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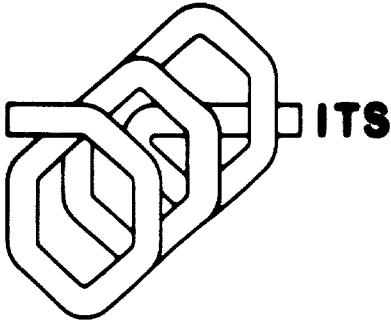
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August 1975

INDUSTRIAL TRAINING SERVICE

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANISATION

HONG KONG MANAGEMENT ASSOCIATION .

ASSISTANCE WITH THE ESTABLISHMENT

of a

MANAGEMENT DEVELOPMENT SERVICE .

(DP/HOK/73/022)

000111

Project findings and Recommendations

Terminal Report prepared for the Government of Hong Kong

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SUMMARY OF THE REPORT

1) OBJECTIVES OF THE MISSION

To equip a team of HKMA (Hong Kong Management Association) staff (known as MODS - Management and Organisation Development Service) to provide help to management in Hong Kong with:

- (a) The identification of their organisations managerial manpower development needs.
- (b) The design, implementation and evaluation of practical programmes of development in such a way that, in due course, these activities would become self-generating within the organisations concerned and the management could themselves take over the management of their own further development.

2) OBJECTIVES OF THE APRIL/MAY 1975 ASSIGNMENT

The objective of this assignment was to help HKMA - MODS team to commence to carry out crucial implementations of several of the programmes that had been designed and agreed with client enterprises in 1974 in order to:

- (a) Enable the team to gain self-confidence and self-assurance in their new skills and unfamiliar role;
- (b) Ensure that the team wins credibility in its new role with some of the most important and influential concerns in the Hong Kong business and public services community.

SUMMARY OF THE REPORT

3) FINDINGS

The MODS team are in a unique position of being able to offer a totally integrated and planned Manpower Development Service in a plural culture (Chinese and English) which is needed in Hong Kong.

They have achieved this status through direct experience working with nine organisations and having contacts with another ten.

Two Manpower Development Seminars attracted strong support, fourteen organisations attending.

Business activities that MODS clients are engaged in include Clothing, Plastics, Food and Drink, Ship Repair, Electronics, Communication Services, Banking and Urban Services.

The main problems and needs encountered in client organisations are:-

Organisation Problems and Needs - Managements need assistance with coping with change .

Relationship Problems and Needs - Managers need assistance with clarification of their role and the contribution they can make to the success of their organisation.

Training and Development Problems and Needs - Managements need to develop Training and Development Policies for their organisation based upon a Systematic Analysis of real Management and Organisation Development needs.

SUMMARY OF THE REPORT

4) RECOMMENDATIONS FOR HONG KONG

(a) Manpower Development Officers Programme

Tailor-made programme for organisations who can support a Manager of Manpower Development (internal MODS specialist). Ideally suited for the Labour Department of the Government of Hong Kong's newly appointed task-force of experts in training and development.

(b) Development of Innovatory MODS activities.

After further experience in applying MODS, the team are likely to need assistance with evaluation of experiences leading to development of new and innovatory strategies and plans of action for dealing with new and unusual development needs and designing and running more advanced outreach programmes.

(c) MODS Team - Individual attachment overseas

Two members of the team Mr. S. K. Lam, Director of Training and Mr. T. F. Lau, Training Officer to be attached to the British Industrial Training Service for three to six months to widen their experience. Mr. Lam in new and experimental Management Development and Training Activities and Mr. Lau in application of Management Training and Development Programmes in English.

SUMMARY OF THE REPORT

5) RECOMMENDATIONS FOR SOUTH-EAST ASIA

Development of a Regional Development Organisation for introducing MODS to other countries in South-East Asia using Hong Kong because of its unique advantage of being the meeting place for Asian and Western cultures as regards management practice and the MODS team because of their experience.

Practical starting point a short intensive seminar for representation from South-East Asia countries for developing strategies and plans of action for the introduction of the MODS concept in their countries.

6) UNIDO ASSISTANCE

It is recommended that UNIDO expert assistance is provided for:

- a) Manpower Development Officers Programme.
- b) Development of Innovative MODS activities.
- c) South-East Asia Regional Development Seminar.

and that consideration be given to granting UNIDO fellowship for Mr. Lam and Mr. Lau's attachment in U.K.

SECTION I - OBJECTIVES OF THE REPORT

The objectives of this report are to present to the Government of Hong Kong:

- 1) A review of the progress of the UNIDO mission assignment during the period April and May 1975.
- 2) To explain the basic concepts used during the assignment and to examine the factors which are likely to influence the development of MODS (Management and Organisation Development Service).
- 3) To provide recommendations for:-
 - a) Future development of MODS including training and development of MODS staff.
 - b) Wider implications for application of MODS activities in South - East Asia.

SECTION II - INTRODUCTION

1) Background

The Hong Kong Management Association (HKMA) is an incorporated body consisting of professional managers and corporate organisations. It has a membership approaching 3000 and receives a substantial subvention from Government towards meeting recurrent expenditure.

Its objectives are to improve the standards of management in Hong Kong enterprises through managerial manpower development for the purpose of promoting and maintaining the economic viability of the community.

In view of the growing need for manpower development and training the Association set out to develop a Management and Organisation Development Service (MODS) that would assist enterprises to diagnose their real development needs and to design and implement learning activities to meet their needs, both short term and long term. Wherever possible MODS activities seek to enable management of enterprises to acquire the skills themselves and in the process to achieve greater managerial effectiveness thereby helping them to cope with continuous and rapid economic and technological change.

Thus, totally integrated and planned long-term programmes involving these two aspects of manpower development and training can be provided. The HKMA has both the foundation and machinery to provide on a continuing basis an integrated manpower development service of this nature which will become increasingly needed by Hong Kong enterprises.

In order to obtain training and guidance in this field so that a professional service can be offered that will make a long-term impact

SECTION II - INTRODUCTION

1) Background - continued

on managers in commerce and industry and the economy as a whole the HKMA requested assistance through the Government of Hong Kong.

Two experts from the Industrial Training Service, London, U.K. went to Hong Kong under UNIDO auspices in 1974 and completed the initial training of the HKMA - MODS team.

This training consisted of helping the team to acquire conceptual and diagnostic skills through a mixture of intensive inputs and practical experience in twelve selected enterprises (members of HKMA willing to participate) under expert led tutorial guidance. In each of the enterprises the team dealt with manpower development problems affecting the success of their enterprise as perceived by the Chief Executive.

Following the acquisition of conceptual and diagnostic skills the teams were helped to acquire the skills needed for design of learning situations and development programmes and the inter-personal skills needed to arrive at working with (not for) their client's acceptable plans of action for implementation. This again was achieved through a mixture of expert led intensive inputs and practical experience in the selected enterprises.

2) Overall Mission Objectives

The overall objectives of the mission are to improve the standards of management in Hong Kong Enterprises through managerial manpower development leading directly to the promotion and maintenance of the economic viability of the community.

SECTION II - INTRODUCTION

2) Overall Mission Objectives - continued

The specific objectives of the mission, as a whole, are to equip a team of HKMA staff (known as MODS) to provide help to management in Hong Kong with:

- (a) The identification of their organisations' managerial manpower development needs.
- (b) The design, implementation and evaluation of practical programmes of development in such a way that, in due course, these activities would become self-generating within the organisations concerned and the managements could themselves take over the management of their own further development.

3) Objective of the April/May 1975 Assignment

The objective of this assignment was to help the HKMA - MODS team to commence to carry out crucial implementations of several of the programmes that had been designed and agreed with client enterprises in 1974 in order to:

- (a) Enable the team to gain self-confidence and self assurance in their new skills and unfamiliar role.
- (b) Ensure that the team wins credibility in its new role with some of the most important and influential concerns in the Hong Kong business and public service community.

During this phase of the mission the role of the expert was to act as a support and resource to the team members as they engage in "live" implementations in real management situations with one exception, the need for the expert to lead an Organisational Development activity.

SECTION II - INTRODUCTION

4) Working Objectives of the April/May 1975 Assignment

Immediately on arrival of the expert in Hong Kong the HKMA - MODS team and the expert drew up a list of seven working objectives.

These were:

- (a) Each member (four) of the original MODS team to be given the opportunity to lead and/or be responsible for at least one implementation activity(s).
- (b) The two new members of the MODS team to participate in a "live" diagnostic activity including presentation and report to the client.
- (c) The team to establish and arrange to conduct a short diagnostic survey of perceived needs with three new enterprises.
- (d) The two senior members of the team together with the expert to design and run two Manpower Development Seminars for Chief Executives and Senior Executives of Hong Kong enterprises.
- (e) The team to work out and agree a plan of action for the MODS outreach strategy.
- (f) Expert to conduct with the whole team an experiential learning module for Managers using a subject of their choice, selected from a given range.
- (g) Each member of the team to have at least one private tutorial session with the expert in order to discuss his own progress, development needs and improvement areas.

SECTION III - FINDINGS

1) Basic Concepts used by the MODS Team during implementation activities

The basic concepts which formed a focus for all implementation activities are enumerated below. They are derived from a combination of the experience of the Industrial Training Service, ideas emerging from the academic world and criticism of conventional methods of Management Training and Development by Livingston⁽¹⁾ in the U.S.A. and Mant⁽²⁾ in the U.K.

Using a definition that "learning is the mental process which causes an individual to change behaviour" and that an intervention is "A conscious attempt by one individual to help the learning process of another or others" then in the fields of leadership, motivation, team work, perceptions and relationships, it becomes essential to assist Managers to (a) clarify their experiences, (b) assist them to develop new insights and (c) to develop the facility to learn from experience so that they do not merely repeat past experience but learn how to use it in the future.

Experiential learning plays a very important part in this process and it also embraces some of the vital principles associated with Management and Organisation Development.

- (i) Behaviour is greatly influenced by the environment in which people work.
- (ii) Receptivity to new ideas is more likely to be enhanced if people can readily establish a relationship between the ideas and the obstacles they face in performing their job.

(1) "Myth of the Well Educated Manager" by J. Sterling Livingston Harland Business Review, Jan/Feb 1971 - pages 79 - 89.

(2) "The Experienced Manager - A Major Resource" by Alistair Mant, published British Institute of Management 1969.

SECTION III - FINDINGS

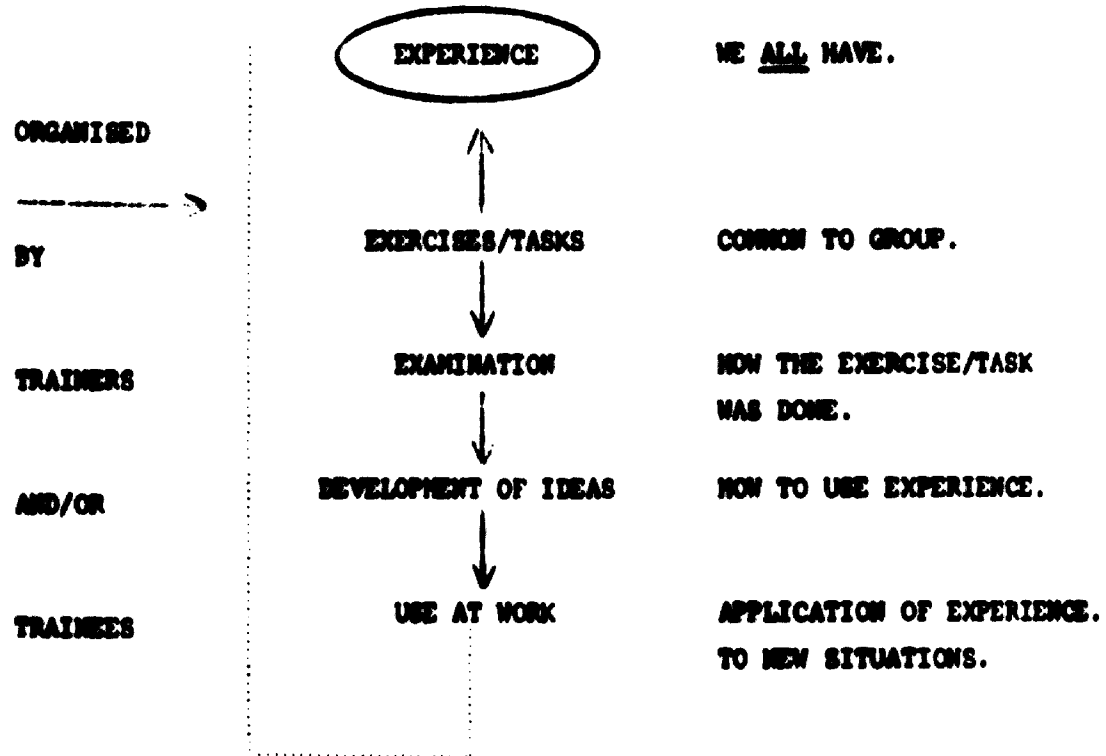
1) Basic Concepts used by the MODS Team during implementation activities - Continued.

- (iii) Every organisation is unique in the sense that the mixture of individuals is unique and therefore emphasis needs to be placed upon people, learning from how they interact together, gaining insight from their individual behaviour, and using the learning experience to develop themselves and the organisation to which they belong.
- (iv) It is generally accepted that people are capable of a lot more self-direction and self-control than they are normally allowed. Self-management should be both experienced and encouraged and the role of the "trainers" as a "Manager of Learning" becomes a cornerstone in the development of this facility, with particular emphasis on learning groups becoming self-managing.
- (v) Learning becomes much more internalised in the sense that in the open ended type of programme the reshaping of the combination of past experience and the programme experiences is different for each individual and consequently behavioural standards are much more difficult to predict.

SECTION III - FINDINGS

1) Basic Concepts used by the MODS Team during implementation activities - Continued

EXPERIENTIAL LEARNING - BASIC MODEL



2) HKMA - MODS Clients

During the acquisition of conceptual, diagnostic and learning design skills the MODS team worked in seven out of twelve organisations who had been specially selected by HKMA to provide a comprehensive cross-section of different types and different sizes of representative organisations in Hong Kong. They were all members of HKMA and a number of their Chief Executives are members of the Council and Executive Committee of HKMA.

Their size range was from 18,000 to 200 employees, five out of the twelve were wholly Chinese and the remainder a combination of Expatriates and Chinese.

SECTION III - FINDINGS

2) HKMA - MODS Clients - Continued

The outcome of this initial work resulted in follow-up projects (implementation programmes of assistance) being requested on a fee paying basis by five organisations and implementation programmes for three of the five were commenced during the April/May 1975 period of the UNIDO mission.

One major programme was postponed due to financial retrenchment and another due to absence from Hong Kong of key managers. In addition during the April/May period contacts were initiated and/or developed with six more clients and future opportunities for further clients were provided through delegates who attended the two Manpower Development Seminars that took place.

The activities that client organisations are concerned with include, Clothing, Plastics, Food and Drink, Ship Repair, Electronics, Communication Services, Banking and Urban Services. Details of clients and follow-up activities are given in Appendix 1.

3) Problems and Needs Encountered in Client Organisations.

A wide variety of manpower management and organisational development problems and needs were encountered by the MODS team. They can be conveniently classified under three headings:

- (a) Organisational Problems and Needs.
- (b) Relationship Problems and Needs.
- (c) Training and Development Problems and Needs.

Organisational Problems and Needs

Both the Chinese and Expatriate organisations are experiencing symptoms of the need for planned organisational change, though for different reasons. In the case of Chinese firms, highly successful entrepreneurial, pioneer

SECTION III - FINDINGS

3) Problems and Needs Encountered in Client Organisations - Continued

Organisational Problems and Needs - Continued

run companies have reached the size and point where the founder can no longer personally promote and control all, and where the major changes of organisational and management roles and behaviour accompanying the essential move towards departmentalisation, specialisation, delegation and co-ordination are necessary to permit the company to go forward again with another stage of development.

In the case of larger Expatriate concerns, the need for a major review of identity and objectives as well as a major overhaul of already departmentalised, scientific management form of organisation is required, as a result of changing from entrepôt trading to Industrial manufacturing and often conglomerate status.

While the organisation changes are happening rapidly, managements generally lack adequate conceptual frameworks to enable them to identify the urgent training and development needs of managers at all levels which these changes make necessary and urgent.

Typical signs of needs in both cases are illustrated by the relationship problems encountered and referred to below.

Relationship Problems and Needs

Problems in this area centre around the discrepancy between actual roles as performed and the roles needed by the situations. Typical examples found during diagnostic and implementation activities include:

- (a) Entrepreneurs, having installed specialist managers continuing to act as pioneers, interfering with day to day activities of new managers.

SECTION III - FINDINGS

3) Problems and Needs Encountered in Client Organisations - Continued

Relationship Problems and Needs - Continued

- (b) Roles and relationships between specialist departments and line management not clearly defined causing uncertainty and conflicts over responsibilities.
- (c) Junior managers failing to keep senior managers informed about the real situations occurring and not being encouraged to do so.
- (d) Poor communication and rivalry between Sales and Production Managers.
- (e) Junior Managers not being stretched, insufficient attention being paid to the identification of their real development needs and provisions for meeting them.
- (f) Co-ordination within the Management Team ineffective, managers not sure when, where and how they can make the best contribution to the organisation.
- (g) Tendency for Middle and Junior Managers to become routinist in their activities and fail to take the initiative when needed.
- (h) Managers not clear about their exact role and how their performance is measured.

Training and Development Problems and Needs

Perceptions of Management Training and Development is narrow and limited. Usually perceived in terms of off-the-job courses for individuals.

SECTION III - FINDINGS

3) Problems and Needs Encountered in Client Organisations - Continued

Training and Development Problems and Needs - Continued

usually external to the company, usually concerned with established techniques or tools of management (production control, work study, sales management etc). These important and often expensive activities do not appear to be based on any overall systematic analysis of management and organisational development needs of individuals and working groups. Consequently managers find difficulty in integrating their new knowledge/skills/attitudes within their normal working situation.

4) Assistance Provided by the Industrial Training Service during April/May 1975 period of the mission.

During this period the expert working in a support and resource capacity but taking a lead role when the situation demanded helped the MODS team to achieve the objectives stated in Section II-Introduction to this report.

The assistance given can be classified under four headings:

- a) An Organisation Development Activity.
- b) Design, conduct and implementation of major Management Development activities in two client organisations, one Expatriate and one wholly Chinese.
- c) Design and conduct of two Manpower Development Seminars for Chief and Senior Executives.

SECTION III - FINDINGS

4) Assistance Provided by the Industrial Training Service during April/May 1975 period of the mission - Continued

d) Assistance with individual and team development including two additional members who joined the team at the beginning of April 1975.

(a) Organisation Development Activity

The two senior members of the MODS team together with the expert, designed and conducted a two day intensive organisation development programme for the total senior management team. (Two Expatriates and eleven Chinese) of an Expatriate organisation which provides an information processing service to industry, commerce and the public sector.

Objectives of the programme were to help the senior management team develop a new management appraisal scheme themselves and at the same time assist them to develop their competence as an integrated team by helping them to develop skills for assessing the effectiveness of their teamwork.

The outcome of this seminar was an agreed framework for their new appraisal scheme together with a detailed plan of action for implementation. In addition they had experienced effective teamwork in action and had begun to develop the skills for continuously assessing their own performance as a team.

(b) Design, conduct and implementation of major Management Development activities in two client organisations.

A) Bank (Expatriate)

This assignment commenced in November 1974 with a Seminar for the top management team when they diagnosed the stage of

SECTION III - FINDINGS

4) Assistance Provided by the Industrial Training Service during April/May 1975 period of the mission - Continued.

(b) Design, conduct and implementation of major Management Development activities in two client organisations - Continued

A) Bank (Expatriate) - Continued

development of their organisation, features that needed changing and principles and application of Management Training and Development. Implementation programmes of assistance commenced in April 1975 and they consisted of:-

- (i) Two programmes for Departmental Heads (key departments) to equip them to design and conduct a technical induction programme for newly appointed officers of the Bank.
- (ii) Two programmes for selected senior officers from departments which would be used as a training ground for newly appointed officers. During these programmes the participants were equipped to design, organise and measure learning programmes for trainee officers attached to their departments.
- (iii) A steering group of three members from the top management team was set up and assisted with the task of evaluating the progress of implementation of systematic Management Training and Development.

The outcome of these activities was:

- (a) Departmental Heads designed a comprehensive technical induction course for newly appointed officers which will be run and evaluated by themselves in June 1975.

SECTION III - FINDINGS

4) Assistance Provided by the Industrial Training Service during April/May 1975 period of the mission - Continued

(b) Design, conduct and implementation of major Management Development activities in two client organisations - Continued.

A) Bank (Expatriate) - Continued

- (b) All departments which will be used as a training ground for newly appointed officers now have a trained trainer competent to plan and organise training activities within their department.

A major breakthrough has been the change in attitude by Senior Managers from seeing Management Training and Development as something which can be sub-contracted to the Training Officer to an activity which they should be directly involved in.

B) Garment Manufacturing Company (Chinese)

Implementation programmes of assistance commenced in December 1974 and they have continued on a regular basis since that date. The programmes which have all been conducted in Cantonese are dealing with diagnosis and remedial action, by participants of problems and obstacles affecting the interface between Sales Managers and Production Managers.

An interesting feature of this assignment has been the acceptance by Chinese Managers of experiential learning despite in the beginning a certain amount of scepticism by top management.

The implementation activities have brought about an action centred approach to dealing with obstacles affecting many facets of company performance and improved awareness by top management of the problems affecting middle managers.

SECTION III - FINDINGS

4) Assistance Provided by the Industrial Training Service during April/May 1975 period of the mission - Continued

(b) Design, conduct and implementation of Major Management Development activities in two client organisations - Continued

B) Garment Manufacturing Company (Chinese) - Continued

Two examples of projects for clients are described in Appendix 2.

(c) Design and conduct of two Manpower Development Seminars for Chief and Senior Executives.

It became apparent during the diagnostic period of the mission that Management Training and Development activities promoted by organisations in Hong Kong were not based on any systematic analysis of real management and organisation development needs of individuals and working groups. Further reinforcement of this observation was supported as experience was gathered with MODS clients. Also many of the specialist staff in organisations who had the responsibility for Management Training and Development had not received comprehensive training themselves and often did not have the credibility or status necessary to deal with all levels of Management.

Two Manpower Development Seminars were designed and run with the objectives of:

- (a) Creating an awareness of the services available through MODS.
- (b) To assist Chief and Senior Executives to become familiar with concepts of organisation development and their application in design of a total Manpower Development Policy for their organisation based upon real development needs of individuals and groups of individuals.

SECTION III - FINDINGS

4) Assistance Provided by the Industrial Training Service during
April/May 1975 period of the mission - continued

(c) Design and conduct of two Manpower Development Seminars for Chief
and Senior Executives - continued

In addition these Seminars were seen as a major part of the outreach strategy of MODS, by creating an awareness of the need for improved Manpower Development Policies amongst employers in Hong Kong and providing the MODS team with a large number of potential clients.

Executives attending the seminars were provided with a "live" experience using a role played case study. They were given the opportunity to practise the application of diagnostic, learning design and implementation skills under tutorial guidance and the production of a Manpower Development Policy for the case study company. Apart from learning "What to do" and "How to do it" they also experienced MODS in action.

Both seminars were well supported, fourteen organisations participating and the general consensus of opinion expressed by all the participants was:-

- (a) That organisations need to develop Manpower Development Policies along the lines suggested.
- (b) The learning methods used (experiential learning) together with the MODS concept of "Working with Managers" not "for Managers" were most acceptable.

One delegate, a bank supervisor from Indonesia under training in Hong Kong expressed overwhelming enthusiasm for what he had learnt during the seminar and said he would be using the concepts and techniques immediately upon his return home. Full details of the seminars are provided in Appendix 3.

SECTION III - FINDINGS

4) Assistance Provided by the Industrial Training Service during April/May 1975 period of the mission - continued

- (d) Assistance with individual and team development including two additional members who joined the team at the beginning of April 1975.

The two new members of the team were provided with conceptual and diagnostic skills through intensive inputs and coaching by existing team members and the expert, integrated with a "live" project with a new client culminating with a presentation and report to the client. They were also assisted to integrate with the existing team members and whenever practical assisted the other team members with design of implementation programmes.

Team development formed a continuous aspect of MODS activities through rehearsals of implementation programmes, small group presentations about implementation experiences and regular evaluation sessions when the whole team addressed themselves to the question "What have we learnt". Appendix 4 illustrates an example of the outcome of an evaluation session.

Outreach Strategy

An important aspect of the teams development centred around "Planning for the Future" and discussion took place which culminated in a framework which the team can use as a basis for producing a detailed plan of action. The framework consists of guidelines:-

(a) Purpose of an Outreach Strategy

- i) To ensure that adequate services (expertise) are developed by the MODS team.

- ii) To ensure that continuing client outlets are developed.

SECTION III - FINDINGS

4) Assistance Provided by the Industrial Training Service during April/May 1975 period of the mission - continued

(d) Assistance with individual and team development including two additional members who joined the team at the beginning of April 1975 - Continued

(a) Purpose of an Outreach Strategy- continued

iii) To ensure that the best match between NODS and clients is continually maintained.

(b) Guidelines for Outreach Strategy

(i) Develop marketing activities to help achieve NODS objectives.

(ii) Obtain the maximum provision of work (at normal fee-rate) with the minimum of non-fee paying development activities.

(iii) Maintain the right balance of work to meet the needs of the NODS team and the Hong Kong community.

(iv) Provide opportunity to develop services to meet future needs of Hong Kong.

(v) Allocate responsibilities to individual members of the team for seeking new clients and developing expertise in important sectors of Hong Kong industry and commerce.

(vi) To set up a mechanism for controlling expenditure on Outreach Activities and for monitoring/assessing results of these activities.

SECTION III - FINDINGS

4) Assistance Provided by the Industrial Training Service during April/May 1975 period of the mission - continued

(d) Assistance with individual and team development including two additional members who joined the team at the beginning of April 1975 - Continued

Individual Development Needs

Identification of individual development needs was assisted by asking each member to record on a Personal Assessment Sheet (Appendix 5) his own perception of his competence for each skill component of MODS activities and their application in broad areas of MODS work. Each member was also asked to indicate competence using both the Chinese and English languages. This gave each member a picture of his own standards at this moment in time which can be used as a tool to plan his own development within the MODS organisation objectives.

In addition each member individually was assisted to identify his personal improvement area through a dialogue with the expert.

5) Project Status as at JUNE 1975

The MODS team with the exception of the two recent members have reached a position in their development as follows:

(a) Self-confidence and self assurance in their application of the basic skills of MODS work and possibly more important, they have internalised the basic concept underlying all MODS activities.

(b) Begun the process of establishing credibility with a number of important and influential concerns in Hong Kong - Chinese and Expatriate. The Analysis of Initial Impact of MODS (Appendix 6) shows that the MODS team are or will be actively involved with over 100 executives from nine enterprises which employ over 28,000 people.

SECTION III - FINDINGS

5) Project Status as at June 1975 - Continued

A rough estimate indicates that indirectly their (MODS) influence affects 11% of the total number of people employed in the industries from which their clients are drawn. More important than the figures quoted is the potential number of the Hong Kong work force which they (small team of six) will be in a position to influence after acquiring first hand experience of the real problems facing managements within the industries listed in Appendix 6., namely something of the order of 300,000 people.

- (c) They have experienced success through their own efforts with both Chinese and Expatriate enterprises.
- (d) They are now in a position to plan and organise both their own development and the development of MODS in Hong Kong over the next nine to twelve months.
- (e) They are in a unique position of being able to offer a totally integrated and planned Manpower Development Service in a plural culture (Chinese and English) which Hong Kong sorely needs. What is particularly important and exciting is that they can provide to the indigenous population of Hong Kong the most modern learning methods and techniques suitably adapted for cultural differences.

SECTION IV - RECOMMENDATIONS

1) Introduction

The assistance provided by the British Industrial Training Service to the H.K.M.A. - Management and Organisation Development Service is based upon a unique philosophy which can be recognized by the following unique features:

- (a) The systematic diagnosis of development and training needs in organisations by members of the organisation and member(s) of the I.T.S. working together.
- (b) The formulation of practical and workable development and training policies, strategies and operational plans jointly with the client.
- (c) The design and implementation of practical tailor-made development and training programmes and the planning and implementation of continuous evaluation processes jointly with the client.
- (d) Seeking wherever possible to enable clients (managers, trainers or others) to perform these activities for themselves.

I.T.S. consciously set out not to create a dependency relationship but to help organisations to help themselves. A conceptual model of this philosophy in action is shown in Appendix 7.

The M.O.M.A. - Management and Organisation Service have adopted this philosophy and as indicated in the findings of this report they have successfully experienced it in action in Hong Kong.

SECTION IV - RECOMMENDATIONS

1) Introduction - Continued

The recommendations suggested in this report are based upon the application of this philosophy to Hong Kong and its extension to other countries in South-East Asia.

2) Recommendations for Hong Kong

(a) Manpower Development Officers Programme

As indicated earlier in this report the MODS team are now in a position to plan and develop themselves and their service over the next nine to twelve months. During this period one of their major objectives is to create an awareness throughout organisations in Hong Kong of the need to undertake systematic manpower development and training activities and to promote wherever feasible the need for organisations to support a special tailor-made programme for Manpower Development Officers in Hong Kong.

These officers would be Managers of Manpower Development within their own organisations i.e. specialists in the MODS concept who having acquired the MODS skills from the HKMA - MODS team would be able to extend the application of MODS themselves.

In effect this is the concept of the multiplier effect whereby a small resource group can extend its influence over a large area.

The design and conduct of the Manpower Development Officers programme will greatly affect the impact that it will make in Hong Kong.

Officers need to develop skills in five areas:

SECTION IV - RECOMMENDATIONS

2) Recommendations for Hong Kong - Continued

(a) Manpower Development Officers Programme - Continued

(i) Conceptual Skills

The ability to understand concepts in learning, training and organisation development, to communicate them to others and eventually to be able to develop new concepts as an aid to learning.

(ii) Diagnostic Skills

The ability to study total organisations or problems arising in any part of them, identify the key areas requiring attention and assess the likely obstacles to change.

(iii) Inter-Personal Skills

The social skills needed to work effectively with individuals and groups under conditions of tension and to provide help at a time it is needed.

(iv) Learning Design Skills

The ability to create and operate effectively and economically viable learning situations.

(v) Evaluation Skills

The ability to set targets of learning and development with trainees including standards of achievement and how the standards will be measured.

They can be helped to acquire these skills by means of a modular programme based upon the following principles:

SECTION IV - RECOMMENDATIONS

2) Recommendations for Hong Kong - Continued

(a) Manpower Development Officers Programme - Continued

- (i) The emphasis is on the role of the officer rather than on a theoretical job. They are helped to recognise the possibility that they can choose to operate in a variety of different roles and that these are determined at least as much by the officers own assessment of the nature and severity of the constraints under which he is operating as they are by the job description he is given. One of the objectives of the programme is to help officers make this kind of assessment realistically.
- (ii) Emphasis on concepts more than techniques: within the organic view of the training/development function and the officer's role the latter is more than just someone who can use learning techniques. Considerable attention is given to the subject of organisational development and the behaviour of people at work.
- (iii) Diagnostic techniques receive more attention than problem solving. One of the assumptions upon which the programme is based is that the more effective role for the officer is in helping managers to diagnose their own learning problems and solve them for themselves, rather than look for ready-made solutions. For this reason the programme emphasises the various ways in which training/development problems may be studied and their key features identified.
- (iv) The programme is concerned more with learning than teaching. A key aspect of the officers role as a "manager of learning" is experienced by the use of the programme itself as a means of studying learning methods as part of the officer's own learning process.

SECTION IV - RECOMMENDATIONS

2) Recommendations for Hong Kong - Continued

(a) Manpower Development Officers Programme - Continued

Although the emphasis is on "learning by doing" it does not exclude the use of formal methods of instruction where necessary.

- (v) The emphasis is on development rather than training. The programme does not present itself as a complete training but rather as a component in a continuous programme of self-development.

In this sense the programme is always open ended and the design of the programme incorporates wherever possible the following features:

- (a) An assessment of the characteristics of the organisation and the constraints under which the officer has to work.
- (b) The introduction of the officer to new concepts and ideas about learning by stages: this implies a modular programme with modules not exceeding one week each, the period in between modules being used for "live" experiences of application of what has been learnt.
- (c) A requirement that a project arising from the subject matter of the preceding module be carried out in the officer's own organisation between modules and that this project be on a subject of real concern to the organisation.
- (d) A high tutor/student ratio of the order of 1:6 to provide maximum opportunity for individual counselling and coaching.

SECTION IV - RECOMMENDATIONS

2) Recommendations for Hong Kong - Continued

(a) Manpower Development Officers Programme - Continued

This type of programme would be extremely beneficial towards assisting the Labour Department of the Government of Hong Kong with its objective of helping industry keep ahead of Hong Kong's main trading rivals. It is the type of programme that the newly appointed task force of experts would benefit from and if utilised by the Hong Kong Government it would demonstrate support for a "home-produced" activity thereby encouraging self-reliance within Hong Kong as a viable complement or alternative to overseas training and development programmes.

UNIDO Assistance with Manpower Development Officers Programme

It is essential that the initial programme for Manpower Development Officers attracts a high calibre of participants and that it makes an impact on the organisations who sponsor participants. Therefore it is strongly recommended that UNIDO expert assistance be provided to assist HKMA - MODS to develop and run the first programme. It would require the services of an expert for a period of 10 to 12 weeks this would include design, preparation and running of the programme. It is envisaged that this activity should take place in early 1976.

(b) Development of innovatory MODS activities

When the MODS team have consolidated the application of concepts, knowledge, skills acquired during the 1974/75 period of UNIDO assistance and further enhanced their credibility, reputation and prestige during the remainder of 1975 and early 1976 they are likely to need additional supporting assistance. The type of assistance needed will fall into two categories:

SECTION IV - RECOMMENDATIONS2) Recommendations for Hong Kong - Continued(b) Development of innovatory MODS activities - Continued

(a) Discussion and analysis of the experiences they have gained from working with clients leading to development of new and innovatory strategies and plans of action for dealing with new and unusual development needs. e.g. How to assist the small Entrepreneur, How to develop safety awareness throughout an organisation, How to develop programmes of assistance for industries or groups of individual companies.

(b) Assistance with designing and running more advanced outreach programmes to maintain and further develop the overall awareness stimulated by the Manpower Development Seminars e.g. One week Organisational Development Seminars for organisations who have recognised the need for Planned Organisational Development

UNIDO Assistance with Development of innovatory MODS activities.

Expert assistance should only be needed for short intensive periods of three/four weeks duration and the likely time scale is one period in late 1976 and two in 1977

(c) MODS team - Individual attachments overseas

During expert led tutorial discussions with individual members of the MODS team, two requirements for overseas attachments emerged.

(a) Mr. S. K. LAM - Director of Training HKMA.

Mr. Lam together with the Director of Management Services HKMA has the responsibility for the development of MODS activities in Hong Kong. He has a shared responsibility for management of the team and development of team member's expertise and a major responsibility for innovation of new and experimental development and training activities.

SECTION IV - RECOMMENDATIONS

2) Recommendations for Hong Kong - Continued

(c) MODS Team - Individual attachments overseas - Continued

(a) Mr. S. K. Lam - Director of Training HKMA - Continued

He would benefit from a three month period of attachment to the Industrial Training Service in the U. K. in order to:

(i) Study how I.T.S. manages its staff and its development.

(ii) Examine and participate in new and experimental Management Development and Training activities being used in U. K.

(b) Mr. T. F. Lau - Training Officer HKMA

Mr. Lau is one of the junior members of the MODS team who has achieved remarkable personal development since the commencement of MODS activities. He is extremely good when dealing with Chinese Managers in his native tongue but needs more experience and guidance when dealing with English Speaking Managers. He would also benefit from working at MODS activities in a Western environment because he is the only member of the team, as far as I know, who has not been exposed to living/working/studying abroad, which is quite common to the younger up and coming Chinese Managers.

He would greatly benefit from a three to six months attachment to I.T.S. in the U. K. in order to:

(i) Familiarise himself with western cultural and working methods thereby providing him with an experience common to many young Chinese Managers.

(ii) Participate in conducting development and training programmes for English Managers.

SECTION IV - RECOMMENDATIONS

2) Recommendations for Hong Kong - Continued

(c) MODS Team - Individual attachments overseas - Continued

(b) Mr. T. F. Lau - Training Officer HKMA - Continued

- (iii) Develop his application of the English language in MODS type activities.

It is recommended that serious consideration is given to arranging these attachments under the auspices of a UNIDO Fellowship for both Mr. Lam and Mr. Lau. An application supported by the expert has already been made on behalf of Mr. Lau.

3) Development of MODS within South-East Asia

The Industrial Training Service has assisted with the introduction and development of MODS type of activities in many overseas countries. The Service has worked in Colombia, in South America, Kenya, Sudan, Nigeria, U.S.A, Australia and New Zealand. Its unique philosophy of providing practical help with the diagnosis of development and training needs, the formulation of development and training policies, strategies and operational plans, the design and implementation of development and training programmes and the planning and implementation of continuous evaluation processes working with clients and wherever possible seeking to enable the clients (managers, trainers or others) to perform these activities for themselves could be applied to other South-East Asia countries under the auspices of a Regional Development Body such as The Asian Association of Management Organisations - AAMOCIOS of The International Council for Scientific Management - CIOS.

A regional activity of this nature could also draw upon research work being carried out in South-East Asia such as the study into "⁽¹⁾Managerial Beliefs and Behaviour in South-East Asia" which the Centre of Asian Studies of the

(1) Researchers are Dr. S.C.Redding & T.W.Casey. They have not been approached for permission to mention the study in this report but the author feels that no objections would be raised.

SECTION IV - RECOMMENDATIONS

3) Development of MODS within South-East Asia - Continued

University of Hong Kong is currently undertaking. Countries which are taking part in this study include Hong Kong, Philippines, Japan, Thailand, Singapore, Malaysia, Indonesia, and (South Vietnam).

Without further investigation it is difficult to be firm about the structure and size of a Regional Development Organisation but its role might aim at fulfilling the following objectives:

- 1) To develop through action centred research practical ways of assisting with the continuous development of efficient managers and management of enterprises and industries in South-East Asian countries.
- 2) To act as an inter-face between academic bodies such as Universities and practising managers by seeking to develop the utilisation of academic ideas into the practice of management. Also to promote research work in fields which would be fruitful towards achievement of the first objective.
- 3) To build up a body of knowledge gained from applied experience for use in South-East Asian countries.

Essentially the Regional Development Organisation should be small and any permanent staff it may have would spend a considerable amount of their time in the field interspersed with short periods running seminars and short intensive courses aimed at spreading new ideas/concepts to a wide audience. Physically it could be peripatetic and not confined to one permanent location for all time. Hong Kong which has the unique advantage of being the meeting place for Asian and Western cultures as regards management practice would be an ideal location for its inception.

SECTION IV - RECOMMENDATIONS

3) Development of MODS within South-East Asia - Continued

The MODS team of HKMA supported by experts will be in a position to make a significant contribution to a Regional Outreach Activity of this nature after they have acquired more field experience and conducted Manpower Development Officers programmes in Hong Kong.

UNIDO Assistance with a Regional Activity in South-East Asia

Many people when introduced to the MODS concept for the first time find it relatively easy to understand at an intellectual level but much more difficult to internalise the concepts and principles in practical use. There is also a tendency to confuse MODS with what can be regarded as conventional types of Consultancy Activities which are well known.

A useful and practical starting point for MODS development in South-East Asia would be for a short (one /two weeks duration) intensive seminar for representatives from South-East Asian countries during which they could develop strategies and plans of action for its introduction in their own Country, as well as a framework for Regional Co-operation through the application of MODS concepts.

A direct experience of this nature would be greatly beneficial towards assisting the participants to internalise the concepts HKMA - MODS team working together with UNIDO experts would be able to make a valuable contribution in the design, planning and execution of a Regional Seminar of this type.

SECTION V - ACKNOWLEDGEMENTS

The expert on behalf of his colleague and himself wishes to place on record their appreciation of the contribution made by everyone they came into contact with during the mission and in particular the support given by Mrs Susan Yuen, Secretary of the Hong Kong Management Association.

N.O.P.S. CLIENTS AND SERVICES

COMMERCIAL BANK:

Results of MOPS intervention

- Implementation of management training and development scheme for whole organisation.

Activities completed

- Top management seminar.
- Training of Managers as trainers.
- Training of key management instructors.
- Technical induction programme for new managers.

STEELING MANUFACTURE:

Results of MOPS intervention

- Implementation of training/development programme for sales and production managers.

Activities completed

- Series of sessions devoted to identification of obstacles to performance and job clarification.

MINIATURE PROCESSING SERVICE ORGANISATION:

Results of MOPS intervention

- Development of effective appraisal scheme for all senior managers.

Activities completed

- Organisation development seminar for senior management team leading to self design of new appraisal scheme and plan of action for implementation.

PUBLIC SECTOR:

Results of NDS intervention

- Implementation of organisation development programme for Senior Management.

Postponed due to financial retrenchment.

COMMUNICATION SERVICE ORGANISATION:

Results of NDS intervention

- Team development programme for Senior Management Team.

Activities completed

- Assistance with design of new organisation structure.
- Organisation/Team development seminar postponed due to absence of some senior managers.

ENERGETIC MANUFACTURES:

Results of NDS intervention

- Survey of training/development needs for whole company.

Waiting discussion with Managing Director.

HEAT TREAT:

Results of NDS intervention

- Survey of effectiveness of Production Control Organisation.

Number of findings accepted. Further assistance not required.

REL. S. S. S. S.

IND. MANAGER:

Results of IND. intervention

- Survey of Senior Management Training/Development needs.

Management Development programs under discussion with Managing Director.

PLANNING MANAGER, SENIOR MANAGER, IND. AND SOFT SKILLS MANAGER.

MANAGERIAL IND.:

Results of IND. intervention

- Discussions in hand about perceived need diagnostic survey with Managing Directors of each company.

IND. IND. INTERVENTION CONSIDERATION:

Results of IND. intervention

- Explanation of Management and Information Officers training and development programs.

Analysis conducted

- Survey of Management and Information Officers training and development needs completed.

TWO EXAMPLES OF M.O.D.S. ASSIGNMENTS

1. CLOTHING MANUFACTURER

Chinese owned family organisation employing over 2000 people with factories throughout South-East Asia and world wide export trade.

Initial contact made by HKMA and a number of follow-up meetings held with members of the top management group to agree scope of MODS diagnostic survey. Real need that was perceived by MODS team was for a Senior Management, Organisation Development Seminar to examine the present position and work out a strategy for Planned Change. Senior Management were reluctant to expose themselves to this activity and instead agreed to examination of a perceived problem area, the inter-face between Sales Managers (factory based) and Production Managers, for one product range.

MODS team carried out a diagnostic survey by conducting a dialogue with the majority of Sales and Production Managers and their superiors supported by on the spot observations.

The objective of the survey was to establish each managers perceptions of obstacles to effectiveness and problem areas in order to design learning situations which would help them to become better managers.

Findings and recommendations were discussed with the top management team who initially were sceptical until convinced by a live demonstration about the use of experiential learning.

The outcome was agreement for MODS to conduct a number of management training and development sessions for combined group of Sales and Production Managers aimed at clarifying obstacles and examination of the roles of the managers.

1. CLOTHING MANUFACTURER - Continued

Experiential learning was used for the conduct of all the sessions. These sessions were well received by participants who produced documented reports of their ideas for discussion by top management. Further sessions based on the findings of the initial sessions were then organised and conducted by the MODS team.

N.B. All sessions were conducted in Cantonese and reports were written in Cantonese.

Learning Points for the MODS Team

Two main learning points emerged from this assignment:

1) Point of intervention

Ideally the starting point should have been an organisation seminar for the top management group but the only acceptable point was at Middle Management level, which included two members of the top management group. Strategy adopted was to work from the middle upwards.

2) Use of Experiential Learning with a Chinese Management Group

Despite certain reservations before the Management Training and Development sessions about the possible inhibiting effect on this type of learning due to cultural differences between Asian and Western cultures, in practice no real problems were experienced.

2. INFORMATION PROCESSING SERVICE ORGANISATION

Part of an International Organisation with a Senior Management Group of thirteen (two Expatriates and eleven Chinese).

Initial contact made by HOMA and followed up with a discussion with the General Manager to agree in which area MODS could be of help. The senior management appraisal scheme was chosen because it was felt that it could be improved and a diagnostic survey of the scheme in action was carried out. Members of the MODS team observed managers appraising subordinates and being appraised themselves and followed up their observations with a dialogue with all the Managers involved to obtain their views, perceptions and feelings and to test out ideas for improvement formulated during the observation sessions.

Following discussions and exchange of ideas with the General Manager it was agreed that the Senior Management Team would be assisted to develop a new appraisal scheme for themselves thereby achieving two of the General Managers objectives.

- (a) Developing more effective teamwork
- and
- (b) Developing a more effective appraisal scheme

Both these objectives were achieved through a two-day Organisation Development Seminar attended by the total Senior Management Team, including the General Manager.

Learning Points for the MODS Team

The team learnt how to act in an advisory/catalyst role with small groups

2. INFORMATION PROCESSING SERVICE ORGANIZATION - Continued

(syndicates) and large groups as distinct from instructing or teaching.

They also learnt how to identify and respond to the needs of the participants within a framework designed by themselves (HGM).

A unique experience of Helping Managers to help themselves in action.

APPENDIX 3

MANPOWER DEVELOPMENT SEMINAR

- APPENDIX 3a - PUBLICITY BROCHURE
- APPENDIX 3b - PROGRAMME
- APPENDIX 3c - LIST OF PARTICIPANTS
- APPENDIX 3d - HANDOUTS:
 - 3d(i) - Guide to Assessing Training Needs
 - 3d(ii) - Management Development
 - 3d(iii) - Development Phases of Organisations
 - 3d(iv) - Case Study

**ENROLMENT FORM
PROGRAMME NO. M-300**

Name(s)

Name of Firm

HKMA Membership No.

Address of Firm

Telephone No.

Position in Firm

Please tick appropriate seminar in which you wish to enrol

- 2nd May, 1975
- 23rd May, 1975

Signature

Date

This form together with the appropriate fee, should be returned to:
The Secretary,
The Hong Kong Management Association,
Management House, 2nd Floor,
25 Canal Road West,
Hong Kong.

ANNOUNCEMENT

**MANPOWER
DEVELOPMENT—
A NEW APPROACH
FOR
MANAGEMENT**

2ND MAY, 1975

23RD MAY, 1975



This one-day working seminar aims to help Chief Executives and Senior Executives responsible for manpower development of their organizations to identify their manpower development needs and to plan appropriate systematic schemes to meet these needs.

It will deal in detail with practical methods of identifying manpower development needs, designing and implementing practical schemes for meeting these needs, including selection and training of staff who will be given the responsibility for the installation of practical schemes.

In particular this seminar is designed to begin or extend the process of helping organizations to develop a systematic and integrated policy for all of their manpower development needs.

PROGRAMME

The seminar will aim to deal with all the following subjects, although the emphasis (and, therefore, time) given to each will vary to take into account the interests of participants.

1. Identification of Manpower Problems
2. Planning Manpower Development
3. Preparing a Manpower Development Policy
4. Preparing a Plan of Action

DATES AND TIMES

Friday, 2nd May, 1975 from 9.00 a.m. to 5.00 p.m.
For managers interested in participating in this seminar and cannot attend on 2nd May, a parallel one is scheduled for 28th May.

VENUE

Management House, 2nd Floor,
The Hong Kong Management Association,
25 Canal Road West,
HONG KONG.

FEE (including lunch)

HKMA Members \$200.00

Non-HKMA Members \$300.00

In order to ensure maximum effectiveness the seminar will be limited to 10 participants on a first-come-first-served basis.

REGISTRATION

Registration must be made on the Enrollment Form attached and returned to the Secretary not later than 28th April with full fee.

SEMINAR LEADERS

The seminar will be conducted jointly by the Hong Kong Management Association and the Industrial Training Service, London.

APPENDIX 32

INDUSTRIAL TRAINING SERVICE

THE HONG KONG MANAGEMENT ASSOCIATION
MANPOWER DEVELOPMENT SEMINAR

Friday 23rd May 1978

PROGRAMME

Introduction

Concept of an Organisation

Identification of Manpower Problems

Planning Manpower Development Policy

Preparing a Plan of Action

Syndicate Groups present their findings

Summing Up

THE HONG KONG MANAGEMENT ASSOCIATION

"Manpower Development Seminar"

2nd May, 1975

Prog. No. H-100

LIST OF PARTICIPANTS

<u>Name</u>	<u>Position</u>	<u>Firm</u>
CARPENTER G.P.T.	Staff Co-ordinator	John Swire & Sons (HK) Ltd.
KIRKE R. N.	Sales Training Supervisor	Caterpillar Far East Ltd.
WONG William	Director of Studies	Hong Kong Management Association
POON Y.	Personnel/Communications Manager	IBM World Trade Corporation
TEANG H.K.N.	Personnel Officer	China Light & Power Co. Ltd.
WONG P.Y.	Personnel Manager	The Hong Kong China Gas Co. Ltd.
WONG H.T.	Chief Accountant	Rediffusion (Hong Kong) Ltd.
YO Albert	Director of Administration	Hong Kong Management Association.

THE HONG KONG MANAGEMENT ASSOCIATION

"Manpower Development Seminar"

23rd May 1975

Prog. No. M-100

LIST OF PARTICIPANTS

<u>Name</u>	<u>Position</u>	<u>Firm</u>
BAIRSTON J.P.	Controller of Training	Cable & Wireless Ltd.
CHAN K. H.	Training Officer	John Swire & Sons (H.K.) Ltd.
HICKMAN M.A.B.	Accountant, Kowloon Branches	The Chartered Bank.
LAI Joe M.	Financial Manager	Main Chong Construction Co. Ltd.,
LEUNG Bobbie	Personnel Officer	The Chartered Bank
LEUNG Anthony	Training Officer	The Chartered Bank
MACKENZIE Eric	Personnel Superintendent of Airway Division	Jardine, Matheson & Co. Ltd.,
MAK Ping Fung	Industrial Training Officer	Industrial Training Division Labour Department
SOEPOHO K.	Supervisor- Financial Controls	The Chase Manhattan Bank, N. A.
TODKILL G.	Training Manager	Hongkong United Dockyards Ltd.
WANG Y. S.	Manager-Personnel & Sales Development	ICI (China) Ltd.
YEH Geoffery	Managing Director	Main Chong Construction Co. Ltd.,
YUE John	Director	Main Chong Construction Co. Ltd.,

INDUSTRIAL TRAINING SERVICE

THE HONG KONG MANAGEMENT ASSOCIATION

MANPOWER DEVELOPMENT SEMINAR

GUIDE TO ASSESSING TRAINING NEEDS

I. INTRODUCTION

1. Why assess the company's training needs?

It has been emphasised that companies should "Assess and identify their own training needs". This stems from the belief that training is not merely a 'a good thing to do' when the company can afford it or is big enough to absorb it. BUT THAT training effectively for your own specific needs is good business sense whatever the size of your company. That 'training' in fact will pay-off.

2. What is 'Training' anyway?

One of the biggest obstacles is the misunderstanding of what 'training' encompasses. Some companies feel it is irrelevant to their needs because they believe it covers merely day-release in educational institutes or having to do without a key manager or foreman while they are on a course. In fact it covers a whole range of activities all aimed at improving the use and effectiveness of manpower in the firm. In some companies 'training' is mainly carried out on-the-job (sitting next to Nellie). The trouble is that it is usually unplanned. "it just happened!" As a result it is ineffective and uneconomical and leads to avoidable 'staffing problems' e.g.

High labour turnover

Senior people overloaded

Low output from operators and overmanning

Lack of people of the right calibre

Trainees taking a long time to learn jobs

Failure to meet new challenge effectively

All of the above mean hidden costs. Sometimes very substantial costs. Effective systematic training could contribute to solving these kinds of problems and stop them recurring.

'Training' defined in this sense is a planned activity, appropriate to the individual company, which makes certain that people of the right calibre (companies complain about lack of calibre); are doing jobs to the right standard (companies have problems of low performance) at the right time the company needs them (most companies find difficulty coping with changes, holidays, absence, expansion etc.).

Throughout this guide this is what is meant by 'training': a planned activity which is both effective and economical. Assessing the real need, for this is the first step to making it so.

3. What exactly is assessing training needs?

It is a continuous process which helps management

- to decide where training can improve the company's productivity and/or market standing;
- to decide whether it is worth doing anything more about it; and
- to focus upon and provide motivation for the action required.

It is a management activity not a training activity because initially it should be done at a whole company level i.e. it should result in a clear

POLICY LINE on what to aim at

PRIORITIES on where to start

PLANS on what to do (the later stage of 'developing training' would itemise exactly how to do it)

Three steps are necessary:-

- a) collect together relevant information, which is often ready and available in each company;
- b) assemble it and analyse it systematically to identify broad areas needing your attention;
- c) interpret it to point out for the company what needs to be done (the implications of the information),

II. WHERE COULD TRAINING PAY-OFF FOR THE COMPANY

A number of factors can improve business operations: more efficient methods, more highly capitalised plant, diversification into new markets, cutting down 'specials', more effective recruitment and training. These and others have a part to play. What specific part can 'training' play?

There are four clear areas where 'training' could pay-off i.e. which are worthwhile for management to give attention to:

- Pay-off Area No. 1. Filling vacancies more economically
- No. 2. Coping with changes more effectively
- No. 3. Achieving and maintaining good performance
- No. 4. Developing people to their full potential

Pay-off Area No. 1. - Filling Vacancies more economically

Every time a firm takes on a new person it costs money. Sometimes far more than it need be. There are four 'alarm bells' which give warning of this excess cost:

- a) WHERE EXCESSIVE NUMBERS NEED TO BE RECRUITED TO FILL FEW ACTUAL VACANCIES:-

High Labour Turnover e.g.

- 10 operatives recruited in one year - only 5 employed
- 19 teller trainees recruited over two years - only 7 employed
- 7 supervisors 'tried out' in 2 supervisors' posts in one year

- b) WHERE EXCESSIVE TIME IS NEEDED TO TRAIN THEM UP TO STANDARD:-

Long Training Time.

8 weeks to learn one operative job when operators are required to do 7 or 8 tasks!

3 months to learn certain 'knacks' which experienced operatives find 'easy'.

2 months to learn lowest operative job when most (75%) recruits leave within 1 month anyway (see Labour Turnover above).

APPENDIX 3d (1) - Continued

c) WHERE VACANCIES HAVE NOT EVEN BEEN RECOGNISED:-

Lack of Junior or Middle Management.

SENIOR MANAGERS SPENDING A GREAT DEAL OF TIME doing menial routine tasks because no-one lower down is available.

SUPERVISORS AND MANAGERS coping with an increasing load of paper-work for want of cheaper clerical help.

d) WHERE EXISTING COMPETENT PEOPLE WILL HAVE TO BE REPLACED THROUGH SICKNESS OR RETIREMENT

2 out of 3 executive Directors over 65 years of age
10 out of 15 salesmen retiring in the next 3 years.

Pay-off Area No. 2 - Coping with changes more effectively

Changes in the firm often demand changes in the way people do their jobs. These changes are sometimes resisted or the new skills or attitudes are not learned effectively. This costs money. Three common 'alarm' areas are worth recording:-

a) WHERE THERE HAS BEEN RAPID EXPANSION

- Senior Managers being required to do much larger and quite different jobs; trying to learn the new skills required while only just coping on a crisis basis with their present situation
- Chief Executive losing his previously excellent control over manufacturing through being increasingly involved in marketing.
- Production Manager trying to cope with an increasing number of operators, being bogged down in details instead of planning to train a foreman or chargehand to help out.

b) WHERE THERE ARE REQUIRED CHANGES IN MARKETING, PRODUCTION METHODS OR PRODUCT DEVELOPMENT

- Sales representatives needing to be brought up-to-date technically to face a different and more difficult market

situations at the same time as maintaining sales figures.

- Bigger premises/enlarged work area situation giving the opportunity for improving methods; manager and foreman too busy coping with transferring old methods from old situation

- NO SIGNIFICANT NEW PRODUCT FOR THREE YEARS: PREVIOUSLY COMPETENT TECHNICAL STAFF NOT ABLE to keep up to date with technical developments.

c) WHERE THERE ARE CHANGES IN COMPANY SYSTEMS AND ORGANISATION

Pay-off Area No. 3 - ACHIEVING AND MAINTAINING SATISFACTORY PERFORMANCE

Wherever performance is less than standard it costs the company money. Training is only one of the factors which can reduce the cost. Sometimes it is a very significant factor:

e.g. a) WHERE OPERATIVE PRODUCTIVITY IS LOW

11 operatives working at only 50% efficiency through training/incentive and supervision deficiencies.

5 female 'packers' - one packer achieves 40% more than the average of other 4

b) WHERE FOREMEN ARE NOT REALLY 'SUPERVISING'

No-one concentrating on quality or material usage while 8 foremen spend a great deal of time on operative tasks

c) WHERE NEW (OR EXISTING) MANAGERS ARE FAILING TO MANAGE

Examples where Managers are appointed specially to take the load off the Managing Director still depending on Managing Director's decisions.

Technically competent managers failing to pass on their technical and trade expertise to juniors through being too involved in detail as their department grows.

d) WHERE SALES PERFORMANCE IS NOT BEING IMPROVED

Sales representatives accepting easier/older lines when concentration on new lines is required.

Sales representatives not being able to give the technical service backing an expanding new market requires.

Pay-off Area No. 4 - DEVELOPING PEOPLE TO FULFIL THEIR TRUE POTENTIAL

When there are so many growing complaints of 'not being able to get the right sort of people' some firms 'waste' the people they've got:

a) WHERE JUNIOR MANAGERS (OPERATIVES) JOIN BUT LEAVE AGAIN QUICKLY

The few graduates recruited by a company leave within two years while it takes 18 months to make them really effective.

Good class girl operatives leave within one month on a very boring job, at the same time the company is short of good leading operatives.

b) WHERE MANAGERS WHO SHOWED EARLY POTENTIAL HAVE 'GIVEN UP'

Further company expansion held up because key managers had stopped 'growing with the job'

Many difficulties quoted in recruiting suitable managers from outside.

Managers who have 'stuck' spreading cynicism about the firm

c) WHERE THE COMPANY HAS TO LOOK OUTSIDE TO REPLACE KEY PEOPLE WHEN THEY LEAVE UNEXPECTEDLY

'Crash' recruitment to key-posts resulting in wrong selection which causes many further problems.

Taking on 'the only possible candidate' at an exorbitant salary causes bad feeling among other managers.

III. HOW CAN YOU DECIDE IF TRAINING CAN HELP YOU?

Some of the examples quoted above probably ring bells in your company. How can you find out more systematically and objectively if it is worth your while doing anything about it?

Just carry out the simple 3 steps mentioned on page 2 of this appendix. First collect some information under the pay-off areas suggested above, where you know training can be of help e.g.

1. WHAT TO LOOK FOR IN PAY-OFF AREA NO. 1. (Filling Vacancies)

Ring with a red pencil any category (or department) where a high proportion of people are over 55 or 60 years of age, especially if it would take years to replace them;

Where an excessive number of people left or started last year compared with the number you employ in that category (excessive might be 25% or more);

Where there is a difference between people needed in the future and people employed;

Discuss with your managers and supervisors whether they have to spend time 'doing jobs below them';

Get their opinions on where there are vacancies or gaps in the organisation which it would be profitable to fill.

THIS WILL GIVE AN INDICATION OF THE SIZE OF THE TASK AHEAD IN NUMBERS.

2. WHAT TO LOOK FOR IN PAY-OFF AREA NO. 2. (Coping with changes)

Think what changes in your company in the past year could have been brought about more effectively;

Discuss with your management team how they could have been improved;

Forecast the likely changes in the next year - look closely as you may be "too near to the game to recognise the play". It may be necessary to review and re-state your objectives for the company;

Make a list of the important changes which will require further attention.

THIS WILL INDICATE WHETHER CURRENT PROBLEMS ARE LIKELY TO BE FUTURE PROBLEMS ALSO. IT INVOLVES MORE SPECULATION THAN THE FIRST AREA.

3. WHAT TO LOOK FOR IN PAY-OFF AREA No. 3 (Achieving Good Performance)

Consider all your company's operations. In which areas are there delays or bottlenecks or obvious deficiencies? Get someone to collect as much relevant objective data as possible in these areas e.g.

- customer complaints and quality problems
- delays in meeting schedules or promises
- poor output or material conversion figures
- high accident rates
- absenteeism/lateness/labour relations problems
- failure to meet sales targets and trends
- failure to meet cost and budget targets

Some of this information will point out areas of your operations where there is a need for better training. Others may have different solutions which you will now want to tackle (non-training priorities).

Whether training or other action is required, this 'focussing on a problem area' should show beneficial results in its own right.

The above information is mainly factual: it should be supplemented by opinions and subjective experience within the company.

- Think of yourself and critically appraise what you have done with your time and effort and what you have achieved. Compare this with what you would like to achieve. It may be easier initially to.
- Think of your immediate subordinates - are there any glaring deficiencies in performance which you could deal with in the short term? The longer term 'think' about this ought to follow a systematic pattern but at this stage we are looking for more obvious clues.

APPENDIX 3d (1) - Continued

- Discuss with your subordinates (individually) where they think the performance of their people (or departments) be improved. Refer to the factual data collected. Make a list of what you consider to be priority needs for improved performance if any.

THIS WILL INDICATE THE IMPORTANCE OF THE TASK AND INVOLVES MORE JUDGEMENT THAN THE PREVIOUS TWO.

4. WHAT TO LOOK FOR IN PAY-OFF AREA NO.4 (Developing Potential)

This is usually a longer term need than the other three but it may be your particular company's most important area for attention.

- Think about the people who have left the company over the last 2 or 3 years.
 - At management and supervisor level how many of those leavers would you have preferred to keep.
 - If any, what really influenced their leaving; could it have been avoided by providing better and more challenging opportunities for them.
 - If the answer is 'possibly' think about your existing managers (section leaders and foremen) and decide whether they need more challenging opportunities too.
 - If your company is too large for you to think individually about all the managers and supervisors get your management team to think about their subordinates' potential also.
 - If you consider developing potential at any level (management/sales/technical or operative) in the company to be beneficial directly (in fully forecasted vacancies from within) (or indirectly in having a more stable and satisfied work force) put it down and give it a priority.
- THIS WILL FOCUS ON THE IMPORTANCE OF YOUR COMPANY'S INVESTMENT IN PEOPLE.

At this stage you will have assembled together notes of your conclusions from the various discussions you have held. This kind of information a Training Specialist would collect to help decide where further training might show a pay-off in the company.

Because the evidence is now consciously out in the open it has probably already pointed out a number of areas which you feel are worth focussing attention.

However having got so far with the job of deciding where the best pay-off lies it is probably best to go to the next stage before initiating too much action.

ASSEMBLING AND ANALYSING THE EVIDENCE SYSTEMATICALLY

The next logical step is to assemble all the information you have collected together so that priorities can be set systematically.

Write down your own judgement of the priorities you would like to set on these problem areas - some priorities will be to do with 'training' activities and others with organisational, systems or work method activities or changes.

In most companies the exercise leads to an immediate clear priority which can be tackled in the short-term by improving or extending 'training' activities. It also results in management focussing upon other areas

- a. where the company will benefit from some concerted longer term action

or

- b. where more information will be needed before actually deciding the action

IV. HOW CAN YOU SATISFY THE NEEDS YOU HAVE REVEALED?

1. Selecting Priorities

In many cases priorities select themselves or at least it is not difficult to select the problem areas which need tackling first.

Often until the data is written down or presented systematically the problem is not often recognised as being worth doing something about i.e. although managements invariably know about the problems they did not fully appreciate the effect of them on company operations - (the common tendency to live with the problem).

The main benefit of the process of assessing training needs is that it causes management to look squarely at the problem and to decide whether to do anything about it or not.

2. 'Training' Know-How

Often managers were not clear where training could help and in what way it could help.

This is where training expertise comes into the process of identifying training needs. A training specialist should be able to advise management what training could do about a stated problem. Many companies are in need of this training know-how.

The provision of know-how depends on the training load and on the pay-off of training to the company.

The right policy decision not only helps management at this assessment of needs stage to see what training could do, but would also provide the necessary know-how for carrying out the action plan when it is agreed.

3. Deciding the action required

This kind of discussion leads to an ACTION PLAN. At the assessment of needs stage the action determined will describe more what has to be done than how exactly to do it, e.g. it deals with setting up the training rather than actually carrying it out.

The types of plans of action for individual companies are too varied to summarise in this Guide.

4. Policy decisions

Some managers may be concerned that this Guide has not specifically mentioned determining policy. But the major policy decisions have already been taken if you have got this far e.g.

- a. you have probably nominated yourself or a senior executive to be responsible for training in your company;
- b. by coming this far you have accepted the Policy to train effectively for your own company's needs because such training should show a return;
- c. by recognising the fourth area of training needs in Section III you have accepted the Policy that the people in your company need training and opportunities to develop their full potential;

APPENDIX 3d (1) - Continued

- d. by appreciating that assessing training needs is a continuous process you have implied the need for at least the minimum of records so that your training activities may be evaluated for their continued contribution to the overall company objectives;

- e. by facing squarely the training required by the problems revealed in the assessment of training needs you have decided how to provide the particular training know-how required by your company.

Thus the exercise of assessing your training needs has led to a POLICY, to PRIORITIES and to an agreed PLAN OF ACTION. Most companies have also found that it has given them a better insight into their company operations and has pointed out where a variety of activities (not only training) would lead to improvement.

Thus it forms the beginning of a continuous "improvement activity". It will be continuous only if management sees it to be profitable. It will be profitable only if management carries it out conscientiously and with serious intent for improvement.

Revised and adapted from material of the Industrial Training Service, England, 1975.

INDUSTRIAL TRAINING SERVICE

THE HONG KONG MANAGEMENT ASSOCIATION

MANPOWER DEVELOPMENT SEMINAR

MANAGEMENT DEVELOPMENT

A Brief History

For a long time it was held that training people to become good managers was not possible. Managers, the view was, were born not made. The successful manager had certain characteristics (untrainable of course) such as drive, integrity or maturity. The characteristics of the manager and the organisation he worked in should conform to universally applicable principles.

This 'Classical School' of thought was succeeded by Scientific Management (Taylor, Gantt, Gilbreth) which emphasised work, analysis of tasks and the separateness of planning and doing. It focussed attention on the complexity of management, but the training which resulted concentrated mainly on technical aspects. Some effort was directed at improving personality traits which supplemented the classicists' characteristics but birth was still held to be the crucial moment in a manager's career.

The 'Human Relations' movement changed the emphasis from work to people and motivation - and hence the requirement for managers to provide an environment where people could satisfy their needs. Training became centred on 'Common Skills' which were held necessary for successful management and which consisted of such things as democratic leadership, motivation and communication together with certain personality traits.

Modern Thinking

Today management theory and management training are based on the integration of the work-centred theories with the people-centred approaches. The Classical School's concept of one ideal management style operating in an organisation also based on universally applicable principles has been refuted by modern theorists. Rather they claim, technology greatly influences choice of the best management structure and the growing firm should be organised differently from the stable one. The environment in which a firm operates will affect its organisation.

This implies the need for top management to ensure the ability of the organisation to adapt to a changing environment. To a large extent this will depend on managers lower down also being able to perceive changes in the environment, to assess their implications and to act as the new situation demands.

Parallel to changing organisation theories, behavioural science has developed a clearer understanding of the importance of balancing the satisfaction of individual needs with the economic technical and organisational factors of a business. Business success will be greatly affected by the extent to which the organisation and roles are structured to take account of individual needs.

Such requests are:-

"Tell me what is required of me"

"Give me a chance to perform"

"Help me when I need it"

"Let me know how I am doing"

are typical expressions of management needs in particular. An organisation which satisfies them will be building in positive motivators, rather than just developing negative sanctions.

What these changes have led to is an emphasis on improving performance of managers on their jobs. They must improve their ability to sense and react correctly to change so that organisational goals are achieved, while operating in a framework that is conducive to job satisfaction.

The Tasks of Management Development

These may be classified into four main areas:

a) Selecting and Training Potential Managers

Particularly aiming at junior and middle management posts, the company will need to assess its future needs and decide its selection policy - the latter with specific reference to whether it will buy in 'ready-made' managers or train its own. This will to a large extent determine its broad training policy in this area.

b) Planning for Management Succession

Very much linked with the previous area, but with a particular eye to top management posts, assessment of future needs is again necessary. There will also be the choice to 'buy in' or not but the effects of such a policy will need to be carefully thought out - not least its effect on morale. For internal development, methods of assessing potential and arranging individual manager development will be needed.

c) Improving Performance of Existing Managers

If organisational goals and individual job satisfaction are both important, the managers right down the line must be involved in the development process. Managers must set their own targets and performance standards and must mutually agree on how progress to targets will be judged.

Managers need to be trained to develop their own subordinates. Methods of improving performance must be worked out - e.g. use of coaching, projects, reading, films, etc., organisational changes, improvement of methods and procedures.

d) Improving Management 'Climate'

All of the above should lead to a better climate, but it is important that there is a recognition of this at top level as an end in itself. Specific training in group techniques may also be used at appropriate times.

Types of Training

a) Courses

It is generally accepted today that while specific techniques and knowledge can be taught on courses, they are of less use for cultivating attitudes, ability to deal with people and so on. In addition, managers who have gained new ideas, especially about management styles and techniques, on courses often find a hostile reception from other managers who have not had the same learning experience. Finally, a course can teach a lot about subjects; it can rarely give opportunity for implementing ideas and techniques. This is often the most difficult stage and managers soon become dispirited at the difficulties they encounter.

b) Projects

Particularly useful for training the newcomer, serving to involve him actively and purposefully as quickly as possible, the project also has the advantage of intrinsic value. It can be used as a training tool at most levels and can be used to reinforce learning from other sources - such as courses.

c) Job Rotation

This can be linked to the above if used on a short-cycle basis. There is a need to avoid the 'Cook's Tour' superficiality of a department every two months for no good reason and to no useful end. It can be a useful technique for middle and top managers as well as the relatively new trainee as a means of broadening experience and cross-fertilisation.

d) Reading or Films

If carefully chosen and used in conjunction with discussion afterwards, led by a suitable person, this can be one of the best routes to understanding of new techniques and ideas and even helping to develop new attitudes.

e) Talks and Discussions

Talks can be given by members of the management team on areas in which they have particular knowledge or expertise (not necessarily technical) or else visiting speakers can be invited. A discussion following this will provide an opportunity for exploration and some testing of ideas and is vital if the value of the talk is to be exploited.

The Boss as Trainer

It cannot be too strongly emphasised that the key people in any training activity are the manager and his boss. The company personnel and training department or outside specialists should be used for advice and ideas but the responsibility for training should never be theirs. They may provide courses, but should not decide the need for them.

The superior has a vital role in coaching his managers. It is an activity which takes up a lot of his time anyway and could generally be better planned.

Team Development

It is increasingly seen today that one of the major potential areas for improvement lies in the way that use is made of the management resources the firm has. This is leading to much more emphasis on the team-based activities of managers. All managers are inter-dependent to a degree, but most development and training activities stress the one-to-one boss subordinate relationship.

Team problem-solving, team objective-setting, team action planning are all valuable methods of putting team relationships on to a sounder footing, quite apart from the more complex approaches such as sensitivity-training.

INDUSTRIAL TRAINING SERVICE

THE HONG KONG MANAGEMENT ASSOCIATION

MANPOWER DEVELOPMENT SEMINAR

DEVELOPMENT PHASES OF ORGANISATIONS

INTRODUCTION

One of the main factors which affects the performance of individuals at all levels within an organisation is the way in which the organisation itself develops and changes in time.

From analysis of the way in which many organisations have grown over the years, it is possible to build up a picture of a number of principles of development which the normal organisation will follow as it develops. Applied with flexibility, these principles are of value in interpreting company problems and planning future policy.

Outline Principles

From its inception, an organisation 'develops' by way of several distinct 'phases'. At a particular stage of development, its management style, internal structure and processes will follow a pattern, which will change as the company develops. The move from one phase to another is a natural but difficult process. As the company develops, its approach no longer copes effectively with the changing demands made upon it; the resulting problems in turn force the company eventually to change its approach and thus move into the next phase of development. Three main phases of development can be identified:-

- a) The Pioneering Phase - Phase 1
- b) The Differentiated or Scientific Management Phase - Phase 2
- c) The Integration Phase - Phase 3

THE PIONEERING PHASE

An organisation is normally created by one or two people with an idea. He or they identify a need for which they feel they can supply a solution. (i.e. a new product, or a service). He feels there is a sufficient market for the product to make a financial profit, and that he has the capacity to create the product.

From this sometime vague origin, the organisation begins. At its outset, all revolves around the individual or individuals with the original idea (the pioneer). He raises the necessary finances, from personal resources, relations etc., creates the initial market, through friends and contacts and supplies himself the technical and practical expertise necessary to put his idea into production.

At its height, the following characteristics typify an organisation in the pioneering phase:-

1. Leadership from the top: all decisions are taken by the pioneer, who has the overall picture of the company. His leadership is autocratic (other employees are expected to do what they are told) but he is respected and followed as the expert on every aspect of his business.
2. Clear organisation goals: the organisation is geared directly to the needs of its customers; being normally of small size, it can change quickly and easily to cope with changes in demand.
3. Informal organisation: there are no formal or rigidly defined lines of responsibility and communications. Most information is passed verbally; little paperwork is used. Everyone in the organisation knows and comes frequently into contact with, most of his colleagues.
4. Dynamic and informal operation few procedures or methods are standardised, nor are standards rigidly defined. Forward planning is minimal. Products are tailor-made and the work process is moulded to suit customer needs.

In summary, the pioneer runs his business much like a family: loyalty is rewarded and strict paternalistic discipline imposed. For this approach to be successful the pioneer needs to have a complete and detailed picture of every aspect of company operation, and his subordinates must be willing to accept dependency, and autocratic leadership.

Problems of Phase 1

The duration of the pioneer phase in a particular organisation is extremely variable and is often closely geared to the personality of the pioneer himself. As this style of organisation depends on the pioneer's ability to 'oversee' the company's detailed operation, the phase may end with the retirement or departure of the pioneer, when his successor, in the person normally of his son (or another family member) lacks the original pioneer's depth of knowledge of the company and technical expertise and therefore has to adopt a different style. In other cases, other problems gradually develop which may force the pioneer himself to modify his approach, if he is able to do so.

Typical events which may cause a pioneering phase organisation move into the next stage of development are:-

1. Growth in size: increasing numbers of employees, size of market and production facilities cause the informality or pioneering management to become inadequate.
2. Specialist techniques: the increasingly complex nature of the business demands the application of more 'professional' techniques if control is to be kept, i.e. production planning, cost control, work study.
3. Succession to Pioneer: as already indicated, the successor to the pioneer may not be sufficiently versed in the company to take as strong a role as leader.
4. Lack of capital: when the pioneer can no longer supply the necessary capital funds for growth, outsiders may be called upon to provide the necessary resources, and in turn will require a say in how the business is run.

5. Better planning needed: the informality and flexibility of day-to-day planning can no longer guarantee to support the increased resources of the company. Planning of all aspects of the company needs to be more systematic and longer term.
6. Professional Management: experienced managers are introduced from outside the company, who are not prepared to function within the paternalistic, autocratic style of pioneering management.

THE DIFFERENTIATED OR SCIENTIFIC MANAGEMENT PHASE

Introduction

At the end of the first phase of its development, the 'pioneering phase' an organisation encounters a variety of problems. These are mainly due to the increasing failure of the informal, unsystematic procedures it has developed to cope with the increasing complexity and size of the business.

To overcome these problems, new systems and procedures are introduced and the company moves into the second phase of development, known as the 'scientific' management phase. The principles of scientific management fall into four categories:-

- 1) Mechanisation
- 2) Standardisation
- 3) Specialisation
- 4) Co-ordination

Mechanisation

The activities involved in mechanisation are self-evident. The small-batch, hand worked process gives way to mechanised mass production. This is necessitated by higher production requirements, needs to minimise production costs and the requirement for a standard product.

Within the organisation, this move highlights the importance of engineering and maintenance skills, coupled with mechanical fault finding, while reducing the emphasis on original trade skills or hand skills.

Standardisation

In phase 2 of the development, there is a strong move to ensure that the informal variety of previous planning and activity is replaced by carefully controlled consistency. Quality standards are laid down and individuals appointed to carry out inspection functions. Job methods and procedures are standardised to ensure that any job is always performed in the same (best) way, regardless of the individual doing it.

To achieve this standardisation, as well as co-ordination, more rigid control systems are needed, which gives rise to much greater emphasis on planning in all areas.

Specialisation

People and functions within the organisation are now expected to concentrate on a more limited and clearly defined range of activity. Specialisms are introduced in a variety of ways:-

Vertical specialism: different levels of management are introduced. Top management defines policy, middle management plans how the policy is to be achieved and first line management/supervision carries out the plans.

Functional specialism: different individuals specialise in specific function i.e. production, sales, accounting, engineering etc.

Work flow specialism: a distinction is also made between planning, carrying out and controlling the work. Separate departments now concern themselves with planning (production planning, design office etc) and with control (quality control, costing department etc) leaving only the actual carrying out of the work to the line management.

Technical specialism: a variety of professional techniques are introduced into all aspects of the company and individuals or departments are introduced to specialise in these e.g. work study, computer services, personnel and training etc.

Co-ordination

The organisation's structure now has to be more carefully defined, to ensure that co-ordination of effort is maintained. The following 'rules' are normally applied:-

- a. Span of control: each manager has a defined area of operation, and a limited number of subordinates under his direct control.
- b. Staff/line relationship: the various specialists are said to have an advisory role line management. Responsibility/authority remains with line managers.
- c. Financial incentives: the labour force is encouraged to work by the application of incentive schemes giving extra pay for extra effort.
- d. Formal communications: there is an upsurge in paperwork systems designed to keep employees informed of plans affecting them, and to inform management of activity against defined standards.

Problems of Phase 2

Despite its inherent disadvantages, the scientific management orientated company may continue to cope effectively for a long period. However, if the company continues to develop, a point is reached when a number of problems arise:-

- a. Inflexibility and inertia: it becomes increasingly difficult for the organisation to adapt and change to meet changes in its environment. As resistance to new ideas grow, the company gradually ceases to progress.
- b. Loss of co-ordination: the formal communication system fails to help individuals with the organisation to appreciate the full picture. Commitment to the organisation is replaced by a concentration on the immediate performance of the section and department.
- c. Lack of communications: the policy-makers at the top of the organisation lose touch with the practical problems affecting executive management. This can cause unrealistic policies to exert an increasing strain on company resources.
- d. Breakdown of staff/line system: the distinction between specialist and line manager becomes increasingly uncertain: 'advice' and 'instruction' are blurred.
- e. Lack of motivation: the individual within the organisation begins to lose his commitment to it. From the narrow limits of his position, he can no longer see where he or the company is going.

Productivity goes down and management may try expensive solutions without effect. These problems will often indicate the need for a firm to enter the third phase of development, the integration Phase.

THE INTEGRATION PHASE

Introduction

Comparatively few companies have surmounted the second phase and entered the third phase. It is not therefore possible to describe in such detail all the characteristics of phase 3, nor to identify the nature of the problems which might logically be expected to follow it.

Nevertheless, it is possible to describe some of the activities and characteristics which occur.

Principles of Integration

The overall aim of the integration phase is to re-establish some of the flexibility, informality, and teamwork of the pioneering phase, while maintaining the systematic approach to planning and controlling initiated in the scientific management phase.

Phase 3 management aims to create a situation in which individuals can satisfy their fundamental needs as human beings (e.g. the need to be part of a group, the need to be recognised as having status etc) while contributing effectively to the goals of the organisation. In this situation, the role of management is to assist rather than control, to guide rather than lead, and responsibility is shared more evenly through the organisation.

The basic principle in this case is that human beings are fundamentally responsible and responsive, provided that a situation is created for them which gives opportunity for this to develop.

Practical steps to reach Phase 3

1. Senior Management Philosophy: senior managers have to understand the motivations of human beings and the skill to apply such concepts to company goals.
2. Team building: the organisational structure must lose some of its hierarchical rigidity and be replaced by a series of groups. Initially, the top level policy makers must become an effective and cohesive group. They must achieve a level of understanding which enables them to function effectively together and be able to formulate company objectives and policy in realistic and achievable terms.
3. Management by exception: communication up or down the groups is not normally necessary for routine. Positive action is initiated only where something out of the ordinary occurs.
4. Production process: better relations between departments sequencing the product are encouraged possibly by creating groups containing workers from several departments. Shop floor staff are given more responsibility for setting and maintaining standards and creating change and innovation.
5. Ending payment by results: the integration phase creates a climate which relies on other inducements than financial for encouraging individuals to contribute. Incentive schemes tend to disappear, as do some of the differentiations between white and blue collar staff, daily and monthly personnel.

SUMMARY

At present, much of our thinking in industry is geared to phase 2 development and its superiority over phase 1. Effort for improvement is often concentrated on an attempt to be more systematic, more controlled, more logical in approach. In this light, many of the characteristics of phase 3, appear impractical and academic. They rely on an organisation's ability to develop trust and confidence throughout its members and on the individuals' ability to grasp and apply concepts of behaviour and development. Nevertheless, it would appear to offer a prospective solution to many problems afflicting companies, who are struggling with the problems of the second phase of development.

APPENDIX 3d (iv)

INDUSTRIAL TRAINING SERVICE

THE HONG KONG MANAGEMENT ASSOCIATION

MANPOWER DEVELOPMENT SEMINAR

COMPANY GROWTH AND DEVELOPMENT

CASE STUDY - PLUS COATINGS

Background Information

Plus Coatings Ltd - in Sham Shui Po, was established about 50 years ago. The present factory was built in 1922 and gradually extended itself. Main recent developments have been the building of a frontal office block in 1958 and a laboratory in 1964.

The Company manufactures a range of special industrial paints and has also, within the last 15 years, developed the manufacture of painting equipment such as spray guns, pumps, spray booths, etc.

This Company was privately owned until 8 years ago when it was sold to a financial group. Although in a highly competitive industry, the Company has been increasing the volume of its business steadily and has a good reputation for supplying a specialist field. Its profit margins however have declined over the past four years as costs have been rising. A considerable amount of exporting is done, particularly to tropical countries (about 30% of output).

The Board consists of a Chairman and three Directors who represent the Financial Group interests, plus two Executive Directors who are the Managing Director and the Company Secretary.

Recent Changes

One part of the plant was closed down three years ago as it could not produce a specialised paint cheaply enough to maintain an adequate profit margin. Over fifty men were eventually made redundant.

Two years ago the Board in a further effort to reverse the decline in profitability, engaged management consultants to advise on a production control and costing system.

As a result of the consultants' advice, a General Works Manager was appointed to take charge of all production. It had previously been split between the Chief Chemist in charge of paint production and the Technical Manager in charge of the manufacture of equipment.

The appointment of a Financial Accountant and a Sales Manager was also recommended by the consultants. (Previously the Managing Director liked to look after the Sales side).

The new Works Manager has made a number of changes in the Works organisation (shown in the chart) resulting in raising the status of a number of supervisors to that of manager and clarifying their functions.

Other changes which affect the Company are:-

1. The recent implementation of a standard costing system.
2. Changes in system of wage and salary payment, introduced by the new Works Manager.
3. Discussions are being held on the introduction of data processing at the insistence of the new Financial Accountant.

Existing Manpower Situation

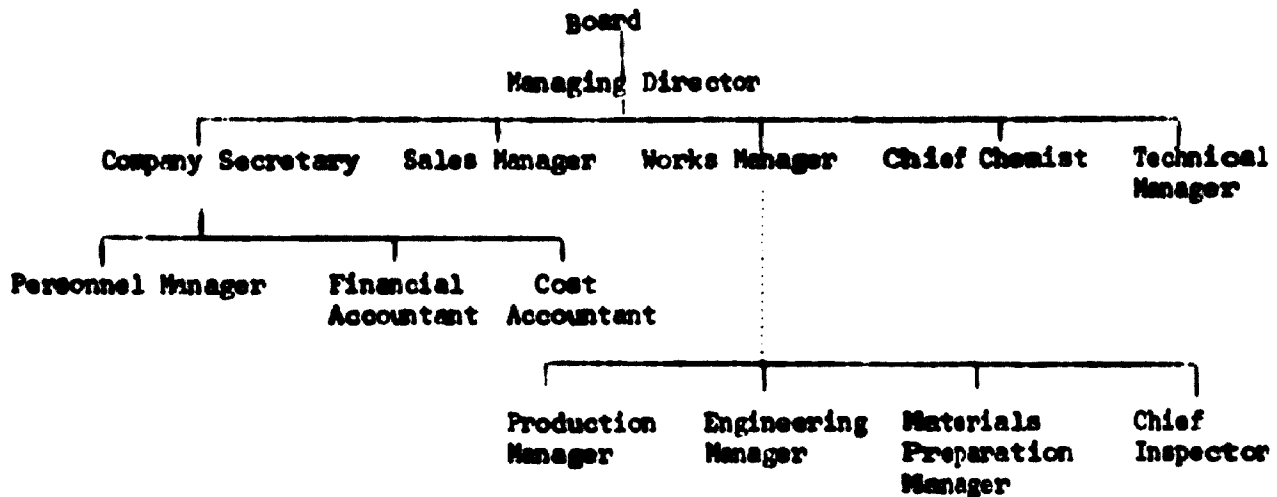
It is the implicit policy to promote managers and supervisors from within (see age and length of service of managers) with the exceptions noted above. No formal training is given to newly appointed or promoted persons; it is a case of exposure on the job with occasional help from colleagues and superiors. Since the Works Manager's appointment, several managers' and supervisors' duties have been re-allocated and some managers and supervisors have been sent on short courses.

The Company has recruited apprentices for the manufacturing side of the business as well as trainees in the Laboratory and Accounts Department. There is a high wastage of trainees.

While a number of draughtsmen were also recruited as trainees in this way, great difficulty is experienced in getting recruits and no manager is very enthusiastic about the scheme. There are only two engineering apprentices at the moment. There are severe restrictions to the continued development of the 'equipment' side of the business due to shortage of engineering staff.

Concern is expressed by the senior managers at the lack of potential candidates for promotion from shop floor upwards. There is a high labour turnover. This is not so on the accounts/sales office side. Relevant statistics are shown in the Tables.

ORGANISATION CHART



NUMBERS EMPLOYED

Senior Managerial staff	-	13
Supervisors	-	15
Clerical/Sales Staff	-	15
Works Personnel	-	<u>100</u>
		<u>143</u>

The Managing Director and The Markets

The Managing Director himself has grown up with the Company. He is a technical man, and has been largely responsible for the success in exports. He is full of energy and likes to spend much of his time discussing technical points with the Chief Chemist or the Technical Manager or on the shop floor. While he doesn't interfere with day-to-day running of the Works, he frequently 'chases' big orders, especially exports. He likes to have many minor decisions referred to him, which he then discusses with his fellow director, the Company Secretary, who generally gives sound advice and runs an efficient department.

He used to look after the Sales Staff of two senior, older representatives who had grown up with him in the paint industry and one younger energetic engineer who concentrates on engineering equipment sales. These now report to the new Sales Manager.

Profit margins on the paint side continue to fall but the equipment business is proving to be very profitable indeed. There also seems to be an expanding market on the equipment side.

Syndicate Brief

Using information obtained from your interviews supported by background notes prepare a Training and Development Policy for Plus Coatings.

Your policy should consist of a Plan of Action showing:-

- (a) Needs What are the learning needs of the organisation?
- (b) Learning Design Which methods should be used and what form should they take for dealing with the identified learning needs?
- (c) Implementation - How should the learning methods be implemented? Indicate priorities for action e.g. immediate, short term, long term.

TABLE I - STAFF

	AGE	LENGTH OF SERVICE YEARS	TRAINING
Managing Director	52	30	Experience
Company Secretary	48	23	Qualified Company Sec.
Sales Manager	38	1	Formal Training previously
Chief Chemist	58	15	Qualified Chemist
Technical Manager	65	14	Experience in the Industry
General Works Manager	54	1 1/2	Previously a Consultant
Financial Accountant	35	1	Qualified A.C.A.
Cost Accountant	39	8	Qualified A.C.A.
Personnel Manager	59	22	Experience in production
Production Manager	61	25	Experience in production
Engineering Manager	44	5	Qualified Mech. Eng.
Materials Preparation Manager	61	34	Experience
Chief Inspector	62	25	Experience

TABLE II - LABOUR FORCE

	TOTAL EMPLOYED		AGE DISTRIBUTION					LEAVERS SERVICE			
	This year	Last year	21	21-30	31-50	51-60	+60	Last year	-3 mths	3-12 mths	+12 mths
Supervisors	15	16	-	2	3	4	6	2	-	-	2
Shift Workers	72	75	10	26	2	20	14	42	31	6	5
Day Workers	12	12	8	-	-	3	1	22	15	6	1
Engineers/ Draughtsmen	3	5	1	2	-	-	-	4	1	3	-
Craftsmen	8	5	-	4	1	2	1	3	-	2	1
Apprentices	2	3	2	-	-	-	-	2	2	-	-
Technical Assistants	3	3	3	-	-	-	-	4	1	3	-

EXAMPLE OF "WHAT HAVE WE LEARNED" - FINDINGS ARISING OUT OF
A NODS GENERAL REVIEW SESSION

COMMERCIAL BANK:

- Managing of projects steering mechanism.
- Programme design - the flow of the programme rather than content.
- Dealing with training function in a big organisation.
- Project group to introduce change to the organisation.
- Analytical work before implementation.
- Use of actual work done as teaching aid and give credibility to the whole thing.
- Design of special new learning situations.
- Use of H.K.M.A. expertise.
- Self learning rather than teaching.
- Moving into a Manager of learning.
- Handling crisis (briefing session for department heads).
- NODS team should have common understanding/thinking.
- Speaking in Cantonese but writing in English.

CLOTHING MANUFACTURER:

- Experience of applying NODS approach in conducting programme for a big Chinese owned organisation in Chinese.
- Different experience in dealing with middle and supervisory management personnel.
- Middle Management as intervention point-able to get another project at supervisory level.
- Importance of clients' involvement for the progress of the project.
- Format of programme outside control of NODS team presented difficulty in getting the programme effectively done.
- Experience gained useful for dealing with Chinese Culture in Hong Kong.

INFORMATION PROCESSING SERVICE ORGANISATION

- Experience in dealing with top management team of a local set-up of an international company.
- Able to catalyse a group to work out their problems, solution and plan of action.
- Self-evaluation by participants.
- Experience gained may be useful for other projects and for self.
- Able to design a learning situation.
- Doing things live, and meeting needs when they emerged.

EMPLOYEE DEVELOPMENT SEMINARS

- Need for this in Hong Kong.
- Dress rehearsal very important.
- Role play of a manager of a company being interviewed by real managers of companies.
- Feedback and follow-up important.
- Thinking on your feet.
- Marketing strategy.

HOW DOES INFORMATION ORGANISATION (HOW DOES TEAM WORK)

- How members of HOSB team can stand on their feet with minimum of supervision.
- Should allow more time for preparation of presentation.
- Learn by practising and input at stages.
- Team work - sharing of ideas, findings and assembly of information.
- Intervention of HOSB at Middle Management level without much top management involvement.
- Able to speak clients' language.
- New experience with mostly female managers.

Scope	Activities	Needs					Learning			Implementation		Evaluation		
		Interviewing	Developing Ideas and Concepts	Presentations to Management	Writing Reports	Writing Proposals	Designing Learning Situations	Giving Instruction	Group Work	Thinking on Your Feet	Designing a Strategy	Managing Implementation	Designing a Scheme	Developing Conclusions New Ideas Concepts
Surveys	Broad Medium Small													
Organisation Development														
Management Development and Training														
Supervisory Training														
Instructor Training														
Operative Training														
MANPOWER Development/ Training Officer Training														
Managing a Project Team														

SECTION 1

Getting New Work

Duration		Marketing		Miscellaneous		Contribution		Experience
								<p>SECTION 2</p> <p>First sectors by classification (Government, Public, Commerce & Industrial) in which you have live experience and those in which you need live experience.</p>

INSTRUCTIONS

Using the legend complete each box on the sheet for what you personally assess is your own level of competence in WORDS work.

LEGEND

Language

- C = Chinese
- E = English

Competence

- A = Competent without supervision.
- E = Supervision by exception.
- CL = Close supervision
- N = No experience

ANALYSIS OF INITIAL IMPACT OF NODS

NATURE OF BUSINESS	NUMBER OF CLIENTS	TOTAL NUMBER EMPLOYED IN CLIENT ORGANISATIONS	NUMBER EMPLOYED IN INDUSTRY (1)	NUMBER OF NODS PROJECTS
GARMENTS	1 Chinese	2000	164,000	3
ELECTRONICS	1 Chinese	200	55,000	1
SHIP REPAIR	1 Expatriate	4500	10,000	1
FOOD & DRINK	1 Chinese	500	12,500	1
BANKING	1 Expatriate	3000	22,000	5
SERVICE	3 Expatriates	650	Not Known	5
PUBLIC SECTOR	1 Expatriate	18000	Not Known	2
	9	26,850	269,500	18

(Approximately over 100 executives receiving training and development)

Manpower Development Seminars - 19 participants from 14 organisations.

(1) Rounded off number of employees in Registered and Recorded Industrial Establishments as in March 1974 extracted from Annual Departmental Report by the Commissioner for Labour.

APPENDIX 6

NODS

NUMBER OF FIRMS	NUMBER EMPLOYED IN INDUSTRY (1)	NUMBER OF NODS PROJECTS	RESULTS OF NODS ASSISTANCE (Actual and Projected)
	164,000	3	Improved Sales follow-up and inventory control.
	55,000	1	Re-organisation leading to improved utilisation of manpower.
	10,000	1	Improved utilisation of manpower.
	12,500	1	Improved performance of existing managers.
	22,000	5	Ensuring continuity of effective managers to meet large expansion programs.
	Not Known	5	Improved performance of existing managers,
	Not Known	2	Improved utilisation of manpower and resources.
50	268,500	18	

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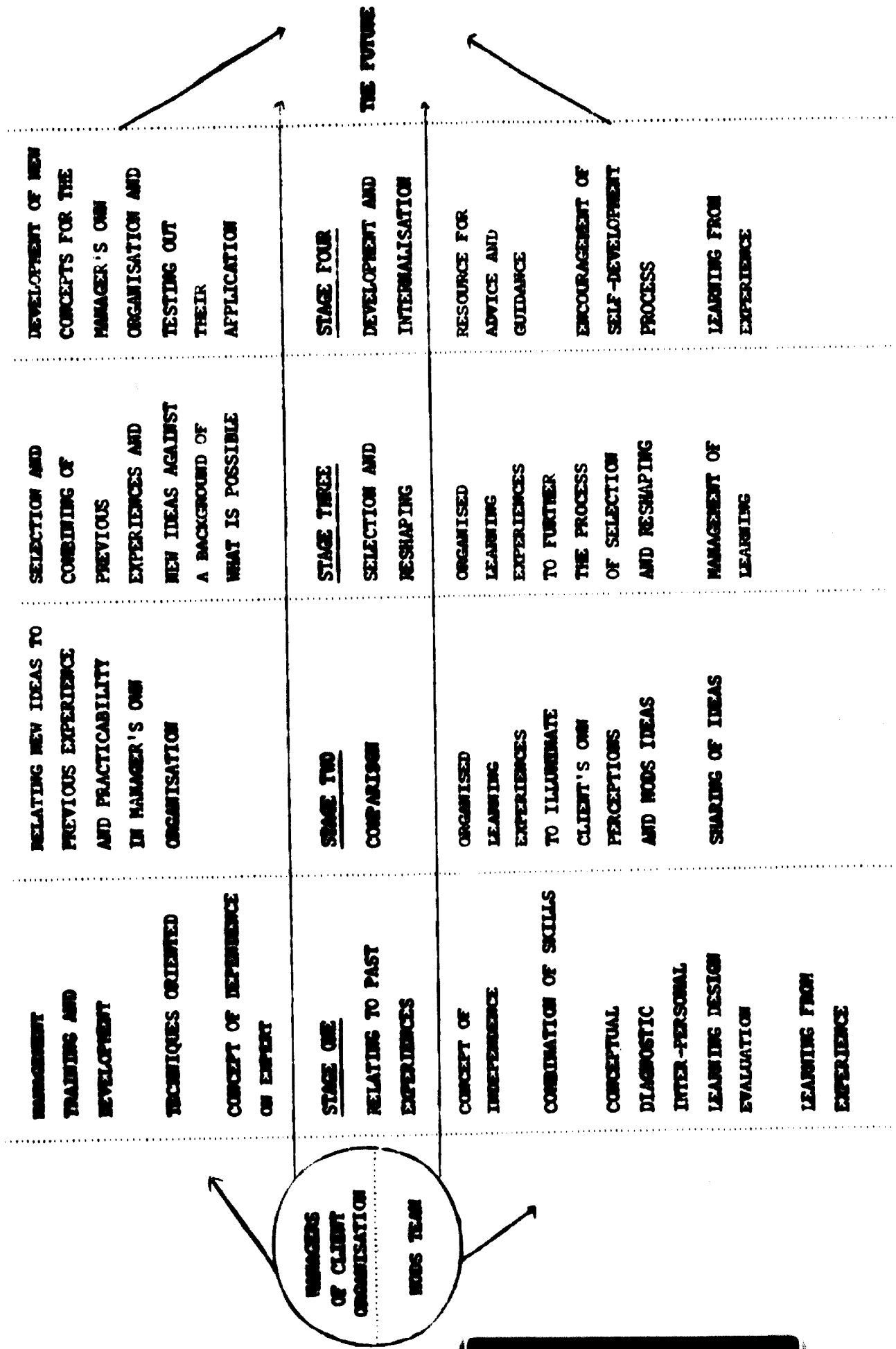
ts from 10 organisations.

Each organisation has a manager capable of developing a systematic manpower training and development policy and plan of action for implementation.

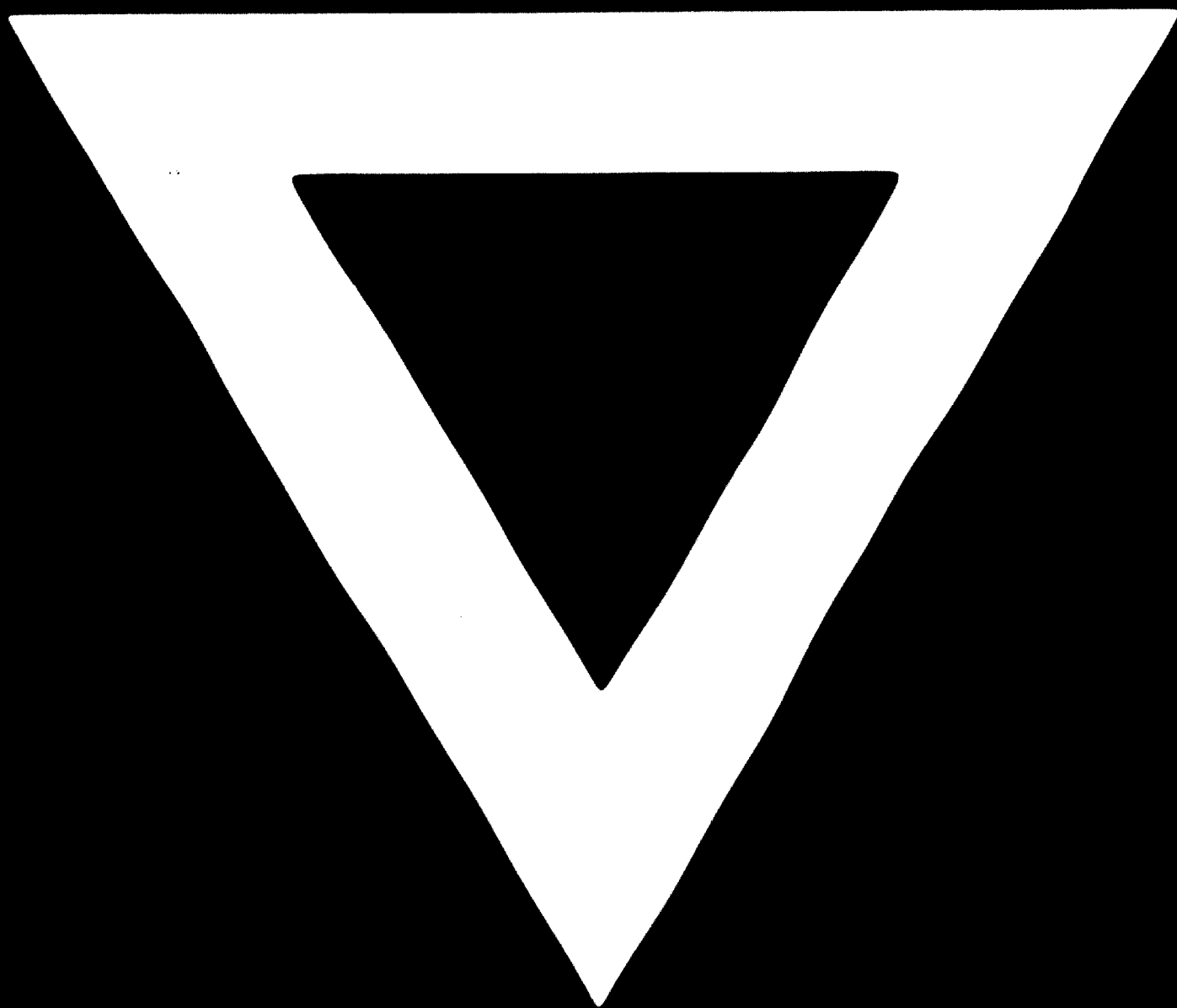
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SECTION 2

CONCEPTUAL MODEL OF HODS IN ACTION



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