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

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

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

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On the up?

The current economic recovery may well be fragile...

In the last issue of the journal I made reference to an improving economy and the International Monetary Fund’s (IMF’s) forecast that the UK would be 2.4% better off in 2014. The IMF has since revised that forecast and is now predicting that the UK economy will grow by 2.9% – the fastest growing economy in the G7 – which is even better news for Chancellor George Osborne and his recovery programme.

However, there are several leading economists who express concern that the UK may be heading for another ‘housing bubble’. Professor James Mitchell of Warwick University is predicting a sharp drop in house prices. According to his research 10 out of 13 UK regions are currently overvalued and warns that those pinning their hopes on mortgage rates staying low could be in for a shock. He suggests that as we return to normal levels we will see households and banks being stretched to breaking point. Interestingly enough, I remember reading an article in Property Today dated June 2007 about Fred Harrison, respected economist and author, who predicted the last property crash. According to Harrison, an 18 year sequence of property crashes runs faithfully through 1902, 1920, 1938, 1956, 1974, 1992 – hence his then prediction for 2010.

There is also what he terms a ‘mid-cycle recession’ that occurs nine years after each crash, which is not quite so painful. So the current economic recovery may well be fragile.

Of course many things have changed in the economy over the years, not least a shift from manufacturing to services. In 1948, for example – around the time the forerunner of the IMS was established – British industry was (industrial manufacturing, oil and gas extraction and utilities) accounted for 41% of the UK economy. By 2013 it had shrunk to just 14%. This transition from manufacturing to services has been recognised by the Institute and is reflected in our current strategy.

Identifying new links

In terms of our strategy, you will recall that in the last issue I referred to our aim on education, which is to: ‘strengthen the links between the Institute and its existing approved education providers and to identify and develop new links and providers, particularly those overseas’. Details of the outcome of the work done with our existing approved education providers will be published in the next issue of the journal but I would like to advise you of developments on the second part of the strategy: ‘to identify new links and providers, particularly those overseas’. I am pleased to report that JAFCON, a management consultancy in Bahrain, has had its three part productivity improvement programme approved by the Institute. JAFCON offers industrial and business consultancy services to clients, principally in Bahrain, the Middle East and North Africa. Established in 1990, its chief executive Dr Akbar Jaffari, was the first Arab national to become a Fellow of the Institute and has been a member since 1979.

I first met Dr Jaffari in 2012 following his presentation of a paper at Cambridge University (the paper was subsequently published in the journal). He, along with one of his senior consultants, Ebrahim Rahdi, dropped into Brooke house for a meeting with myself and the Institute’s Treasurer, David Blanchflower. The meeting was very productive and it was from that meeting that the possibility of them becoming an education provider for the IMS was developed.

It therefore gives me great pleasure to welcome JAFCON as an approved education provider and to say that we at the Institute look forward to working with them in the years to come.

Dr Andrew Muir

The Institute is pleased to announce that a new cohort of students have achieved the IMS Diploma Certificate Award and the IMS Certificate Award 2013.

IMS Diploma Certificate Award 2013

Dean Betteridge, Steve Tribe MMIS(Dip), Leanna Lake and Simon Musakaa.

IMS Certificate Award 2013


Mines a pint!

West Midlands members enjoy the local brewery’s finest

I n April a party from the West Midlands Region visited the National Brewery Centre Museum in Burton on Trent. The visit started with a tour of the adjacent Molson Coors Brewery which on the site of the old Bass brewery. Molson is a Canadian and American owned company and one of the world’s largest brewers, and the production and distribution carried out at the site is on a very large industrial scale.

The company uses aluminium kegs (each worth £200 scrap value) which are taken through the automated production line, steam cleaned and sterilised, then filled with beer and grouped in six kegs as a batch for transportation. When we viewed the process line at midday, over 7500 kegs had already been processed.

Throughout the tour there were very few visible employees. Although the plant works 24/7, the total payroll is only about 400, this compares to over 1500 employees at the old Bass brewery.

The museum tour was a step back into the past – an Edwardian pub, dray horses and old vehicles, as well as a detailed model of Burton on Trent in 1921, showing all the old breweries with their large stack chimneys. And, of course, a chance to sample some of the local beers and ales.

John Hopkinson, Chair, WM Region
IMS members witness perfection at the Jaguar plant

IMS members and friends enjoyed an interesting and informative visit to the Jaguar Plant in Birmingham in May. All sections are highly organised and many are equipped with robots which reduce the need for human intervention. It was noted that six robots in one section cost £1 million. Jaguar cars are made to order, so every car on the production line already has an owner waiting for it. The works at Castle Bromwich produces 76 vehicles per day which has up to 952 parts specifically assigned to each car according to customer requirements. On the rare occasion that a car is not perfect at the end of a process, it does not continue until the problem is remedied, checked, double checked and deemed perfect. In practical terms, each car will undergo thousands of precision process and quality checks. The company employs 4000 shopfloor employees (male and female) who are trained to carry out at least four tasks. On this site, there are a further 500 DHL contractors employed per day and they are responsible for moving by fork lift truck/pallets/all components/parts assembled throughout the plant. The IMS members were impressed by the visit and the experience gained will be highly valued.

Earlier in the year, a group visited the material recovery facility site of Veolia Environmental Services in Mansfield, Nottinghamshire. The company is the UK’s leading recycling and waste management company and currently employs 12,000 people and had revenue of £1-9 billion in 2012.

John Davies, secretary, East Midlands Region

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Scottish Region news: SRUC golf challenge

The SRUC Golf Challenge was held at Elmwood Golf Course, Strathaven, on 23 May. The Chairman represented the Institute at this unique event which was organised by Elmwood College’s golf management students. The students handle everything from tee times to prize giving which forms part of the assessment for their Higher National Diploma course. The event was well attended with more than 30 senior managers and professionals participating, all of whom agreed that the day had been a resounding success – congratulations and well done to the students!

Each year the proceeds of the prize-giving which forms part of the assessment for the Higher National Diploma course are donated to a charity set up by a family in memory of their son Christian ‘Cookie’ who died of Hodgkin’s Lymphoma cancer at the age of 19. Further details are available at steven@thecookiejarfoundation.co.uk

Scottish Region Secretary

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Trelleborg Offshore UK Limited

IMS North West visit

17 July, 12.40pm for 1pm start

Stanley Way, Stanley, Skelmersdale, Lancashire WN8 8EA

Trelleborg Offshore has a global presence with manufacturing facilities around the world, providing solutions for offshore oil and gas, including our North Sea facilities. The company supplies marine and offshore equipment where seabed pressures need exacting high performance technologies and materials.

Numbers are limited, therefore to express your interest in joining our visiting group to this impressive company email harry.hogg@blueyonder.co.uk or contact lan cooper 01257 421 383
Surge in Liverpool productivity levels

Liverpool has been hailed for a remarkable rise in its productivity. A report by independent macroeconomic research company Capital Economics shows the region is the best in the UK for the improvement in its productivity per head of population, measured by output per hour worked. Growth in productivity figures from 2004 to 2012 shows Liverpool top of the league, with a 34% increase, beating second-placed East London's 30% achievement. Richard Holt, of Capital Economics, says Liverpool's 34% rise, nearly half as much again as the increases achieved by the weakest performing areas such as Leeds and North Manchester, is partly due to the disappearance of “under-performing” sectors and companies, which has tended to boost the average. But it also shows an increase in new, more successful, sectors. He said: “Liverpool, somewhat in defiance of its historical reputation as Manchester’s ever-troubled neighbour, looks to have done very well in achieving growth in financial and business services. “The construction sector has also been strong, reflecting waterfront redevelopment and the new Liverpool One retail centre.”

Liverpool City Region Local Enterprise Partnership (LEP) is emphasising the region’s renaissance at the highest level.

Can green buildings boost productivity?

The World Green Building Council has launched a major global project, working with experts around the world to define the health and productivity benefits of investing in green office buildings.

The project will seek to highlight the two key benefits to investing in greener offices:
• Business benefits, including staff productivity and recruitment and retention of the best people;
• Acknowledgement of the need to improve the way we operate our work spaces, to decrease the impact that we are having on the natural environment.

The aim of the report is to define ways in which these benefits can be robustly measured, and financially valued. Common metrics of assessment will be developed, and allow for best practice guidance to provide advice on the investment decisions.

Recent evidence shows that the corporate environment is becoming less focused on space efficiencies, and more focused on environmental credentials of space. Similarly, corporate health and wellbeing strategies are being used as a competitive edge for staff recruitment and retention.

The space companies occupy is integral to the ability to provide an environment that is not only the best and most productive for the people within it, but for the planet as a whole. The report is expected to be published in autumn 2014.

Unlocking value and productivity through social technologies

A recent report by the McKinsey Global Institute highlights that in a few short years, social technologies have given social interactions the speed and scale of the internet. Whether discussing consumer products or organising political movements, people around the world constantly use social-media platforms to seek and share information. Companies use them to reach consumers in new ways too; by tapping into these conversations, organisations can generate richer insights and create precisely targeted messages and offers.

While 72% of companies use social technologies in some way, very few are anywhere near to achieving the full potential benefit. In fact, the most powerful applications of social technologies in the global economy are largely untapped. Companies will go on developing ways to reach consumers through social technologies and gathering insights for product development, marketing, and customer service.

The McKinsey Global Institute (MGI) finds that twice as much potential value lies in using social tools to enhance communications, knowledge sharing, and collaboration within and across enterprises. MGI estimates suggest that by fully implementing social technologies, companies have an opportunity to raise the productivity of interaction workers – high-skilled knowledge workers, including managers and professionals – by 20 to 25 per cent.

Bulgaria is at the bottom of the EU chart in terms of incomes and labour productivity, according to a report of EU Agency Eurofound for 2012. The average annual income in the country is EUR 6200 and 30% of the employed live below the poverty line. The gap between Bulgaria and the leaders in the chart is staggering. Average annual income in Norway, Luxembourg, Belgium and Denmark is EUR 60,000.

UK has poor R&D record

Innovation is critical to a modern economy, hence Britain’s future lies in harnessing new ideas; competing on price alone has no future. So how is Britain doing in the cut-throat struggle to be a hi-tech, high-productivity, high-wage economy? Not very well, if the government’s target for R&D spending in the UK is very well, if the government’s target being met. Britain is in 2012, means there is not from 1.77% to 1.72% of GDP output by 2014. The fall, target of R&D spending, in real terms in 2012, and falling spending is down by 2% in five years ago the last Labour government set a target of R&D spending, reaching 2.5% of national output by 2014. The fall from 1.73% to 1.72% of GDP in 2012, means there is not the remotest prospect of this target being met. Britain is in the bottom half of the EU league table for R&D spending and miles behind states such as Germany and Finland. R&D in the UK is heavily concentrated among a handful of sectors, led by pharmaceuticals (25% of the total) and big companies. Innovation is pitifully low among independent small companies employing fewer than 250 people. Little wonder that the productivity figures are so grim. The recession and its protracted low-growth aftermath clearly dampened the animal spirits of business. There are reasons to believe investment in pharmaceuticals will boost the figures in future years. It will take time for some of the government help for innovation, such as the Technology Strategy Board (TSB) and the catapult centres to bring together business and academia, to make a difference.

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The average annual income in the country is EUR 6200.
The new Parental Leave rules:
What they mean for the workplace

New statutory rules coming into force in April 2015 will allow working mothers to effectively share their statutory maternity leave and pay entitlement with their partners.

Months of internal wrangling within the Coalition threatened to derail the plans after Conservative ministers urged the Liberal Democrats to make them more business-friendly. The new system of shared parental leave and pay, together with the planned introduction date, was finally announced in November last year.

Heralding the new rules, Nick Clegg, the Deputy Prime Minister said: “Women deserve the right to pursue their goals and not feel they have to choose between having a successful career or having a baby.”

At the same time the rules are intended to breakdown ‘Edwardian’ gender stereotypes, allowing men to become more hands-on fathers.

Reaction to the new rules has been mixed. Campaign group Maternity Action has described the reforms as “a useful but very modest step in the right direction.” However, the Institute of Directors has described the new rights as a “nightmare” that would “heap yet more burdens on struggling employers.”

Small business organisations have also warned about the administrative burden and cost involved.

**Background**

The government originally announced in its November 2012 response to the paper “Consultation on Modern Workplaces, that it intended to introduce a new system of statutory parental rights applicable to employees and agency workers. The Children and Families Bill 2012-13 ("the Bill") sets out the bare bones of the proposed new system of shared parental leave and pay.

The intention is that the detail of the scheme will be set out in regulations. In February 2013 the Department of Business, Innovation and Skills (BIS) published a consultation document entitled Modern workplaces: shared parental leave and pay: administrative consultation, which sought views on what that detail should be.

On 29 November 2013, the government published its response to the consultation. The key decisions and changes announced in the response are summarised in the Q & A below:

**What can working parents and their employers expect under the new rules?**

From April 2015, under the new system of shared parental leave and pay, eligible employees will be entitled to a maximum of 52 weeks’ leave and 39 weeks’ statutory pay upon the birth or adoption of a child, which can be shared between the parents.

At present, under the existing law which has been in place since April 2011, working mothers and father have been able to share some of the 52 weeks’ existing leave entitlement. Working mothers have been able to transfer some of their maternity leave over to their partners, with the father able to take up to 26 weeks leave entitlement, beginning after the baby is 20 weeks old.

Under the new rules, with the exception of the first two weeks, the traditional 52 weeks of maternity leave, will be able to be shared between working parents. The cut off point for taking leave will be 52 weeks from the birth of the child.

Mothers will still be required to take the first two weeks of maternity leave for recovery, after which they can split the remaining 50 weeks of maternity leave with their partner provided they give their respective employers requisite notice.

This means a working mother will be able to choose to return to work and resume her career more swiftly whilst at the same time transferring her unused maternity leave entitlement to the father to take care of the child. Subsequent to this, both could even decide to switch back again if they so choose, with the working mother resuming maternity leave.

**What if the mother changes her mind about sharing?**

The new rules build in a six week window, occurring after the child’s birth, which affords flexibility. During this window, a working mother who has already notified her employer that she plans to share her maternity leave with the father may change her mind and decide to remain on maternity leave using up her entitlement to leave and pay herself.

**How much shared parental pay will employees taking shared leave entitlement under the new rules be able to claim?**

Shared parental pay under the new rules will be offered to working parents on the same basis as statutory maternity pay, unless their employer is more generous and offers enhanced maternity pay.

This means the parent who is on leave will be entitled to be paid for 39 of the 52 week leave period. Pay is based on salary and the prescribed statutory rates in force at the time.

Essentially, for the first six weeks the parent is on leave they will be entitled to receive 90% of their average weekly earnings (whichever is lower).

The government’s original proposal suggested in 2011 to extend paid paternity leave by introducing a ‘daddy month’ comprising of an extra four weeks’ paid paternity leave entitlement making six weeks in total has been shelved as “unaffordable” according to the Deputy Prime Minister.

**Notice of paternity leave and play has been aligned so that notice for both must be given by the fifteenth week before the Expected Week of Confinement.

Fathers will still get the additional right though to two days off, unpaid, to attend antenatal appointments (up to a maximum of six a half hours for each appointment).

The plan is to review paternity leave entitlement in 2018.

**Will keeping in touch (‘KIT’) days still exist under the new rules?**

The new rules preserve the concept of KIT days. In addition to the mother’s existing entitlement of 10 KIT days during her maternity leave, there will also be 20 additional KIT style days for each parent taking shared parental leave which will be given them a new name to distinguish them from KIT days. This name is still being decided by the government.

**“Working mothers will be allowed to share their statutory maternity leave and pay entitlement with their partners.”**

*Essentially, for the first six weeks the parent is on leave they will be entitled to receive 90% of his or her average weekly earnings before tax.*

The Children and Families Bill 2012-13 ("the Bill") sets out the bare bones of the government’s original proposal suggested in 2011 to extend paid paternity leave by introducing a ‘daddy month’ comprising of an extra four weeks’ paid paternity leave entitlement making six weeks in total has been shelved as “unaffordable” according to the Deputy Prime Minister.

**“Shared parental leave is a welcome new step that should encourage more fathers to get involved in childcare from the very beginning.”**

**“But unless it is backed up with better pay, many couples simply won’t be able to afford to take it.”**

**What will be the impact on existing paternity leave and pay entitlements under the new rules?**

Working fathers will still be entitled to take two weeks’ paid paternity leave entitlement immediately after the child’s birth under the new rules. The current rate of Paternity Pay is £136.78, or 90% of the working father’s average weekly earnings (whichever is lower).

The government’s original proposal suggested in 2011 to extend paid paternity leave by introducing a ‘daddy month’ comprising of an extra four weeks’ paid paternity leave entitlement making six weeks in total has been shelved as “unaffordable” according to the Deputy Prime Minister.**

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As a starting point, a working mother will have to give her employer at least eight weeks’ notice of her intention to end her maternity leave and pay and start shared parental leave and pay. The required notice can be given before the child’s birth enabling her and her partner to begin shared parental leave.

If they wish to take several blocks of leave then they must give their employers eight weeks’ notice before beginning shared parental leave.

The eight weeks builds in a two week discussion period between employer and employee. Working parents will be required to give an indication of their expected leave pattern when they notify their respective employers of their intention to take shared parental leave, although this is non-binding.

Working parents can request to take parental leave in a discontinuous pattern (eg, every other month) for their employer to agree. Employers can reject the request, suggest changes to the request or insist the employee take the leave in a single continuous block. Employers cannot refuse leave outright though.

Under the new rules, working parents may make only up to three notifications for leave or changes to periods of leave (the government’s proposal was for an unlimited number of requests and changes). It will still be open to working parents and their employers to agree further periods of leave and changes provided this can be agreed.

What happens next?

The Bill under which shared parental leave and pay is to be introduced has already completed its passage though the committee stage in the House of Commons. It moved to the report stage on 9 December.

The government states in its response to the consultation, that it is currently preparing secondary legislation setting out the detail of how the new rules will work which it intends to publish in draft before the Bill is made into statute.

As a starting point, a working mother will have to give her employer at least eight weeks’ notice of her intention to end her maternity leave and pay. Both parents are required to give their respective employers eight weeks’ notice before beginning shared parental leave.

If they wish to take several blocks of leave then they must give their employers eight weeks’ notice in respect of each period of leave. The eight weeks builds in a two week discussion period between employer and employee.

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Are the jobs of parents protected on returning to work after taking leave?

Under the current maternity rules, a woman returning to work after taking ordinary maternity leave (of up to 26 weeks) is entitled to return to the same job in which she was employed before her absence. For a woman returning from maternity leave having taken over 26 weeks, the position is slightly different. She is entitled to return to the same job, or, where this is not ‘reasonably practical’ for the employer, a ‘suitable alternative job’ on ‘no less favourable terms’.

Similarly, under the new rules, working mothers and fathers taking total leave of 26 weeks or less will be legally entitled to return to the same job. This will be the case even if the leave is not taken in one block but spread out in a discontinuous pattern over, say, a year. Anyone taking leave of over 26 weeks will have the right to return to the same or a similar job.

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In the last issue, we identified that digital collaboration tools are an important aspect in promoting the happiness and productivity of European workers. The next extract of the report shows how they are also a key part in creating a culture of innovation.

Digital collaboration: Delivering innovation, productivity and happiness

In the last issue, we identified that digital collaboration tools are an important aspect in promoting the happiness and productivity of European workers. The next extract of the report shows how they are also a key part in creating a culture of innovation.

Innovation and collaboration in the workplace

Our interviews have shown that managers can take a number of steps to enable innovation and collaboration in the workplace. We have summarised these activities into a number of actions that managers can take to unlock the latent potential in their organisation.

However, a word of warning; innovation and collaboration are social activities, which means that the conditions in an enterprise may render some of the initiatives we suggest less useful. Sadly it is not as simple as making people communicate and hoping that innovation ensues.

But in embracing some of the ideas that we have gleaned from our interview programme and from our experience, and listening to the mood of colleagues, we believe that all managers can create the conditions for innovation within their organisation without necessarily making formal changes to the way it operates.

The importance of cohesion

The creation of social cohesion is at the core of success for managers in this environment. Employees that collaborate the most are happier and are more cohesive in teams than other workers. Highly collaborative employees are 17 per cent more likely than low collaboration workers to feel that their new ideas are valued. Cohesive teams are more productive, particularly where skills are complementary; they also make better decisions as they have a stronger basis on which to solve tricky problems. Cohesive teams start with social connections that create trust. Unfortunately
In favour of consistent process execution. In this environment it can inadvisable for an office environment actively discourages the use of cloud-based services in the workplace. This is the digital equivalent of having to work in total silence.

Using collaboration tools for openness and collaboration

“It’s really hard to sell innovation to Boards and executives, because innovation involves breaking the rules and taking risks” one of our executive interviewees told us. This attitude is not a surprise as more than half of respondents to our survey said that their organisation does not value new ideas; a quarter of respondents told us that innovation is actively discouraged.

Office environment actively discourages the use of cloud-based services in the workplace. This is the digital equivalent of having to work in total silence. It is unreasonable to expect employees to work in total silence. Although there are sceptical about innovation right now but we are building a trust culture: letting people know that we are here to listen and here to action their suggestions.

For employees, trust and collaboration tools from the top. In many organisations the messages from top executives are filtered through layers of corporate communications. Over-sanitising what is said and reducing the frequency at which leaders demonstrate their own freedom of speech can lead employees to believe that they too should be careful and guarded in their opinions. One of the greatest advantages of the second generation of digital collaboration tools is that they are built to enable a higher frequency of shorter, more private, more engaging contact between people. Emails are similar to a press release to be seen as anything other than a broadcast propaganda communication. Online meetings and enterprise social media and other tools are more natural as they are multi-directional – everyone is expected to have their say, but are somewhat protected from the social awkwardness of standing up in a rare “town hall” meeting.

However engaged senior leadership is, employee attitudes on the extent to which they are encouraged to share their ideas are certainly best done by either an independent third party or by an anonymous survey in order to encourage employees to answer honestly.

Traditionally ways of deploying digital collaboration tools are less effective in the digital era because of service innovation in communications technology and increasing specialisation of roles within an organisation. It is unreasonable to expect employees to be willing to raise their heads above the parapet to voice their ideas more freely. It is much better to over-celebrate engagement with collaboration and innovation than create the suggestion that only successes should be recognised. Silver bullet innovations are fleetingly rare so it is better to have lots of ideas in order to increase the chances of a big hit.
co-creation play an important role. We are not suggesting that organisations embark on wholesale, top to bottom programmes to redesign around them, merely that collaboration tools are moved from the box marked ‘nice to have’, to the one marked ‘core applications’. Their value as an add-on is limited as their users must actively think about using them, rather than using them instinctively to speed up their work.

In our view, all large organisations should at least understand the options and have them available to use so that whenever business change programmes are underway, workflows and processes should be redesigned to incorporate them. As many of a third of workers are using them anyway so it may be prudent to support them in that usage, by enabling them to share their experiences as a legitimate and valuable evolution of working practice and culture.

Furthermore, the power of the pull should be recognised by managers. Now that IT is ubiquitous at home and in the workplace, employees have their own views about what the best tool is for a given task. Open-mindedness by managers is all that is needed in order to enable employees to experiment with new collaboration and productivity tools years before they reach the attention of IT departments. A free-for-all is unlikely, but recognition that different people work in different ways is a pragmatic stance to take in the digital economy.

Finally, managers must be role models that help their employees adapt to the new working environment. Again, that means openness to change in their own practices, as much as those of the people they lead. It is fortunate then, that management teams are smaller groups within businesses and they tend to be better equipped to use new hardware and software. They are an excellent group with which to begin the digital collaboration journey.

In these ways, by investing now in changes to the culture of businesses and the tools they use, leaders in Europe can create some practical foundations for future success in the global economy. With sustainable growth seemingly returning to many European and international markets there is no time like the present.

How fitness improves your work productivity

We all know that sitting at your desk for hours on end is detrimental to your health but unfortunately, we all have bills to pay and food to put on the table. A desk job doesn’t have to be a death sentence or a ticket to poor health; you can make small changes that will greatly improve your work life and wellbeing.

Studies have found that after exercising, employees were more tolerant of their colleagues and demonstrated a noticeable improvement in their work performance. Midday exercise improves productivity and decreases stress levels and an increase in confidence. The University of Bristol reported that people who worked out before heading into the office or exercised over their lunch hour were better able to handle difficult situations during the course of the day and markedly improved their time management. On days where the employees didn’t exercise, there was a noticeable decrease in their calmness. Fortunately, you can avoid some of the negative effects of sitting at your desk by squeezing in some fitness throughout the day and following these tips.

• Work in an office a few floors up? Forget the elevator and take the stairs. This is a great aerobic activity; going up and down the stairs for even a few minutes per day can improve your heart health.
• Drink plenty of water. The majority of fatigue and hunger is actually dehydration.
• Pack your own lunches. When you make lunch at home, you control the ingredients and the portions. Take out portions tend to be much larger than you need and are usually high in calories.
• Take time out of your day to get up and walk outside to recharge. Fresh air and a brisk walk will help renew you.
• If you can’t go outside due to inclement weather, go for a walk around the office or exercise inside. Any movement is better than none at all!

“People who find ways to fit exercise in during their work day have fewer absences than their sedentary counterparts.”
What money can’t buy

Dr Andrew Muir reports on the 2014 Adam Smith Lecture.

The Adam Smith Lecture celebrates the life and work of Adam Smith. Born in Kirkcaldy in 1723, he attended the town’s Burgh School (relocated to where Fife College’s St Brycedale Campus stands today). A philosopher and educationalist, Adam Smith is recognised world-wide as one of the foremost thinkers of the Scottish Enlightenment. He lectured in ethics, rhetoric, jurisprudence and political economy – always emphasising the unified ethical conduct that holds society together. This contrast is also apparent in the fact that in addition to working as a tutor of the well-to-do, he used his salary to support the local school. Smith’s best known work, The Wealth of Nations, established him firmly as ‘the father of modern economics’. The Adam Smith Lecture series, which was originally launched by Fife College 40 years ago, has brought many leading international figures to Fife, including Kofi Annan, Alan Greenspan and Mervyn King.

What money can’t buy

The 2014 lecture, which was held at the Adam Smith Theatre in Kirkcaldy, on 29 April, was delivered by Professor Michael Sandel. His lecture was entitled: ‘What money can’t buy: The moral limits of markets’.

Professor Sandel teaches political philosophy at Harvard and has been described in the media as ‘The most relevant living philosopher’. His writings have been translated into 24 languages. He delivered the BBC Reith Lectures in 2009, and now presents an ongoing series for BBC Radio 4 called ‘The Public Philosopher’. His legendary course ‘Justice’ is the first Harvard course to be made freely available online and on television and has been viewed by millions of people around the world.

His latest book – What Money Can’t Buy: The Moral Limits of Markets – takes on one of the biggest ethical questions of our time: What should be the role of money and markets in our society? Reviews have called it ‘one of the most important exercises in public philosophy in many years’.

Professor Sandel was introduced by the Right Hon. Gordon Brown MP, who has known him for many years. Gordon Brown said: “I am certain Adam Smith would have felt very proud, just as we are, to have someone of Professor Sandel’s global appeal and notoriety to visit our home town to speak at a lecture in his name.”

In response, Professor Sandel said: “Having the opportunity to visit Adam Smith’s birthplace and be a guest speaker at this prestigious event in his home town is a great opportunity and I am delighted to share my views and philosophies with such a warm and welcoming audience.

“It is time to reconnect with a classical vision of economics which pays heed to society’s moral and spiritual needs.” That was the crux of Professor Sandel’s message as he addressed a full house at the Adam Smith Theatre.

He impressed upon his listeners that it was a fundamental mistake to think of markets as being inert and benign. Rather, “value-free” market solutions had the ability to corrode and corrupt the moral fabric of society.

“We won’t be able to invigorate our democracies unless and only when we find new ways of thinking about economics,” he said. “Adam Smith understood that economics was a subfield of moral and political philosophy. Modern economists don’t bother with these questions.”

Professor Sandel asked: “What should be the role of money and markets in our society?”

A society of inequality

Market-based practices had created a society of inequality where affluence could not only afford fancy goods, but vital access to health, education and political influence.

“What’s at stake? It matters for politics; for the way we live our lives because in the last four decades this way of thinking has increasingly come to dominate political life,” he commented.

“One day, there are few things that money can’t buy.”

In the USA, for example, prisoners in Santa Barbara can pay for a prison cell upgrade; schools struggling academically are paying students to achieve better grades and, in Dallas, students get rewarded $2 for every book they read (the kids certainly read more books and also shorter books!)

However, using cash incentives often backfired. For example, despite paying $50 for a pint of donated blood, the USA’s supply is actually less regular than that of the UK’s which is voluntary.

Sandel claimed that people were fed-up with the moral and spiritual emptiness of political discourse today and called for politicians to debate the bigger questions.

“While Adam Smith worried about sympathy, benevolence and altruism – some modern economists claim the virtue of markets is they spare us for using up scarce supply of civic virtues,” he said, “but altruism and generosity are not commodities, they are more like muscles which grow stronger with exercise.

“To renew our public life we should practice them more regularly – just as Adam Smith knew we must.”

Audience participation

During his presentation, Professor Sandel cited several examples of how we had become a “marketing society” where everything is for sale, in contrast to a “marketing economy” which is a tool.

He invited the audience to participate and comment on these and it was interesting to hear the contrasting views and perceptions.

Like all good communicators, he enthralled and stimulated his audience and at the end of his presentation, which inevitably ran overtime, he received a standing ovation.

I have attended many of these lectures over the years and Professor Sandel is certainly up there with the very best. He provided much food for thought and if there was one quote that I took away from his presentation it is, “morality is the centre of all life.”
Risks and quality: An Australian case

By Matthew Mackenzie and David Parker

Introduction

For the purpose of this paper, small-medium size enterprises (SMEs) operating in construction or technical industries can be defined in a number of ways, including: size; revenue; customer requirements; technical complexity; and general risk levels. Typically SMEs are businesses that employee between 20-50 staff and generate revenues between 10 and one hundred million dollars. Whilst these businesses can be quite sophisticated, they are often limited by resources such as time, people and money. These businesses are often subcontractors to larger contractors or principals that stipulate strict risk and safety operating requirements. Therefore any risk management system must be sufficiently flexible to operate subordinately to a third party’s systems.

The nature of work dictates that it is often highly technical in nature and operates within complex environments or as a system within a larger system. Moreover, SMEs operating in construction or technical industries must operate safely within an environment of numerous safety hazards and provide quality critical products and services. Consequently, it is reasonable to expect that SMEs operating within construction and technical environments must have agile, robust and effective risk management systems in order to be successful and sustainable businesses.

Risk management

Risk management is defined as the coordination of activities to direct and control an organisation with regard to risk (AS/NZS, 2009). The general process for risk management can be depicted by Figure 1. This paper focuses on the elements of risk identification and risk analysis; that is, describing and comparing task and scenario based approaches to the processes of identifying and analysing risk. Before discussing these approaches further, a basic review of the overarching risk management process is required.

According to AS/NZS (2009), risk management is a pre-condition for the risk to be realised; mitigation by reducing the likelihood or consequence; transferring the risk to another party that has more effective means to treat the risk; or accepting the risk and proceeding in an informed manner.

Risk evaluation

Risk evaluation is evaluation of the level of risk posed to assist in making more effective risk treatment decisions. High level risks often require more time and resources to treat than low level risks.

Risk treatment

Treatment options typically include: avoidance by removing a pre-condition for the risk to be realised; mitigation by reducing the likelihood or consequence; transferring the risk to another party that has more effective means to treat the risk; or accepting the risk and proceeding in an informed manner.

This paper provides a comparison of risk assessment techniques and associated quality implications for use by small-to-medium sized enterprises operating in construction and technical industries. We describe, analyse and compare the differences between task and scenario risk assessment techniques. Whilst this paper does not make specific recommendations for SMEs, by comparing methods we are able to provide conclusions indicating the strengths and weaknesses associated with techniques.

The standard recommends "SMEs operating in construction or technical industries must operate safely within an environment of numerous safety hazards"
individually in terms of likelihood and consequence; and next, an individual treatment plan developed. The assumption is that by breaking down the activity into more manageable components, the practitioner will be able to effectively manage each aspect of risk associated with the overarching activity. It is also assumed that components can be effectively considered as independent events for the purpose of analysing risk. There are multiple ways to deconstruct any activity into tasks for risk assessment, but the most common methods include:

- **Chronological activities** are broken down by listing the major steps performed by the worker in completing the job. For example, site preparation, material delivery, fabrication, fit out, completion, and hand over.

- **Functional activities** are broken down by listing the functional components of the activity. For example, engineering tasks, testing tasks, software tasks etc.

- **Energy** risks are identified by considering the hazards associated with the various energy sources that will be present when the activity is performed. For example, kinetic energy from moving objects, electrical energy for powered tools, pneumatic energy from air powered equipment, etc.

- **Plant or equipment**: risks are identified by considering the various plant or equipment being used to perform the activity. For example, hand tools, vehicles, jigs, manufacturing machines, or large plant, etc.

- **High risk activities**: risks are identified by reviewing a list of common high risk activities typically including: working from heights; hazardous energy; ordnance; confined spaces; crane and lift operations; hazardous machine operations; and chemical process management.

Once sub-tasks or hazards are identified and analysed then the broader process of risk assessment can proceed as per the standard. That is, risk can then be evaluated in terms of consequence and likelihood, treatment options developed and put in place, and controls monitored and reviewed for effectiveness.

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**Scenario based risk assessment**

Before scenario based risk assessment can be analysed, the concept of a scenario in the context of risk management must first be understood. For the purposes of this paper a ‘scenario’ is an internally consistent plausible future that might evolve from present conditions given various driving forces (Kinsen et al., 2012). Or put in another way, scenarios are a hypothetical realisation of a specific risk under specific circumstances (Ergashev, 2011).

When applied to risk assessment, scenario analysis can be used to help to accurately measure rare and catastrophic risks – as research suggests that humans are poor at estimating the likelihood of low probability events (Anonymous, 2005). This is because scenario analysis provides important information about severe but plausible events that have not traditionally occurred, and provide the potential to compare and rank order scenarios (Ergashev, 2011). Hence scenario analysis can be used when there is not necessarily accurate statistical or other quantitative data from which to assess the likelihood and consequence of the risk.

Scenario analysis is often performed in conjunction with decision analysis techniques which provide a collection of formal, logical, axiom-based procedures for appraising options (Wright & Goodwin, 1999). Decision Analysis is normally options-based to help determine potential outcomes. Another key aspect of scenario analysis is that it can be used to overcome cognitive inerita when analysing problems (Wright & Goodwin, 1999). Cognitive inertia is the unwillingness (or inability) to consider alternatives to the problem. This is applicable to risk assessment because potential sources of risk and likely consequences will vary depending upon how the scenarios are defined and constructed.

There are many techniques available to the practitioner to define scenarios and perform scenario analysis. Some of the more common methods include: simulation, subject matter experts; system mapping; risk sequence diagrams; and modelling using the Swish cheese approach.

Simulation allows for multiple outcomes as a consequence of multiple likelihoods and consequences to be explored. One of the more common simulation methods for risk assessment is Monte Carlo analysis. The major benefit of Monte Carlo analysis is that it is a best case, most probable case, and worst case is all that is required to model the potential scenarios for a given (or assumed) distribution type. This method can be extremely powerful as it uses probability to identify the spread of likely outcomes. The practitioner can then use various statistical parameters such as identifying the 95% confidence interval to make decisions about treatment options dependent upon the context and the practitioner’s preferences.

A group of subject matter experts can also be used to perform scenario analysis. The group of experts generate a limited number of scenarios taking into account environmental uncertainties and typical management responses (Doff, 2008). Then the experts rank the environmental uncertainties and two or three critical environmental uncertainties are selected and combined to form a number of scenarios (Clemens, 1995). Then a plausible internal logic or story board is developed to define the scenario. Finally the likelihood and consequence of each scenario is then determined and evaluated accordingly.

System mapping can also be used. Scenario analysis is performed by first mapping the work environment as a complete system. The system takes the set of inputs, processes and outputs is analysed to identify plausible scenarios that represent the realisation of risk events. Effectively this allows the modelling of a multiple-input, multiple-output system as compared to single-input, single-output systems typical for task based risk assessment. Finally, the likelihood and consequence of each scenario is then determined and evaluated accordingly.

Another approach to scenario based risk assessment is through the development of risk sequence diagrams, that are systematic inductive reasoning tool[s] describing potential cause and effect relationships between risk items and subsequent events and decisions (Smith, 2011).

Risk sequence diagrams attempt to model a scenario by mapping risk items, events, decision points and end states. The advantage to risk sequence diagrams is that complex engineering or technical problems can be logically deconstructed to identify plausible end states given the realization of risk events. An example risk sequence diagram is shown in Figure 2 (over page).

There are a number of advantages to using risk sequence diagrams to analyse risks. Firstly, the use of the model allows for potential end states to be determined that each have a specific set of cost, schedule and technical consequences. Typical task based risk assessment normally only identifies a single parameter, such as a cost or schedule or technical consequence. Secondly, the model allows for the logical development of mitigation strategies dependent upon how the system actually reacts once the treatment plan is executed. Typical task based risk assessment normally only develop sets of linear

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“The task based approach manages risk by breaking down the activity or problem space into sub-components”

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“When applied to risk assessment, scenario analysis can be used to help to accurately measure rare and catastrophic risks”
treatment steps to be followed (that is, Plan A, Plan B, Plan C); but feedback once treatment commences is limited to the overall risk monitoring and review process.

Modelling (the Swiss cheese approach) is a further scenario-based risk assessment for modelling errors using a model of system accidents. Specifically, the model suggests that controls are defensive layers and analogous to slices of ‘Swiss cheese’ (Reason, 2000). However, in reality each layer or set of defensive controls have holes in it (weaknesses) and it is when these holes align (the real system is always in flux) that momentarily there exists the situation for a risk event to occur (Reason, 2000). The concept of multiple layered systems with potential deficiencies can be used to develop risk scenarios. Again, this is especially helpful in developing plausible models for rare and catastrophic events. The practitioner can then consider if it possible for such a set of controls to fail simultaneously, and what environmental conditions would need to be active to enable the failure. Once a valid model is developed, then the risk can be assessed as normal by considering the likelihood and consequence of the risk. This approach can be very helpful in identifying the dependencies between the control layers within the system. This in turn can help identify more effective controls based on how the layers interact within the system.

Discussion

Task based risk assessment affectivity

As can be seen from the previous analysis, task based risk assessment is procedural in nature and therefore it is easy to develop standard templates or tools to guide the practitioner in assessing the risk. Hence, task-based risk assessments are relatively simple to perform and thus relatively simple to train staff at all levels within the organisation. Further, because this method is the predominate approach to risk assessment at present, its use would align easily within the SME’s customer and client safety and risk systems.

The major disadvantage to task-based risk assessment is that it has been demonstrated to be limited in its effectiveness in accurately assessing rare and catastrophic risks. Also, task-based risk assessments assume that sub-tasks are independent of other sub-tasks. The problem with this assumption is that it may not be true and relies on the practitioner to review risk treatment plans for dependencies once the assessment is completed. As an example, risk mitigation adopts a hierarchically approach to reduce the level of risk to the lowest practical level. In doing so, one of the preferred methods is substitution. An example of substitution would be the use of alternative chemicals or materials used in performing the task. However, the use of an alternative chemical or material might result in a completely different outcome for another part of the system when considered as a whole. For example, an alternative chemical might react and change the properties of another material in the system, or use of an alternative material to provide lower mass to reduce potential gravitational energy if dropped might weaken the system’s overall construction.

Scenario based risk assessment affectivity

The discussion here suggests that scenario based risk
assessments provide a far more effective method for modelling rare and catastrophic risk events than task-based methods, especially if they have not historically occurred. When unguided, humans tend to underestimate the likelihood of such an event to occur, or assume an incorrect consequence. Scenario based risk assessments also allow practitioners to broaden their thinking and consider a wider range of situations than they might have otherwise cogitate. By virtue of such a process it also then allows the practitioner to explore more mitigation options. Also, the use of scenario based techniques such as risk sequence diagrams provide far more effective approaches to risk assessing complex technical systems. This is because it allows the practitioner to develop non-linear sets of mitigation options that are matched to the system as a whole will likely interact. Finally, the other clear advantage of scenario based methods is that it assumes there are interdependencies within the system which must be considered. This is especially effective in analysing the interdependencies between system layers to develop more effective controls. The major disadvantage of using scenario based risk assessment techniques is that they are generally more complicated to perform, and thus require more resources. Further, because of the more complicated approaches, scenario based techniques typically require groups of specialist or experienced practitioners to construct the most accurate models and achieve the best results. A summary of the comparison of task-based and scenario based risk assessment is captured in Table 1 below.

### Conclusion

It is reasonable to conclude a number of important observations for SMEs operating in construction or technical industries. First, their applications should be carefully considered against factors such as available resources, system complexity and customer requirements.

### REFERENCES

- Smith CA (2011). Integrated Scenario-Based Methodology for Project Risk Management. (Doctor of Philosophy), University of Maryland, ProQuest, Ann Arbor. (UMI 3461331134).

### Table 1: Comparison of task-based and scenario-based risk assessment techniques

<table>
<thead>
<tr>
<th>Scenario Based</th>
<th>Task-Based</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provides a reasonable model for risk assessing works cases scenario</td>
<td>Assumes tasks are independent and can be treated separately whereby trusting one sub-task will not significantly affect the consequence or likelihood of risk associated with another sub-task</td>
</tr>
<tr>
<td>Good at exploring plausible complex real life risks</td>
<td>Allows practitioners to broaden thinking and consider a range of situations and hence a range of mitigation options</td>
</tr>
<tr>
<td>Able to assess technical risks through tools such as risk sequence diagrams</td>
<td>Not good at assessing the worst-case scenario</td>
</tr>
<tr>
<td>Good at assessing the worst-case scenario</td>
<td>Assessment contingent upon context for determining the severity or level of the risk</td>
</tr>
<tr>
<td>Enables practitioners to broaden thinking and consider a range of situations and hence a range of mitigation options</td>
<td>Assumes sub-elements of the task are independent and can be treated separately whereby trusting one sub-task will significantly affect the consequence or likelihood of risk associated with another sub-task</td>
</tr>
<tr>
<td>Able to better assess the interdependencies between system layers to develop more effective controls</td>
<td>Complicated to undertake requiring requiring resources and time</td>
</tr>
<tr>
<td>Groups of specialist and experienced practitioners required for best results</td>
<td>Groups of specialist and experienced practitioners required for best results</td>
</tr>
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### About the authors

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How refined is your judgement?

For those using Performance Rating, the consequences of not operating at accurate and certified levels could have a significant and negative impact on both individuals and organisations.

The real skill of a work measurement practitioner using Performance Rating is their judgement. The trained eye observing a task being carried out leads to an informed decision on how to assess the job against standard performance. To the untrained observer it could seem that this work measurement technique has somewhat shaky foundations – someone’s judgement, based on what they see. Should it really be the basis for making serious business decisions?

Such was the thinking of Tom, a union shop steward in a manufacturing company. He was understandably concerned that an individual’s judgement could stand up to detailed scrutiny. After all, many of his members’ lives and livelihoods were being affected by the results of Performance Rating. Tom wanted to see for himself, to check out those foundations – and all credit to him for that. So he came along to Scott-Grant’s training suite in Manchester for a brief introduction to Performance Rating. He watched the film HOW DO YOU RATE? which illustrates and explains the technique. At the end of the 35 minute film he was able to start to assess performance in carrying out various tasks, using the criteria explained. Now he had been introduced to the concept of work content, to standard performance and the BS definition: ‘The rate of output that a qualified and motivated worker, conversant with the task, will be able to maintain under proper conditions across the normal working day without undue fatigue, providing they take the appropriate amount of rest.’

Tom found that his own opinion was endorsed, that Performance Rating is indeed a subjective judgement and can therefore never be claimed to be exact or infallible. But the turning point was that, when it is used properly by trained and calibrated practitioners, consistent results with the limits of accuracy within +/– 5% will be achieved. The key elements of the whole process are ‘trained’, ‘calibrated’ and ‘consistent’. He then sat in on one of the regular Performance Rating Clinics run by Scott-Grant to see for himself how those key elements are achieved.

Rating Clinics are essential for professional Rating practitioners because they establish their current accuracy and consistency. They correct any unacceptable trends. They develop their ability to make assessments that are acceptable in terms of accuracy and that are consistent. And at the end of the Clinic, if their results are right, they have their professional competence certified with the award of the industry standard ‘Performance Rating card’, which is valid for one year. Rating accuracy can drift towards a level prevalent in a workplace. So to maintain their accurate concept of standard - 85 100 - and their ability to apply it consistently, Rating practitioners need an annual calibration. There needs to be consistency in understanding the concept of standard by all Rating analysts in the same organisation – and consistency in time standards within the same organisation.

Mark Cooper, one of Scott-Grant’s operators managers, who often runs Rating Clinics, explained: “Nearly everyone benefits from some form of adjustment or corrective action, especially if they’ve been in the same environment for many years. It’s so easy to make the wrong assumption or judgement then turn it on a whole range of equipment and processes that have to be regularly calibrated to ensure accuracy. It’s the same principle as driving a car and checking the tyre pressures every now and again.”

Managing Director Richard Taylor said: “Performance Rating Clinics are a thorough process at Scott-Grant – for us and the delegate. The objective of any Clinic is to establish the accuracy and trend of the practitioner’s rating assessment and to adjust and correct any unacceptable results. We select a number of our specially produced Rating films (currently 15 in our library) which show people undertaking real jobs in their workplace. They include activities from many industries including distribution centres, retail, local council, warehousing, timber, electronics, mail distribution and manufacturing. Each rating assessment is followed by formal statistical analysis and feedback.

“We look at trends in an analyst’s rating and share the results with them early on so that we can work with them to correct and adjust as necessary. Trends are analysed by calculating relevant statistical data in order to make objective judgements regarding accuracy and, where necessary, to advise on corrective action. We get some excellent feedback from our clinics – and not just for the lunch they enjoy!”

At the end of the day, Tom really appreciated the validity and integrity of Performance Rating as a work measurement technique, even though he had only been an observer. “It gave me a good insight into the way the technique is carried out,” he said. His own assessment and feedback sheet recorded 100% satisfaction with Scott-Grant’s Rating Clinic. Who are we to question his judgement?
A project management perspective of information system development

In the second part of his article, Dr John McManus explores different life-cycle development methodologies, with particular focus on how software engineers and technical architects approach problems and find solutions to complex project and development issues.

Manage the project

At a minimum, project managers should be trained to follow the four step process (see previous article) and record all relevant experiences, and project knowledge which may be shared with customers and other stakeholders. As previously stated gaining customer or stakeholder commitment is essential to all projects. Project management tools will not tell you how to manage projects – this is something all good project managers learn the hard way. In my experience projects that fail see managers devoting very limited time to the ‘up front’ planning process described previously. As a result avoiding fire fighting becomes the issue of the day. There is an assumption that the purchase of a project management tool will make the person into an effective project manager, in practice this is not so.

The most important part of any project is to know precisely what you are committed to at any one time. Project managers need a feedback mechanism, which can accurately tell them what the situation is at frequent intervals. The key to this feedback is iterative use and deployment of project management knowledge. This is not revolutionary; iterative use of knowledge has been around for a while under many labels such as incremental and evolutionary.

The key to using iterative knowledge is to frequently produce working versions that have a subset of the required features within the process and make them responsive. Several commercial methodologies such as PRINCE2 and CMMI fit this responsive model. While many of them share similar characteristics, there are also some significant differences. I can’t highlight all the differences here, but I will point out the generic activities.

The first three are done at the beginning of the project. The last one is done within each cycle or iteration. Each stage is broken down into tasks (Table 3, above) and is given measurable criteria within the feedback process.

Life cycle development and technical paradigms

The most widely used approach in software development and software engineering is the Waterfall method and involves six stages (1) requirements, (2) analysis, (3) design, (4) code, (5) test, and (6) maintenance. This six stage process leads to systematic, rational software development, but like any generic model, the life cycle paradigm can be problematic for the following reasons:

• The rigid sequential flow of the model is rarely encountered in real life.
• Iteration can occur causing the sequence of steps to become muddied.
• It is often difficult for the customer to provide a detailed specification of what is required early in the process. Yet this model requires a definitive specification as a necessary building block for subsequent steps.
• Much time can pass before any operational elements of the system are available for customer evaluation. If a major error in implementation is made, it may not be uncovered until much later.

Do these potential problems mean that the life cycle paradigm should be avoided? Absolutely not! They do mean, however, that the application of this software engineering paradigm must be carefully managed to ensure successful results.

Increasingly the Waterfall method has become a questionable methodology for business projects requiring short implementation cycles. Alternative methodologies such as Rapid Applications Development (RAD) and Agile methods are sometimes preferred. The ideology and objective underpinning these methods is to first produce a customer solution quickly, after which they can accurately tell them what is not achieved.

One of the biggest benefits of RAD and Agile approaches is that development teams do not have to operate within such a limited scope. Projects can be delivered quickly for maximum business benefit (Girling and McManus, 1998). One fundamental aspect of these methods is the splitting of the development work into smaller pieces, (or iterative development cycles) each of which is the responsibility of a small group of users, analysts and developers. User involvement is essential to the process, as well as the use of modelling and the use of tools that generate usable code (or solutions). Both RAD and Agile have a number of distinct advantages over the traditional sequential Waterfall development methods.

A project management tool will not tell you how to manage projects – this is something all good project managers learn the hard way. Project management tools will not tell you how to manage projects – this is something all good project managers learn the hard way. Project management tools will not tell you how to manage projects – this is something all good project managers learn the hard way.
“Cognitive studies have shown that human beings almost never perform a complex task correctly the first time. However, people are extremely good at making an adequate beginning and then making many small refinements and improvements.”

necessarily have to be from the same organisation. Each team member could be from any area where expertise is needed. This cross section of users and development personnel capitalises on diverse system knowledge. Therefore however, considering initialising a team it is prudent to examine the nature of the project to determine if these development methods are appropriate. Both RAD and Agile are approaches that are inherently designed to provide fast information systems development with better quality results than the traditional waterfall approach to development.

It is perhaps worth pointing out that the choice of method, and the approach used, is an important and critical business decision; the process of systems development can be time consuming and costly to any organisation. The predominant objective of any business systems development project should be to build information systems that meet the requirements of a particular strategic business unit, and its end users, in order to deliver the optimal business benefits. One practical method is to survey the organisations short-term and long-term business requirements. Waterfall, RAD and Agile development methods could be looked at as an option to deliver any such requirements.

Edsger Dijkstra comment regarding how software engineers and technical architects approach problems and find solutions is pertinent here. Dijkstra’s points out that it pays to be concerned with how software solutions are constructed, as opposed to simply following standards to produce a solution that barleys works (Dijkstra, 1983). Functional performance and quality requirements will undoubtedly influence the outcome of the design in its self. Methodologies and technologies used to support the creation or selection of software engineering solutions lie along a scale ranging from ad-hoc to complex. Experienced designers working at the lower end of the spectrum will normally conjure up software solutions in a largely unrepeatable fashion, which is unlikely to be either flexible or scalable.

For software engineering that is not ad-hoc to be successful, experience must be gained in building evolving software architecture in a particular software engineering domain, which are both flexible and scalable. Clearly trade-offs are important, a good software engineer would do what we might term ‘trading one advantage for another’ as the requirements and software solution evolve. For example, the software solution might start out with one database, but as performance issues come to light, the technical software engineer may trade in the simplicity of the single database for increased performance.

As previously discussed, systems development serves many stakeholders and any solution must be communicated to each of them. The key here is in deciding what is to be communicated and how. Here, linguistics needs to be taken into consideration when communicating with details. Technical staffs are notorious for their lack of communication and often only communicate what is forced to do, so often lacking empathy with the users they serve. When presenting solutions technical staffs often rely on diagrams to convey their message. Diagrams are obviously used for software development professionals, but do little to explain the ‘why’. It is important to communicate (and document) any trade-offs that may have to be made including their rationale, so that if requirements change, the impact on the solution and decisions made can be readily communicated to the stakeholders. The point is communicating the solution to a stakeholder becomes a matter of presenting it in an unambiguous, readable form that contains all the detail and information appropriate to that stakeholder. It also helps if the senior designer writes plain English – too many don’t and a lot of meaning is lost in the translation. Project management and software engineering practice dictates that the objective should be to develop a comprehensive technical architecture early in the project. Architecture is primarily chosen because it achieves a given set of functional properties (or criteria). How to analyse architecture to predict qualities about the systems that manifests it is a problem when a project can perhaps take years to design and implement. Reliance on technical and other documentation including the review process become key factors in the success or failure of the project.

What technical designers document about architecture should depend on how the information is to be used. Different stakeholders require different information. For example, documentation that was designed to introduce a system should differ from documentation that was designed for an architectural review. Documenting a technical architecture is primarily a matter of detailing the relevant structures or views, and then detailing the appropriate transcribed view. One of the issues with long projects is that technology becomes obsolete and requirements frequently change and designers move on before the project is concluded. Given this situation technical methodologies, ideas and models must be constantly reviewed from the outset. The reason is twofold: (1) it is important to get input and feedback and is important to communicate from the outset the implications of the emerging architecture and (2) experienced technical staff such as designers need to be aware of the context that the solution brings and be design accordingly – both avoiding problems and taking advantage of new solution. Software engineers are to some degree products of their education and the culture they reside in and the work habits they develop in the organisations they work for. Observation and research would suggest that technical methodologies are largely group coordinated rules, and so a practice appropriate for one person or group may end up being rejected by another. What applies to a consensus minded stakeholder group might not apply to a culture in which people wait for the technical staff to make up their mind. The paradigm outlined is largely predicated on an individual and as such is becoming a questionable methodology (which some may consider outdated); stakeholders can, and often do simply reject the model (McManus, 2005a).

For project managers getting software engineers to change their habits is perhaps the hardest thing to achieve. Practising good project ships requires a leap of faith and a willingness to admit that you don’t have all the answers or a monopoly on knowledge. All project teams rely on tacit knowledge and usually to a
Technical staff must also take on new ways of doing old ways of doing things and must be willing to give up the solution. Equally, the designer requirements and evolving them to merge over time.

New practice incrementally may be costly) the key is to evolve practices is not free (and can be idiosyncratic and firm-recurring or expectation failure. A highly capable organisational culture is one that consistently delivers superior development performance and productivity growth. In previous years when we

In previous years when we developed exclusively for the mainframe environment in a very limited technology tool-set, designers kept a very close rein on the stability factors and had a large pool of competent staff for any project. Today's challenge is how to create the same pools given the range of technical tools and options available.

According to Boehm (1981), a project staffed with uniformly very low-rated personnel on capability and experience would require 11 times as much effort to complete a software development project as would a team with the highest capability factors. People who acquire high levels of capability in software engineering do so over time and generally by working in similar environments and projects.

Developed studies of software professionals. These are:

- Designers have modesty to admit that they don't have all the answers.
- Designers are active members of the development teams developing software where appropriate and acting as consultants to the team.
- Designers have the modesty to admit that they can't predict the future and instead have the courage to trust they can solve tomorrow's problem tomorrow.
- Designers evolve architectures incrementally and iteratively allowing it to emerge over time.
- Designers should focus on navigation diagrams that overview the architecture, documenting enough to communicate to the respective stakeholder audience.
- Design solutions are displayed publicly, even when they are under construction.
- Designers are proven through concrete experiments.

Table 4: Software design charter

| • Designers have modesty to admit that they don't have all the answers. |
| • Designers are active members of the development teams developing software where appropriate and acting as consultants to the team. |
| • Designers have the modesty to admit that they can't predict the future and instead have the courage to trust they can solve tomorrow's problem tomorrow. |
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| • Design solutions are displayed publicly, even when they are under construction. |
| • Designers are proven through concrete experiments. |

The ideas outlined in Table 4, require technical staff to share this tacit knowledge and to take a broader ownership for what they do, and to act as mentors and coaches to the stakeholder community at large. A technical designer may be king in the technical community, but he should not be above it. Setting up new and tearing down old practices is not free (and can be costly) the key is to evolve new practice incrementally and iteratively allowing them to merge over time.

To this end the designer must find a balance between the potentially conflicting requirements and evolving solution. Equally, the designer must be willing to give up the old ways of doing things and take on new ways of doing things and be open to change. Technical staff must also be willing to admit it when things are wrong – especially with new technology it is common for an initial design to be theoretically promising but not practically achievable. The designer must be willing to accept this possibility and allow the solution to evolve organically.

Software development teams All too often we seem to redevelop our development approaches because our current project is not the same as others. This is usually unnecessary and leads to low productivity amongst development staff. I have already alluded to the fact that optimum performance comes when requirements, technology and processes are stable. If the basic processes are well known then the team does not have to concern themselves with routine things they become second nature. This liberates staff to be creative in solving the genuine problems of the project. If new circumstances certain development staff can use the opportunity to build on existing processes to develop appropriate solutions and additional capability. In this context software development capabilities comprise the capacity consistently required to deploy an integrated set of resources (including competencies such as leadership) to attain user requirements and business objectives. Software engineering capabilities are socially complex phenomena that accumulate over time through work activities and are embedded in the technical and methodological principles, routines and resources of the organisation. Such competencies tend to be idiosyncratic and firm-specific, and as a consequence cannot be easily replicated by competing organisations or by the same firm in different contexts. Organisations that have strong capability are to some degree protected from poor delivery performance and recurring or expectation failure. A highly capable organisation is one that consistently delivers superior development performance and productivity growth. In previous years when we

For many project managers the most motivating aspect of this list is the last point, in that it leads us neatly into an area of possible difference that is individual goals versus project goals. This more than any other point raised so far determines the basis of success and productiveness of the project team. Edgar Schein (1988), coined the term career anchor to describe a constellation of self-perceived attitudes, values, needs and talents that develops over time, and which when developed, shapes and guides career choices and directions. Schein pointed out that all people develop some kind of picture of their work life and their career in it. Schein identifies five career anchors. These are:

- Competence represents the need to be competent in the activities associated with work such as problem analysis skills, emotional stability, and interpersonal competence;
- Technical competence is associated with motivation for the challenge of a technical field, functional area, or content of the work (not the managerial process);
- Security-Seeking stability and anchor symbolises the desire for an organisation that provides long-run stability, good benefits, and basic job security;
- Entrepreneurial creativity embodies the need to create something, that is, to try new projects; and
- Autonomy encompasses people’s need to be free of constraint to pursue professional or technical competence.

Research by Schein (1988) and McManus (2005b) suggests that experience gained in early years is particularly influential in forming individual career anchors; these dispositions also are applicable in later career stages. Satisfying individual team member needs must be a prerequisite to building a stable and productive team. However, fulfilling individual needs must be done within the broader project and organisational framework. Satisfying personal needs also can make them more enjoyable and can reduce accountability and lead to tension within the team especially if one person is seen to be favoured over others.

A key lesson project managers seem to have learnt over the years is that their sense of security is so fragile that if the individual’s basic needs are threatened in any way they will switch their loyalty to their team until they get their stability back. In any software development project members of the team will display creative characteristics and this is certainly true of software professionals. Creativity (not to be confused with intelligence, although they tend to be related) is often associated with those people classified as Outward Looking and is associated with the energy property proposed by Belbin (1981). Belbin roles identified include: (1) co-ordinator, (2) Plant, (3) Resource Investigator, (4) Shaper and (5) Specialist. For example, the role
of Plant in the team is the source (but not exclusively) of original ideas, suggestions and proposals: he/she is the ideas person. Of course others have ideas to, but what distinguishes the Plant’s ideas are their originality and the radical-minded approach they bring to problems and obstacles. Every team needs its Plant. Another key role is that of Shaper. The Shaper is likely to be the actual leader of the team and is quick to respond to intellectual challenges. In debate they have a tendency to unite ideas, objectives and practical considerations into a single feasible project. In essence he/she will be a key team member - if only to counteract some of the dysfunctional thinking that goes on within teams from time to time. The most rewarding and successful projects tend to be those that require a high degree of intervention and problem solving where the team can use its creative capacity and energy to the full.

The ensuing relationships are

- Establish urgency and direction.
- Select members based on skills and skill potential.
- Clearly define roles and responsibilities.
- Establish ground rules and win-win, high performance agreements.
- First impressions count, get started right Set & seize upon a few immediate performance-oriented tasks and goals.
- Challenge assumptions, rules and processes.
- Pay lots of attention to clear and frequent communication.
- Establish a well defined decision-making process.
- Use disciplined approaches and processes to performing work.
- Recognise and reward.
- Don’t delay in dealing with problems or problem members.

Prior research undertaken by McManus (1995, and 2005b) suggests that teams excel when there is need, urgency, and direction and also a willingness to win. We are great believers in stress breading success. For example, the more staff you have that have applied tools and processes with success the more confident they will be to apply them in similar circumstances. If the basic software development processes are known then the team does not have to concern themselves with the basic material it is second nature; this liberates their time and mind to be creative in solving problems that really matter and adding value both to the project and knowledge base of the team. A greater understanding of the role of the Plant: the Plant brings a different mind-set to the team and is quick to respond to problems and obstacles. Every team needs a Plant.

Table 5: Key attributes to creating high performance work teams.

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Description</th>
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<tr>
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The most rewarding and successful projects tend to be those that require a high degree of intervention and problem solving where the team can use its creative capacity and energy to the full.

References

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S stress is a state of mental or emotional strain or tension resulting from adverse or demanding circumstances. It is an unhealthy state of mind or body that can affect an individual’s ability to concentrate and perform everyday tasks in an efficient manner. Work-related stress is one of the most challenging issues in occupational health and safety, not least because there is often confusion about the difference between pressure and stress. Some pressure at work can be motivating and act as a spur to achieve better results than would otherwise be attained, but when pressure becomes excessive it can eventually lead to stress, and physical and mental ill health. The following definitions serve to define stress:

- ‘That which arises when the pressure placed upon an individual exceeds the capacity of that individual to cope’ Confederation of British Industry (CBI).
- ‘The adverse reaction people have to excessive pressures or other types of demand placed on them at work’ Health & Safety Executive (HSE).

One in six UK employees experience anxiety, depression and stress in the workplace, and when the problem is not addressed, both individual and organisation can suffer. Poor productivity

Stress is a major contributor to poor productivity because the majority of the sick time that occurs in any company is directly, or indirectly, related to stress. The major consequences of stress in the workplace are:

- Absenteeism;
- Labour turnover;
- Diminished performance and productivity;
- Increased health compensation claims.

An HSE report indicates that in 2011, around 131 million days were lost through absence due to sickness or injury. These figures were backed up by the Office of National Statistics (2012) and current research indicates that 75% of this lost time is due to stress.

The Chartered Institute of Personnel & Development (CIPD) in its Simply Health 2011 – Absence Management Report highlighted that stress had become the most common cause of long-term sickness absence for both manual and non-manual employees.

It estimated that the cost of absence in the public sector was £800 per employee per year with an average number of absence days equating to 9.1. In the private sector the figure was £476 per employee per year and the average number of absence days equated to 6.4. The CIPD estimated that in total annual cost to UK business was £13 billion.

Workplace relationships

The 2009 Psychosocial Working Conditions (PWC) survey indicated that around 16% of all working individuals thought their job was very, or extremely stressful. While stress is not a recognised illness, it can

“While stress is not a recognised illness, it can be motivating and act as a spur to achieve better results than would otherwise be attained, but when pressure becomes excessive it can eventually lead to stress, and physical and mental ill health.”
lead both to physical and mental ill health. A number of studies, notably the Whitehall study, have linked stress with conditions such as heart disease, hypertension, diabetes, depression and anxiety.

Negative stress can have an extremely damaging effect on an individual, and can filter through to teams and even whole companies. Stress impairs an individual’s concentration levels and tiredness and low motivation can have a draining effect. Because those who suffer from stress often feel overwhelmed, their views can become skewed – resulting in feelings of paranoia. Those experiencing occupational stress may feel that promotions have not been earned because of implied favouritism, resulting in them feeling undervalued and singled out.

Workplace relationships become strained because those suffering can be irritable or defensive when they are given constructive feedback or instruction. Poor time management, skills, procrastination, absentmindedness, increased errors and overall reduced productivity are all possible consequences of work related stress.

Technology can cause stress...

With more people than ever before experiencing workplace stress, it is important that employers develop strategies for reducing anxiety levels and improving the work-life balance of their staff.

This is particularly important as the line between work and personal life continues to become increasingly blurred. In 2008, Credent Technologies carried out a survey of 300 employees in the City of London, almost 80% of whom admitted to checking their emails while on holiday.

Technological developments have resulted in UK employees being contactable 24 hours a day, and this invasion of work matters into the private domain is increasing their levels of stress. Whilst keeping abreast of events and easily accessing information can often be helpful, it can also become overwhelming. Information overload is now a part of everyday life, and it takes a conscious – and determined – effort to deal with it effectively. Surplus facts and figures can interfere with many aspects of people’s lives, including their social interactions and family responsibilities.

Information overload can also affect productivity. For example, a preoccupation with social media can distract employees from core work tasks. Checking Twitter feeds and responding to personal email is not only distracting, but eats into crucial work time. The overwhelming desire to respond to flashing email indicators and take part in online conversations is an unwelcome interruption to the working day and may affect productivity. This, in turn, can result in employees struggling to meet deadlines which, eventually, may result in stress. Being constantly connected and reliant on social media can become a burden that affects wellbeing and adversely impacts on levels of productivity.

... And combat stress

Having indicated that modern technology can result in stress, the same technology can also help users recognise the signs and learn how to effectively manage stress.

An example is the Android Remote Sensing App (ARSA), developed by Cambridge University to measure stressful situations and help users lead stress-free lives. The ARSA app determines physical changes in the environment, including noise, light level and weather. There are more than 60 values the app can track, including social activity, which includes caring monitoring of texts and calls. The phone’s accelerometer has the potential to measure posture, mood, pulse and heart rate. Language and punctuation in text messages and emails are decoded to diagnose the user’s emotional state.

Users are warned to ignore calls and other messages at periods of high stress and to keep the pressure. Such developments are welcome and these apps may encourage people to become more aware of occupational stress.

Management practices

Stress at work is a major concern and in the UK over 5000 new cases of mental health issues arise every year within the workplace. Under the Health and Safety at Work Act 1974, employers have a duty to ensure the health, safety and welfare of their employees.

Good management provides a way to reduce work-related stress and by promoting a ‘stress free’ healthy working environment, an organisation can play a major role in reducing the number of working days lost from individual illness.

Good communication and support can help mitigate potentially stressful situations. An open-door policy in the workplace is one way of helping those affected. If employees feel free to communicate their difficulties, relevant temporary adjustments can be made and workload management strategies put in place to reduce stress.

A company staff stress management policy can also help by helping guide managers on good practice processes for managing and preventing work-related stress. It can also help inform employees about what sources of assistance is available to them should they require it.

Communicating identified work stress problems at team meetings may help resolve issues and share the load. Such a move can enhance group values and create motivation and improved teamwork and ensure productivity levels are maintained.

Establishing flexible work hours helps, but so too does establishing company wellness programs that encourage and support healthy lifestyle choices among employees. They can help to empower employees by offering simple tools that focus on preventative health.

As solicitor Kate Boguslavska identified in the previous issue of Management Services: “Prevention is always better than cure and ensuring that employers provide an environment free from built-in stress which work-related stress is effectively managed and controlled is of paramount importance.

Not only does it increase productivity and improve relationships within the workforce, it helps avoid high pay-outs and years spent litigating”.

National campaigns such as Think Well encourage staff to view their place of work as an environment that promotes a stress free and healthy working culture and to develop their maximum potential.

Employees will see and feel that their employer values their health and wellbeing and is prepared to invest in them. The benefit to the employer is a happy and productive workforce.

Work related stress is widespread and is not confined to particular sectors, jobs or industries. Unwell employees can be crippling to businesses, both large and small, and if adequate steps are not taken to manage and prevent negative stress, everybody suffers.

“If employees feel free to communicate their difficulties, relevant temporary adjustments can be made and workload management strategies put in place to reduce stress.”
Why do projects fail?

Clarity of need, clarity of problem and clarity of outcome are common issues, says Cliff Moyce.

Working in business transformation means that I have had the privilege to work on and lead many successful projects and programmes. I confess that I find delivering a successful project and realising the hoped-for benefits to be very satisfying, both personally and professionally. However, I would never claim that all of my projects went smoothly from start to finish. Far from it. Resolving issues is all part of the cut and thrust of discrete change, and sometimes it can feel like there is more going wrong than there is going right. Despite this, the teams I have worked with have always managed to get there in the end. But as well as delivering new projects from start to finish, I have been called in by clients on many occasions to quality assure and/or rescue failing projects. Saving a failing project can be doubly satisfying of course, but not all projects are worth saving and then you have the pain of switching them off, losing the sunk cost (which can be tens of millions of pounds), and sometimes even losing members of staff.

Even when projects are saved, they can be extremely hard work and stressful. There is often a lot of negative emotion around a failing project, with disappointed customers and sponsors throwing blame at exhausted and disheartened teams. I once spent three years turning around and finally delivering a major project that had gone badly awry, and often questioned my own sanity in doing so. With over 20 years of doing this sort of work, I thought I would share with you some of the common themes that I see in failing projects. If all I do by writing this piece is to stop one project going awry, then I will be happy.

Observations

My major observation is that projects rarely fail because someone did bad work halfway through the project. Almost every failing project that I have ever come across was hobbled early on at the definition stage. A lack of clarity and objectivity about the true need for the project is a common theme.

For example, individuals or teams deciding for themselves what customers want and then going ahead and building it without really listening to the customers in the first place. When I am called in to QA a project, I work hard to identify who the customer is, and then I go to see them (all of them if needs be – or certainly a representative sample).

I have long since stopped becoming surprised by the response from customers: “All I really wanted was for them to fix the current system / process / service / product; but instead they have gone off and started a one / three / five year project to build a new one. In the meantime I am supposed to keep using the broken one.”

Common themes

Another variation on this theme is a lack of clarity about the problem that is supposed to be solved by the project. Despite working on projects for much of my career, I know that projects are a difficult and risky way to deliver change, compared to continuous improvement, so should not be entered into lightly. Continuous improvement should always be the default approach to change. If you do not have a clear handle on the problem to be solved, then how can you decide what is the best way to solve it (or even if the problem really exists, is important, and needs to be fixed at all)?

A further variation on this theme is a lack of clarity on the desired outcome. Some project management methodologies are so process heavy that it is easy to forget how conceptually simple the desired outcome actually is, and what you are trying to achieve. We should focus on the baton not the runner, as Craig Larman says.

You will notice that I did not mention a lack of clarity about the desired solution. That is because humans are very good at generating ideas for solutions – and that in itself can be a problem as many projects start with a solution and then go looking for a problem to solve.

The three P’s

Many of the problems listed here around clarity of need, clarity of problem, and clarity of outcome arise not from incompetence (though lack of experience can sometimes be an issue), but rather from the dreaded ‘Three P’s’ – people, power and politics.

For example, I often find that sponsors and other members of the governance board had doubts about the need / direction / leadership of the project from day one but either said nothing or more commonly said something once and were made to feel that they had said the wrong thing so kept quiet thereafter.

Unfortunately, projects are sometimes created to further someone’s personal agenda and these are often the most ill-conceived of initiatives.

In theory, formal governance and project initiation procedures should stop these sorts of issues arising, but unfortunately these processes can often be exercises in box ticking where no real critical examination of the need, etc, takes place. Where project definition processes fail to stop bad projects, the next step is to be the person who stands up and points out that the emperor has no clothes. Of course, this risks you becoming a shot messenger, but the consequence for your organisation of not challenging the need or goal for projects can be serious.

I hope my experiences give you food for thought. Of course, there are many other reasons why projects fail – and even the definition of ‘fail’ needs to be unpicked – but these themes have been fairly common in my work across various sectors and project types.

About the author

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“There is often a lot of negative emotion around a failing project, with disappointed customers and sponsors throwing blame at exhausted and disheartened teams.”
Leadership is not an accident
The corporate culture is shaped by the dominant values of the key leadership decisions made over time. When an organisation is first formed, the leadership or executive team will shape events through their strategic and tactical decisions. Did you know that the two most powerful aspects of changing an organisation or business culture are down to leadership behaviour:
- To what do leaders pay most attention?
- How do they respond to critical incidents that impact the business?
If leaders devote all their time to winning new business and generally ensuring the organisation is on the road to continuous improvement, this sends clear messages to employees that this is important to them and undoubtedly gives people confidence that their leaders are doing a good job. However, members of the leadership team are perceived as being timid, weak or indecisive, this will not have the most desirable effect on middle managers and ‘rank and file’ staff across the organisation, consequently impacting performance and the grapevine for the worse.
Response to critical incidents is also important because it sends a message out as to what is important and what is not. If, however, the executive team pursue a rapid cost reduction program and treat people more like liabilities than assets, you can imagine the negative impact on team dynamics and the culture. The best people move on and you are left with the deadwood.
Did you know that recent research reported in The London Times tells us that receiving a positive ‘thank you’ from the boss feels as rewarding as a £1600-a-year pay rise?

Leadership and cultural evolution
Leaders impact the culture radically, but many executive teams remain unaware of the importance and impact of their actions and behaviour on morale and behaviour of those reporting to them. If you have ever worked for an outstanding leader who was challenging and inspirational, and also fair and equitable, you will recall the positive impact that had on your feelings, your thoughts and your behaviour. It may have been aspirational or highly motivating for you. This is all good.
But if you had a leader who was lacklustre in their temperament, inconsistent, fault finding and negative, I bet that also impacted your thoughts, feelings and behaviour – and not in a good way.
Leadership style will impact you and your organisation whether you are in a multi national blue chip financial institution, an NHS Trust or an SME producing printed circuit boards. Leadership by design not by default
What is apparent is that leadership does not just happen by accident, it has to be shaped, honed and coached into the business.
No organisation exists in a vacuum. As some leaders move on and others replace them, so leadership style will change. As the leadership style changes, you will also note changes in the organisational culture its plans, processes and people management.
Did you know that recent research reported in The London Times tells us that receiving a positive ‘thank you’ from the boss feels as

Leadership style for different challenges
In the early years of any organisation, its leadership style needs to be more flexible, adaptable and entrepreneurial. Once it grows to a reasonable size, then a more controlled and organised style is more appropriate. However, when challenges come along, such as in recent recessionary times, leadership can become confused and when uncertainty arises, we find that, behaviourally, ‘decision-making’ slows down to a snail’s pace and in many circumstances, grinds to a halt. Failure to make decisions does not help the organisation but due to uncertainty, the executive team may become more risk averse and just at a time when people in the organisation need to see in their leaders’ boldness, clarity of direction, courage and forthright direction, they experience the exact opposite.

The leadership challenge
Many organisations coming out of this recession realise that their market has changed, and that what worked for them in the past is no longer applicable.

- What is the impact of not addressing challenges to the culture and overall performance?
- How can you kick start the leadership process to ensure that it addresses any challenges and required anticipated changes, and, more importantly, implement them in the future?

Facilitative leadership is designed for the client
Facilitative leadership does not reject the concept of the ‘big person’ – highly resilient independent individual who can face any challenge – but it does incorporate the value of developing the team as equally important.
It is best to reject ‘off the shelf’ packages, restrictive programmes and training workshops that require lengthy attendance. Experience tells us to opt instead for ‘action learning’, utilising a variety of blended learning approaches which better suit the demands on the participants and their
One has to take account of the special dynamics between the leader and their team, whether they occupy an executive leader role, a middle manager role or that of first line manager or team leader. organisation, rather than them attending a lengthy programme of events and workshops. It is best to work with existing and ‘budding’ leaders by coaching and engaging them in the facilitative leadership process.

Research: Facilitative leadership is a process, not a programme
Research by Development Dimensions International reports that in a study in 2011 of 14,000 leaders and HR professionals attending a leadership programme, only 30% of respondents rated it as highly effective. Further, Deloitte’s LEAD survey suggested that only 7.9% of the leaders surveyed agreed that their leadership program was ‘very effective’, with 17% saying their organisations failed to have a succession plan, and only 4.3% listed the development of leaders as ‘very effective’. It is clear that there is some degree of disquiet over traditional leadership programmes, maybe because they focus too much on the programme itself, and not enough on facilitating the leadership process.

Leadership teams – the facilitative leadership process tailored with facilitation
When engaging with leaders of an organisation, it is vital to recognise that much energy has to be invested in working with the leader’s team and their direct reports. One has to take account of the special dynamics between the leader and their team, whether they occupy an executive leader role, a middle manager role or that of first line manager or team leader. The demands on the sales and marketing director and the dynamics within their teams are going to be very different from those of the operations director and theirs. The leadership process has to be designed around, and is contingent on, the demands and constraints – not just the leader – but also the diversity and complexity of the work in which their teams engage.

The leadership design process starts with the individual leader and their needs and motivations. Personal motivation is a huge issue in determining the learning support needed. Some leaders will demonstrate self direction whilst others may require more support and structure, and be guided through the process as a sequence of events.

One size does not fit all – individual motivations differ
The approach that should be taken engages with and takes into account the individual needs of those in leadership or middle management positions. That is why it is important to develop the right coaching relationship with those going through the process. Individual learning styles and personal motivations need to be accommodated.

Long gone are the days when participants in a leadership programme attend a series of staged events, each going through the same exercises and working on role plays and case studies. Time is in short supply, the patience of leaders attending such events should not be tested and individual tailoring, taking account of opportunities and succession plans, is critical.

Unique design and delivery
The leadership process has to fit with the strategic and tactical demands on those going through it. This means one has to ask, ‘in how many ways can we ensure that the leadership process will facilitate the achievements of strategic imperatives, budgetary and other performance goals relating to growth, customer retention and acquisition, profitability and team development?’

Benefits that accrue due to the leadership process
There have to be clear benefits to the organisation and to the individuals as they progress through the process. This means working with individuals on assessing their strengths and limitations through the use of assessments and profiling. A good place to start in leadership development is to assess and benchmark one’s own strengths against others, relating to organisational, professional norms or industry demographics.

Challenge and the comfort zone
Of course, those undertaking the facilitative leadership process recognise that some of their views and behaviours may be challenged, and most recognise and welcome this as a valuable method of learning new skills and moving beyond their comfort zones. In order to do this, they will have to work on practical problems confronted by the participants in their organisational role. People learn most from dealing with reality, rather than from theoretical, issues and a focus on ‘action learning.’ If the groups of participants can accommodate this, this will set up action learning sets with their direct reports, or work cross functionally with others on special projects that deliver straight to the bottom line, sometimes relating these to re-engineering customer management across the organisation or implementing extensive IT solutions and networks.

Maximum learning takes place when people deal with issues they need to confront, and see different perspectives positively, rather than having their own views reinforced and left unchallenged.

Until behaviour changes, nothing changes
Pursuing the leadership process forces leaders to become more effective when they:

• Better understand their own personal motivations and their strengths and limitations;
• Recognise that each of their direct reports has their own gifts or strengths that support those of the leader;
• Understand that each team member has something important to contribute;
• Initiate dialogue with team members on direct reports and invite their contribution to key decisions;
• Achieve results through the efforts of others;
• Coach direct reports on the values, vision, and behaviours which need to be installed in the culture of the business;
• Promote ownership in problem solving and decision making;
• Seek support at all levels to promote ownership and a commitment to continuous improvement;
• Use core facilitation skills to develop the task and process capabilities of people;
• Commit to regular action planning and review of progress for those who have taken ownership to implement recommendations and actions.

Organisations have the choice to use facilitative leadership as a change-management tool, and have a number of L&D strategies to pursue. They can aim to create an elite group of leaders based upon using the top performers from their staff (10-15%). Or they could gradually introduce the model of manager as leader. By focusing on top performers (and those who want to improve their leadership expertise), the enterprise can be aware that the quality of leadership staff is consistently relatively high.

Choice of leadership
If leadership is to become a dominant element of the culture, then the choice of those participating in the leadership process is critical. Focusing on ‘high flyers’ sends clear signals to the rest of the organisation. One would expect that top performers have been fast tracked (as a result of their achievements so far), and that their successes communicate the message that specific focused behaviours are encouraged and rewarded. It also important to focus on those who have promise as ‘new shoots’ – who may not have much experience, but do have the willingness and confidence to be included in this team. This approach is about defining, retaining and refusing to dilute standards of high performance. We believe it will facilitate the achievement of goals and provide some clear messages about how the culture will evolve.

Living corporate values in leadership behaviours

<table>
<thead>
<tr>
<th>Corporate values</th>
<th>Behaviours</th>
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<tbody>
<tr>
<td>Being the best</td>
<td>• Seek and challenge to visibly sustain best practice</td>
</tr>
<tr>
<td></td>
<td>• Set stretch goals for self and team</td>
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<tr>
<td></td>
<td>• Personally commitment to drive improvement</td>
</tr>
<tr>
<td>Customer focus</td>
<td>• Quality mindset and following the customer pathway</td>
</tr>
<tr>
<td></td>
<td>• Support those who are customer facing</td>
</tr>
<tr>
<td></td>
<td>• Retain existing customers, reduce migration and win new business</td>
</tr>
<tr>
<td>Teamwork</td>
<td>• Demonstrable and high degree of personal motivation</td>
</tr>
<tr>
<td></td>
<td>• Inspire the team and promote fellowship</td>
</tr>
<tr>
<td></td>
<td>• Focus on working across silos to speed up value for the customer</td>
</tr>
<tr>
<td>Innovation</td>
<td>• Model a bias for action and implement improvements</td>
</tr>
<tr>
<td></td>
<td>• Encourage ‘out of the box’ for creative solutions with others</td>
</tr>
<tr>
<td></td>
<td>• Take the lead and implement ideas</td>
</tr>
</tbody>
</table>

If leadership is to become a dominant element of the culture, then the choice of those participating in the programme is critical.

Process: facilitative leaders
• Ensure the concept of facilitative leadership is aligned with top team
• Identify the top 10% of performers at and potential attendees for the process
• Commit to develop these staff to transfer leadership best practice to others. Because those selected are quick learners, learning and development (L&D) activities should be short, sharp and focused.
• Release leaders for a half-day a week (approximately 10% of their time), allocated to formal coaching to ensure that facilitative leadership becomes the culture
• Focus on the role of leaders in encouraging integration of organisational performance through the development of team and core cross functional projects
• Devise a rigorous evaluation process, record progress, and encourage sharing of success through learning logs
• Formalise process only when all are comfortable with this
• Share best practice and link to knowledge management
• Focus on implementation of changes
• Quantify time usage, rework costs, return on investment (ROI) of leadership projects, best-practice transfer and interventions implemented
• Coach recipients to become coaches of leaders.
Assumptions about the capability of each applicant for leadership should be questioned. We use the four-quadrant model shown in Figure 1, focusing on competence and confidence. We assess where people are currently, in terms of the development of their role. If leaders are on the high confidence and low competence quadrant (new shoots), we might work on supporting them in seeking more directive interventions. If some leaders fit on the low confidence and low competence quadrant (question marks), then they will be required to demonstrate substantial progress before they enter the process. Here they need much more structure and to employ their motivational skills. The ‘backbone’ have to decide on criteria to evaluate where people would fit in the grid, but this approach does help clarify the commitment of staff to change, and the role they can play in this process.

L&D content and process

Using the performance grid, it is fairly easy to design modules of input of other L&D tactics to help take each participant towards the top quadrant of high confidence and high competence. The most important skill, we believe, is that of making choices and being flexible in adapting one’s style to different situations and circumstances. Contingency models help in promoting a consultative style of leadership. Central to this is focusing on learning as the first stage in leadership. How can one act as leader, if one does not understand the learning process of oneself and others? Focusing upon learning and implementing that learning through behavioural change is a major element of any leadership development activity.

Measuring progress

Any process for managing performance must have a method of assessment and measurement. Reviews and feedback from initial stages help in the selection of leaders for further work. It is critical to develop measures for each activity and each stage of the process. Systemic learning occurs when those who initially design the process for the whole organisation take a step back and incorporate the learning of self and others into the next iteration of the process. It is also important to help each leader adopt their own means of assessment, by which they can appraise themselves. Imposing a specific set of criteria goes against the whole philosophy of people taking charge and driving their own learning. For this reason, it’s a good idea to provide typical criteria, but let each leader tailor their own and document these into a learning log. Over time, this log will manifest itself as their own personal development plan, which should be a direct input into HR development strategy.

Facilitative leadership: Aligning with other change activities

Leadership is focused on improving performance. The process will draw some very clear associations and identify specific cause-effect relationships in terms of bringing about change. Because leadership is measured and managed, there are some very clear links between investment in leadership and improved performance. A focus on aligning leadership with other change initiatives is central in gaining credibility, and in the leadership culture becoming business as usual.

Summary

Leadership can be a very powerful process of changing an organisation’s culture from the inside out, if it satisfies certain criteria. It has to be a structured intervention with a firm focus in mind. Leadership and development should demonstrate some very tangible results for the business. These results come about by using your most able people to support others in their journey to improved performance through their own personal development. If structured well, facilitative leadership is a very strong process to change behaviours and focus on performance issues. Developing the leadership culture as the norm can very quickly create a significant shift in the management and leadership of the business. Clearly, the development of people is critical to performing more effectively, and that is the result to which this process is fundamentally geared.

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. He can be contacted through his websites www.philipatkinson.com or www.facilitative-leadership.org or by phone 44 131 346 1276 M: 44 7999 799286.
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