



TOGETHER
for a sustainable future

OCCASION

This publication has been made available to the public on the occasion of the 50th anniversary of the United Nations Industrial Development Organisation.



TOGETHER
for a sustainable future

DISCLAIMER

This document has been produced without formal United Nations editing. The designations employed and the presentation of the material in this document do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization (UNIDO) concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries, or its economic system or degree of development. Designations such as “developed”, “industrialized” and “developing” are intended for statistical convenience and do not necessarily express a judgment about the stage reached by a particular country or area in the development process. Mention of firm names or commercial products does not constitute an endorsement by UNIDO.

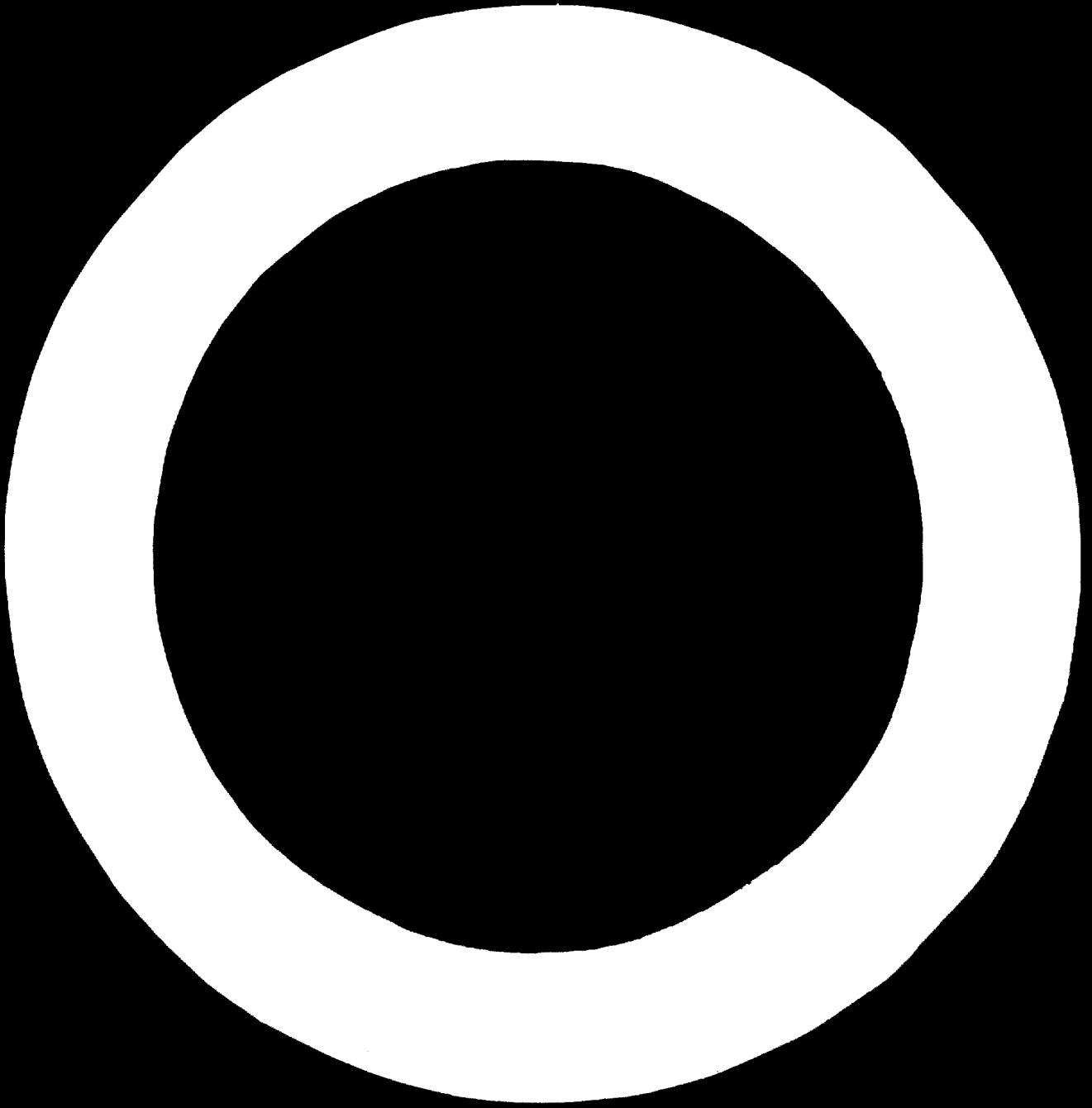
FAIR USE POLICY

Any part of this publication may be quoted and referenced for educational and research purposes without additional permission from UNIDO. However, those who make use of quoting and referencing this publication are requested to follow the Fair Use Policy of giving due credit to UNIDO.

CONTACT

Please contact publications@unido.org for further information concerning UNIDO publications.

For more information about UNIDO, please visit us at www.unido.org



DO 1623

The Purpose of Management Clinics

By Walter Goldberg

A FEW YEARS AGO Robert McNamara launched the thesis that the gap in economic development between Europe and the United States of America was by no means due to a technological gap, which hitherto had been claimed, but to a management gap. He was able to show, and Jean-Jaques Servan Schreiber popularized McNamara's idea in his famous book "Le defi américain", that Europe essentially had command of all the necessary natural, technical, intellectual and financial resources, but that it lacked the managerial skill to combine them efficiently. North America's lead thus was chiefly the result of superior management.

McNamara never claimed that efficient management is the only contributing factor to the gap but certainly that it is an important one. A closer look at McNamara's statement may evoke the conclusion that similar reasons account in a large measure for the gap between the industrialized countries and the developing countries. The latter are often rich in natural resources and also in intellect. They lack, however, men who are able to combine those resources in an economic and socially beneficial way. There are enormous differences within the developing world, a condition that is also true of Europe where the standard of living and available resources do not correlate readily.

Resources and management

Many of the developing countries are rich in natural resources which, properly utilized should in time, produce the financial stability necessary for development. Moreover, there is no evidence from psychological research to support the idea of an "intellectual gap" as many developing countries command both quantitatively and qualitatively satisfactory intellectual resources. In only a few countries, however, are these resources properly utilized owing to the lack of managerial skills from the national level down to the level of the single enterprise. Proposed solutions are of necessity complex. More advanced technological, social and economic systems are emerging continuously in the developed countries requiring higher levels of organization and management. Thus the gap is widening rapidly. The longer the time taken to bridge this gap the wider it will become and the greater the efforts required to narrow or close it. Another important factor is that the size of organizations, firms and markets tends to increase, thus creating a need for more sophisticated management.

One course of action aimed at accelerating the transfer of managerial skills and methods which has been employed successfully by UNIDO—although still on a minor scale—is the organization of seminars or management clinics.

Management clinics

A management clinic is a problem-solving seminar whose participants from the host country are:

- Managers of public and private firms;
- Representatives from central, regional and local government;
- University staff and similar experts.

The participants from industrialized countries include:

- University staff, managers and specialists;
- Experts from UNIDO and from other members of the United Nations family.

A clinic may be concerned with general problems of industrial development in a country or with specific problems within one or a group of industries.

Objectives

The aims of a general management clinic are to:

- Facilitate and accelerate the transfer of management skills and methods from industrialized countries to developing countries, taking into account the cultural, political and social differences that exist between them;

- Acquaint managers with the methods, attitudes and instruments to be employed when developing, organizing financing and controlling industries, enterprises, and organizations; (a) to demonstrate the utilization of new technical and managerial methods, from purchasing to selling in new, larger and perhaps more distant markets; (b) to establish realistic goals, efficiency targets and plans of operation; (c) to motivate employees of different types, occupations, education, social and political backgrounds; (d) to develop necessary resources, such as co-operation with communities, associations, unions and the like;

- Make central, regional and local government officials and other representatives of the infrastructure aware of the long-term and short-term needs of public and private industry in addition to informing the representatives of the industrial and commercial sectors of the aims of the public sector at all levels, thus stressing the

The Author: Professor Walter Goldberg is chairman of the Department of Business Administration and president of the Foundation for Management Training at the Graduate School of Economics and Business Administration, Gothenburg, Sweden. He has participated in UNIDO Management Clinics in addition to other international management and training projects. He also serves on councils and committees appointed by the Swedish Government, the Swedish Employers Federation, the International Federation for Information Processing, and the like.

importance of a well organized finance and labour market, and appropriate supplies within the framework of a properly administered legal system. It is equally important to stress that over-organization can be as harmful as the lack of it;

- Inform managers of the necessity within industry to co-operate in the development of resources and markets for the supply of goods, services, training and communication and in channels of distribution to domestic and foreign markets, and of influencing public administration and policy;

- Make managers aware, not only of the need to acquire knowledge and skills themselves, but of imparting such to their employees;

- To help to break down existing vicious circles that jeopardize industrial and economic development as a base for social progress;

- Stimulate the processes of technical development.

Selection of participants

The participants from the developing country should be selected in co-operation with the appropriate United Nations Development Programme (UNDP) representative, the central and regional government and chambers of industry and commerce, and similar institutions. Invitations should be sent to: managers from firms of different types and sizes, managers engaged in national industries and in commercial enterprises and organizations, including their counterparts in the armed forces, representatives from international firms in the host country, government representatives from industrial and business planning, national and regional planning, the labour market, and the representatives of unions. The majority should become regular participants. Key officials and experts should be invited to address participants during plenary sessions.

Domestic university professors, directors of training centres, experts, advisers and persons of similar competence should be invited to lecture and to act as chairmen or secretaries of groups, thereby involving members of the academic world and the sector of the society it serves. Management clinics have proved to be an efficient means of bridging a gap that has isolated the academic world.

Type of participant from industrialized countries

It is important that high-level experts are selected from industrialized countries who are competent in a wide field of expertise and who are also aware of the requirements essential to becoming an industrial counterpart. A suitable group might be composed of two highly experienced professors, a top-level manager or the president of a firm and one or two very experienced consultants. Thus the group would represent different specializations but with some overlapping. If the selection is made from one organization such as a firm of consultants or a training centre, the group has the advantage of being accustomed to working together and should be able to present a basic course as a frame of reference for the clinic. On the other hand, selection from a number of international sources may be of greater value as it would represent international

co-operation in development and guarantee the availability of a wider range of experience and expertise. The expert team at one of the most successful clinics ever conducted was composed of men from six countries in three parts of the world who had never met before. They acted as a team from the first moment, but they indicated to the audience that there were various possible approaches and solutions to specific problems, an expression that was greatly appreciated.

If the experts attending the clinic are familiar with the political, economic and social conditions of the country and its history and religion, they will gain the confidence of the participants from the beginning. A good procedure is to appoint a clinic leader and let him select the team. Field experts who have helped to prepare the clinic and those responsible for follow-up should be invited to attend.

Duration and location

The ideal number of participants is about thirty-five but should not exceed sixty. The duration of a clinic should be from three to five weeks. A clinic of too short duration may not result in the desired change in attitudes, while too long a session may split the interest of the participants between the clinic and their regular jobs.

A clinic should be arranged in a highly industrial area convenient to related organizations and enterprises that are likely to participate. It is sometimes advisable to conduct the first two weeks of the clinic at a course centre. The site selected should have access to good communications and transportation facilities for the convenience of guest speakers. An auditorium seating at least eighty persons is essential with smaller rooms for group sessions and facilities for lecturing such as large blackboards and film and slide projectors. Projection screens should be a minimum size of 6 ft. x 6 ft. (2 m x 2 m) to accommodate 16 mm sound film projection. There should be facilities for a secretariat and simultaneous translation. (Three translators is a minimum for a group of 35 to 60.) Good messenger, duplication and transport services and hotel accommodations should be readily available to all participants.

Preparations and follow-up

To achieve the best results, the preparers of a well planned clinic should make available:

- Documentation on economic development, the labour market, financial resources, social and political conditions, infrastructure, education and religion of the host country;

- Documentation on industry including size, structure and development; the supply and demand markets; labour; finance; and problems of specific industries;

- Case studies of firms for discussions in group problem solving. Post clinic activities should essentially be carried out by the participants themselves. The follow-up should comprise: realization of decisions reached and plans for development of continued activities.

The follow-up staff should not be responsible for the implementation of the decisions and commitments made at the clinic. These should be the responsibility of the

counterpart participants. The function of the follow-up should be to ensure that the initiative developed is maintained.

Programme

The following outline of procedure is based on clinics sponsored by UNIDO:

Opening, declaration of aims, explanation of the working procedure and programme which should allow for flexibility, but never become *ad hoc*;

The economic, political and administrative climate for industry and commerce of the country:

- Present plans and past achievements;
- Action expected by the government from industry and business whether private or public;
- The planning of the economy, infrastructure and trade;
- Methods of achieving the target;
- The organization of co-operation between government and industry;
- Methods whereby the public sector helps industry and commerce to fulfil its obligations and to develop;
- The quality and quantity of support required from the public sector;
- Methods of efficient co-operation to speed up economic and social development;

Problems faced by industry and commerce such as: deficiencies in supplies, international, national, regional and local markets. The causes of inefficiencies and losses, and methods of elimination;

- The methods that should be taken to co-operate with the public administration, with other industries and with firms in specific regions;

The obstacles to development and efficiency within a firm; symptoms and their causes; the steps necessary to overcome obstacles; information about methods and tools of modern management in industries or businesses of varying size, age, ownership and in different markets;

- The importance of the setting of realistic targets that will produce efficiency and achievement. Modern methods of management and their application. Integrated management systems;

- The motivation and management of manpower. The structure of organizations and its impact on performance. The physical and mental health of the employee;

- The integration of a firm within its environment. This section will consist of theoretical lectures, case studies, small groups and discussions in large groups such as plenary sessions.

Each item of the programme should result in a specific plan of action as well as assignment of responsibility for its implementation to individuals. For example, the work should be carried out by an officer appointed in co-operation with another designated to the task at a particular time, with specified resources, dates of implementation, the proper authority to control, supervise and support. In each case reference groups should be appointed by the participants.

The section of the programme concerning industry should allow for problem-solving visits to firms. Undertakings from which case material has been prepared should be visited by teams of participants. Questions, for example on the organization of industrial premises, materials management, industrial safety, productivity programmes or marketing, should be asked and solutions developed.

The aim of visits is not so much to solve the specific problems on site but to provide an on-the-spot reinforcement of the theoretical content of the clinic. When the participants have been equipped with a set of new attitudes, methods and tools, they should be allowed to test them under supervision of the experts. The participants may also be exposed to case histories of unsuccessful changes.

Results

Commitment at different levels is perhaps the most important short range result that can be achieved at management clinics. It is thus not enough to issue reports and conclusions from a clinic. Greater emphasis must be placed upon specified and committed action. The main obstacle to development often is a lack of preparedness to take action which may imply risks as well as responsibility.

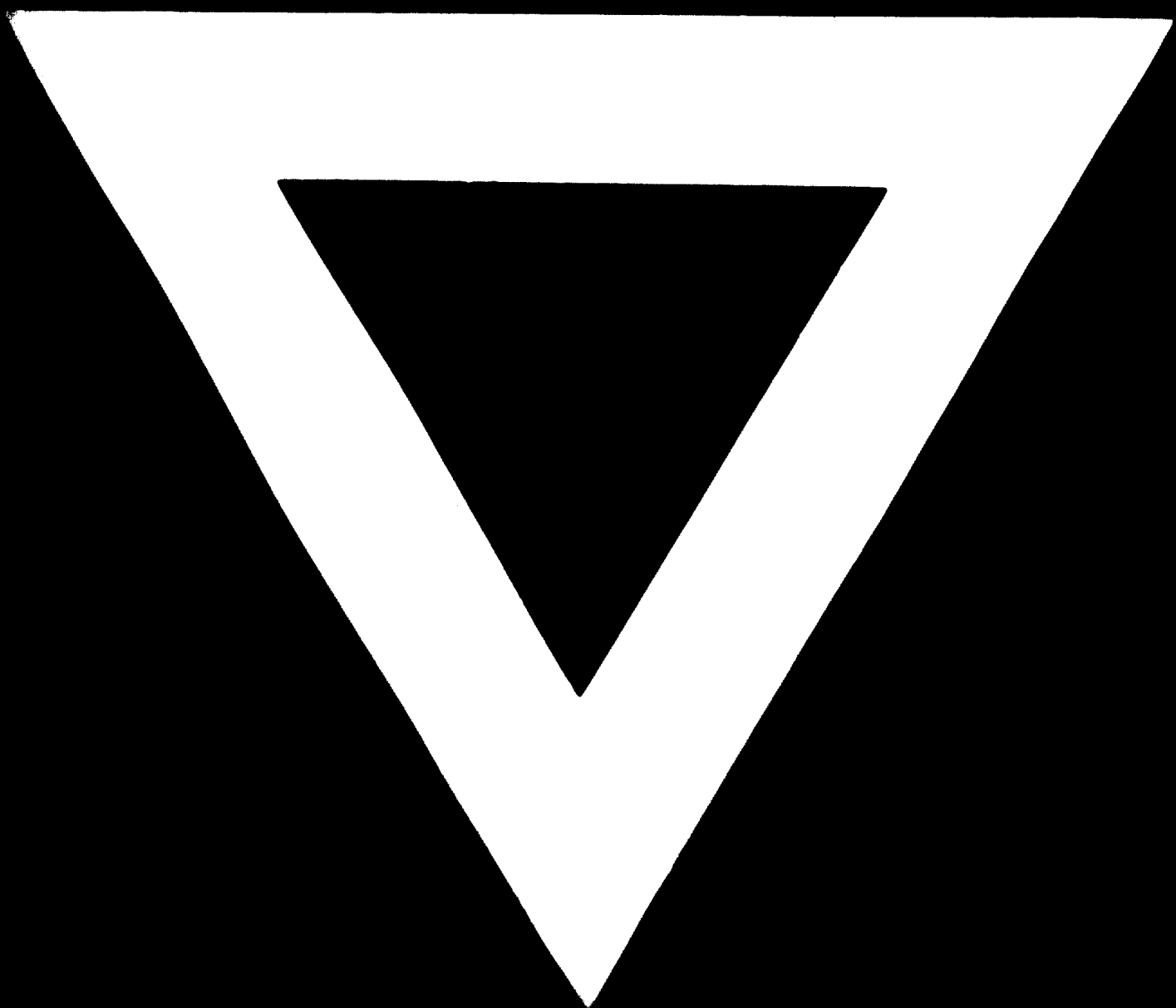
It may often be necessary to provide for group action. In such cases it is even more important to specify responsibilities, channels of communication and timing. The results specified at the end of the course should coincide with the objectives set by the clinic. Alternatives that provide for changing circumstances should be elaborated.

Summary

The aim of management clinics is to organize, increase and accelerate the transfer of managerial attitudes, techniques and skills from developed to developing countries in order to create and improve external and internal markets for goods and supplies as well as production; to develop a balanced infrastructure; expand labour markets and financial resources, systems of education, training, communication and transport; promote the establishment of ethical and legal codes, economic and industrial activities, co-operation between private industry and business and the public sector and eliminate obstacles which hamper development.

A properly planned and conducted clinic is an ambitious venture that requires whole-hearted support from the parties concerned, including UNIDO, UNDP, the central government of the country or countries involved and industrial and commercial organizations.

It is not claimed that management clinics are the panacea for industrial development, but they are able to concentrate on specific goals, problems and assumptions and by co-operation among the parties concerned strive to solve the problems and arrange commitments for planned action.



74. 10. 10