Management Development and Organisational Effectiveness

Every work organisation is concerned with being effective. Upon the attainment of its aims and objectives rest the success and ultimate survival of the organisation. The quality of management is central to organisational development and improved performance. There are, however, a multiplicity of variables which impinge upon organisational effectiveness. The manager needs to understand the importance of improving the overall performance and effectiveness of the organisation.

The learning objectives of this chapter are to:
- explain the importance of effective management; and detail an integrated model of managerial behaviour and development;
- detail the main features and requirements of the management development process;
- explore the importance and effectiveness of management education, training and development;
- assess the nature of organisational effectiveness and basic attributes for organisational success;
- examine the benefits of the learning organisation, TQM and Business Process Re-engineering;
- outline criteria for an evaluation of organisational effectiveness;
- recognise the importance of management development, and attempts to improve organisational performance and effectiveness.

Chapter 23 examines the importance of management development and the nature of organisational effectiveness. Effective management is at the heart of organisation development and improved performance. This chapter looks at the nature of the management development process including the learning organisation, total quality management, and factors which influence the success and overall effectiveness and performance of the organisation.

The importance of management development

The quality of management is one of the most important factors in the success of any organisation. Managers need a balance of technical, social and conceptual knowledge and skills, acquired through a blend of education and experience. There is, therefore, a continual need for managerial development.

A common view of management development is concerned with preparing the manager for expected changes in the job or for an anticipated future job or role. A more general interpretation views management development as an integral part of the process of organisation development. However it is viewed, management development is equally important for the public sector as it is for private enterprise organisations. Some suitable form of management development is also important for the small business organisation. All organisations must ensure the development of both present and future managers.

Efficient and effective management

It is important to distinguish clearly between managerial efficiency and managerial effectiveness. To be efficient, the manager must attend to the input requirements of the job and to doing things right. But to be effective, the manager must give attention to the outputs of the job and to doing
the right things. (Recall also the discussion on managerial effectiveness in Chapter 7.) An essential feature of management development is performance review. It would be an appropriate opportunity, therefore, to review the main points of performance appraisal (Chapter 19) and MBO (Chapter 7), with particular reference to the debate on the practical effectiveness of MBO when associated with a performance appraisal scheme.

Management education, training and development

In discussing and evaluating the nature and quality of management education, training and development course members could be asked to give their views on the perceived relevance and impact of the Management Charter Initiative (MCI). Discussions could also include consideration of major survey or research projects including ‘Management Development to the Millennium’, and ‘A Portrait of Management Development’. (Course members should be advised to look out for any later surveys or reports.)

The nature of organisational effectiveness

Every work organisation is concerned with being effective. There are, however, a multiplicity of variables which impinge on any one organisational situation and which illustrate the complicated nature of organisational effectiveness. (See Figure 23.2.) Note, also, the McKinsey 7-S framework of structure, strategy, skills, staff, style, systems, and shared values (Figure 23.3).

A key factor in organisational effectiveness is the successful management of change and innovation, and this has drawn renewed attention to the concept of the learning organisation.

One particular approach to improved organisational effectiveness is the concept of Total Quality Management (TQM). This requires the creation of a corporate identity and a supportive environment. (See, for example, Figure 23.4.) TQM also emphasises the importance of people as the key to quality.

The EFQM Excellence Model

Attention should be drawn to the importance of the RSA Inquiry into Tomorrow’s Company and the inclusive approach to leadership (referred to earlier in Chapter 8), and the European Foundation for Quality Management (EFQM) Excellence Model (Figure 23.6). Course members could be encouraged to discuss critically the nine criteria of the Model and the final phase of the work in developing a framework or ‘Route Map’ to business excellence (Figure 23.7).

Assessing organisational performance

There is a wide range of interrelated individual, group, organisational and environmental influences on behaviour in work organisations. There are, therefore, many different criteria which might be applied in an attempt to assess organisational performance and effectiveness. For example, an organisation may be analysed in terms of an open-systems framework, key areas of performance and results, design of organisation structure or a profile of organisational characteristics.

There are also a number of criteria which could be applied more specifically to an evaluation of the role of management and managerial effectiveness. A programme of organisation audit involves a review of the operations of the organisation as a whole. However, in addition to concern for the current state of the organisation, attention must also be given to its future development and success. Appendix 3 provides an informative account on building organisational competence.
Debate

‘Many organisations waste a fortune paying for the development of staff and then prevent them from using their new ideas in practice.’

Some starting points

For

● People can be pigeon-holed in an organisation so that only a small part of their talent is ever recognised or used. Sometimes people change, but the perception that their peers and bosses have of them changes much more slowly.
● New ideas and approaches gained from courses are often treated with open scepticism by experienced managers: ‘that’s OK in theory, but…’.

Against

● Many organisations use their appraisal and career development systems to tie the development opportunities for staff closely in to the needs of the organisation.
● The purpose of management development is gradual strengthening of the overall capabilities of the organisation. It is a good idea to let new ideas incubate slowly rather than expecting radical change every time someone completes a new management course.

Assignment 1: Organisational checklist

Analysis

It is best to look at the overall pattern of your answers, rather than at a notional ‘score’. Even if you appear to have few or no problems, take a hard look at any exceptions.

If you answered mainly ‘yes’ or ‘no’

For those who have checked mostly ‘yes’ or mainly either ‘yes’ or ‘no’, the important thing now is to spot a pattern, follow it through, and establish it by practical tests. You may, on the other hand, see a number of contradictions: if so, check your answers, and again look for a pattern. For example, your structure may be rated by you as being largely healthy and your organisational performance as being good, yet you have a negative score for most managerial staffing questions; this indicates human and financial waste in achieving your results.

If you answered mainly ‘maybe’

If you are one of the ‘maybes’, try to satisfy yourself whether you are in a position of honest doubt, or suffering from a lack of knowledge about your organisation – or about the questions.

If you have usually checked ‘maybe’, does this reflect the fact that your organisation is at a transitional stage? If so, and most importantly, can you now judge whether this change is one of improvement or deterioration?

The results

The completed checklist and your own analysis will highlight the priorities for reviewing your organisation.

Obviously, your organisational situation, as in every case, is unique, and would require specific analysis in depth. Bromides can clearly be dangerously misleading in the abstract, but here are a few basic guidelines.

(a) Look for the opportunities and strengths of your situation – do not get hung up on its problems, threats and weaknesses alone.
(b) Review the realities, for example: market(s), technology, products, people, ownership, skills, attitudes, myths. (Organisational myths can often be a very real factor.)

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(c) Clarify the organisation’s purpose, philosophy and goals: agree them, and progressively com-
municate them to all concerned.
(d) Involve the whole managerial team and other key employees in building the new organisation
– on existing strengths – towards your agreed goals.
(e) Do not discount the contribution which each employee can make, or has made: or has capac-
ity to adapt with and improve the organisation.
(f) Give sufficient and consistent attention and resources to any programme of organisation
development that you can decide upon, and review its progress frequently.

Organisation development programme

An organisation development programme covers not only the structural review, planning and
reorganisation which will be periodically necessary for any organisation, but also the more con-
tinuous tasks of developing a human organisation.

One of these is the design and redesign of jobs, their grouping and their overall structure. This
aims to ensure that employees can develop and work effectively together towards the organisa-
tion’s objectives. Individuals and tasks are fitted together, with the redesign and balancing of jobs
where feasible.

In addition, systems of control, co-ordination and information are designed so that decisions
are taken by people at the appropriate level, with the necessary knowledge. Within this dual
framework of job design and control information, managers can carry out a more realistic, help-
ful and acceptable assessment of the strengths and development needs of their subordinates –
both individuals and groups.

Since results depend upon the knowledge and performance of employees, the organisation’s
programme of training and education must be tailored both to operating standards and to indi-
vidual development. But growth and survival will depend upon the availability of a succession of
good choices for key positions. The organisational development programme must include an
acceptable and systematic review of employees’ performance and potential.

Finally, since competence and faithful service are not, in themselves, sufficient reasons for pro-
motion, the programme must be designed to enable continuing motivation, support and reward
for all employees for their good performance.

Although the object of this exercise is to help students to master this section of study, it is hoped
that this approach and checklist will be of some interest and value in the practical management situ-
ations which occur at work – either now or in the future.

(Source: Adapted from material prepared by John Bourn for a UNISON distance learning course and used with permission of the Education Officer.)

Additional seminar activities

Case study: Employee relations at Midshires College

Midshires College of Technology is a further education college based in the south of England
and, in common with other similar academic institutions, is facing a difficult financial future. It
deals primarily with full-time undergraduates studying across a range of academic disciplines (see
Figure 23.A). However, approximately 30 per cent of the teaching revenue is derived from part-
time vocational courses. Student numbers have been constant over the last five years and there
are currently 7000 full-time equivalent students. There are approximately 400 full-time equivalent
staff with some 350 managerial and support staff.

Funding for Midshires largely relates to the number of students recruited. Government funding
is provided for EU students; however, in real terms this funding has reduced by some 35 per cent
per student over the last three years. Buildings are in need of repair and there is a large outstanding
overdraft to pay for increased teaching accommodation purchased four years ago. Several strategies
have been adopted by the senior academics and managers of Midshires to cope with this shortfall.
Additional students (an increase of 15 per cent) have been found for the academic year 2001/2002 to increase revenue. Most of these have been recruited from countries outside the EU. The fee for each of these students is approximately twice that for the equivalent EU student. This has worked well for cash flow but is causing some difficulties. The balance of students in some programme areas has changed, notably in the subjects of accounting and computing. This has produced a situation where there are more overseas students and EU students studying in some groups. Lecturers are complaining that academic standards are dropping because of this. Overseas students recruited are not always fluent in the English language and entry qualifications are sometimes inferior to home students. To reduce failure rates, extra tuition and counselling is provided.

A policy of larger lecture group sizes has been introduced to cope with greater numbers and, to offset the problems created, a system of tutorials to provide more targeted tuition has also been introduced. Rooms are often too small for the number of students attending lectures and often students sit on the floor or stand for short lectures. In comparison with last year, staff this year will be expected to provide 10 per cent more tutorials and will be expected to set and mark 20 per cent more work. Staff are also being asked to manage and undertake a range of administrative duties relating to these larger groups that are, again, time-consuming processes.

One suggestion put to staff by senior managers is that it provides an opportunity to consider innovative teaching and learning strategies that could reduce the class contact and assessment burden on staff. No funding is available to support this initiative. However, staff have been encouraged to find ways to reduce contact time ‘...for your own good’. There is great pressure on support facilities provided for staff and students. Car parking is more difficult and it is proposed that next term both staff and students will pay parking charges for using college car parks – currently this facility is provided free of charge. Refectory facilities are no longer adequate with large queues forming at peak times and there are often shortages of seats and table space to eat cooked food.

This term, college opening hours have been extended in an attempt to reduce the pressure on teaching space. However this has meant that some staff are on the college premises from 8.00 a.m. to 10.00 p.m. with perhaps five or six hours of teaching during that period. This, for some staff, has produced domestic problems with their spouses and families. All is not gloom and despondency, however. Staff are aware of the external constraints on funding and are keen to provide a quality educational environment as long as some of their personal concerns are addressed. They appreciate that their own job security depends on their ability to accept the need for greater efficiency and adapt to the new working requirements. They also see opportunities to compete for research funds and short course training, thus increasing the total revenue of Midshires.

A new situation has developed because of difficulties in recruiting sufficient student numbers in the Engineering Department this term. As a result of not recruiting target numbers, the college suffers a double financial penalty. They will not receive funding allocated by the government for the number of students under-recruited. The Government Funding Council had also imposed a financial penalty on the College for not reaching target figures. The net result is that the College is seriously considering reducing the number of academic and support staff employed within the Engineering Department. It has been estimated that this department is overstaffed by approximately six support and eight academic staff.

Against this background, the independent and recognised trade union, NATFHE, is seeking talks with management to protect the interests of their members. They are concerned about changes to substantive contractual terms such as extended hours of work, additional class contact hours and administrative and managerial duties. They are particularly worried about the possible reduction of staff in the Engineering Department.

The Principal is worried about low staff morale and has convened a meeting with Deans of Schools, Heads of Department and members of his Directorate to consider the major staff problems arising from the above issues. The agenda for this meeting has been sent as a confidential memo to these senior staff but unfortunately a temporary secretary who is covering the duties of
secretary to a Dean left the agenda on her desk. An active member of NATFHE read the contents, removed the agenda from the desk and gave a copy to the Trade Union Convenor in the College. The covering note to senior staff and the agenda is shown in Figures 23.B and 23.C.

The Convenor is extremely concerned about the agenda items and the apparent secrecy surrounding the meeting. The union has a bargaining agreement with the college and expects to be consulted over changes to working conditions. As well as the legal requirements relating to consultation there is also a collective agreement that requires the employer to give one year’s notice of any possible redundancy situation.

The Convenor immediately sought a meeting with the Principal and showed him the photocopy of the agenda, asking for an explanation. The Principal defended his position by suggesting that the meeting with senior staff is a preliminary meeting to find out the size of the problem. Normal discussions with the trade union will follow if necessary. He also asked how the union obtained a copy of the agenda, suggesting that he considers the disclosure of confidential information a fundamental breach of contract which he may have to pursue through disciplinary action. After a good deal of heated discussion the Convenor suggests that the motivation and morale of staff are exceptionally low and the Principal would be well advised to consider how best to look after the interests of staff rather than to take disciplinary action over petty issues.

<table>
<thead>
<tr>
<th>College Principal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director of Finance</td>
</tr>
</tbody>
</table>

(150 secretarial and support staff directly associated with the Directorate and support services, caretaking, cleaning and student services)

<table>
<thead>
<tr>
<th>School of Engineering</th>
<th>Business School</th>
<th>School of Commerce</th>
<th>School of Computing</th>
</tr>
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<tbody>
<tr>
<td>Dean</td>
<td>Dean</td>
<td>Dean</td>
<td>Dean</td>
</tr>
<tr>
<td>3 Heads of Department</td>
<td>3 Heads of Department</td>
<td>3 Heads of Department</td>
<td>2 Heads of Department</td>
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<tr>
<td>80 academic staff</td>
<td>120 academic staff</td>
<td>130 academic staff</td>
<td>70 academic staff</td>
</tr>
<tr>
<td>80 support staff</td>
<td>50 support staff</td>
<td>80 support staff</td>
<td>90 support staff</td>
</tr>
<tr>
<td>500 students</td>
<td>2000 students</td>
<td>2600 students</td>
<td>1900 students</td>
</tr>
</tbody>
</table>

Note: The Directorate determines matters of policy that affect each School and the Directors act in a staff capacity to the Deans of Schools. The Principal is the direct line manager to the Directors and the Deans

Figure 23.A
Activity brief

1 The recognised trade union is concerned about the agenda items and apparent secrecy surrounding the senior management meeting to be held on 10 February. Critically examine the proposition that this concern is entirely predictable and can be explained by reference to the management styles shown throughout the case study.

2 Taking into account the organisational culture and climate described in the case study, describe ways in which senior managers at Midshires College can improve staff morale and commitment to organisational goals.

3 Demonstrate how senior managers at Midshires can use the principles of organisational development to implement the changes suggested in the meeting.

4 Taking the role of either a trade union representative or senior manager:
   (a) Prepare to negotiate the changes to terms and conditions set out in item 3 of the agenda. List the strong and weak points of your arguments, the maximum you believe you can achieve and the minimum you will accept.
   (b) Use appropriate behavioural skills and a sound structure to negotiate a settlement within the limits described in (a) above that is acceptable to the other side.

Case study provided by Alan Peacock, University of Portsmouth.

Introduction

The situation described in the case study illustrates typical problems and issues faced by an organisation required to introduce change because of a declining unit of resource. It focuses on...
the management of this change and, in particular, on situations arising from a planned meeting of senior managers to discuss changes in contract terms for academic and support staff in a College of Technology. The issues are real and the case study is based on consultancy undertaken by the author. However, some facts relating to the issues have been changed to provide suitable material to meet the requirements of this section of the Workbook.

The relationship between managers and employees is explored by considering management style, organisational culture and climate, and possible strategies for implementing change.

**Question 1**

The recognised trade union is concerned about the agenda items and apparent secrecy surrounding the senior management meeting to be held on 10 February. Critically examine the proposition that this concern is entirely predictable and can be explained by reference to the management styles shown throughout the case study.

This question can be answered by considering the nature of management and ways in which senior managers have exercised their duties and responsibilities given the pluralistic nature of the organisation and the agreements relating to collective bargaining. Mullins describes the essential nature of managerial work and contrasts management in private and public sector organisations. He also considers the need of managers to cope with the internal and external environment. Management style can be related to a number of empirical studies by Stewart, Mintzberg and Kotter. Managers’ attitudes towards people can be related to the work of writers such as McGregor, Blake and Mouton, Likert, Humble and Ouchi. A useful framework for considering management style relating specifically to employee relations is described by Purcell.

Consideration of some of these frameworks and relating them to the situation described in the case will identify gaps between the expectations of trade union representatives and employees and the actions of senior managers. The number and size of these gaps can then be related back to the question and the proposition accepted or rejected.

**Question 2**

Taking into account the organisational culture and climate described in the case study, describe ways in which senior managers at Midshires College can improve staff morale and commitment to organisational goals.

A clear definition of organisational culture and climate will provide a good base for answering this question. Atkinson, Gorman, Potter, McClean and Marshall all provide suitable frameworks for considering culture and climate. Gould, Patrick and Maning, Martin and Mitchell deal well with morale and commitment to organisational goals. Senior managers can improve staff morale and commitment by considering ways in which they can improve the attitude of staff by:

- promoting a sense of challenge and feeling of accomplishment among members of staff in the jobs they perform;
- encouraging teamwork towards the organisational goals, a sense of group pride and good relationships with their colleagues;
- providing just rewards for their contribution and fair treatment for their efforts. Management goals should be clear and differences between organisational, individual and group goals should be clarified and minimised;
- demonstrating that additional intrinsic and extrinsic rewards could be available to staff if the change process leads to economic improvements and a wider range of work.

Martin and Nicholls provide a model of commitment which considers a sense of excitement in the job, a sense of belonging to the organisation and confidence in management. In this case management need to work hard on involving staff in joint decision-making and promoting a trust and ‘no blame’ culture.
Question 3
Demonstrate how senior managers at Midshires can use the principles of organisational development to implement the changes suggested in the meeting.

The attraction of organisational development as a change strategy is that it addresses what should be done and how to do it. It is based on a participative approach and is usually a consensus process. OD principles that managers at Midshires could use are:

- Agree organisational purpose and mission through participation and decide where the organisation wants to be and what they want to happen.
- Diagnose the present state by assessing what is happening inside the organisation and relate this to the external environment. SWOT, PESTEL or Professor Pettigrew’s model for considering the inner and outer contexts of an organisation are all models that can be used for this process.
- Gather data on the expectations which the environmental power groups have of it. This will include Government, students, staff, trade unions and Governors of the college. Financial analysis is clearly significant in terms of present and future strategy and staff inside the organisation need to focus on behaviour.
- Gain involvement from staff by demonstrating that most organisational objectives can be matched with individual objectives and that mismatches can be minimised through joint decision-making processes.
- Set targets for change, and consider some of the problems and symptoms of dissatisfaction that could arise during the change process. Decide when to intervene considering the individual, group, intergroup and organisational level. Decide the scope of the change activities.
- Implement change at individual level through coaching, counselling, role analysis and career planning; at group level through process consultation and team building; at intergroup level through confronting and role negotiation; and at organisational level through organisational mirroring and survey feedback.
- Evaluate and reinforce change through survey methods, culture audit, interviews, observation and vivid impression. Consolidate the change through individual accountability, negotiating boundaries and agreeing reward systems.

Question 4
Taking the role of either a trade union representative or senior manager:

(a) Prepare to negotiate the changes to terms and conditions set out in item 3 of the agenda. List the strong and weak points of your arguments, the maximum you believe you can achieve and the minimum you will accept.
(b) Use appropriate behavioural skills and sound structure to negotiate a settlement within the limits described in (a) above that is acceptable to the other side.

Both trade union representatives and senior managers should use a structured framework to prepare for negotiations that could follow these steps:

- Consider environmental constraints and pressures and assess the opposition’s position. List the strong and weak points of each side, build on your side’s strengths and minimise weaknesses.
- If possible, agree an agenda and determine the sequence in which issues are to be considered.
- Determine bargaining limits on the issues to be negotiated, set targets to be achieved and resistance points beyond which concessions should not be made.
- Prepare the information and arguments to be used during the encounter.

Kniveton has classified the skills required by a negotiator as:

1 Social interpersonal skills which allow the negotiator to recognise, interpret and utilise both the verbal and non-verbal communications that are an essential part of any negotiation.
2 Information handling skills which demonstrate that the negotiator is fully conversant with the issues under negotiation and the context within which they are to be negotiated.

3 Discretionary judgement skills which Kniveton suggests should ‘assess all aspects of the information content and social skills experience, estimate whether the solution is the best that could be reached in the circumstances and assess whether it will be acceptable to the parties represented’.

Further reading


Case study guide provided by Alan Peacock, University of Portsmouth.

**Exercise 1**

Assume that you or your group are management consultants whose main area of expertise is leadership training.

Design a leadership training programme for middle managers in a work organisation of your choice.

You will need to:

- specify the objectives of the course;
- detail the timing of the course (number of days etc.);
- outline each day's training in detail, including any tutor input, exercises, etc.;
- prepare an evaluation sheet for delegates.

This exercise looks at issues surrounding the ‘can leadership be trained or is it inherent?’ debate. Students may revert naturally to planning their course around such theories as Blake and Mouton, Adair or Hersey and Blanchard and the discussion can be opened up in terms of ‘are these really theories of leadership or of management style?’ (See main book, Chapters 7 and 8, and notice how the Blake and Mouton Managerial Grid has now changed its name to the Leadership Grid.)

Students could be asked to prepare this as an assignment where they have to make a presentation to the ‘Board of Directors’ from the company. The ‘Board’ could be made up either of their peers or of other lecturers associated with the course.

**Assignment 1**

1 List the different methods and techniques used to develop managers.

2 How would you judge and evaluate their effectiveness?

3 Choose two particular techniques from your list and explain how they could be used to make improvements in an organisation with which you are familiar.

Students are asked to list a variety of methods and techniques which may be used to develop managers, and to consider how their effectiveness might be evaluated. They are then asked to apply two of these techniques to a particular organisation with which they are familiar.

**Specific objective**

This assignment will help the students to revise the methods and techniques presented and to think about how they may be of real benefit in the field.
Assignment 2

Decisions  Anita Roddick, The Body Shop

My Best

The best decision I ever made was not to go to business school. It would have stopped my anar-chic or counter-culture thinking, taken all the creative process and shaped it into a business speak strategy. By not going, nothing suppressed the spirit of adventure of the idea. If I’d presented the notion of The Body Shop to a business school, I would have been laughed at. And people who go to business school are more often than not middle class and have an awful lot of money and I don’t think that’s the spirit, especially if you’re a bootstrapping entrepreneur. It’s beacuse of this that I established the New Academy of Business in Bath, to champion values-led management.

My Worst

was to bring in a management consultant, which nearly killed us. He could have run a great army, but in terms of a creative, idiosyncratic, very feminine-run organisation without much hierarchy it caused more corporate anguish than I’d ever experienced. He was trying to shape a creative and brave organisation that acts more like an NGO than a serious business into a more disciplined bottom-line focused company. You need a counsellor, not someone hard-arsed and rapacious. It taught us that we shouldn’t look for the comfort of strangers – our answers are among ourselves.

(Source: Management Today, March 2001, p.80.)

Task

In small self-selecting groups provide a detailed response both in support of Anita Roddick’s decision and a reasoned argument against them.

Any member of the group should be prepared to present the arguments for either, or both, set of responses.

Applications and discussion

Application 1

Practical answer to the management skills gap

Smaller companies may value staff training but many feel they cannot afford to lose a manager even for a few weeks, particularly if the benefits are intangible.

Recently, 30 managers from small and medium sized enterprises (SMEs) in Bradford started a one-year Business Masters programme devised by Bradford Management Centre. The centre hopes the pilot course will fill the gap between short courses that may offer SMEs too little and a full MBA that requires a long-term commitment.

‘We believe SMEs need access to high quality management support at a pace that fits in with their time and particular needs,’ says Robert McClements, chairman of executive development at the centre, which is attached to the University of Bradford.

‘Often, they’re not looking for management theory, but for practical guidance. Our research showed that SMEs were interested in management training and very interested in solutions to their problems, but they were not terribly keen to go on a generalised course.’

The Bradford course is shorter and more focused than an MBA and geared to practical learning and problem-solving, says Mr McClements. It follows research by the centre, the local authority and Bradford’s Training and Enterprise Council that identified a need locally for skills development to improve competitiveness, business survival and growth among SMEs.

‘There are many able entrepreneurs who start companies and are fine hands on. But they can become lost as the company grows because they haven’t developed the skills to sustain and develop a company,’ says Mr McClements.
The 30 managers will attend three evenings a month for a year. The course comprises three elements: formal lectures, best practice visits to companies, and team problem-solving. Parts of the course will be customised to address issues facing individual companies.

Bradford Tec is backing the course with a grant of £250,000, allowing three scholarship places and a subsidised rate of £3600 for local companies. Others will pay £10,950.

Mohan de Silva, the Tec’s director of business and economic regeneration, says he wants the course to improve the competitiveness of SMEs in the region. ‘Companies that form the backbone of the local economy need more encouragement and access to the latest in management thinking. To give them the edge, that training has to be customised. Smaller companies who have had bad experiences in training will be very cautious about committing themselves again. It’s not just money, they cannot afford to waste time and they need to see a pay-off.’

Tony Watson, managing director of Millar Dennis, a Bradford valves manufacturer with a staff of 25, encouraged his new sales director, Nick Whitfield, to apply for a place on the Bradford course. ‘I want him to learn about general management so that if I’m not here he can take the reins,’ says Mr. Watson.

‘It’s important that we develop people but difficult if your sales are relatively small and the training budget dependent on the success of the company.’

Mr Watson says that evening classes allow for training without disrupting the business. ‘As a small company, I can’t afford to lose a key person for days at a time.’

(Source: Sheila Jones, © Financial Times, 27 April 1998.)

Application 2

Why workers relish hard graft

Strong trade unions can help organisations implement total quality management, one of the most popular management objectives, according to a report published recently by the Department for Trade and Industry.

Such a message, enthusiastically endorsed by ministers, is scarcely surprising, given Labour’s commitment to partnership between both sides of industry. Yet this study – by researchers at Warwick University – was commissioned and completed under the previous Conservative administration. The study, which surveyed 280 employees in six public and private sector organisations, came to some unexpected conclusions – not least that most workers enjoy working harder.

The academics said several organisations were willing to discuss the outlines of their quality initiatives, but ‘became very coy when we suggested independent analysis of employees’ reactions’. The six ‘brave enough’ to submit to scrutiny were: British Steel (Shotton works), Halifax Building Society, Lewisham Borough Council, Philips Domestic Appliances (Hastings plant), Severn Trent Water and South Warwickshire NHS Trust.

While some critics of TQM suggest it increases pressure on workers and heightens management control, the academics found little support for this and developed instead a ‘disciplined worker’ thesis: that workers can accept working harder and often welcome the precision and sense of direction involved in TQM.

The report found most workers enjoyed working as hard as they did. The authors classified 57 per cent as ‘committed’ in that they were working harder and said they liked doing so. Only 19 per cent were pressured: working the same or harder and disliking it.

The organisations where workers were most likely to say that they were working harder and were more subject to managerial monitoring were also those where trust in management and an acceptance of quality programmes were highest.

The survey also identified important conditions promoting successful implementation of TQM. Across all the organisations, workers who felt their job security was highest were most
likely to favour quality initiatives. ‘High job security at the Halifax was part of a climate of mutual confidence. In other organisations, and at Severn Trent in particular, perceived job security was relatively low.’

The researchers also believe it important that short-term pressures be kept in check. At the Philips plant, acceptance of quality principles was qualified by problems over product design, which stemmed from a short timescale for the development of new products. ‘A sense of division between shop floor and staff tended to undercut the atmosphere that TQM aims to promote.’

The Warwick academics challenge the claim, focused on by supporters and critics, that TQM ‘empowers’ workers, by giving them resources and discretion to make their own decisions. They found a much more pragmatic view, with most managers denying the term empowerment was used, or that they ever intended to cede discretion to the shop or office floor. ‘The structure of authority was not radically changed by TQM initiatives, and managers and supervisors continued to exercise traditional powers,’ says the study.

Workers likewise had pragmatic expectations of TQM programmes. They did not necessarily seek ‘empowerment’ and they retained a sense of distance from management. ‘On balance, employees identified with the principles of quality management and involvement in problem-solving, even though this involvement remained limited to immediate work tasks.’

(Source: Andrew Bolger, © Financial Times, 30 June 1998.)
Multiple-choice questions

1 (Chapter 23, p. 845) What is management development concerned with?
   (a) improvements in organisational effectiveness
   (b) improvement in management performance as a whole
   (c) improvement in the effectiveness of individual managers
   (d)* all of the above

2 (Chapter 23, p. 849) Managerial effectiveness is concerned with doing the right thing and relates to ________ of the job and what the manager actually achieves.
   (a)*outputs
   (b) throughputs
   (c) inputs
   (d) none of the above

3 (Chapter 23, p. 855) Which of the following statements is/are true about self-development?
   (a) It does not require the active support of top management.
   (b) Managers do not necessarily need authority and flexibility to take advantage of situations which are likely to extend their knowledge and skills.
   (c)* It has to be self-initiated.
   (d) All of the above.

4 (Chapter 23, p. 863) One particular approach to improved organisational performance and effectiveness is the concept of Total Quality Management (TQM). TQM emphasises the importance of ________ as the key to quality.
   (a) a clearly defined structure
   (b)*people
   (c) achievable and realistic targets
   (d) management

5 (Chapter 23, p. 866) For dynamic companies quality is becoming a complete misnomer. To achieve 'Business Excellence' quality should represent two things:
   (a) continual improvement and performance monitoring
   (b) customer satisfaction and profit
   (c) internal and external customer satisfaction
   (d)*customer satisfaction and continual improvement

6 (Chapter 23, p. 875) One of the most significant factors which determine effective organisational performance is the correct design of:
   (a) objectives
   (b) policies
   (c) job descriptions
   (d)*structure