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Like many organisations, the Institute must continue to develop and diversify to keep pace with market changes.

In the last issue, I made reference to the economic recession and the impact it was having on businesses. It seems that we are being advised of failures, almost on a daily basis, and no business is immune.

The latest in a long line of casualties is Jessops, the high street camera and photographic chain. Although recently taken over by Peter Jones of Dragon’s Den fame, its downfall has been attributed to its failure to fully recognise changes in shopping behaviour and the rise of that technological phenomenon, internet shopping.

Whilst Jessops has failed to take advantage of the internet, there are many businesses that have. Amazon is one. Its founder Jeff Bezos started in a garage in 1995 and used the internet to meet customer demands by shipping books worldwide. Over the years Amazon has fully exploited the opportunities and advancements in this technology and as a result, has become the world’s biggest online retailer.

Another business that is bucking the trend and doing well is Lego. When most companies are holding tight to ride out the recessionary storm, Lego’s profits have soared. Exploration of the global market, particularly in Asia and Europe, has boosted profits. It is interesting to note that Lego’s success can be attributed to factors other than technology. Sales increased by almost 700% after David Beckham admitted building a Lego Taj Mahal during his down time between football clubs. Proof that (free) celebrity endorsement can be the best profit boost of all!

WH Smith is another business that is embracing advancements in technology to improve its productivity and exploit the global market. It is heading to China after striking a deal to open 30 kiosks at railway stations, bus depots and airports in and around Shanghai. With airports being built at such a rate, it could be a very lucrative venture for the company.

Achieving excellence
At the Institute we are also keen to take on board advancements in technology and we continue to improve our systems. We recently updated our membership database and have an ongoing programme for improving the Institute’s website. We are monitoring the hits on the website which has shown that in addition to the UK, Cyprus, United Arab Emirates, Indonesia, India, and Sri Lanka have featured prominently. This provides valuable information on potential new markets for members.

Exploiting innovative technologies is not a new phenomenon – at a recent visit to Andrew Carnegie’s birthplace in Dunfermline, I was intrigued to learn that he reduced the manufacturing time of a single steel rail from two weeks to 15 minutes! He adopted a revolutionary process (patented by the English inventor Henry Bessemer in 1856) in his American steel plants. When the demand for steel rails dried up because of over capacity, Carnegie diversified into the manufacture of steel beams and girders for building America’s skyscrapers and the rest, as they say, is history!

During the Institute’s 70 plus years, it has also endeavoured to develop and diversify to keep pace with market changes. Indeed, during that period there have been various mergers and name changes, commencing with the Institute of Estimators, Planning and Time Study Engineers in 1941 to the Institute of Management Services established in 1978. Despite these changes the message has remained the same, ‘achieving excellence through people and productivity’ – the strapline on the front of the journal.

As professional practitioners, we are well aware of how important productivity is for all organisations, however, it is interesting to note the results of a survey of Chairmen and CEOs of Australia’s ASX 200 companies.

The periodic survey, carried out by Deloitte, asked these key corporate decision makers to nominate their top three issues of concern.

Productivity, both at corporate and national level, had apparently come from nowhere to top their agenda. A clear indication of its importance in enabling companies to weather the economic storm.

Dr Andrew Muir
Excellent turnout for Fife Golf Challenge

This year’s Fife Golf Challenge was a resounding success, attracting more than 20 senior managers and executives.

Chairman, Dr Andrew Muir, represented the Institute at this unique event which was organised by Elmwood College’s Golf Management students.

The students handle everything from tee-times through to prize-giving and the event forms part of their assessed work for their Higher National Diploma course.

Professor Tom Devine to deliver Adam Smith lecture

This year’s Adam Smith Lecture will take place on Thursday 6 June at St Bryce Kirk, Kirkcaldy.

The lecture will be delivered by Professor Tom Devine who is described by Magnus Linklater in The Times as being ‘as close to a national bard as a nation has’.

One of Scotland’s greatest historians, he is the author of 34 books, including The Scotland Trilogy and Scotland’s Empire which formed part of a six part BBC2 major series.

A full report of the event will appear in the next edition of Management Services.

East Midlands Region busy working it

The East Midlands Region has been somewhat quiet over the last six months – adverse weather and seasonal sickness has delayed some planned activities. However, individual members of the Board have been busy making contributions inside and outside the field of management services.

Chairman Malcolm Towle has a full-time post in local government where he leads the risk and insurance function and is also kept busy by his studies for a masters’ degree in law at Salford University.

Geoff Mansfield, a team member, is a second tenor and the acting chairman for the Mansfield and District male voice choir which has a very high profile in the Midlands. Geoff has a full-time day job as a management services consultant for some leading local companies.

John Davies, secretary of the region, has pushed aside his health difficulties of the last 10 months and is now back to form. He is involved with the administration of the IMS examinations, engineering research and technical journalism in various fields.

John Else, treasurer of the region, has had many years experience in the brewery industry and currently holds a position of non-executive director at a well known company.

The whole East Midlands Team is very proactive and will confirm the annual programme of activities at the next meeting on 22 June in Mansfield.
MG visit for West Midlands Region

Members of the West Midlands Region visited the MG car plant on the site of the old Austin motor works at Longbridge, Birmingham.

The plant occupies a relatively small proportion of the sprawling Longbridge site, most of which has been bulldozed and cleared ready for redevelopment.

The resurrected MG brand is now owned by SAIC, a major Chinese vehicle manufacturer, which produced over four million vehicles last year.

The MG plant is still very much in the development phase but vehicle assembly of the current MG6 saloon is established and a further model – the MG3 – is under development for launch in the UK very shortly. There is plenty of capacity in the assembly hall for expansion of production.

There are numerous challenges facing the MG initiative. Firstly, there is an over capacity in the European vehicle market so the MG marque of a worldwide sports car needs to be re-positioned.

A very interesting visit and example of the evolution of the UK motor industry.

John Hopkinson

North West Region is going for green

In March, the NW Region visited Global Renewables in Leyland. Built in 2010, it is one of the world’s most advanced waste-recovery, recycle plants.

At the time of winning its contract with Lancashire and Blackpool County Councils, Global Renewables signed a significant PFI waste disposal contract worth more than £2 billion. The 25 year contract is expected to reduce the amount of waste being sent to landfill by up to 70%.

Currently landfill tax is charged at around £72 per tonne of active waste, so there are large incentives to increase recycling. The company promotes behavioural change amongst the public. It has a dedicated team which works within the community, educating schools, businesses and residents in waste reduction.

One of two main processes, the recyclable materials section has the capacity to deal with up to 55000 tonnes per annum, mainly glass, metals and plastics, all of which can be mixed with ordinary waste.

Once the maximum amount of recyclables have been extracted from the waste, the remaining organic portion is transformed into high quality compost. Equipment includes four 100 tonne capacity percolator tanks which anaerobically digest the organic waste. The resultant digestate is then left to stabilise into the useable compost (OGM) for up to three weeks in large temperature controlled buildings.

Harry Hogg

IMS NEWS

Students who passed the IMS Certificate in 2012
Gareth Anderson; Kate Baldock; Margaret Berege; Dean Betteridge; Gordon Brown; Danny Chan; Shane Christie; Paul Colligan; Art Connolly; Anna Curran; Andrew Dawson; Kevin Dickinson; Scott Ferguson; Ian Fortune; Sean Fryers; Frank Gaffney; Alisha Gibson; MD Samiun Hassan; Matthew Hilton; Karen Kelly; Gareth Lewis; Jackie Macmillan; Alan Marsh; Seamus McClure; Stuart Meacham; David Mitchell; Keganegile Motsamai; Keith Robbins; Alan Robertson; Oraena Shaw; Steven Sims; Simon Tate.

Students who passed the IMS Diploma in 2012
Eddie Anifowoshe MMS(Dip); Christopher Shattock MMS(Dip); Eben Van Deventer FMS.
USA productivity increases

The productivity of US workers rose in the first quarter of 2013 as companies focused on containing labour expenses.

The measure of employee output per hour increased at a 0.7% annual rate, after dropping 1.7% the prior three months, says a recent Labour Department report.

Employers tried to control expenses by making do with their existing staff as demand grew in the January to March period. The emphasis on wringing efficiency gains may mean hiring will take time to accelerate, particularly as across-the board federal budget cutbacks and higher payroll taxes restrain the world’s largest economy.

$24 billion annual loss due to IT mismanagement

Small businesses in Australia and in other countries around the world are losing a whopping $24 billion every year in productivity through non-technical employees – or ‘involuntary IT managers’ – being given the responsibility of managing their company’s IT systems.

The estimates of lost productivity are reportedly a direct result of the ‘involuntary’ managers, IITMs, taking time away from their primary business role and subsequent activities.

The issue is raised in a report by AMI-Partners, commissioned by Microsoft, which looked at the prevalence of the IITM role in nine countries in North America, Latin America, the Middle East and Asia, focusing specifically on the adverse business productivity impact of IITMs in small businesses in Australia, Brazil, Chile, India and the United States. The study surveyed 538 IITMs in small businesses with 100 employees or less.

It revealed that Australian IITMs lose more than 3.1 hours of time every week managing IT solutions instead of tending to their day-to-day job responsibilities, which equates to a total 161 hours of lost productivity annually.

‘The pressures of running a small business can mean that an employee in the company is forced into the uncomfortable position of diverting their attention from meeting critical business needs to managing an immediate problem with the company’s IT systems’, says the report.

‘This person, often the most tech-savvy employee in the company, is then saddled with the unofficial role of the ‘Involuntary IT manager’. 
Managing the inbox to increase personal productivity

Managing Time: How to Increase Personal Productivity is the latest blue paper from promotional items distributor 4imprint and is available now as a free download from www.4imprint.co.uk/BluePaper/Productivity.

Today, most employers continuously examine their cost base and run a tight-ship. The new paper explores how distractions such as the lure of social media or a pinging inbox can dramatically affect personal productivity in the workplace and discusses ways individuals can develop solid personal productivity habits to deal with such challenges.

The paper outlines the 4Ds approach to email management which, when rigorously applied, could decrease the time spent processing emails by as much as 25% and also compiles the strategies of professional productivity experts to offer practical steps to improve time management skills.

With an emphasis on practical advice, the paper offers tools that don’t require major changes or expensive technology to implement. So if you or your colleagues are trying to fit 25 hours into a 24 hour day, taking a few minutes to read it will be time well spent.

Terminal operators announce expansion in high growth locations

Global container volumes are not projected to grow as rapidly over the next five years as they have over the past decade.

However, the expansion of modern port and containerised operations in emerging markets such as Africa, Latin America and South and Southeast Asia will require higher levels of productivity.

They will also rely heavily upon expanded inland services, advised APM Terminals Chief Commercial Officer Martin Gaard Christiansen at the 15th Annual Global Liner Shipping Conference in London.

The economies of scale which shipping lines have sought to exploit through the acquisition and operation of larger vessels are mirrored in the advantages of access to an extensive network of port and inland operations, particularly in high-growth locations where cargoes may be susceptible to delays beyond the terminal gates.

Christiansen noted that APM Terminals global network now comprises 62 operating port and terminal facilities with a presence, including inland services operations, in 68 countries and is actively pursuing ongoing service-related investments.
Managing change and building a positive risk culture

Whatever the sector or organisation in which you are employed, you will note that ‘risk’ and ‘risk management’ is now a big issue for implementation. Size is a factor. We have an economy with big organisations in the private and public sector that really cannot afford to fail. It is about time we started taking action against strategic and operational risks.

Many of us are interested to see what happens to the failed financial institutions and we are equally concerned about the very large institutions – central government, the NHS, the police force and emergency services, large private sector businesses and a host of SMEs – and whether they can meet the challenge and build a strong risk culture.

Organisational cultural change
For too long we have talked about the need to develop the right culture for customer focus for service delivery and quality improvement. Now we have a demand to replace the ‘risk taking culture’ with one which is ‘measured’. In many organisations, their relative success has led to false competence, a belief in their superiority which has led to disregarding a measured approach to risk with the ‘unbalanced scorecard’ where profit alone is King, and the dominant factor is revenue generation or the growth of the business through acquisitions and mergers, as happened in RBS.

The issue of risk
Everything we do in business involves some degree of risk. It requires us to develop a balanced ‘risk appetite’. Whether we expand our operations, invite new partners into our supply chain, or develop joint ventures, we have to confront the management of risk. Unfortunately, this has tended to be an after-thought, rather than a strong factor in the decision making process.

A risk culture is reflected in the attitudes, behavioural and managerial norms within an organisation that determine the way in which they identify, assess and act on challenges and risks confronted.

The risk appetite
Whenever we personally ask for a loan, negotiate a house purchase or apply for finance on a car, we know with certainty that someone somewhere will use a scorecard to underwrite or score the risk of the loan. That’s the underwriters’ ‘risk appetite’ and as the consumer you will know whether you are a good risk or not in whether you get your loan granted. Unfortunately, this practice does not spread to many organisations in the private and the public sector.

A risk appetite which is too low will mean that the organisation foregoes profitable opportunities because they are too ‘risk averse’
The ‘risk appetite’ should pervade every level of business, every function and location and should be central to decision making, allocating budgets and resources, and investing in new projects. The ‘risk appetite’ is generated by asking the question “How much risk is acceptable in pursuing corporate objectives and how do we ensure that our organisation is operating within bounds that represent the organisation’s appetite for specific kinds of risk?” This requires a fair amount of analysis founded in Enterprise Risk Management (ERM) strategies.

What is important is that risk management permeates strategic planning within the organisation and is reflected in its culture, its leadership and decision-making and reflected in its reward and performance management process.

Risk management

Undertaking and understanding your ‘risk management’ requires a thorough assessment of your current and future vulnerabilities, and developing a SWOT analysis – identifying the ‘weaknesses and ‘threats’ which put you most at risk and then determining corrective and preventative actions to mitigate those risks – which in turn will become your risk register.

Inherent in guiding this process is your ‘risk appetite’, or what you agree is acceptable risk. A risk appetite which is too low will mean that the organisation foregoes profitable opportunities because they are too ‘risk averse’, whereas a ‘risk appetite’ which many consider ‘cavalier’ may put the organisation at serious reputational risk and threaten even its continuance in its present form.

Creating your risk appetite

This is where we ask whether the ‘risk appetite’ is really something of which the Board, the CEO, CFO, CRO and managerial grades are aware. This is often defined as Leadership – the ‘Tone at the Top’. You have to ask has this been defined, debated, discussed and agreed and by whom? Further, has it been communicated to all managers, decision makers and project leaders and implications expounded, and if so, how is this being monitored, measured and reported? In addition, how is it being reviewed and updated?

This is not something that you can get off the shelf. There is no such thing as a universal ‘risk appetite statement’ that can apply to all organisations, nor is there a ‘one off, all encompassing right risk appetite’. The Board, CEO and the management executive must make choices in setting risk appetite, understanding the trade-offs involved in defining higher or lower risk appetites and this is contingent on their organisation, its history and its culture.

How important is risk culture and what are its key determinants?

Corporate or organisational culture is one of the subjects in change management that is most commented upon, yet least understood. People talk about changing the culture in banking, the NHS, police force and public services but very few actually know how this can be brought about.

Even the guru of corporate culture, Edgar Schein, does not specify beyond a simple model how this can be achieved. What must be understood is that corporate or organisational culture is the
Culture change is too important a subject not to be taken seriously by change management practitioners. Culture is founded on beliefs of the founders and how these have been shaped over the years by other key players, and the crises and situations that the organisation has had to endure.

The organisational culture is represented as an iceberg. The majority of the culture is below the water line, opaque and difficult to define with precision. It is only the artefacts and symbols of the organisation that can be precisely defined. This is a useful analogy to illustrate that much of an organisation’s culture is hidden from view and requires exploration through specific diagnostics.

Using the iceberg analogy, the personal beliefs of founders and successors have formed into ‘core values’ which demonstrate what is important and is usually reflected in set attitudes, and ultimately behaviours which become the norms of standard ways of working.

As an organisation moves forward it documents many of the stated and unstated values and behaviours which become enshrined in policies which find their way, after interpretation by managers who live in the culture, into systems and processes which should reflect the intent, values, beliefs, attitudes and behaviours of these steering the organisation.

Of course, in many large-scale central or local government organisations, the influence of how things have been accomplished historically in the military, the church and the law are interwoven into the culture. The pure model of Bureaucracy of Max Weber has been the driving force behind the culture of many public sector organisations, founded on his logic of how best to manage the Rules of Bureaucracy.

The culture of risk: Don’t assume decision making is logical

Risk is inherent in the management of any organisation and is imbedded in the ‘approved decision making process’ which is widely accepted as the norm for deciding how and who allocates resources, and when. Note, the process of ‘decision making’ is central to the risk culture. Decision-making and the rules that drive it may be unstated, vague, assumed, difficult to define and replicate.

There is a temptation to say that ‘decision making’ is a logical process and taken for granted, but it is just as much a reflection of chance, guesswork or preferences of key players and, as such, is difficult to define as a stated and rational process. The mysteries of the specific decision-making processes will tell how a business is run and its attitude towards risk, as well as its ‘risk appetite’.

Decision making: Is this an espoused, and stated process, or driven by personal power or whim?

How an organisation makes decisions and the impact this has on the business depends on whether the process is stated as ‘espoused’ or ‘real’. We can say we make decisions using a balanced scorecard approach, but in reality, it may be at the whim of a senior manager who adopts a strong and assertive style purely because his or her past record has been exemplary though somewhat disregarding of risk. Here could lay disaster when circumstances change and decision-making remains constant. These behaviours
are influenced by the founders, their successors and business leaders’ values that are reflected in attitudes and behaviours of the people they manage. This is further reinforced, consciously or unconsciously, by the reward or performance management system – whether this is stated or unstated.

**Risk culture by design or default**
- Central to the decision-making system and the process and criteria used for rewarding desired behaviour we set in motion a culture where the rules and default behaviours are known, practised and rewarded but not however, articulated, shared, formalised or agreed.

Here a culture starts evolving which is based on ‘assumed’ behaviours, which may be in contradiction to a strong risk culture which is both resilient and robust. This is where problems arise because:
- Core behaviours (which appear in delivering results) which may be counter to building a robust risk culture have not been articulated or agreed as driving behaviours are endorsed as ‘business as usual’;
- If the end results are substantial in terms of cost reduction, improved business activity, revenue generation or profitability – then these behaviours can become the norm;
- Core behaviours become the norm in driving and endorsing decision making for all future activities and this becomes stronger when there is a causal link between displaying behaviours and reward;
- When this takes hold as the dominant desired behaviour, personal subjective judgement of key players has more weight than objective, rational consultation in core decisions and this over-rides any ‘risk tolerance’;
- Because undesirable core behaviours are rewarded, there is less incentive to challenge the status quo;
- Core behaviours that may be counter to the ‘risk culture’ have been welcomed and endorsed by senior staff.

The writing is on the wall here because ‘subjective’ judgements over-ride any stated or unstated or acknowledged ‘risk appetite’ and the organisation puts itself in a position where a serious incident, emergency or accident is waiting to happen. Readers will be aware of too many instances in the press where organisations allowed this culture to evolve, simply because they believed their performance was repeatable and their attitude was one of superiority and arrogance.

**Key learning, warning signs and diagnostics**

Key issues need to be addressed here – the first is: What are the early warning signs of the risk culture on the wane and how can its seriousness be measured? Warning signs include:
- Over-confident business functions or individuals who have achieved outstanding performance which was largely unpredictable and unanticipated;
- Preference and over-reward for some business units who appear to enjoy unexpected superior results and performance;
- Evidence of disregarding the risk appetite with new ventures and early product or service release;
- Laxness in reporting risks and little adherence to the risk register;
- Managers evading reporting on early success with product penetration and development;
- Vagueness in maintaining and setting standards being

“What are the early warning signs of the risk culture on the wane and how can its seriousness be measured?”
acknowledged and endorsed;
- Business failure not being questioned.

Risk culture diagnostics
These have to be specifically designed to meet the special situation and context of the business and tailored to address the core factors illustrated in the risk culture iceberg referred to earlier. It does not matter if the organisation is a financial institution, central government department, NHS Trust or Board, the process is one of establishing the ‘culture as is now’ and comparing this to the ‘to be or future desired culture’.

Further information can be obtained here on various case studies.

What can you do to promote a positive and resilient ‘risk culture’ within any organisation?

Too many organisations fail to see the warning signs and have to expend a huge degree of energy to avoid disaster, and set in processes to prevent it happening in the future.

Governance structure and risk reporting relationships
- Do you have a committed leadership to the ‘risk culture’ and have you set the tone at the top? Have you clearly defined the role of the Board and the specific role of the CEO, the CFO and the chief risk officer, internal audit and business unit heads?
- Have you defined your ‘risk tolerance’ to the organisation and to key stakeholders and your customers?
- To what extent have you defined strategic imperatives and plans into risk management objectives?
- Do you ensure that you have built up a matrix management process to ensure that all regions, geographies and business units fully understand the risk appetite and how far they are expected to manage their independent business planning to align with the process?
- Have you developed a performance management and reward process that incentivises the desired behaviours reflected in the risk culture? Ensure that those who deviate from stated behaviours and norms have a limited future unless they change their behaviour.
- Develop a continuous process of positive and constructive challenge or assumptions, behaviours. Remove whistle blowing and replace it with a positive learning climate where innovation is incentivised and rewarded.
- Completely remove any climate of fear or aggressive managerial behaviour and bullying, replacing it with a positive, no blame culture.

Summary
As uncertainty in the market place increases almost at an exponential rate, organisations witness a strong disregard for the risk appetite, which is witnessed in management behaviour where excessive over confidence, and perceived superiority leads to a sense of invulnerability. This becomes serious when ‘undesired behaviour’ suddenly seems to be rewarded in spite of risking the whole venture.

It is time to stop ignoring the behavioural and cultural problems of the negative ‘risk culture’ and stop sweeping ‘bad practices’ under the carpet.

The only way to build a strong and resilient risk culture is by listening, questioning assumptions and behaviours, replacing indifference and passivity with action. Engage in shaping the organisation’s future and replace cavalier attitudes by setting the tone at the top through challenge and leadership.

About the author
Philip Atkinson specialises in strategic cultural and behavioural change. For the last 20 years he has been engaged as a consultant supporting companies in strategic development, leadership, organisational design, post-acquisition integration, lean six-sigma, quality management and culture change. He has partnered with a variety of blue-chip companies in industries ranging from pharmaceutical to genetics, and the automotive industry to finance and banking. He regularly presents at conferences and workshop sessions and has written seven books on change management. His new book Organizational Culture: Lessons in Best Practise is due to be published in August 2013.
Boosting the productivity of knowledge workers

Management consultants McKinsey & Company explain how to crack the code.

Are you doing all that you can to enhance the productivity of your knowledge workers? It's a simple question, but one that few senior executives can answer.

Their confusion isn't for lack of trying. Organisations around the world struggle to crack the code for improving the effectiveness of managers, salespeople, scientists and others whose jobs consist primarily of interactions – with other employees, customers, and suppliers – and complex decision making based on knowledge and judgement.

The stakes are high: raising the productivity of these workers, who constitute a large and growing share of the workforce in developed economies, represents a major opportunity for companies, as well as for countries with low birthrates that hope to maintain GDP growth.

Nonetheless, many executives have a hazy understanding of what it takes to bolster productivity for knowledge workers. This lack of clarity is partly because knowledge work involves more diverse and amorphous tasks than do production or clerical positions, where the relatively clear-cut, predictable activities make jobs easier to automate or streamline.

Likewise, performance metrics are hard to come by in knowledge work, making it challenging to manage improvement efforts (which often lack a clear owner in the first place). Against this backdrop, it’s perhaps unsurprising that many companies settle for scattershot investments in training and IT systems.

Since knowledge workers spend half their time on interactions, our research and experience suggest that companies should first explore the productivity barriers that impede these interactions. Armed with a better understanding of the constraints, senior executives can get more bang for their buck by identifying targeted productivity-improvement efforts to increase both the efficiency and effectiveness of the interactions between workers.

Among companies we’ve surveyed (see ‘About the research’ over page), fully half of all interactions are constrained by one of five barriers: physical,
Technical, social or cultural, contextual, and temporal. While individual companies will encounter some obstacles more than others, our experience suggests that the approaches to overcoming them are widely applicable.

**Physical and technical barriers**

Physical barriers (including geographic distance and differences in time zones) often go hand in hand with technical barriers because the lack of effective tools for locating the right people and collaborating becomes even more pronounced when they are far away. While these barriers are on the wane at many companies given the arsenal of software tools available, some large, globally dispersed organisations continue to suffer from them.

One remedy implemented by some organisations is to create ‘communities of practice’ for people who could benefit from one another’s advice – as the World Bank has done to help the 100 or so of its planners who focus on urban poverty to facilitate discussions on projects to upgrade slums.

The communities feature online tools to help geographically dispersed members search for basic information (say, member roles and the specific challenges they are addressing) and sometimes use the latest social-networking tools to provide more sophisticated information, including whom the members have worked or trained with.

By supplementing electronic tools with videoconferences and occasional in-person meetings, communities can bridge physical distances and build relationships.

**Social or cultural barriers**

Examples of social or cultural barriers include rigid hierarchy or ineffective incentives that don’t spur the right people to engage. To avoid such problems, Petrobras, the Brazil-based oil major, created a series of case studies focused on real events in the company’s past that illuminate its values, processes, and norms. The cases are discussed with new hires in small groups – promoting a better understanding of how the organisation works and encouraging a culture of knowledge sharing and collaborative problem solving. (To benefit further from such approaches, companies should include knowledge sharing in performance reviews and ensure that team leaders clearly communicate acceptable response times for information requests. The communities of practice described above can help too: employees are far more likely to give timely and useful responses to people in their network.)

**Contextual barriers**

Employees who face contextual barriers struggle to share and translate knowledge obtained from colleagues in different fields. Complex interactions often require contact with people in other departments or divisions, making it hard for workers to assess a colleague’s level of expertise or apply the advice they may receive. Think of the disconnect that often occurs between a company’s sales department and its product-development team over customer data. The two groups frequently struggle to communicate because they think and talk so differently about the subject (sales staff devote attention to customer insights while developers focus on product specifications).

To overcome contextual barriers, organisations can rotate employees across teams and divisions or create forums where specialists in different areas can learn about one another’s work.

The US National Aeronautics and Space Administration (NASA), for instance, holds a biannual ‘Masters Forum’ to share knowledge across disciplines. About 50 employees from different parts of the agency attend the meetings to hear other NASA colleagues talk about the tools, methods, and skills they use in extremely complex projects. The sessions are lightly moderated and very interactive.

Similarly, managers at Ecopetrol, a Colombian gas and oil company, have found that technical forums not only break down the natural barriers between occupations but also facilitate knowledge sharing across geographic boundaries. Moreover, the forums build trust, which encourages employees to share information more freely.

**The barrier of time**

The final barrier is time, or rather the perceived lack of it. If valuable interactions are falling victim to time constraints, executives can use job roles and responsibilities to help identify the employees that knowledge workers should be interacting with and on what topics. In some cases, companies may need to clarify decision rights and redefine roles to reduce the interaction burden on some employees while increasing it on others.

Boston-based Millennium Pharmaceuticals, which develops drugs for cancer treatment, did just that. When it found that researchers didn’t have time to share lessons from their experiments, it created a small group of scientists to act as ‘knowledge intermediaries’. Based on meetings with company scientists as well as presentations, these employees summarise findings and submit them to an internal database. They also act as brokers by sharing knowledge across groups. The company reckons that this practice, combined with other initiatives, has boosted success rates for the company’s research and reduced the time needed to make key decisions.

**About the research**

This article summarises the results of a research project under way since 2006. In the first phase, more than 200 knowledge workers at four organisations – the research institute Battelle, Educational Testing Service (ETS), Novartis, and the US Defense Intelligence Agency – kept daily logs of their knowledge interactions (more than 3000 in total).

Subsequently, we conducted field research and interviews with about 35 people at the original four companies plus three new ones: Ecopetrol, NASA, and Petrobras.


**About the authors**

Eric Matson is a consultant in McKinsey’s Boston office; Laurence Prusak is a visiting scholar at the University of Southern California Marshall School of Business and a former senior adviser to McKinsey.
Despite 50 hour weeks, over half of UK workers describe themselves as ‘thriving’.

British office workers are working harder than ever – at least 50 hours a week, according to new research of working habits worldwide. Executives rarely leave the office before 7pm, and ‘deskfasts’ and lunches at the computer are the norm.

British office workers feel stressed in their own jobs but adopt a ‘keep calm and carry on approach’ to chaotic working environments and take unpredictable changes at the office in their stride. Despite the challenges facing office workers, 52% of the population considers themselves to be ‘thriving’ with only 2% admitting to ‘struggling’ – and their sense of wellbeing at work is amongst the highest in the world.

Although many UK workers remain dissatisfied with working conditions, they are unique in rounding off the working week in the pub with their colleagues.

The insight into British office life is revealed in Culture Code, a new analysis by Steelcase, a leader in office interiors and workplace research. Culture Code compares and contrasts the working and lifestyle habits of 11 countries around the world.

Lifestyle and working habits worldwide

The study looks at environments in China, France, Germany, the UK, India, Italy, Morocco, the Netherlands, Russia, Spain and the US. It compares, among other things, office layouts, employee/management dynamics, working hours, cultural influences, work/life balance, and job satisfaction and security.

Zoe Humpries, one of the
authors of the report, said: “British workers face constant pressure to stay longer at work and do more. Workers are stressed and dissatisfied with their working conditions. That said, British workers are competitive and most are convinced they have to be tough to succeed.

“The British rank very highly on individualism and have embraced mobile working easily. However, they move jobs quite frequently. Close personal relationships are not regarded as important in business.

“The variation in approaches to work across the world is striking and while globalisation is a key theme, there is some very strong national characteristics.”

Key findings
Among the key findings of the report are:
- **Longest working day** – China. 25% work 11 hour days every day but take long lunch breaks during which naps are common.
- **Early risers** – Germany. Workers like to start early and leave early and are highly productive. Distractions at work, such as social celebrations, are kept to a minimum. Achieving financial success and status at work are often prioritised.
- **Anyone for coffee?** – Italy. Coffee breaks are important social times in the workday. Meetings are intense and lively, usually led by management, and often start late.
- **Shortest working week** – the Netherlands. Typically less than 40 hours. Amongst the first to embrace flexible working and do lots of work away from the office. High job satisfaction.
- **Fast and furious** – Russia. Pace of work is fast and intense. Older workers nostalgic for security – younger workers want more free time. Job hopping common.
- **Life before work** – Spain. Spaniards put less importance on job satisfaction; personal life is the realm for doing what you want to do. Most Spaniards believe fun and work don’t mix; spaces for relaxing or socialising in the workplace are less common.
- **Wedded to work** – The USA. At least a third of Americans don’t take all of their allotted vacation days and consider it important to demonstrate they are sacrificing their personal lives for career. Despite ongoing economic uncertainty, Americans score high in wellbeing; 57% of population consider themselves thriving, only 3% suffering.
- **Late for work** – India. Chaotic traffic and overcrowded public transportation lengthen the average workday. Bringing lunch from home and eating at your desk is common. Turnover is high due to booming employment opportunities, especially in high-tech and media. For young Indians, challenging work is as important as the reputation of the company and salary.
- **Work/life balance** – France. On the one hand, they are deeply invested in their professional roles and career advancement. On the other hand, they prize the overall quality of their lives and consider protecting it a serious matter.
- **Loyalty** – Morocco. Traditionally, workers build close, loyal bonds to their employers. Younger workers seek more engagement and satisfaction from their work.

The Association has completed the training of more than 30 people this past year, including instructors and practitioners.

The Association is planning a whole new presentation of its website and developing a distance learning course for systems, as well as reaching out to the establishments and academics of the UK that deliver engineering and manufacturing training.

The 2013 AGM will be delivered on Saturday June 15 in Tamworth. Any person wishing to attend should make contact via our email address, ukmtma@googlemail.com.

Decisions made at the AGM will be communicated to members and other interested parties in the next issue of Management Services Journal.

“IF YOU DON’T KNOW HOW LONG IT TAKES, YOU DON’T KNOW HOW MUCH IT COSTS’.
European airline labour productivity: CAPA rankings

Jonathan Wober, Senior Analyst Europe, CAPA – Centre for Aviation.

This analysis updates CAPA’s previous study of European airlines’ labour productivity (European airlines’ labour productivity. Oxymoron for some, Vueling and Ryanair excel on costs) to reflect the most recent financial results and adds four carriers not included in the original article (Wizz Air, Aegean Airlines and the two IAG subsidiaries British Airways and Iberia).

The contrasting performance of LCCs and legacy carriers is clear, although there are some notable exceptions to the pattern. BA and Iberia’s different labour cost productivity is significant, while Air France-KLM and SAS are weak performers.

We introduce an overall CAPA European airline labour productivity ranking, revealing the carrier with Europe’s most productive workforce, based on six measures.

Labour as a percentage of revenues: weighted average 21.8%

In our previous analysis, Vueling and Ryanair were the only airlines for which labour cost was less than 10% of revenues. On this measure, Wizz Air is now the leader, with a remarkable figure of 6.5% of revenues eaten up by labour costs. Aegean comes in at just over the 10% threshold, while newly-included Iberia saw 30% of its 2012 revenue go to labour costs, fractionally worse than Air France-KLM. SAS is the weakest on this measure, at 32%.

British Airways, with just below 22%, is the best performer among the bigger legacy flag carriers, although, if Lufthansa’s two flying-based business segments (the Passenger Airline Group and the Logistics segment) were a separate company, their labour costs would account for only 16.7% of revenues, rather than 23.4% for the Lufthansa Group overall.

Employee cost per employee: weighted average EUR68,871

The average employee cost per employee among the principal European airlines is just short of EUR69,000, but the range is very wide – from Wizz Air at EUR37,000 in low wage Central/Eastern Europe to SAS at EUR104,000 in high wage Scandinavia. How much it costs to keep an employee at work is not just a function of wages, but is also affected by the level of social charges, the seniority mix of employees and the level of pension contributions, all areas in which unionisation and history play a role.

can play a major part. After Wizz Air, TAP Portugal and Flybe have the lowest employee cost per employee, at EUR48,000, with Ryanair just a little ahead on EUR49,000. SAS and fellow Scandinavian carrier Norwegian Air Shuttle have the highest employee costs per employee.

After the two Scandinavian carriers, Iberia has the third most costly employees on average (costing one third more than the average employee at IAG sister carrier BA). Of course, the mix of employee activities can also affect average employee cost per employee. Groups with a relatively high proportion of staff in ground-based activities such as maintenance and catering, which are less well-paid than flight crew jobs, have lower overall employee costs per employee than those that are more pure flight-based companies.

easyJet demonstrates that it is not always true that LCCs pay low rates – the average easyJet employee costs less than the average British Airways employee – while TAP Portugal shows that not all legacy flag carriers pay high wages.

**ATK per employee:**

**weighted average 507**

Labour productivity is all about trying to generate as much traffic as possible from each employee. To measure this we look at total available tonne kilometres per employee. This combines both passenger and cargo traffic, although available seat kilometres per employee is sometimes also used. Wizz Air and Ryanair are way out in the lead on this measure, ahead of a cluster of other LCCs Vueling, Norwegian and easyJet (in spite of a lack of cargo traffic to boost their ATKs). Turkish Airlines is the clear leader among full service carriers, followed by Aegean.

The gap between the LCCs and the legacy carriers on this measure is striking and is a key strategic differentiator, although Flybe is a disturbing exception to this.

The Lufthansa Group appears low on this measure, but this is distorted by its labour intensive maintenance and catering segments, which do not generate traffic but do generate third party revenues. Lufthansa’s flying segments look better on this chart.

**Revenue per employee:**

*weighted average EUR315,628*

If employee cost per ATK is the key measure for labour cost productivity, then revenue per employee gives an indication of how effective employees are at producing revenues. On this measure, all five top positions are occupied by LCCs, with Vueling, Norwegian and easyJet leading the way. Although Wizz Air and Ryanair generate the highest levels of ATK per employee, their low fares mean that they produce less revenue per employee than the other three LCCs.

At the other end of the
scale, TAP Portugal only generates EUR225,000 in revenues per employee, suggesting scope for improvement, either by the current management or any future owner if the privatisation process restarts.

The big three flag carrier groups are also at the lower end of the scale on revenues per employee, again highlighting the urgency of their current restructuring programmes. The contrast between IAG companies BA and Iberia is not as great on this measure as on the labour cost productivity measures. Lufthansa looks better when its ground-based businesses are removed (MRO, catering and IT services). Flybe again looks weak on this measure, pointing to a need to reorganise its workforce.

**Operating profit per employee: weighted average EUR4,307**

Our final chart sums up all the previous analysis by showing operating profit per employee. Ryanair is the runaway winner among European airlines, generating over EUR81,000 of operating profit per employee in the year to Mar-2012 (it should be even higher in the current year). easyJet is second, with EUR49,000, comfortably ahead of Wizz Air in third. Turkish Airlines (fourth) and Aer Lingus (fifth) split the LCCs in the ranking, pushing Norwegian and Vueling down to number six and seven respectively.

The contrasting fortunes of Iberia, which lost EUR21,000 per employee in 2012, and BA, which generated operating profit of EUR8,000 per employee, are again apparent. The main difference between them is labour cost productivity, rather than revenue productivity. The poor performance of Aegean Airlines and airberlin on this measure, in spite of a relatively good showing on both labour cost and revenue productivity measures, suggests that their problems lie in other cost categories.

**CAPA’s European Airline Labour Productivity Rankings. And the winner is...**

Combining the rankings of the 19 airlines analysed on all six of the above measures into one list, the European airline with the most productive labour force is Wizz Air, with LCCs filling the top four positions.

Unsurprisingly perhaps, the two fundamental LCCs, Wizzair and Ryanair rank highest, but most threatening (or encouraging, depending on perspective) is the fact that Vueling and easyJet, which are significantly intruding into business and corporate markets in European short-haul operations, rank so highly. The other one of the five LCCs in the list, Norwegian, ranks only in seventh place, let down by high employee costs per employee.

Aegean and Turkish Airlines are the highest ranked full service carriers, followed by airberlin and Finnair. Aer Lingus also ranks higher than the Big Three legacy carrier groups, although the Lufthansa flying segments taken separately from the rest of the Lufthansa Group just make the top 10. This arguably distorts the figures too much in favour of Lufthansa’s flying segments as all ground-based staff in the group’s maintenance and catering segments are removed. It is probably fairer to give IAG’s British Airways the (somewhat dubious) title of most productive labour force among flag carriers of the bigger European nations, while its sister company Iberia is the lowest ranked in that particular group.

Flybe finds itself uncomfortably in the company of the legacy carriers and bottom overall is SAS.

**European airlines revenue (EUR) per employee: 2012**


**Overall labour productivity ranking: 2012**

CAPA – Centre for Aviation is a leading provider of global aviation news, data and analysis services. CAPA membership includes a daily news update, as well as access to CAPA’s website which offers in-depth profiles on every airport and airline worldwide, with the latest (and archive) traffic performance, financial results, schedules, fleets, contacts, route maps and much more at [www.centreforaviation.com](http://www.centreforaviation.com).

CAPA also organises five aviation summits each year, including its flagship Airlines in Transition summit each April in Europe.

CAPA publishes the bi-monthly management journal [Airline Leader](http://airlineleader.com) in hard copy and at [www.airlineleader.com](http://www.airlineleader.com).
Ryanair is the runaway winner among European airlines, generating over EUR81,000 of operating profit per employee.

European airlines operating profit (EUR) per employee: 2012*

Leadership and engagement
Together we can

Report from The King’s Fund Leadership Review 2012

Introduction

This review picks up where The King’s Fund’s Commission on Leadership and Management in 2011 finished. It shows how replacing the heroic model of leadership with one that seeks to distribute influence and decision-making throughout the organisation is essential if the NHS is to rise to the challenges that it faces.

Successful leaders will be those who engage staff, patients and partner organisations in improving patient care and population health outcomes. The business case for leadership and engagement is compelling. As we have shown, organisations with engaged staff deliver a better patient experience and have fewer errors and lower infection and mortality rates. Financial management is stronger, staff morale and motivation are higher and there is less absenteeism and stress.

This report has emphasised staff engagement because of evidence that engaged staff deliver better outcomes for patients. Equally important is the need to do much more to engage patients themselves both collectively and individually. The benefits of patient engagement include the delivery of more appropriate care and improved outcomes, especially for patients with long-term conditions.

Making a reality of leadership and engagement
for improvement requires actions at all levels, from the NHS Commissioning Board to the teams delivering care to patients. For top leaders there is a need to balance a pace-setting style with a more nuanced approach in which leaders give greater priority to patient and staff engagement, especially the involvement of doctors, nurses and other clinicians. Leadership across systems is significantly underdeveloped in the NHS and must become a higher priority.

To deliver its objectives every NHS organisation needs to value and support leadership and engagement, for example through effective appraisals, clear job design and a well-structured team environment. NHS boards should demonstrate through their actions that they value staff and pay attention to staff health and wellbeing. The staff engagement toolkit produced by NHS Employers offers valuable advice on what boards can do to foster engagement in their organisations.

Leadership needs to be developed in ways that break down rather than reinforce silos, with managers and clinicians training and working together. Renewed efforts must be made to engage doctors and other clinicians in leadership roles, given the evidence presented in this report on the relationship between medical engagement and organisational performance. The unifying vision for every leader should be engaging for improvement with a clear focus on improving patient care and population health outcomes.

The NHS Leadership Academy is well placed to build on recent progress in leadership development and to work with NHS organisations to develop leadership and engagement. The Academy should work with leadership experts across the public and private sectors in taking on its responsibilities. This includes supporting fledging organisations such as clinical commissioning groups as they start to get to grips with their role.

The Academy also has an opportunity to give greater priority to emerging and future leaders, alongside the support provided to top leaders. The NHS has a good track record of supporting future leaders through the graduate management training scheme and work with junior doctors, and it is important that this is taken forward in the next phase of reform. Cutting funding for training and development is an easy target when budgets are under pressure but the temptation to do so should be resisted if there is a serious commitment to build a cadre of leaders able to navigate the treacherous waters that lie ahead.

**Findings and recommendations**

- Recent research has highlighted that NHS leaders favour ‘pace-setting’ styles focused more on the delivery of targets than engaging patients and staff.
- Rising to the challenges that lie ahead requires a more nuanced style, with NHS leaders giving greater priority to patient and staff engagement; the involvement of doctors, nurses and other clinicians in leadership roles; and leadership across organisations and systems of care.
- The business case for leadership and engagement is compelling: organisations with engaged staff deliver better patient experience, fewer errors, lower infection and mortality rates, stronger financial management, higher staff morale and motivation and less absenteeism and stress.
- Patient engagement can deliver more appropriate care and improved outcomes.
- There is specific evidence that links medical engagement with organisational performance both from the NHS and other health care systems.
- The contribution of staff at an early stage of their careers to leadership and service improvement needs to be valued and recognised.
- The increasing recognition of the importance of integrated care, and the new structures put in place by the NHS reforms, require leaders to be effective across systems, including engagement outside the NHS.
- To support this, leadership development programmes should bring together leaders from different professions and different organisations within and outside health care.
- NHS boards should value patient and staff engagement and pay attention to staff health and wellbeing, for example by acting on the results of the NHS staff surveys.
- Every NHS organisation needs to support leadership and engagement in delivering its objectives, for example through effective appraisals, clear job design and a well-structured team environment.
- The role of team leaders in hospitals and the community is critical in creating a climate that enhances staff well-being and delivers high-quality patient care.
- The NHS Commissioning Board and the Leadership Academy have a key role to play in modelling and supporting the development of leadership and engagement.

**Introduction to engagement**

Engagement is not only a topic of academic interest; it has enormous practical significance. Put simply, organisations with more engaged clinicians and staff achieve better outcomes and experiences for the patients they serve.

Whether the NHS meets its three big challenges – driving up quality of care for patients and populations, finding billions of pounds of productivity gains, and
“Individuals and institutions need to rethink the way power and responsibility operate within teams and organisations and across the health and care system.”

“Engagement is not only a topic of academic interest; it has enormous practical significance.”
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Dutch doctors, which found that those who were more engaged were significantly less likely to make mistakes. Similarly, a study of more than 8000 hospital nurses by Laschinger and Leiter (2006) found higher engagement was linked to safer patient care. This benefit to patient safety alone is a powerful argument for health care organisations prioritising staff engagement.

So how do managers encourage staff to engage? West and Dawson (2012) suggest they need to give staff autonomy, enable them to use a wide range of skills, ensure jobs are satisfying – such as by seeing something through from beginning to end – and give staff support, recognition and encouragement. The personal qualities associated with engagement that managers should nurture include optimism, resilience and self-belief.

In a paper prepared for this review, Coulter (2012) makes the case for patient engagement. Shared decision-making with patients helps to deliver care appropriately; supporting patients to self-manage their long-term conditions contributes towards better outcomes; and care that is patient-centred makes a real difference to quality.

What engagement means

The simplest definition of employee engagement spells out the relationship at its heart: it is when, according to MacLeod and Clarke (2009), ‘the business values the employee and the employee values the business’. It recognises that every member of staff chooses whether to do the minimum, or do more. The evidence to this review, and the literature on engagement, is littered with examples of staff who work harder, think more creatively and care more because they feel fully involved in the enterprise. The study by Salanova and colleagues (2005) suggests engagement improves performance in part because engaged staff are more likely to put energy into interactions with clients, while their positive approach may in turn motivate other staff, thereby creating a more engaged workplace. This may be one reason why engagement raises performance in health care.

Engagement needs to be seen through the lens of the person who is being engaged. It is often described in psychological terms, for example, staff feeling energetic, determined, enthusiastic and even inspired. They are engrossed in their work and take pride in what they do. Within the NHS, engagement is often used to represent staff involvement in decision-making, or more generally the openness of communication with management. Indeed the NHS constitution itself pledges ‘to engage staff in decisions that affect them and the services they provide… All staff will be empowered to put forward ways to deliver better and safer services for patients and their families’.

Patient experience is strongly correlated with staff engagement but engaging patients is important in its own right. By patient engagement we mean the degree to which people are empowered to be fully involved in their care, share in decision-making, and work with clinicians to meet their needs.

Staff engagement in the NHS

There has been an annual
staff survey in the English NHS since 2003, and questions on engagement were introduced in 2009. It is measured using three dimensions: psychological engagement (similar to motivation), advocacy and involvement.

Psychological engagement is judged by three questions: ‘I look forward to going to work’, ‘I am enthusiastic about my job’, and ‘time passes quickly’.

Advocacy is measured by whether an employee would recommend their organisation as a place to work and be treated.

Involvement is gauged by three questions: ‘I am able to make suggestions to improve the work of my team’, ‘there are frequent opportunities for me to show initiative’, and ‘I am able to make improvements happen’.

Analysis of the 2011 survey (Department of Health 2011b) by West and Dawson for this review shows significant differences between types of trust, and staff groups, in engagement. While acute, primary care and mental health trusts had broadly comparable engagement levels, ambulance trusts generally had much lower scores. The 2005 government report on the ambulance service, Taking Healthcare to the Patient (Department of Health 2005), highlighted low investment in staff development and a tendency to appoint managers on the basis of clinical or operational expertise rather than aptitude for leadership. It called for the service to be ‘led in a way that promotes collaboration, builds networks and encourages management and staff development’.

Staff who say they have an interesting job report higher levels of engagement, as do those with good support from their manager. Other factors include feeling the job makes a difference, being clear on the objective and being involved in decisions. Engaged staff were less likely to suffer from stress.

How staff engagement raises health care performance

West and Dawson (2012) compared engagement scores in the NHS staff survey with a wide range of outcome data. They showed that patient experience improves, inspection scores are higher and infection and mortality rates are lower where there is strong staff engagement.

Patient experience is closely correlated with the ‘advocacy’ element of engagement – recommending the organisation as a place to work and be treated. This could be because staff who see satisfied patients are more likely to believe the care is good. Trusts with lower infection rates have more staff who feel they can contribute towards improvements.

Engagement is critical in explaining absenteeism. The effects are such that high engagement was associated with much lower absenteeism than low or moderate levels of engagement. Staff engagement is also correlated with turnover, with high levels of engagement associated with lower levels of turnover.

Patient engagement in the NHS

Engaging patients in their care has been an increasingly important focus of health policy. In 2000 the NHS Plan (Department of Health 2000) talked of shaping services around the needs and preferences of individual patients. Seven years later ‘world class commissioning’ attempted to embed patient and public involvement in how services were commissioned.

In 2008 the Next Stage Review (Department of Health 2008) said the NHS must ‘empower patients with greater choice, better information and more control and influence’, and put patient experience alongside safety and effectiveness as one of Leadership and engagement for improvement in the NHS three measures of service quality. In 2009 the NHS constitution (Department of Health 2009b) stressed the right of patients to influence their own care and local services.

In 2010 the coalition government’s health white paper Equity and Excellence: Liberating the NHS (Department of Health 2010) stressed that the goal of world-class health care ‘can only be realised by involving patients fully in their own care, with decisions made in partnership with clinicians, rather than by clinicians alone’. It called for shared decision-making to become the norm.

The role of leadership in engagement

The dominance of ‘pace-setter’ leadership in the NHS

The Hay Group consultancy identifies six main leadership styles (Santry 2011). The dominant NHS approach is known as ‘pace-setter’ – typified by laying down demanding targets, leading from the front, often being reluctant to delegate, and collaborating little – and is the consequence of the health service focusing on process targets, with recognition and reward dependent on meeting them.

Targets have secured impressive improvements in access, such as shorter waiting lists and faster treatment in emergency departments. However, they have done so at the cost of too many NHS leaders using the pace-setter approach to the exclusion of other leadership styles, such as ‘affiliative’ – creating trust and harmony – or ‘coaching’. Truly high-performing leaders deploy a range of leadership approaches depending on the demands of each situation.

There is growing evidence that the NHS needs to break with the command and control, target-driven approach. The Commission on Dignity in Care for Older People (2012) identified the top-down culture as a prime cause of poor care, concluding: ‘If senior managers impose a command and control culture that demoralises staff and robs them of the authority to make decisions, poor care will follow’.

In a similar vein, counsel to the inquiry led by Robert Francis QC into the failings at Mid Staffordshire NHS Foundation Trust said the failure in clinical governance at the trust was caused by ‘a lack of clinical engagement... Whatever then gets turned
out by the Department of Health, whatever initiatives are started at the top, unless the clinical soil is fertile, the seeds will inevitably fall to stony ground at trust level’ (Mid Staffordshire NHS Foundation Trust Inquiry 2011).

Pace-setting leadership reflects the focus on improving the performance of the NHS from a low base over the last decade or more. It needs to be complemented by other styles of leadership in the next stage of reform. This was recognised in Lord Darzi’s 2008 review (Department of Health 2008), which particularly emphasised the need to engage doctors and other clinicians in leading change and service improvement for patients. It is even more important in the current climate, not least to support NHS leaders to engage with partner organisations in making improvements across local systems of care, for example through closer integration of services.

A different approach to leadership
In 2008 the Chartered Institute of Personnel and Development published a model of Engaging Leadership, based on a three-year investigation involving more than 6000 staff in the NHS and wider public and private sectors, which stresses that leadership is not about being an extraordinary person, but being open, accessible and transparent. It emphasises teamwork, collaboration and ‘connectedness’, and removing barriers to communication and original thinking. It reflects a desire to see the world through the eyes of others, to take on board their concerns and perspectives and to work with their ideas (Alimo-Metcalfe and Alban-Metcalfe 2008).

The model posits an environment in which the status quo is challenged, ideas are listened to and valued and innovation and entrepreneurialism are encouraged. A culture that supports development is created in which the leader is a role model for learning, and in which inevitable mistakes are exploited for their learning opportunities.

So leadership acts as a ‘cognitive catalyst’. Gone is the heroic individual with a monopoly on the vision; it is replaced by a commitment to building shared visions with a range of stakeholders. It exploits the diversity of perspectives and the wealth of experiences, strengths and potential in the organisation. It’s teamwork.

For the leader this approach is more challenging because of the skill and risk involved, and more exciting because of the possibilities engagement will bring. It is also far more achievable; being seen as the source of all wisdom will often end in failure.

Implications for the NHS
The culture of the NHS as the government’s reforms are implemented will be heavily influenced by the NHS Commissioning Board, alongside the Care Quality Commission and Monitor. The Board needs to break from the command and control approach of the past and demonstrate convincingly that distributed leadership and engagement are now core values for the service.

The Department of Health has stated in its publication Developing the NHS Commissioning Board (Department of Health 2011a) that it will seek to support and hold to account clinical commissioning groups, not domineer or micromanage them. Importantly there is recognition that this requires the Board to be more effective at coaching to enable everyone at each level in the system to give their best. The Board is committed to embedding a new change model which will work from the position of generating shared purpose, goals and values at all levels.

Developing the NHS Commissioning Board sets out the intention that the Board will work in partnership across boundaries and develop mutually supportive relationships. This will require development of its collaborative capabilities. Engagement and involvement are identified as core skills for staff in the new organisation. It follows that successful system leadership will require a wider range of leadership styles than has often been deployed in the NHS in the past.

The success of the Board in delivering this shift will be crucial to allow a diversity of leadership styles to flourish. This flourishing needs to happen above all in the new clinical commissioning groups. GPs and managers leading commissioning will have to build alliances, share values, listen, empathise and negotiate to secure better services for patients. Engagement needs to be the hallmark of their leadership, while the NHS Commissioning Board needs to give commissioning groups the space and support to engage with their local partners.

The NHS Leadership Academy, in its role of setting national standards for leadership, should vigorously promote the importance of a diversity of leadership styles and the centrality of patient and staff engagement in
leading quality improvement. To help the service move away from over-reliance on the pace-setter approach, the Academy will need to develop the skills of a generation of managers who have secured promotion and success in the target-driven culture.

This has started to happen in the Top Leaders Programme (NHS Leadership Academy 2012) and now needs to be taken forward with urgency. One practical way in which this could be done is by supporting leadership development that brings together leaders from different organisations and backgrounds with a focus on leading improvement across systems of care.

**Implications for leadership development**

The practicalities of improving health care provide further evidence of the superiority of distributed leadership over heroic leadership, because it requires activity right across the system, from ward and hospital department to the GP, community services and social care, involving the whole spectrum of care professionals. In exceptional organisations, such as Intermountain Healthcare in the United States or Jönköping County Council in Sweden, leadership for improvement involves reforming the system through a sustained effort, often over many years (Baker 2011). This effort is designed to create the ways of working, people development, culture, systems and environment that are the conditions for promoting improvement.

In a submission to this review, the Advancing Quality Alliance argued that successful leadership of health care improvement combines three sets of skills: service-specific knowledge, improvement know-how and change management skills.

The need for service-specific knowledge – understanding how clinical services work and what is required to provide high-quality care – means clinicians need to be among the people leading the change. For clinicians embedded in the service, the challenge is to use their knowledge without being wedded to the status quo.

Mastering quality improvement know-how – increasingly being described as the science of health care improvement – includes techniques adapted from production engineering such as ‘lean’, together with methods such as clinical audit and research.

The third skill – change management – includes handling relationships, building coalitions of support, countering resistance to change and communicating a vision to staff, patients, the public and wider stakeholders. Engagement of staff and patients is central to this aspect of health care improvement.

To make these points is to underline the importance not just of a new style of leadership but also of leadership development. Increasingly the NHS needs managerial and clinical leaders who have learned the skills of improvement and are able to put them into practice. This is the clear lesson from both Intermountain Healthcare and Jönköping County Council where there is strong evidence of the link between high levels of staff engagement and development and organisational performance (Baker 2011). Organisations such as these not only invest in formal leadership development, but also provide venues for developing leaders to hone their skills backed up by systems that support their leadership work.

Engagement of staff and patients is underpinned by a common set of values. In the context of the Engaging Leadership model (Alimo-Metcalfe and Alban-Metcalfe 2008) it can be seen that organisations which engage both groups will be open and accessible, will emphasise collaboration, will remove barriers to communication, see the world through the eyes of others, take on board their concerns and perspectives and work with their ideas. Each individual will be valued, supported and listened to; the patient engagement mantra of ‘no decision about me without me’ applies just as well to staff.

**Engaging staff**

Organisations developing leadership programmes to engage staff need to do so in ways that bring different groups together. In evidence to this review the Royal College of Surgeons argued that for too long leadership initiatives targeted at separate groups – doctors, managers and so on – have reinforced differences and done nothing to encourage collaboration. The college believes leadership development that brings staff together will improve care.

Engagement is fostered through staff having jobs with meaningful, clear tasks, some autonomy to manage their work, involvement in decision-making and supportive line managers. They are part of a well-structured team in an organisation that is focused on quality and celebrates success. In short, engaged staff feel valued, respected and supported.

But engagement means far more than having an engagement strategy. Mechanistic approaches that lack sincerity will soon be found out because engagement is built on
authenticity. Organisations that engage both staff and patients have strong values of trust, fairness and respect which are consistently articulated and acted upon.

**Engaging patients**

Engagement with patients means turning the promises in the NHS constitution about involving people in decisions about their care into reality. At a structural level patients are engaged through a variety of mechanisms, such as patient forums, advocates, foundation trust governors, involvement in co-designing services and, as part of the reforms, clinical commissioning groups, HealthWatch England, local HealthWatch organisations and health and well-being boards.

All these can be important in giving patients a voice, but personal engagement with individual patients is what matters most. This not only shapes care for that person but enables clinicians and managers to see services through patients’ eyes, helping to mould culture and practice to secure more responsive and sensitive care. When done well, patient engagement also enables patients to be more in control of their health and well-being, sharing in decision-making with clinicians through access to information and advice about the risks and benefits of treatment options.

Most people want to play an active part in their own care and expect health professionals to help them do so.

There is also an unwillingness to experiment with new ways of relating to patients, a consequence of a risk-averse culture that discourages innovation. Some NHS organisations are now developing a strategic approach to patient engagement. For example, since 2009 Northumbria Healthcare NHS Foundation Trust has had a director of patient experience leading an ambitious change programme with strong support from the board.

**The role of leadership in patient engagement**

The changes at Northumbria were initiated by clinical and managerial leaders committed to learning from patients’ experiences. They focused on clear goals, were ambitious, strategic and willing to take risks such as challenging their colleagues to change. Staff were helped to view services through patients’ eyes, which encouraged them to engage with patients and respond to their needs.

In a paper for this review Lemer and colleagues (2012) stressed that engagement is required throughout an organisation to improve productivity. Doctors lead teams, have great influence over how money is spent, and can make or break change programmes. Closer working between doctors, nurses, managers and others are key factors in engagement. There is increasing evidence that creating time for teams to reflect on how they work together can help raise care standards.

Success will not come from a single, heroic leader; successful patient-centred care programmes depend on engaged staff from ward to Board being willing to try different ways of working.

“There is increasing evidence that creating time for teams to reflect on how they work together can help raise care standards.”
Engaging doctors
It is a striking feature of the NHS that it employs some of the brightest people in the country, then disempowers and alienates many of them. Consultants are more likely to say they work ‘at’ rather than ‘for’ a trust, and doctors often underestimate both their power and responsibility when it comes to improving quality and productivity.

But being a doctor often doesn't feel powerful. They may have no budget, no status to make demands on the administration, no power to hire and fire, and little influence over the organisation's goals. Yet the decisions they take not only have a profound impact on patients, but on the quality of care, productivity and reputation of their employer.

Many doctors and much of the medical establishment have been in open rebellion against the government over the latest reforms. Managers and doctors need to work together to turn that opposition into engagement in making the new system work for patients. Strengthening medical engagement means ditching any notion of doctors following where managers lead in favour of managers and clinicians sharing power on the basis of mutual professional respect, united around the goal of improving quality. For some this will require a profound change in their mindset.

There is a growing literature around medical effectiveness which debunks the idea that doctors can simply keep their head down and concentrate on clinical work. Now a growing number of organisations are engaging doctors by uniting clinicians and managers around improvement.

Research into the role of nurse leadership in improving care (Murphy et al 2009) found nurse leaders encourage clinical excellence, safety and productivity. Working in a multidisciplinary team was a key ability, while participation in clinical decision-making, extending their skills throughout their career and having good support were critical factors in their development. According to Curtis and O'Connell (2011), nurses are motivated by opportunities to plan care, solve problems, make decisions and conduct research. They should be full partners in designing care pathways.

Engaging boards
One of the consequences of the failures exposed at Bristol Royal Infirmary and Mid Staffordshire NHS Foundation Trust has been the Department of Health's drive to improve the governance and leadership performance of boards.

In 2009 the Healthcare Commission outlined three roles for boards: formulating strategy, ensuring accountability and shaping culture (Healthcare Commission 2009). There has been little research on the impact of boards on organisational performance, but two studies (Emslie 2007; Storey et al 2010) indicate that organisations whose boards focus on strategy and governance perform better, while boards that engage staff in decision-making raise staff satisfaction.

For anyone still clinging to the heroic model of leadership there was also evidence that excessively assertive chief executives – which can be taken as a euphemism for bullying – seriously undermine board performance. Chambers and colleagues (2011) found that high-performing trusts were more likely to have a chief executive who had been in post for at least four years, have a higher proportion of women on the board and have non-executive directors who make a significant contribution to meetings.

As well as focusing on the health of patients, it is important boards consider the health and wellbeing of their staff. Stress harms care. In 2009 the Boorman Review of the mental health of NHS staff (Department of Health 2009a) found a strong link between stress and poor trust performance. Of the staff interviewed for the study, 80 per cent admitted their levels of anxiety, stress and depression influenced the quality of their care.

Since boards need a culture of innovation in their organisation, they must create ‘readiness for change’. This is the extent to which staff accept the need for change, and believe it will benefit themselves and the
organisation. It is a significant indicator of the chances of successfully implementing a change strategy.

Engaging across the system
The complexity of the government’s health reforms pushes to the fore the issue of leading and engaging not just within organisations, but across systems. Failures in care quality often stem from poor co-ordination between services, and many of the efficiencies needed to deliver Quality, Innovation, Productivity and Prevention (QIPP) rely on redesigning pathways across providers, agencies and sectors. Much of the narrative has been about taking power from ‘bureaucrats’ and putting it in the hands of clinicians, but this is an inadequate description of leadership for such profound changes.

One certainty amid this confusion is that success in driving both quality and efficiency demands new levels of co-operation and partnership—working across systems, notably between hospital and community services and between health and social care.

Leadership across systems requires an ability to understand and work with different goals, cultures and business priorities from those of your own organisation. Historically dysfunctional relationships will often need to be acknowledged and worked through to create a collaborative, whole system approach for the future.

Matching leadership skills to the health reforms
In one of the lectures given as part of this review, Ciarán Devane, chief executive of Macmillan Cancer Support, highlighted the profound change in management approach the health reforms require. Instead of working in a hierarchy-driven system where power comes from authority, managers will need to exert influence, or soft power, across a matrix of organisations where decision-making structures are not defined. ‘In the new world we are going into you need a wider spectrum of leadership styles than the one which is currently dominant,’ he said.

Heroic leadership will not work, while engagement will be critical. Managers will need to win people round emotionally with a compelling vision, and employ political skills to get the right people in the right places to come round to their way of thinking, building communities of influence.

The role of GPs in system engagement
With the advent of clinical commissioning groups GPs are central to system reform. GPs have always worked across systems, but they are now expected to lead and shape them. The cultural leap they will have to make is huge.

Many doctors go into general practice because they thrive on the close relationship with patients and value independence. Some have now been thrust to the centre of a complicated, poorly defined and constantly changing network where they will have to sacrifice patient time to work on system management and service improvement. For GP leaders, engagement is now a core skill.

In recent guidance the Royal College of General Practitioners (2012) spelt out what this means: ‘Patients and staff will look to GPs to influence and help determine the future direction of services; in leading and managing change there is a need for you… to understand yourself, how you can work effectively with your teams and others, and how to take people with you.’ Among the people they will have to take with them are other GPs.

If clinical commissioning groups are to feel and work differently from primary care trusts they need to engage all the GPs in the area, to secure the best data, insights and ideas to reshape care pathways. This means making a reality of the idea that clinical commissioning groups should be membership organisations made up of constituent practices who share responsibility for the work of groups and their performance. Effective GP leaders will be those who are able to engage other GPs in the work of clinical commissioning groups to deliver improvements in population health outcomes and patient care.

To make this point is to reiterate one of the key messages from the King’s Fund’s 2011 leadership review, namely the importance of followership as well as leadership. Put simply, leadership is a relationship between leaders and followers rather than a property of individuals and teams. Making the case for effective leadership and its development therefore necessarily entails also making the case for followership and its development to avoid leaders being set up to fail. This in turn suggests that leadership development needs to be complemented by an investment in organisation development throughout the NHS, but especially in clinical commissioning groups at this stage in their formation.

References available on request or visit www.kingsfund.org.uk.
An ethical perspective of stakeholder salience

Part two of an article by Dr John McManus and Simon Webley.

Customers

Within the information technology industry, the selling of products and services is paramount to the survival and success of the firms who operate within the industry. In this context, the customer is king. Firms perceive customers as the most important stakeholder group and consequently have to establish their ethical responsibility towards this group.

For many firms within the information technology industry, this means demonstrating integrity, fairness, and honesty in their business behaviour (McManus, 2005). This hypothesis is supported by previous research which supports the benefits of relationships between management, customers, and suppliers (Botten and McManus, 1999).

Firms within the information technology industry tend to invest in their relationships with customer through client account management relationships. Consequently, within the European information technology industry, customers play an active role and resulting in high legitimacy. As legitimised agents, customers should have power over firms. In competitive markets, customers have options to switch suppliers hence the customer’s decision to stop or reduce its purchasing of products might result in a definite influence of a firm’s survival, making the acceptance of customers’ power a practical scenario (Disney, et al, 2000).

Within the global context, the power of customers to exert influence over multinational firms is limited. Large companies such as SAP, IBM, Logica and Fujitsu have large customer (and client) bases and have mature systems and processes for managing customer expectations. In this context, large firms are generally able to exert significant influence over their customers. Whereas the power of customers within the ICT industry can be limited for the following reasons. Firstly, large firms are able to influence the environment they work in and the image and customer perception they create within the environment. Secondly, operating internationally enables the firms to move to other markets thereby creating new customers.

If companies regard customers as legitimised and stakeholders with power (Freeman, 1984), it could be argued that large firms arbitrage their power and legitimacy by managing changes in customer requirements – for example, through differential customer service. Firms within the ICT industry frequently fail to deliver on requirements and promises to deliver on schedule. This raises doubts on the degree firms perceive customers as an urgent stakeholder group (McManus and Wood-Harper, 2007). In this context, claims by firms within the industry to support high levels of customer urgency are not upheld.

Employees

Within the ICT industry we frequently view employees as key resources, largely due to the technical nature of what they do. In many respects this group represents the active stakeholder group as defined by Mahoney (1994). These stakeholders are not always part of the formal structure. Management and employees are included but some parties – such as contractors – fall outside this category. The relationship between managers and employees in European firms is embedded in the strong history of industrial relations (Langlois and Schlegelmilch, 1990 and Hoffmann and Hoffmann, 2009). Clearly the ability of employees within the firms to exert influence is, in many respects, dependent on size and prior
Deregulation within the ICT industry has in part enabled market reforms, deregulation and open competition within the ICT industry have placed a premium on the attention to customers, an important category of stakeholder. Market-based reforms within the ICT industry have placed a premium on the attention to customers, an important category of stakeholder. Deregulation within the ICT industry has in part enabled European firms to break loose from many bureaucratic practices. Deregulation within the industry has prompted responsiveness to key stakeholders by providing freedoms within the firms to exploit entrepreneurial behaviour (Feldman, and Khademian, 2002). Within the European Union UK, German and French governments are regarded as important sources of power and therefore are considered as a group of stakeholders with both legitimacy and high power. German companies for example, have a comprehensive legal framework which has led to a more stakeholder oriented focus in corporate governance (Winker and Remisova, 2007). Evidence would suggest that within many European firms urgency is a key attribute of stakeholder engagement and claims made against the respective governments have to be dealt with due to the high level of legitimacy and power they have or represent. Although not always substantiated, the various European governments’ higher urgency compared to customers could be characterised by changes in regulations after unacceptable practices towards customers as in the case of the Siemens scandal in 2007.

The 2010 triennial survey by the Institute of Business Ethics (IBE), (Webley et al, 2010) provides further evidence that firms in the UK and continental Europe regard their employees as one of the most salient stakeholders. Since 1995, this survey of the use of codes of ethics (or equivalent) covered only UK companies listed in the FTSE 350 share index. In 2010 the scope was expanded to include not only ethics codes but the programme for their implementation. It was also expanded to include companies listed on the stock exchanges of four continental European countries: France (Paris Bourse); Germany (Deutsche Börse Group); Italy (Borsa Italiana); and Spain (Bolsa de Madrid).

In total, 28 usable responses from continental Europe were received; five each from Spain and Italy, eight from France and 10 from Germany. Of these continental European respondents, four companies were from the technology sector (one Spanish, one German and two French). This supplemented the 77 responses from UK FTSE 350 companies. As the opening paragraph to this article highlights (MS Journal, Spring 2013), a code of ethics (or equivalent) is an important tool for providing guidance on what is expected from staff as to how they conduct business. The survey indicates that the majority of company respondents had had a code for five years or more, particularly in Spain (80%), Germany (90%) and the UK (66%). Of the technology companies surveyed, all four had had a code for five years or more.

The responses indicate that beside employees, three other stakeholder groups are salient to UK and continental European companies: business partners (contractors), suppliers and regulators. This adds credence to the normative view of stakeholder salience described in this article, based on the ‘power, legitimacy and urgency’ framework.

**Employees**

Sixty per cent of companies surveyed from Spain, Italy and Germany and 69% from the UK include the obligation to adhere to their code of ethics in employment contracts, and more than half of all continental European respondents say they use their code during the recruitment process. In the UK, the proportion was 38%. 

**Government**

Within Europe government market reforms, deregulation and open competition within the ICT industry have accelerated the pace of change in which governments and their stakeholders are involved in the wider context of policy making and business decision making. Market-based reforms within the ICT industry have placed a premium on the attention to customers, an important category of stakeholder. Deregulation within the ICT industry has in part enabled European firms to break loose from many bureaucratic practices. Deregulation within the industry has prompted responsiveness to key stakeholders by providing freedoms within the firms to exploit entrepreneurial
This is reflected amongst the technology companies; half include the obligation to adhere to their code in their employment contracts and three refer to their code in the recruitment process (the fourth company didn’t respond to this question).

Similarly, ‘Guidance to staff’ and ‘Shared and consistent company culture’ were identified by all respondents as the two main purposes of their code of ethics. These findings suggest the code is provided largely for employees and is a means for European companies to emphasise their ethical responsibility to this stakeholder group. A further way companies uphold this obligation is by providing a mechanism for employees to raise concerns or ‘speak up’ about issues that concern them. More than 80% of all companies surveyed, and 100% of the technology company respondents, provide this on a confidential basis. It is clear therefore, that employees have a high level of ‘legitimacy’ in the eyes of their employers, ie, their behaviour is subject to guidance set out in an ethical policy and detailed in a code of ethics.

The salience of employees is apparent from the answers to another survey question ‘Which ethical issues are significant to your organisation?’ ‘Discrimination, harassment or bullying’ was identified as significant by all four technology companies and all company respondents in Spain, Italy and France, while the proportion was 90% of German and 83% of UK respondents. Another employee-related ethical issue, ‘Speaking up/whistleblowing’, was identified as third most important by all continental European companies and as the second most important ethical issue in the UK.

The standards most commonly referred to in codes of ethics were identified by all company respondents as those which consider employee rights issues namely, the UN Global Compact, UN Declaration of Human Rights, and ILO Core Conventions.

Business partners
Guidance to contractors and other business partners was also considered to be one of the main purposes of the code by all responding companies from Spain, Italy and France, and by 70% of German and 72% of UK respondents. Three of the four technology companies also selected this as a main purpose. This supports the earlier contention that contractors can be included as an informal employee stakeholder, despite having a less direct role in the company than employees on the payroll.

Suppliers
The IBE survey results also support this article’s finding that suppliers are a salient stakeholder group. On average, eight out of 10 companies (100% in Italy and all the technology companies) said they use their code of ethics to screen suppliers for ethical standards. Suppliers therefore are also seen by companies to have a high level of legitimacy as the relationship with them is ‘subject to internal codes of conduct’ indicating that the company is seeking to uphold its ethical responsibility to this stakeholder group.

Regulators
Furthermore, there is evidence to support the salience of regulators among certain European companies. The IBE survey found that half of French and German corporate respondents identified ‘Decreased liability in case of misconduct’ as one of the main purposes of their code of ethics. It follows that companies in France and Germany feel that they may be more likely to be held liable for breaches of the law by regulators than they are in for instance, Spain or Italy. This could be because corporate governance regulation in France and Germany differs from the rest of Europe. These two countries mandate a two-tier board system for publicly-listed companies, ie, their executive and supervisory boards exist independently. Companies in the two countries may therefore be under greater scrutiny than elsewhere in Europe, indicating that regulators in those countries are recognised to have a high level of legitimacy and influence over company behaviour.

Conclusions
The purpose of this article was to examine stakeholder salience in the European information technology industry. Stakeholder salience was evaluated using the attributes of legitimacy, power, and urgency. The efficient examination of the firm’s relation to these groups resulted in identifying the different degrees of stakeholder importance. Stakeholder salience theory provides a framework in which stakeholder attributes can be assessed and discussed in different contexts.

In the context of this article, legitimacy, power
and urgency contributed to the logical evaluation of the importance has for firms within the industry. In essence, the characteristics of stakeholder salience help to explain the decision by management to include certain stakeholder groups in corporate codes of ethics. It could be argued that the attributes of stakeholder salience theory serve as a base for management decisions about what and who is especially important.

In discussing the outcomes of this research, legitimacy of a particular stakeholder group refers to its legitimate standing within the business community and the legitimate claim on a firm often results in deriving aspects of power from this group. For example, the way regulation influences customer purchasing power.

Of those stakeholders identified within the Information technology industry, the primary stakeholder included customers, employees and government – according to the literature these groups were considered strategic and important to the firms. Relations to these stakeholders are considered essential for a firm’s survival. European firms especially those that operate out of Germany such as: SAP, Siemens, NXP and Novellus Systems tend to be highly regulated and open to public scrutiny. Increased complexity of globalisation, internationalisation and financial constraints within EU markets as certainly precipitated issues between stakeholder groups.

It could be argued that increased globalisation calls for a level of diversity that leads to ethical solutions, not problems, by ensuring that firms continue to invest (capital, time and knowledge) in stakeholder development and education. The changing nature of business and society, demands nothing else.

References available on request. Email editorial@mjournal.org.uk.

The survey findings were not formally tested for statistical significance due to the small sample size. However, the response rate in 2010 is sufficient to draw general conclusions and evaluate trends. Observations are made on the basis of directionally significant, rather than statistically significant results.

About the authors
Dr John McManus is an award winning author at the University of Staffordshire. Dr McManus lectures and researches in strategic managment, 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). In 1993, he compiled the Interfaith Declaration on International Business Ethics.

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>
</tr>
<tr>
<td>NOVELLUS SYSTEMS</td>
<td>Semiconductors and semiconductor equipment</td>
<td>Germany</td>
</tr>
<tr>
<td>NXP</td>
<td>Semiconductors and semiconductor equipment</td>
<td>Germany</td>
</tr>
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<td>Semiconductors and semiconductor equipment</td>
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<td>UK</td>
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<td>SAP</td>
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<tr>
<td>SM MICROELECTRONICS</td>
<td>Semiconductors and semiconductor equipment</td>
<td>Germany</td>
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<tr>
<td>SOFTWARE AG</td>
<td>Software and services</td>
<td>UK</td>
</tr>
<tr>
<td>SOPRA</td>
<td>Software and services</td>
<td>UK</td>
</tr>
<tr>
<td>TIETOENATOR</td>
<td>Software and services</td>
<td>UK</td>
</tr>
</tbody>
</table>
Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN of the 48th Annual General Meeting of the Institute to be held at Charter Room, The George Hotel, Bird Street, Lichfield, Staffordshire WS13 6PR on Friday 18 October 2013 at 10.30 am to conduct the following business.

• To receive the Annual Report and Accounts.

• To confirm the following Bye-Law No 1/2013.

Membership subscription for 2014 shall be for Life Membership at a rate of £280.00 for all members. An annual membership fee of £150.00 will be available on request.

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

• To Note elections to Council.

By Order of Council of Management

6 June 2013

John Lucey Secretary
I (full name)………………………………………………………………………………………………………………………………………..

of (full address)………………………………………………………………………………………………………………………………………

………………………………………………………………………………………………………………………………………………………………

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

Hereby appoint A Muir 1 Berryhill Finglassie Glenrothes Fife KY7 4TQ or failing him the Chairman of the
meeting to vote for me and on my behalf in accordance with the directions, if any, given hereunder at the 48th
Annual General Meeting of the Institute to be held at Charter Room The George Hotel, Bird Street, Lichfield,
Staffordshire WS13 6PR on Friday 18 October 2013 at 10.30 am and at every adjournment thereof.

RESOLUTION NO 2 FOR / AGAINST *
(Bye-Law No: 1/2013)

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

*delete as applicable

as witness my hand the………………………………………………. day of……………………………………..2013

Signed………………………………………………………………………………………………………………………………………..

This proxy form must be deposited at the head office of the Institute by no later than 10am on Friday 20 September 2013.

The name of A Muir has been inserted (or chairman of the meeting) to ensure that your vote is cast in the way you have indicated.

You may however, insert another proxy holder if you wish who must be a corporate member of the Institute, but your vote will not be
recorded if he or she is not present at the meeting.
United we stand...

David Archer and Alex Cameron, Socia Ltd, present the case for collaborative leadership when resources are tight.

There is little doubt that in the second decade of the 21st century the business world is becoming increasingly interconnected. Companies now rely on global networks of suppliers for all aspects of their value chain and even in the public sector, long-term partnerships with private sector service providers are becoming the norm in the delivery of core services such as refuse collection or road maintenance. More innovative collaborative arrangements are being set up to bring commercial and third sector expertise to bear on complex social issues such as probation services or drug rehabilitation, often with the added uncertainty of payment-by-results type contracts.

Leaders increasingly find themselves having to manage many of these relationships, each with their own demands and risks. And entering any kind of long-term business relationship means you’re going to need to collaborate. But just how much collaboration do you need, and when? Some leaders may be attracted to the idea of always working in close collaboration with their partners just because that is their preferred leadership style, but if you try to manage your partners as you would a team of direct reports, you’ll quickly run into problems.

On the other hand, if you treat a collaborative relationship as purely transactional – where you’re the customer and your partners are the suppliers – that is exactly what it will become: you’ll miss out on the potential value and innovation that could have been created in the space between the two organisations.

But collaboration costs. Aside from financial considerations, it also costs in leadership time and commitment. So as a leader, you should only invest in collaboration in proportion to what you see as the potential return. In times when resources are tight, is this the time for leaders to look for opportunities to collaborate? Successful collaboration is all about sharing and making the most of limited resources, so it is in these difficult times that collaboration between businesses can really deliver the savings and innovation that we all need. But it is also worth noting that not all business relationships need to be highly collaborative. The trick for leaders is to identify the relationships that can genuinely deliver through effective collaboration.

The collaboration spectrum
To help work out how much collaboration is needed in a particular relationship, it’s useful to look at the number (and significance) of the points of interdependence.

“Successful collaboration is all about sharing and making the most of limited resources, so in difficult times it can deliver the savings and innovation that we need.”
Collaboration spectrum.

needs to sit on the
they think your relationship
accordingly.

different loyalties and have
or partnerships are not
or inaction) of one partner
can have a critical impact on
work of others: at these
points alignment is essential.

In starting a discussion
with your partners about the
amount of collaboration that
you are each looking for in a
relationship, you may want
to employ a simple tool – we
call it the collaboration
spectrum. This shows
relationships ranging from
the ‘symbiotic’ (with many
points of interdependence
and therefore a high degree
of collaboration) at one end,
to the ‘transactional’
(with relatively few points
of interdependence and
therefore a low degree
of collaboration) at the other.
Partnerships and mutually
beneficial relationships sit
somewhere in between in the
middle of the spectrum
As a rule, the more
points of interdependence
in a relationship, the
more collaborative that
relationship needs to be
and the further to the left it
will lie on the collaboration
spectrum. Clearly the
objective is to ensure
that limited resources are
focused on sustaining those
business relationships which
require the highest level of
collaboration.

Using the collaboration
spectrum, it is possible to
plot the characteristics
of each relationship at a
moment in time, examine
how those characteristics
are likely to change in the
future, and explore where
the relationship needs to
be in order to deliver its
business goals.

Establishing your
relationship

Working out where each
partner thinks the relationship
needs to be positioned on the
spectrum can usually help to
resolve initial differences in
perspective and approach. For
example:
• How much does each
  party want to collaborate?
  Do they want to operate as
  independently as possible or to
  interact closely?
• Where do parties disagree
  about the ways of working?
• Are there potential areas
  of conflict that are easy to
  predict?
• Are answers to the first
  three questions driven by an
  understanding of the needs
  of the joint enterprise or by
  the preferences of each of the
  partners?

At the right hand
side of the spectrum,
leaders are working with
straightforward transactions
with low interdependence
and a minimal need for
collaboration. These may be
quite short-lived relationships
where each side takes what
they need and moves on,
ie, efficient transactions.

As you move along the
spectrum, from right to left,
interdependence and the
demand for collaboration
increase. Each step along
the way represents greater
involvement and commitment.
By the time you reach the left
hand side of the spectrum, the
relationship has moved a long
way from dating – you’re well
and truly married! And while
this commitment can pay huge
dividends, at the same time the
amount of choice available in
the relationship decreases. The
consequences of changing your
partner are far greater, more
disruptive and costly. Divorces
are rarely anything but messy.

Some lessons for collaborative leaders

• Ask yourself if you
  are balancing your time
appropriately between
the different business
relationships you are
involved in. Are you giving
those that require a higher
degree of collaboration the
time they require?
• Collaborative groups
  or partnerships are not
conventional teams, even if
they sit at the symbiotic end
of the spectrum. People in
collaborative groups have
different loyalties and have
to be led and motivated
accordingly.
• Ask your partners where
  they think your relationship
needs to sit on the
  collaboration spectrum.

Is this different from your
own view?
• Where do you both think
  the relationship has been
in the past and is at the
moment on the collaboration
spectrum? And what does
that tell you about the
necessary direction of travel
for the future?
• Don’t send mixed
  messages. If you are used to
running customer-supplier
relationships, are you falling
into the trap of using this
language to describe a more
  collaborative partnership?
  Or if you are used to leading
and building close teams,
does your style confuse
suppliers who expect to work
more at arm’s length?

About the authors

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Cameron are co-directors of
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Collaborative Leadership
– Building relationships,
handling conflict and
sharing control (Routledge,
March 2013). See opposite
page for a review.

“By the time you reach the left
hand side of the spectrum, the
relationship has moved a long
way from dating – you’re well
and truly married!”
David Archer and Alex Cameron’s latest book, which is a new edition to the book first published in 2009, gives a practical insight into collaborative leadership across private, public and voluntary sectors. Both authors are pioneers in articulating the advantages of collaborative leadership.

Leadership styles vary, from the autocratic and dictatorial to the consensual. The authors present a constructive case for the need to build relationships; to handle conflict; and to share control. The book contains well documented examples of alternative styles suited to the contemporary world, with all its complexities.

The book is a timely reminder that we live in an increasingly interdependent world and the problems we face can rarely be solved by one organisation acting alone. It stresses the need for effective leadership and for leaders who are good at working across boundaries; at identifying a common purpose and reaching solutions.

Collaborative leadership requires energy, determination and the ability to work with others and this book contains many practical examples that will assist the reader in putting the theory into practice.

Collaborative leadership can be an essential tool in bringing about change and increased productivity in a business and is therefore essential reading for Institute of Management Services members.

This is the third edition of this book which contains five new chapters covering the latest developments and 12 new cases from a range of countries including Denmark, The Netherlands, India, China, USA, Germany and from a range of sectors (NGOs, not-for-profit, large and small companies, multi-national organisations, public and private sector)

In this textbook on change management, John Hayes examines and applies all of the key theories on change to organisational settings. Diagnostic tools and immersive learning exercises enable students to identify change and experience various outcomes based on real-world scenarios. The unique experiential learning exercises allow students to reflect on their own experiences of change. The book is written for practicing managers and for MBA students.

The book will, however, be an excellent addition to any library as it defines all the terms used and fully explains the research, presenting many useful case studies to assist the reader in understanding the subject.

The author strikes a balance between theory and practice by examining the key theories on change and applying those theories to organisational settings to demonstrate how organisations can develop practical tools to help implement change.

John Hayes is Professor of Management at Leeds University Business School. He is director of the Centre for Organisational Behaviour Research and Analysis and also teaches at Copenhagen Business School and Aarhus School of Business in Denmark.

This book will assist management services practitioners in understanding and applying change management within their business in order to achieve efficiency and productivity improvement.
In the last issue I suggested that we should spend far more time out of our offices, ‘wandering around’, than is currently normal. At least, that is, if you have any slight interest in what passes for your ‘customer front-line’, and some genuine interest in trying to help your hard-working employees improve that on some sort of continuous basis. If you don’t, then just carry on sitting there.

However, I did also emphasise that this wandering has to be genuine:

‘Managing by wandering around (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 understand, the feelings and problems of staff’ (Mullins, 2007: 458).

If it isn’t, many staff might not welcome their manager’s presence as they could perceive he/she is just checking up, and doesn’t trust them to do their job properly. For those of you, however, who are genuinely interested, I

John Chamberlin suggests how Situational Leadership can be linked to other good theories to assist in the process of management and change.
also suggested that a good theory to help solidly underpin your behaviours would be Blanchard et al’s (1987) Situational Leadership Model (SLM), Figure 1.

In this issue I suggest how this model can also be linked to a few other good theories that might assist this process of management, leadership and change.

I’ll take the last one first; change management. It’s hard. It frightens people. And the need for change frequently only becomes apparent when the company or organisation reaches some sort of crisis point where definite – possibly radical – action is needed.

Case study

Two decades ago BT, the company I was part of, went through a six year major downsizing programme which resulted in the 250,000-person organisation being approximately halved in size. The company was hugely over-manned – mainly in telephone exchanges and repeater stations, etc – because of the tremendous advances in telephone and digital technology.

Yet, throughout the period 1991-1996, the records show that not one person was made compulsorily redundant. This was aided by very attractive early release packages, combined with a massive internal retraining and redeployment programme, as well as consistent communication and management throughout the company.

The process is quite simple:

• Tell people what needs to happen, and why;
• Work very closely with your people, plus their unions or staff representatives, while they go through the difficult process of getting used to the idea that their ‘world’ is going to be different;
• As they do get used to it, give them some freedom and space to learn for themselves how best to cope with and progress in this new environment;
• Leave them to get on with their new lives.

“The need for change frequently only becomes apparent when the company or organisation reaches some sort of crisis point where definite – possibly radical – action is needed.”
(NB This final point might seem somewhat idealistic and at odds with the way most companies manage major change. After all, if the management has never trusted its staff before, why would they start now? However, good theory starts with taking a positive view of your people. Why wouldn’t you?)

Not only can you see Kurt Lewin’s (1947) ‘Unfreeze-Change-Freeze’* model running alongside this, you can also see distinct parallels with the SL Model in terms of the requirements for your own behaviour at each stage. (*Often misquoted as ‘Refreeze’.)

Stage 1 – Directing
‘Tell and show’ people why the change is necessary for the survival of the company or organisation. Be honest, clear and direct. Duck no questions. Brook no argument. The new future is better than no future. No-one is unaffected, at any level. Everyone is at risk. Everyone has opportunities.

Stage 2 – Coaching
Work closely with people throughout the whole organisation and at every level while this new reality is assimilated by all. GOYA! MBWA!

Stage 3 – Supporting
Cut people a little slack as they begin to accept that there might, just, be some positives in this new world, if only they’d stop fighting it and start trying to make it happen. Remember, if you’re not at the table, you’re part of the meal. Not everyone will get to this stage at the same time, so be aware (‘Be There’, Go to Gemba) and respond to each person/team’s needs accordingly, and at their pace. Remember Blanchard and Johnson’s (1982) closing comment in their first book: ‘There’s nothing so unequal as the equal treatment of unequals.’

Remember also, there will be some people – albeit a very small number – who just don’t (or won’t) get it, and do not want to go to this new place. However, if you can’t change the people, you have to change the people. It’s hard, but it’s true, and it’s necessary.

Stage 4 – Delegating
Get out of the way. Let your front-line people run with the ball.

So, the main ‘intuitive’ concept that has clear parallels here is Scott and Jaffe’s (1994) ‘Transition Grid’, see Figure 2, above.

The parallels might not immediately be apparent, so let’s look at these two concepts alongside each other, in simplified form, Figure 3.

Now, let’s rotate the SLM through $180^\circ$ and see what happens, Figure 4.

Now you can see the parallels; the green arrows make the tangible links between the ‘stage’ of the DREC curve and the relevant, required behaviour on the SL Model. Taking these in order:

- **Denial**: the likely instantaneous reaction to any major change announcement is: ‘No’, ‘This can’t be true’, ‘You cannot be serious’ (remember him?), ‘They can’t do this to me/us’, etc. This is where and why the consistency of the ‘case for action’ message (Hammer & Champy, 1993: 154) is so important, so clear, and company-wide. There has to be no doubt. No alternative. The behavioural style is ‘Directing – Tell and show’.
- **Resistance**: the fights start. Often (though not always)
union-led, this ‘we will not let this happen’ response is ultimately futile, so the sooner and least harmfully that we can get through this stage the better for everyone concerned. People’s energy is far better spent in co-operation than conflict. The behavioural ‘style’ is ‘Coaching’. Again, it’s GOYA! MBWA! Go to Gemba. ‘Be there’! The more effort you put in here, and the sooner you do it, the more you’ll save later – in spades! As pointed out in the previous article, this stage will require more ‘on the pitch’ effort from you, personally, but remember also, the denial battle has been won, so this is progress.

• Exploration: In this stage of the transition process the mindset starts to shift to the positive, the upward slope. People begin to recognise that not only is this change essential, but that there might, just possibly, be some positives in it for them also. The behavioural style required here is ‘Supporting’. Encourage your people to experiment with the new situation, to try out the new kit, or location, to see if they can make it work better than you can? Support them while they do that, but begin the process of backing away. Help them gain the confidence they need.

• Commitment*: The job’s almost done, so delegate it. Get out of the way and let your people begin to flourish in their new situations. The bulk of your role is done, so observe as they become independent learners.

(* NB Sometimes referred to as ‘Acceptance’.)

However, let us also be realistic here; most people might well go along with the change out of a ‘self preservation’ need, ie, they need a job. They might, in due course, accept the change, but more out of necessity rather than any ideological commitment to this new world, but that will not matter.

Behavioural change frequently precedes attitudinal change. However, if people have been genuinely engaged and involved, then they are more likely to become positively committed to make the solution work well, because they have been part of it.

**Good theories**

This is not meant to make this process sound easy, but it is intended to reinforce the point made in the previous issue, that if your behaviours are solidly-based on good theory, then your chances of a successful outcome are dramatically increased. What this (above) does do, however, is to link a couple of these good theories in ways that you won’t find in the textbooks. I don’t know why, though, as it clearly makes good sense to do so.

For this reason I’ve shown below a couple (at least) of other good theories that I maintain can equally and tangibly be linked to this SLM; see Table 1.

What I am suggesting here is that those same four stages – those four behavioural styles – of the SLM can be equally helpful in (at least) a couple of other instances also; eg, group (ie, team) formation, and marketing.

Take the next one, for example, Tuckman’s (1965) stages of group development. This is exactly redolent of project start-ups, where the team is brought together for the first time – its forming stage; ‘Who are...
you?’, ‘Why are we here?’,
‘What’s this thing we’ve got
to work on?’, ‘What does
this mean for melyou/my
career/etc?’ Etc, etc. And the
behavioural style required?
‘Directing – Tell and show’.

Storming? Same thing; get
out there and amongst it.
Behavioural style required?
‘Coaching’. Be there, on the
pitch, while this is happening.
Look up Tuckman and
Jensen’s (1977) comments
on this and the other stages
in Huczynski and Buchanan
(2001: 298, Fig. 9.8), and
you’ll immediately see the
parallels in the descriptors
that those authors suggest,
and those of the same stage
(eg, Resistance, here) in Scott
and Jaffe’s model.

Norming? Begin to pull
back, cutting right back on
the directing component
whilst maintaining support –
behavioural style required?
‘Supporting’, of course. It’s
a confidence thing now, not
competence.

And finally, performing?
Take note of that previous
reference and you’ll see
clearly that this is the only
stage in which there’s a team;
in all the previous ones they
are still called a group. These
people now know what
they’re doing, and why, and
they are both competent
enough to be left alone and
confident enough for you
to do so. If they need you,
they’ll ask. Behavioural style
required? Delegating. They
‘have the Con’. Butt out.

The third one I’ve
suggested in Table 1 is that
fairly well known marketing
model, ‘AIDA’; ‘Attention’
(sometimes shown as
‘Awareness’), ‘Interest’,
‘Desire’, ‘Action’. Work this
one through yourselves.
You’re in ‘selling’ mode, the
sole aim of which is to convert
the customer into money:
• Gain the prospect’s
  ‘Attention’ – ‘Roll up! Roll
up!’: Make them aware of
your product (or service)
offering – ‘Tell and show’!
Direct them to your offer.
  • Secure their Interest. Get
    them to try your new food-
slicer, or drill-bit, or chocolate,
    and see for themselves how
    good it is. ‘Let ‘em try’.
  • Encourage their Desire.
    ‘Support’ the soundness of
    their decision to buy, the logic
    of their thinking.
• Action – ‘How would you
  like to pay?’ Delegate – it’s
  theirs, now. ‘Who’s next,
  please?’ And so on...

Easy, isn’t it? Structure your
required behaviours for one
theory, based on the solid
foundation of another. Why
wouldn’t you? Or do you
prefer a life of continuous
experimentation based on the
‘poke and hope’ theory?

The final suggestion I’ve
thrown in is a little more
lateral, but possibly worth
a thought; Deming’s (1986)
PDCA Cycle – Plan, Do, Check,
Act. Think about it. You might
disagree but I think there
could be parallels there also:
• Plan – ‘OK folks, this is what
  we need to do, here’s the
  plan.’ Direct operations.
• Do – once again, work with
  people while they get stuck
  in, coach them. Is the ‘plan’
  being followed as agreed?
  No-one gets it right first time.
The best laid plans of mice
and men, and all that...
• Check – ‘OK, how did that
  go?’ Did it match the chosen
  theory (the plan)? Or, is there
  something else going off here
  that needs to be described
  in a new way? Support
  the thinking process – the
  distribution of brains in a
  team is one-per-member, not
  one-per-manager.
• Act – to standardise, or try
  something else. Delegate the
  independent learning?
  That’s not a perfect fit, I
realise, but the point is to
be aware how, in each of
those parallel models, that
it’s your behaviours that need
to change, as the learners
progress through those
various stages. You’re trying
to create independency here,
not dependency.

Conclusion
To conclude with another
reminder from last time,
Situational Leadership is a
‘pull’ system. Arnheiter and
Malayeff (2005) defined it
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’;
...and therefore it focuses
on the situational (ie,
instantaneous) needs of the
worker/subordinate/learner/
etc. The leader (manager, in
most cases) provides exactly,
and only, what is required at
the time, and in the current
situation.

As a final example, and
not related to business or
management at all, myself
and a fellow club coach are
currently basing a series of
sea kayaking beginners’
courses on the same ‘SLM’
concept.

We’re structuring each of
the three weekends on those
first three stages – Boxes 1, 2
and 3 – recognising that it is
our behaviours that have to
change, for each weekend
in turn.

The intention is that by the
end of the third weekend
away, the learners will be
competent enough to paddle
on the sea (as a new kayaking
environment), and confident
enough to (either) join others
on their trips, or plan their
own excursions without
our input – ‘Box 4’. Their
independency.

It’s a good theory. We think
so, anyway.
**References**


**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.

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“Structure your required behaviours for one ‘theory’, based on the solid foundation of another.”
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