Public vs Private Sector
How different are they?

Productivity: American style

Dealing with the aftershock of trauma
The Institute of Management Services is the primary body in the UK concerned with the promotion, practice and development of the range of methodologies and techniques for the improvement of productivity and quality, known collectively as ‘Management Services’. This embraces the disciplines of industrial engineering, work study, organisation and methods, systems analysis, and a wide range of management information and control techniques as illustrated in our Body of Knowledge.

The Institute acts as the qualifying body for the Management Services profession in the UK, focussing developments in practice and knowledge and acting as a forum for information exchange. This in turn enables our members who work under a variety of job titles across the whole of the UK economy, to make a more effective contribution to the well-being of their own organisation and to the nation’s economy as a whole.

In addition to creating and upholding professional standards for the practice of management services through the adoption of a code of ethics and the provision of a system of qualifying examinations, the Institute of Management Services collaborates with national and international professional bodies in similar fields.

The Institute is a member of, or represented on, a number of other bodies including the World Confederation of Productivity Science, the European Federation of Productivity Services, and the European Institute of Industrial Engineers.

Management Services needs good articles on improving productivity and related matters. Why not write one? You will receive help from the editorial team if you need it.

If you want to try your hand at writing a feature for Management Services, please submit an abstract (around 200 words) explaining what your feature is about, with intended word count. (Features should be between 1500 and 2000 words, although exceptions can be made.) Send your abstract to Melanie Armstrong, Editor, Management Services, Ewell House, Graveney Road, Faversham, Kent, ME13 8UP or email editorial@msjournal.org.uk.

We also want your news and points of view about what appears in this journal. Something you disagree with? Tell us about it.
Is productivity affected by environment?
One in three says yes

I have just been reading that one in three of us thinks that working near water makes us more productive and happier overall. Well, I don’t know if that’s true – here at Deeson HQ, we like to pride ourselves on our throughput and the nearest stretch of water is a mile or two away. However, there’s probably something to be said for working near a riverside, lake or any other place with an attractive outlook. I visit companies on a regular basis who are stuck in the middle of stark industrial or business estates and feel very lucky to be working in the middle of the countryside with plenty of greenery and wildlife in view. What do you readers think? Do you think that productivity can be linked to the working environment? Let me know either by letter (address on page 2 of this Journal) or via email to editorial@msjournal.org.uk.

Productivity is the main theme of the Autumn edition of Management Services Journal and the implementation of lean by one medium sized American company, which was initially sceptical, makes interesting reading on page 28.

Well, I don’t know if you can describe politicians as productive - certainly they should be, overlooking the River Thames as they work! However, what is being described as the ‘wages of spin’ hit the news this week, as it was revealed that government press officers now number 3,200 (more than three times the number than when Labour was elected in 1997) and that more than £322m of taxpayers money was spent on their wages last year. I know it’s said that ‘any publicity is good publicity’ but I’ve got a feeling that a great number of these PR officers are ‘clean up crew’, diffusing or clearing up the disasters that constantly threaten to hit the headlines. One of the UK’s much loved and historic companies, Cadbury, has been criticised this year for its bad handling of the alleged ‘salmonella scare’ earlier in 2006 - Ruth Shearn gives some valuable advice on PR disasters and how to avoid them on page 46 of this edition.

I hope you enjoy this issue of MSJ and look forward to hearing any comments you may have.

Melanie Armstrong

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Secure future for members

I would like to start by thanking David Blanchflower, our Deputy Chairman for his comprehensive update in the Summer Journal. For the first time in a number of years our membership base is increasing and new members are coming in through our IMS certificate. Of course it helps that life members do not resign! In addition we have recently written to members who have lapsed over the last three years inviting them to take advantage of life membership and rejoin. The initial response to these letters has been quite encouraging. We know that quite a number of existing members are eligible for a higher grade and if you are one I would urge you to contact Lynnette at Brooke House for an upgrade form or download one from our website.

The new IMS certificate is progressing well through our three accredited education providers, who I would like to thank for their very helpful contribution during the process of revising the syllabus. The new certificate practical examination video/DVD is now finished and is available. In addition we will shortly be commissioning the preparation of a new certificated distance learning package which will be a great help to overseas members. John Heap has recently completely revised the membership information pack which has been incorporated with the education regulations to form one comprehensive document. John has also converted the IMS training videos on to DVD and they are available for £100 each or £500 for the complete set of six.

The Journal continues to be well received and at the last editorial panel meeting it was confirmed that the technical content of the last Journal exceeded that of the equivalent four issues in 2004. We would still like to publish more articles on productivity and associated areas so if you have any suitable material please send it to the editor.

The website is developing and more members are using it. We recently reviewed the content and will be making the Journal available online from December via a protected password for those members who wish it. This will be especially useful for overseas members who have to wait for the post and there will be an obvious saving in postage for the IMS.

The 41st IMS AGM takes place on Friday 6 October at the Council Chambers in Lichfield and I hope some of you will be able to attend. The notice was published in the Summer Journal together with the two resolutions. One is to receive the annual accounts and the other is to set the subscriptions fees for 2007. I am pleased to report that our financial position very sound and this sets us well for the future.

In conclusion, once again, I would like to thank the members of Council who have worked tirelessly to convert our ambitious change agenda into reality.

John Lucey
Chairman

Avoncroft visit

A group of West Midlands members and their guests went on a guided tour of Avoncroft one Saturday in April 2006. This was not the first IMS visit to the museum, the old Birmingham branch organised a trip about 15 years ago.

One or two members on the return visit had attended the first time. We are pleased to report the museum continues to prosper and as the site weathers the buildings look as if they have always been in their current locations.

Throughout the museum the buildings are brought to life with volunteers dressed to match the age and style of the building. Visitors are encouraged to engage in conversation to find out what it was like to live or work in the house or workshop. The ultimate being the windmill and seeing the massive wooden machinery inside. When working the noise for those working inside must be very uncomfortable.

We were very impressed with our guide, who had a good knowledge of the site and ensured we saw things which would be missed at a casual glance. The visit ended with all agreeing to return again in 15 years time!

Julian Cutler, IMS West Midlands

North West Region visits Stonyhurst College

Members and guests met at Stonyhurst College on 23 July for a conducted tour of this Grade I listed building, with its breathtaking scenery.

Our party was fortunate to have Liz Waddington as an enthusiastic and knowledgeable guide. She outlined the history of the College (circa 1593) to its present usage as a school for fee paying boys and girls - both day and boarding pupils.

Our group was able to observe how present day students live, work and play. The chapels and historic rooms created great interest, in particular the Great Hall, with its portraits of seven former pupils awarded the Victoria Cross. Also seen was the table on which Oliver Cromwell was reputed to have slept on the night before the Battle of Preston (circa 1648).

We also had the opportunity to view a very fine museum room containing many uniforms and photographs of former students such as Sir Arthur Conan Doyle.

This was an extremely enjoyable afternoon and certainly to be recommended.

After many questions the tour came to an end with a vote of thanks proposed by Bob Fletcher to Liz and seconded by our Chairman Len Price.

Advance Notice

North West Region AGM

Saturday 13 January 2007
10am for 10.15
The Rigbyre Arms, 2 Whittle Lane, High Moor, Wrightington, Nr Wigan WN6 9Q8
Chairman, Len Price: 01204 840672
Secretary, Harry Hogg: 01942 863776
Wakefulness is reviewed as a critical characteristic for leaders. It is described as the way of an awakened leader. An awakened leader maintains a high level of alertness in every regard; toward him or herself and his or her driving motives in various matters; toward the people he or she guides; toward the organisation he or she leads; toward the environment in which his or her organisation operates, and toward the entire universe. Wakefulness is subdivided into three dimensions: internal, external, and integrated. Each of these dimensions is briefly reviewed. Two models are presented demonstrating the scope of a leader’s wakefulness, and the role of wakefulness in a leader’s life.

Wakefulness may not immediately sound like a leadership skill of any prominence, but the more you think about it, the more it will. Based on my observations of four remarkable leaders, each in a different type of environment, I came to the conclusions to be presented in this paper. The environments from which these leaders derived were widely diverged: one leader operates in the academic environment; one in a large non-profit organisation; one in a small international operating business; and one in a leading global citrus cooperative. I concluded that all these leaders, despite their divergence in work environment, background, and lifestyles, had one thing in common: wakefulness.

Wakefulness, as a significant leadership trait, has been mentioned before. In his review of the characteristics and behaviours of a ‘conscious leader’ (p 19), Secretan (2001) asserted, ‘Consciousness is being awake to the mystical and ineffable aspects of being alive’ (page19). Prior to Secretan, Harung, Heaton, and Alexander (1995) had also mentioned the importance of wakefulness in leaders when they stated, ‘A more abstract and universal feature of leaders, […] is their heightened degree of consciousness or wakefulness’ (page 47).

So what does wakefulness entail? Wakefulness is the way of an awakened leader. And the simplest explanation of an awakened leader is ‘a leader who is awake.’ Not just in the factual sense of the word, but in every way. An awakened leader maintains a high level of alertness in every regard: toward him or herself and his or her driving motives in various matters; toward the people he or she guides; toward the organisation he or she leads; toward the environment in which his or her organisation operates, and toward the entire universe.

Dimensions of wakefulness
Wakefulness, in the case of a leader, can be segmented into many dimensions. For the purpose of conciseness, only the three basic areas shall be reviewed here:

- **Internal wakefulness**
- **External wakefulness**
- **Integrated wakefulness**

Each of these layers could, in turn, be subdivided further.

**Internal wakefulness**
- Internal wakefulness pertains, in foundation, to the leader’s connection with his or her inner source of wisdom. It could be subdivided into two main segments, which are:
  - Rational wakefulness, which pertains to areas such as intellectual skills, ethical sense, and beliefs;
  - Emotional wakefulness, which touches on areas such as emotional intelligence, intuition, morals and values, self-perception, and passion.

**External wakefulness**
External wakefulness pertains to the leader’s awareness of the world around him or her. Not just the environment within the organisation, but also within the industry in which the organisation operates; outside of this industry toward other, potentially new industries to enter once an operational change comes about, and in the world at large. External wakefulness can be subdivided into three basic segments:

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**Keywords:** wakefulness, leadership, internal wakefulness, external wakefulness, integrated wakefulness, awakened leader, change.
Leadership

Joan Marques Ed D (www.joanmarques.com) facilitates courses in business and management at Woodbury University in Burbank, California. She has written two books on the topics of leadership and global awareness, and is currently in the process of publishing two additional ones on workplace spirituality, and leadership. She presents a weekly radio column in the Netherlands; and regularly co-organises and presents workshops for business and non-profit entities in the Los Angeles area, through the Business Renaissance Institute, (www.bri-usa.com) which she co-founded in 2004. Dr Marques holds a bachelors degree in business economics; a master’s degree in business administration; and a doctorate in organisational leadership. Contact: 00 1 (818) 288 6294 or jmarques01@earthlink.net.

Figure 2: The role of wakefulness in a leader’s life

- **Close external wakefulness**: which pertains to the leader’s behaviour within the organisation and the way he or she treats the people and processes around him or her. Elements such as continuous questioning of processes in order to establish upward spiralling organisational learning will be involved in this area.

- **Medial external wakefulness**: which involves skills such as a vision for the organisation; one or more strategies toward realising the vision; the continuous alertness necessary to analyse trends and use them to the advantage of the organisation’s future. The awakened leader will most apparently use his or her wakefulness in this regard to alter the perceived trends in order to become the change agent in the organisation’s industry.

- **Distant external wakefulness**: which pertains to global effects of the activities of the organisation and the industry in which it operates. The awakened leader will, at this level, consistently attempt to decrease harm done to environments due to this industry, and increase advantages for as many and as wide a range of stakeholders as possible.

Figure 1 on page 5 demonstrates the leader’s scope of wakefulness. **Integrated wakefulness**

Integrated wakefulness pertains to the way the leader intertwines his or her internal and external wakefulness attributes. It gets into areas of combining the leader’s values, intuition, emotional intelligence, intelligence quotient, beliefs, ethics, self-perception and passion, with the given circumstances of the organisation; its workers; its current direction; its potential; its industry, including all stakeholders; and the world at large.

The integrated wakefulness is the most complicated part of being a leader, because it pertains so much to action through perceived compatibility. If there is no compatibility between the leader’s internal qualities and his external environment, there will not be any integration. Either the leader will exit this organisation, or the organisation will undergo some sort of change in order to establish equilibrium between its operations and the leader’s perspectives.

**Endnote**

Important to keep in mind is also that – being human and, thus, receptive to things that happen to us – awakened leaders are constantly changing. And so may some of their internal pillars of wakefulness. Fortunately the changes are usually not too tremendous unless something life-changing occurs in the leader’s personal or professional life, for instance, death, birth, intense exposure to another culture, or a great loss affecting the business. If such is the case, the leader will probably reevaluate his or her areas of wakefulness, and calibrate them again toward the external circumstances, which also change continuously, in order to determine the possibility of continued integrated wakefulness; altered integrated wakefulness, or separation. Figure 2 illustrates this process.

**References:**


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The Organisation
The London Borough of Brent was created out of the reorganisation of London’s government in 1965. Today it is one of the most culturally diverse boroughs in the UK, as well as one of the most progressive in terms of introducing and implementing solutions that will improve the lives of its residents.

Brent’s Revenues and Benefits Service is responsible for the collection of council tax from about 104,000 households in the borough. This revenue is the ‘bread and butter’ of the council, providing a significant proportion of its income, which it uses to help pay for the services it provides such as rubbish collection, roads and parking, education and regeneration initiatives.

Almost a quarter of residents live in accommodation supplied by the council or a housing association. In addition, almost a third of households qualifies for housing benefit, and the Revenues and Benefits Service administers this to around 32,000 homes.

The Challenge
It is vital therefore that council tax collection is made as efficient as possible. It is also essential that housing benefit payment methods are effective. Failure to address this can leave tenants unable to meet their payments and the council out of pocket. It also acts as a disincentive to private landlords, on whom the council relies heavily as a result of demand for social housing far outstripping supply.

As well as making payments on time, the council must ensure that it does not make overpayments, as it is heavily penalised for any errors that are perceived to be on its part.

In 1995, Brent Council’s Revenues and Benefits department introduced an outsourced document imaging system that assisted it in transforming its paper-intensive processes to electronic ones. At the time, this was a very progressive way of managing the payment and collection operation. However, although it moved the service forward, it eventually reached a stage where there was no prospect of it developing further.

The Solution
In the early part of the 2000s, Brent Council recognised that it needed to radically overhaul all aspects of service delivery for Revenues and Benefits in order to achieve its ambition of becoming a model of best practice. It took what was considered to be a brave decision to change service delivery methods and IT systems where this was necessary to bring about rapid improvements to performance.

The first step was to bring the Benefits service back in house, and to evaluate the effectiveness of existing IT systems, management information and process management in order to identify changes that could improve efficiency. Concurrent with this, the Revenue and IT service was retendered under new contractual arrangements.

Brent Council acknowledged that it had outgrown its workflow system. It therefore turned to support services company Capita, whose contract with the council was to upgrade this system with a more appropriate one when the time was right. As a result of this, Capita recommended the implementation of Global 360’s NX Enterprise business process management solution.

Margaret Read, Head of Revenues and Benefits at Brent Council comments: “Brent Council has always been very forward-thinking in terms of IT management. While we would obviously never take unnecessary risks, we do strive to make proactive and informed decisions on new solutions that it believes will enhance the services we provide to the community.”

The design of the new system View 360 focussed on refining the way in which the department worked. It now allows users to access archived documents immediately on screen, rather than using the time consuming method of an optical juke box, as had been necessary previously. Both of these factors will play an important role in enabling the service to increase processing capacity and operate more efficiently in the future.

Within days of the new system going live, it brought significant benefits to process management. These include complete visibility of working practices, for example spotting bottlenecks before they build up and become a problem and allowing managers to monitor work rather than focussing on assigning tasks as they had done previously. Not only that, but the system itself can automatically determine work allocation when desired, because it understands the business rules and priorities.

The solution also empowers Brent Council to manage its processes more effectively and efficiently, resulting in significant savings for the council and its residents.

The Solution
The Brent Council’s Revenues and Benefits Service has implemented an innovative new system that has transformed its processes and improved its service delivery. The system, called View 360, has enabled the council to streamline its workflow and reduce errors, leading to increased efficiency and cost savings.

The council has already seen a significant reduction in the time it takes to process payments, as well as a decrease in the number of overpayments. This has resulted in a more efficient service for both the council and its residents.

The council has also been able to improve its management information and process management, allowing for better decision-making and more informed service delivery.

The council’s decision to implement View 360 was brave, but it has paid off with significant improvements in service delivery and cost savings. Brent Council has set a new standard for best practice in managing council tax and housing benefit payments, and other councils are now looking to follow in its footsteps.
Revenue and Benefits staff to proactively chase Brent residents for requested information, such as proof of rent or income, required to complete benefit claims. Equally, it guides assessing staff through processes, facilitating a ‘right first time approach’. This will help speed up processing and reduce errors. Global 360’s NX Enterprise also assists the Revenue and Benefits Service to work closely with the Council’s ‘One Stop Shops’, which provide Brent residents with extensive and speedy walk-in access to useful information. There are six of these outlets in various locations around the borough that, on average, serve around 10,000 Revenues and Benefits customers per month. It is therefore essential that staff can call up the relevant documents on screen while the customer is waiting.

In managing its business processes more efficiently, the Revenues and Benefits Service has brought about greater flexibility for its staff. For example, it is now possible for employees to work remotely, even to the point of enabling satellite operations if necessary.

Ms Read added: “Staff had become used to the rigidity of our old system and, as a result, had stopped reporting problems because they knew nothing could be done about them. NX Enterprise’s View 360 completely reversed this attitude and managers became highly enthusiastic about harnessing its power and flexibility to further improve their business practices – frequently approaching us with new ideas and suggestions.”

Brent Council’s Revenues and Benefits Department is now able to operate an efficient payment and collection service, which is beneficial to all of the borough’s residents. In achieving this, the council has also met other external pressures, such as egovernment initiatives to provide all services online, as well as recommendations on public sector efficiency made by the Gershon report¹.

Ms Read concludes: “Brent is proud of being progressive in using technology to provide a better service to its residents. We believe that our new business process management solution is a showcase for other local authorities, whom we would strongly encourage to contact us to learn more about the benefits we are gaining from NX Enterprise business process management solution.”

Challenges:
Undeveloped workflow system
Inefficient and rigid working practices

Goals:
Effective and efficient collection of revenues and payment of benefits

Results:
Reduced processing time
Work management, rather than allocation of tasks
Integration with Brent Council’s One-Stop-Shops
Greater staff awareness of other processes that could be automated/improved

References
1 An Independent Review of Public Sector Efficiency in the UK carried out by Sir Peter Gershon, CBE. The findings, which were published in July 2004, informed the results of the UK government’s 2004 spending review.

Write for Management Services
If you want to try your hand at writing a feature for Management Services Journal, please submit an abstract (around 200 words) explaining what your feature is about, with intended word count. (Features should be between 1000 and 3000 words, although exceptions can be made.)

Send your abstract to Mel Armstrong, Editor, Management Services Journal, Ewell House, Graveney Road, Faversham, Kent, ME13 8UP or email editorial@msjournal.org.uk

We also want your news and points of view about what appears in this journal. Something you disagree with? Tell us about it.
Familiar feeling? Rest assured you are not alone. You might be one of the many who would rate your fear of public speaking alongside or ahead of death! Your fear may translate itself to ‘FEAR’ – forget everything and run!!

Having the ability to present yourself and your message to an audience, whether internal or external is a necessary skill for a good manager and leader. Most people when asked to make a presentation imagine it will go wrong but if you follow the following basic ideas on how to improve your skills it will build your confidence.

The secret is to remember that when you see good presenters, you are only seeing the tip of the iceberg. A great deal has gone on beneath the surface to enable them to be the person you see, so don’t let this put you off. To prevent the paranoia – make time to do the fundamentals!

Plan and prepare. Also, have a realistic level of expectation. Too many people, when preparing a presentation, spend too much time focusing on themselves. There is a balance to be met – and the secret to a good presentation is to keep the focus on the audience, your subject and objective. Get the first two right and the third will take care of itself!

To get your planning underway, ask yourself some simple questions:

WHAT: Consider the purpose of the presentation, to inform, influence,
The secret to a good presentation is to keep the focus on the audience, your subject and objective

inspire or generate action? Ask yourself what the objectives are from this and what are the key things you want the audience to take away with them – or to do?

WHO: Put your focus on the people you will be presenting to. How many will there be? What are their objectives? What is their level of knowledge? Will they be a ‘willing’ audience or were they sent? When you have the answers to these points, you have some idea of the level at which to pitch your presentation.

WHERE: Is the presentation going to be made in a meeting room, an office or large venue? What will be the layout? How flexible is it? (You can always ask to have it set-up to suit you) What equipment is available? What do you need to take?

WHEN: What time of day are you presenting? Are there other presenters before and after you? Ask yourself how this will make an impact on your presentation.

HOW: How long have you got? Remember, longer is not necessarily better! It is harder to plan and prepare a brief, effective presentation than to organise a longer one.

Put the answers to these together and you are in a position to begin the preparation of the presentation itself. Some areas to consider:

- Pull together the broad content – what is it you want to say? Think about the headlines for each part by using mindmapping, or just post-it notes rather than pages of notes.
- Gather information – get facts, opinions, research and anything else that might help.
- Check back with your objectives – and the audience’s. Make sure there is a match.
- Organise all of this into a sensible sequence. Have a beginning, middle and end, preferably building up the emphasis of your message.
- Develop a story – make sure that there is a flow to the overall presentation. Look to build in hooks for key points or messages. People often recall stories and anecdotes more than dry facts.
- Check the plan against the time you will have. (You will speak at around 100-120 words a minute when your nerves are under control. A 15 minute presentation is around 1700 words or so, which is only 4-5 pages of A4.) Also remember, you are speaking so choose your language with this in mind, especially when making notes.

You can support your story or message with material such as visual aids and props. Remember, these things are there to support you, not to take over, therefore if using Powerpoint use slides sparingly and make sure they are easy to read. When you are comfortable that you have the overall structure which flows, meets the objectives and is supported by relevant material, you may even start to look forward to the presentation. However do look at one vital part – your opening!

By concentrating on getting the opening right, you can achieve several aims in one. It is important to...
create your own opening; it can become your ‘anchor’ to help you manage yourself. Practice introducing yourself, stating your reason for being there, what you want to achieve and when the audience can ask questions. You can use humour, stories or a challenging fact to start, however do be careful with humour, as you never know who may be offended.

Don’t forget your ending as many nervous presenters are fine with the middle, but let themselves down with the front and back – and often lose the potential impact because of this. Work out how you want to summarise and then close things off. If all else fails, use the basic rule: Tell ‘em what you’re going to tell ‘em, tell ‘em and tell ‘em what you told ‘em.

Breathing is one of the most effective ways of handling the adrenalin buzz

“Begin at the beginning and go on until you come to the end, then stop.” (Lewis Carroll)

Handle your nerves by realising it’s OK to have them as they trigger a chemical reaction which, harnessed properly, will help make your presentation a success. The trick is to use them to your advantage and not let them take over.

Visualisation (or ‘imaginisation’) – put yourself in the presentation and see it going well, you in control of the room and the audience. Experience yourself handling questions, making your points, generally enjoying it. Feel how good it will be at the end of the presentation when you realise that you have achieved your objectives.

Breathing – this is one of the most effective ways of handling the adrenalin buzz that comes with heightened nervousness. Take a deep, slow breath – feel your diaphragm moving out as you do this. Hold the breath for several seconds (approx seven) – then let it go (approx four). If you repeat this three times you will notice your heart rate slowing and begin to feel the oxygen levels rise in your blood. Don’t overdo it otherwise you may start to hyperventilate!

When you move to start your presentation, take a deep breath as above, step to where you will deliver from, look around the audience as you breathe out and establish eye contact. Now you are ready to begin.

This is just a start to cover some of the basics as there are many ways you can develop your presentation and speaking skills through organisations such as The Professional Speakers’ Association, www.professionalspeakers.org. You can also find a local branch of Toastmasters International, who will offer encouragement and training – although in a different style.

For more information visit www.solutions4training.com.

Graham Yemm is a Master Practitioner of NLP and was involved with setting up and running ‘The Business Group’, which promotes uses of NLP in organisations. He is an accredited trainer for the LAB (language and behaviour) profile programme – ‘Words that Change Minds’. He is also one of the founding partners of Solutions 4 Training Ltd. Before this Graham was a partner in a UK based training consultancy, Pragmatica International Ltd for 15 years. During his years as a consultant he has worked with a variety of major companies in the UK, Europe, USA, the Middle East and Russia in sales, people and management skills. Graham has worked with many different organisations conducting both training and consultancy assignments – ranging from professional groups, pharmaceutical and financial institutions to computer manufacturers and dealerships. He has had many years of experience tailoring programmes to address organisational issues around sales, account management, negotiations, sales management and customer service – especially focusing on the communication and personal skills aspects.
Continuous Improvement: Achieving Lean Production and the new ISO Certificate, by Wayne Scott Ross
Published by Management Books, 2003
ISBN 1-85252-427-8
Price: £14.99
This book is very readable and a practical guide to lean production and manufacture, a technique that some feel is the most important manufacturing philosophy to emerge in the last fifty years. The term lean was first coined by Womack and Jones in their book entitled ‘The Machine that changed the World’ on the basis that it used half of the resources of conventional manufacturing. Lean is based on the Toyota production system and this is explained at the start.

The book takes the reader through the main aspects and philosophy of lean and clearly states what needs to be done and why and how it can be achieved. The techniques and tools such as, complete plant efficiency, takt time, Kaizen, 5 whys, Pareto analysis and flow sheets and charts are described in detail. The book goes on to describe the main aspects of lean with a chapter dedicated to each technique. Essential guidance on the changes in ISO regulations and requirements are also covered. Kaizen is the Japanese term for continuous improvement and there is a guide on how to plan such an event.

It is a good reference for anyone who contemplating introducing lean production and manufacturing.

Journey to Lean: Making Operational Change Stick, by John Drew, Blair McCallum and Stefan Roggenhoffer
Published by Palgrave MacMillan, 2004
ISBN 13-978-1-403-91307-4
The authors of this book work for McKinsey and company and have extensive knowledge of lean manufacturing and experience of implementing it in client companies. This publication was voted the book of the year in 2004 by the Management Consultants Association. The book covers all the main points of what a lean system involves, but at the same time it gives numerous examples from various industries. It covers all the aspects that need to be considered in a lean transformation and explains how they are interconnected, as well as the common reasons for failure of many lean initiatives. This book would be very useful to anyone who is contemplating embarking on a lean transformation journey and can be easily read.

There are many examples drawn from work carried out by the authors in companies around the world. What is clear is that lean is not a project with a finite ending – it is a never ending quest for perfection.

Seven Secrets of Inspired Leaders: How to achieve the extraordinary by the leaders who have been there and done it, by Phil Dourado and Dr Phil Blackburn
Published by Capstone Publishing, 2005
ISBN 1841126500
Price: £14.99
Phil Dourado is is a writer, editor and analyst and has written for a wide range of international newspapers and magazines. Dr Phil Blackburn is co-founder of the ‘Inspired Leaders Network. There are over 80 leaders featured in this book although some of them are just mentioned in passing and the book tends to concentrate on the star names. There are the usual examples on how to achieve breakthrough results that may be similar to the work of Tracy Goss, Fernando Flores but at least in this book it is told by real leaders actually doing it. The inspirational leadership style of Greg Dyke who was the Director General of the BBC is chronicled and is used as an interesting example.

There are a great many books on leadership and this book is full of good ideas and looks at leadership from a different perspective. It is an interesting read especially as the people mentioned are well known and in the public eye. The common factor that ‘good’ leaders have is inspiration and this is emphasised throughout the book.

Overall this is a thought provoking look at leadership.

The Inspirational Leader: How to motivate, encourage and achieve success, by John Adair
Published by Kogan Page, 2003
ISBN 0-7494-4456-8
Price: £9.99
John Adair is an internationally acknowledged writer on leadership and has written many books and articles including ‘Not Bosses But Leaders’ and was the world’s first Professor of Leadership Studies. The style of the book is in the form of Adair having conversations with a young chief executive. They explore the nature and practice of leadership and each aspect is studied and discussed so that the key skills are revealed for anyone to adopt and use to inspire and encourage others. Adair reinforces his opinion that leaders are not born but made.

This is the kind of book that might well appeal to someone who is starting in a leadership role and wants to develop their leadership skills.
Research commissioned by the Health and Safety Executive suggests that half a million people in the UK experience work-related stress at a level they believe is making them ill, with up to five million claiming they feel ‘very’ or ‘extremely’ stressed by their work. Almost thirteen million working days were lost to stress, depression and anxiety last year with all the financial and resourcing implications that has for UK plc.

Not so long ago, a traditional ‘stiff upper lip’ approach to the issue of stress prevailed in the British workplace. While it was accepted that employers had a duty to protect their employees from physical injury, intangible conditions like depression and anxiety were quite outside the accepted remit of employment law.

However, this has begun to change as lawyers find new and inventive ways for aggrieved individuals to take action against current and former employers for stress. Initially stress claims were presented as personal injury claims, but recently, and perhaps more worryingly for employers, we have seen the novel use of other legislation, such as the Protection from Harassment Act 1997 – a piece of legislation that was principally brought in to protect people from stalkers!

The increasing use of the Harassment Act has changed the legal landscape, thanks to some significant differences in its requirements. Personal injury claims must generally be brought within three years of the ‘offence’, whereas claims under the Harassment Act can be made up to six years later. In addition, claims brought under personal injury legislation must offer evidence of a specific injury, so stress claims must provide medical evidence of stress. However, the Harassment Act refers to ‘anxiety’ – emotional upset or injury to feelings, terms which have no strict medical analysis and which are far more difficult to prove – especially up to six years later!

But perhaps the most problematic aspect of the Harassment Act is the fact employers can be held vicariously liable for claims. If one employee is harassing another, the employer can ultimately be held responsible for this, even if they were quite unaware of the offence.

Litigation

Two recent cases in which claims have been made against employers on the grounds of vicarious liability are Banks v Ablex Ltd [2005] and Majrowski v Guy’s and St Thomas’ NHS Trust [2005].

In Banks v Ablex Ltd, the claimant argued that the aggressive and abusive behaviour of her co-worker, which included an assault, amounted...
to harassment under the Act. The Court of Appeal ultimately held that this conduct did not amount to harassment because there was no ‘course of conduct’, as defined in the Act, which requires the harassment to occur on at least two occasions. The question of vicarious liability was therefore not specifically addressed by the Court of Appeal in their judgement.

In Majrowski v Guy’s and St Thomas’ NHS Trust, an employee claimed that he was bullied, intimidated and harassed by his department manager. She was, he claimed, excessively critical, refused to talk to him, was rude and abusive and set unrealistic targets. He claimed that the conduct of his fellow employee amounted to harassment under the Harassment Act, for which the employer was vicariously liable. The County Court judge originally struck out the claim on the basis that the employer couldn’t be held to be vicariously liable. However, the Court of Appeal reversed this decision, although the question of whether Mr Majrowski was in fact harassed within the meaning of the Harassment Act will be left to the County Court to decide. An appeal has been lodged with the House of Lords.

Whether it is fair to impose vicarious liability depends on how close a connection there is between the acts complained of and the normal and expected duties of the employee. Was the act done in the ‘course of his employment’? In the cases of Lister & Ors v Helsley Hall (2002) and Dubai Aluminium v Salaam & ors (2003), the courts declared that there has to be a focus on the nature of the job and whether the harassment was linked to their employment. Ultimately, each case will have to be treated individually, but it is certainly worth noting that there are cases of employers being held liable for employees stabbing and shooting others, so a bit of workplace bullying seems mild by comparison!

If we examine the various precedent-setting cases, we can see that:

- The action must have occurred on at least two occasions, to the same victim and must be intentional
- A claim may be brought by anyone against an employer under the Harassment Act alleging harassment by an employee, whether the victim was an employee or not
- An employer may be completely unaware of the harassment and the harassment need not be foreseeable for the employer to be liable
- Anxiety will suffice as a recognisable psychiatric condition that can trigger an award of damages.

The precedents set by the Majrowski case to date are ominous for employers. They considerably extend the liability of employers, allowing harassment claims that fall short of negligence by the employer or that don’t have a strong medical basis. Claimants will no longer have to prove foreseeability of harm, and any claims are in addition to those which can be brought in the Employment Tribunal under discrimination legislation. Moreover, employers will no longer be able to rely on the potential defence that they should not be held liable for the actions of employees. The extension of the claim period from three to six years could also lead to the courts being flooded by weak and dubious cases.

If employers can be held to be vicariously liable, how much could they be liable for?

Precedents set by recent cases suggest that damages will generally not exceed £25,000 for simple injury to feelings, but if the affected person is left unable to work, unlimited damages are possible (subject to standard legal principles). Additionally, and worryingly for employers, employers’ liability insurance will probably not cover claims for anxiety.

Generally speaking, most employers are aware of the need to monitor and combat stress in the workplace. It is, after all, in their own interest even if no claims are brought to court: a highly stressed employee is unlikely to be productive, good at their job or easy to get along with.

Andrew Rayment is an Associate in the Employment Team at Walker Morris Solicitors
Five S can be used in any environment including the factory floor, warehousing and storage, workshop and the office. Many companies implementing lean manufacturing start with a series of 5S events to remove the workplace clutter and improve workflows between processes.

The 5S system is based around five Japanese words all starting with the letter ‘S’, and hence has been given the name 5S.

There are several systems promoted in the Western world that use slightly differing definitions of these words, but the methodology does not vary.

Seiri: Sort. You must first ask what is actually needed in an area. This is similar to spring-cleaning. If you don’t use it, get rid of it or store it in the right place. Define how much is needed and identify where it should be placed (information, tools, equipment, material, etc) and put what is left in a logical order.

Seiton: Straighten or set in order. Everything has its own place and should be located where it is to be used and organised for a smooth flow. Often referred to as ‘a place for everything, and everything in its place’.

Seisou: Shining or sweep develop methods for ensuring the plant/office is ‘tour ready’. When a plant/office has a clean layout it is easy to recognise something out of place, or a source of contamination/defect.

Seiketsu: Standardise or define standards to ensure that things stay tidy, orderly and clean.

Shitsuke: Sustain. Developing a system of constantly assessing performance and challenging for improved methods. While 5S systems have been used by the Japanese since the 1980s, many British companies are only just

5S is a system that originated in Japan that is now a common tool for improving workplace productivity, quality, throughput and safety.

5S is used to manage the work area more effectively
Introducing these concepts.

Predominantly used in the manufacturing sector, they can now be found deployed in diverse industries such as banking, mining, construction and many other different industries.

5S is used to manage the work area more effectively and should not be confused with other programs such as TPM (total productive maintenance) that are more machine and equipment focused, even though the concepts are similar.

One Australian consulting company has adapted the concept and called it ‘work area management’, or WAM, as a way to de-emphasise the Japanese terminology.

The Japanese Industrial Safety and Health Association found that companies that have implemented a 5S program have made significant impacts on the safety and productivity of their workforce.

**How does 5S work?**

Lean manufacturers will often identify the bottlenecks in their processes, or services (equipment or turn around time for maintenance and repairs), and then decide that a 5S activity should take place to improve the throughput of that process or service.

A team will be formed to review the workplace layout and workflows following some initial training.

As with all lean tools, 5S is about eliminating waste and maximising value-added work.

To this end, 5S uses its process to create and maintain an organised, clean and efficient setting that enables the highest level of value-added performance.

This means eliminating search, travel, transporting materials, inventory.

It achieves its ends by introducing organisation and orderliness, eliminating unneeded materials and establishing self-discipline.

Training will often include the completion of a workplace assessment, and/or ‘waste hunt’ using the criteria of the five ‘S’s.

Action will be identified during this process to streamline the workflows.

This is then followed by a ‘Red Tag’ event – any item not required is removed, or ‘tagged’ pending a decision on where it should be stored.

Excess equipment/material is often sold off, donated, recycled or removed to its rightful place.

This is part of the ‘Sort’ process.

Once any surplus items have been removed the team then decides where, how much and how remaining items should be stored.

Many companies have now included safety into their 5S programs, and call these either 6S or 5S+1 programs.
we can review the new process for ergonomic risk and repetitive use injury risk and ensure that appropriate systems are built into the new methods.

The introduction of Safety as the sixth ‘S’ allows us to create and maintain an organised, clean, safe and efficient setting that enables the highest level of value-added and risk-free performance.

Companies that have included Safety into their existing 5S program, and are now reaping the benefits of lower risk profiles, include US Defence Forces, Boeing, Northrop Grumman, and many food processors and pharmaceutical manufacturers (HACCP and food contamination risks).

Industries with high risk profiles – metal industry, mining, construction – have the most to gain yet many are unaware of 5S and 6S systems.

Recent discussions with senior officials within an Australian State Government Workplace Health and Safety Department revealed that they were also unaware of the impact of 5S and 6S programs.

In 2004, the UK construction industry introduced a ‘5C’ program as an equivalent to the manufacturing 5S programs.

There are some crucial differences between the application of a 5S system and a 6S system.

Many lean companies will use 5S to improve productivity in a bottleneck work area or to balance workloads between processes.

Their focus is on lead-time reduction.

6S is an ideal tool for workplace health and safety officers to address risk profiles in a work area or to balance workloads between processes.

Their focus is on lead-time reduction.

6S is an ideal tool for workplace health and safety officers to address risk profiles in a work area or reduce cross-contamination risk.

By converting your existing 5S system to a 6S system you can benefit immensely – if you are already doing lean you have the foundations there.

By incorporating safety as the sixth ‘S’, it is easy to align safety goals with business objectives using a common tool.

Article courtesy of manufacturingtalk.com

Companies that have implemented a 6S program made even further gains on their safety and productivity results

This often includes colour coding, installation of storage systems, shadowboards, labelling, etc This is known as ‘Set in Order’.

This is also a good time to really challenge the existing workflows, and try to reduce retrieval times for tools, equipment, material and information.

A good guide is that material should be capable of being retrieved ‘right first time’ within 30 seconds in the immediate work area, and two minutes within a department.

If you cannot achieve this then you should go back and ask the basic question – ‘Is this the right place for this item/s?’

A clean-up and often a new coat of paint is applied in the next step – ‘Shine’.

This step, if implemented properly, will install a sense of pride in the workplace and ensure that it is easy to keep in pristine condition – ‘Tour Ready’.

The next step is to ‘Standardise’ methods for maintaining the workplace in the new condition – maintenance standards (no oil leaks or spillages), cleaning standards and frequencies, lubrication standards, storage standards, etc. Most companies neglect to do this step and often find that their plant/process/office reverts back to the original state over a period of time.

The final step is to develop a method of ‘Sustaining’ improvements in the workplace.

This is often done through a series of ongoing assessments carried out by the work area team and supported by management.

Impact on safety implementing a 5S program will improve safety and reduce the risk profile of a work area, but it does not focus on safety directly.

Many companies have realised this and have now included safety into their 5S programs, and now call these either 6S or 5S+1 programs.

The Japanese Industrial Safety and Health Association found that companies that have implemented a 6S program made even further gains on their safety and productivity results.

Ideally, the new 6S system will follow the following sequence – Sort, Set in Order, Safety, Shine, Standardise, Sustain.

Once the original clutter is removed then safety, work practices, access, risk exposure, etc can be assessed and actioned.

When we start ‘setting in order’
Business owners have been evaluating the performance of their employees for as long as businesses have existed. But not all entrepreneurs take the time to review their employees, and even when they do, the reviews are often done in a haphazard way or on an irregular basis or are instigated only after a negative action on the part of the employee. These types of encounters are rarely productive because they usually only afford the boss an opportunity to ‘get something off their chest’.

A performance appraisal can be a powerful tool for any entrepreneur who wants to get the most out of every encounter with their employees. So why is this process important and how can you best use these sessions to your advantage?

First, a regularly scheduled feedback session, whether done quarterly or annually, gives your employees a planned and anticipated opportunity to address key issues with you. It also provides a time for you to interact with your employees one on one to evaluate their strengths, limitations and growth potential. Third, this conversation serves as the time to discuss potential financial rewards and promotions, which can be a source of increased job interest on the part of your employees. If promotion isn’t an option at this time, you can outline the knowledge, skills and abilities necessary for advancement and future potential with your company. This ‘career pathing’ information can help both you and your employees gauge just what’s needed to move on to the next step, responsibilities, job level, within your company.

So how do you start the performance appraisal process? The basic tool and source of information for the interaction is an employee’s job description. Unfortunately, in many jobs, this document either doesn’t exist or only vaguely describes an employee’s current job. Therefore, before proceeding with the performance appraisal interview, you need to sit down and develop a job description that accurately reflects an employee’s responsibilities. The basic parts of this document are: the job title and responsibilities, reporting relationships, financial responsibilities (if any), usual and customary job requirements and activities, and performance standards.

Armed with this data, you have a foundation, format and criteria for creating the performance appraisal tool. At least one week prior to the interview, you need to provide the employee being reviewed with their written job description and a blank copy of the performance appraisal questionnaire. If the latter doesn’t exist, then the job description can serve as the skeletal outline for the interview.

During the review, which will be a two-way exchange of information between you and your employee, the

A performance appraisal can be a powerful tool to get the most out of every encounter with employees.
following tips need to be followed to help ensure an effective meeting:

• The purpose of the interview is to have an open dialog between you and your employee. To achieve that goal, you should begin by trying to put the employee at ease. Chances are, both you and your employee may be anxious, so starting off with small talk or generalisations may lighten the mood.

• Allow the employee to share their feedback before you volunteer your perspective. That way, the employee won't feel defensive about stating his or her position. Remember, start off on a positive note.

• The goal isn’t to ‘beat up’ on the employee, even when the latter has made errors. No matter what comments you make, they need to be couched in as positive a tone as possible. Sticking to action-oriented, behavioural terms as opposed to evaluative, judgmental, emotional terms is preferable. For instance, stating that ‘What you did was acceptable or unacceptable’ or ‘Your behaviour was helpful or not helpful’ are far superior to stating, ‘You really messed up or ‘You failed to meet the deadline.’

• Similarly, using specifics as opposed to generalisations is also beneficial. In other words, avoid using general terms such as “You’re doing a good job” or “I know you can do better,” or ‘Make a lot of widgets.’ These terms are so general that they can’t be quantified, measured or evaluated. Instead, try these more specific and measurable expressions: ‘You do an effective job when you don’t take 30-minute breaks’ or ‘I know you can succeed by making both the right and the left sides equal’ or ‘Make between 35 to 55 widgets every hour.’

• Avoid comparing the interviewee with either yourself or other employees. In other words, avoid making these statements: ‘When I was in your position, I didn’t have those problems’ or ‘Maria doesn’t make the mistakes you’re making.’

• Balance the negatives with the positives, especially by starting with a positive statement. When the employee has done something wrong, he or she will more likely hear and understand your statement if you start on a positive note. By balancing the negative with the positive, the employee will see that although he or she has erred, the entire situation isn’t negative, that is, unless the entire situation is negative! Then follow up with a statement that looks toward a resolution of the problem: ‘Here’s how I suggest you improve’ or ‘How do you think you can improve?’ or ‘How can we work this out?’

• Make certain that an appropriate amount of time is spent on this last phase of reaching or planning for resolution. If not, the employee will most likely commit the same or similar errors. Plus, if you’ve discussed resolution or are helping the employee reach a resolution, the employee will most likely view you as someone with knowledge and skills, someone who is open to helping them resolve issues, and--hopefully--someone whom he or she can come to talk with and trust.

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David G Javitch, Ph D., is an organisational psychologist and president of Javitch Associates, an organisational consulting firm in Newton, Massachusetts. With more than 20 years of experience working with executives among various industries, Javitch is an internationally recognised author, keynote speaker and consultant on key management and leadership issues.
Does **Six Sigma** have a place in this brave new world?

I remember my old granny telling me all about the way organisations rushed into the computerisation of their processes without taking the time to first review them. The net result was that all of the defects and errors built into the design of the process were now produced and distributed much faster than before.

**People simply hadn’t taken the time to review and change their processes in a way that took full advantage of the available technology.** Looking at the evolution of e-business, have things changed and does Six Sigma have a place in this brave new world? Before seeking to answer these questions, it’s worth reminding ourselves of some of the key principles involved in Six Sigma. Firstly, it’s essential to identify the customer and to understand their prioritised requirements. Secondly, we need to ensure that our processes seek to meet these prioritised requirements. Thirdly, we need to understand how well our processes are meeting the customer requirements – and to do that, we need an appropriate measurement system in place. Finally, we need a systematic approach to the design and improvement of our processes.

Let’s start with the customer! So many businesses assume that they know the customer’s requirements – they don’t need to ask their customers, they simply know! But do

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they? How many ebusinesses assume that their customers require delivery of product within 24 hours of order? My guess is quite a number.

And yet, the reality may be something quite different. Certainly that has been the recent experience of organisations like GE in clarifying their customers requirements. What’s most important, is that the delivery is made in line with what’s been agreed.

Customers may be ordering from the web for a whole variety of reasons including, for example, convenience and price. Delivery will be a specific requirement depending on the circumstances of individual customers. Certainly customers will be particularly concerned with the aspect of security and there have been plenty of publicised occasions when security and privacy seem to be far from provided.

Mistakes made by ebusinesses do seem to travel at speed – prevention should be a key element built into the design of their processes. Certainly, prevention is a key element of a Six Sigma approach and is supported through the use of tools such as the process decision programme chart and failure modes and effects analysis (FMEA).

Of course, I’m assuming that ebusinesses really are ebusinesses and are not pretending to be through the use of smoke and mirrors. I’ve seen several examples that lead me to the conclusion that some organisations are taking on-line customer order information and are then re-keying it into other back office systems – often making mistakes in the data entry. I wonder how many of you have spotted something similar in your own internet dealings?

In terms of measurement, ebusinesses have potential to really capitalise on the currency and flow of data, particularly if they are able to link their scorecards to SPC control charts.

In terms of the systematic approach to process improvement, the foundation has to be management by fact. The next article in the series looks at the need for a systematic approach, and provides some detail of the methods used by ‘Six Sigma organisations’.

**Tools for Prevention – FMEA and PDPC**

The most effective and efficient way of achieving quality and maintaining improvement gains is to build prevention into your processes. There’s nothing new in this concept, as the following quote demonstrates:

- Can foresee harmful events and not allow them to be.

LAOTZU (Circa 600 BC)

Failure modes effects analysis and process decision programme chart are two of the tools associated with prevention. Incidentally, the Japanese refer to prevention as PokeYoke.

The PDPC is very easy to use. It is one of the seven new tools for management and planning and it links with the tree diagram.

So, what might go wrong, how could we prevent it, and what would we do if it still goes wrong?

FMEA is a little more involved. Here we are looking at what might go wrong, how often is it likely to occur and how likely are we to detect the failure before its effect is realised?

For each of these, we assign a value, usually on a scale of 1 to 10 to reflect the risk. The example below provides a typical rating scale – you could adapt this for your business or produce your own.

To determine priorities for action we calculate a risk priority number. This value is simply the result of multiplying our ratings for the severity of the risk, the frequency of occurrence and the likelihood of detection.

In coming up with your RPN, do remember that these numbers are subjective and use common sense in determining the action needed.

Depending on the nature and complexity of your processes and products, you may feel it appropriate to simplify the scales and descriptions used. You might adopt a ‘3’ level approach, using, for example, ‘high’, ‘medium’ or ‘low’ business impact for severity.

The key to prevention is action – you want to cause something not to happen, but if it does, you always want to know what to do.

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**Figure 2: Severity Rating Scale**

- **Rating Criteria:** a failure could:
  - **10:** Injure a customer or employee
  - **9:** Be illegal
  - **8:** Render the product or service unfit for use
  - **7:** Cause extreme customer dissatisfaction
  - **6:** Result in a partial malfunction
  - **5:** Be unnoticed & have only a minor performance effect
  - **1:** Be unnoticed with no effect

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**John Morgan**

John Morgan is a director of Catalyst Consulting. His many years of experience include operational and management roles for major insurance companies. He is a regular speaker on the conference circuit, and leads the BQF workshops ‘Six Sigma and business excellence’. He has co-written SPC in the office – a practical guide to continuous improvement and a range of articles for quality press magazines.
Dealing with the aftershock

The first anniversary of the July bombings in London once again focused the minds of business leaders and the public on the potential impact of traumatic incidents. But as recent media coverage has highlighted, the majority of businesses are still no better prepared to deal with such incidents and their aftermath, and so prevent an already traumatic situation from becoming even worse.

If you run your own business, or have managerial responsibility for personnel within a larger organisation, the chances are that you will already have introduced measures to protect the continuity of your systems and operations if the worst should happen. But what you still may not have considered is the parallel need to ensure the wellbeing of your staff is similarly protected.

It’s important therefore to have a clear understanding of the risk of trauma and how your staff could potentially be affected by it; to know what you should and should not do to help them deal with trauma; and also to have effective plans in place to ensure the impact on your employees – and your organisation – can be kept to a minimum.

The growing risk of trauma

Nothing can adequately prepare organisations or individuals for the experience of a traumatic incident, because by definition it is outside ‘normal’ experience.

Many victims and witnesses of violence or injury sustained in accidents, criminal activity or during their otherwise normal work may well require professional post trauma support to help them cope with the effects of their experience.

So, whilst all organisations should carry out risk assessments to determine whether employees could be at potential risk of psychiatric harm from events that they may have to deal with in the course of their work, there are some organisations whose staff, by virtue of what they do, are always potentially at risk. These include:

• The armed forces and emergency services personnel
• Bank staff and certain others in the financial field
• Those working in retail outlets, off-licences and petrol stations, where staff may be alone in the premises outside normal opening hours or even all night
• Those who have contact with the
Stress

Companies operating in the travel industry need to be aware not only of incidents that do occur, but also the potential for accidents occurring – and in particular, major disasters for which effective contingency plans should always be in place.

There are also many organisations operating within particular industrial sectors that are inherently hazardous, and where although good risk management can substantially reduce the incidence of accidents, they may still occur. In such instances, contingency plans need to be ready to be implemented, often at short notice, to support those involved.

You don’t have to be involved to be a ‘victim’

It is not only those people who are directly involved in an incident – ie victims and survivors – who may suffer the effects of trauma. It can also affect those who may be indirectly involved, eg witnesses, neighbours, families and work colleagues. All these people have the potential to be traumatised to a greater or lesser degree.

The following are just some examples of how individuals can become directly or indirectly exposed to traumatic incidents and possible post-trauma stress:

- Co-workers who may have to return to work immediately following a disaster will have to come to terms with the injuries and possible death of one or more colleagues, together with possible damage to workplace buildings caused by fire, water, etc. The workplace may have changed dramatically and the effect of this may impact on everyone within the organisation.

- There may possibly be feelings of guilt associated with injury and loss of life. Management and staff may feel disorientated and emotional following the harrowing experiences of fellow workers, and will be susceptible to post-trauma stress. Employees may have to be relocated to other premises and be in a position of some turmoil for days, or possibly months, thereafter.

- The designated first-aiders within an organisation, who may have had only limited training and experience, will most certainly be called upon to deal with a major incident before the emergency services arrive. Yet the support that they themselves will require in the aftermath of the event is often overlooked.

- The train driver who experiences a person committing suicide under the wheels of his or her train, and the maintenance team who have to remove the human remains from the track, may be required to relive the situation when they give evidence to an inquiry – which can sometimes be months or even years later. This can trigger again the traumatic reaction to the original incident, and the person may be unable to ‘close the chapter’ until all investigations are complete.

A traumatic incident may also impact on the confidence of other employees performing similar jobs within the organisation.

Proper consideration should also be given to people involved in potential incidents or ‘near misses’. These may include people who believe that they came close to a major accident or incident, even where they themselves sustained no actual damage or physical injury.

The effects of a traumatic incident

Anyone who has been involved in a traumatic incident is likely to have some form of reaction to it. These reactions may happen immediately, or may not occur for weeks, months or occasionally even years afterwards. They are likely to be worse if:

- Many people died or were injured during the incident, or death or injury was sudden, violent or happened in horrifying circumstances
- The individual has feelings of helplessness or wanting to have done more

It’s important therefore to have a clear understanding of the risk of trauma and how your staff could be affected by it

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Emotional reactions
An individual's emotions or feelings are likely to be in chaos after the event, although alternatively they may feel nothing. Some of the more common emotional reactions are:

- Guilt – for not having done more, or for having survived when others did not
- Anger at what has happened, or the injustice or senselessness of it
- Fear of breaking down or losing control, or of a similar event happening again and being unable to cope
- Shame – for not having reacted as they might have wanted to, or for feeling helpless, emotional and wanting others to be with them
- Sadness – about the deaths, injuries and the whole circumstances of the incident. Individuals may also feel depressed without knowing why.

Mental reactions
People are very likely to find that they cannot stop thinking about the incident, dream about it, or suffer loss of memory, concentration or motivation. They may experience flashbacks, hate to be reminded of what happened, or have feelings that they are always on their guard or easily startled.

Physical reactions
Individuals often experience tiredness, sleeplessness, nightmares, dizziness, palpitations, shakes, difficulty in breathing, tightness in the throat and chest, sickness, diarrhoea, menstrual problems, changes in sexual interest or eating habits, and many other symptoms – frequently without making a connection with the incident.

Other difficulties
People may feel hurt, and their relationships with others, particularly their partner, may feel under additional strain. They may find themselves taking their anger out on their partner or family, or emotionally withdrawing from close relationships, just when they need them the most. (It's important to try not to do this.)

Talking to a trained counsellor
Talking to a trained counsellor is often a great relief and can reduce much of the tension and anxiety. Trying to ignore personal feelings, or avoid thinking or talking about the incident in the belief that they can cope, may be unhelpful and possibly harmful to individuals in the long term.

When to look for professional help
People who have experienced a traumatic incident should be encouraged to seek professional help if they:

- Feel they cannot handle intense feelings or body sensations; their emotions are not falling into place; or they feel chronic tension, emptiness or exhaustion
- Continue to feel numb, empty or without feelings
- Have to keep active in an attempt to suppress their feelings
- Continue to have nightmares or are sleeping badly
- Have no-one to share their emotions with and feel the need to do so
- Start to have accidents or their work performance suffers
- Start to smoke, drink or take drugs to excess
- Are suffering from exhaustion or depression
- Cannot control their memories of the experience, and these are affecting their personal wellbeing
- Their relationships seem to be suffering, or sexual problems develop
It is also important to encourage individuals to remember:

- That they are basically the same person they were before the incident happened
- That talking about their experience and their feelings can help
- That suppressing their feelings can lead to further problems

Planning for the unimaginable

Research shows that how an organisation treats its staff in the aftermath of a traumatic incident will have a profound effect, not only on the recovery of the individuals involved, but also their colleagues, their productivity, and their commitment to the organisation moving forward. To ensure your organisation has adequate protection against these issues, you need to consider the following:

- You (or your HR managers) may find yourselves playing a key role in managing a situation which may ultimately be far more damaging to the organisation than the initial event itself.
- This is also the case with incidents in which employees become involved outside the work environment, and in which the organisation may otherwise be totally uninvolved.
- Traumatic incidents can happen at any time. Risk assessments should therefore be undertaken to identify potential risks, whether such risks are significant, and what measures should be implemented to prevent or minimise them.
- An effective post trauma support programme needs to include:
  - Careful selection and training of staff who are to work in potentially dangerous or aggressive environments
  - Well-designed emergency procedures and action plans
  - An education programme detailing potential hazards
  - Dedicated on-scene support
  - Professional backup following the incident – aimed at providing short and long-term psychological support as needed
  - Experience in counselling.

You need to be prepared for the fallout of a critical incident

Carole Spiers occupies a long established niche as a professional speaker and broadcaster on workplace stress and employee wellbeing, both at home and abroad.

A successful entrepreneur herself Carole is the founder and MD of the Carole Spiers Group (CSG), a dynamic niche consultancy and the UK’s No 1 provider of stress management and employee wellbeing, from the shop floor to the boardroom Carole is author of Tolley’s Managing Stress in the Workplace.

FREE Special Report for Management Services readers – Trauma Management – handling shock victims & training for occupational risks. Email sb@carolespiersgroup.com.

For more information on our post trauma services including in-house & public training and our nationwide employee counselling team, please contact us: Carole Spiers Group, International Stress Management & Employee Wellbeing Consultancy, Gordon House, 83-85 Gordon Ave, Stanmore, Middlesex. HA7 3QR. Tel: 020 8954 1593, Fax: 020 8907 9290. Email: info@carolespiersgroup.com www.carolespiersgroup.com.
A small company makes big gains implementing lean

You're the owner of a smaller to mid-size manufacturing company. Your business is successful, but you know something is missing. You're convinced there must be other methods you can tap into to help make your operations more efficient, less costly and more productive.

How about going 'lean'? No way. To begin with, you're too small to be trying to learn these complicated and time consuming practices that go by the names of Kaizen, Kanban and Six Sigma. These strange sounding words can't work for a business like yours. After all (you're thinking) you're not some huge manufacturing operation, and there's no way you can afford the large investment in time, money and resources required ... all in the hopes that these unorthodox methods might bring a few added efficiencies to your business. This stuff is strictly for the big boys, who can afford to take risks.

Well, let's just say you're in for a surprise. Take a few minutes and read about Mike Shanahan and Cadco Ltd. Mike is president and co-owner of this $8.5 million business located in Winsted, CT. Cadco produces and markets commercial and institutional food service products, like combination ovens, portable countertop ranges, buffet servers and warming trays. Cadco also sells a line

Cadco Ltd, a Winsted, Connecticut manufacturer of commercial and institutional food service products tells their story.
of high end products to retail markets – including Nieman Marcus, JC Penny and Chef's Catalog – under the well known BroilKing label. Back in 2000, Mike and one of his suppliers, UNOX, were discussing a number of operational problems Cadco was experiencing, including, but certainly not limited to inventory control, old line traditional manufacturing principles, time consuming assembly methods and even inefficient product designs. Mike's supplier introduced him to the process of ‘lean thinking’ and eventually suggested he look at Productivity Inc, a firm well versed in working with companies to help improve production, distribution and other operational inefficiencies.

Mike Shanahan had an unusual business philosophy; overall, he wanted to increase sales and grow Cadco. But it was more important to him that a very high level of quality be built into every Cadco product. And just as important, Mike wanted each of his customers to recognise that they were special to Cadco and that service and responsiveness were a high priority with him – even if it meant Cadco would work with fewer customers in order to meet these objectives.

Even before recognising a need to tap into industry expertise, Shanahan and his management team first analysed their present status. It was obvious that production flow was poor, they were spending way too much in time, money and resources producing their products, and they were way behind in shipping to customers, even to the point of failing to ship some orders. On top of this, the overall cost of energy was draining profits, and the costs of purchasing material and product from European suppliers was increasing.

Expertise
Shanahan called around. He questioned colleagues in the industry, asked his people to attend seminars, and even visited his main European supplier to see first hand how operations could be made to perform more efficiently. What he learned most from his efforts seemed to point to the need to bring in a knowledgeable and experienced outside expert as his ‘hands on’ guy. And the people to turn to seemed to be Productivity Inc.

"We've all learned so much from our experiences: myself, my management team and our employees," says Shanahan, with the excitement of his success still obvious. "The concept of lean is nothing like we thought it would be. It doesn't have to be complicated, unruly or expensive. In my eyes, it's all about finding the simplest way to accomplish a task or an operation. And its success can be measured in either small increments, astounding results or something in between. Either way, it can be applied to almost any operation of any size. All it takes is a commitment and a willingness to look at things a little differently."

Let's Simplify Things
Like most smaller businesses, for Cadco the thought of hiring a high priced ‘suit’ was not on the cards. The last thing the company needed was an expensive consultant coming in, disrupting operations, making demands, changing the way the company worked, then fleeing in the night with Cadco employees trying to figure out what happened. Instead, Shanahan and his team got a real surprise. It began when Productivity Inc's management consultant, Fred Flynn was hired by Cadco for one day. That's right, one day. Shanahan contracted a single day's worth of lean expertise.

His theory was if this guy can't impress me after spending a day studying my operations, I don't want him around. As it turned out, one day was all it took.

Flynn arrived in jeans and a golf shirt and quickly studied Cadco's warming tray production line. He immediately saw the bottleneck: inventory intermittently stacked up; people waiting for the next assembly step; no equality in the workload. He visually assessed the process, timed each station, and discussed the line with employees and the plant manager, who knew each step of the operation. The line was producing 150 units per day, when in fact it
shown how to work smarter, not necessarily faster. In fact, the supervisor was pulled off the line to allow her to truly supervise rather than be a part of the work process. Smaller tables replaced larger ones so extraneous parts and material had no place to be left lying around. Things began to hum.

Shanahan was so impressed with the improved efficiencies, that he extended Fred’s contract ... by one day. And that’s all it took. By the end of day two, the dramatic improvements were easily recognisable. Soon, the Cadco production line was producing 240 units in an eight hour day. Before that, it was taking them 10 hours to produce 150 units.

“That’s what I call lean,” Grano deOro happily states. “We experienced a 60 per cent improvement in productivity – from two days in May working closely with Productivity Inc. The little things truly add up, and that’s why lean can have such a significant impact on smaller businesses.” Even after Flynn’s two day contract was up, the experience left the Cadco team with the motivation and confidence to become creative on their own.

“That’s the fun challenge of lean,” continues Shanahan, “especially for smaller businesses. Now that we understand its real meaning, we’re constantly searching on our own for better and smarter ways to improve all our processes, from inventory control and assembly line work to material handling and distribution. The process is never ending, because you can always improve an operation ... always.”

Flexing Muscles ... and the Production Schedule

Fred Flynn returned a couple of months later for a quick review session and found the production lines working well and Cadco having made additional positive changes on its own. At that point, Cadco felt very comfortable working with Productivity Inc in tackling a few other areas. For instance, now that production was flowing significantly better, it was critical that Cadco adopt a flexible production schedule, a planning tool to help control
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Incentives Pay Off

Yet for every action, there’s a reaction. The dramatically increased productivity meant Cadco employees were achieving production goals in eight-hour days compared to what had once taken 10 hours and weekends. That meant the end of overtime pay. What to do?

Mike Shanahan: “It was important that the entire Cadco team – and that means everyone who works here – play a part in this significant improvement in productivity without bearing any financial burdens. To truly buy into this programme and be an active participant, everyone has to benefit.”

Shanahan and Flynn sat down and developed an employee incentive program that pays bonuses for the production of quality-finished products. Employees are earning extra pay, and the additional business costs have easily been absorbed by the savings directly attributed to implementing lean methods and practices.

So what’s next for Cadco? “We’ve already mapped out a revised distribution area and developed a more efficient finished goods inventory plan,” continues Shanahan. “And we’re starting to incorporate lean thinking into our administrative office work, cutting customer order lead times from an average of four weeks to what is expected to be just five days by June of this year.” In the distribution area, Cadco’s director of operations, Gary Schutz, has been redesigning bins and stocking shelves to make parts, materials and product more accessible and the pull process much more efficient. “From improved lighting to utilising fatigue mats for workers,” Shanahan goes on, “our people are making terrific suggestions that are good for them and for the company.”

Did all this really come from just a couple of days with Productivity Inc? Shanahan responds. “I was in awe of what we learned in that very brief period of time. Major improvements were made immediately, saving time and money. I was so pleased, that after the first go around, I asked for – no, demanded – a one year contract with Fred and Productivity Inc. As it turned out, I recouped these costs in just 60 days of operation.”

Shanahan sums it all up by saying that smaller companies, rather than being intimidated by the thought of lean and what they perceive it to be, should embrace this amazing process. “It’s nothing more than identifying simple ways to improve everything you do. Come to think of it, we can all use a little of that.”

To truly buy into this program and be an active participant, everyone has to benefit.
Productivity has had a topsy-turvy past: no matter how indispensable, it has been more often feared than loved by the bulk of the workforce. However, it has always bobbed up again as the means for ensuring that an economy survives and thrives.

As a broad concept of continuously striving to make the best possible use of available resources to achieve societally desirable ends, the policy significance of productivity in the future can only be on the ascendant if Europe is – as the 2000 European Union Lisbon summit declared – to be the world’s most competitive economy by 2010. Alas, this is an impossible goal since America’s supremacy over Europe, east or west, has remained very constant over the whole of the past century. But countries, companies and individuals must and will continue to strive to catch up with and outdo the performance of their competitors. For competition – not governmental fiat or money – drives innovation (cf. the EANPC’s 2006 revised Memorandum on Productivity), which to be sustainable in turn needs to be underpinned by the appropriate attitudes, skills and knowledge of the country’s and company’s stakeholders. And the struggle to ensure positive attitudes is never-ending. The combination of such attitudes with changing skills and knowledge is what the Memorandum terms ‘productivity development’.

National values and cultures enhance or impede productivity development, as is indicated by ‘national histories’ of individual European countries. However, if the continuing significance of ‘productivity development’ is beyond reasonable doubt (though continuously contested by powerful national and international lobbies), the institutions created and sustained by society to strive for it change over time. Thus, as the six decades since the founding of the original Anglo-American Productivity missions in 1946 demonstrate, productivity centres per se are not immortal – far from it. Nor even is their original concept: a jointly (employer-trade union) directed, government-supported independent body having as its mission to promote smooth socio-economic change by not-for-profit training, consulting, research and information activities. As European governments’ support (national and local) has waned – due in no small part to the continuing pressure to reduce public spending – so too has the interest of the centre’s constituents and clients in the concept of a centre, physical or even virtual. Indeed, centres have increasingly had to practice what they preach: competition is the mother of innovation.

Labour productivity

But competition does not preclude the establishment – usually limited in time – of review bodies, programmes and perhaps even organisations, albeit often virtual, entrusted with boosting awareness of the importance of ‘productivity development’. These are currently spread across Europe from Finland to Portugal. In between, where centres have died, there are some signs that there is a resurgent awareness of the significance of productivity – in particular ‘labour productivity’ – and ideas discussed on how it can be improved. This is the case notably in The Netherlands. As the US Bureau of Labour Statistics, the worldwide Mecca of dependable figures on productivity, never fails to underline, ‘labour productivity’ is an excellent indicator of relative performance, although ‘labour’ as such is only one of its causes.

So ‘awareness’ of the importance of productivity needs constant reiteration. Awareness, however, should not be misunderstood as ‘promotion’. Long gone are the days of ‘productivity movements’ exhorting, for instance, Irish target groups to get a MOVE on (make ourselves very efficient) or Koreans to double their productivity over five years or in other ways trying to popularise what will always remain a somewhat vague and threatening notion. Awareness means rather both drawing attention to the concept and indicating what it means in specific circumstances. For instance a recent TNO Bouw report to the Dutch parliament analysed the weaknesses of the Dutch building industry: Nine
billion could be saved annually if those commissioning public works would use more efficient and effective approaches by co-operating more closely with building companies. The report’s author concluded that the relationship between the two parties could not be worse than it is now and trust needs to be built up. And this in one of the world’s richest and most consensual countries.

Closer co-operation and trust between contracting parties was not the only approach developed during the 20th century for raising productivity. Techniques are also important, ranging from Fordism and Taylorism (still widely prized and used even in the ‘high north’, albeit with a ‘human face’), through motivation boosters to high tech and high touch and benchmarking – the more recent version of productivity measurements and comparisons. All such techniques and approaches have described, if not prescribed, how certain tasks can be efficiently performed – after all, new learning takes place by standing on the shoulders of past giants. New approaches and techniques always seek to replace labour by capital: machines and tools eliminate not just past crafts but, more importantly, the more menial (physical and mental) tasks of men and women, albeit with productivity increasingly dependent on humans’ higher capacities.

This necessitates the willingness and ability of the individual to continue to learn through working life.

Motivation

The key problem has been – and remains – far less ‘how’ to raise productivity rather than ‘why?’: motivating individuals, companies and countries to take a critical look at what they are doing, why it is being done and how it can be done better. The last decade and a half has brought out various neuralgic points of bringing change to central and eastern Europe. Indeed, those in privileged positions – ‘vested interests’ – have always sought to resist the rise of new vocations and approaches which replace the existing forms of production: the 19th century Luddites in Britain and the silk-weavers in France smashed machines; farriers and coachmen sought to save their jobs by blocking the arrival of ‘iron horses’ and then cutting wages; the coal-miners, ship-builders, steel operatives and long-shoremen of the late 20th century in western Europe and North America went on strike to stop change. And today there are the anti-genetically-modified foodstuffs’ movements, despite centuries of continuous agricultural improvements – ‘Ah! But GMF are of a completely different order …’ Hmm.

Much research has been undertaken and polemics written about the need to prepare for the consequences of change. For despite declarations to the contrary, ‘mastering’ change is a rare privilege of the few and even then only in the short term. This is shown in the history of the changing research focus of the US Bureau of Labour Statistics; the foresight into the consequences of the electronic revolution (remember the disappearance of mechanical cash machines in the 1970s?); the deleterious consequences of automation, and the discussions about the ‘end of work’. And despite the recurring fear that ‘things will not be alright this time’, each series of technical change in the developed world has been followed by growth in employment … at least in countries which do not predicate new jobs to old regulations.

This is not (quite) to argue for unbridled change: for a few categories of people in certain places, the world today is no better than it was 25 or 50 years ago. However,
at all levels can be increased.

All advanced European countries face growing demographic problems: their populations are ageing rapidly. But, overall, today's workforce is healthier (albeit with new ailments) and wealthier, though not necessarily wiser, than their forebears. Life expectancy is longer, the quality of working life higher (although its shortcomings are more transparent through ever more research). Understanding the impact of the 'social' on the 'economic' is hazy but as important as the impact of the economic on the social. Clearly, there is a great reserve for future productivity development here.

Pensioners have never been 'younger' nor had it so good. Thus it is incomprehensible from a productivity viewpoint that, despite European Council resolutions and OECD lamentations, several governments just have not taken the 'early retirement' approach to 'industrial adjustment' by the horns and wrestled it if not to the ground at least to a corner. At times of an ageing labour force when more workers are needed, it is counter-productive to have generous early retirement schemes.

But much remains to be done to develop work organisations within which older (together non-experienced young) workers can work productively for themselves and society. This necessarily requires revised trade-offs between 'rights' and 'duties'.

But it is not just in the area of demographics that holy cows urgently need to be reassessed for the productive benefits of society. Companies are often not free to adjust mechanisms to reflect their productivity. Long-term sickness benefits which take workers out of the labour force despite their being still quite capable of contributing to wealth creation, but to a lesser extent, are also major productivity challenges for the future. This is particularly true where 'stress' is a major obstacle to productivity development.

Other counter-productive regulations include employment protection which discourages companies from hiring older workers or small firms from taking on younger workers, fearing that later possible redundancies could be excessively costly to the point of actually bankrupting the company. Employers are not very inclined to risk recruiting ageing workers if they operate where employment protection is too tight. Job protection runs counter to employment growth. That socially conscious Scandinavian countries have reduced employment protection to boost employment growth is largely ignored by continental Europe's larger economies.

Most firms can usually be tempted to undertake productivity-enhancing activities if they can also be seen to boost their profitability. In fact, although the two concepts are close, they can, and must be, disassociated. For in societies undergoing rapid change, highly productive firms and industries are by no means necessarily profitable: the efficiency of producing specific products and services can be of no sense if their effectiveness disappears as they are replaced by new services and products. Though by no means new, the productivity/profitability issue is one that is too often forgotten in everyday actions.

The debate on the real impact of sharing the results of rising productivity and/or rising profits – and what happens when previous (positive) trends are reversed – is in full swing. A rule of thumb is that non-permanent sources of income should not exceed 10% of an individual's total income. But does this hold for senior managers?

What – if any – relationship exists between productivity and shareholder value? As already stated, a company's productivity increase by no means results in profit increases and profits by no means necessarily accompany productivity increases. Moreover, a company's productivity can benefit from better performance design) of, in particular, public services, especially utilities. Those holding such jobs contend that only public services guarantee the public good. Although this has been shown to be untrue in such areas as energy generation and distribution, and public transport (which still in some countries includes national airlines), the bad examples of some countries are cited almost ad nauseam to show that the 'general interest' cannot be served more efficiently and effectively than by public bodies.

**Productivity ‘promoters’ should always bear in mind ways in which competition at all levels can be increased**
with this model are heartily disliked by many ‘productivity specialists’. This raises the question of whether the ends justify the means.

At the firm level, productivity often has a negative connotation – ‘job killer’ – even when the firm in question stresses the value of, and provides the means for, life-long learning. Perhaps a major reason for a reluctance to learn is work overload and the resultant stress, despite a major palliative which sounds amazingly simple: give the individual and the team increased leeway – ‘autonomy’ – to resolve their organisational problems themselves.

Measuring human performance can never be exact because a whole range of disciplines come into the equation such as the immediate economics, the health of the individual and society, the difficulty of showing causal relationships, the interlinkage of the subjective and objective (‘stress’ in the end is as much subjective as objective), and the level of economic development. But there is much truth in the old saying that something can only be improved if it can be measured. And Einstein’s adage holds true: Not everything that counts can be counted. And not everything that can be counted counts.

A recent ILO report provides several examples of companies acting in accordance with the ILO’s principles for ‘decent work’: work which is productive, equitable and humane, as well as being profitable. As such, examples tend only to convince the converted; but they are an indispensable means of showing what can be done in vastly different environments which might thus be worthy of adoption and adaptation.

Several aspects of health impact on productivity: sleep, not just the siesta, but trying to ensure that people have a good night’s sleep (shift workers and the impacts of cycladian cycles on the quality of work and accidents at work and on the road to work); also tackling the ‘Monday morning syndrome’ of the rates of absenteeism following a weekend; and ensuring healthy minds in healthy bodies. Another aspect of health concerns sex, there being a growing volume of (seemingly serious) research on this subject; this could lead to some interesting challenges for the future design of the productive workplace.

In societies experiencing significant increases in obesity and heart diseases, there is also the question whether rising productivity and standards of living are not, in the longer run, bad for the individual’s and society’s health. Perhaps, like Guinness, productivity is good for you ... in reasonable amounts.

The ecological dimensions of productivity – taken up by the Asians in the concept of ‘green productivity’ – are also important: The 2002 United Nations Johannesburg summit on sustainable development concluded that ‘Fundamental changes in the way societies produce and consume are indispensable for achieving global sustainable development’. As regards production, there have been considerable advances with eco-efficiency – the relationship between resource use and economic activity: companies have developed appliances using less energy, detergents washing at lower temperatures, the provision of heating and cooling only when needed, recyclable cars, right up to designing ‘zero waste’. The business model has in some instances been flipped from one that maximises sales to one that stimulates conservation of resources. But the warnings about the earth’s ‘carrying capacity’ remain: Europe’s fishing industry faces a bleak future because it has largely ignored ‘sustainability’ by focusing on quantitative, and not qualitative, aspects of productivity.

The future needs more quality of life rather than quantity of consumption. Change here might be achieved by emphasising the ‘high margin, low volume’ approach rather than that of the spirit of current capitalism’s ‘mass-market, commoditised production’. This runs counter to the spirit of the marketing function, which could, however, be used in the future to sell sustainability. For modern marketing is about building long-term customer relationships, protecting and building brands and reputations.

Tony Hubert, a 1960 graduate of Keele University and the College of Europe in Belgium, was the first (and only) full-time Secretary General of the European Association of National Productivity Centres from its establishment in 1966 until retirement in 2002. He had previously worked for a Ford Foundation project to develop cooperation between European business schools. The EANPC acts as a forum for national bodies in Europe to share information, experiences and ideas. During his career he also carried out various consulting assignments notably the establishment of the European Commission’s European Employment Observatory, running the ILO’s electronic productivity conferences and contributing to the Asian Productivity Organisation’s monthly journal on European productivity developments (on-going).
The very fact that we draw a distinction between the two – public sector and private sector – is evidence of the way we tend to think of them as very different animals. The cut and thrust of private companies is contrasted with the Yes Minister view of the public sector world. But such caricatures are unhelpful if we are trying to find the real differences between these types of organisations, and hence understand how each can learn from the other.

How different?
The public sector is confined and constrained, isn’t it? It has its ‘rules’ and lacks the freedom of the private sector. Well maybe, but it is more realistic to look at these simply as different forms of constraint. Private companies experience equivalent if not identical constraints, for example through legislation, regulatory authorities, contract requirements, or simply by virtue of owner/group company policy.

Traditional views have also sometimes characterised the public sector as a ‘soft option’, where the lack of commercial pressures leads to less motivation and lower performance levels. But this too is unfair. Not only are many public servants genuinely motivated and committed to their vocation, but the increasing prominence of inspection regimes such as OFSTED, CSCI, Healthcare Commission, and CPA (Comprehensive Performance Assessment for local authorities) have put many public sector organisations under intense pressure to deliver improved results. Whilst the detailed merits of these various regimes may be argued, the public sector is certainly no longer – if it ever was – a refuge for underperforming managers and staff.

Finally a CBI survey from 2004 indicated that public sector workers average 8.9 days sick leave per year, as opposed to 6.9 days for private sector employees. However, this is greatly overshadowed by the difference between absence in large organisations (which most public sector organisations are) and small ones – 10.2 days per employee for organisations with over 5000 staff as opposed to 4.2 days for those with less than 50 people. Again, any imputation that the public sector is a soft option appears very doubtful.

In essence, the reason that public sector organisations are different is just that – they are public organisations, ‘owned’ by government or some other representative body rather than by private individuals or shareholders. This means that their purpose is laid down for them. They do not have a choice about what they...
provide or what their function is, and hence cannot shift from manufacturing widgets to, say, selling ice cream as private sector companies can. (One only has to look at the diversification of the major supermarket chains to see how this operates – can you imagine the Home Office suddenly deciding to sell car insurance?)

Whilst this may sound fairly self-evident, its consequences are very significant. It means that the private sector ‘bottom line’ is replaced by a much more complex picture of outcome expectations and relationships.

Different perspectives of success
You may recall a while back Health Minister Patricia Hewitt being derided for stating that the NHS had had ‘its best year ever’. Well, she was probably right – but only from the limited perspective of central government and performance targets. Those who criticised her took a different view and concluded she was wrong, because they looked at performance from some alternative perspective, for example from that of patients’ experience, the community, hospital budgets or staff working for the NHS. From these other ‘stakeholder’ perspectives, performance still left a lot to be desired.

This is a classic example of the difficulty in defining ‘success’ for a public sector organisation; it depends how you look at it. Continuing the health example, what for instance is the definition of an ‘excellent’ hospital or local health service? Is it one that:

- Treats as many patients as possible with the shortest possible waiting times?
- Achieves the best clinical outcomes for the patients that it treats?
- Has the most highly qualified doctors and other medical staff?

Similarly in the local government arena, having a ‘good’ or ‘excellent’ CPA rating will not protect councils in their present form from the next round of local government restructuring. Interestingly, these Audit Commission-based ratings also seem to have little or no effect on voting trends in local elections, and so provide little reassurance for the politicians in power.

So how can we manage effectively in the public sector when the definition of ‘success’ is so elusive?

Targets have to be balanced with the expectations of customers and other stakeholders

- Has the greatest positive impact on the health of its local community, including prevention as well as cure?
- Maintains good relationships and so is highly regarded by patients, their relatives and the community?
- Maximises efficiency to deliver the best possible services at lowest cost?
- Advances the cause of medical science through world class research and leading-edge treatment?

Any or all of these could be right depending on the viewpoint and priorities of the person answering the question. Perhaps the only surprising thing about Patricia Hewitt’s ‘single-perspective’ statement is her apparent failure to anticipate the reaction it would get!

This situation also means that a public sector organisation can be judged as successful from one perspective, but still be changed or shut down when another perspective prevails. An example is provided by the experience of the Cumbernauld Accounts Office, a large processing centre that was part of the former Inland Revenue’s organisation. Cumbernauld Accounts Office was the first large public sector organisation to win the European Quality Award (an international prize based on the EFQM Excellence Model), in 2000. Just a few years later, the office still exists but restructuring means that its function has changed, it is no longer a separate business unit, and like the rest of Inland Revenue it has been merged into the new HM Revenues and Customs department. Success in winning a prestigious award did nothing to maintain its status.

Firstly, a recognition that these different stakeholder perspectives exist, and that no organisation will ever succeed in being ‘all things to all people’.

Secondly, a strategy that specifically addresses these different perspectives and strikes a clear balance between them in formulating the organisation’s strategy and priorities.

The second of these can require some bravery. It means for example that Chief Executives and Directors have to be up-front in saying that government-driven performance targets are not the be-all and end-all of their existence. They have to be balanced with the expectations of customers and other stakeholders.

High expectations
For evidence of this, think back to the early 1990s and the then-government’s compulsory competitive tendering (CCT) strategy. This reflected a particular government priority at the time that sought to make public services more competitive and cost-efficient, hence reducing public expenditure. But it eventually fell from grace because it was too focused on one particular stakeholder priority, that of cost, and failed to address all of the other standards (eg service quality, accessibility, responsiveness) that people expect from public services.

A more balanced approach is essential for public sector organisations nowadays, and one way to recognise this is that first step of identifying key stakeholders for the organisation. Diagram 1 illustrates a
A generic stakeholder diagram, a simple means of showing the many different stakeholder perspectives that an organisation may have to consider.

More complex variations on this will identify many different stakeholder sub-sets; the advantage of this simple version is that it depicts the way that different groups tend to pull the organisation in many different directions. Often, for example, service users will want to see more money spent on services whereas central government (with the taxpayer in mind) will want to see less.

The excellence model and balanced scorecard

Holistic management models provide an opportunity to demonstrate these principles in practice. The EFQM Excellence Model for example has four Results criteria, and these can be related to particular perspectives that highlight the difference between public and private sector stakeholders:

- Customer Results: Customer or service user perspective (for the public sector, this can include those who have no choice)
- People Results: Staff, at all levels
- Society Results: The community at large, beyond that of customers/service users

Key performance results:

- For the private sector – owners or shareholders
- For the public sector – government or other statutory ‘owning’ body

This distinction can assist in clarifying not only what the organisation is aiming to achieve but why. For those using the model, it helps to get away from the ‘what have we got that we can drop into this criterion?’ mindset, and towards the more relevant question of ‘what are we trying to achieve, and how can we measure our success, from this stakeholder perspective?’ From there, there is a logical connection back to the Enabler criteria, which examine how the organisation formulates strategy and develops action to meeting these potentially competing stakeholder demands.

The Balanced Scorecard presents arguably even greater potential in this respect, particularly in the way that it has evolved from the original four-quadrant model developed by Kaplan and Norton in the early ’90s. One such development, particularly applicable to the private sector, simply presents the four scorecard sectors in a progressive sequence, sometimes known as the Z-model, diagram 2.

In other words, organisation development drives internal processes which deliver satisfied customers, which in turn result in successful financial outcomes.

But with the public sector in mind, the picture could be richer still. Firstly, the Financial quadrant broadens out into the much wider perspective of the government or other ‘owning’ body. Financial results (eg living within budget, achieving efficiency savings) will still be required, but so will other non-financial targets and outcomes. The term ‘key performance’ is therefore probably more appropriate, borrowed from the EFQM Model because the stakeholder is the same.

Secondly, notice how those top two sectors represent the external viewpoints of the customer and owners/shareholders, whilst the lower two quadrants are internal perspectives, representing what is happening within the organisation. Each of these areas can be expanded: external sectors could be extended to encompass other external perspectives, such as that of the community or of other funding.
to society, beyond the factors that drive its financial strategy? If so, then there is at least one other perspective for the company to consider in assessing its performance, that of an ethical standpoint reflecting global society’s expectations.

Ultimately, all organisations – public and private sector – should be aware of how they will be perceived by different stakeholders, and should be able to plan accordingly. This doesn’t impose any pre-determined formula for success, but provides a framework for organisations to set meaningful goals and learn from others how these can be achieved.

The most effective performance management systems do not take things straight from the textbook or simply copy others. They are based on a real understanding of the organisation, its stakeholders and their expectations, and can adapt and apply improvement principles in that particular context. So yes, the public and private sectors are different, but the distinction does not end there. Every organisation is special – different because of its aims, its environment, and its culture. Really understanding the implications of these differences is critical to effective change and improvement.

The public sector is certainly no longer a refuge for underperforming managers and staff

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Implications for both sectors

One further thought. I have so far addressed private sector organisations simply in terms of their bottom-line financial objectives. Whilst historically this may be valid, the picture nowadays is becoming increasingly complex even for the private sector, through issues such as corporate social responsibility. It is widely recognised for example that reducing costs by relocating production to sweatshops in the Far East that exploit child labour is not good business practice. Or that dumping untreated chemical effluent isn’t a good idea even if you can get away with it.

But why? Is it simply that companies think that if their customers found out about these unsavoury practices they would react adversely, and hence the company would lose sales – in which case the traditional ‘profit is the bottom line’ paradigm probably still applies? Or is it (as I would hope) a genuine belief and commitment that the company has a wider responsibility...
US employers spend $100 billion a year on incentives like T-shirts, golf outings and free trips to Florida in the belief that they somehow motivate and inspire their employees. But what they’re forgetting is that gimmicks don’t buy engagement or motivation. That takes equitable pay, opportunity, and – above all – respect.

The notion that there is a vast pool of unmotivated people out there is a myth perpetuated by management since the beginning of the Industrial Revolution: if management can’t identify the cause of a problem, they blame it on lazy employees.

Oddly, in this ‘unmotivated’ world, it’s difficult to find anyone who really is unmotivated. Whenever I ask someone if they are motivated, they say yes. Yet, everyone believes there are a vast number of unmotivated people out there, even though no one admits to being one of them.

This view is reflected by the fact that when a company is having a bad sales year, the management team instantly starts shopping for motivational programs for their salespeople. If production is down or product quality is poor, the first step on the problem-solving agenda is to blame lacklustre performance on unmotivated employees.

Management seems to think that its key productivity problem is related to motivation. A fact that is substantiated by the $100 billion spent last year in the United States on incentives. This is a lot of money to spend on the solution to a problem that (according to employees) does not exist.

So if we all think we’re motivated, are we all wrong? Could we be unmotivated and not know it, like having a disease without any symptoms?

Sports coaches are admired because they are good ‘motivators.’ Some university coaches can earn $50,000 for giving a lunch speech to businessmen who are keen to hear the coach talk about how they motivate their players. But, if a team has a poor season, the casual observer immediately thinks that the team needs a new coach one who can ‘motivate’ the team more effectively.

But have you ever heard an athlete express the need for motivation? “Yeah, we lost the game last night because we were unmotivated.”

It may sound absurd, but the prices of goods and services are increased considerably by the cost of so-called motivation – financial incentives, awards, cups, mugs, shirts, hats, travel, spot-cash awards – all of these and many more types of incentives increase the cost of everything we buy and sell.

So management spends billions on programs, gimmicks, and goods to motivate their employees who, when
Who’s to blame for poor performance?

If management can’t identify the cause of a problem, they blame it on lazy employees. It’s a myth perpetuated by management since the beginning of the Industrial Revolution: if management can’t identify the cause of a problem, they blame it on lazy employees.

As it turns out, improper problem solving is the culprit here. The key to solving any problem is to first precisely identify the causal factors. Even the science of medicine did not make much progress until diagnosis (problem identification) became more accurate.

Around the birth of Christ, for example, most people believed that diseases were sent as punishment from the gods. Treatments were aimed at pleasing the gods so that the disease would be taken away. Hippocrates believed the body had four humors: blood, phlegm, black bile, and yellow bile. If a person was ill, it meant that an imbalance existed in their humors and so they would take a treatment such as having their blood sucked by leaches to return the balance to normal.

The modern organisation hasn’t been around that long, of course, but since its inception, management has made a similar mistake by identifying performance problems as the result of ‘poor motivation.’

As mythical solutions go, this is a good one. You cannot see motivation, or count it, or take a picture of it. Hence, it’s an easy way to take the focus off of management performance and place the blame on the employees.

Some people will argue that they can see motivation, when they really mean that you can look at performance data and if it is not to your liking, you can say that poor motivation led to low performance. So really, motivation is a mythical ‘something’ that we pull out of the hat to explain why performance is poor.

In other words, in an attempt to sidestep the blame for a plethora of performance problems, management came up with a perfect foil – the unmotivated employee.

The ‘motivation’ problem has consumed more time and money than any problem in the history of capitalism. The incentive industry employs tens of thousands of people and generates billions of dollars in annual sales, so we know the root of their motivations.

However, assigning performance problems to poor employee motivation has misdirected organisational problem solvers and delayed the identification of the real causal factors that seriously inhibit employee performance.

Systems deficiencies, process malfunctions, job design problems, and nonparticipative management styles have been overlooked until recently because America’s management was too busy ferreting out the intricacies of the great motivational crisis.

Contrary to popular belief, when employee performance improves in the presence of small incentives, it is a good sign that the organisational system within which the employees are working is dysfunctional. The incentives are only temporarily causing the employees to circumvent and overcome the restraints that typically limit their performance.

In dysfunctional organisational settings, incentive efforts can have a significant immediate effect because the discrepancy between employee performance and their potential to perform is so desperately broad. The gap between actual employee performance and performance potential is the widest when organisational systems and process problems have not been addressed.

But the problems that incentive systems, motivational programs, and manipulative reward strategies create can, in the long term, be crippling to an organisation’s competitive functioning.

So what are the negative effects of overusing incentives?

Incentive systems, motivational programs, and manipulative reward strategies can, in the long term, be crippling to an organisation’s competitive functioning because they have slowly erased employee commitment to the company along with loyalty to the customer and the product.

1. Incentives become entitlements: Managers and employees become addicted to the constant barrage of doo-dads, baubles, trinkets, and award paraphernalia. The annual budget for motivational programs, speakers, and incentives becomes part of the corporate culture and employee compensation. Eventually, management can see no way to decrease the budget for merchandise and cash, because employees see these perks as part of their compensation.

2. Incentives weaken management skills: Why should managers and supervisors learn to facilitate...
Motivation

employee performance or address issues that obstruct their performance when short-term incentives appear to do the job for them? This way, managers can abdicate their responsibility for developing their employees and leave it up to the ‘motivational’ system. The core job of managers is to encourage employee engagement and effort through discussions about the work with the employee. Most managers believe that incentive systems and motivational programs negate the need to have meaningful conversations with employees about the work or to develop any relationship with them whatsoever.

3. Incentives devalue the customer, the product, and the work: Constant rewards for work behaviour imply that there is no inherent value in doing the right thing for its own sake. The message is that one does a good job or improves because of the award at the end of the rainbow. As a result, employees do not engage with the company’s mission. Why should they? The mission is obviously not meaningful if the job is only worth doing for a T-shirt or a ball cap.

4. Incentives enslave employees: Meaningful work to most people is about the value of the work being done and about the feeling that they are creating that value through their own volition. Incentives indenture employees to toil for the next small prize or award. The employee, forced to accumulate points and scores to validate his or her extra effort, is driven by the next incentive in the queue. He or she soon loses the sense of personal accomplishment one feels when one creates something of value. Like a mercenary, one’s work is cheaply sold for the next bit of praise or reward that management won’t release unless that employee earns his/her share.

5. Incentives erode teamwork: In the midst of motivational programs, incentive initiatives, the competition for recognition, and the lack of any meaningful relationship with the organisation, co-workers begin to compete against each other for merchandise and accolades. Mentoring and coaching become much less frequent. Sharing and support vanish. Performers strive to distinguish themselves from their co-workers; they seek to ensure that they are given credit for each and every achievement. Selflessness and the team spirit vanish, because the distribution of merchandise and other rewards creates a system of winners and losers.

6. Incentives destroy management/employee relations: In such an environment, managers seldom seek to coach or build relationships with their subordinates. They see employees as cogs in a wheel driven by the motivational machinery. This incentive machine depersonalises the employees in the eyes of managers. Similarly, the employees see the manager as the handler coaxing them with the perennial dog biscuit in hand. The manager controls the distribution of goods, and as such incurs no positive regard from the employee. Employees resent being pulled back and forth like puppets by each new motivational program. They soon learn that when it comes to being recognised for a good job, there are many strings attached.

7. Incentives change self-perception: Selling out for merchandise does not increase self-esteem or enhance self-respect. The mercenary and the patriot see themselves very differently. The incentive frenzy has slowly eroded employee commitment to the company along with loyalty to the customer and the product. Unlike the short-term effects of incentives and rewards that must be continually innovated and redesigned lest they lose their novelty and impact, ongoing systems and process improvements permanently facilitate employee performance potential and strengthen the organisation’s competitive capability. Over the last ten years, performance has improved significantly in those organisations that use participative management and problem solving to engage employees. These organisations encourage employees to identify and resolve the systems and process problems that restrain performance potential.

How would employees perform if their only encouragement was the traditional salaries, raises, bonuses, and promotions? Has the constant bombardment of merchandise incentives eroded the most valuable component of the worker’s self-esteem—pride in doing something well?
Autumn 2006 Management Services

Have the values that drove a strong work ethic been replaced with the instant gratification of trivial rewards?

In the long run, the destiny of our economy and our global competitiveness will depend on the values promoted by our management practices. Doing something well and doing it right can remain an employee value.

Unfortunately, the management teams most likely to depend on incentive programs are also most likely incapable of or disinclined to identify and seek meaningful solutions to the organisational problems that limit employee performance. The strategic importance of management development has been overlooked and the easy gains of incentives have replaced management skills.

Most employees don’t want these condescending programs in the first place. They want respect and just recognition and reward for a job well done.

Fortunately, the ‘quick fix’ mentality that created the incentive industry is slowly being replaced by responsible organisational change tools and strategies. Many organisations are in the midst of shifting from incentive-driven to values-driven cultures. However, the easy gains temporarily obtained with merchandise and other incentives are difficult to relinquish entirely. Management still carries a cumbersome carrot on its back.

Turning back the clock
So what steps can an organisation take to get back to the traditional rewards, promotions, earned bonuses, equitable salaries, and worthwhile raises for performance excellence?

1. Create meaning: The value of the product, service, and customer must be articulated (or rearticulated) clearly and frequently in company documents, advertising, and marketing. Customer experience, product quality, and doing the job right must be the number-one topic of executive conversation.

If the only subject that management talks about is sales and profit, the value of doing a good job and the meaning that people find in their work is perceived as secondary.

So performance reviews and management feedback must reference the value of the service, the product, and the customer. Discussions about results must include talk about the means by which the ends are obtained. In performance discussions, sales and profit must be balanced with references to quality work, happy customers, innovations, creativity, ingenuity, resourcefulness, responsiveness, teamwork, and volunteerism.

2. Create relationships: Managers and supervisors must reengage themselves with employees through dialogues about the work and about the employee’s performance. If managers only distribute rewards or administer motivational programs, managers and employees become disassociated and their relationship is purely instrumental; void of feeling, emotions, or the goodwill that establishes reciprocity.

True relationships encourage individuals to become interested in group welfare and they begin to act in ways that serve the interest of the team.

3. Allow employees to participate in the solution: Share your intentions and your rationale with a selected task group that includes frontline employees. Help them understand that you are not trying to remove the value they are receiving from motivational merchandise, but that you want to reconfigure the value into a more traditional compensation framework that allows them to change the way they see the product, the customer, the service, and themselves.

You do not have to convince them or sell them on anything, but you do have to stick by your word. Share your concerns about incentive addiction and its impact on the long-range viability of the company.

Once they understand that it is in their best interest to help you, the solution will be forthcoming. You want employees to feel appreciated. That can only result if their work has true value, not just financial value, but the value placed on work that is exact, competent, and effective.

Every employee wants to feel good about themselves and their job. They want to know that their work has meaning. If you treat them as the important contributors to your organisation that they are, they will partner with you in the mission to rediscover the worth of the work and the pride they can feel in doing something well for its own sake.

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The costs arise through numerous factors including:
• Additional staff or overtime to make up for lost production
• Inability to provide services
• Reduction in the range or standard of service
• Low morale resulting in low productivity
• Increased demands on the company sick pay scheme
• Increased supervisory time dealing with absence

The scale of the cost of absences is such that even small improvements in health and safety performance may offer greater opportunities for cost control than many of the business areas commonly reviewed for the purpose by management.

A HR department can determine the amount of time ‘lost’ through sickness absence for a specified period by using the following equation:

\[
\text{Total absence (hrs/days) / possible total (hrs/days) } \times 100.
\]

According to the Chartered Institute of Personnel and Development (CIPD) survey ‘Employee Absence: a Survey of Management Policy and Practice’ 84% of employers consider that it is possible to reduce their current level of sickness absence. Some absence will be outside of management’s control; however, positive preventative measures can go a long way to reducing absence levels.

In recent years a growing number of employers and trade unions have become interested in the provision of additional facilities and the development of education programmes and health policies aimed at improving the general health of employees. Such measures can improve industrial relations, increase productivity, lower absence & accident rates and improve the organisation’s public image.

Offering employees free health scans is becoming one of the most popular methods adopted by many UK Human Resources and Occupational Health departments to help reduce long term work absence.

The benefits of health screening
Health screening offers benefits to both employees and companies:

- Employees
  Health screening detects serious health conditions, such as cancer and heart disease, even at an early stage. This means employees can receive effective help immediately – whether it is just changing their lifestyle or taking medication. In general, many employees who undergo a scan have no abnormalities at all which gives them tremendous peace of mind.

- Companies
  Health screening can help organisations to prepare for and perhaps avoid numerous problems. It can significantly reduce long-term work absences, due to illness, by alerting employees to health problems before they become serious. Diminished long-term sickness reduces the need for additional staff, reduces demands on a company’s sick pay scheme and reduces the impact on overall company performance.

Health screening can also protect employers from the threat of health related litigation cases. By using scanning to establish the health of an employee before he or she begins to work for an organisation, employers can prove that any existing conditions are not a result of company negligence. Annual health checks during employment can alert employees to potential health problems before they become serious and allow occupational health departments to identify and eliminate potential health threats to other employees. Scanning can also prove that employees have a clean bill of health when they leave an organisation, again, reducing the threat of future litigation against the company.

What kind of health screenings are available?
Private health insurance, such as BUPA, can offer the provision of a basic health check; however, these do...
The early methods pioneers judged that there was "one best method" for carrying out a task and in particular it was F.B. Gilbreth who held and practised this belief. Today the UK MTM Association still practises the concept that there is one best method in the use of resources and from that is derived the most economical time for the job in hand. This takes account of all resources, human, material, machines and workplace layout.

Our name has a specific meaning, in that the concentration upon the best working method and its derivation by a recognised MTM system will provide the best solution in terms of time and therefore cost. Where work is performed that contains a manual input, there will be an MTM system suitable for your needs whether the work is short-cycle and highly repetitive, or is based around small-batch manufacture.

Our approved training courses are conducted only by qualified MTM Instructors. A quick telephone call will determine the validity of either Instructor or analyst qualification where training or contract work is undertaken and advice may be obtained regarding an MTM system suitable for your needs.

Call any of the above to discuss your productivity needs. Our help is only a ‘phone call away.
Bungling Cadbury chiefs have exposed their ignorance of public relations for failing to come clean over one of the biggest business stories of the summer.

In a gargantuan PR disaster Cadbury bosses are under fire for allowing Easter eggs go on sale to children, despite knowing of a possible salmonella risk. It’s a salacious story for the media and a foolhardy decision by the management to risk the reputation of an historic, much loved company. Cadbury has enjoyed the reputation of being one of the most cherished brands in the UK for many years. Their sponsorship of the nation’s favourite television soap and the decision to continue advertising their products during the Second World War while all their competitors axed theirs proves they know a thing or two about promotion. So what went wrong?

The whole issue highlights how easy it is for a business to slip out of public affection and be turned into a company that is demonised, accused of cover ups and greed. The Birmingham company has already stated that it will change its policies for handling future scares. One of those policies surely has to be the PR function.

The strategy appeared to start well. Despite the nature of the story, the PR team at Cadbury was slick. They provided samples of all the problem products to the media, a hotline was established for retailers and consumers, senior management was available for comment. The products were splashed all over the broadcast, web and print media and the firm was seen to be socially responsible, accepting the financial cost of withdrawal on the chin and being portrayed as, pardon the pun, all round good eggs.

The confectioner quickly announced that it was taking a million chocolate bars off shop shelves, as they had potentially been exposed to salmonella in January.

Crisis point
Then it all went pear shaped. It was revealed that the company only informed the Food Standards Agency (FSA) about the scare in June, months after the Easter egg sales peak. The FSA even weighed in to unhelpfully add that there had been a sharp rise in the number of salmonella cases this year (although there is no suggestion, naturally, that they are linked to Cadbury products...)

The tale has now developed to the stage where it is being alleged that Cadbury failed to inform food...
would cause a health problem. Any organisation that discovers minute traces of any poison, toxin or harmful bacteria should be communicated properly to customers and stakeholders. In the eyes of the media and the public, a minute trace of salmonella is just too much. Look what happened to Edwina Currie.

In a nutshell, the PR plan was too little too late for Cadbury. The day they discovered salmonella in their chocolate in January, they should have set the PR wheels in motion. They would still have had time to solve the problem and ramp up the positive PR for the sales of their Easter eggs.

Businesses need to be switched on in this media savvy world. The public hates nothing more than a food company that fails to look after the health interests of its loyal customers.

The fact that Cadbury decided not to take any action is shocking. The boot into Cadburys they are promoting their own organisation as having teeth, of being a powerful industry regulator and backing public health concerns (after all this is the perfect PR opportunity to piggy back). The fact that Cadbury decided not to take any action back in January or report it to the FSA because they thought the amounts of salmonella were ‘minute’ and posed no threat to health is shocking. Any PR professional getting wind of this story at this stage should have sensed alarm and advised management not to sweep it under the carpet.

Cadbury said the withdrawal of its products was ‘precautionary’ and levels of salmonella were ‘significantly below’ those which watchdogs about salmonella contamination at one of its factories, despite nine cases of the bacterium being identified over a four-month period. The story goes that the confectionery giant admitted to the potential health hazard only after pressure from the Food Standards Agency (FSA) before withdrawing the million bars of chocolate.

Being accused of a ‘cover-up’ and coping with headline hungry MPs camped outside the factory, calling for a ‘a full and public explanation’ of why it had waited so long to admit to the contamination is bad PR. All this could have all been avoided if the company had managed the process of communication more professionally.

In contrast, the PR for the gleeful FSA has been excellent. By putting the boot into Cadburys they are promoting their own organisation as having teeth, of being a powerful industry regulator and backing public health concerns (after all this is the perfect PR opportunity to piggy back).

The PR plan was too little too late for Cadbury

1. Don’t crawl under a stone hoping the issue will go away. Equally, don’t make any hasty defensive comments.
2. Investigate quickly to establish if the story is true. Ensure you know all the facts before responding but remember speed is of the essence.
3. Make sure someone is available to speak to the press – ideally someone with seniority and not a press officer, as this will show that the issue is being taken seriously. Ensure that they are fully briefed and know how to deal with the media.
4. Don’t ever try to outsmart the media with smart or facetious comment and never, ever say ‘no comment’. You’ll only make things worse.
5. Acknowledge public concern, even if you think it is misplaced. In a media crisis, the public is always right.
6. Actions speak louder than words. The public does not want statements and press releases so always respond decisively – you must be seen to take swift action.
7. Make sure that you communicate with your key audiences – the customers and clients who will be affected by the story – on a more personal basis than through the press.
8. Discover which areas of your business are vulnerable to negative press coverage and prepare a plan in advance.
9. Have a crisis management plan ready that deals with the practical side of coping under the media spotlight. The plan should detail who will make the decisions and who will take calls from the media. Can your current press or publicity officer cope? Do you need extra help?
10. If you do, get it – common sense and intuition are fine but they need to be backed up with experience and expertise from a professional.

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Online information for IMS members

www.ims-productivity.com has been designed to provide information about the Institute of Management Services and aims to be the UK’s leading resource of information about productivity. What productivity is, why it is so important to the continuing prosperity of the nation, and the various methods and techniques used to enhance and maintain productivity.