Leading change, one bite at a time
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.

Institute of Management Services
Brooke House
24 Dam Street
Lichfield
Staffs WS13 6AA
Telephone: +44 (0)1543 266909
Fax: +44 (0)1543 257848
Email: admin@ims-stowe.fsnet.co.uk
IMS website: www.ims-productivity.com

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Plan Do Stabilise Repeat 42
John Andre presents a new approach to leading change successfully
As we progress into another year there seems to be no end to the economic recession; if there is light at the end of the tunnel, it is still merely a glimmer.

Indeed, according to the UK government it could be 2018 before the economy gets back to some sort of normality. The US has narrowly avoided tipping over the ‘fiscal cliff’ and in the Euro zone, several countries are on the brink of a double-dip recession and a few are close to collapse. In such difficult times, there is a need to get back to basics and pull together.

However, a chain is only as strong as its weakest link and, at the moment, the weak link would appear to be the banks and their failure to lend.

Yet we continue to hear about mismanagement and the banking profession does not appear to have learned any lessons. Remember Nick Leeson, the rogue trader whose ‘unchecked risk taking’ managed to bring down Barings Bank in 1995 by losing £827 million. We were told that procedures had been put in place but, if that is the case, then why was Jerome Kerviel of the French bank Societe General convicted in 2008 for losing £4 billion? Then recently, Kweki Adoboli of the Swiss bank UBS was convicted for racking-up losses of £1.4 billion. Have lessons been learned, have the banks got back to basics? It would appear not!

And businesses are continuing to struggle to get funding. A recent TV documentary featured a pawn shop in Birmingham where an agent was trying to secure a loan on behalf of a client whose business could not raise cash from the bank to pay its employees. The client? A family business that had been in existence for 110 years and employed 30 people. The pawnbroker approved the loan, but this surely illustrates the problem...

It is now almost almost five years since the economic crisis began, yet there seems to be little evidence of the banks rebuilding public trust. Of course they have problems, but as we know, the only difference between a problem and an opportunity is the way we approach it! The banks need to get back to basics and improve their reputation.

As I’ve said, the only difference between a problem and an opportunity is the way we approach it, and during times of austerity there are certainly many opportunities for the management services practitioner. Organisations are desperate to exploit their existing resources through better utilisation and improved productivity. It’s back to basics in every sense, with method study and work measurement the order of the day.

The Institute’s education providers have responded positively to an increase in demand for training in the traditional management services techniques. At Council of Management level, we also perceive this as an opportunity and are keen to recruit new members to our ranks in order to respond to the situation.

There are currently eight positions on Council and four Council members are up for re-election in October. There are many advantages to getting involved. Of course there is the status, but it also provides an opportunity to shape the future of the Institute and influence the development of the profession.

Council meets three times per year, although on specific assignments certain members may need to meet more frequently.

Do consider getting involved, if not at Council of Management level, then perhaps at regional level – new recruits are always welcome. It’s your Institute, why not help to shape its future!
Obituaries

It is with sadness that we record the deaths in 2012 of three individuals who played a key role in the success of our Institute.

**Lord Chilver**

Lord Chilver, the scientist and university administrator, has died aged 85. A former President of the IMS, he proved uniquely successful in marrying academic advances with business opportunities.

Henry Chilver was elected a fellow of the Royal Academy of Engineering in 1977, knighted in 1978, elected a fellow of the Royal Society in 1982 and made a life peer in 1987. Though engineering was his background, he was interested in many other areas and much of his career was in a broader business landscape. He held several directorships and was chairman of a number of important committees and organisations. He was centrally involved in the early 1980s in the split of the post office into separate postal and telecommunications organisations. He believed in the ‘power of the market’ and was loath to recommend policy directions that were likely to conflict with, or be undermined by, market forces.

When asked why Britain, with its long engineering tradition, now produced so few engineers and so many accountants and lawyers, he replied that the high salaries drove young people into those professions and British manufacturing would be short of engineers until salaries were raised. However, in spite of his commitment to engineering, he did not think that young people should be encouraged – by special inducements – into engineering if the market was not ready to pay attractive salaries. This pragmatism ran though everything he did.

As President of the IMS, he opened a number of doors into the corridors of power. He always said that we should ask, and, if he could, he would help – it was rare that we asked and he wasn’t able to.

The IMS has lost a true supporter and friend; we shall miss him but we take this opportunity to thank him for his service and support.

**David Charlton**

David Charlton joined the Institute of Management Services in 1971 as assistant region group officer to help administer the then growing number of Institute branches, regions and specialist groups. At that time the Institute had 12 regions and more than 50 branches.

David, having obtained a sociology degree from London University, undertook three years’ management training with the Metal Box Company in their security and print divisions before joining the staff of the Institute at Enfield.

In 1973 he took over the editorship of Management Services journal on a temporary basis and was officially appointed permanent editor in 1974. In 1977 he assumed responsibility for the dual role of editor and advertising officer.

Under David’s leadership the monthly journal grew into a 100 page publication. It went from black and white to full colour and was recognised worldwide as an authoritative productivity publication.

On 2 November 1996 Tony Parry, the Institute’s National Chairman, together with David Blanchflower, chairman of the Journal Committee, hosted a staff party to celebrate David’s 25 years of service and to present him with a gold watch on behalf of the Institute’s Council of Management.

For over 30 years David produced a quality journal for the Institute, he was always supportive and ready to assist in any way he could, was well respected and a good friend to many.

**Tony Parry**

Tony Parry started working in management services in 1970 with the Medway Water Board. He later moved to the BBC, becoming Head of Business Communications in 1990. He undertook six tours of duty with the BBC on the Ascension Islands in the South Atlantic. From 1993 to 2008, he became a freelance management consultant and continued to advance the essential role that productivity improvement has in business.

He was National Chairman of the IMS from 1995 to 1999. He played a lead role in organising the XI World Productivity Congress in Edinburgh in 1999. He was also active in his local IMS branch and region. He was elected to Fellowship of the World Academy of Productivity Science in 1997, which is limited to 500 individuals worldwide.

Tony was a man who believed in community involvement and was chairman of the governing body for his local primary school and an elected councillor of Newington Parish Council from 2003 to 2008.

It was a pleasure to have known Tony and share his company as he had a ready wit and always a joke to tell. He will be sadly missed by his Institute colleagues and we thank him for the contribution he made to the wellbeing of our organisation over many years.
Concorde technical tour

A chance to see an icon of flight engineering history
Saturday 18 May 2013
The Runway Visitor Park, Sunbank Lane, Altrincham WA15 8XQ
The only Concorde in the world with a flight deck technical tour. A low price of £15 each (subject to a minimum group of persons). Free parking is included.
Meet at the Concorde reception at 2.45pm for 3pm start. From 11am onwards, visitors may enter the fully restored BEA Hawker Siddeley TRIDENT 3B (plus other aircraft to view).
This promises to be an extra special visit, especially for enthusiasts. Please give your full name well before the date which will be entered onto your personalised certificate to commemorate your visit.
To confirm your place, contact Ian Cooper on 01257 421383 or email your full details to harry.hogg@blueyonder.co.uk.

North West Region visit Astley Green Colliery Museum

In October, a group from the North West region attended an organised tour of the Astley Green Colliery Museum.
Our guide was Geoff Jones, director of the Red Rose Steam Society, which manages the site with a dedicated crew of volunteers, mainly ex-coal miners who have an interest in helping to preserve a part of our industrial heritage.
A slideshow depicted the history of the Colliery – the sinking of the mine shaft started in 1908 and in 1912 the Pilkington Colliery Company began production by exploiting the deep coal seams. The mine was modernised in 1947 when the industry was nationalised and finally closed in 1970.
In the Winding House we were given a display of the 3300 horse power, twin tandem, compound steam engine. The engine was designed to give a maximum speed of 58 revolutions per minute, and was capable of raising eight tons of coal every two minutes from a depth of 872 yards. Unlike a mill engine which turned only in one direction at near constant speed, the winding engine had to accelerate up to near maximum speed, then coast for a short time and then rapidly brake, so as to halt at a precise location for banking. The engine is unique and one of the largest steam winding engines in existence, hence the rescue of the site and its subsequent listed building status.
As well as displays of coal ripping equipment, mineshaft transportation cages and compressed air hammers, the museum also has the largest collection of colliery locomotives in the UK, some of which still run on the available 400 metres of track.
We are grateful to the Red Rose Steam Society for providing such an educational tour of the museum.

Scottish Region Fife Golf Challenge

This year’s Fife Golf Challenge will take place at Elmwood Golf Course, Stratheden, Cupar, KY15 5RS, at 1pm on Friday 10 May.
Once again, the event will be organised by Elmwood College’s Golf Management students who will handle everything from tee-times to prize-giving. This will then form part of their assessed work for the HND course.
Why not come along and help support the students?

Scottish Region Secretary

Harry Hogg
Singapore's productivity is well below that of the most developed countries, according to deputy prime minister and finance minister Tharman Shanmugaratnam.

He said that restaurants in Singapore are experiencing difficulties finding employees and that some have raised pay to attract part-timers during the peak season.

However, most still have problems finding staff because the overall labour market is close to full employment. This, said Tharman, is a significant issue for businesses but the solution is not to ease up on foreign worker policies – it has to be more fundamental.

Using restaurants in the US, Europe, Japan, and Hong Kong as examples, he noted that they have fewer workers, but are still able to do well. This is because the same employee handles more duties and serves more tables. Tharman added that Singapore employees are well-paid – both full-time and part-time – and ‘know their stuff’ including details of the dishes on the menu. They are also well trained.

Productivity is key to upgrading incomes and standards of living – and transforming jobs is the only ‘fundamental and sustainable’ solution.

Anglo American chief executive Mark Cutifani has flagged major changes to the mining giant’s operations, saying that productivity is a key concern and the mining industry is decades behind other industries.

“We’re some 20 to 30 years behind other more progressive sectors in terms of productivity and business practices,” he said. “We’ve got to go beyond that and make sure we’re working our assets – the engine room – as hard as we can.”

It is unclear what effect this will have on Anglo American’s 3500 permanent Australian employees and 1500 contractors working in Queensland and NSW coalmines.

In business and political circles, productivity is on everyone’s lips. Since the global financial crisis, it has improved across many industries, but at a slower pace. In mining, productivity has actually gone backwards. The concern is that other industries are powering ahead while productivity in mining is falling.
Recent studies reveal that diabetes affects patients, employers, and society not only by reducing employment, but also by contributing to work loss through absenteeism and health-related work limitations for those who remain employed.

Evidence showed that the economic burden associated with diabetes is likely to increase as the disease becomes more prevalent. In Saudi Arabia, over 19% of the adult population already suffer from diabetes, with estimates suggesting that two out of three of these patients will die from heart disease. The financial burden that diabetes places on both the state and the individual is already exponential, with around 14% of healthcare budgets in the Middle East.

As diabetes becomes more prevalent in the population, its effects on employment and work productivity are likely to become more pressing for society.
Competitive productivity
– a new perspective on effective output

By Dr Chris Baumann and Iggy Pintado

The shortcoming of the traditional understanding of productivity is that it overlooks the nature of competitiveness. The key question in a competitive market environment is to what degree any activity not only leads to productivity, but also its direct impact on competitiveness.

Traditional paradigm of productivity
Productivity is a hot topic in Western markets like Australia. Aging populations coupled with low fertility rates and growing social costs only allow one way to maintain current lifestyle levels: an increase in productivity. Problematically, however, Western productivity levels are dropping, and the current understanding of productivity may result in falling behind dynamic East Asian markets.

The traditional understanding of productivity is that it is: ‘A measure of the efficiency of a person, machine, factory, system, etc, in converting inputs into useful outputs. Productivity is computed by dividing average output per period by the total costs incurred or resources (capital, energy, material, personnel) consumed in that period. Productivity is a critical determinant of cost efficiency.’ (www.businessdictionary.com.)

The drivers of productivity have been identified, for example in the UK, as investment, innovation, skills, enterprise and competition. The Organisation for Economic Cooperation and Development’s (OECD) foundation for productivity are the framework conditions (low and stable inflation, developed financial markets, low taxes), infrastructure investment, degree of competition in product markets (eg, strict product market regulation undermines productivity growth), and open markets (trade and investment).

At the same time, the OECD has identified relatively liberal labour market regulation as a contributing factor to productivity since excessive job protection results in high costs for firms to restructure. Strong job protection may also lead to a reduction of incentives for employees to focus on performance. A key factor in the productivity discussion is the OECD-acknowledged importance of human capital accumulation.

“Competitive productivity is in essence both an attitude and a behaviour directed at beating the competition.”
A well-designed tertiary education sector provides the business community with human resources contributing to business, sciences and technology, the latter since technical knowledge stimulates innovation.

All in all productivity occurs at two levels. At the micro level, labour productivity is about the ratio of output produced per unit of labour used. At the macro level, however, multifactor productivity is about the ratio of output produced per combined input of labour and capital (buildings, equipment and machinery). What perhaps is not yet well understood is that the two levels are intertwined, and ultimately productivity is linked to competitiveness.

Paradigm shift to ‘competitive productivity’

In Western organisations, an increasing number of work hours are spent in time-consuming meetings, committee work and advisory boards which do not always result in productive outcomes. In marketing, for example, Apple may have a collaborative approach, but its speed to market and level of innovation has fallen behind its main competitor in East Asia, Samsung.

Competitive productivity is in essence both an attitude and a behaviour directed at beating the competition. Just as productivity itself, it is a factor score of both macro and micro-level determinants.

In order to showcase our new paradigm, we compare the Western to the East Asian approach to demonstrate the differences in competitive productivity:

**Benchmarking**

Competitive productivity benchmarks performance against industry leaders in order to aspire to the same, if not higher, market position (sales, profitability, product/service/experience quality, brand equity). Such benchmarking will result in the allocation of resources in line with the objective to be the best possible. For example, Apple introduced the iPhone 4S in 2011, which was faster than the previous iPhone 4, but its performance was behind Samsung’s new Galaxy line. Another example is Apple’s iPad that runs one application at a time, while Samsung’s Note 10.1 runs three. Competitive productivity for Apple means to benchmark with Samsung’s superior performance.

**Culture**

Competitive productivity is a culture that focuses on performance and competitiveness. A recent study (Baumann and Hamin 2011) has established an association between culture, competitiveness and performance. The antithesis is a nation’s culture that permits, if not supports, non-performance.

When school leavers receive government support without any attempts to find a job, and when government websites provide comprehensive calculations of entitlements, then a culture of non-performance is nurtured. Such a culture makes it more attractive to search for free money rather than for work options, but no real value is created.

Competitive productivity, in contrast as found in East Asian societies, is a culture with less-generous welfare systems, but instead nurtures performance orientation in society.

**Education and development**

Competitive productivity is about performance orientation instilled in the education system, and then ‘lived’ in firms and society.

For example, the Korean approach to education has resulted in top-of-the-world results in international student competitions such as PISA, whereas Western countries (such as Australia, USA and some European countries) have fallen behind. Educational top achievers such as South Korea, China and Singapore with their Confucian approach to education understand the role of education to go beyond the transfer of knowledge and skills, but importantly to also pass on values such as discipline, respect and performance orientation.

Their ‘no pain no gain’ spirit results in peak performance in education, and subsequently in business, entertainment, medicine, science and sports. Western education, in contrast, increasingly loses the focus on passing on values such as competitiveness, performance and aspiration.

Perhaps one of the most important lessons in business education, the one on competitiveness, is now increasingly omitted at Western educational institutions in comparison
Competitive productivity to East Asia where competitiveness is nurtured.

Environment and infrastructure
Competitive productivity is about creating and upgrading a country’s or firm’s infrastructure. East Asian nations have world-class airports and transportation systems (e.g., airports in Hong Kong, Seoul, Singapore, all generating large transit volumes).

In contrast, infrastructure projects in Western countries are often neglected, under-funded and progress at a slow rate. For example, Sydney airport is non-competitive in comparison to the modern and convenient East Asian transport magnets. Western countries often engage in bureaucratic processes that are time-consuming (but perceived as ‘productive’ in the traditional sense of the term), but generate very little competitive productivity.

East Asian nations are more pragmatic with their ‘can do’ spirit. The non-tangible business environment in China, Hong Kong, Korea and Singapore rewards performance with low tax rates, whereas Western societies have generated tax systems that flatten out society, discouraging peak performance.

Performance (outcomes)
Competitive productivity generates high-quality products, services and experiences. High-tech products such as computers, smart phones and consumer electronics are predominantly made in East Asia (China, Japan, Korea, Taiwan), whereas the West has largely lost its competitive edge.

Siemens and Nokia were once market leaders in mobile phones, but German Siemens spun off their division to Taiwan, and Nokia is on the verge of brand equity bankruptcy. On the other hand, Samsung and LG, or Hyundai and Kia in the automobile market, are now market leaders in their categories.

For physical products, competitive productivity is about speed to market (such as Samsung with fast product innovation) and product quality and design (such as with Hyundai now offering top design and quality, surpassing major competitors).

Asian service brands such as Singapore Airlines or Asiana (in Korea) provide competitive productivity since they provide award-winning services drawing passengers to their brands, and subsequently expand their networks, order new planes and generate profits, while Western brands such as American Airlines or United are generally viewed as almost ‘no frills’ providers with old planes and mediocre service. US and Asian airlines may spend equal amounts of time to generate the same amount of travel, but what ultimately matters is a service orientation focused on retaining customers for repeat business rather than time spent on projects such as internal committee work that may not result in improved service quality.

What really matters to the customer is the actual service experience and service quality that drive customer loyalty and repeat purchase and ultimately, brand advocacy that is in fact, competitive productivity.

Values
Competitive productivity is a ‘can do’ spirit and a positive service attitude. Confucian dynamism prevalent in East Asia nurtures values of hard work in education, workforce and society through a system of reward and punishment. At the same time the push in their society is for harmony. This is achieved through placing a high value on education and performance, reflected in government policies promoting educational achievement.

In Chinese and Korean society, Confucianism has resulted in a society that puts teachers and professors at the top of the social hierarchy: performance, achievement and knowledge are valued and a key priority in society. In Korea, this has allowed the development of a knowledge society and an ‘educational powerhouse’. Teachers and professors are viewed and treated as an ‘investment’, whereas in Western societies respect for scholars is low, and is reflected in the low income for teachers and professors. Korea in contrast pays its teachers well, especially over the lifespan of a teacher’s career, and entry into high school teaching is very competitive.

The current business environment demands a direct link between productivity and the quest for competitive advantage. Marketeters – and also politicians and educators – need to gain a working understanding of this new paradigm to position their organisations to retain if not increase their customers’ loyalty, retain and increase their brand value and ultimately remain relevant in their chosen markets.

About the author
Dr Chris Baumann is a senior lecturer at Macquarie University in Sydney, Australia. His research includes customer loyalty, competitiveness in education and society, ethnic marketing, and East Asia (China and Korea). He is a visiting professor at Seoul National University in South Korea and at Aarhus University in Denmark.

This article is co-authored by Iggy Pintado, founder and CEO of connectgen, author of Connection Generation and co-host of podcast The Social Business with Annalisa Holmes.

One, two, three, four? How are on your board?

The new rules

Quoted companies will be required to prepare a strategic report each financial year showing the number of persons of each sex who are directors, managers and employees of the company. Greater transparency of board make-up analysed by gender is intended to put pressure on companies to increase the number of women occupying senior roles. Clearly this will have a consequential impact on recruitment.

An equally qualified man and woman each compete for the same role. The woman is offered the position – what would the man do?

Under the Equality Act 2010 sex is a protected characteristic. Pursuant to sections 13, 19, 27, 39(1) and 39(3), sex discrimination in the context of recruitment is unlawful.

If the man were to find out that a woman had been offered the place he would be quick to point out that he had been discriminated against as a man. He would probably allege direct and indirect discrimination. In this scenario, direct discrimination occurs where a man is treated less favourably, eg, by not being hired, because he is a man. Indirect discrimination occurs where an employer applies to a person a provision, criterion or practice which is discriminatory in relation to his being a man.

Does an employer have a defence?
Disadvantaged groups need to be treated differently in order to achieve equality. The framework equality legislation takes account of this necessity. For the recruitment scenario this right is enshrined in section 159 of the Equality Act.

Positive action in the context of this recruitment scenario would be permissible where an employer reasonably thinks that:
(i) Women suffer a disadvantage connected to being a woman; or
(ii) Women’s participation in senior roles within listed companies is disproportionately low.

Such positive action entails treating a woman more favourably in connection with recruitment or promotion than a man because the woman has the protected characteristic and the man does not. (Being a man is a protected characteristic and the man applies to a person a provision, criterion or practice which is discriminatory in relation to his being a man.)

Drafting job specifications
One hurdle is the assessment of whether one candidate is ‘as qualified as’ another. The expression ‘candidates of equal merit’ is used in guidance published by the government. This is a broader concept than ‘equally qualified’ or ‘holding the same qualifications’.

There are two approaches employers can take regarding job specifications: (i) make them very brief; or (ii) make them very detailed by setting them very brief; or (i) make them very detailed by setting out all of the requirements and ranking them in order of their importance.

Brief job specifications give an employer greater flexibility. Where certain skills and experience differ significantly between candidates, it might be easier for an employer to decide that the skills and experience exhibited by one candidate are more relevant and desirable for the role than those exhibited by the other. The downside is that an employer’s decision may
be easier to challenge. This is particularly the case where a disproportionately low barrier to apply for the role has been set. It is easier to rely on the positive action defence where the candidates have comparable qualifications and experience.

Very detailed job descriptions, on the other hand, tend to give rise to paper trails demonstrating objectivity. The downside is that qualitative differences between candidates will not necessarily be captured.

**Quotas**

The positive action argument cannot be relied upon to justify a general policy of hiring women rather than men in order to reach a certain quota: the Equality Act clearly states that there cannot be a policy for treating persons who share the protected characteristic more favourably. The positive action defence is more appropriate for an allegation of direct discrimination than indirect discrimination.

Accordingly we are advising employers not to adopt a ‘hire women not men whenever possible so that we achieve a target quota’ policy. The existence of such a policy would be evidence of a discriminatory provision, criterion or practice on which a claim for indirect discrimination could be based.

It is unfortunate that the objective of the draft regulations does not fit comfortably within the operation of existing discrimination law. Employers are bound to bear in mind their soon-to-be-published female representation statistics when devising their recruitment policies.

Legislation aside, the issue facing companies seeking to recruit more diverse boards is the pool of available talent. If a small number of women apply for top jobs, an even smaller number of women will have a chance of securing the position. By ensuring a greater number of women apply for senior roles, eg, through advertisements in journals likely to be read by women, an employer need not engage in overt positive action, it may simply appoint the best candidate applying for the job and it is more likely this person will be a woman.

"The aim of such positive action must be to encourage women to overcome or minimise disadvantage and to participate in senior executive roles."

**About the author**

Lucy Money is a solicitor specialising in employment law at City law firm Fox. Fox is a specialist employment and partnership law firm based in the heart of the City of London. www.foxlawyers.com
Quality leadership for sustainability

The priorities and focus of directors need to change, says Professor Colin Coulson-Thomas.

"As markets open up and companies compete for customers and resources, efficiency, effectiveness and relevance have never been more important."

The 23rd World Congress on Total Quality was held in Bangalore on 8-9 February. It provided an opportunity for directors to discuss the leadership required to sustain quality and excellence in an era of challenge and uncertainty. As markets open up and companies compete for customers and resources, efficiency, effectiveness and relevance have never been more important. Boards need to find new ways of enabling the people for whom they are responsible to cope and remain vital.

Whereas delegates at early congresses were concerned with techniques for improving the quality of largely standard physical products, the emphasis now is more upon relationships and processes for dealing with adaptation and change, as increasingly bespoke services evolve to meet new requirements. The quality of corporate leadership in dealing with change and uncertainty, and the extent to which directors and boards adopt flexible and affordable ways of coping is now a key differentiator.

An effective board
Strategic investors – and those looking to build longer-term relationships – should look at the mindsets of directors of potential corporate partners as well as the technologies and other capabilities of these organisations. While other missing capabilities can often be obtained by acquisition or collaboration, deficiencies in the boardroom that are not addressed can condemn an organisation to stagnation, irrelevance and death.

Large companies with proud histories are not immune to the risk of decline and marginalisation. With the rules of the game for competing and winning changing, what one has done in the past can be much less important than what one is capable of doing in the future. While proud achievements can be portrayed in corporate museums, doing more of the same may not sustain success, or enable an organisation to remain current and cope with challenges or seize opportunities.

Building an effective board of competent directors who are alert to what is happening in the business environment and have the personal qualities to question and challenge, handle uncertainty,
focus on what is important, articulate a compelling vision and select practical and affordable ways forward can give an organisation a head start (Coulson-Thomas, 2007a).

The best directors are open to new ideas and willing to learn, and opportunities to exchange views with one’s peers at events like the World Congress on Total Quality can be especially valuable.

**Sustainability challenges**

But is ‘quality’, with its origins in the last century, still relevant? In various activities the Institute of Directors (IOD) India has been relating quality to contemporary issues. Twenty years after the Cadbury Committee (1992) rekindled interest in corporate governance, the IOD is much concerned with the conduct of directors and the quality of corporate boards and company direction.

Dr Ola Ullsten, as Chairman of the IOD’s London Global Convention 2012, reminded delegates at Lords cricket ground that it was the 50th anniversary of *Silent Spring* by Rachel Carson (1962), the book that introduced many people to environmental issues. The IOD has stressed the importance of sustainability and the quality of life. In championing corporate social responsibility the Institute has endeavoured to make businesses more aware of opportunities to spread the benefits of development.

Aspects of quality such as efficiency and minimising adverse impacts are likely to become more important as rapid industrialisation in countries such as China threatens the availability of scarce resources and to increase global warming. Finding ways of getting greater output in terms of enjoyment and satisfaction from fewer inputs, and with less unpleasant side effects, create exciting opportunities for entrepreneurs.

Many corporate boards face tough choices and how they react will have a big impact upon the future of mankind. They could opt for milking the current business model for all that it is worth, and while the going is good, before legislators jump in to address the worst consequences. They could encourage a binge or ‘last party’, pumping out oil while stocks exist and goods before shortages of scarce minerals bite.

Alternatively they could consider ‘legacy issues’. Behaving irresponsibly could cause a backlash if consumer and public opinion reacts against boards that act as if there is no tomorrow. Total quality could embrace the environment. Directors could think longer-term, show greater consideration and give more thought to future generations. They could also view some of the challenges that face mankind as opportunities to use corporate know-how in more innovative and imaginative ways.

Boards can aim to forge deeper relationships with customers and offer services that would improve the quality of their lives. There are many ways in which private and public sector offerings can be individualised and differentiated to make them more relevant for each person, whether consumer, citizen or patient. It is a responsibility of boards to ensure that people have the processes and tools to responsibly bespoke, innovate and make sustainable choices (Coulson-Thomas, 2007a).
Will quality be democratised?

Will what was once the preserve of factory managers become a concern of every citizen, as individually and collectively we strive to sustain a high quality of life and attainment, whether in diet, sport, music, the arts, other leisure activities and the built environment? Will we have to do more of these things ourselves and locally to live simpler, less stressful and more rewarding lives?

As a result of the division of labour, consolidation, centralisation and mass production many people lack basic skills for taking personal responsibility and coping with the fundamentals of life today. In my book *Shaping Things to Come* (2001) I argued that there are many opportunities for businesses to offer different lifestyle options and give people additional choices that would make them feel special and different. Whatever paths they choose, boards must assemble or access relevant capabilities that are appropriate for their corporate visions. In each area of capability there may be quality considerations and issues to address. Thus in relation to the quality of human resources a board could pursue a traditional talent management strategy to recruit new skills, or provide the better support to an existing work force that will enable them to stay current and cope (Coulson-Thomas, 2012a).

In relation to many aspects of capability, boards need to rethink what is meant by quality. Thus in relation to quality of knowledge, relevance and availability as and when required is increasingly important. There is little point paying for specialist know-how that cannot be quickly accessed when it is needed, so providing people with 24/7 support can be invaluable (Coulson-Thomas, 2012a and b).

Any business needs to understand what represents quality to its customers and track how this might change over time. Too many companies devote excessive effort to areas that do not make a difference from a customer perspective, while overlooking other activities that could have a tangible impact and differentiate. The latter areas – the differentiators – need to be sustained and kept relevant. Some boards discuss issues such as sustainability mainly in terms of the challenges they present for their own company. Smarter boards recognise that their customers, suppliers, business partners and employees face similar issues and they consider what they can do to help these important categories of stakeholder to cope. Their responses can give rise to new business opportunities and ways of forging closer and mutually rewarding relationships (Coulson-Thomas, 2001 and 2007b).

Quality of life

Boards have opportunities to make quick and cost-effective impacts on the quality of the working life of employees that can lead to continuing and sustainable benefits over time for both people and organisations. For example, providing performance support that improves understanding, increases confidence, makes it easier for people to do difficult jobs and enables more flexible ways of working can reduce stress and boost employee satisfaction as well as raising productivity, speeding up activities, reducing costs and ensuring compliance (Coulson-Thomas,

Quality of life could become an issue for more people if the current development path continues. In rapidly developing countries, will the satisfaction of owning the latest versions of disposable goods and relatively expensive assets like motor cars dim when people are increasingly poisoned by the air they breathe as a result of industrial pollution and traffic fumes?

Providing support directly to customers and members of the public can help people to better understand the full implications of their purchase decisions and lead healthier and more sustainable lives (Coulson-Thomas, 2012b).

**Quality of growth**

There are questions relating to the quality of growth to consider, such as its consequences and the extent to which development in its current form is sustainable. Societies controlled by strong central and interventionist governments face particular challenges. For example, Chinese growth will require greater numbers of individual consumption decisions to replace planned central government investments. As with India, spreading the proceeds of growth beyond urban elites and the middle class to the rural poor will create new mass market opportunities.

The challenge for a growing number of governments will be to enable larger numbers of people to enjoy the benefits of progress, well-being and advancement without incurring and increasing the negative environmental impacts of the current lifestyles of the existing ‘middle class’. If the planet is to cope, priorities, consumption patterns and lifestyles need to change.

With enlightened political and corporate leadership the results could be positive and increase the well-being and contentment that can come from stepping off a treadmill.

In democracies, some people do not like the consequences of their consumption decisions when they vote with their pounds, dollars or rupees in the marketplace. However, they can attempt to take ameliorative or corrective action when they vote politically in the ballot box. Often people are schizophrenic. They want it both ways. They vote one way economically and another way politically.

Some boards are similarly schizophrenic, but without realising it. They set out on incompatible courses of action, for example by initiating various corporate programmes that get in the way of each other and cause complexity and confusion. Ideal directors reflect on the implications of their actions and consider the interconnectedness of board decisions. They look for simpler and more flexible approaches that can deliver more quickly, contribute to a number of sought after outcomes and be modified during implementation as circumstances change.

**Quality of relationships**

In relation to the quality of relationships, increasingly these need to be mutually beneficial. A key relationship is that between business and government. Should business just concentrate upon what it does best, or should it engage with local and national politicians? As regards corporate social responsibility, should companies ‘do their own thing’, or should they collaborate with each other and relevant public bodies to collectively develop solutions to social problems that they could contribute to?

Boards should not be afraid to challenge fundamental assumptions, such as the traditional trade-offs of quality, time and cost. Generations of directors have been told that while it may be possible to improve the quality of an output, this is likely to take time and require extra costs. There are still situations in which such trade-offs apply, but I have endeavoured to show in recent reports (2012a and b) that it is increasingly possible to side-step such choices and simultaneously deliver multiple benefits.

This brings us to the quality of thinking in boardrooms and the quality of decisions. Boards need to understand how to distinguish between traditional and expensive, protracted and disruptive approaches to transformation such as restructuring, re-engineering and endeavouring to change corporate cultures, and quicker and more affordable contemporary routes to high performance organisations (Coulson-Thomas, 2012a and b). One of the latter – performance support – can also be used to enable customers to take more informed and sustainable decisions.

Costly options are still championed by vested interests, such as consulting firms that benefit from their adoption by supporting their implementation. Insecure boards hear about the many other corporations that are initiating a variety of complex and single issue programmes and feel that they should do likewise. More confident directors reject such blandishments to conform and follow the herd. They think for themselves and select cheaper options that quickly achieve multiple objectives.
The basic building blocks
The world congress in Bangalore provided an opportunity for business leaders to reassess the basic building blocks of total quality. In relation to sustainable quality and sustainable strategies certain elements such as relevance, flexibility and affordability have become more important. For adaptation and evolution to occur, people need to be helped to responsibly innovate and cope with change. Solutions and initiatives need to be affordable in monetary, resource and environmental terms.

At the IOD India’s London Convention 2012, Lt Gen Ahluwalia pointed out that corporate boards and mankind face a set of challenges unprecedented in human history. He called for flexibility and adaptability in adjusting to change. This brings us back to the quality of corporate direction and the new leadership and governance that is required. Smart boards understand what they can do and what they cannot do. They recognise that simply producing plans, and putting the right structures and command and control systems in place will not provide the flexibility and adaptability that is required.

New leadership recognises that the priorities and focus of directors need to change (Coulson-Thomas, 2012a and b). Less emphasis on top-down motivation, direction and monitoring is required, and more attention should be devoted to engaging people – including customers – and helping them to adapt, cope and excel. In place of rhetoric and exhortation, people in front-line jobs should be provided with the performance support to do what is required to benefit themselves, their companies and the planet.

When investors and potential business partners set out to assess the quality of a corporate board, perhaps they should look first at the quality of the supporting environment and tools which the board puts in place to enable people to emulate their highest performing peers when understanding and addressing complex issues. If quality, policy, regulatory, technical and other checks are built into the support provided, people can also be set free and enabled to bespoke responses and innovate.

Increasingly, as businesses achieve global reach, boards have to engage and support international communities and networks of relationships. For a quality support environment, guidance and assistance should be made available 24/7 whenever and wherever required, including when people are at home or on the move. It should impact directly upon conduct, irrespective of culture and structure, enable behaviour that is sought and prevent outcomes that could lead to undesired consequences.

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About the author
Professor Colin Coulson-Thomas, an experienced adviser, NED and board chairman, has helped over 100 companies to improve director, board and/or corporate performance, and spoken at over 200 national, international and corporate events in over 40 countries. A member of the business school team at the University of Greenwich and an adjunct professor at Manipal University he has held professorial appointments in Europe, North and South America, the Middle East, India and China, and national and local public appointments.

His latest publications can be obtained from www.policypublications.
Book reviews

The New Industrial Revolution
The rapid emergence of China and India as prime locations for low-cost manufacturing has led some analysts to conclude that manufacturers in the ‘old economies’ – the US, UK, Germany, and Japan – are being edged out of a profitable future. But if countries that have historically been at the forefront of events in manufacturing can adapt adroitly, opportunities are by no means over, says the author of this timely book.

Peter Marsh explores 250 years in the history of manufacturing, then examines the characteristics of the industrial revolution that is taking place right now.

Marsh observes that the driving forces that influence the types of goods being made and who makes them are little understood. He discusses the key changes in manufacturing today, including advances in technology, a greater focus on tailor-made goods aimed at specific individuals and industry users, participation of many more countries in world manufacturing, and the growing importance of sustainable forms of production.

How to Motivate Every Employee
This title provides 24 ways to motivate every employee. Think about the managers who most influenced your career. They were successful because they infused employees – and organisations – with passion for work and motivation to achieve.

24 Ways to Motivate Every Employee provides two dozen creative and ready-to-use tools and techniques for ensuring that same enthusiasm, energy, and employee morale.

Look to this concise but powerful book for workplace-tested techniques to: turn employees into partners; encourage intelligent risk taking; offer incentives and morale boosters; build trust; spread power around; encourage accountability; attack de-motivators; and, make employees want to stay.

24 Ways to Motivate Every Employee is filled with the employee-friendly, results-oriented strategies of Disney, Starbucks, Levi Strauss, and numerous other world-class companies. Let it show you how to build and maintain high employee spirits in your workplace and add measurable value to both your organisation and your management career.

Extreme Productivity
Famed multitasker Robert Pozen, a professor at Harvard Business School and also the full-time chairman of a financial services firm, details his many successes and explains his methods in a way that may be useful to the reader.

He starts by explaining the three concepts underpinning the book – setting goals with explicit priorities, focusing on the final results and not sweating the small stuff. He then focuses on implementing short-term priorities in a co-ordinated manner, including organising a daily routine, managing a travel schedule and running efficient meetings.

The book is a good guide to being more productive but is at times basic and would have benefited from greater detail and explanation. Pozen shows that in order to be truly productive, professionals must make a critical shift in their mind-set: from hours worked to results produced.

He seeks to help people at all stages of their careers read, write, and make presentations quicker and more effectively. He provides professionals with practical tips on how to efficiently use their time in the office while also leading full and productive personal lives.
The secret to life balance and happiness

You get one chance at everyday, says Janice Haddon.

There may be people out there who are ecstatically happy and don’t want to improve or change anything in their lives. Yet, I’ve been coaching for many years and I still haven’t come across one of them! Everyone I meet – no matter how happy or depressed – has wanted to improve on something. We are built to want more – to grow.

This article isn’t about opening a ‘can of worms’. It isn’t necessary to completely change everything to bring in a different level of happiness and balance – most of us don’t have the time or the inclination. We just need to make some tweaks here and there to get back a little bit more control, a bit more balance.

Here’s the positive thing – wherever you are in your life right now, you can use that as a positive platform for moving forward. It’s all about meeting your essential needs...

Essential needs

Our Essential Needs (derived from the work of the Human Givens Institute) are the fundamental emotional needs that have to be met in order for us to feel happy and fulfilled. When they are not met, our lives can feel out of balance.

In fact, when we are dissatisfied with more than two or three of our Essential Needs, we can start to tumble downwards and feel low – even stressed or depressed.

Understanding your needs and how to get them met puts you in the driving seat. They are:

- **We need to feel safe** – in our home, our workplace, our environment, with the people around us – free from bullying and harassment and other people trying to control us.
- **We need to feel in control** – this isn’t about controlling others, but about feeling in control of ourselves and what is going on in our lives.
- **We need to feel a connection to others** – we need intimacy and love in our lives. We also need the connection to a wider circle of friends, our family. Being able to have respectful communications with others is key and being respected in those interactions is vital.
- **Having privacy** – time to integrate all that has gone on for us in the day. Time for ourselves – to enjoy – to relax. Taking time out for ourselves allows us to build up our energy levels and inner resilience.
- **Having a sense of status and feeling valued** – this is not about what job we do but about being acknowledged for what we do and the contribution that we make out there in the world and to others.
- **Feeling competent and achieving things** is vital to boost our sense of self-esteem. Wandering aimlessly as a cloud is for another time – this is about getting things done and feeling good about it!
- **Having mental stimulation and challenge** – allowing creativity into being – working our brain.

So how do we go about being satisfied in these areas?

“Work life balance... we all have our own interpretation of what it means... And it therefore means different things to each of us. It isn’t about having a 50/50 split on how much time we spend in our work compared to our personal life – it is very much a personal experience and what equates to a good balance for us as individuals.”
The secret to life balance and happiness

Work life balance

We want to be different, we often when we notice what is working well.

Making improvements

Place from which to start: all low, then that is a perfect someone else. And if they are one person can be a three to come out – what is an eight to score?

Don’t worry how your scores

The shiny bright stuff…

Don’t worry how your scores come out – what is an eight to one person can be a three to someone else. And if they are all low, then that is a perfect place from which to start making improvements.

But first, let’s concentrate on what is working well. Often when we notice what we want to be different, we completely forget about what is going well. By the time we turn our attention back to the positives, things might have changed and our levels of satisfaction dropped. For example, people that we were close to might feel ignored and relationships can cool.

So let’s keep a focus on the positives. Look at the areas of your life that you have scored the highest and ask yourself the following questions:
• What makes it good?  
• What are the actions, communications, people that make them good?  
• How does it make you feel?  
• What is important about it?

Make sure you keep those things in your life positive – maybe there are ways you can make them even better. If there are people in your life that contribute to your contentment or happiness in certain ways – let them know!

The nitty gritty

In order for us to feel motivated, we need to have a clear vision of our future – what we want to get out of life. Let’s be honest, without knowing your destination, how can you possibly plan your route?

So concentrate on what you want out of life and how you are going to get there, whilst also making sure that your Essential Needs are met.

Let’s start with what you want your life to look like. Here are a few things to think about:
• On a scale of 1 to 10, how satisfied do you feel with life overall? Make a few notes as to why you have ranked it that way.
• Now consider the areas of life that you have scored the lowest. Consider each one separately and make some notes on why you have scored it this way.

Now ask yourself the following:
• What do I want this part of my life to look like?
• How do I want to feel that is different from now?
• What would have to change for this to improve?
• What am I going to do to make a difference?
• When am I going to do it by?
• Is there anyone that I need help from?
• What is the potential impact on others if I make this change?

It is important to consider the last question. Whilst it isn’t a reason for not doing things, it is important to make sure that our actions are not intentionally causing difficulties or harm to others. It is also vital to understand that other people might not be supportive of the changes you want to make. Here’s the difficult bit – some people have a vested interest in us staying the same. This is because as you change, it will undoubtedly affect other people in your life and they may not like it. Turkeys don’t vote for Christmas after all!

When you have identified what you want to improve, consider your Essential Needs and what changes you want to make there. Consider any specific goals that will boost your satisfaction levels.

Review all of your goals and make sure that none of them are having an adverse effect on getting your Essential Needs met.

A good balance

A good balance is when we feel satisfied with how much time we spend in each area. We feel out of balance when time spent in one area adversely impacts on another.

For example, not having time to do things with loved ones because of pressures at work. It is all about how satisfied you feel. Are you happy and enjoying the time you spend in work and the time you have for personal activities?

If you don’t feel happy… take time to work out why and then do something positive to make a difference. Bring more happiness and balance into your life. You get one chance at everyday – so make the most of it!

About the author

Janice Haddon has over 25 years’ experience in strategic and operational Human Resources and management consultancy. She is a qualified coach and has a passion for integrating performance, personal positivity and wellbeing into the workplace. A Fellow of the Chartered Institute of Personnel and Development with a BSc (Hons) in Psychology, an MA in Psychotherapy and an MBA from Henley Management College, Janice is also a Master Practitioner in NLP, a cognitive hypnotherapist, psychotherapy counsellor and runs a number of businesses including Morgan Redwood.
Who’s who in the IMS

As part of a series profiling its Council, the IMS is proud to introduce David Blanchflower whose pioneering approach has secured the organisation financially.

David Blanchflower has been an elected member of the IMS Council of Management since 1977.

He first joined the Institute in 1969 when studying for its qualifications at Liverpool Polytechnic. He was a member of the Merseyside Branch and in 1972 he was elected as secretary, so beginning a 40 year active involvement with the organisation. In 1975 he was elected as secretary of the north west region which then had 2500 members. He continues this involvement as Council delegate to the region.

David’s initial involvement as a member of Council was on the Publications Committee – he recalls the long train journeys to meetings at the Gas HQ in Bristol (in those days the committee had some 15 members sitting on it).

Thirty-five years later and David is still involved with the journal, as Chairman of the Media Group which also involves responsibility for the IMS website. Many changes have taken place over those years, including the journal moving from a black and white publication to full colour.

In 2003, the Institute stopped employing its own in house editorial team and David played a key role in outsourcing the production to the Deeson Group Ltd, a publishing house that now produces an excellent quarterly publication for the Institute.

Membership services

David was also a member of the Institute’s Membership Services Committee and his early involvement saw him responsible for the rationalisation of the organisation’s branch and region structure.

With falling membership, it was necessary to close and merge branches and reduce the 12 regions to eight. Finally, in the late 1980s, it was decided to close all of the branches and move towards a region only structure. This structure continues to serve the IMS well, with all regions organising local activities for the membership.

In October 1999, the Institute hosted the World Productivity Congress in Edinburgh. Whilst this was a great success, it did not attract the anticipated numbers and, as a result, the Institute suffered a loss that greatly depleted its finances. In late 1999 David was elected as National Treasurer and assumed the responsibility of ensuring the Institute continued as a financially viable organisation. Along with then Chairman Harry Downes and Deputy Chairman John Lucey, David formulated a plan to close the Institute’s Head Office in Enfield and outsource its administration.

The plan was put into effect in 2003, saving the Institute in excess of £150,000 per year in admin costs. This decision, coupled with the introduction of life membership in 2005, means the Institute is financially very sound with reserves of almost £500,000. It also offers its members one of the best value professional body memberships in the world. Anyone taking up life membership in 2005 will have paid an annual membership fee equivalent to £26 per year.

Significant contribution

As part of the 16th World Productivity Congress, held in Turkey in November 2010, the World Confederation of Productivity Science presents a number of Fellowship awards

David, at that time Chairman of the IMS, was one of two recipients from Europe, the citation reading: “David Blanchflower has been elected as Fellow in the Academy of Productivity Science by virtue of significant and long lasting contributions to the improvement of quality of work, quality of work life, quality of life and productivity.”

In 2011 having stood down as Chairman, David again assumed the position of National Treasurer and so continues his 40 years active involvement with the Institute.

Believing in innovation

One may be forgiven for thinking David has little time for anything outside the Institute but at the age of 70, he is still active in a number
David is a man who believes in innovation and is always willing to carry those ideas through to completion. He is the first to admit that much of the change within the Institute was only achievable due to team effort and praises the support and commitment of his fellow members of Council.

David’s community involvement extends way beyond what can be stated in this short profile and clearly indicates a man with great drive and a wish to improve and enhance society and the area in which he lives by enriching the lives of others.

“Significant and long lasting contributions to the improvement of quality of work, quality of work life, quality of life and productivity”

(The World Confederation of Productivity Science)

The Association is almost at the conclusion of the training courses being delivered for the next group of MTM Training Instructors. The six new people will be available to conduct courses in any of the recognised techniques from August 2013. This group of committed individuals has taken almost twelve months to reach this point having covered each of the recognised techniques and is now almost ready to deliver training courses without Association help or supervision. These individuals include both men and women, some of whom are contract staff and some full time employees of major UK organisations.

The Association is currently reviewing the face it presents to the world in the form of its web site, www.ukmtm.co.uk, one of our members with extensive web experience is seeking to deliver a major change in content and presentation, readers of this advertisement are encouraged to comment on this matter via our e-mail address, ukmtma@googlemail.com.

Further, the Association has been asked to create a series of educational exercises that would help engineering students at UK academic institutions understand that ‘IF YOU DON’T KNOW HOW LONG IT TAKES, YOU DON’T KNOW HOW MUCH IT COSTS’.
After a busy year training delegates on its IMS Certificate course, Scott-Grant declared its Student of the Year 2012 to be Jackie MacMillan from JD Williams Group in Manchester. Jackie has been with her company, which is part of the N Brown Group, for many years and is currently the Continuous Improvement Manager in Logistics. “Although I had already qualified as a Six Sigma Black Belt, I learned so much more on the IMS Certificate course. I particularly enjoyed being part of a group of students from different business sectors.” Jackie is responsible for people involved in the industrial engineering work and feels she now really understands and appreciates the tools and techniques they use.

Nipping at Jackie’s heels were three runners up – Steve Sims from Iron Mountain, Kate Baldock from Unipart Group (ASOS) and Keith Robbins from Tesco Stores Ltd. Kate Baldock had worked as a Data Analyst with Unipart Group before she transferred to the O & M department, hoping it would give her more of a challenge. This move meant she needed to qualify as an industrial engineer, hence the need to undertake the course. “I learned to become a Tectime Analyst and, in between my second and third module, was immediately able to put into practice what I’d learned, starting work on a new incentive scheme. “That’s now complete and implemented and, as a result, several people as well as the company are benefiting from my work. That gave me considerable job satisfaction. You can see the impact you can make doing this kind of work. It’s practical, hugely interesting and delivers some fantastic results.” Keith Robbins is one of four Productivity Process Managers at Tesco Stores Ltd, based in Welwyn Garden City. His work involves projects, managing contractors, building models and creating the output for staffing targets for stores. “It was great to study with people from businesses other than retail and to see how what we learned was being used in other sectors,” he said. “I appreciated the broad range of topics covered on the Lean module, including Six Sigma, 5-S, MOST® and Value Stream Mapping. I can better understand Lean practitioners now – I’ve even been trying to implement Lean principles at home!” Steve Sims’ boss suggested he came on the IMS Certificate course as part of his career development. As a Service Delivery Analyst with information management specialist Iron Mountain, his work involved supporting IEs. He found the course challenging but stimulating and, like the other students, was applying much of what he learned within a week of being back at work. “The qualification has also helped my career progression – I’ve been promoted to industrial engineer and I’m really enjoying the contribution I can now make.” All of the students experienced increased job satisfaction and are helping to make a difference in their organisation now that they’re recognised for their level of expertise to better organise processes, systems, equipment and people. Commenting on the Student of the Year achievement, Scott-Grant’s Richard Taylor said: “It’s really inspiring to see the enthusiasm of these talented, newly qualified productivity professionals. They’re starting to experience the realisation of the power of industrial engineering to any kind of business. I’ve been involved in it professionally for many years and I’m pleased to say that I still get great satisfaction in being able to help organisations assess and improve performance at all levels.”
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At Scott-Grant you’re at the home of knowledge and expertise about productivity improvement and Lean initiatives.
The Situational Leadership model has huge potential for guiding managers and leaders in their workaday lives, says John Chamberlin.

It’s a fair point. If you’re a leader, or manager, trying to change your behaviour, and if you’re putting yourself outside of your normal comfort zone, you’re going to feel uncomfortable ‘wandering’ around the workplace. Stands to reason. You don’t know what to do.

A year ago I wrote about management and leadership (Chamberlin, 2012), making the point that it didn’t matter what you called it, what mattered was what you did, ie, how you spent your time, how you behaved. And it does, because that’s all your people see.

How your people are managed (or led) affects how, in turn, they behave, which means how they treat your customers/ clients/ patients/ students. A previous CEO of Marks & Spencer (Bevan, 2002) used to say, ‘If you want to know how your employees are treated, ask your customers.’

Almost 30 years ago, when he was still riding the crest of the In Search of Excellence (Peters and Waterman, 1982) wave, Tom Peters was doing seminars called ‘A Passion for Excellence’, and while advocating the ‘MBWA’ principle – Managing By Wandering Around (Peters and Austin, 1985: 6) – he said that one of the ‘rebuttals’ he got from managers was, “But Tom, I don’t know how to wander!” His response to this, and in his trademark robust and humorous way, was:

“It’s fair though, it’s fair. But my rejoinder to them however is straightforward, I say what do you do when you’re in your office? You write a bunch of darned memo’s that otherwise obstruct the people trying to get the real work done, so even if you’re rotten at it, at least when you are out of your office you’re not causing positive harm to your organisation, and that’s a step up for most of us!” (Peters, 1985).

And so that’s the point really, what, actually, do you do, when you step outside of the safety of that four-walled comfort zone – the cocoon that’s called your office – for the first time? If that’s not been your normal behaviour, then you really will be like Heinlein’s (1961) Stranger in a Strange Land. And it’s not just you who’ll feel strange, your people will too. They won’t understand. Quite possibly, they’ll assume something bad’s afoot, and you’re only out there to collect the ‘evidence’.

So, what if you came clean? What if you trusted your staff and actually told them that you’ve decided to change the way you behave at work, and that both you and they might find it strange for a while, but all you’re trying to do is help them achieve whatever it is you do for your customers.

But remember, it has to be genuine:

‘MBWA is unlikely to be effective unless perceived by staff as part of a broader, genuine belief by management in the continuing importance of giving time to listen to, and
how to wander...?

understand, the feelings and problems of staff’ (Mullins, 2007: 458).

Or, perhaps as Valentine Michael Smith (Heinlein, ibid) might have said, you’re there to ‘grok’ the situation ‘in its fullness’.

A good theory

Ok, so how do you go about it? Well, one way is to base your new behaviours on a solid theoretical concept, so if it goes right you’ll have a good idea why, and if it goes wrong (which it will, frequently, at least initially) you’ll have something against which to diagnose what you did wrong (or didn’t do right).

Kurt Lewin (1951) wasn’t joking when he said, ‘There is nothing so practical as a good theory’, and the theory that I’d suggest you consider has been around for decades, is intuitively sound, and focuses exactly on the way you should behave in various situations.

It’s called Situational Leadership (Figure 1), and is based on work by Hersey, Blanchard and Johnson back in the late 1960s and early 1970s (Hersey, Blanchard and Johnson, 2001).

Originally developed from Blake and Mouton’s (1964) ‘Managerial Grid’, it focuses on the situational (ie, instantaneous) needs of the worker/subordinate/learner/etc and requires the ‘leader’ (manager, in most cases) to provide exactly and only what is required at that time, in that ‘situation’.

I have added two parallel axes to those on the graphic, because they reflect the two predominant ‘styles’ of leadership represented by the ‘directive’ and ‘supportive’ behaviours shown on the original. Heckmann and Huneryager (1960) believed there were four main ‘styles’ of management, ie, dictatorial, autocratic, democratic and laissez-faire, but whilst the model above is primarily derived and developed from Blake and Mouton’s (1964) ‘Managerial Grid’, Blanchard (1989) stated that the two ‘predominant styles’ were autocratic (we told people what to do) and democratic (we asked people what they should do), and these became those two ‘directing’ and ‘supporting’ axes of the model.

If you have never seen this model before, then I suggest you give it some serious consideration. Driving instructors are classics at applying this (even if they don’t realise it); they start with the simple ‘A, B, C’ – accelerator, brake, clutch – and end with someone who’s competent and confident enough to be left to drive by themselves.

Figure 1: Situational Leadership Model (SLM).
In terms of ‘styles’ 1-4 (on the graphic), that goes something like this:

**Style 1: Directing**
Initially they are totally directive, starting from an assumed point of ‘no knowledge’ on the learner’s part. They talk through the pedals (A, B and C) – and even have a ‘spare’ set themselves! – the basics of how the car works, and the key points of the Highway Code. In many cases this early practice can take place in an ‘off-road’ (but still tarmac) location. This is the ‘tell and show’ stage, with the learner exhibiting those enthusiastic beginner characteristics (Figure 2).

**Style 2: Coaching**
This is a fairly lengthy period of the instructor (in this case) working with the learner as they practise (not always successfully) the skills, whilst still lacking confidence in doing so. It is very much an ‘on the pitch’ part of the process.

**Style 3: Supporting**
At this stage, competence has largely been achieved but confidence may still be lacking; it’s more ‘daren’t’, than ‘can’t’ (or ‘won’t’). Here the manager/ leader stays nearby to offer support, but does not intervene unless required, and has pulled back almost completely on the ‘Directing’ part of the process. In the driving instructor example, it’s at the end of this stage that the learner is put in for the test.

**Style 4: Delegating**
Here the manager/leader/coach/driving instructor (in this case) gets out of the car altogether and lets the learner drive by themselves. They are now deemed to be both competent (skills), and confident. Again, in the driving lessons example (assuming the test is passed) the ‘L’ plates are taken off and the new driver ventures out on to the public roads alone; whilst possibly not yet a ‘peak performer’ (Figure 2), they have moved on to the ‘independent learner’ stage, taking charge of their own future progress.

**Situational Leadership**
Situational Leadership, quintessentially, is a pull system, and Arnheiter and Malayeff (2005) define ‘pull’ as follows:

> ‘The term pull is used to imply that nothing is made until it is needed by the downstream customer, and the application of a make-to-order (MTO) approach whenever possible.’

In a service (eg, customer-facing) environment this can have significant impacts upon the need for levels of the appropriate expertise at the customer front-line, impacting therefore on the nature of leadership at that interface, and that it also will need to be based on a ‘pull’ system.

Situational Leadership (SL) therefore can – if not should – be exercised in that way; ie, the manager/leader/coach (eg, in a sporting context) provides exactly, and only, what the ‘learners’ require at that moment, and in that ‘situation’. What this also means, therefore, is that you have to be equally skilled in all of those four ‘styles’, but as you will see opposite, they are not necessarily going to equally consume your time.

For each ‘situation’ you might encounter whilst ‘wandering around’ – you know, trying to be helpful – you will find an appropriate ‘style’ of behaviour based on the ‘development level of the individual’ (or team). By this I mean that you could, for example, be introducing a new member into an already

“...You need to base your new behaviours on a solid theoretical concept, so if it goes right you’ll have a good idea why...”
“Situational Leadership requires the ‘leader’ to provide exactly and only what is required at that time, in that situation”

established (and therefore skilled and confident) team – in which case it’s the individual to whom the process is applied – or you could be introducing a whole team to a new process, e.g., a communications company moving from jointing copper cables, to jointing optical fibre, when an entirely new set of skills (and confidence) is required by the whole team.

There are questionnaire sets available against which to test yourself, in terms of your own, current, predominant style (from the four choices shown), but there are some copyright issues so have a search around. Once completed, you’ll then have an indication of your own ‘development’ needs, in order to achieve an even spread of your personal competences across all four of those behavioural styles.

Going to gemba
To return to the MBWA point, however, in order to practise this, you have to be ‘in the place of transaction’ Seddon (2003), or do what Imai (1997) called, ‘going to gemba’ (gemba is the Japanese term for the workplace, the ‘factory floor’); in other words, you have to ‘Be There’, as emphasised in Fish! (Lundin and Christensen, 2001).

As a recent example, ex-policeman-turned-investigative journalist Mark Williams-Thomas emphasised that need to be out there and ‘on the ground’:

‘...he was a ‘doer’ while he was in the force: “Nothing beats getting out on the ground.” But that did not always win the support of his superiors’ (Gillespie, J., 2012, ‘I had to leave the force to expose him’, The Sunday Times, Review, 9 December, pp2/3).

Well, more fool his ‘superiors’. If you don’t – regularly and frequently – go to gemba, or get ‘out on the ground’, you’ll miss those moments, and with them your many opportunities, based on good theory, to make those helpful interventions that can make the difference in your organisation. The leadership difference.

Those ‘opportunities’ have to be made; they won’t happen by themselves. There has to be a purpose to your ‘wandering around’, and one of the key aspects to that SLM (Figure 1) is that even though you need to be equally and fully skilled (that means both competent and confident) in all four ‘styles’ – one to four – you do not spend equal amounts of time in each of them. You won’t find this in the textbooks, but if you look at the model again, you’ll see that style two – coaching – is ‘high’ on both axes; ‘directing’ and ‘supporting’.

The logic, therefore, that I would propose, is that this means you have to spend more time in that segment. I say this because unless you ‘wander’; unless you go to gemba, and regularly be in

Figure 2: The SLM and behavioural descriptors.
management services

spring 2013

Situational leadership

those places of transaction, you will not be in those 'situations' where you can 'coach' people to better performance, from the customers' perspectives. You have to Be There! Otherwise, you are totally ineffective. This does not mean 'being there' all the time, but sufficiently often that it is 'normal' for your people to see you, but not so often as to be in the way of the people getting the real work done.

The graphic above is, again, not in any of the textbooks, but I suggest – based on the two axes of the SL model itself – that it clearly shows how the time you spend on your 'intervention efforts' will be disproportionately distributed throughout those four 'styles'.

Huge potential
So, to emphasise, you need to be equally skilled in each style, but you will spend more time on one, 'coaching', than all the others. That is, if you are going to 'wander' effectively.

The SL model has now been around for more than four decades, yet whilst I believe it has huge potential for guiding managers and leaders in their workaday lives, it remains little used, and even less understood. The irony, though, is that if you look carefully, you can see it being used around you, it's just that people don't realise that's what they are doing. If they did, then they would be underpinning their behaviour with a useful piece of that 'good theory', and understand much more clearly what it is they were doing.

Sainsbury’s is a good example. As I’ve said previously (Chamberlin, 2010: 18), Situational Leadership...

‘... only provides what the developing learner requires (in terms of ‘competence’ and ‘confidence’), and it provides it at the time, and at the place, when and where they need it – in other words, at the ‘place of transaction’, or gemba.

This is an extremely important point, as in a predominantly ‘service’ environment, there is no facility for inventory – services cannot be ‘stored’, they are consumed at the moment of transaction.’

Think about when you last had a minor problem at a checkout? They don’t ask you to come back tomorrow, ring the ‘HelpDesk’, go to another queue, or treat you as ‘the problem’; the checkout person calls for assistance, and it comes, quickly, and the ‘problem’ is (in most cases by far) sorted whilst you are there. Normally quite courteously. And that’s the point about that ‘service environment’; you ‘consume’ the service at that moment of transaction. Sainsbury’s can do this because they have people – trained and responsible (team) leaders/managers – at gemba, in the place of transaction. They are ‘there’, ‘wandering around’.

Peters’ final comment

Figure 3: SLM – distribution of effort.

About the author
Until recently Dr John Chamberlin was a senior lecturer and pracademic at the Derby Business School (DBS), within the Faculty of Business, Computing & Law (BCL) at the University of Derby (UoD).

In 1996 John took early retirement from BT after 34 years in the company, the last 10 years of which he was a senior operations manager with an external workforce of up to 200 engineers and responsibility for the installation, maintenance and repair of BT’s external network; copper, co-axial and optical-fibre, covering 6,000+ square miles of the East Midlands.

Within a year of leaving he had signed on for a full-time MBA at UoD, graduating in 1999 with a Distinction (only two were awarded that year), and with the only Masters’ level prize for ‘outstanding performance’. He subsequently joined the teaching team in the Derby Business School. In 2005 he again became a full-time student to undertake his PhD entitled, ‘Reengineering Corporation Street – An Empirical Study of Business Process Reengineering (BPR) in Two Local Authorities’, graduating in January 2009.

John was a founder member of ‘Sytoc’*, the Derby Business School’s then ‘Systems Thinking & Organisational Change Research Group’, organised by colleague Gino Franco.

John’s primary academic interests are in BPR, systems thinking, management and leadership, change management, and the public sector. He is now a freelance consultant and management writer.

www.derby.ac.uk/dbs/research/sytoc or JohnSea@hotmail.co.uk
on this issue supports that disproportionate amount of
time you’ll need to spend in
those places of transaction.
When emphasising that need to
Manage By Wandering Around,
he stridently states:
‘If you are truly interested in
a distinctively increased level
of quality of whatever, and if
you are not by gross calendar
content analysis, spending fully
fifty percent of your time on that
single priority, then you do not
care about it. Pure and simple’
(Peters, 1985).
And I would concur, that if
you are not, ‘truly interested in
a distinctively increased level
of quality of whatever’ your
company or organisation does for
its customers, then what are you
interested in, and what are you
doing with your time?

“For each situation you might encounter
whilst wandering around you will find
an appropriate ‘style’ of behaviour.”

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An ethical perspective of stakeholder salience

By Dr John McManus and Simon Webley

Introduction

The Information Technology (IT) industry in Europe is highly regulated and many of the prestigious companies that operate within the industry adopt codes of ethics and codes of conduct which enforce high standards of business practice and behaviour, Langlois and Schlegelmilch (1990) and McManus, Li, and Moitra, (2007).

Many firms operating within the European software services industry use codes of ethics to define responsibilities and good conduct towards their stakeholders and equally to characterise the good conduct that the firm expects of its employees (Campbell, 2007 and Wood and Rimmer, 2003).

According to Weaver (1995), codes of ethics act to reward and punish irresponsible behaviour. As a consequence, understanding individual rational for ethical and unethical behaviour has been a cause of concern for those engaged in corporate social responsibility programmes (CSR). Scholars such as Campbell (2007), Sethi (2003) and Langlois and Schlegelmilch (1990) regard CSR programmes and ethical codes of conduct as frameworks setting out corporate principles, ethics, rules of conduct, as well as codes of practice of the firm’s philosophy concerning the corporate responsibility towards its stakeholders.

Within the context of this paper, stakeholder salience is defined as the use of power, legitimacy and urgency in relation to the ethical responsibilities of managers working within the IT industry.

The theory of stakeholder salience

Freeman (1984) published his seminal work Strategic Management: A stakeholder approach. Since the publication of this book, the concept of stakeholder management has become grounded in contemporary management thinking. Although rich in its diversity the literature seems to evade the question to what extent do managers pay attention to ethical issues in stakeholder management. In order to explain this question the salience of stakeholder theory will be examined, to explain the conditions under which managers consider ethical issues.

The literature on stakeholder theory offers a variety of definitions of how stakeholders might be identified. What defines stakeholders? Freeman’s original definition labels a stakeholder as ‘any group or
individual who can affect or is affected by the achievement of the organisation’s objectives’ (Freeman, 1984: 25).

As we examine stakeholders besides shareholders, we see various groups being highlighted by stakeholder theorists. Freeman’s original listing of stakeholders includes such diverse constituencies as owners of various kinds, supplier organisations, customer segments, employee segments, various members of the financial community, several levels and branches of government, consumer advocate groups and other activist groups, trade associations, political groups, customers, employees, and government. Hill and Jones (1992) list managers, stockholders, employees, customers, suppliers, and creditors. Clarkson (1995) lists the company itself, employees, shareholders, customers, and suppliers as primary stakeholders, with the media and various special interest groups classified as secondary stakeholders. Donaldson and Preston (1995) includes investors, political groups, customers, employees, trade associations, suppliers, and governments. McManus (2005) includes shareholders; employees of all types can consider suppliers, customers, and governments, competitors, and activist groups as key stakeholders.

Also in the literature are a number of narrow definitions that attempt to specify stakeholders in ways that managers can not completely reconcile. For example references to the general public (Hill and Jones, 1992), as well as the natural environment (Buchholz, 1993). Mitchell Agile, and Wood (1997), give a list of 27 definitions of the term stakeholder used from 1963 to 1995 showing the intention of researchers to answer the fundamental question of which entities can be defined as stakeholders that deserve the managers’ attention.

In the context of this paper and within stakeholder salience theory, power, legitimacy, and urgency are independent attributes of stakeholders used to define the firm’s relation to these groups.

Power refers to the ability of a stakeholder to influence the firm’s survival based on ownership of and access to resources. According to Willer et al (1997), power is defined as: ‘the structural determined potential for obtaining favoured payoffs in relations where interests are opposed’. In this context power is structurally determined in that who is dependent on whom and how much determines who as power. According to Wartick and Mahon 1994), power is the most critical dimension to stakeholder management, and hence he recommends great care in recognising and monitoring relationships with those stakeholders holding greatest power.

Legitimacy refers to socially accepted and expected structures or behaviours (Mitchell, 1997). Urgency is implicit in the way stakeholders are managed and to what extent their claims are dealt with before the relationship is jeopardised. Urgency also, refers to the importance of a claim or the relationship to the stakeholder and the degree to which a stakeholder claim is given attention.

As stated, the broad view of stakeholder theory focuses on a stakeholder’s ability to influence an organisation’s behaviour, direction, process or outcome, and focuses on power, legitimacy and urgency of the stakeholder in question. These key variables are used to define stakeholder salience. The more a stakeholder possesses these attributes, the higher its salience perceived by the management. Agle, Mitchell and Sonnenfeld (1999) and McManus (2004) have researched this relationship, arguing that the attributes are not just binary but variables operating on continua.

Research question

Academics such as Winn and Keller, (2001) McManus, (2004) and McManus (2007) argue that some stakeholders possess these attributes but what truly defines stakeholder salience is the degree to which stakeholders possess these attributes.

Neville, Bell and Whitwell (2004) have attempted to address the question of whether the simple addition of the individual levels of attributes will lead to an accurate assessment of stakeholder salience.

The research question underpinning this paper is articulated as: ‘to what degree stakeholder salience is practiced within the global IT industry?’

Methodological approach

Sample and data collection

The study was conducted in the global IT industry, a rather unexplored business sector. IT firms specialise in the provision of software and computer services and technology hardware and equipment, McManus, Li and Moitra (2007).
In this industry, ethical decision making is a significant and recurrent challenge at the management level, Petrick and Quinn (2000). The global technology industry is subjected to diverse and recurrent governance and legislative pressures. According to Sethi and Sama (1998), it belongs to the category of highly regulated and mature industries, subjected to extensive governmental regulation and reporting requirements, focus of media attention and concern of informed public interest groups and individuals. As a consequence, this industry is expected to perform with a high level of compliance. Evidence would suggest experienced CEO and other managers in their day to day business experience a more disjointed picture.

The study concentrated on a number of European IT firms as classified in the Global Industry Classification Standard (GICS), Table 1, (see also Appendix A for firms sampled).

These European firms were considered the most visible within their sector and hence probably the most significant in terms of market share, research and development and investment as perceived by their shareholders, investors, customers and sector business analysts.

The research adopted an inductive and exploratory approach which involved reviewing the firm’s websites, searching for published formal documents which address ethical and stakeholder salience issues, for example, annual reports are the most commonly used method to communicate codes of ethics to external stakeholders.

In addition a number of interviews were conducted to collect data on business issues and events which influenced ethical decision making.

The data collection and review process took place over 58 weeks (July 2008 until August 2009) to pull together issues and events that involved stakeholder and ethical salience content. The methodology also incorporated semi-directed question and answer sessions (by telephone) with both operations and functional managers.

The data and information from the websites, documents within the public domain, and other documented evidence collected was triangulated to enhance the validity of the conclusions.

From the information collected there is some evidence to support the view that stakeholder salience is an area of increasing concern to ICT firms operating in Europe.

### Analysis

Previous research suggests that there is not much empirical work in the field of stakeholder salience; it is likely that firms and their managers are not willing to discuss issues involving stakeholder salience (Trevino, 1986).

As stated, data collection started with visiting the web pages of the firms and searching for documents within the public domain which assisted in identifying ethical and stakeholder salience.

In identifying stakeholder salience issues, consideration was given to the relationship and interrelationship between groups within firms. Many of the firms examined operate in a highly regulated environment where ethical risk is mitigated through codes of behaviour. Corporate codes of ethics tend to define the responsibility of

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**Table 1 Sample of European Information Technology firms (Global Industry Classification Standard for Information Technology).**

<table>
<thead>
<tr>
<th>Code 4510 Software and services</th>
<th>Code 4520 Technology hardware and equipment</th>
<th>Code 4530 Semiconductors and semiconductor equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAMPLE 1</td>
<td>SAMPLE 2</td>
<td>SAMPLE 3</td>
</tr>
<tr>
<td>Number of firms in sample</td>
<td>Number of firms in sample</td>
<td>Number of firms in sample</td>
</tr>
<tr>
<td>14 (58%)</td>
<td>3 (13%)</td>
<td>7 (29%)</td>
</tr>
</tbody>
</table>

“Power refers to the ability of a stakeholder to influence the firm’s survival based on ownership of and access to resources.”
a company towards various stakeholders. Firms examined tended to adopt a rule based system to regulate ethical behaviour, rather than an approach that is grounded in principle behaviour.

Although there is only a limited amount of literature on applied ethics within the IT industry, evidence would suggest participation by members in the formulation of ethical codes is likely to encourage compliance and acceptance. Farrell and Cobb (2000, p.23) suggest: ‘Where addressees (or to a lesser extent their representatives) are authors of ethical codes they are more likely to perceive themselves as having a proprietary interest in the code and thereby more likely to conform to its behavioural directives’.

Using the terms previously defined by Willer et al (1997) and Mitchell (1997), the degree of stakeholder salience was identified in relation to the attributes of power, legitimacy and urgency. The analysis focused on salience within and between stakeholders within each group (Table 2).

**Discussion**

The model of stakeholder salience outlined in Table 2 provides some insight into how salience is perceived within the groups. Windsor (1992) points out stakeholder theorists differ considerably on whether they take a broad or narrow view of a firm’s stakeholder universe. It could be argued that the global technology industry is characterised by risk and innovation (McManus, 2004 and McManus, 2005).

Clarkson (1995) offers a definition of stakeholders as voluntary or involuntary risk bearers. Voluntary stakeholders bear some form of risk result of having invested some form of capital human or financial, something of value in a firm. Involuntary stakeholders are placed at risk as a result of a firm’s activities. Without the element of risk there is no stake. According to Mitchell et al (1997) a stake is only something that can be lost. The use of risk to denote stake may be viewed as a mechanism to narrow the stakeholder arena to those with legitimate claims, regardless of their power to influence the firm or the legitimacy of their relationship to the firm. In this context legitimacy is essential to understand the firm’s environment but it may also blind us to the real impact of stakeholder power. In essence the attributes of power, urgency and legitimacy defines the framework into which we group stakeholders.

In the literature stakeholders are addressed and described in various ways (Freeman 1984, Savage et al 1991, Brenner 1991, Donaldson and Preston 1995 and McManus 2005). Within the software industry three stakeholder groups were identified as being critical to the overall structure of the industry (Table 3). The first category consists of customers, employees, and suppliers. The second category consists of government, legislative bodies, regulators and unions. The final group consists of owners, providers of capital and competitors (Table 3).

As noted in Table 3, within the categories there is a high degree of stakeholder salience. Perhaps the easiest and most straightforward distinction is between stakeholders inside the organisation and those outside. The most frequent stakeholders addressed in the literature are customers, suppliers, employees, government and shareholders. Mahoney (1994) divided stakeholders between those who are active and those whom are passive. Similar to Donaldson and Preston (1995) Mahoney identifies active stakeholders as those able to participate in the organisation’s activities. Employees obviously fall into this active category but some parties outside the organisation may also fall into this category, such as regulators and as such tend to have a high level of salience. Passive stakeholders do not normally seek to participate in an organisation’s policy making. However, passive stakeholders such as shareholders and government are no less powerful when it comes to looking after their own self interests or managing their own concerns (McManus, 2004).

In identifying stakeholders, power and legitimacy are perceived to be core attributes of the stakeholder identification model (Mitchell, Angle and Wood, 1997). Extending the argument

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Salience</th>
<th>Software and Services Firms GROUP 1</th>
<th>Technology Hardware and Equipment Firms GROUP 2</th>
<th>Semiconductors and Semiconductor Equipment Firms GROUP 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power</td>
<td>High level of power derived from specialist knowledge within the industry and between primary and secondary stakeholder groups.</td>
<td>Moderate level of power. Highly reliant to some degree on economic prosperity of primary group 1 stakeholders.</td>
<td>Low to moderate levels of power. Low level of primary involvement between primary stakeholder groups.</td>
<td></td>
</tr>
<tr>
<td>Legitimacy</td>
<td>Behaviours of stakeholders subject to ethical policy and internal codes of conduct. High level of regulation and corporate accountability. Moderate levels of regulation. Corporate accountability less rigorous than groups 2 and 3.</td>
<td>Behaviours of stakeholders subject to ethical policy and internal codes of conduct. High level of regulation and corporate accountability.</td>
<td>Behaviours of stakeholders subject to ethical policy and internal codes of conduct. High level of regulation and corporate accountability.</td>
<td></td>
</tr>
<tr>
<td>Urgency</td>
<td>High level of stakeholder engagement between primary and secondary stakeholder groups.</td>
<td>High level of stakeholder engagement between primary and secondary stakeholder groups.</td>
<td>High level of stakeholder engagement with primary stakeholders.</td>
<td></td>
</tr>
</tbody>
</table>

Table 2: Stakeholder salience within groups.
of stakeholder salience the normative view argues that organisations should accommodate stakeholder concerns, not because of what the organisation can make in profit but because it should observe its moral and ethical responsibility to each stakeholder.

In analysing stakeholders within Table 3, particular attention was paid to those stakeholders frequently cited in the ethical business literature. The group of stakeholders most often addressed is linked to customers, employees, suppliers, government, and regulators.

In the concluding part of this paper, the authors explore the role and involvement of customers, employees, suppliers, government, legislative bodies, regulators and unions.

### Table 3: Summary of stakeholder groups and levels of power, legitimacy and urgency.

<table>
<thead>
<tr>
<th>Stakeholder Category</th>
<th>Sub Group and Priorities</th>
<th>Power</th>
<th>Legitimacy</th>
<th>Urgency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category 1</td>
<td>Customers: Product and service quality</td>
<td>High</td>
<td>High</td>
<td>Moderate</td>
</tr>
<tr>
<td></td>
<td>Employees: Fair treatment</td>
<td>High</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td>Suppliers: Contracts and schedule</td>
<td>Moderate</td>
<td>High</td>
<td>Moderate</td>
</tr>
<tr>
<td>Category 2</td>
<td>Government: Taxes and legislation</td>
<td>High</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td>Legislative bodies: Quality Assurance and Compliance</td>
<td>High</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td>Regulators: Compliance and liability</td>
<td>High</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td>Unions: Wages and pensions</td>
<td>High</td>
<td>Moderate</td>
<td>High</td>
</tr>
<tr>
<td>Category 3</td>
<td>Shareholders: Share price and dividends</td>
<td>High</td>
<td>High</td>
<td>Moderate</td>
</tr>
<tr>
<td></td>
<td>Capital providers: Interest and ROCE</td>
<td>High</td>
<td>High</td>
<td>Moderate</td>
</tr>
<tr>
<td></td>
<td>Competitors: Market share</td>
<td>Moderate</td>
<td>Moderate</td>
<td>High</td>
</tr>
</tbody>
</table>

“There is some evidence to support the view that stakeholder salience is an area of increasing concern to ICT firms operating in Europe.”

### APPENDIX A: List of sampled firms.

<table>
<thead>
<tr>
<th>Firm</th>
<th>Classification</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATOS ORRIGIN</td>
<td>Software and services</td>
<td>UK</td>
</tr>
<tr>
<td>CAPITA</td>
<td>Software and services</td>
<td>UK</td>
</tr>
<tr>
<td>DASSAULT SYSTEMS</td>
<td>Software and services</td>
<td>France</td>
</tr>
<tr>
<td>DATA LOGIC</td>
<td>Technology hardware and equipment</td>
<td>Italy</td>
</tr>
<tr>
<td>EXACT SOFTWARE</td>
<td>Software and services</td>
<td>UK</td>
</tr>
<tr>
<td>FUJITSU</td>
<td>Software and services</td>
<td>UK</td>
</tr>
<tr>
<td>GFI INFORMATIQUE</td>
<td>Software and services</td>
<td>France</td>
</tr>
<tr>
<td>IBA HEALTH</td>
<td>Software and services</td>
<td>UK</td>
</tr>
<tr>
<td>IBM EUROPE</td>
<td>Technology hardware and equipment</td>
<td>France</td>
</tr>
<tr>
<td>INFINEON TECHNOLOGIES</td>
<td>Semiconductors and semiconductor equipment</td>
<td>Germany</td>
</tr>
<tr>
<td>INTERMEC</td>
<td>Semiconductors and semiconductor equipment</td>
<td>UK</td>
</tr>
<tr>
<td>HEWLETT-PACKARD FRANCIA</td>
<td>Semiconductors and semiconductor equipment</td>
<td>France</td>
</tr>
<tr>
<td>LOGICA</td>
<td>Software and services</td>
<td>UK</td>
</tr>
<tr>
<td>NOKIA</td>
<td>Technology hardware and equipment</td>
<td>UK</td>
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About the authors
Dr John McManus is an award winning author at the University of Staffordshire. Dr McManus lectures and researches in strategic management, business ethics and CSR. Simon Webley has been Research Director at the Institute of Business Ethics in London since 1998. He has published a number of studies on codes of ethics, the most recent being ‘Employee Views of Ethics at Work’ (2009), ‘Religious Practices in the Workplace’ (2011) and ‘Corporate Ethics Policies and Programmes’ (2011). In 1993, he compiled the Interfaith Declaration on International Business Ethics.
To All Corporate Members  

**Elections to Council of Management**  

At the Annual General Meeting to be held on Friday 18 October 2013 the following members of the Institute’s Council of Management will retire. They are, however, all eligible for re-election:

- John Lucey
- John Heap
- Malcolm Towle
- Andrew Muir

Nominations for the vacancies so caused may be made by submission to me at the Institute’s Head Office, Brooke House, 24 Dam Street, Lichfield, Staffordshire WS13 6AA not later than 5pm on Saturday 6 April 2013 on the form overleaf. Will you please note that the nominee must be a corporate member of the Institute and be nominated by two other corporate members. Nominees must sign the undertaking to accept office if elected and provide details of themselves which may appear on the ballot paper.

In the event of the number of nominations exceeding the number of vacancies, ballot papers will be despatched to all corporate members on Monday 3 June 2013. The closing date for receipt of voting papers will be 4 July 2013 and the results of the election will be declared at the Annual General Meeting on Friday 18 October 2013.

The nomination form overleaf may be photocopied to avoid damaging your journal. An acknowledgement will be sent to the nominees as soon as the form is received.

The following notes outline the general duties and responsibilities of a Council member:

The Institute is a company limited by guarantee and is governed by the provisions of the Companies Acts. Its Memorandum and Articles of Association specify what it may do and how it should conduct its affairs. The business of the Institute is managed by the Council of Management who may do anything within the Memorandum and Articles of Association which is not contrary to any statute or is not required to be done by members in general meeting. This responsibility is a collective one and Council normally act through Council meetings. Council may of course delegate to committees or individuals but it has the final responsibility.

Council members are in a fiduciary relationship to the Institute and must exercise their powers for its benefit using reasonable diligence and care. They are required to take proper account of the interests of the Institute’s employees, as well as its members. They act as agents of the Institute and only become personally liable if they authorise any act or expenditure outside the Constitution. They may not receive any remuneration or benefit as Council members except out of pocket expenses; this includes benefit of any contract with the Institute by a company of which they own 100th of the share capital or more.

Apart from presenting annual reports and accounts and appointing certain officers, the Memorandum and Articles of Association lay no specific duties on the Council. Its responsibility is a general one of running the affairs of the business. Any individual responsibility springs from authority given by the Council and this will clearly vary from time to time. Council members are expected to serve a four year term of office and to attend all Council meetings (normally two or three each year). To be a member of at least one committee (meeting three or four times a year) and to represent Council at region, or specialist group meetings if called upon to do so.

John Lucey  
Secretary

**Note:** Candidates must enclose a good quality photograph of themselves and up to 50 words indicating why they wish to be elected to Council. This, together with the photo, will be published in the Summer Journal. Candidates must also let me have a maximum of 150 words giving details of their industrial/public service/professional experience relating to Management Services and/or past service to the Institute which will appear on the ballot form. If necessary, please add an additional sheet to accommodate your details.
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**Current office(s) in the Institute**

**Why I wish to be elected to Council (50 words max.)**

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**I hereby agree to serve on Council should I be elected thereto. The details given about Myself are true and correct in all respects**

**Signature:**

**Date:**

**NOMINATED BY**

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Administration provides the foundations upon which business functions are built. In any type and size of organisation in any sector, every employee is involved in basic administration. The purpose of administration is to enable all other business functions to achieve corporate and departmental objectives. Administrative activities are closely linked to customer service. The effect of poor standards of administration puts the public image at risk resulting in loss of clients (customers).

Every member of staff has a responsibility to ensure that administrative tasks are carried out accurately and on time. Inaccurate work by one person can create problems further down the line. It can also cause inconvenience to clients, resulting in a tarnished image and loss of profitability. Policies for key activities may be needed. Systems must be designed and procedures worked out in line with policies.

Policies
The needs of each business vary. The following list gives a few examples of policies that may be needed:

- **Communication systems** – computer networks, telecommunications, methods of contact with staff working from home or travelling;
- **Information and records** – filing and archiving locations, retention of records;
- **Human resources** – selection and recruitment of staff, health and safety, welfare, employee relations;
- **Legal matters** – ensuring compliance with legislation throughout the organisation.

A central administration department may include monitoring and ordering supplies, transport, travel arrangements. Many managers now produce their own letters and emails. There should be a policy to ensure that all outgoing letters and emails to clients are checked for accuracy and presentation.

Policies should always be discussed and subsequently made known to the staff who are required to implement them and the staff affected by them. Some policies should be written especially when they involve finance and/or legal matters, including those relating to clients. Content must be clear, consistent and fair to all.

All policies should contain the following information:

- The purpose of the policy;
- Who it is intended for;
- Details of the policy under clear headings;
- Situations when the policy may or may not be applicable;
- Exceptions to the policy;
- Time scales;
- Reporting procedures.

It is important to check that there is no overlap of policies that could cause confusion, or gaps that could provide a loophole for ignoring a policy. Standardisation of the process of creating policies, of wording, of presentation and
informing staff is helpful. Not all policies need to be written. A sales department must have someone there throughout working hours so lunch breaks must be staggered. The manager can set this policy and inform staff by an email rather than a formal document.

The single most important policy in any organisation is communication. The policy should be corporate and apply to every employee. Effective, efficient, clear communication with clients, suppliers, staff in all departments and internal and external service people is fundamental to the smooth oiling of the wheels of business. The quality of services and products creates the reputation of an organisation, all to no avail if communication is poor and/or inadequate.

A few examples of some key points that may be included in a communications policy are listed below.
- What types of information need to be communicated by whom, to whom, when, by what means.
- Key points which should be discussed and/or informed down the line from directors to junior staff, by what methods.
- Information that should be communicated up the line, by what means.
- The need to confirm in writing (usually email internally) all key items of discussion on which decisions have been made in meetings to be passed down the line by briefing meetings.
- Allocation of responsibility and authority for communication with the media.
- House styles for all types of documents, both hard copy and on websites with guidance on design for easy reading, comprehension and quick reference at a later date.
- Communication with trade unions should be agreed with the various levels of union membership, eg, regional and shop floor representatives.

Lack of clearly defined policies from which stem systems and procedures leaves the door wide open for dissatisfaction, rumour and a ‘them and us’ attitude which may lead to poor motivation and poor industrial relations. To achieve effective, ie, accurate and timely communication, training is essential. It is time and money well spent especially in a recession when there is constant change and anxiety.

Many managers resist written policies, considering them to be constraints against allowing people to use their judgement and initiative. This may be true in some instances and a decision has to be made on the need for a written policy. Whether written or not it must be monitored to ensure compliance.

**Systems and procedures**

A system is only as good as the people who work with it and only useful if it is kept up-to-date. With the ongoing development of technology, regular change is inevitable. Everyone must know what they may and may not do, at what points individual judgement may be used and what aspects of the system are sacrosanct. The methods by which information is presented for processing necessarily affects the system which must be geared to the needs of the people who use it. Training to operate systems using the correct procedures is essential.

Procedures are the means by which systems are operated. When establishing or reviewing a system one looks at the whole
spectrum. When establishing or reviewing procedures each step must be validated. A change in one tiny detail could well invalidate all the other details in a procedure. All systems and procedures should be designed to provide a standard method of achieving results, no matter who operates it. Individual initiative should not be stifled but certain rules must be followed to achieve consistency of action, standards and benefits. No individual should make changes without consultation and agreement of the people appointed to authorise changes.

Regular review of systems and procedures is essential even when they are working well. Whenever possible they should be designed to accommodate enlargement. New systems may be necessary and there may be a case for parallel systems to be run for a time, especially when electronic processing is involved. Dates for review should be set for suitable frequency.

Procedures should be written in clear language. Jargon should be avoided unless the procedure is to be used by people familiar with it. Examples of procedures commonly used – applying for leave, ordering goods, reporting accidents (required by law), operating machines and procedures including interim and final deadlines, activity scheduling including equipment, standardisation of equipment, policy for purchasing equipment to be controlled at a central point; guidelines for training to ensure staff technological expertise is regularly updated.

**Standards**

‘What you will accept is what you will get’. Perfect work is usually desirable but an unrealistic expectation. Legal documents, drug formulae, medical records and financial documents for example, require total accuracy and perfect presentation. It is important to determine what must be 100% perfect and what may be acceptable if it is a little below triple A. If an organisation requires suppliers to give details of their quality standards and control, it also has to live up to those standards.

The concept of TQM (Total Quality Management) is that everyone in the business is serving someone. Clients are top of the list but departmental staff within the organisation also need top quality service. The commitment of every staff member, no matter what their role, is essential.

**Costs**

Administration is regarded as non-productive and therefore non-profitable. Budgets are usually very severely constrained, resulting in failure to provide a top standard foundation on which the functions of an organisation rely. Costs must be constantly borne in mind. Costing a task, eg, preparing policies, systems and procedures, highlights the need for the highest standards of work to be maintained from the outset. Duplication of work, constant changes to solve problems that evolve through lack of thought at the development stage, all create losses. It is cheaper to get things right in the first place, even if extra time has to be taken, than picking up pieces when a problem arises. Cross training of staff to provide backup, eg, for absence through illness or holidays, may cost but may ultimately save money as fewer staff may be needed. It should not be necessary for a client to be told that ‘Fred is away today’. All administrative staff should know the organisation – its products and/or services, key people and what they are responsible for, its corporate objectives, image and culture. This is particularly important in jobs such as project liaison officer, telephone operator and receptionist.

**Staff**

Administration staff are often in the firing line because of the attitudes of staff in other departments to the administrative function itself. Managers may regard administrative duties such as returns of statistics as time-wasting bureaucracy. There must be a sound purpose with precise objectives for the activity. If a manager considers that in a particular task this is not the case its necessity should be questioned.

**Management of administration**

Use the tools available – activity scheduling including interim and final deadlines, checklists, action sheets, written procedures. Analysing mistakes that occur to avoid recurrence is a cost saving. Monitoring systems should be adhered to rigidity so that mistakes can be identified and corrected as quickly as possible.

Efficient administration is fundamental to the success of any organisation of any size in any place. It cannot lead a badly managed organisation into success but poor administration can spell its death knell.

This article is an update on the chapter on administration in *The Management Services Handbook* (1991 2nd edition).
One of the easiest ways to get into trouble when initiating change is trying to do it too quickly. Change takes time. Big change takes a lot of time and trying to force it through a narrow time window is like forcing a square peg through a round hole – you might get it through, but you won’t have what you were expecting in the end.

When Kurt Lewin wrote his piece entitled *Frontiers in Group Dynamics* (1947), he explained his three step change process. It was simple (though sometimes criticised as being too simple) and easy to remember: Unfreeze-Change-Freeze.

Lewin’s contribution to change management was important, however, the central focus of his work was on the social sciences gaining the credibility of the harder sciences. He would be proud today, more than 50 years after his passing, to see them studied, not just by social scientists but also by men and women of business. They understand that change is a constant (a cliché, but true) and in dealing with change, the most important part is changing culture – how people feel and act, their values. All of this lends credibility to Lewin’s work from so many years ago.

John Kotter, the former Konosuke Matsushita Professor of Leadership at...
Leading change


In this article he introduced what has become the Kotter eight-step change management model (though written from the perspective of what not to do). Kotter’s point seven was ‘Declaring victory too soon’ (1995). Or not giving enough time to the change process.

As he wrote, ‘Real transformations take time… the change can take 5-10 years, don’t declare victory too early.’ We must remember to be patient and if we want the change to be successful, whether it is large or small, we must give it the time that it needs to fully mature.

Now, Kotter was writing about transformational change and Lewin about the general issues of changing human behaviour. I would like to discuss organisational change, considering large and small changes in a similar way.

As Michael E Porter, Harvard Business School professor, wrote in The Competitive Advantage of Nations, ‘Companies achieve competitive advantage through acts of innovation’ (1990). While a product innovation might allow a company to remain relatively unchanged, innovation in the way things are done will necessarily require a company to change. Since all companies seek competitive advantage, they must all deal with change. Although as quality guru W Edwards Deming said, ‘Change is not necessary. Survival is optional’.

One bite at a time

I would like to propose a new change management model, one that takes into account something that Lewin hinted at but did not fully explore and one that Kotter addressed but not in quite enough detail. This change management model incorporates the issue that change is always with us. While I cannot predict the future with complete certainty, I do believe that change is, and will remain, a constant issue with which management needs to deal.

There is an old riddle that goes ‘How do you eat an elephant?’ The normal response to this riddle is ‘do not eat it’ but the proper answer is to look at the task of eating an elephant the same as you would eating an apple. To eat an apple, you do not just shine it in your mouth – it is too big. Like an elephant, you eat it one bite at a time. And so it is with leading organisational change. The change must be broken into pieces which are small enough to be managed individually. When we break anything large into small pieces, we gain a different perspective. It is easier to understand something smaller and less complex than it is to understand something that is big and complex.

Everyone in the organisation must understand what is being changed, so we should break the overall change into pieces which can be easily understood and easily measured. To borrow a saying often credited to Peter Drucker, ‘what gets measured, gets done’. Keep things small to keep them measurable and manageable.

However, this elephant metaphor starts to break down because an elephant is a fixed (albeit great) size. Since the size is fixed, if we eat one bite at a time, eventually we would finish the elephant and be done. Project management would serve us well here since projects have an end point. However, organisational change is not fixed in size. A better way to look at change is something which is ongoing, in perpetuity. Organisations change in so many ways. They change strategy, operational procedures (e.g., empowerment), people (e.g., training and motivation) and even the technology used on a daily basis. We change in response to both internal and external changes and since the business environment is in a constant state of flux, we should plan on changing constantly as well.

“The change must be broken into pieces which are small enough to be managed individually.”
We must, therefore, implement an extreme form of iterative project management. We have already said that due to the constantly changing environments there will be no end date for organisational change. So, project management will not bring us everything we need. However, it helps us in our efforts. Accordingly, we consider one small aspect of the organisation that we want to change and we start there. This will be the first iteration of our new culture of change.

The change process
There are many options when looking at project life cycles and project management methodologies. For example, consider the waterfall methodology. This tends to work well on smaller projects where there is less likely to be change. Lewin’s model works this way: Step 1: Unfreeze; Step 2: Change; Step 3: Freeze. Follow the steps one, two, three and you are done. However, with organisational change, you are never truly done.

Kotter’s change management model is a little different in that it includes the steps of planning for and ensuring small wins (his point six). We could see this as (slightly) more of an iterative methodology, though the intent seems be looking at the change itself as one large task (with a clear end-point) but it is broken down into smaller tasks. This is not completely accurate but the idea of the small win is clearly stated. That said, Kotter’s work is clearly focused on transformational change, which is far from the only change with which organisational leaders need to contend.

As organisational leaders, we see that something is not quite right. We decide that we need to change or we will not survive. Big or small, all changes should be seen as critical to the continuation of the business. If they are not, then we must reconsider if they are worthy of our attention. If they are critical, then we must ensure everyone in the organisation understands the importance. The people must see this importance as genuine. Hyperbole and corporate-speak will not convince them. The truth, communicated effectively, will.

To begin the change process, we must know where we are currently and where we want to be. With the starting and ending points identified, we must create the interim steps or smaller bites. Each of these smaller bites should follow this model: Plan-Do-Stabilize-Repeat.

Plan
As the old saying goes, ‘if you don’t know where you’re going, how will you know when you get there?’ You need to identify everything that needs to be done. This includes planning for motivational and informational communications, leadership activities and behaviors, system changes, training, etc.

Planning can, and should, be done for the overall ‘master plan’ of change but the individual bites must also be planned quite carefully. Each situation will require careful analysis. When planning, it is important that the manager has the support of his superiors. This is less of an issue if the change is organisation-wide, as in a transformation (though the CEO must still make sure the board is involved and supportive).

However, for departmental changes, there is an issue, also brought up by Lewin, that a parent group
Leading change is about planning (and doing).

Difference (2011). Leadership Leadership – What's the Management vs. Change posted on Forbes, Change sentiment of Kotter in a video (Muller, 2011). This is also the making a change successfully leadership is a requirement for Bitney Bowes, said, genuine decisions they can.

Planning is to think carefully before acting and leading means being in front of others. The two go hand-in-hand; at least they should. Even leadership style must be planned out. What kind of leadership style is most appropriate in each situation? A change may (and likely will) require the flexibility to use different styles at different moments. Daniel Goleman (2000) found through his research that one third of organisational performance is accounted for by the climate of the organisation and the style of leadership chosen at different times will strongly affect that climate.

Do
After your plan is complete (for this step), it is time to implement it (time to chew this bite). This is when you start training your people for the actual change. Many companies train their senior managers and let the training trickle down to the workforce. However, consider what Xerox learned from their quality management initiative so many years ago. They trained everyone, all 100,000 workers. This training paid off handsomely for the organisation. Because all of the employees were trained, they all understood exactly what the plan was and they all understood what their part was in the change.

It is easy to see few words dedicated to the Do stage and think that this is the easy part. Nothing could be further from the truth. The Do stage is the implementation of the Plan stage. Since the Plan stage will naturally be different from one organisation to the next, it is difficult to explain what you should do, other than do what you planned to do.

Stabilise
After the change bite is complete, it is time to stabilise – to make permanent the change just implemented. It is important that the change does not get rolled back, and that it is considered the new normal. There is the constant force of tradition fighting against the change being permanent. Communication is key here. Everyone must understand and be clear that this change is not something the organisation is trying on for size but rather that it is the way things will be done from now on.

Repeat
It is time to start the process all over again. The team members (and everyone else) must understand that change is something that the organisation does constantly and that flexibility is required from everyone. During the stabilisation phase, it is important that leadership does not communicate ‘this is the one right way and it will never change’. Everyone in the organisation, and those outside like customers and key suppliers, must understand that change happens all the time.

Communicate constantly
Information must be communicated, and done so consistently and correctly, in order to ensure everyone is operating in harmony. Making sure people know what is expected of them is critical. If people do not know, they will not only remain uncommitted to the change but they will likely end up being inept at their function because of their lack of knowledge.

Communication is so critical to the change effort that it is actually listed in this model on its own. Simply wishing the change into place might be great on the metaphysical level but in the trenches, it takes real work and to get
the real work out of the workers, the workers must be clear and they must be motivated. Both of these things take communication.

If workers are empowered, make that clear. Reinforce it through repetition. Saying something once can be taken as ‘say for saying’ but like marketing, it is repetition which gets through to people and makes a connection. To be clear, communication does not simply mean calling a meeting and standing up in front of everyone and giving a speech. Nor does it mean putting out a newsletter once a quarter or monthly. Communication includes all of your words and all of your actions. Remember, the old maxim that most communication is non-verbal.

Leadership activities and behaviour are part of the communication process. Only when the workers (and other managers) see those above them ‘walking the walk’ will they get on board and commit themselves to the change process. All leaders must show in every word and every deed that this change is a serious change and is not being done as a fad. If workers see leaders who are not committed, they will be hesitant to commit themselves.

Communication also plays a central role in motivation. Making employees see how they will personally benefit from the change is how we ensure the change happens and is successful. People fear change, not because they don’t want what is on the other side but because they do not know what is on the other side. They wonder if they will be out of a job. They wonder if all of their expertise will be worthless and they will have to start over as a novice.

Vroom’s expectancy theory (1964) tells us that the force of someone’s motivation to do X is driven by their desire for the outcome Y and the likelihood that doing X will result in outcome Y. Even if someone really wants the outcome, if they do not believe it will happen simply by their doing the action, they

“The people who best understand a process are the people performing the steps of the process every day.”
will not be motivated to perform. You must know what will motivate your workforce, and everyone will be different, but once you do know, you must make sure your communications support that motivation and not work against it.

Motivation efforts will not solve all problems. It might not even solve the problem of an unmotivated employee. Motivation, like trust, is not something you can force someone else to feel. The best that you, as a manager, can do is to provide the best environment that allows those who desire to motivate themselves to do so.

Communication is not just for employees; it is also for those outside the organisation. Key suppliers and customer must be engaged in the change process insomuch as it affects them. If your change affects key stakeholders, make sure you bring them in early in the process and keep them informed throughout the change process.

Empower

There is a saying that people do not resist change, they resist being changed. Change is something we must live with but we must not force the change upon the workforce. It might feel natural that those higher up with a greater sense of vision and understanding should make the decisions but that thinking fails to take advantage of several benefits available. As Deming teaches us, the people who best understand a process are the people performing the steps of the process every day. By empowering the workforce, by putting the decision-making authority in their hands (and heads), you get the extra benefit of simply having more brains working on a problem.

One way to make sure that the employees understand how they will personally benefit is to let them design the change themselves. This removes one of the great headaches of many managers – not knowing what the workers really want. If management makes the decisions and the decisions must motivate the workers by appealing to something they care greatly about, then management must understand what those workers really care about. By empowering them, you move that responsibility from management, where it is difficult at best to accomplish, to the workers where it is quite simple.

Empowering workers puts the overall responsibility where it belongs – on the shoulders of those who best understand. If you are concerned that your workers are not the ones who best understand, then you must address that through training. Businesses have always been structured to support the decision makers. If the CEO makes all the decisions, then the CEO has access to all of the information and much of that information is provided by the workforce. Through empowerment, we reverse those roles and the workers now have access to all of the information and that information will be provided by management, including the CEO. This is called servant-leadership.

Conclusion

Successfully managing change is far from impossible. It does take careful planning and communication and proper resource allocation (especially time but also other resources) to make it happen but following these steps can increase your chances of success.

Plan-Do-Stabilise-Repeat (plus empower and communicate constantly). Skipping a step or giving a lower importance to one of them is to be avoided. Plan your change very carefully. Do your plan. Stabilise to ensure the changes become the new normal and systems do not revert to the old ways. Repeat the process until you no longer see an important reason to change. Empower your workforce to gain their commitment and communicate constantly to ensure that everyone is working in the same direction and to minimise any counter-force like tradition which seeks to undermine the change effort.

“Information must be communicated, and done so consistently and correctly, in order to ensure everyone is operating in harmony.”

References

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

What Next?
Contact the IMS for an application form
W: www.ims-productivity.com
E: admin@ims-stowe.fsnet.co.uk
T: 01543 266909
Brooke House, 24 Dam Street, Lichfield, Staffs WS13 6AA