1 N	12 %	13 N	24 %
I	7	-	-	5	71.0	2	29.0	-	-
II	5	-	-	2	40.0	3	60.0	-	-
III	-								
IV									
	12	-	-	7	58.0	5	42.0	-	-

None of the medium sized business managers are quadrant four oriented. That is, they are not low task and relationship oriented (Figure 6 and Table XXXI). Although ten of them are quadrant three oriented, they are low oriented (Table XXV). All of the managers in the medium business range have some degree of orientation in quadrant one and two. Only three of the managers in quadrant one are low oriented and so are four of the managers in quadrant two.

Business managers in the large business range are mainly quadrant two oriented. In other words, they are high task and relationship oriented (Figure 7 and Table XXXII). Five out of seven managers are quadrant two oriented and three of them are effective in using this type of leadership orientation. The other two managers are quadrant one and quadrant two oriented and also both of them are effective using their type of leadership orientation. In general terms 70 percent of the managers in the large business range are effective using their leadership style. On the other hand, the average of effectiveness of the managers who are effective in their leadership orientation is seven on the effectiveness scale (Figure 7). The average of ineffectiveness of the managers who are ineffective using their leadership orientation is -1.5, and the general average of effectiveness is 4.57.

TABLE XXXI

LEVEL OF ORIENTATION OF THE MANAGERS'
LEADERSHIP STYLE IN THE MEDIUM
BUSINESS RANGE

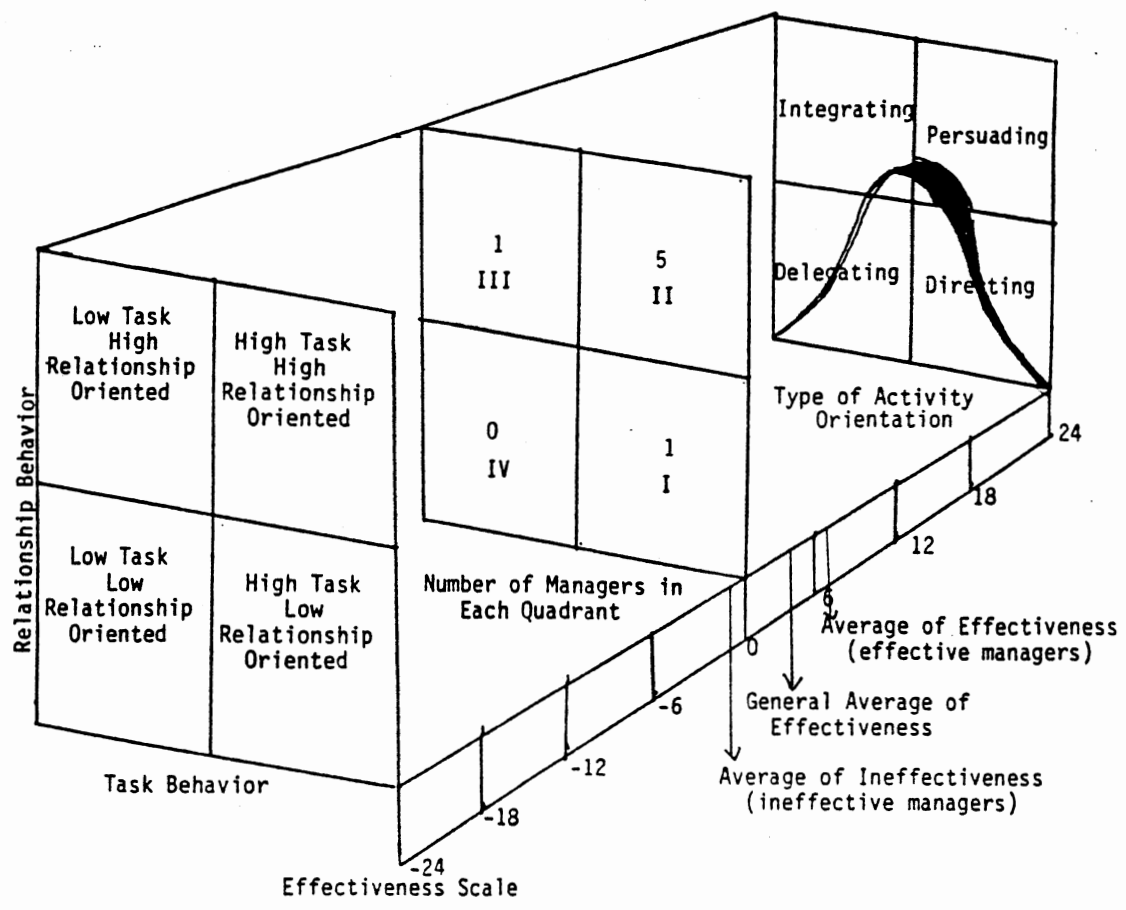| Quadrant	Level of Orientation									
	Non-Or. 0		Low Or. 1 3		Mid Or. 4 5		High Or. 6 8		Strongly Or. 9 12	
	N	%	N	%	N	%	N	%	N	%
I	-	-	3	25.0	4	33.0	4	33.0	1	8.0
II	-	-	4	33.0	3	25.0	5	42.0	-	-
III	2	17.0	9	75.0	1	8.0	-	-	-	-
IV	12	100.0	-	-	-	-	-	-	-	-

Figure 7.   Leadership Style Orientation and Level of Effectiveness of
the Managers from the Large Business Range
(Hersey and Blanchard Model)

TABLE XXXII

LEVEL OF EFFECTIVENESS OF THE LARGE
BUSINESS MANAGERS USING THEIR
LEADERSHIP ORIENTATION

Quadrant	OBS	Level of Orientation							
		Very Ineff. -24	-13	Ineffective -12	0	Effective 1	12	Very Ineff. 13	24
		N	%	N	%	N	%	N	%
I	1					1	100.0		
II	5	1	20.0	1	20.0	2	40.0	1	20.0
III	1					1	100.0	-	-
IV									
	7	1	14.3	1	14.3	4	57.1	1	14.3

The managers mix of leadership style is presented in Table XXXIII. Three managers out of seven in the large business range are quadrant four oriented. That is, low task and relationship oriented. Six of this seven managers have some degree of orientation in quadrant three and the level of orientation of three of them is pretty high. On the other hand the level of orientation in quadrant one is low. Five out of seven managers are low quadrant one oriented.

In order to have a whole view of the managers' leadership style, a frequency distribution for all of the business without regard to size of business is presented in Table XXIV. Of the 60 managers of the sample, 29 of them are quadrant one oriented, but 72 percent of these managers are ineffective using this type of leadership style. Twenty-six of the managers, on the other hand, are quadrant two oriented, but contrary to the managers quadrant one oriented, 69 percent of them are effective using this type of leadership style. Lastly, five

TABLE XXXIII

LEVEL OF ORIENTATION OF THE MANAGERS'
LEADERSHIP STYLE IN THE LARGE
BUSINESS RANGE

Quadrant	Level of Orientation									
	Non-Or. 0		Low Or. 1 3		Mid-Or. 4 5		High Or. 6 8		Strongly Or. 9 12	
	N	%	N	%	N	%	N	%	N	%
I	-	-	5	71.4	1	14.3	1	14.3	-	-
II	-	-	1	14.3	2	28.2	3	43.2	1	14.3
III	1	14.3	3	43.2	2	28.2	1	14.3	-	-
IV	4	57.0	3	43.0	-	-	-	-	-	-

managers are quadrant three oriented, and all of them are effective using this type of leadership style.

The average of ineffectiveness of the managers who are ineffective using their leadership orientation is -3.48. The average of effectiveness of the managers who are effective using their leadership style is 4 on the effectiveness scale (Figure 8), and the general average of effectiveness for all of the managers business is 0.38.

Ending with this analysis, Table XXXV shows a comparison of the level of effectiveness of the managers leadership style of reach size of business. In general terms the less effective of all of the managers are the managers in the medium business range and the more effective are the managers in the large business range. The same trend is reflected on the average of effectiveness of the managers who are effective using their leadership style. On the other hand
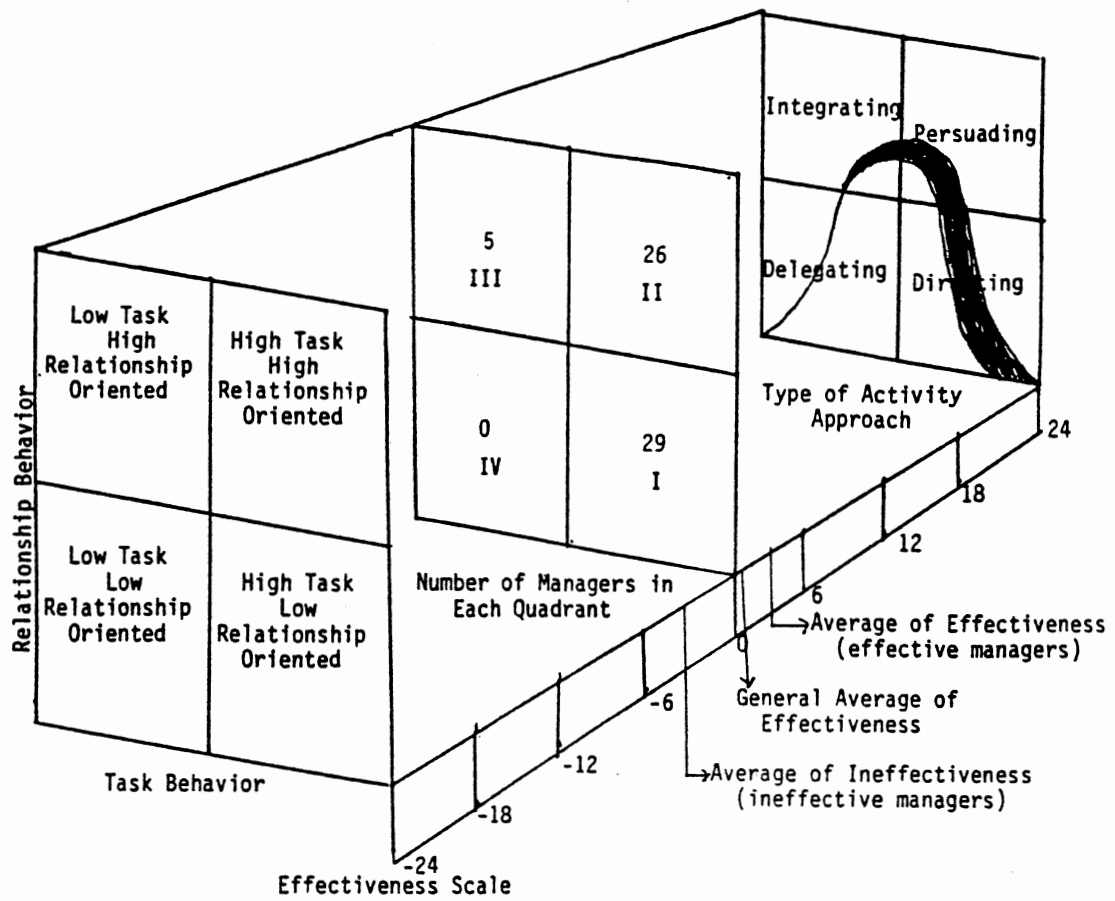
Figure 8.   Leadership Style Orientation and Level of Effectiveness of
All the Managers from the Industrial Sector of Tegucigalpa

TABLE XXXIV

LEADERSHIP EFFECTIVENESS FOR ALL OF
THE MANAGERS ON THE SAMPLE

Quadrant	OBS	Level of Orientation							
		Very Ineff.		Ineffective		Effective		Very Ineff.	
		-24	-13	-12	0	1	12	13	24
		N	%	N	%	N	%	N	%
I	29	1	3.5	20	69.0	8	27.5	-	-
II	26	1	3.8	7	27.0	17	65.4	1	3.8
III	5					5	100.0	-	-
IV	-	-	-	-	-	-	-	-	-
Total	60	2	3.3	27	45.0	30	50.0	1	3.8

the more ineffective of all of the managers who are ineffective using their leadership style orientation are the managers in the small business range, followed by the managers in the medium business range. It is expected that the larger the size of the business the more effective the managers are in using their leadership orientation. But managers in the medium size business are the less effective. An explanation to these facts is perhaps those managers are in the transition stage from one leadership style to another. As shown in Table XXXI, managers from the medium size business have a higher level of orientation in quadrants two and three than the managers from the mid-small and small size of businesses who are mainly quadrant one oriented.

Summary

The analysis of the data from the 60 business enterprises and their managers indicates that there are significant differences in both business and managers regarding the size of business.

TABLE XXXV

AVERAGE OF THE LEVEL OF EFFECTIVENESS
OF THE MANAGERS FOR EACH
SIZE OF BUSINESS

Size	General Average	Average Ineffective Managers	Average Effective Managers
Small	0.35	-3.95	4.16
Mid-small	0.00	-2.75	3.7
Medium	-1.25	-3.45	1.9
Large	4.57	-1.5	7.0

Differences regarding the size of the business were found in the legal form of proprietorship, the skill level of the employees, the years of operation of the business in the market place, the type of industry, the relationship between number of workers in the area of production per supervisor, per managers, and per administrative personnel.

Differences in the characteristics of the managers, regarding the size of the business were found in the level of education of the managers, in the level of training participation of the managers, their ages, and especially in their leadership style.

CHAPTER V

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

Summary

This study, as it was established in Chapter I, has been carried out to update information on the industrial sector of Tegucigalpa which could serve as a basis for developing sound managers training programs. The problem in this thesis was stated as the need to develop training programs according to businesses and managers characteristics. Some of the managers training programs offered until now by the National Institute for Occupational Education were developed without regard for such characteristics of both businesses and managers.

To identify the characteristics of the businesses as well as the characteristics of the managers, two objectives were defined in Chapter I.

Objective No. 1

To identify the characteristics of the industrial businesses of the city of Tegucigalpa in terms of:

a. Type of industry

b. Size of business in terms of the number of employees

c. Level of skill of the employees

d. Type of business in terms of the form of ownership

Objective No. 2

To identify the characteristics of the businesses' managers by size of business in terms of:

a.   Age of the managers

b.   Managers' level of education

c.   Managers' opinion about training

d.   Managers' leadership styles by size of business

Chapter II is the review of what has been said until now about businesses and managers characteristics in Honduras as well as in other countries. Also, this Chapter contains a review of some of the most important management and leadership theories. A special place is given in this chapter to the role of the manager and to the role of the entrepreneur in a business.

Chapter III of this thesis describes the methodology and the instruments used to gather the information. A sample of 60 industrial businesses was chosen. Managers were asked to respond to an instrument of 18 questions and to an instrument of 12 situations called "Situational Leadership". A model developed by Paul Hersey and Kenneth Blanchard was used in order to know the managers' leadership styles.

The findings of this study are presented in Chapter IV, using frequency distributions to show some differences in the characteristics of the businesses and the characteristics of the managers. There were significant differences which should be considered when developing managers' training programs.

Conclusions

The conclusions of this study are presented in two categories in this chapter: conclusions related to Objective No. 1 and conclusions related to Objective No. 2.

Conclusions Related to Objective No. 1:

1.   It can be concluded that the content of the training programs for the small and mid-small sized businesses managers should emphasize knowledge and skills related to the starting development phase of the business. For example:

-- entrepreneurial skills
-- business location
-- business legislation
-- product development
-- product introduction
-- business organization
-- strategies planning
-- short and long-term planning
-- individual relationship communication
-- business growth

2.   It can be concluded that the training program for medium and large business managers should emphasize knowledge and skills related to the consolidation development phase of the business:

-- management development
-- delegation
-- organizational development

-- groups relationship communication

-- strategic planning

-- marketing

-- competitive strategy

-- international marketing

-- control management

-- short and long-term planning

-- business stability and survival

-- quality control

3. It can be concluded that the delivery strategy of the managers training programs should take into account the size of the business.

Conclusions Related to Objective No. 2.

1. It can be concluded that managers' training programs should also emphasize the managers' skills of leadership. Training managers' programs should provide the knowledge and the opportunity to put it into practice.

2. It can be concluded that managers' training programs should take into account the manager's job schedule. Some managers, especially from the small and mid-small sized businesses cannot afford leaving the job during work hours.

Recommendations

1. It is recommended that a training needs analysis system be implemented so that managers' training programs can be updated according to the managers' training needs of every size of business. Managers training

needs assessments should be conducted at least every two years to keep pace with changes.

2. It is recommended that training programs for managers include techniques about how to adapt leadership styles to given situations faced. Such techniques may include:

-- Employee motivation

-- How to delegate

-- How to make people participate

-- How to persuade people

-- How to direct people

3. Due to the fact that most of the employees in the production and sales areas are not skilled enough and that managers and supervisors spend a lot of their time directing those workers, it is recommended that training programs should include teaching and directing techniques so managers can help their subordinates to improve their skills.

4. It is recommended that similar study be conducted in other geographical zones of industrial importance in Honduras.

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APPENDICES

APPENDIX A

LIST OF INDUSTRIAL BUSINESSES RESEARCHED

LIST OF INDUSTRIAL BUSINESSES SURVEYED

1. Supermercados La Colonia, S.A.

2. Comercial Ericka

3. Cerveceria Hondurena

4. Colgate Palmolive

5. Comercial Madera Bethel

6. Nacional de Envases, S.A.

7. Derimasa

8. Discomoda

9. Remosa

10. Imprenta Bulnes

11. Confecciones Monzini

12. Industrias Gala

13. Su Venta

14. Copicentro Editores

15. Industria Lechera Delta

16. Fabrica de Ropa Valentino

17. Muebleria Augusto Rassori

18. Muebles Galicia

19. Centro Industrial

20. Honduras Electrica, S. de R.L.

21. El Pequeno Despacho

22. Distribuidores Diversos

23. COHIMA

24. Constructora Victoria

25. Sastreria La Cubana

26. Corporacion Electrica Comercial

27. Pulperia Chinda Diaz

28. Mercadito Victoria

29. Restaurante Oasis

30. Alimentos y Especies

31. Imprenta La Libertad

32. Productos del Bosque

33. La Botonia

34. Agrivet

35. Agencia Castillo Galo

36. Almacen El Cairo

37. Pulperia La Popular

38. Repuestos Universal

39. Almacen Salame

40. Compania Inversora

41. Muebleria ALCHASA

42. Revista Vision S. de R.L.

43. Proveedora Comercial

44. Profar S. de R.L.

45. Auto-Taller Industrial

46. Funeraria La Milagrosa

47. Ceramica San Martin

48. J. M. Zacapa

49. Cafeteria Goal

50. Calzado Shalon

51. La Galera

52. Boutique El Prado

53. Cafeteria Peatonal

54. CAMACO

55. Cremetal

56. Pollos El Rancho

57. Automotriz Industrial

58. Sastreria D'Albert

59. Calzado Zagal

60. Plastimundo S.A.

APPENDIX B

SURVEY INSTRUMENTS

QUESTIONNAIRE SURVEY

BUSINESS' GENERAL INFORMATION

1. Name of the Industrial Business_____

2. Type of Activity:

    a. Manufacturing
    b. Trade
    c. Service

3. Main Activity_____

4. Legal Form of Operation

    a. Individual proprietorship
    b. Partnership
    c. Corporation

5. Business' Years of Operation_____

6. Number of Employees

    a. Top Managers:_____
    b. Supervisors:_____
    c. Administrative Personnel:_____
    d. Salesmen:_____
    e. Production Laborers:_____

7. Departments or sections within the organization structure:

    a. _____

    b. _____

    c. _____

    d. _____

    e. _____

    f. _____

    g. _____

    h. _____

INFORMATION RELATED TO THE INTERVIEWEE

8. Interviewee's position in the organization_____

9. Interviewee's relationship with the business_____

    a. He is the owner
    b. He is a partner
    c. He is a holder of the corporation

10. Age of the Interviewee

    a. Less than 21 years of age
    b. 21 to 30 years of age
    c. 31 to 40 years of age
    d. 41 to 50 years of age
    e. 51 years or older

11. Interviewee's level of education

    a. Completed elementary school
    b. Completed secondary school
    c. Completed higher education

12. Field of Study if Completed Secondary Level_____

13. Have you ever taken training courses related to business administration?

    a. Yes_____   (Go to question #14)

    b. No_____   (Go to question #16)

14. Where did you take the courses?

    a. INFOP
    b. UNAH
    c. Private training institution
    d. Other_____(Specify)

15. Did the courses help you to improve your knowledge related to business?

    a. Yes_____

    b. No_____

    c. Do not Know_____

16. Reasons for not taking any training courses

    a.   Do not like to participate in training courses
    b.   There were no courses
    c.   Courses were too expensive
    d.   Do not need training courses
    e.   Lack of time
    f.   Other_____(Specify)

17. What is the level of skill of the employees in the production area?

    a.   unskilled
    b.   semi-skilled
    c.   skilled
    d.   highly skilled

18. What is the level of skill of the employees in the sales area?

    a.   unskilled
    b.   semi-skilled
    c.   skilled
    d.   highly skilled

19. What is the level of skill of the employees in the administrative area?

    a.   unskilled
    b.   semi-skilled
    c.   skilled
    d.   highly skilled

LEADER EFFECTIVENESS & ADAPTABILITY DESCRIPTION

	SITUATION	ALTERNATIVE ACTIONS
1	Your subordinates are not responding lately to your friendly conversation and obvious concern for their welfare. Their performance is declining rapidly.	A. Emphasize the use of uniform procedures and the necessity for task accomplishment. B. Make yourself available for discussion but don't push your involvement. C. Talk with subordinates and then set goals. D. Intentionally do not intervene.
2	The observable performance of your group is increasing. You have been making sure that all members were aware of their responsibilities and expected standards of performance.	A. Engage in friendly interaction, but continue to make sure that all members are aware of their responsibilities and expected standards of performance. B. Take no definite action. C. Do what you can to make the group feel important and involved. D. Emphasize the importance of deadlines and tasks.
3	Members of your group are unable to solve a problem themselves. You have normally left them alone. Group performance and interpersonal relations have been good.	A. Work with the group and together engage in problem-solving. B. Let the group work it out. C. Act quickly and firmly to correct and redirect. D. Encourage group to work on problem and be supportive of their efforts
4	You are considering a change. Your subordinates have a fine record of accomplishment. They respect the need for change.	A. Allow group involvement in developing the change, but don't be too directive. B. Announce changes and then implement with close supervision. C. Allow group to formulate its own direction. D. Incorporate group recommendations, but you direct the change.
5	The performance of your group has been dropping during the last few months. Members have been unconcerned with meeting objectives. Redefining roles and responsibilities has helped in the past. They have continually needed reminding to have their tasks done on time.	A. Allow group to formulate its own direction. B. Incorporate group recommendations, but see that objectives are met. C. Redefine roles and responsibilities and supervise carefully. D. Allow group involvement in determining roles and responsibilities but don't be too directive.
6	You stepped into an efficiently run organization. The previous administrator tightly controlled the situation. You want to maintain a productive situation, but would like to begin humanizing the environment.	A. Do what you can to make group feel important and involved. B. Emphasize the importance of deadlines and tasks. C. Intentionally do not intervene. D. Get group involved in decision-making, but see that objectives are met.

SITUATION	ALTERNATIVE ACTIONS
7 You are considering changing to a structure that will be new to your group. Members of the group have made suggestions about needed change. The group has been productive and demonstrated flexibility in its operations.	A. Define the change and supervise carefully. B. Participate with the group in developing the change but allow members to organize the implementation. C. Be willing to make changes as recommended, but maintain control of implementation. D. Avoid confrontation; leave things alone.

SITUATION	ALTERNATIVE ACTIONS
8 Group performance and interpersonal relations are good. You feel somewhat unsure about your lack of direction of the group.	A. Leave the group alone. B. Discuss the situation with the group and then you initiate necessary changes C. Take steps to direct subordinates toward working in a well-defined manner. D. Be supportive in discussing the situation with the group but not too directive.

SITUATION	ALTERNATIVE ACTIONS
9 Your superior has appointed you to head a task force that is far overdue in making requested recommendations for change. The group is not clear on its goals. Attendance at sessions has been poor. Their meetings have turned into social gatherings. Potentially they have the talent necessary to help.	A. Let the group work out its problems. B. Incorporate group recommendations, but see that objectives are met. C. Redefine goals and supervise carefully. D. Allow group involvement in setting goals, but don't push.

SITUATION	ALTERNATIVE ACTIONS
10 Your subordinates, usually able to take responsibility, are not responding to your recent redefining of standards.	A. Allow group involvement in redefining standards, but don't take control. B. Redefine standards and supervise carefully. C. Avoid confrontation by not applying pressure; leave situation alone. D. Incorporate group recommendations, but see that new standards are met.

SITUATION	ALTERNATIVE ACTIONS
11 You have been promoted to a new position. The previous supervisor was uninvolved in the affairs of the group. The group has adequately handled its tasks and direction. Group inter-relations are good.	A. Take steps to direct subordinates toward working in a well-defined manner. B. Involve subordinates in decision-making and reinforce good contributions. C. Discuss past peformance with group and then you examine the need for new practices. D. Continue to leave group alone.

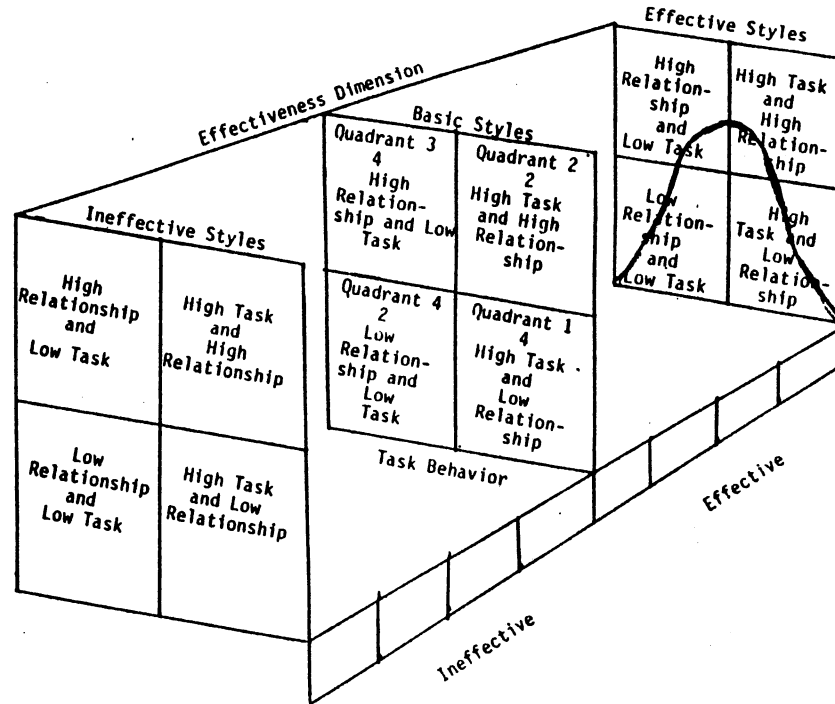| SITUATION	ALTERNATIVE ACTIONS
12 Recent information indicates some internal difficulties among subordinates. The group has a remarkable record of accomplishment. Members have effectively maintained long-range goals. They have worked in harmony for the past year. All are well qaualified for the task.	A. Try out your solution with subordinates and examine the need for new practices. B. Allow group members to work it out themselves. C. Act quickly and firmly to correct and redirect. D. Participate in problem discussion while providing support for subordinates.

APPENDIX C

LEADERSHIP EFFECTIVENESS MODEL

USED IN THE STUDY

	COLUMN I (Style Range) Alternative Actions					COLUMN II (Style Adaptability) Alternative Actions			
	(1)	(2)	(3)	(4)		(a)	(b)	(d)	(e)
1	A	C	B	D		D	B	C	A
2	D	A	C	B		B	D	C	A
3	C	A	D	B		C	B	A	D
4	B	D	A	C		B	D	A	C
5	C	B	D	A		A	D	B	C
6	B	D	A	C		C	A	B	D
7	A	C	B	D		A	C	D	B
8	C	B	D	A		C	B	D	A
9	C	B	D	A		A	D	B	C
10	B	D	A	C		B	C	A	D
11	A	C	B	D		A	C	B	D
12	C	A	D	B		C	A	D	B
Sub-columns	(1)	(2)	(3)	(4)		(a)	(b)	(c)	(d)

Multiply By:

(a)	(b)	(c)	(d)
-2	-1	+1	+2

THE TRI-DIMENSIONAL LEADERSHIP EFFECTIVENESS MODEL

VITA

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