A Man for all Ages
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, focusing 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.

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We also want your news and points of view about what appears in this journal. Something you disagree with? Tell us about it.
Cover Story

HRH The Duke of Edinburgh, Fellow of the IMS and Past President, celebrates his 90th birthday in June. Harry Downes, Hon Fellow FMS, looks back at his extraordinary life and involvement with productivity issues on page 6, as well as remembering the 1972 conference, where the Duke was the keynote speaker (page 8).

In Institute and Regional News, regional reports, events and birthday celebrations are included.

A Man for all Ages: Harry Downes profiles HRH The Duke of Edinburgh, celebrating his 90th birthday in June.


Congress Report: Day two of the 16th World Productivity Congress and European productivity Conference.

Measuring performance: A case study on the design and implementation of PM systems.

National incentives: Studies from Cyprus – presented at the Congress.

A new strategy for Energy: A proposal for an energy management implementation model.

Vocational Education in the 20th and 21st Centuries: Using the past to plan for the future.

The Only Way is Up: Coping with economic uncertainty and taking positive steps.

Mastering Change: Presenting to win – interpersonal behavioural mastery.
Institute News

Chairman’s Column

It is my role as Chairman to ensure that Institute members are kept informed not only about the Institute but also productivity in general. For many years, our prime method of keeping you informed was by our journal. The written word still remains the preferred method of informing people. With the advent of the internet, the written word can now be made available either in printed format (like our journal) or on a website. Currently, we make our journal available to our UK membership by both methods.

A recent innovation has been a members’ email newsletter. The April 2011 email newsletter was in a revised format and contained much greater content on productivity issues, which I hope you found both appealing and useful. The newsletter is intended to keep you updated on Institute matters, as well as bringing to your attention topical productivity news. If any members have any ideas for items for the journal, website, or the newsletter then please email me at blanch2203@ gmail.com.

I am pleased to inform you that the Institute is looking to form a Retail Specialist Group. If any Institute member has an interest in retail, I would invite them to contact Lynette at our head office in Lichfield to express that interest.

Finding ways to increase productivity is a task that should be at the forefront of every manager’s mind especially at the time of economic downturn. Few companies exist that could not have more efficient procedures and improved organisation and leadership. Often, productivity in a company can be improved by making only minor changes with minimum effort and disruption to the company. Increased productivity is not about making people work harder, it’s about assisting them to work more efficiently. We need to get this message out to managers and we hope that the Institute’s journal and website is successful in spreading this message.

As with all organisations change occurs and the Institute is no exception, so it is with some sadness that I report that our Treasurer John Lucey has, for personal reasons, decided to stand down as Institute Treasurer. John will remain on the Institute’s Council of Management and I am sure he will continue to make a major contribution to the wellbeing of our Institute. John has played an active role in many of the changes that have taken place in the IMS. He played a major role in outsourcing our admin to Lichfield and also the outsourcing of our journal. I feel sure John will continue to be a driving force within the Institute for many years to come.

I hope that, like me, you have been enjoying the excellent weather we have been experiencing in the spring and early summer and that you enjoy reading this issue of the journal. As always I am happy to receive your comments and observations. Email me at blanch2203@ gmail.com.

David Blanchflower
Chairman

Regional News

NW Region Board Report

Chairman Kevan Kelly opened the meeting by greeting and introducing a visitor, John Kearsley, who is well known in the Bolton area. Discussion ranged over several topics, including the selection of venues for our activities. It was pointed out that the region is quite extensive, effectively some 80 miles by 40. A number of options were considered for future events. As yet no fixture dates are available, but they should be ready for the next issue of the journal. For the coming year, a visit to a site of industrial or heritage interest is under consideration, as well as a talk on an aviation subject. On 7 May, our longest serving member, Bob Fletcher celebrated his 90th Birthday, and on behalf of the board, Kevan congratulated Bob and gave him our best wishes. See report opposite.

Keith Gowing
Bob Fletcher’s 90th birthday celebration

On Saturday 7 May 2011, Bob held his 90th birthday party at St Osmund’s Church Hall, Long Lane, Bolton (his actual birth date being 9 May).

The hall was exceptionally well laid out and Bob had planned a splendid buffet, musical entertainment and a public bar. Guests included his family and friends from as far away as Scotland and Prague, Czech Republic, and colleagues from professional groups including IMS and PROBUS.

The party was further entertained with a speech from his son, Tony, who congratulated and thanked Bob for the event and other past experiences. Bob also conducted a ‘ten minute’ speech (keeping it short for this event), expounding his professional interests and including some topical anecdotes along the way.

Throughout most of the evening, Bob mixed with the guests, providing some joyful reminiscing. Those present thanked Bob and his family for a wonderful evening.

A brief profile: Robert (Bob) Fletcher, BA(Hons), Cert Ed, Hon FMS, CEng. Bob has a long and distinguished involvement with the IMS. Until a few years ago, Bob checked and/or drafted certificate and diploma question papers, and marked and assessed candidates’ result papers and project work.

Bob’s work for the Institute was formally recognised when the IMS Council of Management presented him with the award for ‘Outstanding Service’ towards Institute Membership in 2004. In 2007 Bob was also awarded Honorary Fellowship of the Institute of Management Services.

Bob is still active in the present role of education & liaison officer for the NW Region Board and, over the years, has provided tremendous stimulus and input to the group.

Congratulations are extended to Bob on this memorable occasion from all NW Region Board members.

Harry Hogg

Fife Golf Challenge
(a golf day with a difference)

Mr Bob Smith, Scottish region chairman and Dr Andrew Muir, UK deputy chairman represented the IMS at this year’s Fife Golf Challenge which was held once again at Elmwood Golf Club, Stratheden, Cupar.

It was another chance to enjoy a special golf event and support the students of Elmwood College Golf Management Programme.

The students manage the event, handling everything from tee-times through to prize-giving and how they perform is assessed as part of their HND course.

Some 26 senior managers and various professionals took part and, although not amongst the main winners, Bob received a prize for ‘nearest the pin’ and Andrew for the ‘best putter’. A splendid day indeed!

The picture shows Bob (left) and Andrew with Jason Xu and Billy Hong, both from Shanghai, China, who are second year HND golf management students. Elmwood College is recognised nationally and internationally as a centre of excellence for greening and golf management.

The proceeds from this year’s event (£1000) were donated to the Seve Ballesteros Foundation Appeal on behalf of Cancer Research UK. Particularly poignant following Seve’s death just six days prior to the event.

Seve’s death from brain cancer has made his family determined to ensure that the challenge of beating brain tumours by supporting world-class research is met.

To make this happen, they are asking people to join them in supporting Cancer Research UK’s research into brain tumours.

Cancer Research UK is the world’s largest charity dedicated to cancer research. Their doctors and scientists have contributed to 19 of the top 20 drugs used to treat cancer patients worldwide.

STOP PRESS: Scottish Region
The API (Association of Professional Institutes) Annual Games Night will be held on Friday 18 November, 7 for 7.30pm, at the New Club, Kirkcaldy. For further information contact Bob Smith, Scottish Region Chairman, on 01592 758252.
Congratulations to HRH The Duke of Edinburgh, Hon FMS on attaining his 90th birthday.

He was born at ‘Mon Repos’, on the island of Corfu in 1921. He renounced his Greek royal title in 1947 and became a naturalised British subject following service in the Royal Navy.

The Duke was head boy at Gordonstoun School and excelled at sports and physical activities. He was in active service in the Royal Navy throughout the second World War and is also a qualified pilot.

The Duke of Edinburgh undertakes many Royal duties. To date, His Royal Highness has fulfilled over 19,500 official engagements, excluding those accompanying The Queen, an average of 370 per year. The pace hasn’t slowed down – in 2004, he undertook 299 solo engagements in the UK and abroad.

Although he is a Privy Counsellor, The Duke has no constitutional role. Prince Philip is a member of the House of Lords, but has never spoken there owing to his proximity to the Queen, who remains politically neutral.

Science and technology are a major interest and Prince Philip has been associated with the Industrial Society, now the Work Foundation, since 1952. He has visited research stations, laboratories and every kind of work place in the UK, to see the practical effects of scientific research in society, and to learn about industry. He is keen to promote the development of such professions in a constructive way.

In 1976, for example, as President of the Council of Engineering Institutions, he initiated the Fellowship of Engineering. This is now the Royal Academy of Engineering, which promotes engineering excellence and education.

The Duke of Edinburgh enjoys painting in oils, which he describes as ‘an absorbing challenge, for which I have nothing like enough time’.

The Duke was the first member of the Royal Family to be interviewed on television. This took place in May 1961 when he was interviewed by Richard Dimbleby.

Sport has always been a passion of The Duke’s. As well as sailing, he played cricket and took part regularly in polo until 1971. In his mid 80s, The Duke continued to compete in ‘four in hand’ carriage driving with his team of fell ponies. In the past, he has represented Britain in European and World Championships.

**Developing leaders**

The Duke is the founder of the Commonwealth Study Conference. Held every six years since 1956, the conference examines the human aspects of industrial issues in Commonwealth Nations, with the aim of developing industrial and business leaders of high quality.

The first Commonwealth Study Conference was convened in Oxford. It initiated a new process of dialogue between people who are likely to have company responsibilities across the whole spectrum of industry and commerce, on the subject of their relationships with the process of democratic management of communities.

The principal purpose of the conference is to broaden the perspective of potential leaders in management, trade unions and public administration, so that their decisions are based on a practical understanding of the influence of industries and commercial enterprises on the general welfare of
the civic entity. The principle of learning by observing and discussion was established from the inception and every opportunity is provided for opinions and assessments to be debated and talking with people from different backgrounds and with different perceptions.

The challenges of new technology, instant communications and global movement, as well as the changing aspirations of communities have to be faced by people in positions of responsibility. The intention of the conference is to expose the participants to the new experiences, new arguments and different perspectives, so that the quality and relevance of their decisions is improved.

Helping the youngsters
Since The Duke of Edinburgh’s award scheme began, thousands of young people have gained the highest award. His Royal Highness has personally presented every ‘Gold’ award, even those overseas.

Of the 75 medals and awards associated with The Duke of Edinburgh, the most unusual is the ‘Silver Wink’ award. Students at the University of Cambridge challenged Prince Philip to a ‘tiddlywinks’ match in 1958. The Duke appointed the ‘Goons’ – the radio comedy group including Peter Sellers and Spike Milligan – as his Royal Champions. The ‘Silver Wink’ has been awarded by The Duke since 1961 to the winner of the inter-university tiddlywinks competition.

During his time The Duke has been Patron or President of around 800 organisations, of which the Institute of Management Services is one. Whilst President of the IMS, Prince Philip was immortalised as a waxwork at Madame Tussauds Museum, London.

In October 1999, His Royal Highness was Patron of the 11th World Productivity Congress. This is the biennial event of the ‘World Confederation of Productivity Sciences’, and was held in Edinburgh, 3-6 October 1999.

In his foreword to the conference, Prince Philip said: “It was a great honour to be invited to be Patron of the 11th World Productivity Congress. Since I have been associated with the Institute of Management Services, under this and previous titles, I was delighted to accept, particularly as the Congress is to be held in Edinburgh.

“It has always been evident that higher productivity benefits both employers and employees, but it will only be achieved as part of a wider package of efficient working practices, good working conditions and active collaboration across the whole spectrum of a company’s activities.

“I am quite sure that the co-hosts, the Edinburgh City Council, Napier University and Lothian and Edinburgh Enterprises, will provide a very warm welcome for all the delegates. I am also certain that the Organisation of the Congress by the Institute of Management Services will provide ample opportunities for every aspect of the interests of members to be fully discussed. I have no doubt that the working sessions will be most valuable, but it is always during periods out of working hours when personal contacts are formed. Everything possible has been done to ensure that the Congress is a success and I hope you will enjoy it.”

Perhaps the other most significant activity in our relationship with HRH The Duke of Edinburgh, was hosting a reception in November 1999 at the House of Lords, to bestow on him the Honorary Fellowship of the Institute of Management Services.

An invited audience of representatives from within the Institute’s regional, branch and specialist group structure, along with several past chairmen heard Prince Philip refer to the many name changes the Institute had been through in its history, including the name at the time of his Presidency; ‘The Institute of Practitioners in Work Study and Organisation and Methods’. He stated that he had to have oversized business cards to be able to fit in the name. More than 100 delegates attended, and the Duke made sure that he spoke to every person there. It was an evening to treasure.

In January 2010, I received a letter from the Duke, thanking the Institute for his new Institute diary. He is a worthy Fellow of the Institute.

A very happy 90th birthday, Your Royal Highness.
One of the most important events in the history of the IMS started early on the morning of 29 November 1972. Television lighting men arrived at 07.00 hrs, BBC and ITN camera crews followed an hour later, as did the Institute’s conference staff. At 08.00 hrs, with still 90 minutes to go, the first delegate arrived.

The scene was the ballroom of London’s Hilton Hotel, venue for the Institute’s 1972 National Conference. The conference hall was packed with 450 delegates.

In his opening remarks, the Chairman, Walter Coulous, welcomed delegates, on behalf of the IMS to the Conference which had as its title the three words, People, Performance and Profitability.

The Chairman then welcomed the Institute’s President, HRH The Duke of Edinburgh to give the opening address.

Harry Downes looks back to a memorable IMS conference in 1972, attended by HRH The Duke of Edinburgh – an unforgettable experience for members.

Opening address by HRH The Duke Of Edinburgh, KG
As you know last year I was elected President of this Institute. I stood for election because I believe that the aims and purposes of the Institute are extremely valuable to any organisation which hopes to be truly efficient. Anything which can save people wasting their time has my whole-hearted support.

I think the principle of work study is a great idea and like all great ideas it has such a merit simplicity about it that it is amazing it was not thought of long ago. Of course there is no reliable way of telling whether work study techniques were used by the pyramid builders, the Roman army or the Aztec priests, but work study as we know it is the product of the 20th century industry.

Like all good ideas, it has been adopted by every kind of organisation for every kind of purpose. Work study may not be the single most important factor in the improvement of industrial, commercial and service efficiency, but it must be well up in the top ten of the management pop charts. The fact that it can, and has been
misused by some organisations is no reflection on the idea itself. Almost every invention of man has been used for good and evil purposes.

It strikes me that work study is rather like science. It is easy enough to grasp the principles of analysis, objective study and proof by experiment, but it is a very different matter when it comes to selecting an area for research or an operation for study. The most important part of scientific research does not lie in selecting the method, the essential pre-requisite is to ask the right question, to define the problem, to frame the programme of research in such a way that the answers or conclusions make a useful contribution to the sum of knowledge. The most highly trained experts armed with all the latest work study jargon and techniques can contribute nothing of any consequence unless the essential problem is identified and defined in the first place.

There is a saying which reflects the attitude of those who do not believe in work study. It goes: “My mind is made up, don’t confuse me with the facts”. There is another saying which should not reflect the attitude of work study practitioners. It goes,”I know the technique, don’t bother me with the problem”.

Work study techniques can be applied to a very wide range of problems, from the smallest details of assembly sequences, to the whole design and lay-out of manufacturing, commercial, storage or service plants. You will hear from Lord McFadzean about many other intricate problems which can be solved by objective study and analysis. In this sense work study is a tool of management and its ultimate purpose is to improve the efficiency of people and the productivity of the organisation, to the advantage of both.

I believe that this is only one aspect of work study and it is an aspect which derives from the now, traditional attitude towards industrial work; efficiency, and productivity for economic gain, the best use of resources, both human and material. But I believe that there is another aspect of work which also needs to be studied. I believe it is just as important to consider the problems of human relationships to work, particularly to industrial work; satisfaction at work; the creativity of work and the dignity of work.

I believe the most important step towards a better attitude to the problem is to get out of the habit of referring to people as a resource. We must get away from the concept of education and training as a process of preparing and turning out people qualified for industry or commerce. The purpose of education is to encourage people to become civilised citizens. The purpose of training is to allow people to make the best use of their talents. Industry and commerce must be seen to be servants of man and not his masters.

It is true that our material standard of living is high already and people hope it will be higher still. It is true that this will depend on the rate of growth of the goods and services which we can produce and this in turn will depend upon the ability of our industrial and commercial companies to compete with others in the rest of the world. But I wonder whether it is really possible to go on squeezing higher and higher standards of efficiency and productivity out of people without improving the quality of the work they are invited to perform.

Unfortunately there is this tendency to equate all work with industrial work and to suggest that everybody wants to do as little as possible so as to enjoy as much leisure as possible. The fact is that there are literally hundreds of thousands of people who find considerable pleasure and satisfaction in their occupation or employment. Work study is just as applicable to this type of work because it enables people to achieve more in the time available. Time to these people is the limiting factor; time to get work done, not time for leisure.

In my opinion it is the greatest mistake to make a general assumption that all work is unsatisfactory and to be avoided or reduced at all costs. Much work is considerably more satisfying than pointless leisure and I have no doubt that a great many more types of work and occupation could be made much more satisfying than they are today.

There is obvious satisfaction in knowing that no move and no time is wasted. Everybody wants to make the best use of their potential and their talents. There is nothing more discouraging than a poor return for genuine effort. It is equally discouraging to have to fight against boredom and to have to persist in spite of a lack of interest or satisfaction in the job and lack of encouragement or recognition by employers. High economic returns may give satisfaction for some of the time but they are not enough to give satisfaction all of the time.

 Somehow or other this critical element of satisfaction must enter into work study calculations at some point. It may not be easy to quantify or to feed into a computer but, after all, both the process of industry as well as the products of industry are for the benefit of people and therefore any calculations which ignore the human element in manufacture are neither accurate or complete.

The title of this conference is ‘People, Performance and Productivity’. That is the right priority. If the full interests of all the people are given proper consideration, and this means both the opportunity to make the most of their talents as well as their satisfaction at work, if the general performance of the whole organisation is as efficient, rational and energetic as the best management techniques can make it, then I strongly suspect that the profitability will look after itself.

What do members think?
These were the thoughts 38 years ago. I believe the message is still as strong today. It is up to us, the members, to go out and preach the gospel of ‘productivity’. Harry Downes
A Report by Dr Andrew Muir IMS
Deputy Chairman and WAPS Fellow
on Day Two of the Congress.

In the spring edition of the Journal (Volume 55 Number 1), I reported on day one of the 16th World Productivity Congress and European Productivity Conference which was held 2-5 November 2010 at the Maritim Pine Beach Resort-Convention Centre, Belek-Antalya, Turkey.

The theme for the Congress was ‘Productivity at the Crossroads: Creating a Socially, Economically and Environmentally Responsible World’.

I indicated that the Congress was, for the first time, held in partnership with the European Productivity Conference, and was thus jointly organised by the World Confederation of Productivity Science and the European Association of National Productivity Centres. The host organising body was MPM, the National Productivity Centre of Turkey.

I also indicated that there were 150 papers presented in five separate streams running in parallel over three days, an extensive poster programme, seven keynote speakers, and the James L Riggs Memorial Lecture.

This report provides an outline of Day Two of the Congress, which commenced with the afore-mentioned memorial lecture.

Delivered by John Heap, current President of the WCPS and a past Chairman of the IMS, the theme of his presentation was ‘Social, Environmental and Economic (SEE) Productivities’.

Memorial lecture outlines research being done and measures being tested

In commencing his presentation, John Heap said that the SEE concept was based on the premise that the productivity ratio of input/output was not simple and straightforward. Output includes negative factors (pollution, waste, etc) and therefore, as we attempt to improve productivity, we need to improve the positive factors whilst addressing and eliminating or minimising, the negative ones. In a world of global operation and multiple informed stakeholders, we need to address the concerns of a wider set of stakeholders, moving from a concentration of stakeholder value to a concentration on stakeholder value(s).

He stressed that, “for longer-term sustainability, business activities have to be economically viable, environmentally bearable and socially equitable”.

In outlining some of the measures currently being tested to establish what he referred to as the ‘SEE Index’, he mentioned GDP/capita in terms of an economic measure; carbon footprint (metric tonnes of carbon produced/capita) in terms of an environmental measure; and components from the UN HDI Index (life expectancy index and education index) in terms of a social measure.

He also indicated that there would be a need to establish appropriate weightings for these measures.

Although research into establishing such measures was at an early stage, he said that a significant amount of
work had already been done. He concluded his presentation by asking delegates to remember this simple message: “If a country can increase its productivity by just 3% per year over 25 years it will double its GDP – the next generation will be twice as well off as their parents”.

Plenary sessions from Turkey and China

There were two plenary sessions in the main hall on Day Two. The first of these was from keynote speaker Professor Nuket Yetis – President of the Scientific and Technical Research Council, Turkey.

Professor Yetis’ presentation concentrated on the investment being made by Turkey in research and development. He informed delegates that the budget for R&D had tripled in recent years and it was expected that there would be 150,000 employees working in the R&D field by 2013.

He then outlined the number of patents being registered in the country which he said had increased significantly and was an indication of the innovation taking place.

He also described how Turkey was doing a greater amount of manufacturing. Where previously Turkey grew raw materials such as cotton and tobacco and exported these to other countries for manufacture, it now increasingly does its own manufacturing which has contributed significantly to the country’s economic growth.

He concluded his presentation by emphasising the need to improve productivity in all sectors and to ensure that such improvements were sustainable.

The second plenary session was presented by keynote speaker Mr Wang Mao Lin – Chairman of the Chinese Association of Productivity Science.

Mr Wang Mao Lin’s presentation was entitled ‘Low Carbon Development Path as the Route to Economic Success in China’. He elaborated on the economic situation in China and the social impact of the economic expansion that is taking place. China is the world’s largest developing country and, as such, will endeavour to pursue a low carbon development path.

He said that a low carbon economy is an inevitable choice at a certain stage of, what he called, “the productive forces development”; a low carbon economy needs the world to act together; a low carbon economy in developing countries is both a challenge and an opportunity. He did add, however, that whilst China and the other developing countries will pursue a low carbon strategy, the West must understand they cannot adhere to the current criteria.

He went on to say that the pace of change in China is such that meeting the current criteria is unlikely to happen in the short-term, but that China will endeavour to promote energy saving, emission reduction and accelerate the development of a low carbon economy in the long-term.

It is interesting to note that the world’s population will reach seven billion this year and that China is home to one fifth of the world’s inhabitants.

Parallel sessions programme

In the parallel sessions programme of Day Two, I chose to concentrate on work being done in Turkey and selected a range of presentations which I thought would help illustrate how the host nation is embracing productivity at every level.

I’ve commenced with research being done at primary/vocational education (high school) level, then at vocational/foundation university level. I’ve included a case study undertaken at factory level and development projects at provincial level.

I’ve described work being done on the use of business intelligence at organisational level and the use of intellectual capital at national level. My idea is to try and provide an insight into the development that’s taking place throughout Turkey and how the concept of productivity is being applied.
Session 1
Exploration of preference of vocational school as a career choice process and its effects for sector productivity
This research is exploring the self-assessment processes for determining vocational school (high school) preference using in-depth interview techniques. The research has concentrated on the level of vocational information available of previous guidance processes in order to improve the outcomes of these processes.

It is interesting to note that we were advised that almost half of all students drop out of school after they’ve completed primary education, which lasts eight years – normally from six to 14 years of age.

Career choice is, of course, one of the most important decisions for any student and the level of importance increases when such decisions have to be made just after the obligatory primary education period. The fact that students are unlikely to be mature enough to make their own decisions, means that robust and informative guidance procedures are critical to improve their decision making. Such guidance also needs to be available at all times throughout the students’ education.

The results of the research will have major implications for vocational guidance which, it is hoped, will significantly improve the outcomes of the country’s education system.

Session 2
Education comes first: making curricula of the foundation universities current with respect to sustainable productivity and consumer citizenship
This research was to examine the current curricula of the foundation universities in Turkey and bring them up-to-date in terms of sustainable productivity and consumer citizenship.

‘Integrating corporate responsibility into business strategies’ or ‘going green’ as it is sometimes referred, has become increasingly significant in most organisations. Universities carry the responsibility to prepare students for careers in organisations and the research examined how up-to-date the curricula are in this regard.

The outcome of the research has shown that the curricula in contemporary universities needs to be revised so that students develop perspectives concerning current and future issues, with particular reference to the concepts of sustainability, the environment, social responsibility and consumer citizenship.

Further research is being done, specifically on the rights and responsibilities of consumers/citizens in order to ensure a more balanced approach in the future.

Session 3
Facility planning techniques in the furniture industry – a case study
The aim of this study was to minimise raw material and product transportation costs within an office furniture manufacturing plant.

Using a range of fairly standard but effective facility/production planning techniques the existing production methods for manufacturing the furniture were analysed.

As a result of these analyses, improved methods were developed. These improved methods have increased production by more than 40% and profitability by almost 25%. It is intended to replicate these changes in a number of similar plants throughout Turkey resulting in significant improvements in productivity.

Session 4
Productivity improvement projects in provinces carried out by the National Productivity Centre of Turkey (MPM)
The National Productivity Centre of Turkey (MPM) has been carrying out productivity improvement projects in many of the provinces. In particular, it has focused on economic development and is sharing its vast knowledge and experience, gathered over four decades of its history, with all sectors of the economy. It initiated a
campaign in 1998 entitled ‘Productivity Improvement Projects in Provinces’ and the outcome resulted in ‘The National Productivity Movement’ which is now a core element on the country’s agenda.

MTM is currently helping to develop and raise the awareness of productivity and the application of productivity techniques in all sectors of the economy. It has, however, placed particular emphasis on SMEs that produce goods and services which are considered critical for improving the country’s economic growth.

Session 5
Effects of business intelligence techniques on enterprise productivity
In this study, the methodologies of performing business intelligence tasks, the reasoning behind using business intelligence tools and the contribution these make to improving the decision making process in an enterprise were discussed.

The techniques used for analysing business process data were outlined, and the most prominent of these, referred to as business intelligence, dealt with capturing and assessing various aspects of an enterprise, its customers and competitors.

The study showed that the use of intelligent information helps to identify significant trends or patterns which in turn assists in the decision making process. As a consequence, enterprises can make better decisions about tactical and strategic managerial issues. Two examples were cited which were: determining a supply chain and competing in a specific market.

A number of business intelligence applications more commonly used in decision support systems were outlined and included: query and reporting, online analytical processing, statistical analysis, forecasting and data mining. Such applications are usually gathered from an enterprise’s resource planning system, or sourced from a data warehouse or a data mart and are increasingly being used in all sectors of the economy.

Session 6
Intellectual capital as a source of national prosperity.
The underlying assumption in this paper was that the development of intellectual capital is a key determinant of national prosperity. It was suggested that a more thorough understanding about the role of intellectual capital in the development of the national economy is needed in order to understand which development initiatives are likely to lead to significant impacts on, say, economic growth.

The paper provided a review and analysis on the measurement of intellectual capital at the national level, the implications for policy makers and the role intellectual capital plays as a driver for national prosperity.

Conclusion
As I indicated at the start of this section, my idea was to try and provide an insight into how the concept of productivity is being embraced at every level in Turkey. The country’s commitment to increasing its prosperity through productivity is evident. Indeed, there is perhaps no better illustration of that commitment than the fact that it hosted the 16th World Productivity Congress and European Productivity Conference.

Formal dinner and fellowship presentation
Day Two of the congress concluded with a formal dinner at which the World Academy of Productivity Science Fellowships were presented. The dinner also provided another opportunity for networking, an integral part of the whole event.

Dr Andrew Muir, Deputy Chairman.

A report on the third and final day of the Congress will be published in the next edition of Management Services.
The design and implementation of performance measurement (PM) systems in interfirm co-operation has been a topic of increasing concern in both academic and managerial circles for some years (Cohen and Lee, 1988; Beamon, 1999; Leseure et al, 2001; Gunasekaran et al, 2004; Kulmala and Lönnqvist, 2006; Saiz et al, 2007; Kaplan et al, 2010). Unfortunately, there has been little, if any, empirical research about a holistic performance measurement system and its design in SME networks (Kulmala and Lönnqvist, 2006; Varamäki et al, 2008). Applying system-level control mechanisms and performance measurement tools in a network is very important when trying to manage them.

A network is not an intrinsic value, but a tool to organise operations between companies, and that is why there is so much interest in the ability of networks to succeed in their tasks (Varamäki et al, 2008; Kulmala and Lönnqvist, 2006). The companies in a network are interested in the benefits and costs of networking, the investors are interested in the revenue opportunities involved in the network, and the customers in the value chain are interested in the ability of the network to manage production tasks as well as, or better than, an integrated single company. But how are networks taken into account in the measurement systems?

At the moment, the research on applying management accounting methods in the network environment is still in an early stage, and there is only a little hands-

A holistic network-level performance measurement system could be used to manage the business process and to guide the actors in networks to pursue the common targets of the network.
on experience of applying management accounting at the network level (Tenhunen, 2006; Kulmala, 2003; Kulmala et al, 2002). The study of Kulmala and Lönnqvist (2006) reveals that the importance of business networks and inter-organisational co-operation is acknowledged in many organisations. The performance measurement systems often include issues related to customer relationships (eg customer satisfaction), supplier relationships (supplier’s delivery accuracy) and other stakeholders (eg stakeholder communication) (Kulmala and Lönnqvist, 2006).

When inter-organisational relationships become tighter, there will emerge a need to manage and control the relationships in some way. A holistic network-level performance measurement system, for instance, could be used to manage the business process and to guide the actors in networks to pursue the common targets of the network (Cohen and Lee, 1988; Beamon, 1999; Leseure et al, 2001; Kulmala and Lönnqvist, 2006). Additionally, network-level performance measurement information is needed for decision making, eg in order to avoid organisation-level suboptimisation.

The aim of this study is to compare two different network-level performance measurement systems: how the use of the developed network-level performance measurement system is perceived in the networks, what the reasons behind the positive or negative perceptions are, and how the use of the measurement system differs in the case networks. The study is a multiple case study, where case study A was carried out in 2009 and case study B in the spring and autumn 2010. Both case networks are franchising networks selling kitchen fittings. The study focuses on the implementation and testing process of the network-level performance measurement system.

**Literature network-level performance measurement**

Different promoters of networking have limited knowledge on how to contribute to successful development in co-operative groups. Evidently, practitioners do not have effective enough tools at their disposal when they try to form networks. There has been hardly any research about the management tools and holistic performance measurement of SME networks. The current literature (eg Kald and Nilsson, 2000; Leseure et al, 2001; Håkansson and Lind, 2004) and empirical evidence on network-level performance measurement seem to be limited to financial measures.

The most frequently studied area in the field of network management control is cost management (eg Kulmala et al, 2002; Kulmala, 2003; Dekker, 2003; Morgan, 2007). Networking sets special challenges for cost accounting; single companies should be aware of their product costs as a precondition for further analysis. Furthermore, open book costing and wide dissemination of cost information are required (Tomkins, 2001; Kulmala et al, 2002).

In this area, the overall goal of these analyses, based on the concept of the extended value chain, is to minimise the total costs and to maximise the revenues in the network. On the other hand, financial and cost measures are not adequate for determining overall performance in the network context. The growing interest in non-financial performance measurement can be partly attributed to the realisation that financial measures alone cannot provide sufficient information for managing an organisation and a network (Johnson and Kaplan, 1987; Kaplan and Norton, 1992; Kulmala and Lönnqvist, 2006).

Companies and networks aiming at being profitable in the long run have to track not only their financial performance but also other variables, such as customer satisfaction, quality, innovation, the efficiency and effectiveness of processes, and the linkages between departments or units, as well as the measurement used for each of these (Brinker, 1997).

Some frameworks for overall measurement in networks have been presented (Beamon, 1999; Leseure et al, 2001; Varamäki et al, 2008), some for supply chain performance measurement (Brewer and Speh, 2000; Gunasekaran et al, 2004; Salz et al, 2007) and some individual measures for measuring customer-supplier boundaries have been suggested (Beamon, 1999; Ellram, 1995). All these analyses show that company interfaces include a huge number of important features that have to be taken into account when designing and selecting measures.

The study of Beamon (1999) presents an overview and evaluation of the performance measures used in supply chain models, and it also presents a framework for the selection of a performance measurement system for manufacturing supply chains. Beamon categorises supply chain performance measures that are necessary components in any supply chain performance...
measurement system, as follows: (i) resource: measuring the efficiency of resource management (eg cost), (ii) output: measuring the level of customer service (eg punctuality of delivery), and (iii) flexibility: measuring the ability to respond to demand changes. Although this framework is suitable for a traditional supply chain, it is not so for an organisational network.

The study of Leseure et al (2001) presents a framework for meta-performance to measure the performance of the total network, the capability of each network member in performing what is expected, and the contribution of each network member to the overall performance of the network. Meta-performance has two dimensions: aggregate performance and equity. It is important to stress that meta-performance can only be evaluated by measuring both aggregate performance and equity.

Notable imperfections in this framework have been perceived (Chenhall, 2003). The framework is too conceptual to be used as a tool by practitioners, and secondly, detailed implementation of a single measure to cover all members of a network in the spirit of the meta-performance framework has mostly been left unanalysed. Varamäki et al (2008) have developed a framework for a performance measurement system, composed of factors that enable the action and success of processes, as well as the success of the productivity and profitability of activities.

The issues enabling success are the values and culture of the network, resources and competences, as well as the models of action in the networks. The profitability of activities can be divided into the profitability of internal processes, customer satisfaction, and the financial key ratios of the network. In this framework, the values and culture of the network describe the mental state of the network through trust, commitment, partnership values and communication, such as the manner and openness of interaction within the network.

Resources and competences are connected in particular to the ability and capacity of the network to produce core output to the business effectively and to create new modes of action. The models of actions of the network describe the ability of the actors in the network to design and exploit different modes of action in the network. Even though there are some frameworks for network-level performance measurement, the existing frameworks are fairly theoretical and quite difficult to apply for practical solutions. However, every development and design process is different and unique, and thus these frameworks could not be used directly in the design and development process of the case network in the present study.

Design and implementation of a performance measurement system
Various frameworks have been presented in the literature for constructing a performance measurement system for a manufacturing or service organisation (see eg Kaplan and Norton; 1992, 1996; Olve et al 1998; Simons, 2000; De Toni and Tonchia, 2001; Gooderham, 2001; Tenhunen, 2001). The frameworks contain a different number of phases and use different methods. However, in most cases the design process is quite similar:

The first phase clarifies the strategy and determines the critical success factors, and the next phase aims at defining the measures for these success factors.

Kaplan and Norton (1996) have described a typical and systematic implementation plan to build a balanced scorecard for an organisation. The process model, which consists of four main steps, aims to encourage commitment to the scorecard among senior and mid-level managers, which is considered as a prerequisite of successful implementation. The model of Kaplan and Norton was created to meet the needs of a large organisation.

There are also many other process models for designing and implementing a performance measurement system (eg Olve et al, 1998; Gooderham, 2001; Tenhunen, 2001), but their utilisation has not been widely studied. However, it can be summarised that, although different frameworks consist of different numbers of phases and methods, the designing process is often quite similar.

However, Kulmala and Lönnqvist (2006) have proposed the following approach to designing performance measurement for a network. Firstly, the success factors of the network from the end customer’s point of view should be identified. The success factors can be defined in a similar fashion as is done when designing performance measures for an individual company. The success factors are likely to consist of both financial and non-financial factors. Secondly, network-level performance measures should be defined for these success factors. Thirdly, the PM should be extended to the level of the member companies of the network.
**Methodology**

This study concentrates on the testing phase of network-level performance measurement, which is the last and very important phase of the implementation process (Eg, see Kaplan & Norton, 1996; 1999; Tenhunen, 2001). The aim of this study is to compare two different network-level performance measurement systems: how the use of the developed network-level performance measurement system is perceived in the networks, what the reasons behind the positive or negative perceptions are, and how the use of the measurement system differs in the case networks.

The study is a qualitative multiple case research, which examines a problem thoroughly in a specific organisation and increases understanding of phenomenon. According to Gummesson (2000), a case study increased in-depth understanding of the issue and helps to learn something new about the phenomenon.

Case study A was carried out in 2009 and case study B in the spring and autumn of 2010. Both these networks operate by the franchising concept, and they have the same main company (franchisor), which manufactures kitchen and bathroom fittings. The case environment can be described as follows:

- **Trademark A** – Case A
- **Trademark B** – Case B
- **Trademark C**
- **Trademark D**
- **Trademark E**

The main company has five trademarks and brands under its operations. Every trademark has its own selling network, which operates by the franchising concept. Franchising refers to methods of practicing and using another person’s business philosophy.

The franchisor grants an independent operator the right to distribute its products, techniques and trademarks for a percentage of gross monthly sales and a royalty fee. Various tangibles and intangibles, such as national or international advertising, training, and other support services are commonly made available by the franchisor. The agreements typically last from five to thirty years, with premature cancellations or terminations of most contracts bearing serious consequences for the franchisees (Sherman, 2004).

In this study, we concentrate on two selling networks: trademark A, which forms case A and trademark B, which forms case B. We compare the results of the two networks, which have the same main company and mainly same operational principles. There are some differences, for example company size and number of collections, between these networks. In addition, in both networks the reseller sells the product and the franchisor bills the customer and transports the products to the customer.

**Trademark A – Case network A**
- The resellers operate inside a hardware store
- A total of 22 resellers and 26 reseller units in this trademark
- A reseller unit consists of a shopkeeper and 1-3 seller(s) all the shopkeepers and most of the sellers are independent entrepreneurs

**Trademark B – Case network B**
- The resellers operate in stores of their own
- A total of 10 resellers in this trademark
- A store consists of a shopkeeper and 7-12 sellers, and almost all the sellers are hired employees
- Most of the shopkeepers are independent entrepreneurs
- The trademark has three collections

The study is an explorative case study, and the main line of research is the action-oriented approach. The empirical data has been gathered in four development sessions in both case networks. The results of this study are based on two researchers’ personal observations, their presence and participation in the actual development process. The development sessions have been utilised as a practical development method in the design and implementation work.

In addition to the authors, five resellers from case network B and one person from the main company attended the sessions in case B, and eight resellers from case network A and three persons from the main company attended in case A. The experiences of the sessions were carefully documented for research purposes. In this study, we compare the results of the implementation process of the case networks. The design and implementation process of the network-level performance measurement system was carried out in the same way in both networks. From the perspective of resellers, commitment is highly important in the design and
We believe that the network-level performance measurement framework performs in networks that sell products and services with the franchising concept.

implementation process. If the resellers of case network B just adopted the PM system of case network A directly, commitment to and the use of the PM system could suffer. This is one reason why the design and implementation process was carried out twice.

The second reason is that from the perspective of the main company, it would be easier to just implement the same network-level performance measurement system developed by case network A to every selling network, but we could not be certain that the PM system would work in the other networks of the main company. For this reason, it was decided to develop a network-level performance measurement system also in case network B and to compare the results of the study. On the basis of the results, it can be seen whether it is possible to spread the PM system to the whole selling network of the main company.

In the beginning of the development and implementation process for the network-level performance measurement system, a project group was formed, which would have responsibility for the design, implementation and testing process before the network-level PM system would be applied in the whole network, and would participate in the development sessions. The design and implementation process consisted of four development sessions: in the first session, the participants ideated on the aspects that should be measured and followed, and after that they selected the measures.

In the second session, the measures were analysed in detail: how to get information for the measures, what would be the benefits of the measures etc. In the third session, based on the selected measures, the measurement tool was presented to the participants and they started to use the PM system. After the testing phase, there was a feedback session where it was analysed how the measurement system worked in practice, what were the positive and negative effects etc.

After that, the network-level performance measurement system was applied to the whole network. These development sessions were highly important from the perspective of commitment. This way, the participants could understand the importance of performance measurement and management. More detailed information on the design and implementation process of the network-level performance measurement system can be seen in Pekkola et al (2009).

Four perspectives of performance were selected in the beginning of the process for case network A. The selection of the perspectives was based on interviews carried out in case network A. The selected four perspectives were: financial, future, customer and employee perspectives. The participants of case network B also saw that these perspectives were the best for this context and they decided to use them. In the next chapter, the two performance measurement systems are presented perspective by perspective, the measures are presented and differences analysed from the point of view of both networks.

Findings

The results of the study are presented in the following chapter. Both network-level performance measurement systems are presented and analysed perspective by perspective, and differences and causes are reported on.

Performance measures

The financial measures are mainly the same measures in both networks (table 2). In case network A, the measurement information is mainly reported from the perspective of the whole organisation, and in case network B from the perspective of every seller. In addition, the measures, such as the real earnings of every seller, where the costs are taken into account and specific information on reclamation costs, where product reclamation, installation and other costs are taken into account, were increased in the measurement system of the case network B.

These choices are the result of the larger work community in case network B. There are more sellers and more selling, so the reclamation costs are also greater and need to be analysed in closer detail than in case network A. The resellers of case network B do not have an opportunity to check every order and correct mistakes, and that is why the sellers have bigger responsibility for their own work. In case network A, there are only a few sellers and it is easier to follow, for example, reclamation costs and see the mistakes of the sellers more clearly. These differences are natural because, when you have more employees, it is important that the results of...
selling are analysed in closer detail. The development targets are easier to point out to the sellers when they are based on facts. The resellers of case B stated that commitment is one of the most important aspects from the perspective of management and leadership.

According to the franchising concept, the franchisor has responsibility for marketing, support services and training. Due to this, both networks have their own marketing plan, and the main company has responsibility for the marketing actions of the network. In addition, the reseller can use its own marketing if it considers this necessary. The resellers of case network B use marketing of their own quite rarely and that is why the marketing costs are not relevant for them. The resellers of case network A use their own marketing much more, compared to case network B.

In case network A, there are some selling units that spend perhaps too much on their own marketing, which affects their income. The resellers of case network A stated that, for this reason, it is important to follow the marketing costs and especially network-level averages. The resellers that have high marketing costs can compare their own costs to the averages of the network and to the averages of the number of new customers to their own numbers. Analysing the results of these measures reveals how much profit the marketing investments show, compared to the averages of the whole network.

In the future perspective (table 3), the measures are the same for both case networks, except that case network A calculates the volume of orders, offers and new customers at the level of the whole reseller unit, while case network B calculates it per seller. Both networks were already measuring the volume of offers and the number of new customers, but the volume of orders measure was new for both of them.

The number of new customers measure is more important in case network A than in case network B. There are also different opinions inside case network A on what is a new customer. New customers are easier to identify in case network B, because they operate in their own stores, while the resellers of case network A operate inside a hardware store. Is a new customer a person who just visits the selling point, or is a new customer a person who you talk with, or is a new customer...

<table>
<thead>
<tr>
<th>Table 2. Measures from the financial perspective</th>
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</thead>
<tbody>
<tr>
<td>Financial perspective</td>
</tr>
<tr>
<td>Case network A</td>
</tr>
<tr>
<td>Case network B</td>
</tr>
<tr>
<td>Contribution margin/seller</td>
</tr>
<tr>
<td>Total reclamation costs</td>
</tr>
<tr>
<td>Sale/Seller</td>
</tr>
<tr>
<td>Total staff expense</td>
</tr>
<tr>
<td>Total marketing costs</td>
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customer a person who makes
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The definition of a new
customer is clear in case
network B – when a customer
comes to the store, she/he is
a new customer. Because case
network A operates inside
a hardware store, there are
also passing customers in the
selling unit of case A, who are
just looking and do not have
any intention to renew their
kitchen. So, these customers
are not real new customers.

That is why the definition
of the new customer is an
important question in case
network A and the measure
has a more important role in
case network A than in case
network B. This new customer-
challenge is a good example
of the fact that the definition
of the measures is highly
important when starting to
measure, because the same
measure can mean something
else to someone else, even
when people are working
in the same workplace or
organisation. In these cases,
the participants decided that
a new customer is a person
whose name is in the customer
relationship management
system. The data was collected
in the same way, and this
makes comparison between
the stores and selling units
possible.

Both networks have the
same customer satisfaction
tool in use, which produces
information on customer
satisfaction, service quality
and the service process. That
is why it is obvious that both
networks have the same
measures (table 4). There
is one exception, customer
profiling, which is seen in
network B as important to
follow but, in case network
A, it is considered more like
nice-to-know information,
and that is why it is not in the
system. The resellers of case
network A, who use their own
marketing more, highlighted
that customer profiling has an
important role in marketing
planning. They explained that
this way it is easier to allocate
the marketing actions.

The customer satisfaction
measure consists of a group
of submeasures, which are
product satisfaction, service
satisfaction and delivery
satisfaction. These elements
form customer satisfaction.
The lost deals measure reveals
how many offers have turned
to an order, and this way they
can see how many deals they
lose to the competitor. This
measure is especially important
from the point of view of
the resellers and the main
company, because it reveals
something about the service
quality and activity of the
selling unit.

Even though both networks
have the same measures on
the employee perspective,
the welfare and wellbeing
of the reseller and seller are
emphasised much more in
case network B than in case
network A. As mentioned
above, the work communities
are larger in case network B
than in A, and for this reason
there are more conflicts
between the sellers and more
silent know-how, which are
easier to verify in development
discussions between the
resellers and sellers and with
a well-being questionnaire
to the whole network, which
gives a wide picture of the
state of well-being in the
whole network.

In case network A, where
it is very common that the
work unit consists of a
reseller and one/two seller(s),
it is easier to transfer tacit
knowledge and discuss the
development targets. The
resellers of case network A
were not committed to having
development discussions with
their seller earlier, but along
with this project they have
started to carry out these
development discussions.

Table 3. Measures from the future perspective

<table>
<thead>
<tr>
<th>Future perspective</th>
<th>Case network A</th>
<th>Case network B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume of orders</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volume of offers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New customers</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4. Measures from the customer perspective

<table>
<thead>
<tr>
<th>Customer perspective</th>
<th>Case network A</th>
<th>Case network B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lost deals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profiling</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 5. Measures from the employee perspective

<table>
<thead>
<tr>
<th>Employee perspective</th>
<th>Case network A</th>
<th>Case network B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Well-being</td>
<td></td>
<td></td>
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<tr>
<td>Know-how</td>
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</tbody>
</table>
They see that development discussions are very useful for both parties.

From the perspective of the whole network-level performance measurement system, the size of the work community should affect the importance of the employee dimension, because there is already need for human resource management. In working life, the importance of the well-being and welfare of the employees is often forgotten. Thus, regular development discussions and well-being questionnaires are a useful way of finding out how the employees manage in their work life.

Use of the network-level performance measurement system

After the testing phase, the participants of both networks were asked how they utilise the network-level performance measurement system, and the results reveal that the use of the PM system is emphasised differently in the networks (table 6). The resellers in case network A only use the PM system for controlling and following the state of the business operations from a wider perspective. The reason for this is that the sellers in case network A are mainly independent entrepreneurs and they have responsibility of their own business.

In case network B, where the sellers are hired employees, the resellers follow the information on the selling, costs, and reclamations of every seller closer. The resellers of case network B stated that they analysed the results of the every seller in closer detail – how they managed last month. Both case networks introduced the results of the measures to the sellers. This way, it is easier to discuss the state of the operations, because the results are based on numerical facts.

The resellers of case network A highlighted that the measurement system is easy to use and the results are easy to analyse, which makes it easier to find the development targets of the operations. The resellers of case network B, on the other hand, commented that the PM system takes time. Both PM systems are almost the same but, in case network B, there is more information to analyse than in case network A. This can be the reason why the resellers of case network B saw the measurement system as more laborious. Both case networks highlighted that the understanding of the state of the operations is better with the use of performance measurement. The information is timelier and more reliable, and the resellers have a wider picture of the state of their business.

These network-level performance measurement systems also make it possible to compare a unit’s own results to the average of the whole network and enables benchmarking between the resellers. Hence, the resellers have a picture of how they succeed from the perspective of the whole network: whether their selling is average or good. This is important information for the development of the selling and operations in the selling unit.

In addition, on the basis of the results of the measures, the main company has a possibility to develop the actions and processes of their own business (eg marketing, process of the factory) and support the resellers’ actions and decision-making.

A large part of the measurement information is produced by a new customer relationship management (CRM) tool. In case network A, the resellers and sellers have started to use the CRM-tool more actively than the resellers and sellers of network B. The active use of the CRM-tool

<table>
<thead>
<tr>
<th>Use of the network-level PM system</th>
<th>Case network A</th>
<th>Case network B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mainly resellers’ tool</td>
<td>Human research management</td>
<td></td>
</tr>
<tr>
<td>Company level</td>
<td>Seller level</td>
<td></td>
</tr>
<tr>
<td>Easy to use</td>
<td>Takes time</td>
<td></td>
</tr>
<tr>
<td>Understanding the state of the operations</td>
<td>Understanding the state of the operations</td>
<td></td>
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</tbody>
</table>
As a managerial implication, it seems that the constructed system can help the network partners to ensure and improve the efficiency of operations, satisfaction of customers, motivation of the employees etc, and thus the financial performance of the business in the future.
the results of the study, the size of the company should be taken into account when the PM system is implemented in a franchising network.

Considering these things, we believe that the network-level performance measurement framework performs in networks that sell products and services with the franchising concept. In future, it could be interesting to test how the framework works in other networks: are there any unused measures or are some measures missing; how is the PM system used; do the measures affect the activities in practice?

As a managerial implication, it seems that the constructed system can help the network partners to ensure and improve the efficiency of operations, satisfaction of customers, motivation of the employees etc. and thus the financial performance of the business in the future.

In addition, with the performance measurement system, the shopkeepers can compare their own performance to other shopkeepers’ performance. This way the resellers have a possibility to compare the success of their own businesses to other businesses. This benchmarking opportunity was seen as very important from the point of view of the resellers. The benchmarking information supported and helped the resellers to understand the real stage of their business.

On the other hand, when the resellers report the results of the measures to the main company, the sales managers of the main company can easily get an overall picture of the whole selling network. It is important that the main company has information on the state of their selling networks and their operations. The managers of the main company can support the operations of the resellers, when they have a clear picture of their operations and business.

References


National incentives for productivity improvement

Authors: Dr Ioannis Moditis, Director, Cyprus Productivity Centre, Dr Christopher A Markides, Productivity Officer, Cyprus Productivity Centre.

It has long been suspected that the Cyprus economy has a very high dependence on cheap, unskilled labour which is manifested as a low productivity index, comparative to that of its more industrialised European counterparts. As a result, the National Productivity Council, which was reformed in 2005, commissioned the Cyprus Productivity Centre (CPC) to design and implement a national programme for productivity that would spearhead efforts to improve productivity and the position of the Cyprus economy in the European Union, of which it had only recently become a member.

The result was published in May 2007 as the National Productivity Strategy that hinged on a single strategic goal: The acceleration of the national productivity improvement rate so that the total labour productivity reaches the average rate of the EU27 countries by 2013 while at the same time promoting good performance in employment and respecting the principles of equality, environmental protection and social inclusion. One of the priorities that was highlighted in the strategy document was the replacement of low productivity jobs with high productivity ones and parallel development of human capital and incorporation of applied research and development in the production cycle. In the time since its publication, this has led to the design, development and publication of the Incentive Scheme for companies for the replacement of low productivity with high productivity jobs.

Data and methods

In 2005, the Cyprus economy was characterised by satisfactory growth rates in a low unemployment and relatively constant price environment. Labour productivity, however, as depicted by Eurostat were not so encouraging, with Cyprus productivity at just 72.3% of the EU25 average. This placed Cyprus in 16th place among EU countries. Figures published by Eurostat give Cyprus a moderate productivity growth rate, which needs to be improved if the strategic goal set was to be met. A study...
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In order to design the National Productivity Strategy and, in an effort to diagnose the current situation, the CPC organised a total of 13 three hour workshops that aimed at assessing the strengths, weaknesses, opportunities and threats (SWOT) present in the economy and in the sectors that comprise it. As well as representatives of government departments, these workshops were attended by members of employers groups, trade unions, other interested organisations and experts with wide knowledge or experience, many of which provided written contributions. The result was a comprehensive SWOT analysis of eleven sectors as well as the economy as a whole. Table 1 shows the analysis for the entire economy.

In 2009, a new scheme was published by the CPC, to encourage enterprises to make a shift from low added value jobs to higher added value ones and thus lower their dependency on cheap, unskilled labour. The scheme, which is co-funded by the European Social Fund and the State, is a government intervention, the concept of which, as mentioned earlier, was formulated based

<table>
<thead>
<tr>
<th>Strengths:</th>
<th>Opportunities:</th>
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<tbody>
<tr>
<td>• Strategic geographical position</td>
<td>• Exploitation technology especially ICT</td>
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<tr>
<td>• Bridge between the EU and the Middle East</td>
<td>• Exploitation of the high educational level of the workforce</td>
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<td>• Satisfactory growth rates compared to the EU average</td>
<td>• Attraction of women and other inactive groups and their reintegration into the workforce</td>
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<tr>
<td>• EU membership (simplification of procedures and minimisation of international exchange costs)</td>
<td>• Strategy for the restructuring of the economy into economic activity clusters</td>
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<td>• Very good infrastructure</td>
<td>• Creation of a one-stop-shop for the registration of companies</td>
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<td>• High quality banking services</td>
<td>• Creation of a Market Observatory in order to better address the issue of correlating labour supply and demand</td>
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<tr>
<td>• High Quality legal, financial and other professional services</td>
<td>• Establishment of the European Institute of Technology</td>
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<tr>
<td>• High educational level of the workforce</td>
<td>Exploitation of European programmes and other funding opportunities</td>
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<tr>
<td>• Favourable business environment and conditions (eg low tax rate) which attracts foreign investment</td>
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<tr>
<th>Weaknesses:</th>
<th>Threats:</th>
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<tr>
<td>• Companies lack vision and strategic planning</td>
<td>• Inability of Cyprus to exploit its strengths</td>
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<tr>
<td>• Insufficient systematic approaches to the organisation and management of enterprises (eg quality standards)</td>
<td>• Labour is expressed largely through low added value jobs, and, as a result, there is an increasing tendency to employ foreign unskilled labour and generally personnel with little or no academic qualities</td>
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<tr>
<td>• Low level of use of modern technology</td>
<td>• Problems in the viability of the tourism sector due to lack of competitiveness of the Cyprus product</td>
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<tr>
<td>• Inefficient use of human capital by enterprises</td>
<td>• Further increase in the international competition due to the negation of the protective measures caused by EU membership and internationalisation and the emergence of new competitive countries in the region, especially in the production of high labour intensive, low cost products</td>
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<tr>
<td>• Inadequate encouragement for productivity improvement (working conditions, remuneration packages)</td>
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<tr>
<td>• Small size of companies and absence of corporate cooperation (for the exploitation of the economies of scale)</td>
<td></td>
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<tr>
<td>• Small market</td>
<td></td>
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<tr>
<td>• Bureaucratic government machine</td>
<td></td>
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<tr>
<td>• Insufficient number of one-stop-shops</td>
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<tr>
<td>• Weakness in the national programming for the structuring of the economy</td>
<td></td>
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<tr>
<td>• Lack of training opportunities for non-college graduates</td>
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<tr>
<td>• Poor public transport system</td>
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<tr>
<td>• Inefficiencies observed in the ports and airports</td>
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<tr>
<td>• High proportion of unskilled foreign labour</td>
<td></td>
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<tr>
<td>• Lack of flexible forms of employment</td>
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<tr>
<td>• Little or no connection between labour supply and the requirements of the market</td>
<td></td>
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<tr>
<td>• Shrinkage of industrial sector</td>
<td></td>
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<tr>
<td>• Poor conditions for the attraction of foreign capital (eg complex and time consuming procedures for the registration of foreign businesses)</td>
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<tr>
<td>• Lack of institutional policies for foreign workers and immigration</td>
<td></td>
</tr>
<tr>
<td>• Low investment in Research and Development</td>
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</table>

Table 1 SWOT Analysis of the Cyprus economy
on research performed by the CPC on internal and external factors that drive productivity improvement, as well as the impact of education and training. It calls for the enterprise to formulate a plan based on its own strengths and weaknesses, the market it is active in and a host of other business issues in order to improve its productivity through the replacement of low value added employment positions with higher added value ones.

The scheme, which was introduced in 2009, is open to enterprises in all sectors of the economy (with the exception of the agricultural sector), as long as the company is based in Cyprus, has been operational for at least three years and employs at least 10 workers. It covers the cost of consulting services and/or personnel to prepare a business plan, as well as specific eligible expenses for the implementation of said business plan. All expenses are subsidised at a rate of up to 75% to a total not exceeding 80,000 euros. All eligible expenses and subsidy rates are shown in Table 2.

All eligible applications are assessed based on a number of assessment criteria that were set in advance. These criteria are split into four groups:

**Quality and completeness of the proposal**
- Clarity of the proposal
- Quality and suitability of proposed plan
- Contribution of the proposed plan to the aims of the scheme

**Project management**
- Corporate ability to implement the proposed plan
- Own contribution percentage

**Project implementation**
- Innovation of proposed plan
- Potential for dissemination of good practices
- Impact on human capital
- Impact on the environment

**Expected results**
- Expected improvement in value added
- Expected improvement in labour productivity
- Expected increase in employment
- Expected improvement in the quality of employment

**Preliminary results**
The first call for proposals yielded 66 proposals, 14 of which were finally retained for funding. The business activities of the 14 successful applicants vary greatly, as does their approach to improving productivity. The almost global theme that has emerged from the projects that are being funded is the use of ICT to directly or indirectly measure productivity on both an individual operational level, as well as on a departmental and enterprise wide level.

Indeed, many of the solutions that have been proposed are revolutionary for the Cyprus market. Businesses have invariably opted for procedural optimisation, aiming to change or even completely scrap those that offer little or nothing to production.

It is a major success of the scheme that its appeal and generic nature have been used by such a variety of enterprises to design and implement their own individual business plans, providing a stable basis from which to delve into areas which many businesses in Cyprus neglect.

Indeed, such was the success that the second call for proposals, which was published in July 2010, had its budget doubled to two million euros. This should result in a corresponding increase in the number of successful proposals, bringing the total number of subsidised business plans close to 45. It is expected that while the direct benefits of the scheme will lie with these 45 or so businesses, others will also benefit as they gain knowledge from the experiences of those directly involved in the Scheme. The CPC aims to attempt to facilitate this knowledge gain by organising a conference and publishing a good practice guide.

**References**
University of Cyprus (2006), Sectoral Analysis of the Productivity of the Cyprus Economy. Report commissioned by the Cyprus Productivity Centre 2006.

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<table>
<thead>
<tr>
<th>Eligible Expense</th>
<th>Subsidy Rate (Subsidy as a percentage of the eligible expense)</th>
<th>Subsidy Limit</th>
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</thead>
<tbody>
<tr>
<td>Preparation of Business Plan</td>
<td>75</td>
<td>15,000</td>
</tr>
<tr>
<td>(Cost of Consulting Services or Personnel Cost)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implementation of Business Plan</td>
<td>70</td>
<td>70,000</td>
</tr>
<tr>
<td>Consulting Services</td>
<td>75</td>
<td>20,000</td>
</tr>
<tr>
<td>Personnel Cost</td>
<td>50</td>
<td>40,000</td>
</tr>
<tr>
<td>Training</td>
<td>75</td>
<td>10,000</td>
</tr>
<tr>
<td>Software</td>
<td>75</td>
<td>30,000</td>
</tr>
</tbody>
</table>

*Table 2. Eligible expenses and subsidy rates*
A new strategy for energy management

A proposal of an energy management implementation model for productivity enhancement within integrated management systems.

In order to manage the economic growth, development and improved quality of life, energy plays an important role in the strategy of all countries to achieve an optimal balance of social, economical and environmental actions, while sustaining continual improvement.

On the basis of unchanged policy and laws, the world’s primary energy demand and related CO2 emissions will increase 45% in total composing of 1.6% on average per year from 2006 to 2030. The challenges emerged at present have put pressure to establish a global strategy of energy management for the supply of reliable, affordable and environmental friendly energy with a heightened awareness of the attitudes.

Seeing the need for global cooperation strategies to handle the challenges, key actions have been taken. The United Nations and the World Bank have declared the need of energy management commitment to reduce global energy intensity by 2.5% per year over the next 20 years, either by increasing energy efficiency or by shifting to low energy intensive activities with higher levels of output and gross domestic product (GDP). Separately, the European Union (EU) committed to reduce its primary energy consumption by 20% by 2020 detailed in the Green Paper published as a part of the strategy to ensure sustainable, competitive and secure energy. The set of targets formed the most important legislative framework of EU energy policies which are: The ‘RES-E Directive’ 2001/77/EC, The ‘Biofuels Directive’ 2003/30/EC, The ‘Energy saving in buildings’ 2002/91/EC, The ‘Promotion of Cogeneration’ 2004/8/EC, The ‘Common rules for the internal market in electricity’ 2003/54/EC, The ‘Greenhouse Gas Emissions Trade Directive’ 2003/87/EC, The ‘Joint Implementation/CDM Linking Directive’ 2004/101/EC and National Allocation Plans of Member States.

After the European Parliament and Council’s legislative Climate & Energy Package and 20-20-20 Targets (reduction of greenhouse emissions by at least 20%, final energy consumption with renewable energy sources by 20%, raising energy efficiency by 20% by 2020) in 2008, the European Commission published a Communication putting emphasis on the necessity of improved efficiency and decreased energy consumption leading to reduction in greenhouse gas (GHG) emissions.

Many countries, which have already adopted the energy management systems as a part of their national standards or specifications with voluntary agreements, have proven to support the energy efficiency policy by incremental gain of energy and cost savings, environmental footprint. The existing national energy management standards are:

Authors: Professor Dr Numan M Durakbasa and Gökcen Bas MSc from Vienna University of Technology (Austria) and Dr Zehra Özkan from Baskent University (Turkey)
Many countries, who have already adopted energy management systems as a part of their national standards or specifications with voluntary agreements, have proven to support the energy efficiency policy by incremental gain of energy and cost savings, environmental footprint.

The above guidelines also apply for the validation and improvement of energy management standards concerning organisational operation and activity aspects that fits into organisation’s existing management system.

The Proposal of an energy management system model according to the standard
The energy management system offers a systematic approach within a comprehensive set of guidelines, to establish the necessary actions to reduce and monitor energy use for both organisations of energy generation and consumption. It is based on Plan-Do-Check-Act cycle (Deming Cycle) that has a proven success record with continuous process steps in management systems. If a management system has already been introduced into organisations, then energy management can easily be integrated in harmony with existing structures.

The energy management system diagram can be designed based on this operational cycle (Fig. 1, page 30).

The adoption of energy management within the integrated management systems demonstrates the key benefits of energy consumption.
reduction, cost reduction and environmentally sound operation leading to increase of energy productivity in all organisations. Moreover, the standard certification declares this as a policy of continual improvement of energy performance in organisation.

**Monitoring and analysis of energy productivity**
The proposed methodology provided by a simulation tool is comprised of two main preparation phases; the modelling and the commitment to strategic implementation. Once the organisational energy management is modelled, the systematic process is followed regarding the necessary steps (Fig 2).

The measurement and evaluation of the methodology is assessed by simulation results in terms of time and cost. As a result, the performance results against the objectives and targets establish the opportunity to shape the planning phase more efficient before acting phase.

**Conclusion and future work**
The answer to both energy and environmental performance improvements can be met by integrating energy management systems within the framework of the European standard EN 16001, irrespective of sector and size of the organisations. There is a huge demand of methodologies with increased awareness of the energy productivity and environmental protection. For this reason, a methodology for the modeling and integration of energy management is applied in this study.

The energy management standard integrated in different organisations of both energy generation and consumption management systems is of key importance, in order to ensure competitiveness and profitability in the market. The proposed methodology, in order to establish a systematic modeling and integration of energy management using the software, provides an initial prediction of the process. This simulation tool offers a road map to all organisations to develop the best-practice method improving efficiency and enhancing quality of process.

**References**
5. SEC(2010) 650: European Commission: Commission staff working document accompanying the communication from the Commission to the European economic and social committee and the Committee of the regions
Vocational education in the 20th and 21st centuries

Authors: John Davies, MSc, MA, CEng, FMS and Mike Ryan, EdD, FIfL, CEng, MIET

Background
Throughout the greater part of human history, most people have gained the knowledge and skills they needed and acquired the values and perspectives of their society, without the benefit of formal education. As long as there was little role differentiation and most children simply followed in the footsteps of their parents, there was little need for special training.

By repeated efforts to imitate elders and through trial and error, often under some watchful eye, the child learned to perform those tasks that would be required of him/her as an adult. Working at his father's side, the farmer's son, for example, learned to cultivate the land and to understand, within the limits of available knowledge, the needs of the soil, vagaries of the weather and the behaviour of animals.

Where specialised crafts were practiced – ironworking, carpentry and boat making – they were usually passed on from father to son: if these skills were not hereditary, they were learned through some form of apprenticeship in which the craftsman instructed a young man, perhaps even providing him with food, shelter and clothing in return for several years of service.

In most parts of the world, these methods for training for the young have been supplemented, or more generally replaced, by a system of education designed to inculcate knowledge, skills and values. Education, of course, in its widest sense, is not confined to the classroom nor does it
end when formal schooling is completed.

Education has become a central determinant of the individual’s life chances; that is his opportunity for employment, earnings and status. Income is closely related to the amount of formal education one has; both annual earnings and estimated lifetime income increase with each additional year of schooling; to some extent, these differences simply reflect the earning power of various occupations, access to which is related to education.

**History of vocational education**

Vocational education prepares learners for jobs that are based in manual or practical activities, traditionally non-academic and totally related to a specific trade, occupation or vocation, hence the term, in which the learner participates.

Until the end of the 20th century, vocational education focused on specific trades such as, for example, an automobile mechanic or welder, and was therefore associated with the activities of the lower classes. Vocational education is related to the age-old apprenticeship of learning.

The concept of apprenticeship has long been established in engineering occupations. In relation to the terms already considered, learning through apprenticeship traditionally took place in a community of practice made up of apprentice, peers and master, through adaptive learning via observation, assimilation and emulation over a period of time. The normal period of indenture was five years with a further period of at least two years as a journeyman before being accepted by the relevant guild as a craftsman. A further period of practicing the trade allowed the person to take on an apprentice as a master. This craft approach to training allowed for individual development appropriate to the apprentice and the industry need.

The post-war years of the 1940s and 1950s saw a continuation of this basic model of apprenticeship. The number of apprentices required by manufacturing sectors of industry remained high. The time frame of the apprenticeship allowed the young person to work within many communities of practice, being attached to different craftsmen and working within different sectors and departments of the company and community.

Although there was little government intervention in apprenticeship schemes, the timing and content were strictly controlled by guilds and trades unions. Even the setting up of the Industrial Training Boards (ITBs) as a result of the Industrial Training Act of 1964 had little impact on this sphere of work. (Ref: EITB for the engineering sector).

The situation changed drastically in the 1970s when a recession hit manufacturing industry in Britain. The first victim in many instances was training, with the result that the number of companies’ apprenticeship training dropped dramatically. This coincided with a large number of school leavers coming onto the job market with no opportunities for employment. The introduction of Youth Training Opportunities tied the government to providing vocational training. An immediate effect of this governmental interest was the reduction of the time taken by vocational training. Training schemes generally lasted up to two years and incorporated some training in a college of further education and a structured work placement.

Income is closely related to the amount of formal education one has; both annual earnings and estimated lifetime income increase with each additional year of schooling.
It is reported that at least £25 billion expenditure between 1973 and 1988 resulted in no alleviation of ‘skills shortage’ and by the end of that period ‘skill training in British Industry all but ceased’ (Ref: Ainley and Corney 1990.) The impact of this was the creation of a learning vacuum through the destruction of communities of practices, with a subsequent shortage of skilled and knowledgeable trainers in the workplace.

**Current position of vocational training**

By 1986 the staying-on rate for post-16 year olds in England was approximately 46%. Partly as a result of the reduced training and apprenticeship opportunities offered by industry, this figure had risen to 72% by 1993, and alongside the introduction of the Education Maintenance Allowance resulted in this figure rising to 79% by 2009. (Ref: Ryan-Research into Post Compulsory Education)

The CBI began to signal the resulting effect this lack of supply of properly trained young people into industry would have by the year 2000, which brought about the introduction of the Modern Apprenticeship and Engineering Traineeships Scheme. The CBI estimates that 2-5% of the skilled/technical workforce retires each year or, put another way, 10,000 replacements have to be found annually. Allowing for growth, a target of 36,000 modern apprentices was set for the period 1997 to 2000: sadly, this target was not achieved although substantial progress was made.

Modern apprenticeships try to improve the image of work-based learning and to encourage young people and employers to participate. These apprenticeships are based on ‘frameworks’ that consist of National Vocational Qualifications, a technical certificate and key skills such as literacy and numeracy. These qualifications were/are competence oriented and based on standards required by employment: they are unit based rather than syllabus based and the units will be certified separately after competence has been demonstrated. In the main, this is carried out on the job, but supplemented by some time off the job testing when appropriate, rather than through passing some conventional examinations.

Since 2004, the National Apprenticeship Service (NAS) has end-to-end responsibility for apprenticeships in England. Their Specification for Apprenticeships Standards for England (SASE) sets out the minimum standards for apprenticeship frameworks. Their aim is to increase the number of apprenticeships and advanced apprenticeships available to young people (16-19) and young adults (19-24) with an extension to 30 for key level 3 apprenticeships.

**Professional institutes**

There is a wide range of existing professional institutes that cover most activities in all sectors of industry, commerce and government. These institutes have always had important roles in providing central co-ordination, development and direction of their relevant professional functions. There has been a relative recent movement of amalgamations of some Institutes in order to avoid overlap of interests and also to achieve economic benefits.

The Institute of Materials, Minerals and Mining (IOM3) is a successful amalgamation of seven Professional Institutes. The changing roles of Institutes have resulted in the transfer of the teaching and examination process to those universities and colleges who were equipped for this work: the final moderation and accreditation of such courses were retained by the Institutes themselves and hence satisfactory standards were maintained.

Continual professional development, exclusive networking facilities, access to relevant material (hardcopy and electronic) and qualifications have been developed to meet professional standards
into corporate membership. After the late 1960s, these organisations merged and became the Institute of Management Services which had a Certificate and Diploma Examination scheme.

The certificate was designed to reflect the breadth of activity by concerning itself with concepts and principles applicable to a wide range of industries and services, and providing students with basic knowledge and skills which can be developed within their employment. The Certificate examination consisted of three written papers and one practical test.

The Diploma was designed to equip people with academic knowledge, which together with appropriate experience would enable them to practice without detailed supervision. This qualification consisted of written examinations for six full modules plus a project and vivo voce on an approved topic. The Certificate and Diploma generally required three years part-time study at a college of FE or HE.

Vocational higher education
This class of higher education is at levels 4 and above and takes place at vocational colleges and universities. It usually concentrates on practical aspects, together with a measure of related theory and usually includes elements of supervisory and management studies. Typically learners will be working towards a higher national certificate/diploma or foundation degree. There is also a professional level of education which is included in this category since many postgraduate disciplines have a large measure of vocational content.

The HNC/Ds are work related qualifications designed to develop the skills required to put knowledge to use in given roles in the job market. These qualifications have been long valued by employers and can meet part of the requirements for memberships of professional associations. Over 400 colleges and universities provide HNC/D courses and, depending on either the full or part time mode of study, can take between one to three years duration. HNC courses are at level 4 and HND level 5 on the Qualifications and Credit Framework (QCF) and cover a wide range of subjects from computing to engineering to sport.

The foundation degree was initially publicly discussed by David Blunkett MP, in February 2000, during a speech entitled ‘Modernising higher education: meeting the global challenge’ at the University of Greenwich. He saw it as supporting enhancement of the knowledge and skills required to enable business and industry to move forward to ensure the maintenance of the UK’s strong position in the new economic climate.

The general philosophy was and is that the foundation degree qualification provision in the UK would be different to the existing Higher National Certificate/Diploma and would be developed and delivered in partnership with employers.

In the HEFCE Prospectus of July 2000, it stated the identifiable and distinctive core features were to be employer involvement, the development of recorded/demonstrable skills and knowledge, application of skills in the workplace, credit accumulation and transfer and, finally, possible progression to an Honours degree.

An essential element of each Foundation Degree is Work Based Learning and Assessment. Foundation Degrees are at level 5 on the QCF (the same as the HND) but below that of a BSc/BA level of education (level 6). However, they are a university level qualification in their own right and must be equivalent to the initial two years of study of an Honours degree course.

Since the earlier discussion in 2000, there are now 1700 Foundation Degree courses running in England, Wales and Northern Ireland with a further 900 planned (Direct Gov 2010). There is a huge range of subjects covered from Teaching assistants, health and social care, all engineering disciplines to veterinary nursing.

These degrees are designed with a particular area of employment in mind and the student learns from experiences and environment in the workplace as well as that of the lecture room. They are key qualifications in the development of Higher Apprenticeships, eg the SEMTA Framework for HA in Engineering includes HNC (L4) or HND (L5) or Foundation Degree (L5) or first degree (L6) in an Engineering discipline, NVQ Level 4 Engineering Leadership, Key Skills at L3 (Optional 4/5) and 6 units from the NVQ2 performing Engineering Operations (or agreed alternative)

The Wolf Report
March 2011
Professor Alison Wolf was commissioned by the current Secretary of State to review the pre-19 vocational education in the UK. She produced a brilliant report which was recently made public.

The research shows that resulting from reaction of schools to enhance their performance tables, currently there are up to a third of young people between the ages of 16 and 19 who are either doing nothing or pursuing low level vocational qualifications courses which have little to no labour market value or offer no route to high levels of education.
The (Wolf) report recommends that there is an extension of the forms of vocational education which we know work well and does not advocate more qualification reform.

These learners are also likely to ‘chop and change’ direction in the early post-school years. The Review estimates that at least 350,000 in this age group get little to no benefit from the post-16 education system and that young people must not be steered into programmes which are effectively dead-end.

The report recommends that there is an extension of the forms of vocational education which we know work well and does not advocate more qualification reform. These include changes to the funding and accountability regimes should remove perverse incentives which currently encourage schools and colleges to steer young people into easy options, rather than ones which help them to progress. It is also stated that major efforts should be made to provide greater access to the workplace for 16 to 18 year olds and that subsidies be paid to employers when they get involved in general education rather than specific skill training.

Mr John Hayes, Minister of State for Further Education, Skills and Lifelong Learning states that to deliver economic growth, the nation must prioritise vocational learning, promote Apprenticeships and so produce a new generation of craftsmen and women capable of building Britain’s future.

**Vet outside of the UK**

For numerous reasons, VET has developed at different paces and with varying philosophies throughout the world. Often the German system is held as an ideal model in many quarters. A law was passed in 1969, by which the responsibilities for VET was a shared responsibility of the State, Industry, Chambers of Trade and the Labour Unions. The result of this approach is that external of the UK, for numerous reasons, VET has developed at different paces and with varying philosophies throughout the world. Often, the German system is held as an ideal model in many quarters. A law was passed in 1969 by which the responsibilities for VET was a shared responsibility of the State, Industry, Chambers of Trade and the Labour Unions.

MTM Visual Inspection

The association has successfully completed its first 3 day course for 8 delegates in **MTM VISUAL INSPECTION** for a large vehicle manufacturer.

The comments made by some of the delegates were:

- “For me, the course gives us a tangible predetermined timing system that we can apply to all our visual inspection processes.”
- “Worthwhile and well run course that fully meets the need of our quality department”
- “Ideal for quality inspection - fills the gaps that the standard UAS course leaves”
- “The course was valuable for the Quality Kaizan team, much of what we do is based on Visual inspection so we will use it. For us it gives us a better understanding of, e.g. when we are performing paint checks on a panel.”

The Association still provides training in each of the following techniques; MTM UAS, MTM 1 and MTM 2, both on-site at client premises, or as distance learning for individuals wishing to further their manufacturing knowledge, an email to the address shown will generate an immediate response. Any person previously trained in any of these techniques who is not currently a member of the Association is invited to join us in delivering the best work measurement solutions ever devised. Persons trained in MTM1 are especially welcome to further develop their skills to become Instructors in any, or all, of the current IMD standards.

For more information please contact us.  
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ukmtm.co.uk
has led to 35% of companies offering apprenticeships in 2003 with 50% of people younger than 22 years of age having participated in a scheme. In the following year, state legislation required all but the smallest companies to employ apprentices.

Germany, like many of our OECD competitors, maintains general education up to the age of 16, and learners cannot specialise into vocational areas until after that time, even in what may be considered as vocational secondary schools (Hauptschule).

Australia has a progressive system and this involves a legal contract between the employer and the apprentice in which education/training is a mixture of college and work based input. The content of the qualifications is specified by the industrial/commercial undertakings and not by the state or the providing colleges. There are various Industrial Skills Councils who have responsibility for developing and revising all vocational qualifications. At the government level, there is a National Centre for VET which collects and evaluates data in these areas and communicates results to all interested parties.

**Conclusion**

Increasing productivity is the key to the future success of all the UK’s businesses. There is the well known link between productivity and standard of living. Existing and new companies (both public and private) need better skilled and more highly educated employees than in the past. We cannot compete with other nations using outdated practices and technology. It is claimed by many commentators that 60% of all newly created jobs in the next forty years will require skills that only 20% of the current workforce possess. There is no alternative than to focus our energies to the development of our Vocational Education and Training.

Vocational education has developed greatly over the last 160 years since Prince Albert established the Royal Commission in 1851 and the progress will continue into the foreseeable future. The requirements of a high skill/high pay economy demand much more in terms of vocational competence and skills for work of the employee, yet there still remains a lack of parity of esteem between what are termed ‘academic’ and ‘vocational’ education. The nature of VET is a key political issue if the UK is to maintain any technological lead it currently has over its competitors.

It is interesting to read the recommendations made by Professor Alison Wolf in her review of vocational education. Professor Wolf reported on the organisation of vocational education and incentives for young people to participate. The review has taken particular notice of what is considered as good practice in other developed economies, as well as the progression from VET to work, higher levels of training and higher education. Finance and employer support are and will be essential ingredients into the direction and emphasis of future remedial changes, eg employers have found it very difficult to obtain funding to support Higher Apprenticeship schemes, which has hampered their take-up.

The complexity of funding methodologies continues to be an issue with funding following the programme rather than the individual, which can result in the withdrawal of funding from courses from one year to the next. This paper has focused on the increasing demand for higher levels of VET, but we must not ignore the importance of craft and other essential manual skills and their training and validating systems.

**References**

Research in Post Compulsory Education – Dr M Ryan
Directgov publications 2010
Forward – Innovating Workforce Developments – 2009
Department for Education – Wolf Review of vocational education – 2011

The requirements of a high skill/high pay economy demand much more in terms of vocational competence and skills for work of the employee.
In recent years, the rate of economic growth has varied in different parts of the world. Some countries have experienced a slow down and others a recession. Many corporate organisations and individual citizens have faced severe pressures, while banking systems and individual countries have had to seek external ‘bail out’ support. Pain first experienced in the private sector is now being felt in the public sector as Governments take action to cut spending and reduce public sector borrowing.

Certain countries and particular sectors are experiencing recovery, while for others future scenarios include ‘bumping along the bottom’ or ‘double dip’ recession. For public bodies the worst may be yet to come. In the UK, the NHS Confederation (2009) has suggested that the downturn represents the health service’s “greatest ever leadership challenge”. In this article, we will consider action company directors and others can take to benefit from adversity during tough times.

During an economic downturn, boards can secure competitive advantage by taking practical steps to reduce costs and improve corporate performance. Savings should be made first in areas that are not critical success factors for key corporate activities.

A smaller number of people who are better supported can represent a preferable, achievable and cost-effective option. Giving key workgroups the performance support they need to excel at activities that are vital for corporate success, can generate multiple returns on investment within the first year alone.

Dilemmas in the boardroom
For some time, many board meetings have been sober affairs. In important national markets, consumers have faced a credit crunch and faltering or uncertain house prices. As taxes rise they are pulling in their horns. In various sectors, the high or rising price of oil and other commodities has put pressure on corporate budgets, margins and profits. Difficult decisions have to
Performance

be made while prospects are unclear.

Having emerged weaker from the cutbacks of previous recessions, more companies have tried more imaginative ways of holding onto staff, many of whom have opted for reduced hours or lower pay as an alternative to redundancy. However, after a time, and particularly as household budgets are squeezed, positions have to be reconsidered.

Inflationary pressures and stalling growth compound the problems experienced by many businesses and complicate the situation for public policy makers searching for an appropriate response. While politicians consider their options many corporate boards face tricky decisions. A balance has to be struck between the imperatives for current performance and future prospects (Coulson-Thomas, 2007a).

Directors operate in a complex environment and face various dilemmas (Carter & Lorsch, 2004, Dunne, 2005). Many corporate boards have to reconcile the need for short term savings with the desire to build longer term capabilities.

There are many options for transforming corporate performance, but some top down and general initiatives such as corporate restructuring or reorganising are time consuming, expensive and disruptive. By the time they are implemented requirements may have changed. There is also a risk that if recovery opportunities arise during the transformation journey, the organisation might not be ready to seize them.

The author’s own investigations have spanned successive downturns. They suggest that, in periods of adversity, it is often easier to distinguish between winners and losers. The winners, or those who subsequently quickly recover and succeed, often behave very differently from the losers who often compound their problems and trap themselves in a descending spiral of decline.

We will look at successful and unsuccessful responses to economic downturns and steps which boards can take to improve competitive positioning by containing costs, improving performance in key areas and enhancing corporate ability to compete and win. We will draw upon a continuing research programme into what high performers do differently, and the experience of actual projects, in order to identify next steps that can have a beneficial impact upon profitability and growth.

Differing responses to an economic downturn

First an overview of the differing approaches of potential winners and likely losers, as revealed by the continuing 'Winning Companies; Winning People' investigation (Coulson-Thomas, 2007b). To date over 2000 companies and in excess of 500 professional firms have participated in an integrated programme of studies, to identify critical success factors for important corporate activities, and what those in the top quartile of achievement do differently.

Let us start with the losers. These directors and boards focus almost exclusively upon battening down the hatches, slimming down and cutting costs. New initiatives are avoided or put on ice. Their preoccupation becomes largely internal, as they manage the consequences of restructuring and redundancies. In some cases, multi-year transformation programmes are commissioned, with much of the savings achieved devoted to consultancy support and restructuring costs.

Many boards are so focused
on compliance that they do not find it easy to be entrepreneurial (Aylward, 2005). Winners are more considered and balanced in their approach. There may be economies to be made, but their emphasis is upon improving efficiency, productivity and performance rather than cost reduction per se. Effective boards look beyond compliance at competitive advantage (Charan, 1998 & 2005).

Winners may invest to secure a march on competitors, a competitive advantage or a higher return. They remain alert to opportunities to re-position themselves to be better equipped to capitalise upon a resurgence of economic activity. When conditions improve, or a window of opportunity opens up, they are ready to act.

In uncertain times smarter operators avoid general change programmes in favour of quicker and more focused initiatives that impact directly upon performance. They recognise that less activity can allow more time for the thinking that can lead to breakthroughs and better alternatives. As Gerry Marr (2011) points out: “there is no recession in innovation”. Technological advances often occur in periods of adversity. When losers cut costs it tends to be done hurriedly and across the board. When the axe falls they may not know whether a critical success factor or area of overhead is being taken out. Headcount culls also often fail to distinguish between high and low performers among the people of an organisation. These laggards are also not good at managing their intellectual capital (Perrin, 2000) and valuable knowledge and experience often walks out the door when people are made redundant.

Winners assess trade offs and opportunities to redeploy expenditures to improve overall effectiveness. They are also more likely to identify and protect areas that are strategic, and people who are high performing and difficult to replace. Steps may be taken to capture significant knowhow and the superior approaches of high performers to reduce the impact of the loss of key personnel.

Areas of opportunity
The differing approaches of winners and losers highlight areas of opportunity for organisations to benefit from certain questions during an economic downturn. They also provide clues as to where the biggest potential benefits may lie. To respond like a winner and achieve a significant improvement in an organisation’s ability to compete and win a board should consider certain questions (Coulson-Thomas, 2007b & 2008):

• What are the key activities that contribute most to your organisation’s bottom line performance? My investigation reveals that many companies devote considerable time and resources to activities that are not critical, and/or hidden from customers, and/or give them little competitive advantage. If savings are required, they should be made first in areas that are not critical success factors for key corporate activities.

• What are the critical success factors for these key activities? The investigation has identified critical success factors for activities such as competitive bidding, building strategic customer and key account relationships, purchasing, pricing and creating and exploiting know-how. Although they are set out in various research reports (see www.policypublications.com) many organisations are unaware of them.

• How many of these critical success factors are in place within these activities in your organisation? The investigation reveals that even high performers in the top quartile of attainment are typically only very effective at less than half of the identified critical success factors. To date every one of the organisations that have participated in the research programme could increase their performance by adopting additional critical success factors.

• Do you know who the high performers are within each of these key areas? Virtually all critical success factors are differences of approach, and within every group examined the proportion of high performers, or superstars, has been very small, for example only 4% of those involved in the competitive bidding studies win more than three out of four of the bids they submit proposals for (Coulson-Thomas et al, 2003). Many organisations do not spot their high performers, because they are given the same duties and suffer the same frustrations as everyone else.

• Do you know what the high performers do differently? A positive answer is unlikely for those who have not identified...
There are many options for transforming corporate performance, but some top down and general initiatives such as corporate restructuring or reorganising are time consuming, expensive and disruptive.

Their high performers. In many organisations, managers assume that they, their seniors or external consultants know best. As a result they spend little time actually observing how those for whom they are responsible do their jobs.

- Have you captured what they do differently? What has not been identified cannot be captured. Traditional manuals are rarely the most effective way of capturing and sharing the best way of doing a particular job. Most are written from an organisational perspective. Compared with other priorities, such as avoiding risks, relatively little effort is devoted to addressing the realities of helping people to do what may be a difficult job.

- In relation to other organisations how effective is your organisation at each of the key activities? Many organisations are not objective when assessing their own performance and are poor judges of where they excel. Success is often ascribed to the wrong factors, and great effort may be devoted to doing well at activities that my investigation reveals are not high in the ranking of factors that distinguish the approaches of high performers. Yet, using our survey results, it is possible for an organisation to benchmark its performance against that of all those examined, and the top quartile performers, to identify areas that need to be addressed.

- How effective are your high performers in relation to the high performers of other organisations? In some organisations – particularly with front line groups such as sales teams – league tables are compiled, high performers are visible, and an approach such as exemplar modelling may be used to capture how they operate. Useful though this may be, the reality is that a high performer in one organisation might be ordinary or average in another. High performance within the peer group and market context is the issue.

- Do you know what those who perform more highly than your own organisation’s high performers do differently? Many find this question is difficult to address, although competitive intelligence and simply poaching staff from competitors may yield some clues. Because my investigation has examined particular sectors and professions as well as organisations in general some answers are now available in the form of research and bespoke benchmarking reports (see www.policypublications.com).

- Do you ensure that the people who undertake key activities are enabled to do these activities in the most effective way, ie with relevant critical success factors and winning ways in place? Reviews of the approaches, processes and practices of a particular organisation can be undertaken – I have done over 100 of these – and critical success factors can be put in place and people informed of winning ways. However, ensuring that people do not slip back into old ways, helping people to understand complex issues, technologies and products – even with a winning process – and rolling a solution out across a large and international organisation, and keeping it up to date can present a considerable challenge. Some take the easy route of buying in standard processes, but these may not contain particular critical success factors and might not give an organisation any competitive advantage over others adopting them. For many organisations the answers to some or all of these questions may be “no” or “don’t know”. Whatever the answer, some may find the mere fact that ten questions have been asked to be off-putting. Yet pioneering organisations have transformed performance in key areas by equipping workgroups with support tools that incorporate answers to many of these questions, and address question 10 in particular (Coulson-Thomas, 2007b). Users benefit from what has already been learned about relevant critical success factors and the superior approaches of high performers.

To some question 10 might seem out of place. They may be unaware of practical and cost effective ways of doing what the question implies, namely helping average performers to excel at what might be critically important and difficult activities. This can be done and the high returns on investment that can be achieved will usually both reduce costs and increase workgroup performance, while yielding other benefits such as lower levels of stress and risk.

Adopting performance support

In boom times when people are working long hours there may not be the bandwidth to make significant changes. Reduced levels of activity can give individuals and teams the time and space to consider better ways of operating. So called ‘downtime’ can be highly productive if alternative approaches are assessed.

One approach follows our ten questions and helps average performers to adopt the superior approaches of superstars in areas that are critical for corporate performance (Coulson-Thomas, 2007b). Early adopters have helped people doing difficult
behaviours, increases work to emulate top performing in 106 countries.

One performance tool is used internationally, using whatever languages are appropriate. It can quickly disseminate top performer behaviours with ease. It can quickly disseminate winning approaches across an organisation, and internationally, using whatever languages are appropriate. One performance tool is used in 106 countries.

Making it easy for people to emulate top performing behaviours increases work group productivity and performance. It also removes barriers to induction and training and reduces time out of the field. Adoption is quick as people prefer to succeed, and welcome support that makes it easier for them to do a difficult job.

Sales applications can shorten sales cycles, increase win rates, reduce stress and support and compliance costs, enhance cross and up selling, produce more consistent documentation and build closer relationships with customers and prospects (Coulson-Thomas, 2007b). Relatively quick pay backs are welcome at a time of adversity. One sale resulting directly from the use of a performance support tool paid for its development in the first week of its introduction.

Advantages of the suggested approach

People who are better supported can achieve more. Improvements in performance obtained by pioneers of the suggested approach have enabled a smaller number of people to deliver more than larger groups that lack equivalent tools. Savings can be achieved that quickly exceed the cost of putting improved support in place.

Training and development is often cut back in downturns. The ‘Developing a Corporate Learning Strategy’ investigation I led revealed that few training and development inputs create intellectual capital outputs, or embrace wider value chains (Coulson-Thomas, 1999).

Too often, general courses are provided rather than specific support that particular work groups require to be more effective at their jobs.

Performance support directly addresses job performance and can ensure a consistent approach across a supply chain. Support tools can be designed to explain why certain reactions occur and situations arise. Users can also be alerted to both problems and opportunities. Integrating working and learning enables people to learn as and when a tool is used, wherever they may be and at any time of the day or night.

The take up of performance support is quicker, more comprehensive and job related, than is the case with face-to-face training and e-learning (Fuller, 2010). Hence its development and introduction could be funded by reductions in such areas. Savings in support costs can also be achieved. One user found that two thirds of its engineers were no longer required following the introduction of a performance tool.

Traditional ways of avoiding risks can involve delays and higher costs and result in people focusing upon compliance rather than customers. Building checks and reviews into a support tool can speed up responses, address risks such as mis-selling, and enable people to deliver bespoke responses. One financial services user was able to achieve a significant reduction in central compliance costs.

Because of large improvements in performance, in some areas it may be possible to replace costly staff with cheaper and/or outsourced alternatives. High cost knowledge workers may
find their services are no longer required, if less experienced colleagues with appropriate performance support could exceed their past productivity levels.

Companies that outsource back offices and call centres have been reluctant to offshore higher level tasks. Understanding how these jobs are done, and supporting new or relocated staff until they get up to speed, is not easy using traditional approaches. Capturing the essence of how complex jobs are done and making it easier for ordinary people to excel at them can greatly speed up and reduce the cost of relocating work.

Wasteful expenditures such as the issue of credit notes can be reduced by integrating a support tool front end with back office processes. One customer has integrated its support tool with certain administrative processes so that information captured from the customer is automatically fed to those who will finance, deliver and support what has been purchased. Significant savings in costs and management time resulted.

Many difficult and important jobs are stressful when undertaken in a traditional manner. Stress can reduce productivity, increase staff churn and levels of absence, and even lead to legal claims. By making it easier for people to do difficult jobs, directors can reduce stress at a time of uncertainty. Performance support leads to greater personal fulfilment for users and improved results for corporate employers.

Conclusions
An economic downturn and period of uncertainty represents both a challenge and an opportunity for many directors. In times of rapid economic growth, when shortages and bottlenecks appear, even indifferent companies may find their services in demand. It is when the going gets tough that the more able and focused board members are able to distinguish themselves.

In hard times smart boards are securing lasting competitive advantage by adopting self financing ways of better supporting people while they have the time to do so. Multiple benefits can be quickly achieved by adopting a ‘bottom up’ approach to supporting key work groups. Performance support can enable front line teams who contribute directly to priority goals to excel in demanding roles, and help them to face the future with confidence, and build mutually beneficial relationships.

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Prof Colin Coulson-Thomas FMS, an experienced consultant, board chairman, and process vision holder of major transformation projects, has helped over 100 organisations to improve director, board and corporate performance; and reviewed the processes and practices for winning business of over 100 companies. He has also spoken at over 200 national and international events in over 40 countries. His 40 books and reports include The Knowledge Entrepreneur, Developing Directors and Winning Companies; Winning People. Colin has held professorial appointments in Europe, North and South America, the Middle East, India and China, and a variety of private and public sector directorships. He is a member of the business school team at the University of Greenwich and the ACCA Corporate Governance and Risk Management Committee. Colin can be contacted via www.coulson-thomas.com and his latest publications obtained from www.policypublications.com
Institute of Management Services  
CHARTER ROOM, THE GEORGE HOTEL, BIRD STREET, LICHFIELD, STAFFORDSHIRE WS13 6PR

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN of the forty sixth Annual General Meeting of the Institute to be held at Charter Room, The George Hotel, Bird Street, Lichfield, Staffordshire WS13 6PR on Friday 21 October 2011 at 10.30am to conduct the following business.

1) To receive the Annual Report and Accounts

2) To confirm the following Bye-Law No 1/2011

   Membership subscription for 2012 shall be for Life Membership at a rate of £260 for all members. An annual membership fee of £135 will be available on request.

3) To appoint Auditors for the ensuing year and to authorise Council to fix their remuneration.

4) To Note elections to Council

By Order of Council of Management

6 June 2011

John Lucey
Secretary

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Institute of Management Services

FORM OF PROXY – FOR CORPORATE MEMBERS ONLY

I (full name) ..................................................................................................................................................................

of (full address) ............................................................................................................................................................

........................................................................................................................................................................................

Membership Grade ........................................................... Membership No .........................................................

Hereby appoint D Blanchflower of '206 Bescar Lane, Scarisbrick, Ormskirk, Lancashire, L40 9QT' or failing him the Chairman of the meeting to vote for me and on my behalf in accordance with the directions, if any, given hereunder at the forty sixth Annual General Meeting of the Institute to be held at Charter Room, The George Hotel, Bird Street, Lichfield, Staffordshire WS13 6PR on Friday 21 October 2011 at 10.30am and at every adjournment thereof.

RESOLUTION NO 2 FOR / AGAINST *
(Bye-Law No: 1/2011)

RESOLUTION NO 3 FOR / AGAINST *
(Appointment of Auditor)

*delete as applicable

as witness my hand the............................................................... day of .............................................................2011

Signed ...........................................................................................................................................................................

This proxy form must be deposited at the head office of the Institute by not later than 10 am on Friday 23rd September 2011. The name of D Blanchflower has been inserted (or chairman of the meeting) to ensure that your vote is cast in the way you have indicated. You may however, insert another proxy holder if you wish who must be a corporate member of the Institute, but your vote will not be recorded if he or she is not present at the meeting.
Recently, I was speaking at a conference to a group of managers in Internal Audit, Risk Assurance, Corporate Governance and Management Services. The focus of my presentation was very much in line with the title of this article on managing corporate change and influencing in uncertain times. The theme was that, although technical ability is incredibly important to bringing about meaningful and lasting change, one’s ability to present, pitch and influence others is central in bringing about significant change that impacts organisational effectiveness.

All the delegates were technical specialists who were highly qualified and had a deep level of analytic ability, which is central in their ability to diagnose and resolve organisational problems. They each had their own specific professional qualifications and significant experience in their field whether it be Management Services, Risk Assurance or Internal Audit and Corporate Governance.

We are all change makers
I built rapport with them agreeing that, no matter our technical specialism, what unites us is that ‘we all deal with people who may not always want to listen to our recommendations, and who may resist taking action’.

I jokingly made the unlikely assertion that, unlike in my own business of ‘transformational change’, they probably get all the ‘easy clients’ who comply and implement changes. There were wry smiles throughout the audience because, at that stage, we all recognised that we experienced resistant clients – some may not want to change or take ownership for implementing change.

That was probably the time when the audience and myself were in deepest rapport, because at that stage, we all recognised that we experienced resistant clients – some may not want to change or take ownership for implementing change.

Presenting to win
No matter the level of analysis required to assess and resolve an organisational problem – rational debate and discussion may not win over the client to implement change. The way in which ideas and recommendations are presented may be central in getting the client to take ownership and willingly and enthusiastically work with the change agent (whether risk, audit or management services) to install the changes, and see through implementation, even in difficult times.

I am of the opinion that if one’s recommendations are of value to the client, then it is respectful to the client to be your best at presenting these to them. Obviously any ‘presentation of findings’ should be objective, rational and analytic but that presentation, whether to large or small groups, is focused and geared towards appealing to the position, personality and circumstances of the audience. Acceptance of recommendations is not just down to that analysis.
Presenting to Win: Influence in Uncertain Times

Uncertain Times

– but how you present your analysis. We all need to build rapport with our clients and present our pitch to the client in the way that mirrors their learning and management style.

Therefore, to be effective one has to be a ‘technical specialist’ and a ‘change master’ at the same time.

Presenting purely from one’s own style, ‘hoping’ the client can see things from your perspective is much less effective in creating changes in behaviour and the client taking action.

Readiness of the client and the organisation for implementing change

I believe we must be honest and authentic. I am also saying that the reluctance to change is down to the change agent failing to consider the style and the culture of the client and the organisation. There are times when an organisation will not accept change because it does not fit with their culture. The readiness for change is not apparent. The clear minded professional will know whether the organisation is sufficiently mature to implement the solution. I believe that rejected or poorly implemented change in organisations is down to four main reasons: the client not believing the consultant; not trusting them; believing that the solution will not work for them; or believing the solution is the wrong one.

These are the four main reasons why change is often not implemented and is also rooted in theory of sales and business development. A client or consumer will not buy a product or service if any of these four situations are present. Thus, the poor presentation of the ideas in any consulting relationship is rejected because of disbelief and the root cause being a failure to prepare for the readiness of the client to accept the ideas for implementation being easy to implement.

Why bother presenting ideas in a fashion that will cause the client to question, refute and eventually reject the ideas? It is much easier to work with the potential solutions and present them to best effect to synchronise with the client and how their model of the world operates.

Client’s model of the world: presenting authentically

There is no subterfuge with your client. There is no manipulation with the client. The outcome of any presentation of findings is still objective and truthful. The manner in which findings are presented is central to their being rejected or accepted. So, it makes sense to pay equal attention to the ‘analysis’ and the presentation of the analysis.

I have sat with clients before watching others present their findings to them and wondered why the internal consultant had failed to impress the client by their presentation. I know the analysis has occupied a lot of the consultant’s time but the presentation less so. The physical manifestation of a poorly planned and presented analysis is as bad as no analysis at all. This is not ‘judging a book by its cover’ but, rather, a reflection of respect for the client’s model of the world operates.

Some time ago, I was running a Transformational Change programme for a major brewing company in Leeds. I was staying in their in-house training facility and every night for two weeks noticed two young men in a training room presenting to an empty room. Being curious, I asked them what they were doing. They told me they had an important presentation to the Management Board and they thought that, by ‘rehearsing’ their presentation, they would appear more confident, authentic and work through all the possible objections.

Further, they said that if they anticipated the most popular objections they would be in a better position to deal with these as they arose. They even said that they would raise potential objections that directors may have to their ideas and 200 metre record holder and Sally Gunnell and Paula Radcliffe, outstanding athletes in their time and in their sports. This also applies to every field of endeavour including consulting and presenting one’s findings.

I am sure it applies to all outstanding sports people such as Lance Armstrong, seven times winner of the Tour de France, Usain Bolt, World 100 and 200 metre record holder and Sally Gunnell and Paula Radcliffe, outstanding athletes in their time and in their sports. This also applies to every field of endeavour including consulting and presenting one’s findings.

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Further, they said that if they anticipated the most popular objections they would be in a better position to deal with these as they arose. They even said that they would raise potential objections that directors may have to their ideas and give the board the confidence to invest and implement their idea in business development.

Identify and anticipate objections

I was blown away by their persistence and their preparation. They, like me, believed that one cannot over prepare for presentations. It is much better anticipating any resistance and working through your response in advance of the actual presentation. Far too many people do the opposite. They leave their first rehearsal to the actual day and then wonder why their ideas are knocked back. I have my
version of the Sam Torrance quote: “The more I rehearse and practice, the more clients I retain and the more business I win”. Is it not respectful to the client to prepare and assess the counter arguments? As a friend once said to me – “You have to be the best Phil Atkinson you can be for your client” – and I work on doing that every time.

Why prepare & rehearse – we are not actors, or are we?
Those who fail to plan – plan to fail. You have to plan, prepare and rehearse. It makes life a lot easier for you as a professional provider of technical expertise – whether you are an Internal Auditor, Risk Consultant, Management Services Specialist, Accountant or Business Consultant to adopt the preventative approach to managing with your client as a partner in change.

Planning and rehearsal will enable you to deal with ‘difficult’ clients. We all have them! It may also help you in converting some of your ‘hard clients’ to trusted and respected client partners. It will also significantly impact your bottom line results. The reason this will make you more effective is that rehearsal forces you to consider the objections that others will have to your proposals – whether they be political, financial, technical or administrative.

Research in behaviour change: small changes can impact big time
In the late 1980’s, over 3000 young men died in swimming accidents in pools in the USA. On investigation, it was found that the training of pool attendants was focused more on customer service than safety. So, the authorities changed the training so that lifeguards were trained to scan the pool using their peripheral vision every 60 seconds. It soon became an unconscious skill for the lifeguards and the deaths attributed drowning in pools dropped to less than 1% in two years. This demonstrates that a small change in training can have an enormous impact on performance and in this case saving lives. Likewise, there is every likelihood that small changes in one’s presentation and influencing style can have huge impacts on personal performance.

What is critical to effective presenting to win approval to implement change is based on three key elements – having specific and very focused outcomes, displaying the energy and passion to see the change through, and the ability to be resilient. Even more important is the need to align all one’s resources and the support of others to see it through. Fundamentally, your presentation to any client needs to outline desired outcomes, you being energised to give the client confidence that you can follow through and aligning self and resources to ensure that implementation takes place on time and is implemented flawlessly.

Your map of the world and the client’s map require alignment
Your map of reality as you see it may not match that of your client. We each have different histories, perceptions and filters on how we see and interpret what is going on in our world. For this reason, it really is important to play the role of ‘behavioural scientist’ and actually work out the key style and strategies displayed by clients. How do they see their role? How do they see the project? What are their preferences in driving change, and how can you ensure that you hit the right ‘hot buttons’ that motivate your client to action, rather than the ‘cold
buttons’ that cause them to be less than enthusiastic about the suggested changes?

If you have progressed through most leadership training and management development work, you will have viewed Belbin’s team types, Myers Briggs Type Indicator and a host of other profiling techniques. When you have completed such exercises you see that people think and make decisions very differently to yourself. There are many varieties of influencing styles and you will be aware that people generally tend to gravitate to people like themselves. This means we tend to understand, go easy on, and work well with people who generally have the same values and attitudes as ourselves.

So if someone just like you presented to you, it’s likely that you would probably tend to accept their ideas easily as opposed someone who had values and styles which were the opposite of your own.

In part II, Philip Atkinson offers advice on how to identify your client’s style and complement it with your own to effect change.

There is every likelihood that small changes in one’s presentation and influencing style can have huge impacts on personal performance.

ABOUT THE AUTHOR
Philip Atkinson is a consultant specialising in strategic, behavioural and cultural change. He is a member of various training consortia and has recently focused on creating innovative business simulations through Learning Strategies Ltd. He consults in the UK, Europe and the USA, has written seven business books and published many articles, speaks at conferences and runs workshop sessions for leading companies. Philip can be contacted on +44 (0)131 346 1276 or 07779 799286 or visit www.philipatkinson.com.
With the advent of life membership we are attracting new members. There are still people who are engaged in management services who are not members and we would like them to join the Institute.

We can use our ‘direct entry’ route to fast track this and information is available from Brooke House.

We very much hope that our existing members will make potential members aware of this option.

• Actively promoting the IMS in your place of work
• Encourage colleagues at work as well as professional and social contacts to join the Institute
• Refer potential new members to the Journal as an example of what the IMS is about
• Remind potential members of the benefits of IMS membership, eg, education system, regional structure, recognised professional qualification
• Up to the minute information via the IMS Journal and website professional support
• Undertaking contract/consultancy work

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