

The bakhresa group of companies tanzania



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Business activities have been acknowledged for playing a great role in wealth and job creation, which are the key to economic development of the society. Also leaders in Government policy makers are concerned to see members of the society get employed in their own businesses.

The private sector has contributed a lot in the growth and Development of Tanzania economy. In recognition of this important role towards creating an enabling environment for private sector growth, the Government has been implementing wide ranging institutional and policy reforms.

The aim of this paper is to discuss Bakhresa Group which owned by Tanzanian successful Entrepreneur.

Corporate Profile

Bakhresa Group is one of the leading Industrial Houses in Tanzania, East Africa. Started in a humble manner with a small restaurant in the Port City of Dar Es Salaam, Tanzania, in mid seventies, it has now emerged as a respected business group in the Region. The Group has its operations spread in Tanzania, Zanzibar, Uganda, Kenya, Malawi, Zambia and most recently in Mozambique. Plans are in place to spread its wings to other countries. The group now boasts of a turnover of more than Three Hundred Million United States Dollars and is a proud employer of more than two thousand employees associated directly. There are several companies under its umbrella and have investments mainly in Food and Beverage Sector, Packaging, Logistics and Real Estate .

<http://www.bakhresa.com/bakhresa-group/bakhresa-group-business-profile.php>

Mission, Vision & Value

Mission

To increase and sustain the living standards of Africans by providing them with essential products and services of global quality at affordable prices.

To exceed customers' expectations through innovation and harnessing technology.

Vision

To be one of the internationally respected and professionally managed companies in the African Continent.

To spread our wings to the other parts of the globe.

Values

Passion for success

We are determined to be the best at what we do.

We are not content with the status quo.

We have a compelling desire to innovate.

Commitment

We are conscious of our responsibilities towards all our stakeholders and discharge them in letter and spirit.

Employees

We treat our employees as our assets, not an expense item in Profit & Loss account.

We recognize that keeping the employee morale high is the key for achieving our success.

Team spirit and synergy are the hallmarks of our work culture.

Our employees have a sense of ownership in what they do

Mutual Trust

We have respect for and confidence in each of our stake-holders, namely, shareholders, employees, customers, suppliers, bankers, financiers and others.

We believe that mutual trust is the foundation upon which everything else rests on.

Social Responsibility

We recognise that corporate responsibility towards society is an integral part of doing business.

Thus we actively participate in community development programmes.

<http://www.bakhresa.com/bakhresa-group/vision-value-economic-growth.php>

Question 1

In the Bakhresa Group, the organization is treated as an instrument for achieving established goals, in which the members of the organization are made to serve these goals and rewards are given to motivate them. The organization structure contributes to the dominance of the technology-push model of innovation.

Bakhresa group use classical approach in its management. This type of management is Built around traditional management concepts with, bureaucratic theory(Weber, 1964) and scientific management (Taylor, 1974) that is;

The people can be combined with machines to produce an orderly output.

The organisation is an instrument for achieving established goal – members of the organisation serve these goals

Rewards are given to motivate them.

Assumes all tasks can be rationalised – resulting in predictable flow of work

Innovation see a series of rational decisions – can be related to departmental stages of innovation. (Trott, 2005)

This theory contributes to the technological-push model of innovation.

The channel of communication is highly structured, there is restricted information flow, and operating styles are uniform and restricted. Authority for decision is based on formal line management position and the management is reluctant to adapt changing circumstances.

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The Bakhresa company use Mechanistic organization structure.

Organizational structure can inhibit or foster creativity and innovation. The problem with organizational structure though, is that it is resultant of many factors, including history, organic growth, strategy, operational design, product diversity, logistics, marketing, client base, supplier base and so forth. Therefore, what managers need, are not recipes for complete structural change, but insights into the properties of fostering structures that can be adapted into the existing structure.

The theorists argued that organizations need different kinds of structure to control their activities that will allow the company to adapt and react to changes and uncertainties in the environment.

Companies facing a dynamic and uncertain environment may have to develop or maintain an organic organizational structure, whereas companies operating in a stable environment may benefit from developing or maintaining a mechanistic organizational structure.

The reason for this is that organic structures can process and distribute information and knowledge faster within the organization, which thus results in an increased ability to respond or react to changes in the environment.

However, mechanistic structures may act as an effective and efficient organizational structure for companies operating in a more stable and certain environment. Companies operating in a stable environment may not need to make decisions quickly. Likewise, many of the day-to-day decisions and operating procedures may be formalized and centralized, because there is no inherent need for constant change or innovation

Mechanistic organization tends to offer a less suitable environment for managing the creativity and the innovation process. (T. Burns and G. M. Stalker, 1961).

To start, it is useful to analyse the preferred structures against the not so preferred. There are many definitions of types of organizational structure, but one example is:

a) Mechanistic structures (generally not preferred) – includes centralised control and authority, clearly defined tasks, vertical communication links, obedience to supervisors, rigidity and inflexibility.

b) Organic structures (generally preferred) – decentralisation of authority, tasks loosely defined, horizontal communications, greater individual authority, flexible, adaptable.

Experience shows that the above can be misleading. For example, flat organisations are generally preferred and hierarchical ones not preferred, however, even flat organisations are in reality hierarchical.

Importantly, if we have a mechanistic structure, what factors allow us to move in the right direction without wholesale change?

Some answers include:

Direct communication links to decision makers.

Communication and information flow between departments.

Tangible progression of ideas from problem to solution, product development to commercialisation.

Creative teams working outside but linked into the organization, whose culture, processes etc diffuse into the existing structure.

[http://ezinearticles.com/? Organizational-Structure,-Creativity, Innovation&id= 21591](http://ezinearticles.com/?Organizational-Structure,-Creativity,Innovation&id=21591)

Innovation approach used by Bakhresa companies is technological push. Adopting a technology push approach to product innovations can allow a company to target and control premium market segments, establish its technology as the industry standard, build a favourable market reputation, determine the industry's future evolution, and achieve high profits. It can become the centrepiece in a company strategy for market leadership. It however costly and risky. Such an approach requires a company to develop and commercialize an emerging technology in pursuit of growth and profits. To be successful, a company needs to ensure its technology is a heart of its competitive strategy. (Trot 4th ed. Pg 499)

Question 2

On the one hand Bakhresa Group requires stability and static routines to accomplish the daily tasks efficiently and quickly and on the other hand, Bakhresa Group also needs to develop new ideas and new products to be competitive in future and it needs to nurture a creative environment where ideas can be tested and developed.

According to the above statement it shows Bakhresa Group have a dilemma in developing new idea and new products (innovation) and stability and routine to accomplish the daily task efficiently.

The Dilemma of Innovation Management

Within organizations there is a fundamental tension between the need for stability and the need for creativity. On the one hand, companies require stability and static routines to accomplish daily tasks efficiently and quickly. This enables the organization to compete today. For example processing of millions of cheques by banks everyday.

On the other hand, companies also need to develop new ideas and new products to be competitive in the future. Hence they need to nurture a creative environment where ideas can be tested and developed. This poses one of the most fundamental problems for management today. (Trott, 2008)

Managing the tension between the need for creativity and efficiency.

Efficiency Gain

The efficient day to day operations within an organization require stable routines which can be achieved in stable and controlled environments

The development of new products/services requires creativity and room to try out new ideas this is achieved in a loose and flexible environment

Creativity gains

Organization

Take any medium to large company and examine its operations and activities. Every company has to ensure that their products are carefully manufactured to precise specifications and that they are delivered for customers on time day after day. In this hectic, repetitive and highly organized environment, the need to squeeze out any slack or inefficiencies is crucial to ensure a firm's costs are lower than their competitors'. However the long-term economic growth is dependent on the ability of firms to make improvements to products and manufacturing processes. The firms need to make room for creativity and innovation, that is, allow slack in the system. These then is the dilemma: how do firms try to reduce costs and slack to improve competitiveness on the one hand and then try to provide slack for innovation on the other? The firm has to do balancing: The firm needs to ensure there is a constant pressure to drive down costs and improve efficiency in its operations. At the same time it needs to provide room for new product development and improvements to be made the most obvious way forward is to separate production from R & D. However there are many improvements and innovations that arise out of the operations of the firm.

Question 3

The management of the Bakhresa Group is committed to long-term growth rather than short-term profit and the organization is willing to invest in the long-term development of technology and is aware of its threats and opportunities.

Organizational Characteristics that Facilitate the Innovation Process

Growth Orientation

Is characterized by a commitment to long-term growth rather than short-term profit. Not all companies' first and foremost objective is growth. Some companies are established merely to exploit a short-term opportunity, other companies would like to maintain the company at its existing size: the objective of innovative companies is to grow the business the actively plan for the long-term.

Vigilance

It is characterized by the ability of the organization to be aware of its threats and opportunities. Vigilance requires continual external scanning e. g. within the marketing function the activity would form part of market research and competitor analysis collecting valuable information is one thing, but relaying it to the necessary individuals and acting on it are two necessary associated requirements.

Commitment to Technology

It is characterized by the willingness to invest in the longterm development of technology. Most innovative firms exhibit patience in permitting ideas to germinate and develop overtime. This needs to be accompanied by a commitment to resources in terms of intellectual input without a longterm approach it would be extremely difficult for the company to attract good scientists.

Acceptance of Risks:

It is characterized by the willingness to include risky opportunities in a balanced portfolio. It means the willingness to consider carefully risky opportunities. Ability to take calculated risks and include them in a balanced portfolio of project

Cross-functional Cooperation:

It is characterized by mutual respect among individuals and a willingness to work together across functions. Inter-departmental conflict is a well documented barrier to innovation. Often conflict has been observed between marketing and R & D functions as the two groups often have very different interests.

Receptivity:

It is characterized by the ability to be aware of, to identify and take effective advantage of externally developed technology. Most technology based innovations involve a combination of several different technologies. It would be unusual for all the technology to be developed inhouse. That is why business are witnessing an increasing number of joint ventures and alliances.

Slack:

It is characterized by an ability to manage the innovation dilemma and provide space for creativity while organizations place a great emphasis on the need for efficiency, there is also a need for a certain amount of 'slack' to allow individuals room to think, experiment, discuss ideas and be creative.

Adaptability:

It is characterized by a readiness to accept the changes. The development of new product innovations willpower invariably lead to disruptions to established organizational activities. Major or radical innovations may result in significant changes, although the two are not necessarily associated. The organization must be set to accept change in the way it manages its internal activities. Otherwise proposed innovations would be stifled due to a reluctance to amend existing ways of working or to learn new techniques.

Diverse Range of Skills:

It is characterized by a combination of specialization and diversity of knowledge as well as skills. Organizations require individuals of a hybrid nature who are able to understand a variety of technical subjects and make possible the transfer of knowledge within the company. It is the ability of the organization to manage this diversity of knowledge skills efficiently that lies at the heart of the innovation process. (Trott, 2008)

Question 4

The Bakhresa Group engages commercial scanner, gatekeeper and project leader and sponsor to facilitate the innovation process.

All of the above is the role of individual in the Innovation group. With above statement its shows that Bakhresa group are implementing them in their different field.

The Role of the individual in the innovation Process

Innovation process is essentially a people process and that organizational structure, formal decision making processes, delegation of authority and

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other formal aspects of a so-called well run company are not necessary situation for successful technological innovation. The study of Rubenstein has revealed that certain individuals have fulfilled a variety of roles that had contributed to successful technological innovation.

Technical Innovator:

This individual is an expert in one or else two fields. Generates new ideas and sees new as well as different ways of doing things, also referred to as the ' mad scientific.'

Technical/Commercial Scanner

This individual acquires enormous amounts of information from outside the organization, often through net working. This may well include market and technical information.

Gatekeeper:

This individual keeps informed of related developments that occur outside the organization through journals, conferences, colleagues and other companies details. Passes information to others, finds it easy to talk to colleagues. Serves as an in formatted resource in favor of others in the organization.

Product champion:

This individual sells new ideas to others in the organization. Acquires resources. Aggressive in championing his/her cause and takes risks.

Project Leader:

This individual provides the team with leadership as well as motivation. Plans and organizes the project ensures that administrative requirements are met. Provides necessary coronation among team members sees that project moves forward efficiently and balances Project goals with organizational needs.

Sponsor

This individual provides access to a power base inside the organization. Senior person. Buffers the Project team from unnecessary organizational constraints and helps the project team too get what it needs from other parts of the organization. It provides legitimacy and organizational confidence in the project. (Trott, 2008)

Question 5

The Bakhresa Group, given the importance of innovation, has spent enormous sums of money trying to develop an environment that fosters innovation. The Bakhresa Group is aware of developing a reputation for innovation which helps propagate a virtuous circle that reinforces Group's abilities.

Its shows that Bakhresa Group support the innovation which lead them to have a different group of companies within and outside and it's also want to keep its good reputation for innovation which help make the group stable.

The structure of an organization is the sum total of ways in which it divides its labour into distinct tasks and after that achieves coordination among them. One of the problem is recognizing to different groups within an
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organization behave differently and interact with different parts of the wider external environment. Non the less, there have been numerous helpful studies exploring the link between the organizational structure and innovative performance.

Organization Structures against Innovation

Formalisation

There is some evidence of inverse relationship between formalization and innovation. That is an increase in formalization of procedures will result in a decrease in innovative activity.

Complexity

Where there are several different types of professional groups working in an organization, it would represent a complex organization

Centralisation

It refers to the decision making activity and the location of power inside an organization. In a decentralized organization fewer levels of hierarchy are usually required and this tends to lead to more responsive decision making closer to the action.

Organizational Size

A small business with fewer employees differs significantly on terms of resources from an organization which is big size is a proxy variable for more meaningful dimensions such as economic and organization resources, together with number of employees.

Establishing an innovative environment and Propagating this virtuous circle

Given the importance of innovation, many businesses have spent enormous sum of money trying to enlarge an environment that fosters innovation.

Creating a virtuous circle of innovation means getting competitive advantage over others.

Virtuous circle of innovation

The organization's

Reputation for innovation

High morale and Attraction of

Retention of creative creative people

people

Motivates people and organisational

Reduce frustration encouragement of

Creativity and

innovation

A willingness in the

Org. to accept new

ideas

Development of

Innovative

Product

Reputation of the Organisation

It takes many years to develop the reputation of an organization. It is strongly linked to overall performance of an organization. Some companies are able to achieve wide exposure of new products or new research and others are not.

Attraction of creative people

Creative people will be concerned to those companies that themselves are viewed as creative. TOP scientists and researchers will seek employment with such companies.

(Trott, 2008)

Conclusion

Bakhresa group is among the most successful company which operate in Tanzania and other different African countries and World Wide. All these success are due to well established structure of a company. The members of

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the organization are made to serve these goals and reward are given to motivate them.

On the one hand Bakhresa Group supports the innovation and creativity. It has spent enormous sums of money trying to develop an environment that fosters innovation. Also the company creates a good product from manufacturing food and beverage to all other sector which keeps the good reputation of the company. Due to all this the Bakhresa Group becomes a market leader because of innovation and entrepreneurship