



## MARKET- BASED MANAGEMENT AND TAMALE POLYTECHNIC: A CRITICAL ANALYSIS OF THE ELEMENTS OF MARKET- BASED MANAGEMENT FRAMEWORK AND THE MANAGEMENT PHILOSOPHY AND SYSTEMS OF TAMALE POLYTECHNIC

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### Abstract

Over the past few decades politicians and education experts have done all they can to help improve the performance of schools. An endless stream of management fads has been imported into education from the private sector in the hope that schools may learn to operate as excellent organizations working in free and competitive global markets (Stanfield, 2006). Most educational institutions operate under the command and control hierarchy system of management. Command and control management refers to the predominant system of management used by business organizations since the industrial revolution (Nobles and Redpath, 1995). Under this type of management, managers viewed their organization as “machines” and thought of employees as “cogs within the machine”.

### Introduction

Over the past few decades politicians and education experts have done all they can to help improve the performance of schools. An endless stream of management fads has been imported into education from the private sector in the hope that schools may learn to operate as excellent organizations working in free and competitive global markets (Stanfield, 2006). Most educational institutions operate under the command and control hierarchy system of management. Command and control management refers to the predominant system of management used by business organizations since the industrial revolution (Nobles and Redpath, 1995). Under this type of management, managers viewed their organization as “machines” and thought of employees as “cogs within the machine”. This encouraged an attitude that “management thinks, employees do” and contributed to the belief that employees were costs to be minimized. Rigorous systems of management controls were required to deal with the resulting conflicting interest between management and employees (Nobles and Redpath, 1995).

The deficiencies of command and control management have been widely recognized by management experts for at least fifty years. Command and control hierarchy is no longer fashionable in management because it hampers the discovery, dissemination, and integration of knowledge in the organization (Cowen and Ellig, 1995). Nevertheless, for all its drawbacks, command and control provided an integrated conceptual framework for approaching management problems. While this paradigm is now out of fashion, it is not clear what new framework will emerge to help firms cope with knowledge problems (Cowen and Ellig, 1995).

School leaders across nation are exploring ways to better educate students and improve school performance. Market-Based Management (MBM) offers a way to promote improvement by decentralizing control from central district offices to individual school sites. Gable and Ellig (1993) defined MBM as a framework that applies market process principles to improve organizational performance and profitability by fully utilizing the knowledge of each employee. According to Cowen and Ellig (1995), MBM means internalizing the beneficial characteristics of a free market economy, and eliminating the harmful effects of a command economy. Koch (year, page) says. “It is difficult in practice, because we can not just copy everything from the external market- we have to adapt market principles for use inside the firm”.

One sets out to build a market- based organization by starting with the belief that a company is a community of individuals who come together voluntarily to achieve a mission. Each individual brings to the company a unique set of talents, skills, and knowledge, as well as the limitless characteristics unique to humans: the human spirit, dignity, ingenuity, imagination, intuition, inquisitiveness, desire to learn, and the desire to be worth something (Nobles and Redpath, 1995). In a market-based manager’s view, for the company to achieve maximum success, each employee must use these capabilities to contribute his or her fullest to the company’s mission. This creates the potential for a strong and shared interest between the company and its employees- a mutual interdependence. View from this perspective, this analysis examine to what extent Tamale Polytechnic comply with the elements of ( MBM) framework.

### The Management Structure of Tamale Polytechnic:

The Polytechnic Governing Council is the highest decision - making body of the Tamale Polytechnic, and it is followed by the Academic Board. The Polytechnic is run by Council and Academic Board with the support of its sub committees. The Rector of the Polytechnic is the Chief Executive Officer and he is assisted by the heads of the academic units (that is, Schools and Departments). The Rector is responsible for ensuring the efficient administration and management of all physical facilities,



financial resources and personnel to achieve the objectives of the Polytechnic. He advises the Polytechnic Council on all matters affecting policy, finance, governance and problems of the Polytechnic. He chairs the Academic Board and Convocation meetings (Tamale Polytechnic, 2012).

### **Elements of Market – Based Management Framework and Tamale Polytechnic:**

The market – Based management framework seeks to improve organisational performance by exploring analogous elements in market economics and in organisations.

**Mission:** The mission of Tamale Polytechnic is to provide kills- oriented tertiary education in Engineering, Commerce, Applied science and other relevant fields and creates opportunities for research to promote regional and national industrial development. Market –based management framework emphasises that effective mission must be based in economic analysis of comparative advantage and specific enough to guide employees behaviour (Ellig, 1996). The mission system thus helps both the organisation and the individuals within it pursue their comparative advantages.

Tamale Polytechnic provides an especially striking example of a moderately strong mission system. In the educational sector in the Northern Region of Ghana, Tamale Polytechnic management belief that they have comparative advantage in these areas mentioned above hence their focus on them. In addition, Tamale Polytechnic is the only Polytechnic in Ghana that has a technical Sector (non-tertiary programme) run side by side with tertiary programmes which their see as a comparative advantage.

### **Values and Culture:**

An organization’s values and culture provide the guidelines and norms that influence the decisions and actions of all employees. Everybody in the organisation must comprehend, carefully preserve, and live by these values (Nobles and Redpath, 1995). Value that promote prosperity- in society and in organisations – include respect for personal dignity and property, intellectual honesty, humility, appreciation of spontaneous order, openness to new ideas, and the freedom to make mistakes and learn from them (Ellig, 1996). Tamale Polytechnic has identify six core values every staff of the polytechnic is expected to go by and these are hard work, honesty, transparency, justice, fair play, and unity and togetherness.

- **Hard work-** is reflected in Tamale polytechnic in their promotion procedure where staffs are promoted based on the number of research and publication a staff undertook.
- **Transparency-** this value is demonstrated where management encourages staff to discuss any issues of concern to them. Again departmental/unit heads periodically hold meetings with employees to discuss departmental/unit performance and to review issues of importance to the polytechnic. For instance, in the examinations unit, the Chief examinations officer holds review meetings with his/ hers team’s members to discuss and review the past examinations and to plan towards the impending one.
- **Justice, fair play,** unity and togetherness has been found to be lacking in the polytechnic. “This is demonstrated by the acrimonious anonymous letters that have been prevalent in the polytechnic for some time.” (Tamale polytechnic, 2012).

### **Roles and Responsibilities:**

A well-defined system of roles and responsibilities is critical for linking independent judgments and actions with proper accountabilities for both organisational units and individual employees. Properly specified, such accountabilities provide encouragement similar to “property rights” in society where property owners have incentives to protect and improve properties they own in contrast to renters who lack similar incentives (Nobles and Redpath, 1995). Market – Based Management recommends developing “ measures of success” which can be used to link accountabilities to profitability. It is also important that employees have the appropriate decision and spending authorities with which to achieve their accountabilities (Nobles and Redpath, 1995).

Tamale Polytechnic operates on committee system, where the committees are responsible for taking major decisions in the Polytechnic. The Polytechnic Governing Council is the highest decision - making body of the Polytechnic, and it is followed by the Academic Board. The Polytechnic is run by Council and Academic Board with the support of its sub committees. The Rector of the Polytechnic is the Chief Executive Officer and he is assisted by the heads of the academic units. Clear responsibilities have been established for the Council and each of the academic units.

The Council is responsible for these academic functions:

- Award Higher National Diplomas, Diplomas and other certificates accredited by the National Accreditation Board.
- Award degrees subject to the conditions that the Council of the Polytechnic may determine.
- Make provision for the general welfare, recreational and social needs of the polytechnic staff and students.
- Exercise powers that are incidental to the performance of the object and functions of a Polytechnic.
- Oversee the internal organisation of the polytechnic, including the establishment, variation and supervision of academic divisions, departments and facilities of the polytechnic.
- Determine the overall educational mission and programmes for the furtherance of the polytechnic’s object.
- Prescribe the terms and conditions for the admission of a person selected for a course of study organized by the polytechnic.
- Institute awards, fellowships and scholarship schemes in furtherance of the polytechnic’s objects.
- Award fellowships and other honorary titles to deserving persons.



- Appoint the Rector, Vice Rector, Lecturers and others persons to academic and administrative positions in the polytechnic.
- Manage the finances and fixed assets of the polytechnic
- Consider and approve annual estimates of income and expenditure of the polytechnic
- Be responsible for the discipline of staff of the polytechnic.
- Ensure the implementation of the objects of the polytechnic.
- Perform any other functions that are ancillary to the objects of the polytechnic.  
( Tamale Polytechnic Statutes,2012 )

The functions of the Academic Board are:

- ✓ Determine the criteria for the admission of students
- ✓ Decide matters that relate to the award of scholarships in the polytechnic
- ✓ Determine the content of curricula
- ✓ Determine academic standards, validation and review of courses
- ✓ Determine the policy and procedure for
  1. The award of qualification and honorary academic titles
  2. The assessment and examination of students and
  3. The discipline of students
- ✓ Determine the appointment of internal and external examiner
- ✓ Regulate and assess the development of academic work and activities of the polytechnic.
- ✓ Collaborate with:-
  1. Industrial and commercial institutions to promote the entrepreneurial development of the students and
  2. Other tertiary institution
- ✓ Report back to the Council of the polytechnic 's matters referred to it by the Council
- ✓ Determine, whenever possible , any combination of course offering by students in the acquisition of skills;
  1. Entrepreneurship, business and management skills
  2. The ability to innovate and adopt existing technologies
- ✓ Promote practical research within the polytechnic and to request reports from the academic divisions from time to time on research being done
- ✓ Suspend or remove examiners for negligence or other sufficient cause during their terms of office and in case of death, illness or resignation of an examiner or in the case of his suspension or removal , determine the appointment of a substitute
- ✓ Determine the academic year and the dates of semester within it.
- ✓ Make arrangement for the conduct of examinations and determine dates for holding them
- ✓ Receive reports of the conduct of examinations for the year and comments on them from department boards and to make observations and recommendations on the polytechnic examinations as it considers fit
- ✓ Withhold or cancel a certificate of a graduate of the polytechnic for examination malpractice
- ✓ Review the decisions of any of its statutory committees
- ✓ Order the closure of the polytechnic where;
  1. Academic or normal life is disrupted for three continuous days
  2. It seems to it fit to do so
- ✓ Approve, amend or refer back for further consideration yearly estimates and accounts of the polytechnic prepared by the finance committee
- ✓ Exercise all such powers as are or may be conferred on the Academic Board by any Act or Statute subject to the provisions of the polytechnic act
- ✓ Refer proposals on any matter to convocation for consideration
- ✓ Make recommendation to Council on the establishment or disestablishment of institutes, departments or units
- ✓ Advise Council generally and in particular on academic matters of the polytechnic whenever appropriate
- ✓ Make such reports and recommendations to the Council, and within the scope of policy approved by the Council to such action, as the Academic Board may deem necessary for the development, welfare and good governance of the entire polytechnic community.  
( Tamale Polytechnic Statutes, 2012)

It is clear from the above that there is clear definition of functions in the Polytechnic however, it is command and control hierarchy system which goes contrary to the demands of market-Based Management framework.

Compensation and Motivation



In a free market, profits and losses indicate the extent to which resources are used efficiently and value added, as well as providing incentives for improvement. The organisation's compensation and motivation system should provide similar for all employees (Nobles and Redpath, 1995). Entrepreneurs earn profits by creating value for others. Most economists would agree that employees compensation should similarly reflect a person's contribution to the value created by the organisation (Ellig, 1995). Scholarly research, however, reveals employee and executive pay often have only tenuous links to the organisation's performance (Baker, Jensen, and Murphy, 1988)

This research finding fit perfectly in the case of Tamale Polytechnic, where there is no clear lay down policy that relates performance to compensation. In Tamale polytechnic, lecturers are paid on a standardized salary scale by the government of Ghana without any link to performance of individual lecturers. As such, the motivation for people to put in their optimum is very low. In Tamale polytechnic, the reward system tend to use indirect, proxy measures of knowledge and skills namely the number of publications and experience a lecturer has accumulated over a period of time.

### Generation and use of Knowledge

An organisation can do the best job of identifying opportunities, solving problems, and making decisions only by using the best knowledge available within the organisation. Much of this knowledge is dispersed among employees (local), difficult to articulate (tacit), and unproven. The generation and use of knowledge system helps management understand the nature of knowledge and how to improve the connections between such knowledge and the responsibilities within the organisation (Nobles and Redpath, 1995). To fully use knowledge that is dispersed, tacit, subjective, and subject to change, organisations must give to individuals spheres within which they can use their own judgment, individuals need a means to understand how their decisions and actions affect the decisions and actions to others in the organisation (Cowen and Ellig, 1995). It is clear that educational establishment, perhaps more than any other organisation, depend on knowledge as their principle means of value creation and Tamale polytechnic is no exception. Tamale Polytechnic has the mandate of ensuring the training and development of middle and high level personnel for the development of Ghana and beyond.

The linkage between knowledge and responsibilities is demonstrated in Tamale polytechnic in the form of promotions and appointment to higher positions. For instance, in Tamale Polytechnic, for one to be a head of department you must possess at least a master's degree and should be senior lecturer. To be a senior lecturer one needs to publish at least four papers in addition to contributing meaningfully to community. All this is to ensure the advancement of knowledge in the society.

### Internal Markets

The internal markets system is designed to bring many benefits of the price system inside the company. Prices summarize a vast amount of information about the relative scarcity of and demand for resources. By making available prices for the products and services that employees use in their work, and by encouraging those employees to think like smart purchasers, internal markets can help them make more informed decisions by providing access to crucial information that they have no other way of obtaining (Nobles and Redpath, 1995).

Tamale Polytechnic uses internal markets to some degree. The restaurant of the school supply snacks and food to all departments and units in the Polytechnic any time the need arises. They use the prevailing market prices to supply these snacks and food to the departments or units that need their services. The Business development unit is supposed to coordinate the internal market process by ensuring that each department / unit does its function to reflect market price and to coordinate the exchange process between the polytechnic and the outside world.

Tamale Polytechnic's management philosophy has eliminated many other traditional opportunities for internal markets. For instance, no department/unit in the Polytechnic can purchase anything without passing it through the procurement unit. Even if the department can acquire it at lowest possible price as the polytechnic is public institutions and by law, all public procurement must go through the procurement process.

### Conclusion:

Tamale Polytechnic is a publicly own tertiary institution and hence its management structure is a command and control hierarchy with a rigid vertical chain of command and requires a commander (Rector) at the top with sufficient knowledge to make most decisions. However, there seems to be some semblance of market – based management framework within the management of the Polytechnic. The implementation of market – based management demands internalizing the beneficial characteristics of a free market economy, and eliminating the harmful effects of a command economy. As far as Tamale Polytechnic remain government controlled, the implementation of market – based management will be very difficult if not impossible.

However, it is clear that educational institutions like Tamale Polytechnic which depends on knowledge as their principal means of value creation would benefit enormously from introducing market – based management into their institutions.

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