Nandos management and leadership structure

Nando's started in 1987 in Rossetthenville, South Africa when two friends, Robert Brozen and his friend, Fernando Duarte went into a restaurant and ordered the offer that was on the menu. The friends had the flame grilled chicken with peri peri and they enjoyed the meal so much that they decided to buy the whole restaurant, Chickenland and changed the brand's name to Nando's.

Nando's has moved to the UK five years later and since become a world re-known brand name associated with flame grilled chicken. Nando's first restaurant in the UK was based at Ealing, from which they created a unique vision encapsulating many aspects of the South Africa – Portuguese experience which played an important part of the ethos of how they developed their restaurants. Robby wanted all restaurants to individually reflect the location and retain the character. He recruited engaging and inspiring people to manage the business, maintained quality of the product by flame grilling the product to be consumed by customers not far from where they seated, over time, the brand was born. Grant, R M (2002)

From this time onwards, a remarkable and unique major multi-million dollar business serving in many parts of the world. Today, it employs around 7000 workers in the UK with about 228 restaurants and is growing at a rate of 15 to 20 more restaurants on year by year growth rate. On the international scene, it has developed a strategy by which it expands using Franchising model that allows it to stay close to the core business. It maintains its core values, culture and location attributes making it stay focussed on the nature of the business in its franchise relationships.

Culture and leadership

According to (Johnson and Scholes 2006): Nando's allows flexibility for the culture of the countries they operate in to be incorporated. The company's leadership has achieved a great deal in the short time that they have been around. The major achievement recently was recorded when in March 2010, the company was awarded first place in the Sunday times top 25 best companies to work for in the UK. The classification is based on being able to employ at least 5000 or more workers. White, C (2004) Grant, R M (2002)

Nandos achieved a maximum of three stars in the Best Companies Accreditation Award in 2009. Nando's is the only worldwide company to receive three stars in the United Kingdom. The award measures eight significant areas that include well-being, personal growth and leadership. And in 2010 the company entered the Sunday Times Best Companies to work for and came out first, beating other companies such as Goldman Sachs and Price Waterhouse Coopers. The company again received the full three stars, showing not only quality but sustained commitment to the leadership and management development across the organization. Grant, R M (2002)

Training and development
The National Training Awards (NTAs) have been running for quarter of a century, the awards recognise and celebrate Investors in People accredited organisations that have delivered outstanding organisational benefits by directly linking the training needs of their people to the business needs of their organisation. Nando's, over the years have achieved awards for five of

their in-house training schemes. These are: buddy systems (' buddies' are much experienced staff who help train new staff); new restaurants opening training; working in management teams (team building); Nando's inductions; and coaching programmes. In addition, Nando's was first recognized as an Investor in People in 1998. They are now celebrating ten years of recognition. White, C (2004)

So, what is behind the outstanding set of achievements? According to Nando's human resources director Julia Claydon, ' It's not just one thing; it's a whole mix of different things.' At the heart of the business is a unique culture and a set of fundamental values and ways of doing things. Pride, passion, courage, integrity, and family are the five values that drive behaviours and decision making in the company. ' Fun, friendly, and different,' is the way one employee described the feeling of working at Nando's and the sense of belonging that is found within the company or ' family' as it is described. ' I wanted to be part of a success story and be with a family of like-minded people.' They even use different words, tone of voice, and language in everyday life at Nando's. The board of directors are referred to as ' the Full Monty', restaurant managers are called ' Patrao' (' head of the family' in Portuguese), ' Nandoca' is a waiter, ' Grillers' are the chefs, and the head office in Putney is referred to as ' Central Support'. All throughout the restaurant interior, on the menus, the walls, internal documentation, company website, and marketing material, you will see the same fun, funky, and different style of language. Barcelos is the Cockerel, was chosen as the symbol of Nando's because Robert and Fernando like the explorers of yesteryear believed in faith, justice and good luck. They refer to CSR

(corporate social responsibility) at Nando's as ' Do the right thing.' The spirit of Nando's is alive in each of their restaurants through the hand-selected, diverse mix of global music usually South African, and unique features to ensure you enjoy the Nando's experience. They have the largest collection of art by South African artists in the UK and the support and investment in this industry has changed many lives for the better in deprived areas of South Africa. On the green energy front, a new Nando's restaurant which is located on the Junction 27 on the M62 in West Yorkshire is an eco-restaurant, where heat energy from the grills are recycled to warm up the water and heat up the central-heating system. Also, the frying fat is recycled for fuel. This approach will be gradually introduced to all the Nando's group of restaurants. The members of staff are encouraged to participate in community projects in their locations of their own sites, and schools and colleges partnerships and the funding of community improvements, as well as the donation of staff time and effort is strongly supported and is also seen as a staff development opportunity. Grant, R M (2002)

Pride, passion courage, integrity, and family, the five business values drive the everyday ethical and honest behaviour, and this engaging culture results in an impressive level of 45 per cent of appointments that are filled through career progression within the businesses. The management ethos is to allow as much leadership responsibility and authority for decision making to be at the local restaurant level as possible, once the restaurant has been approved and signed off personally by Robert Enthoven himself. In essence, the leadership and management style is one that can be associated with a ' hands-on' action-orientated, situational, and contingency approach. There is

a fairly tight framework, as you would expect, to ensure consistency around the product and brand, that is centrally controlled by the support functions of procurement, marketing, and distribution. Yet almost all else is down to the local leadership of the Patrao (manager/family leader). That is, the recruitment/selection, resourcing, motivation, training of staff, and the customer service and profitability of the restaurant. Training and facilitation in the Nando's way as well as developing the business profitability and the personal growth of the Patraos themselves, and spotting future talent, are promoted up to the next level up of management, the MDs (managing directors). Even below the conventional management level, all Nandocas are encouraged to challenge substandard quality and service in line with the company values. White, C (2004) There is a widespread development process to support career paths at Nando's. There are some specific and technical courses that member of staff must undergo, such as food hygiene, licensed house, health and safety regulations, etc. Then also many other sessions; coaching, people management, finance, and leadership development, etc. Staff can select as many sessions as appropriate that have been identified in the success management process. In terms of speed of career progression, it usually takes approximately 12 to 18 months to get to first assistant position and a further similar period to get to be Patrao. As can be seen, Nando's investment in training is given high priority as this is considered a key enabler for business success. In fact, the training of staff members costs amount to approximately 75 per cent of the human resources budget.

Nando's human resource department is faced with improving the training and development evaluation systems and looking for continuous improvement methods that will really measure worth and added value of this level of training and development. Whilst there is a strong intuitive sense and informal evidence that this investment in training is linked to the success of the business, Nando's would ideally like stronger, more specific assessments. Evans, N Campbell, D and Stonehouse, G (2003).

Diversity is also a major factor which differentiates Nando's from any other restaurant groups. It has always employed staff from a wide diverse culture, regardless of their level of English. They are trained in ways that work best for that individual and provided with development opportunities. These members of staff are given opportunities to develop within Nando's and to be the best they can and there are numerous stories and examples of employees from abroad who have fitted in well with the Nando's family culture and gone on to develop successful careers within Nando's.

Recruitment and selection are carried out by each restaurant's manger itself and the team members are also heavily involved. Normally, a trial shift is set in order to see if a new recruit has the right skills and capabilities, if they have the right attitude, and if they get involved in the fun and delivery of good service within the restaurant. Participation and a high level of involvement by all staff are significant to Nando's. It is a regular occurrence for conferences and formal get-togethers, where staff are consulted and included in introducing new working practices and processes. But it's not

all work; they also like to enjoy themselves, and one thing about the people at Nando's: they have great annual ' Nandoscars', which are parties thrown by the company and awards are given to the best members of staff. White, C (2004)

Leadership in the organisation

In 1987 two major reports Handy et al., and Constable and McCormick, acknowledged that the UK had the lowest number of ' qualified' and degree-educated managers when paralleled to chief competitors of the time and that there seemed to be an association between productivity or organizational success and educational achievement of managers and leaders (Constable and McCormick, 1987), the development of leaders and managers has grown in importance. Handy et al. (1987) found that most managers had little higher education and when a manager got a new managerial role they generally learned about the new job through gaining experience at work. These reports led to the professionalization of managers in the UK and to the realization that leaders were not just heroic characters who appeared in an organization's hour of need, but that there was a diversity in leadership and that individuals could be assisted to develop leadership and management skills. Debates about the connections between leaders' and managers' similarities and differences are one of the key sections. White, C (2004)

Variety plays a vital role in the restaurant since the need for developing and educating leaders and managers was recognized, an increasing range of methods with different interventions were developed, mostly focusing on within the company. Leadership and management development has

matured, often in seclusion, from the remainder of personnel and human resources manager, and sometimes even as a separate function from employee training and development. Whilst there may have been worthy reasons for such separation, however, it is important that clear links are made within the major human resource management and development areas-and that these, in turn, are able to contribute to and be part of business strategic planning to secure an organization's future senior managers and leaders. The importance of horizontal and vertical integration of business strategy, organizational development, and the management and development of human resources has never been more obvious as organizations, from all sectors struggle for survival in an increasingly difficult national and international environment. Grant, R M (2002)

The growing importance of continued improvement of those who are future leaders and managers can be acknowledged by reviewing changes in the external environments in which organizations operate. Within the UK, there are major changes and debates about the nature of work and the working population, with increasing diversity, changing opportunities, and increased external political, economic, environmental, and social influences. Globally, changes and influences are very easy to identify through new developing economies and cultures. Recent crises help to demonstrate that all nations and economies are critically linked and that survival of each is reliant on all. Managers and leaders therefore have to learn how to work in such organizational and international environments, taking account of diversities within. For organizations, there are more opportunities due to greater employee mobility, but with technological development there are

requirements to manage increasingly distant and diverse employee groups through technological networks. Evans, N Campbell, D and Stonehouse, G (2003)

Theories of motivation

Many theories have been proposed by many authors on the subject of motivation in organisations. Among some of the notable contributors to this debate was an industrialist named Frederick Winslow Taylor, who put forward the concept that workers are motivated by rewards in pay. In his Theory of Scientific Management, he argued that workers do not necessarily enjoy to work and therefore need to be controlled and closely supervised. In order to achieve this, managers need to breakdown the production into a number of small related tasks and given training to improve their skills sets which should result in efficiency over a period of time for the tasks they are assigned to do.

The second major observation was that workers should be paid according to the production levels they attain over a given period of time, this he called piece rate pay, which as a result would encourage workers to produce more achieving the maximisation of productivity.

These methods later were adopted by the business world as they saw the benefits that they offered through increased production levels resulting in lower unit cost of production. Henry Ford was the first to use the methods on a large scale when he introduced the production line to make ford cars. This was the beginning of the mass production systems as we now know them to be. Within Nando's there is a resemblance of the Taylorism which is applied

by the workers having division of labour. There are those who simply welcome the dinners and those that serve them on the till. Yet still some ensure that the flame grills are going on smoothly so that the patronage is served on time. There is a good case for a classical production system within Nando's restaurant.

Taylor's methodology has close relations with the concept of an autocratic management style, where managers decide on all the decisions and simply give orders to staff members that are below them, and Macgregor's Theory X methodology to workers in which workers are viewed as lazy and wish to avoid responsibility. Further down the line, the workers soon came to dislike Taylor's methodology as they were only given boring, on challenging, repetitive tasks to carry out and were being treated little better than human machines. Businesses could also afford to lay off workers as productivity levels increased which in turn led to an increase in strikes and other forms of industrial action by dis-satisfied workers.

Elton Mayo understood that workers are not just concerned with money but could be better encouraged by having their social needs met whilst at work (a factor that Taylor ignored). He presented the Human Relation School of Thought, which concentrated on managers taking more of an interest in the workers, treating them as people who have worthwhile opinions and realising that workers enjoy interacting together. Mayo carried out a series of experiments at the Hawthorne factory of the Western Electric Company in Chicago where He secluded two groups of women workers and studied the effect on their productivity levels of altering factors such as lighting and working conditions. He anticipated to see production levels decline as

lighting or other conditions became progressively worse but what he actually discovered astonished him: whatever the change in lighting or working conditions, the productivity levels of the workers improved or remained the same. From this series of experiments Mayo came to the conclusion that workers are best motivated by three major factors: Improved communication between managers and workers (Hawthorne workers were consulted over the experiments and also had the opportunity to give feedback) White, C (2004). Greater manager involvement in employees working lives (Hawthorne workers responded to the increased level of attention they were receiving) Working in groups or teams. (Hawthorne workers did not previously regularly work in teams)

In practice therefore businesses should re-organise production line in order to encourage greater use of team work and introduce personnel departments to encourage greater manager involvement in looking after employees' interests. His theory most closely fits in with a paternalistic style of management.

Abraham Maslow along with Frederick Herzberg introduced the Neo-Human Relations School in the 1950's; the main focus of the school was the psychological needs of employees. Maslow's theory states that there are five levels of human needs in which are essential for employees to have in order to be fulfilled at work. All of the needs are structured into a hierarchy (see below) and only once a lower level of need has been fully met, would a worker be motivated by the opportunity of having the next need up in the hierarchy satisfied. For example a person who is dying of hunger will be

motivated to achieve a basic minimum wage in order to buy food before worrying about having the respect of others. Grant, R M (2002)

A company should therefore offer different enticements to workers in order to help them fulfil each of the needs in turn and advance up the hierarchy (see below). Managers should also be aware that not all workers are motivated in the same way and do not all move up the hierarchy at the same pace. They may therefore have to offer a slightly different set of incentives from worker to worker.

Frederick Herzberg had a close relationship with Maslow and believed in a two-factor theory of motivation. He argued that there were certain factors that a business could introduce that would directly motivate employees to work harder, the motivators. He also believed that there were also factors that would de-motivate an employee if not present but would not in themselves actually motivate employees to work harder, the Hygiene factors. Evans, N Campbell, D and Stonehouse, G (2003)

Motivators are more concerned with the actual job itself, for example how thought-provoking the work is and how much opportunity it gives for extra accountability, credit and advancement. Hygiene factors are factors which ‘ surround the job’ rather than the job itself. For example a worker will only turn up to work if the company has provided a reasonable amount of pay and safe working environment but these factors will not make him work harder at his job once he is there. Importantly Herzberg viewed pay as a hygiene factor which is in direct contrast to Taylor who viewed pay and piece-rate in particular.

Herzberg understood that businesses should motivate employees by accepting a democratic approach to management and by improving the nature and content of the actual job through positive methods. Some of the methods managers could use to motivate employees are: Job enlargement, in which workers are given a greater assortment of tasks to perform (these tasks are not necessarily more challenging) which should make the work more stimulating. Job enrichment which involves workers being given a wider range of more difficult, exciting and challenging tasks surrounding a complete unit of work. This should give a greater sense of achievement. Empowerment means allotting more decision making power to employees to make their own choices over areas of their working life.

Managing diversity

Multiculturalism is a system of beliefs and behaviours that recognizes and respects the presence of all diverse groups in an organization or society, acknowledges and values their socio-cultural differences, and encourages and enables their continued contribution within an inclusive cultural context which empowers all within the organization or society. White, C (2004)

There are the four pairs of action phrases that give substance to the Definition of multiculturism: " beliefs and behaviours," " recognizes and respects," " acknowledges and values," " encourages and enables," and a fifth one, " empowers." Multiculturalism is a " system," a set of interrelated parts-in this case, beliefs and behaviours-which make up the whole of how humans experience and view today's world. It includes what people believe about others, their basic paradigms, and how this impact, and are impacted

by, behavior. The outcomes of this framework of beliefs/behaviors are seven important actions.

The first is acknowledgement of the rich variety in a given society or organization. For the longest time racial/ethnic minorities, the physically disabled, and women have not been given the same acknowledgement as others. The one-sided approach to history and education has been a testimony to that fact. Grant, R M (2002)

With acknowledgement should also emanate respect. Respect and acknowledgement are not the same, since be acquainted with the existence of a group does not necessarily produce respect for the group. In a slave economy, for example, the presence of slaves was recognized but their humanity was not respected. For example, in the United States of America, the presence of

American Indians in the Western expansion of the continent was constantly recognized by whites, but their environmentally conscious cultures were never respected. Thecontribution of women has usually been relegated to a footnote status.

Multiculturalism also entails recognizing the validity of the cultural expressions and contributions of the various groups. This is not to imply that all cultural contributions are of equal value and social worth, or that all should be tolerated. Some cultural practices are better than others for the overall betterment of society. Evans, N Campbell, D and Stonehouse, G (2003) These cultural expressions and contributions that differ from those of the dominant group in society are usually only acknowledged when there is

an economic market for them, such as music for African Americans, native Indian dances for tourism or cuisine from India. When the business sector wants money, the advertising industry pictures people of colour in a positive light. But in most other cases the entertainment media simply misrepresentate minority stereotypes, such as women usually in supportive background roles. Multiculturalism means valuing what people have to offer, and not rejecting or belittling it simply because it differs from what the majority, or those in power, regard as important and of value.

Multiculturalism will also encourage and enable the contribution of the various groups to society or an organization. Grant, R M (2002) Women and persons of colour, for example, often experience dissuasion because what they bring to the " table" for discussion is often regarded as of little value or worth. Not everything can be utilized, however, nor is of the same worth

Many different organisations in society, such as colleges, churches, businesses, corporations, as well as communities have also achieved diversity well, but again, for purposes of segregation. Audre Lorde 2010 explains, " we have no patterns for relating across our human differences as equals." Without such patterns or models, the prevalent attitude and behavior toward persons of colour and others with biological, physical and sociocultural differences, or those with operating out of different thinking systems, has been one of exclusion and control. Today, to reach potential as organizations and society, that attitude has to shift to one of inclusion.

White, C (2004) states that managing diversity is an non-stop process that unleashes the various skills and abilities which a varied population bring to

an organization, community or society, so as to create a wholesome, inclusive environment, that is " safe for differences," allows people to " reject rejection," delights in diversity, and maximizes the full potential of all, in a cultural context where everyone profits. Multiculturalism, as the art of managing diversity, is an inclusive process where no one is left out. Diversity, in its core, then is a " safeguard against idolatry" the making of one group as the norm for all groups. Therefore, one of the dangers that must be avoided in grasping a proper understanding of multiculturalism is bashism. Bashism is the tendency to verbally and/or physically attack another person or group based solely on the negative meaning given to group membership-due to natural, cultural, political or socioeconomic differences (such as sex, age, race/culture, political party, class, education, values, religious affiliation environmental destruction), one of the principal problems confronting world society today is the problem of racial/ethnic hostility and cultural insensitivity-the new wine of racial/ethnic ferment in conflict with the old wineskins of intolerance.

Cultural diversity

What is Cultural Diversity?

Cultural Diversity' means a variety of different cultures or peoples with different ancestries, religions and traditions all living and intermingling together. Britain has profited from its vast cultural diversity throughout its history and is currently one, if not the most culturally diverse countries in the world.

The diet we eat, the music we listen to, and the clothes we wear have all been influenced by different cultures coming into Britain. Foreign food, for

example, is part of an average British diet, the most common example would be the Indian curry that has been served in Britain from 1773. Nando's restaurant recognises its origins as South Africa, with Portuguese influence and therefore has a policy that encourages inclusion in the work force. Hence appointments at all levels tend to reflect the nature of diversity within the organisation.

Conclusion

Nando's is relatively young company has the right type of leadership to drive it into the future. Their policies are well inclined to be inclusive taking into account the nature of diverse societies where it operates in.

According to Adalfer, workers are motivated to produce efficiently and effectively if they are managed adequately through a good payroll system. Adalfer called these as the Hygiene factors. This position is supported by Maslow who suggested that the basic needs tend to be fulfilled first after which higher needs are sought after until such a time when the individual attains self actualisation.