

Change Management, Effective Leadership Behaviour and Corporate Success

A Longitudinal Study Investigating the Micro/Macro Effects of Work
Optimisation on Managers in an International Chemo-pharmaceutical Company

von

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SUMMARY

This field study investigated the effects of a change management program on the workplace behaviour of employees and managers at a chemo-pharmaceutical company based in Germany. The central theme of this work revolves around the manager-performance dyad in an organisation undergoing a change management initiative. It is known from the literature that managers and leaders undergo highly complex interactions with their social, task and organisational environments (Fiedler, 1996), and it was one of the main aims of this research to capture the essence of and understand better, these 'complexities', by measuring managers work performance especially in relation to ongoing change and transition. Whilst the subject matter of this research is very broad it has been necessary to elaborate on the wider topics associated with this investigation, as these have included matter that is specific to the organisation hosting the research. The role of the European Foundation for Quality Management (EFQM) and its relevance in the development of a business model for measuring employee workplace performance, has been an essential element in this organisations efforts through total quality management, towards achieving long term improvement. The research, whilst dealing largely with organisational development also concentrates on micro issues such as employees and their involvement in the changing organisation, and especially on their reactions to change-induced stress. Another central theme to this investigation has been the examination of cross-cultural differences within the changing organisation. The host organisation is an international concern with offices based around the world, thus the importance of capturing any cross-cultural differences is clear.

The field study was carried out bearing the particular research interests and needs of the host organisation in mind and comprised a longitudinal design which measured managers workplace performance at two points in time (with a gap of one year between measurements). It had been conceptualised that employees would display in their workplace behaviour and daily work routines 'superior performance', as characterised by SPI's, (Superior Performance Indicators). The, up until now, relatively unresearched concept of *excellence* was further explored and provided not only the basis for manager excellence profiling, where individual participants were 'profiled' in excellence terms, but also the groundwork for the Leadership & Change Management Questionnaire (LCMQ) - the main instrument used to gather employees workplace performance data.

Unique to this organisation were two salient factors concerning deployment of the LCMQ. Firstly, it was the largest in-house survey to be carried in the organisations history - additionally, it was the first to incorporate managers from several different cultural backgrounds. Secondly, it was also the first time that a multi-rater feedback system had been used to gather employee workplace behaviour data in this organisation. The LCMQ is a 360° measurement instrument, meaning that managers are given the chance to evaluate their own behaviour, whilst their work colleagues are also able to evaluate their behaviour. It also serves as an extremely powerful and accurate measure of how managers and leaders in an organisation are perceived by their co-workers and thus, provides invaluable evidence about individuals self-other image (Yukl, 1994). An accurate self-other image or *Spiegelbild* is able to predict future behaviour and is thus one important measure of the LCMQ (Bass and Yammarino, 1991). Another benefit to the organisation of the LCMQ is that through its comprehensive measurement of both general and organisation-specific excellence factors, it can accurately interpret its employees current and future workplace behaviour, and can be used in the selection and development of its employees and managers.

Predictions derived from this investigation into manager performance and the changing environment were divided into five areas, all of which were empirically tested.

It was anticipated that individuals' (managers and their co-workers) quality performance would be effected by the attendance of excellence factors. It was confirmed that staff (subordinate co-workers) constantly rated their managers the least well out of all co-workers, this may have been due to the increased time that employees spent with their bosses and leaders, or again may involve the role of power and influence, which is more emphasised in such relationships. It seems managers rated themselves higher at Time2 than at Time1, which meant these managers felt that their work performance had

increased (improved) between the two measurement points - this view conflicted with the staffs ratings which also remained constant across time. It was predicted that managers who were rated as being less 'egoistic' (as rated on the Egotism Scale) in their workplace behaviour, were more likely to prove a motivating and empowering force for their employees and indeed, results confirmed that the more egoistic a manager is in his/her behaviour, the less motivating he/she was for co-workers. Whether good performance was recognised by superiors was also a prediction in this research, and indeed results confirmed that superiors were more likely to promote managers with good performance, but interestingly, only at Time2 and not at Time1. An explanation for this might be a 'time effect' where, for some reason, superiors might delay in recognising or responding to the good performance of their underlings. The importance of good communication and goal clarity in superior performance is well known, and it was predicted that both these factors were necessary for reduced job stress. Managers reported that whilst being a good communicator meant for them being able to give open feedback, it also meant being able to cope with job stress levels. An explanation of this may simply be that good communicators operate a more highly developed information network, and are thus, open to greater and more complex information sources - it is these additional sources of information that probably provide them with a way to cope with stress, or alternatively serve as a prophylactic function against job stress developing. It was also predicted that managers with reduced Ego scores would have a positive effect on co-workers i.e. co-workers would rate them higher on the quality of their performance. Research results did confirm that in the low Ego-scoring manager group, peer co-workers found quality associated with being a high performer. Also, superior ratings of quality had a negative association with ego ratings which meant the higher the Ego score, the lower the performance quality rated. It was also foreseen that managers who had been rated high on 'egotism' by their co-workers, would also be those managers who spent less time with those colleagues - indeed, this prediction was proved correct, but only for staff (subordinate) co-workers, and not for peers or superiors.

Other predictions concluded that smaller organisational divisions would report greater levels of motivation, both self-rated and co-worker rated. The prediction was partially confirmed in that smaller organisational divisions reported higher motivation levels, but this effect was only evident in managers' self-reported motivation scores. As is known cross-cultural differences in workplace behaviour are known and were indeed also predicted as part of this research. German co-workers did rate their managers lower on quality of performance than either their French or their Mexican counterparts - one explanation may be that German raters were far more critical in their evaluations (which can be seen either as a positive *or* a negative feature). It was also predicted that the highest Ego scores would be found amongst the German manager sample, which indeed was the case. However, it seems that German managers had rated *themselves* as being more egoistic in their workplace behaviour than either their French or Mexican partners. This is an interesting result, as it either indicates again the very critical indeed, self-critical nature, of the German managers' evaluations when compared with the Latin evaluations (Brodbeck et al, 2000 include French as being *Latin*) or, it indicates that Germans may well claim to know themselves better, and thus be able to deliver a more honest self-other image (although if the latter *were* the case, then their co-workers would also have given them higher egotism scores, which they did not). Finally, some predictions were made regarding stress and level of experience. Understanding stress and its effects is important for this study, certainly from the point of view that job-related stress has been found not only to effect job satisfaction and motivation, but also to inhibit the 'flow of organisational citizenship behaviour' (Motowidlo et al, 1986). Whether or not level of job experience affects how managers cope with stress, was examined. Results did confirm that a greater amount of association between length of service (time in job), quality performance scores (QPS) and job stress was found amongst the less experienced managers. One might assume that less experienced managers experienced more stress in their jobs as they get to know them, whereas more experienced managers may have had adequate time to develop better coping skills - these results confirm that manager stress levels are affected by level of job experience.

This research has not only broken new ground for the host organisation by introducing new efficient methods for measuring its employees workplace behaviour, but it has also produced a valuable piece of

empirical work measuring superior performance in managers, from a cross-cultural differences perspective, using a multi-rater feedback system, across time.

Whilst investigating the main effects of change and performance in managers of this organisation, this study has also served to provide a useful performance measurement tool that can be further deployed in either the recruitment and selection phase, or as a developmental aid to identifying managers and leaders potential as is required in any organisation undergoing a continual change process. The results of the investigation serve the organisation with a detailed set of indicators regarding the current state of their managers and leaders work performance - they also provide useful guidelines and recommendations about future needs, possible organisational outcomes and possible directions in which the successful organisation undergoing change, needs to go.

ZUSAMMENFASSUNG

Diese Feldstudie untersucht die Auswirkungen eines Change Management-Programms auf das Mitarbeiter- und Managerverhalten eines deutschen chemo-pharmazeutischen Unternehmens.

Das Zentralthema dieser Arbeit behandelt das Begriffspaar Manager und Leistung in einem Unternehmen, das einen Veränderungsprozeß durchläuft.

Es ist aus der Literatur allseits bekannt, daß die Interaktionen von Managern und Unternehmensleitern mit ihren Sozial-, Aufgaben- und Organisationsbereichen hochkomplex sind (Fiedler, 1996). Ein Ziel dieser Untersuchung ist es, diese „komplexen Interaktionen“ besser zu Verstehen, in dem Managerleistung und -verhalten, insbesondere in bezug auf Übergang und Veränderung, gemessen werden. Obwohl bereits das Hauptthema dieser Arbeit breit angelegt ist, mußten dennoch auch zahlreiche damit verbundene Randthemen angeschnitten werden, da diese bezüglich des untersuchten Unternehmens von Belang sind. So war z. B. die European Foundation for Quality Management (EFQM) und deren Bedeutung in bezug auf die Entwicklung eines Business Modells, das die Mitarbeiter-Arbeitsleistung mißt, eine wichtiges Qualitätsmeßelement für die langfristigen Verbesserungsbestrebungen dieses Unternehmens. Die vorliegende Arbeit behandelt hauptsächlich Organisationsentwicklung, berücksichtigt aber auch die Mitarbeiter und ihre Teilnahme am Veränderungsprozeß, wobei insbesondere deren Reaktionen auf Streß, der durch Veränderungsprozesse verursacht wird, von Interesse sind. Ein weiteres Hauptthema ist die Untersuchung von interkulturellen Unterschieden innerhalb des Unternehmens. Das untersuchte Unternehmen ist ein internationaler Konzern mit Niederlassungen in der ganzen Welt; die Bedeutung, die der Erfassung dieser interkulturellen Unterschiede zukommt, liegt somit auf der Hand.

Die Untersuchung wurde so angelegt, daß besondere Themenwünsche und Fragestellungen der Organisation berücksichtigt werden konnten, wie z. B. eine Langzeitstudie des Manager-Arbeitsverhaltens, das zu zwei Zeitpunkten im Abstand von einem Jahr gemessen wurde. Es wurde angenommen, daß Mitarbeiter hervorragendes Leistungsverhalten bei der Arbeit, im Sinne von SPI's (superior performance indicators), zeigen würden. Das bislang noch relativ selten behandelte Thema *Exzellenz* wurde weiter untersucht und diente als Basis von *Manager Excellence Profiling*, einem Verfahren, bei dem den einzelnen Teilnehmern ein *Excellence Profile* zugewiesen wird. Exzellenz war auch das Grundthema des Fragebogens *Leadership & Change Management Questionnaire* (LCMQ). Der LCMQ war das Haupt-Meßinstrument zur Erfassung der Mitarbeiter-Arbeitsleistungsdaten.

Bei der Anwendung des LCMQ galt es, zwei wichtige unternehmensspezifische Faktoren zu beachten: Zum einen war es die bislang größte interne Studie in der Geschichte des Unternehmens. Zum anderen war es die erste Studie, die Manager unterschiedlicher Kulturbereiche einschloß. Außerdem war es auch das erste Mal, daß ein 360°-Meßinstrument zur Erhebung von Mitarbeiter-Leistungsdaten angewandt wurde. 360°-Meßinstrument bedeutet, daß Manager ihre eigene Arbeitsleistung messen und diese gleichzeitig auch von ihren Mitarbeitern und Kollegen bewertet wird. Diese Art der Datenerhebung liefert ein recht akkurates Bild davon, wie die Manager und Leiter einer Organisation von ihren Mitarbeitern und Kollegen wahrgenommen werden. Ein akkurates Spiegelbild kann zukünftiges Verhalten vorhersagen und ist aus diesem Grund eine wichtige Meßgröße des LCMQ (Bass und Yammarino, 1991). Weil der LCMQ sowohl allgemeine als auch organisationsspezifische Exzellenzfaktoren gemessen hat, kann er dazu benutzt werden, das derzeitige bzw. zukünftige Mitarbeiter-Arbeitsverhalten zu interpretieren und eignet sich daher auch als Instrument zur Auswahl und Förderung von Mitarbeitern und Managern.

Die auf Grundlage dieser Untersuchung gemachten Voraussagen zum Managerverhalten und zur Veränderung des Arbeitsumfeldes wurden in fünf Bereiche aufgegliedert, die alle empirisch getestet wurden.

Es wurde erwartet, daß die individuelle Leistungsqualität der Manager und ihrer Mitarbeiter durch die Erhebung von Exzellenzfaktoren beeinflusst wird. Es wurde bestätigt, daß von der gesamten Mitarbeitergruppe die Belegschaft (untergeordnete Mitarbeiter) ihre Manager am schlechtesten beurteilt. Dies mag darauf zurückzuführen sein, daß die Angestellten zusätzlich Zeit mit ihren Vorgesetzten

verbrachten, oder aber auch auf die Rolle, die in derartigen Beziehungsverhältnissen Macht und Einfluß zukommt. Es scheint, daß Manager sich zum Zeitpunkt T2 höher eingeschätzt haben als zu T1, was bedeutet, daß diese Manager das Gefühl hatten, ihre Arbeitsleistung habe sich zwischen den beiden Zeitpunkten erhöht (verbessert). Diese Auffassung steht im Gegensatz zu den Bewertungen durch die Belegschaft, die über den untersuchten Zeitraum konstant geblieben sind. Bezüglich des Arbeitsplatzverhaltens von Managern wurde erwartet, daß Manager, die für weniger egoistisch (nach der Bewertung auf der Egoismus Skala) gehalten wurden, von ihren Mitarbeiter eher als motivierend und befähigend eingeschätzt werden würden; und tatsächlich bestätigen die Ergebnisse, daß je egoistischer sich ein Manager verhält, desto weniger motivierend ist er für seine Mitarbeiter. Eine weitere Hypothese betraf die Frage, ob gute Leistung von Vorgesetzten gewürdigt wurde. Die Ergebnisse bestätigen, daß Vorgesetzte eher geneigt sind, Manager mit guter Arbeitsleistung zu befördern, aber interessanterweise war dies lediglich zu T2 meßbar, nicht jedoch zu T1. Eine Erklärung hierfür mag vielleicht ein „Zeiteffekt“ sein, der bewirkt, daß, aus welchem Grund auch immer, Vorgesetzte gute Leistungen ihrer Untergebenen nur mit Verzögerung wahrnehmen oder darauf reagieren. Die Bedeutung, die guter Kommunikation und Klarheit über die zu erreichenden Ziele zukommt, ist wohlbekannt und daher wurde vorhergesagt, daß beide Faktoren für die Verringerung von arbeitsbedingtem Streß nötig sind. Nach Aussage der Manager bedeutet ein guter Kommunikator zu sein, die Fähigkeit, offen Feedback zu geben, aber ebenso auch, mit dem arbeitsbedingten Streß zurechtzukommen. Eine Erklärung hierfür mag einfach die Tatsache sein, daß gute Kommunikatoren ein ausgeprägtes Informationsnetzwerk unterhalten und daher Zugang zu weitreichenderen und komplexeren Informationsquellen haben – es sind wahrscheinlich diese zusätzlichen Informationsquellen, die ihnen eine Möglichkeit zur Streßbewältigung geben, oder, anders ausgedrückt, als prophylaktische Funktion gegen das Entstehen von arbeitsbedingtem Streß dienen. Es wurde auch vorausgesagt, daß Manager mit reduzierten Ego-Werten einen positiven Effekt auf ihre Mitarbeiter und Kollegen haben würden, d. h. beide Gruppen würden die Qualität der Leistung höher einschätzen. Die Untersuchungsergebnisse bestätigen, daß die gleichrangigen Mitarbeiter in der Gruppe der Manager mit reduzierten Ego-Werten Qualität damit assoziierten, hohe Leistung zu bringen. Auch waren hervorragende Qualitätsbewertungen negativ mit Ego-Bewertungen assoziiert, was bedeutet, daß je höher der Ego-Wert, desto geringer wurde die Leistungsqualität bewertet. Zusätzlich wurde vorhergesehen, daß Manager, die von ihren Mitarbeitern und Kollegen eine hohe Egoismus-Bewertung erhalten hatten, diejenigen Manager sein würden, die weniger Zeit mit diesen Kollegen verbrachten; diese Vorhersage erwies sich tatsächlich als zutreffend, jedoch nur für untergeordnete Mitarbeiter und nicht für Gleichrangige oder Vorgesetzte.

Eine weitere Hypothese ging davon aus, daß kleinere organisatorische Einheiten größere Motivationslevel aufweisen würden, sowohl bei der Selbst- als auch bei der Mitarbeiterbewertung. Diese Annahme wurde teilweise bestätigt, aber der Effekt war nur bei der Selbstbewertung der Manager meßbar. Bekanntermaßen existieren interkulturelle Unterschiede beim Arbeitsplatzverhalten und daher bildeten sie auch eine Hypothese in dieser Arbeit. Deutsche Mitarbeiter bewerteten die Leistungsqualität ihrer Manager niedriger als ihre französischen oder mexikanischen Kollegen – eine Erklärung hierfür mag sein, daß die deutsche Gruppe in ihrer Bewertung wesentlich kritischer war (was entweder als positive oder aber auch als negative Eigenschaft interpretiert werden kann). Ebenso wurde vorausgesagt, daß die höchsten Ego-Werte in der Gruppe der deutschen Manager zu finden sein würden, was auch tatsächlich der Fall war. Es muß jedoch hinzugefügt werden, daß die deutschen Manager *sich selbst* als egoistischer in ihrem Arbeitsplatzverhalten eingeschätzt haben als ihre französischen oder mexikanischen Kollegen. Dies ist ein interessantes Resultat, da es entweder erneut die sehr kritische, genauer gesagt selbstkritische Natur deutscher Manager im Vergleich zu lateinischen andeutet (Brodbeck et al, 2000, schließen französisch in ihrer lateinischen Gruppe ein); oder aber es bedeutet, daß die deutschen sich selbst besser kennen und daher in der Lage sind, ein ehrlicheres Selbst-Andere Bild von sich abgeben zu können (sofern dies der Fall wäre, würde es aber bedeuten, daß sie auch von ihren Mitarbeiter auf der Egoismus-Skala höher eingeschätzt worden wären, was aber nicht der Fall ist).

Abschließend wurden einige Voraussagen gemacht, die sich mit Streß und Erfahrungslevel beschäftigen. Das Verständnis von Streß und seinen Auswirkungen ist für die vorliegende Studie von Bedeutung, nicht

nur unter dem Aspekt, daß arbeitsbedingter Streß erwiesenermaßen Arbeitszufriedenheit und –motivation beeinflusst, sondern auch den „flow of organisational citizenship behaviour“ behindern kann (Motowidlo et al, 1986). Es wurde weiterhin untersucht, ob der Grad der Arbeitserfahrung einen Einfluß darauf hat, wie Manager mit Streß umgehen. Die Ergebnisse bestätigen, daß bei den weniger erfahrenen Managern eine stärkere Assoziation zwischen der Länge der Dienstzeit, den Qualitätsleistungswerten (QPS) und arbeitsbedingtem Streß zu verzeichnen sind. Es kann daher angenommen werden, daß weniger erfahrene Manager mehr Streß haben während sie sich in ihre Funktion eingewöhnen, wohingegen erfahrenere Manager ausreichend Zeit hatten, bessere Bewältigungsmechanismen zu entwickeln – die Ergebnisse bestätigen daher, daß Manager-Streßlevel vom Grad der Arbeitserfahrung abhängen.

In Hinblick auf das untersuchte Unternehmen hat diese Studie nicht nur neues Terrain beschritten indem neue, effiziente Methoden zur Messung des Mitarbeiter-Arbeitsplatzverhaltens zu Anwendung kamen, sondern sie ist auch eine nützliche empirische Arbeit, die hervorragende Leistung von Managern unter dem Aspekt interkultureller Unterschiede über einen gegebenen Zeitraum unter Verwendung eines „Multi-Rater Feedback Systems“ mißt.

Diese Studie hat die Haupteffekte von Veränderung und Leistung von Managern dieses Unternehmens untersucht. Darüber hinaus bot sie auch ein nützliches Leistungsmeßinstrument, das zukünftig auch für weitere Bereiche Verwendung finden könnte, z. B. bei der Personalauswahl und –einstellung, oder dem Erkennen des Potentials von Managern und Leitern, wie es Unternehmen benötigen, die sich einem kontinuierlichen Veränderungsprozeß unterziehen. Die Ergebnisse dieser Untersuchung bieten dem Unternehmen detaillierte Indikatoren hinsichtlich des aktuellen Stands der Leistung seiner Manager und Leiter – außerdem bieten die Resultate auch nützliche Richtlinien und Empfehlungen für zukünftige Erfordernisse, mögliche organisatorische Ergebnisse und Entwicklungsrichtungen, die das erfolgreiche, sich verändernde Unternehmen beschreiten muß.

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CHAPTER 1: INTRODUCTION

"Managers lead the culture change, indicating the new direction and creating the environment in which TQM and management excellence thrives....."

(SGS Thomson, Winner of the 1997 European Quality Award)

Overview

In this introductory chapter, the research undertaken as part of this investigation is introduced in three separate parts. In the first part the reader is guided through previous studies that have been undertaken on the subject of leadership behaviour and change management - we are able to take stock of leading opinion on the change and workplace behaviour and thus handle the contextual part of this project. The second part of the Introduction lays out the research, its aim and objectives and thus deals with the contents of this project. The third and final part of this chapter refers to the forthcoming chapters and their contents, and provides the reader with a chronological account of the research.

1.1 Previous Leadership and Change Management Research - the current state of play

The subject of leadership, managing and organisations is possibly one of the most widely covered topics found in social and psychological journals today. One reason for this is because the leadership role is pivotal in the success of both individual and organisational process, becoming especially crucial when organisations' processes change direction, such as during transition and business re-engineering initiatives.

Leadership, as we know from Fiedler (1996), concerns managers undergoing 'highly complex interactions with their social, task and organisational environments', thus the effects that leaders can have on organisation, on employees and on job task, are also highly complex and require further investigation. Organisations invest much in their leaders, not only in financial terms, but in terms of time, energy and resources, therefore, they have a vested interest in seeking the best leaders and ultimately in identifying *excellent leaders* in order to help them wherever possible, optimise these interlocking processes:

The Complex Environment of the Leader



So as we can see, leadership is about more than the 'supervision' of others, and involves the diverse interactions between leader, individuals (colleagues), task and the organisation. Thus in order to gain a fuller understanding of the effects that leaders can have, we need to uncover each of these interactive processes separately and in detail. Whilst much research has concentrated on the deliberation of possible leadership characteristic's (Gibson et al, 1994), and the function of leader and organisation in terms of power and power relationships (Fiedler and House, 1988), others have focused on the importance that

image and self-regulation (Nothnagel, 1998, Atwater and Yammarino, 1992) have. The complexities of organisational process have been much researched (Scully et al, 1994) in connection with leadership, but there is noticeably less literature on its connection with superior work performance (Hunt et al, 1984; Dahlgard et al, 1997). The organisation as entity, has been much written on in previous scientific literature, and has recently experienced a 'new wind' in handling the effects that change and transition can have on organisational structure's and processes (Weick and Quinn, 1999; Porras and Silvers, 1991, Kaeter, 1992; Clarke and Meldrum, 1999). Organisational effectiveness has also been widely broached (Shafritz and Ott, 1996), as have the wider implications of organisational stress factors associated with changing organisations (Douglas, 1999; Riley and Zaccaro, 1987) and organisational change agents (April, 1999). The very important aspects of this research which deal with multi-rater feedback systems (Ashford and Cummings, 1985) and cross-cultural differences (McLarney, 1999) have been less well covered in previous research but remain of great relevance in leadership behaviour research. So, whilst we see that the individual aspects of leadership performance measurement described above have been covered in the literature, the value of *this* particular research lies in that it is the first to deal wholly with the measurement of superior performance in leaders and managers of a pharmaceutical company, using a multi-rater feedback system, taken from both an organisational and cross-cultural perspective.

1.2 Aims and Objectives of the Investigation

Background

This study was carried out in fulfilment of the host organisations wish, to uncover the complexities of leadership by investigating what effects it's managers and leaders were having on their surrounding environments (macro and micro), and whether these effects were precipitated by the change management program that is currently in progress within the organisation.

This investigation amounts to a valuable piece of applied psychology that has been carried out at the behest of the host organisation, whose wish it was to gain clarification about leadership effects, as part of their ongoing initiatives and evaluations concerning continual improvement, corporate success and becoming the best in competitive markets. The aims of the study include a) to deliver the host organisation with a capacious answer to its question concerning leadership behaviour, whilst simultaneously providing it with an instrument/tool for future measurement of quality performance of its managers, and b) to create a comprehensive synopsis of how leaders, their behaviour and organisational change processes interact with one another. A very important further aim of this investigation was not only to *create* a tool which was capable of measuring quality performance in leaders, but also to design that tool to be *generally applicable* for other organisations, external to the host organisation. The use of 360° measurement as the multi-rater feedback system was also intentional and a specifically chosen aspect of this research, being purposefully selected as so little previous research using multi-rater feedback systems was evident. The measurement of effects across time was an additional objective of this study and is the reason behind the use of a longitudinal design.

1.3 Chronological Layout and Organisation of the Investigation

This investigation brings together, in a unique amalgamation, all relevant issues surrounding the central questions concerned with this investigation which are incorporated in its title, 'Change Management, Effective Leadership Behaviour and Corporate Success: A Longitudinal Study Investigating the Micro and Macro effects of Work Optimisation on Managers in an International Chemo-pharmaceutical company'.

The reader is taken in the first instance through the extensive literature involved in this research - this incorporates the first two thirds of the text. At the end of each theoretical issue or topic, the relevant hypotheses are presented. Secondly, the reader is taken through the empirical part of the research,

including the method and results of the presented hypotheses - the empirical part makes up the concluding third of this work. The following 13 chapters, including the Pilot study, Method and Results sections, take each theoretical question in hand and thus, by supplying valuable indicators and clarifying relevant information, provide a broad background and solution for the reader and the organisation to solving the problems associated with understanding leaders and their behaviour, change and optimisation processes.

In chapter two The European Foundation for Quality Management (EFQM) provides the outset for the investigation by discussing how the host organisation came to be using the EFQM's European Business Model as part of its measurement of process and general quest towards achieving continual improvement. Chapter three provides a logical follow-on to this theme, by discussing the central role that Total Quality Management (TQM) has in continual improvement and guides the reader towards a greater understanding of the quality issues involved in work optimisation. An important facet of this chapter, was to indicate the various European and non-European perspectives on quality in organisations. Chapter four sets out to present the host organisation as it is today, starting by looking at its historical background and taking the reader right up to the present day goals and objectives of this successful international pharmaceutical concern. Chapter five deals with the important Pilot Study phase of this investigation and presents the reader with a description of the establishment of 'excellence for managers', culminating in the formulation of Manager Profiles, which were instrumental in laying down the theoretical foundations for the main instrument used to measure manager/leader behaviour. Chapter six continues this theme by providing a comprehensive coverage of the leaders, leadership and *excellence* as superior performance. The next chapter, chapter seven, defines the central issues surrounding change management, incorporating organisational effectiveness and stress as being two major inter-related factors involved in the management of change. Chapter eight deals with the important issue of employees and considers employee selection and satisfaction from the organisational perspective, finally examining the social contract that organisations have with their employees. Chapter nine deals with the topic of cross-cultural differences - this is a salient issue in this investigation as managers from three different nations took part in the study, therefore, highlighting possible culturally-related differences was essential. Chapter ten introduces the Leadership and Change Management Questionnaire (LCMQ), which is a multi-rater feedback instrument that has been specifically designed for the host organisation, in order to measure the quality of its leaders performance in their workplace. Chapter eleven describes the main Method used to gather data through the distribution of the LCMQ. The twelfth chapter presents the Results derived from the collection of the LCMQ data and which provides evidence, either to the support or reject the seven main hypotheses included in this study. The final chapter, chapter 13, brings to a conclusion the main findings of this investigation and provides the host organisation, in summary, with a list of critical pointers concerning its change management programme and how the performance quality of its managers are being affected. Recommendations for further action are made to the organisation, round off this final chapter and bring this investigation to a logical conclusion.

Conclusion

This introductory chapter has laid down the main issues covered in this investigation, taking the reader through all related topics for consideration. It has presented the aims and objectives of the study and has provided a detailed account of the subject matter that is to be covered in the following chapters. Chapter two starts by expanding on the issues surrounding the European Business Model, explaining its particular relevance in this research and how it provides us with a good starting point when examining work-optimisation processes.

CHAPTER 2: EUROPEAN FOUNDATION FOR QUALITY MANAGEMENT (EFQM)

Overview

Chapter two of this text begins by introducing the reader to the European Foundation for Quality Management (EFQM), as the EFQM represents the starting point of this research, as it is the organisation that created the European Business Model. This business model has been adopted or rather *adapted* by the host organisation as the central anchor underlying its own change management and improvement process. Indeed, it has created its own individually-tailored performance measurement tool which is based on the EFQM model.

Chapter two covers three main areas – i) that of the EFQM, its history, background and relevance to the research, ii) the European Business Model itself and iii) international standards for organisations. These three areas provide the setting in which this investigation into change management, manager performance and organisational effectiveness, takes place.

2.1 EFQM History and Background

Overview

The first part of this chapter deals with the organisation known as the EFQM, its history, background and core functions. It also presents the European Business Model, created by the EFQM and discusses its contribution towards business excellence and the measurement of corporate performance.

The European Foundation for Quality Management, EFQM, was established in 1988, by the leaders and presidents of fourteen leading West European businesses – its creation was endorsed by the European Commission. It is a non-profit making organisation which is membership-based, which has a mission or objective, to become the driving force behind,

*"a sustainable excellence in Europe and a vision of a world in which European companies excel"*¹. The leaders of these companies had realised that some sort of competitive advantage was required and that their only way of staying in business, was to focus more on the issue of quality (Krüger 1999) and business excellence. As a single European market and currency have been emerging, organisations and their employees have been, and still are, facing widespread and unprecedented (unpredictable) change: *"The move within European business to embrace Total Quality Management is part of the effort to adapt to change because, as its core, quality management is about becoming more competitive by changing the way we do business to match our changing markets"* (Barnevik, 1996)². Total Quality Management (TQM) in Europe is one way of adapting to meet the challenge of the changes that lie ahead.

The mission of the EFQM was, back in 1988 and still remains today, *"to stimulate and assist all organisations throughout Europe to participate in improvement activities, leading ultimately to excellence in Customer Satisfaction, People Satisfaction, Impact on Society and Business Results"*³.

Organisational membership of the EFQM includes large multinational organisations, research institutes and institutes of higher education, European Universities and national companies of importance. In August 1996 membership had already grown from over 550 organisations, to circa 640 organisations in 1998, had further grown to over 750 in January 1999. Today, in the year 2000, membership is extended to over 800 members from European countries and from most sectors of activity – this demonstrates the

¹ Quotation from, *Assessing for Excellence: A Practical Guide for Self-Assessment*, published by the EFQM, Brussels, 1999.

² Percy Barnevik, 1996 – please refer to T. W. Hardjono et al (1996) in this Bibliography.

³ Quotation from, *European Award for Theses on Total Quality Management 1997-1998 Call for Applications*, published by the EFQM, Brussels, 1997/1998.

very rapid growth of membership indicating the importance that the EFQM has come to have within the European business world.

2.1.1 Core EFQM Functions

The EFQM is not only the creator and owner of the EFQM Business Model (updated to the EFQM Excellence Model in 1999), (to be discussed later on in this chapter) but, it also advocates education and the learning process and provides a portfolio for its members. As part of the EFQM's wish to build a vast body of knowledge TQM within Europe, it encourages institutes of higher education to not only teach TQM but also to research it. In order to help achieve this, the EFQM awards on an annual basis, The European Award for Masters and Doctoral Theses on Total Quality Management. The objective behind this award is to promote TQM research and education throughout Europe across a whole range of TQM-related subjects including amongst others, for example, organisational psychology, marketing, human resource management, business economics, finance, operations management, etc. The EFQM recognises the vital importance (for achieving excellence) of education and academia, seeing the role of the latter as being in the development of new concepts and theories into models. Such models are therefore, able to support and promote the understanding of those new concepts, allowing them to be adapted for a wider use and application within the business world. The practical aspects of research are highly valued as only when practical application of model and theory take place, can TQM become active.

Recognition that TQM is an effective means to achieving Business Excellence, has been occurring within organisations large and small, for well over two decades now. The *quality* movement has had far reaching effects causing not only governments to initiate national quality campaigns, universities, colleges and business schools throughout Europe (and further afield) to commit themselves to quality and quality management training but also causing managers within Europe to demand quality professionalism – which has created a natural market for education and quality support services.

The European Quality Award Trophy represents, in the words of the EFQM, "quality, energy, strength, flexibility, harmony and unity" ⁴. The European Quality Award itself also represents these attributes which go to make up quality management in any organisation. The EFQM guides or provides support for organisations wishing to undergo self-assessment and once self-assessment has become a routine and the organisation has gathered sufficient data, organisations are encouraged to consider applying for The European Quality Award. This is often a process that will last several years, or until the organisation embarking on self-assessment feels confident enough to make an application for the award. Therefore, the EFQM provides not only help, guidance and general support for the learning organisation but it also provides a means in which the organisation can really test itself, a way in which to measure the progress and the improvements in structure and process that have been made. The European Quality Award is given annually to organisations who are able to prove themselves as being exceptional and successful organisations. It is awarded to those organisations who are able to demonstrate the most exemplary Quality Management principles, within Europe.

Apart from giving awards and prizes, the EFQM offers through printed texts, publications, the internet, and a vast array of workshops, seminars, conferences and working groups, a large amount of support literature and knowledge about quality management principles and their application. Such support literature includes, amongst others; quality working groups benchmarking for human resources management practices, interim reports on various working groups and research projects, practical guides for self-assessment and self-assessment guidelines for companies, training courses in the Excellence Model, survey findings etc. For example, the aim of the EFQM publication, *Assessing for Excellence, A practical Guide for Self-Assessment* ⁵, is to explain and provide practical examples of methods for the

⁴ Source, Internet: internet address: <http://www.EFQM.org> on 23.11.00.

⁵ *Assessing for Excellence, A practical Guide for Self-Assessment* published by the EFQM, 1999.

organisation wishing to undergo the process of self-assessment using the EFQM Excellence Model. It is aimed at supporting the learning organisation by providing it with a route map taking them through the various techniques, and thereby helping the reader understand the various outputs to be won from the particular approach being undertaken – it provides also a rationale for using the differing approaches to self-assessment. It is also of great importance to the EFQM to encourage the widespread use of their materials, such as those mentioned above, throughout organisations and companies.

2.1.2 The EFQM Excellence Model, Criteria and Scoring

Organisations, regardless of their size, structure, sector or length of establishment (i.e. a new organisation or a more mature organisation), have a need to be successful. In order to do this, they must have an appropriate management system, one that is sensitive to the needs of the greater organisation as well sensitive to individuals' needs i.e. one that *is emotionally intelligent*. Emotional intelligence enhances not only employee co-operation, it increases motivation, productivity and profits (Johnson and Indvik, 1999). The EFQM's Excellence Model (formerly known pre-1998 as the EFQM Business Model) provides organisations with a practical tool to guide them towards success, by helping them measure *where* they are with respect to Excellence. The model also helps organisations to understand the gaps in their structures and processes, and ideally helps them to arrive at their own solutions. The EFQM emphasises that its model is a non-prescriptive, non-exhaustive framework and that there are many ways to achieve sustainable excellence. Non-prescriptive, meaning here that organisations should use the model as a base and a guideline, but that the special or specific issues concerning that organisation should not be excluded.

At this stage, a definition of "Excellence" is necessary – as defined by the EFQM, 'Excellence' means, "outstanding practice in managing the organisation and achieving results", which is all based on a set of eight fundamental concepts⁶. The eight principles include Customer Focus, Leadership & Constancy of Purpose, Management by Processes & Facts, People Development & Involvement, Continuous Learning Improvement & Motivation, Partnership Development, Public Responsibility and Results Orientation. What the EFQM understands by these eight principles is listed below:

Customer Focus The customer is the final judge of the product, of the service and therefore customer loyalty, retention and market share are best optimised by having a clear focus on the needs and requirements of current as well as potential customers.

Leadership & Constancy of Purpose The behaviour of an organisation's leaders creates a clarity and a unity of purpose within that organisation and the environment in which the organisation and its people can excel.

Management by Processes & Facts Organisations perform more effectively when all inter-related activities are understood and systematically managed and decisions concerning current operations and planned improvements are made using reliable information that includes stakeholders perceptions.

People Development & Involvement The full potential of an organisation's people is best released through shared values and a culture of trust and empowerment, which encourages the involvement of everyone.

Continuous Learning, Innovation & Improvement Organisational performance is maximised when it is based on the management and sharing of knowledge, within a culture of continuous learning, innovation and improvement.

⁶ Definition of *Excellence* is taken from *Assessing for Excellence, A practical Guide for Self-Assessment* published by the EFQM, 1999.

Partnership Development An organisation works more effectively when it has mutually beneficial relationships, built on trust, sharing of knowledge and integration, with its Partners.

Public Responsibility The long-term interest of the organisation and its people are best served by adopting an ethical approach and exceeding the expectations and regulations of the community at large.

Results Orientation Excellence is dependent upon balancing and satisfying the needs of all relevant stakeholders (this includes the people employed, customers, suppliers and society in general as well as those with financial interests in the organisation)⁷.

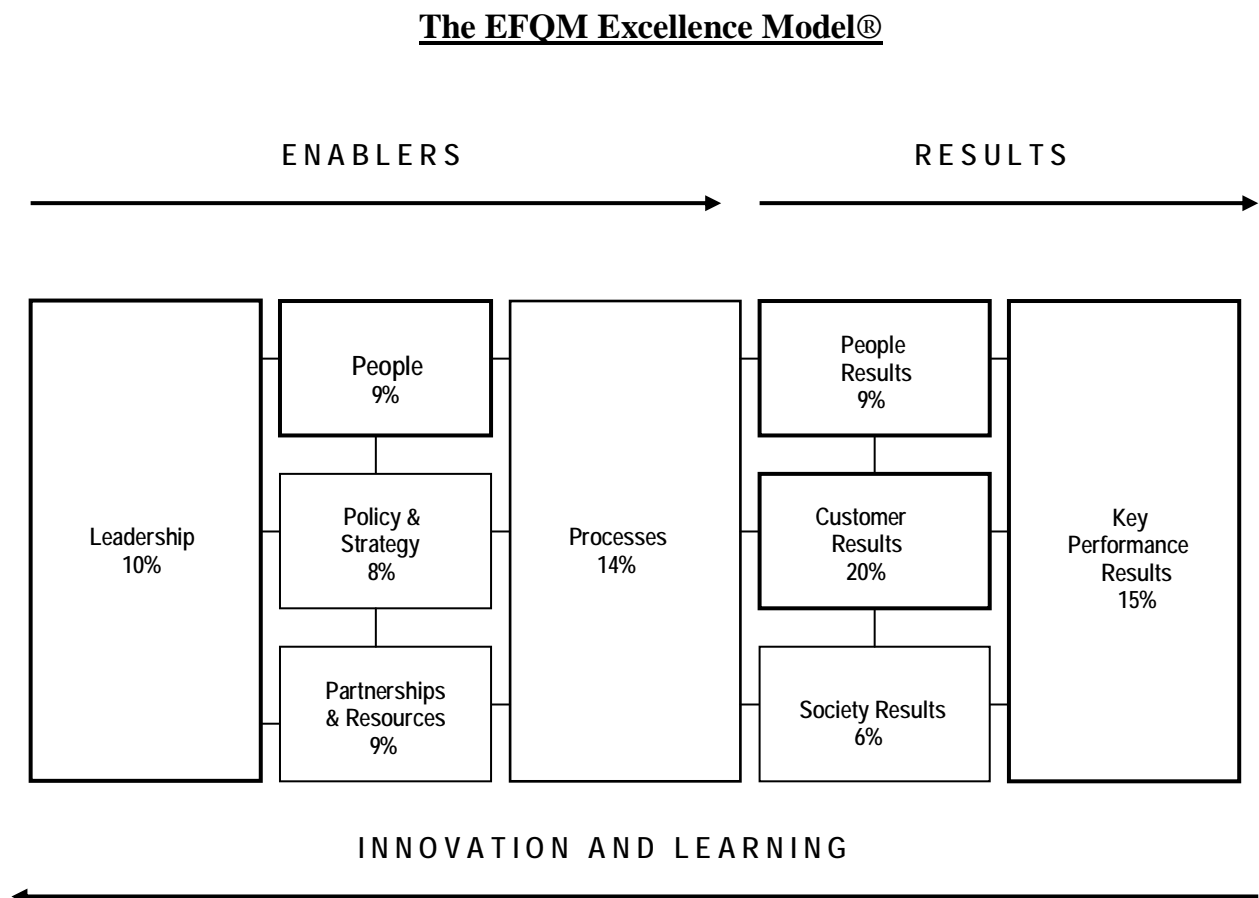
The EFQM Excellence Model is designed to provide a framework for the organisation, a framework for assessing its strengths and weaknesses, its successes and its potential areas of improvement. Being able to provide or build up such an overview, is achieved by using the self-assessment advocated in the model. Such an organisational overview, provides the management team with a view of the relevant areas, in large-scale - it provides a map on which the organisation may orient itself. The Excellence Model also provides individual employees and groups within the organisation with a detailed overview, helping them identify their own part and contribution within organisational improvement.

It is clear that every organisation is in itself, its sector, product and service, fairly unique and individual, however as the EFQM Model is able to provide a generic framework of criterion, it can therefore, be applied to any organisation or part of an organisation (e.g. division) – the model consists of nine criterion. These nine criterion are divided into five so called 'Enablers' which indicate the future direction of the organisation, what the organisation actually does and the way in which it does it. Following logically on from enablers, the model provides four further 'Results' criterion which deal with output, or what the organisation is able to achieve through the five enablers. Understanding the eight fundamental concepts of excellence (listed above) is a pre-requisite for the organisation in being able to evaluate at what stage of *maturity* they are i.e. how far, in evolutionary terms they are, in developing excellence.

In Table 1 (next page) we see the EFQM Excellence Model in diagrammatic form. Each of the models nine criteria represent the criterion against which an organisation can assess itself in terms of excellence. Each criterion has a name which indicates the higher level meaning of that criterion. The more detailed meaning or in-depth meaning of the criterion are listed under the corresponding sub-criterion (refer to Appendix 1). The sub-criterion provide or pose rather, poignant questions that the organisation must consider in the course of its self-assessment. The sub-criterion listed in the EFQM Model are not exhaustive i.e. they do not represent *only* those issues that the organisation must consider, but are intended to provide more of an example of issues or possible areas that clarify the meaning of the sub-criterion.

Excellent results with respect to performance, customers (internal and external), people (employees) and society are won through the creation and maintenance of partnerships, resources and processes. The model shows the inter-relationships that exist between all criterion – this indicates that no single criteria stands alone or has a single effect upon the overall process of improvement, but that *all* criterion inter-relate with each other to provide a *whole* effect i.e. all criterion playing an equal part within the entire excellence process. That is not to say however, that all criterion are individually weighted when being assessed by the organisation. *Weighting* of individual criteria (see criterion percentages in model) and organisational assessment using the criterion, will be discussed later on in this chapter. The large arrows above and below the model show its "dynamic nature", as referred to by the EFQM – they show the movement within the model indicating how innovation and learning help improve the enablers that go towards achieving better results i.e. the *enablers* criterion represent *how* the organisations achieves its

⁷ The 8 Fundamental Concepts of Excellence are taken from, *The EFQM Excellence Model* (1999), published by the EFQM, Brussels.

Table 1. The EFQM Excellence Model 1998

results and the *results* criterion represent *what* the organisation has achieved and what it is continuing to achieve.

Criteria 1 Leadership

The EFQM's defines *Leadership* as follows: Because leaders are crucial to all processes, especially processes of change within an organisation, they are therefore, an important starting point within it. For this reason, exactly *how* leaders and managers support and facilitate the achievement of the organisations mission and vision, is of central focus. Leaders develop and implement the values that are required for long-term success – this they do, by taking appropriate actions and by adopting appropriate behaviours. They are personally involved and responsible for development and implementation of the organisations management system.

Below ⁸ are listed all the sub-criterion for the main criteria *Leadership* - each sub-criterion has a further list of points or relevant issues that the EFQM understands and sees as relevant to the main criteria. As previously described, these points are not exhaustive and can be added to, according to the needs and requirements of the organisation. As the criteria *Leadership*, *People*, *People Results*, *Customer Results* and *Key Performance Results* are the main focus criterion of this research project and investigation, they

⁸ Excerpt taken from the EFQM publication, *The EFQM Excellence Model 1999* published by the EFQM 1999.

will be fully listed below. However, as each of the remaining four criterion contains several sub-points, only a sample of those points will be shown here (refer to Appendix 1 for a complete list of the remaining four sub-criterion points).

1a Leaders develop the mission, vision and values and are role models of a culture of Excellence

This *may* include:

- Developing the organisation's mission and vision
- Developing and role modelling ethics and values which support the creation of the organisation's culture
- Reviewing and improving the effectiveness of their own leadership and acting upon future leadership requirements
- Being personally and actively involved in improvement activities
- Stimulating and encouraging empowerment, creativity and innovation e.g. by changing the organisations structure, funding learning and improvement activities
- Encouraging , supporting and acting upon the findings of learning activities
- Prioritising improvement activities
- Stimulating and encouraging collaboration within the organisation

1b Leaders are personally involved in ensuring the organisation's management system is developed, implemented and continuously improved

This *may* include:

- Aligning the organisation's structure to support delivery of its policy and strategy
- Ensuring a system for managing processes is developed and implemented
- Ensuring a process for the development, deployment and updating of policy and strategy is developed and implemented
- Ensuring a process for the measurement, review and improvement of key results is developed and implemented
- Ensuring a process, or processes, for stimulating, identifying, planning and implementing improvements to enabling approaches, e.g. through creativity, innovation and learning activities, is developed and implemented

1c Leaders are involved with customers, partners and representatives of society

This *may* include:

- Meeting, understanding and responding to needs and expectations
- Establishing and participating in partnerships
- Establishing and participating in joint improvement activities

- Recognising individuals and teams of stakeholders for their contribution to the business, for loyalty etc.
- Participating in professional bodies, conferences and seminars, particularly promoting and supporting Excellence
- Supporting and engaging in activities that aim to improve the environment and the organisation's contribution to society

1d Leaders motivate, support and recognise the organisation's people

This *may* include:

- Personally communicating the organisation's mission, vision, values, policy and strategy, plans, objectives and targets to people
- Being accessible, actively listening and responding to people
- Helping and supporting people to achieve their plans, objectives and targets
- Encouraging and enabling people to participate in improvement activity
- Recognising both team and individual efforts, at all levels within the organisation, in a timely and appropriate manner

Criteria 2 Policy And Strategy

The EFQM's defines *Policy and Strategy* as follows: How the organisation implements its mission and vision via a clear stakeholder focused strategy, supported by relevant policies, plans, objectives, targets and processes.

2a Policy and Strategy are based on the present and future needs and expectations of stakeholders

This *may* include:

- Gathering and understanding information to define the market and market segment the organisation will operate in, both now and the future
- Understanding and anticipating the needs and expectations of customers, employees, partners, society and shareholders, as appropriate
- Understanding and anticipating developments in the market place, including competitor activity

2b Policy and Strategy are based on information from performance measurement, research, learning and creativity related activities

This *may* include:

- Collecting and understanding output from internal performance indicators
- Collecting and understanding the output from learning activities
- Analysing the performance indicators of competitors and best in class organisation's

- Understanding social, environmental and legal issues

Please refer to Appendix 1 for the remaining points in this sub-criterion

2c Policy and Strategy are developed, reviewed and updated

This *may* include:

- Developing policy and strategy consistent with the organisation's mission, vision and values and is based on the needs and expectations of stakeholders and information from learning and innovation activities
- Balancing the needs and expectations of stakeholders
- Balancing short and long term pressures and requirements
- Developing alternative scenarios and contingency plans to address risks

Please refer to Appendix 1 for the remaining points in this sub-criterion

2d Policy and Strategy are deployed through a framework of key processes

This *may* include:

- Identifying and designing the framework of key processes needed to deliver the organisation's policy and strategy
- Establishing clear ownership of key processes
- Defining the key processes including the identification of stakeholders
- Reviewing the effectiveness of the framework of key processes to deliver policy and strategy

2e Policy and Strategy are communicated and implemented

This *may* include:

- Communicating and cascading policy and strategy as appropriate
- Using policy and strategy as the basis for planning of activities and the setting of objectives and targets throughout the organisation
- Aligning, prioritising, agreeing and communicating plans, objectives and targets
- Evaluating the awareness of policy and strategy

Please refer to Appendix 1 for the remaining points in this sub-criterion

Criteria 3 People

The EFQM's defines *People* as follows: How the organisation manages, develops and releases the knowledge and full potential of its people at an individual, team-based and organisation-wide level, and plans these activities in order to support its policy and strategy and the effective operation of its processes.

3a People resources are planned, managed and improved

This *may* include:

- Developing human resource policies, strategies and plans
- Involving employees, and their representatives, in developing human resource policies, strategies and plans
- Aligning the human resource plans with policy and strategy, the organisational structure and the framework of key processes
- Managing recruitment and career development
- Ensuring fairness in all terms of employment including equal opportunities
- Using people surveys and other forms of employee feedback to improve human resource policies, strategies and plans
- Using innovative organisation methodologies to improve the way of working, e.g. restructuring the supply chain, matrix working, flexible team working, high performance work teams

3b People's knowledge and competencies are identified, developed and sustained

This *may* include:

- Identifying classifying and matching people's knowledge and competencies with the organisation's needs
- Developing and using training and development plans to help ensure people match the present and future capability needs of the organisation
- Designing and promoting individual, team and organisational learning activities
- Developing people through work experience
- Developing team skills
- Aligning individual and team objectives with the organisation's targets
- Reviewing and updating individual and team objectives
- Appraising and helping people improve their performance

3c People are involved and empowered

This *may* include:

- Encouraging and supporting individual and team participation in improvement activities
- Encouraging and supporting people's involvement through in-house conferences and ceremonies
- Providing opportunities which stimulate involvement and support innovative and creative behaviour
- Empowering people to take action
- Encouraging people to work together in teams

3d People and the organisation have a dialogue

This *may* include:

- Identifying communication needs
- Developing communication policies, strategies and plans based on communication needs
- Developing and using top down, bottom up and horizontal communication channels
- Sharing best practice and knowledge

3e People are rewarded, recognised and cared for

This *may* include:

- Aligning remuneration, redeployment, redundancy and other terms of employment with policy and strategy
- Recognising people in order to sustain their involvement and empowerment
- Promoting awareness and involvement in health, safety, the environment and issues on social responsibility
- Setting the levels of benefits, e.g. pension plan, health care, child care
- Promoting social and cultural activities
- Providing facilities and services, e.g. flexible hours, transport.

Criteria 4 Partnerships And Resources

The EFQM's defines *Partnerships and Resources* as follows: How the organisation plans and manages its external partnerships and internal resources in order to support its policy and strategy and the effective operation of its processes.

4a External partnerships are managed

This *may* include:

- Identifying key partners and strategic partnership opportunities in line with policy and strategy
- Structuring partnership relationships to create and maximise value
- Forming value adding supply chain partnerships
- Ensuring cultural compatibility and the sharing of knowledge with partner organisations

Please refer to Appendix 1 for the remaining points in this sub-criterion

4b Finances are managed

This *may* include:

- Using financial resources in support of policy and strategy
- Developing and implementing financial strategies and processes
- Evaluating investment in both tangible and non-tangible assets

Please refer to Appendix 1 for the remaining points in this sub-criterion

4c Building, equipment and materials are managed

This *may* include:

- Utilising assets in support of policy and strategy
- Managing the maintenance and utilisation of assets to improve total asset life cycle performance
- Managing the security of assets
- Measuring and managing any diverse effects of the organisation's assets on the community and employees (including health and safety)

Please refer to Appendix 1 for the remaining points in this sub-criterion

4d Technology is managed

This *may* include:

- Identifying and evaluating alternative and emerging technologies in the light of policy and strategy and their impact on business and the society
- Managing the technology portfolio
- Exploiting existing technology
- Innovating technology

Please refer to Appendix 1 for the remaining points in this sub-criterion

4e Information and knowledge are managed

This *may* include:

- Collecting, structuring and managing information and knowledge in support of policy and strategy
- Providing appropriate access, for both internal and external users, to relevant information and knowledge
- Assuring and improving information validity, integrity and security

Please refer to Appendix 1 for the remaining points in this sub-criterion.

Criteria 5 Processes

The EFQM's defines *Processes* as follows: How the organisation designs, manages and improves its processes in order to support its policies and strategies and fully satisfy, and generate increasing value for, its customers and other stakeholders.

5a Processes are systematically designed and managed

This *may* include:

- Designing the organisation's processes, including key processes needed to deliver policy and strategy
- Establishing the process management system to be used

- Applying systems standards covering, for example, quality systems such as ISO 9000, environmental systems, occupational health and safety systems in process management
- Implementing process measures and setting performance targets

Please refer to Appendix 1 for the remaining points in this sub-criteria

5b Processes are improved, as needed, using innovation in order to fully satisfy and generate increasing value for customers and other stakeholders

This *may* include:

- Identifying and prioritising opportunities for improvement, and other changes, both incremental and breakthrough
- Using performance and perception results and information from learning activities to set priorities and targets for improvement and improved methods of operation
- Stimulating and bringing to bear the creative and innovative talents of employees, customers and partners in incremental and breakthrough improvements

Please refer to Appendix 1 for the remaining points in this sub-criterion

5c Products and Services are designed and developed based on customer needs and expectations

This *may* include:

- Using market research, customer surveys and other forms of feedback to determine customer needs and expectations for products and services both now and in the future and their perceptions of existing products and services
- Anticipating and identifying improvements aimed at enhancing products and services in line with customers' future needs and expectations
- Designing and developing new products and services to address the needs and expectations of customers

Please refer to Appendix 1 for the remaining points in this sub-criterion

5d Products and Services are produced, delivered and serviced

This *may* include:

- Producing or acquiring products and services in line with designs and developments
- Communicating, marketing and selling products and services to existing and potential customers
- Delivering products and services to customers
- Servicing products and services, where appropriate

5e Customer relationships are managed and enhanced

This *may* include:

- Determining and meeting customers needs day to day contact requirements

- Handling feedback received from day to day contacts including complaints
- Proactive involvement with customers in order to discuss and address their needs, expectations and concerns
- Following up on sales, servicing and other contacts in order to determine the levels of satisfaction with products, services and other customer sales and servicing processes

Please refer to Appendix 1 for the remaining points in this sub-criterion

Criteria 6 Customer Results

The EFQM's defines *Customer Results* as follows: What the organisation is achieving in relation to its external customers.

6a Perception Measures

These measures are of the customers' perceptions of the organisation (obtained, for example, for customer surveys, focus groups, vendor ratings, compliments and complaints). Depending on the purpose of the organisation, customer perception measures *may* include those relating to:

- Overall image: accessibility, communication, flexibility, pro-active behaviour, responsiveness
- Products and services: quality, value, reliability, design innovation, delivery, environmental profile
- Sales and after sales support: capabilities and behaviour of employees, advice and support, customer literature and technical documentation, handling complaints, product training, response time, technical support, warranty and guarantee provisions
- Loyalty: intention to purchase willingness to purchase other products and services from the organisation, willingness to recommend the organisation

6b Performance Indicators

These measures are the internal ones used by the organisation in order to monitor, understand, predict and improve the performance of the organisation and to predict perceptions of its external customers. Depending on the purpose of the organisation, performance indicators for customers *may* include those relating to:

- Overall image: number of customers accolades and nominations for awards, press coverage
- Products and services: competitiveness, defect, error and rejection rates, guarantee provisions and warranty provisions, complaints, logistic indicators, product life cycle, innovation in design, time to market
- Sales and after sales support: demands for training, handling of complaints, response rates
- Loyalty: Duration of relationship, effective recommendation, frequency/value of orders, lifetime value, numbers of complaints and compliments, new and/or lost business, customer retention

Criteria 7 People

The EFQM's defines *People* as follows: What the organisation is achieving in relation to its people.

7a Perception Measures

These measures are of the people's perception of the organisation (obtained, for example, from surveys, focus groups, interviews, structured appraisals). People perception measures *may* include those relating to:

- Motivation: career development, communication, empowerment, equal opportunities, involvement, leadership, opportunity to learn and achieve. Recognition, target setting and appraisal, the organisation's values, mission, vision, policy and strategy, training and development
- Satisfaction: organisation's administration, employment conditions, facilities and services, health and safety conditions, job security, pay and benefits, peer relationships, the management of change, the organisation's environmental policy and impact, the organisation's role in the community and society, working environment

7b Performance Measures

These measures are the internal ones used by the organisation in order to monitor, understand, predict and improve the performance of the organisation's people and to predict their perceptions. Depending on the purpose of the organisation, performance indicators for people *may* include those relating to:

- Achievement: competency requirements versus competencies available, productivity, success rates of training and development to meet objectives
- Motivation and involvement: involvement in improvement teams, involvement in suggestion schemes, levels of training and development, measurable benefits of team work, recognition of individuals and teams, response rates to people surveys
- Satisfaction: absenteeism and sickness levels, accident levels, grievances, recruitment trends, staff turnover, strikes, use of benefits, use of organisational provided facilities (e.g. recreational, crèche)
- Services provided to the organisation's people: accuracy of personnel administration, communication effectiveness, speed of response to enquiries, training evaluation

Criteria 8 Society

The EFQM's defines *Society* as follows: What the organisation is achieving in relation to local, national and international society as appropriate. These measures are of the society's perception of the organisation (obtained, for example, from surveys, reports, public meetings, public representatives, governmental authorities). Depending on the purpose of the organisation, society perception measures *may* include those relating to:

8a Perception Measures

- Performance as a responsible citizen: disclosures of information relevant to the community, equal opportunities practices, impact on local and national economies, ethical behaviour
- Involvement in the communities where it operates: involvement in education and training, support for medical and welfare provision, support for sport and leisure, voluntary work and philanthropy

Please refer to Appendix 1 for the remaining points in this sub-criterion

8b Performance Indicators

- Handling changes in employment levels
- Press coverage
- Dealings with authorities on issues such as: certification, clearances, import/export etc.

Please refer to Appendix 1 for the remaining points in this sub-criterion

Criteria 9 Key Performance Results

The EFQM's defines *Key Performance Results* as follows: What the organisation is achieving in relation to its planned performance. Depending on the purpose and objectives of the organisation some of the Key Performance Outcomes *may* be applicable to Key Performance Indicators and vice versa.

9a Key Performance Outcomes

These measures are key results planned by the organisation and which, depending on the purpose of the organisation, *may* include those relating to:

- Financial outcomes including: share price, dividends, gross margins, net profit, sales, meeting of budgets
- Non-financial outcomes including: market share, time to market, volumes, success rates

9b Key Performance Indicators

These measures are the operational ones used in order to monitor, understand, predict and improve the organisation's likely key performance outcomes. Depending on the purpose and objectives of the organisation and its processes, they *may* include those relating to:

- Processes: performance, deployment, assessments, innovations, improvements, cycle times, defect rate, maturity, productivity, time to market
- External resources including partnerships: supplier performance, supplier price, number and value added of partnerships, number and value added of innovative, products and services solutions, generated by partners, number and value added of joint improvements with partners, recognition of partners' contribution
- Financial: cash flow systems, balance sheet items, depreciation, maintenance costs, return on equity, return on net assets, credit ratings
- Buildings, equipment and materials: defect rates, inventory turnover, utility consumption, utilisation
- Technology: innovation rate, value of intellectual property, patents, royalties
- Information and knowledge: accessibility, integrity, relevance, timeliness, sharing and using knowledge, value of intellectual capital

The 9 criterion and sub-criterion in the EFQM Excellence Model outlined above, each represent those criterion that an organisation can use in order to assess its progress towards optimal or excellent performance. Notice that each sub-criterion lists points that the organisation *may* include in their assessment of that main criteria. This reveals the nature or the intention of the model, namely *not* as one where prescribed methods are dictated for all organisations, but rather as a list of relevant issues and

guidelines that may be of use when considering each individual criteria i.e. organisations may add their own organisational-specific sub-criterion.

Scoring:

When referring to Table 1 we see that each of the nine main criterion has an allocated percentage attached to it (the scores or points for the entire model including all nine criterion ranges from 0-1000), this represents the weighted percentage and score of each criteria e.g. Leadership = 10%, therefore, is weighted at 100 points, People Satisfaction = 9%, therefore, is weighted at 90 points out of the 1000 points possible etc. etc. The percentages shown in the models are those used for the purpose of assessing applications for the European Quality Award. An organisation can, by using these weightings, gain added benefits by being able to compare their own scoring profiles with other applying organisations or with the "Best in Europe". These percentages were not decided upon in an ad hoc fashion but were the results of a pan-European consultation exercise undertaken in 1991 - they are regularly reviewed and updated. Because scoring procedures *can* become complicated, the EFQM provides tools and aids to scoring such as the Radar Scoring Matrix. This particular tool is an evaluation method used to score applications for the European Quality Award but is also widely used by non-applying organisations wishing to score, as part of a benchmarking process or any other process. As a general rule each sub-criterion is allocated equal weight within that criterion e.g. sub-criteria 1a attracts a quarter of the points allocated to criterion 1 i.e. Leadership has 4 sub-criteria. There are however, some exceptions to this, namely Criteria 6 (People Results), 7 (Customer Results) and 8 (Society Results), where in each case two sub-criterion share either 25% or 75% of the possible points. The Radar Matrix helps the organisation to allocate a percentage score to each sub-criterion, by considering each of the attributes or characteristics outlined in the Matrix (Refer to Appendix 2 for an example of the Radar Scoring Matrix). The scoring summary sheet is then used by the organisation to combine the allocated percentage scores awarded to that particular sub-criteria to provide an overall score on a scale from 0-1000 points.

2.1.3 Changes To The EFQM Model

Name: Prior to 1998, the EFQM Excellence Model looked slightly different to the model laid out in Table 1 - it also had a different name, that of The EFQM Business Excellence Model. In Table 2 we see the 1997 version of the EFQM Excellence Model.

One of the main objectives behind using the model, as described by the EFQM, is to, "ensure that the EFQM Excellence Model provides a recognised strategic framework for managing an organisation and identifying improvement opportunities" ⁹. The EFQM therefore, recognises that the model is not static, but alive and is inevitably subject to change, according to future needs and requirements of those organisations who desire to use it. That the model therefore, is at the forefront of many discussions within organisations who use it, or have used it before, is clear. The experiences of those organisations who have used the model have, provided the EFQM with valuable feedback information about it e.g. their experiences of it, positive and negative issues associated with it – this feedback process has been taking place since creation of the models first prototype. The EFQM has a Model Development Manager who is part of a team who are responsible for evaluating and overseeing changes made to the Excellence Model. Before coming to any conclusions regarding model changes, the team consults widely with appropriate members, taking into account their and other individuals' contributions. It is intended that the model be updated or reviewed every two years ¹⁰.

For the purposes of this research project however, the 1997 version (The EFQM Business Excellence Model) and the 1999 version (The EFQM Excellence Model) of the model, will be the point of reference.

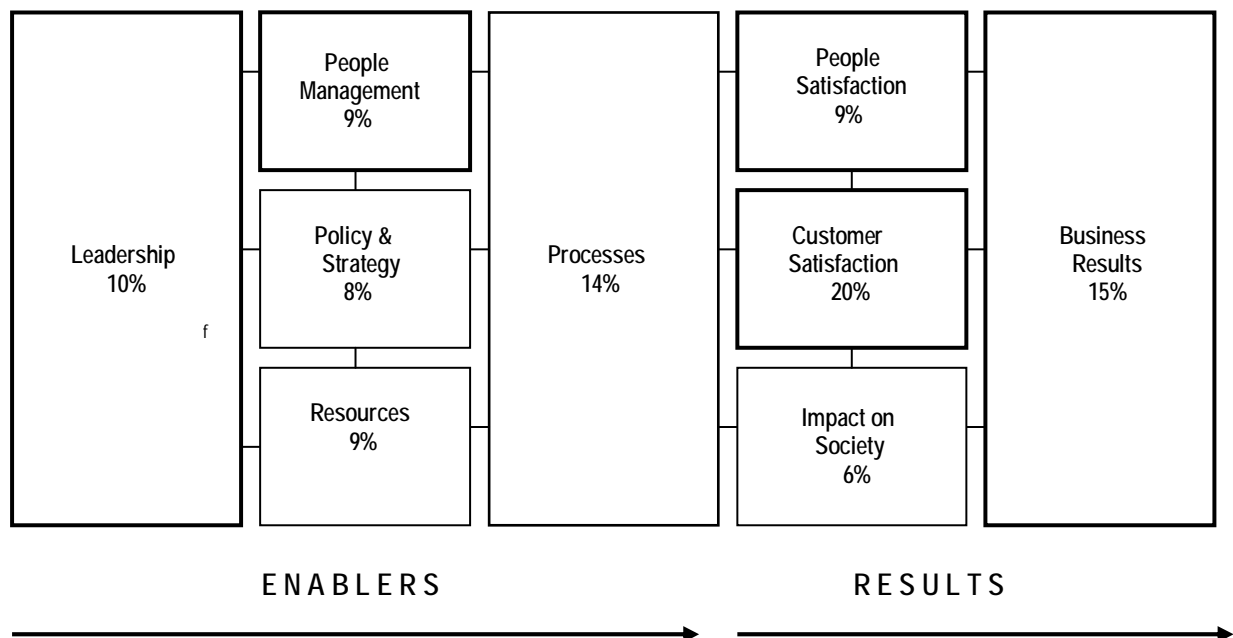
⁹ Quotation from, The European Quality Award and Prizes, source Internet: internet address: <http://www.EFQM.org/> on 23.11.00

¹⁰ For the purposes of *this* research project however, the 1997 version (The EFQM Business Excellence Model) and the 1999 version (The EFQM Excellence Model) of the model, will remain the points of reference.

It seems that despite the model being very useful, one *difficulty* that several organisations were having with the 1997 Business Excellence Model was alone, its title. The term "Business", according to some organisations, excluded them from being able to use the model, as they saw themselves as not being classed as "Businesses" i.e. they were, by nature, non-profit-making or non-business making – such organisations might include government departments and agencies, public or private sector organisations. For this reason it was decided to leave out the Business part from the title . In replacing the phrase Business however, with *Excellence*, the EFQM resolved the name problem. "Excellence" is something that everybody or every organisation can make its goal, whether it be part of the Private, Public, Profit or Non-profit making sectors.

Table 2. The EFQM Business Excellence Model 1997

The EFQM Business Excellence Model®



Criterion:

The EFQM having received wide feedback from its members about the model, was (and still is) aware of the very many differences existing between various organisations, sectors and indeed countries and cultures. Different parties have different interests, needs and priorities to consider. For example, in the United Kingdom the emphasis on public sector quality might be placed on customer-orientation. In Germany for example, public sector quality may concern issues such as administrative modernisation and management-oriented public administration, being seen as salient. Practices within varying sectors change too, in accordance with the environmental requirements that surround them. It is current international practice that public sector modernisation and New Public Management have become common themes within public sector administration, defined by such characteristics and attributes as are listed on the next page:

- Emphasis on performance and outcome management
- Greater responsiveness to customer needs and to service users
- Devolution of personnel and financial management accountabilities
- Awareness of market forces and the creation of internal markets etc. ¹¹

The EFQM also recognises that for example, customers within Voluntary or Public Sector organisations are in receipt of, or benefit from activities, products, services etc. from central and local government organisations. It is not always the case that customers are the primary service users. Another point of consideration when reflecting on how the EFQM model should and could be developed, is that the relationships between Voluntary and Public Sector organisations may vary considerably from those found in the Private sector – for example, some Public Sector organisations might include monopolistic or even compulsory functions, although on the whole both Public and Voluntary organisations do seek to serve a customer, whether it be an individual, a group or society in general. Therefore, the dialogue between the customer and the organisation, is a vital part in the quest for achieving excellence. One is therefore, able to see the very real difference, needs and requirements of the various sectors, organisations and their service-users or customers. In the light of these differences outlined, the EFQM has paid much attention to establishing a framework within the Excellence Model that recognises the various approaches, strategies and activities within organisations and sectors. It grants considerable freedom of interpretation in the use of strategies which fit specific organisations, depending on their cultural background, the diversity of their country, political climate, state of modernisation progress etc. It is also the intention of the EFQM to respect and value the work that is undertaken by other excellence models or systems e.g. Balanced Score card etc. – and it sees here, rather an opportunity for co-operative and a learning relationship between differing model approaches, rather than a competitive one.

Criterion Differences ¹¹:

1. Leadership No changes

2. Policy & Strategy

2a Defines the shareholders as 'owning stakeholders' (i.e. the government or governing body).

2b Uses the term comparator in addition to competitor to highlight that often in the public sector there is no competition.

2c Uses the term 'capacity to take advantage of opportunities' in addition to competitive advantage.

3. People (formerly People Management)

3e Identifies the aligning remuneration, redeployment etc. will be 'within the bounds of Government or governing policies'.

4. Partnerships & Resources (formerly Resources) No Changes

5. Processes

¹¹ Source internet: internet address: <http://www.EFQM.org/71e99/changesps.htm> on 23.11.00.

¹² See Footnote 11.

5c Includes other stakeholders as well as customers in the context of determining needs and expectations.

5d Adds promoting to the selling of products and services.

5e Uses terms 'product and service delivery and servicing' in terms of follow-up on customer relationships.

6. Customer Results (formerly Customer Satisfaction)

6a Some additions to perception measures:

Overall image: fairness, courtesy and understanding.

Products and services: relevance of product or service.

After sales service: become product or service aftercare.

Loyalty: Intention to use the product again, willingness to use and willingness to commend are added.

6b Some additions to performance indicators:

Products and services: value for money and performance customer-based objectives.

After sales service: becomes product or service support and aftercare.

Loyalty: includes numbers of commendations and number of lost services.

7. People Results (formerly People Satisfaction) No changes

8. Society Results (formerly Impact on Society) No changes

9. Key Performance Results (formerly Business Results)

9a *Financial outcomes become:*

Results

- meeting of budgets
- audited accounts including income, grants and expenditure items
- investment returns surplus/profit

Non-financial outcomes become:

- market share
- time to introduce new products and services
- volumes
- success rates as defined by the vision and mission
- compliance with legislation and codes of practice results

To provide organisations who use the model, with more information and details about criterion changes, the EFQM offers information through call-lines and web sites etc. which are regularly updated.

2.1.4 Radar

A central aspect to the logic of the EFQM Excellence Model is RADAR ®. Organisations using the EFQM Excellence Model, and undergoing self-assessment can apply such evaluation tools as Radar,

which applies an assess, plan, implement and evaluate approach, to each of the Enabler and Results sub-criterion. Radar consists of four elements:

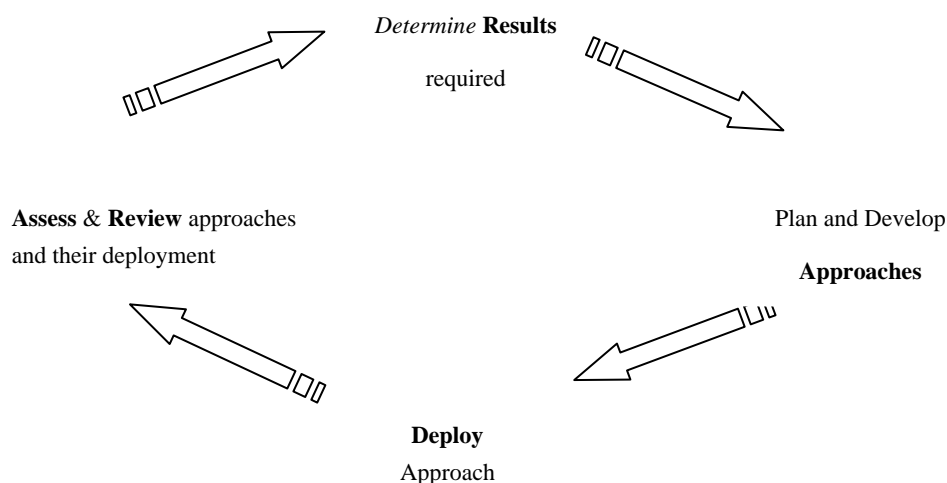
- Results**
- Approach**
- Deployment**
- Assessment**
- Review**

The rationale behind Radar is that an organisation must;

- identify the **Results** that it is hoping to achieve as part of its own policies and strategy making processes. Such results incorporate the performance of the organisation, financial as well as operational results and the views or perceptions of the organisations stakeholders
- also develop and plan a collection of solid **Approaches** designed to help achieve the results required in both immediate and future terms
- Use, or **Deploy** those set approaches in a systematic way, ensuring their full implementation
- Also **Assess** and **Review** those chosen approaches. This is carried out using sound monitoring and analysis of those results achieved by the organisation as well as the learning activities which take place on a continual basis within it. Through identification, prioritisation, planning and implementation of improvements where necessary, the assessment and reviewing is complete.

The whole RADAR concept is cyclic i.e. once the organisation has reached the Assess and Review part of the cycle, it logically follows, as the results or outcomes desired by the organisation constantly change, on to a new or re-determination of results required.

Figure 1. The Radar Cycle



The *results* part of the cycle describes the outcomes or achievements of the organisation. In so-called *excellent* organisations, results show positive trends and/or normally sustainable good performance. Their targets set, will be appropriate i.e. realistic, and will have been met or even exceeded, and when compared with other like or similar organisations, their performance will be better or more superior – this will have been achieved through the suitable approaches that have been deployed.

The *approach* part is what and why any organisation plans to do. Excellent organisations deploy sound or solid (well thought out) approaches i.e. approaches which have a clear rationale and processes which are well defined, developed and will also clearly focus on the needs of stakeholders. Such approaches will be integrated into the organisation and will be supported through policies and strategies and where necessary, linked to other approaches.

The *deployment* part of Radar deals with *how* the organisation goes about putting the approach(es) into action. Excellent organisations' approaches are implemented in the relevant areas and in a systematic way.

The *assessment* and *review* part of Radar deals with what the organisation actually does in terms of assessment and review of its approaches and the how the approach is implemented. In excellent organisations, the approach(es) and their implementation will be subject to regular measurement. Learning activities will be embarked upon and the output from both the learning activities and the measurement are used to help identify, prioritise, plan and deploy improvement.

These four phases of the Radar cycle bear a noticeable resemblance to the PDCA-cycle or the Deming-Cycle which is part of the Japanese process of gaining quality through continual improvement or *Kaizen* and which also incorporates four main phases namely those of; **Plan** – involving **Planning** Activities e.g. creating a plan for change, **Do** – the carrying out part e.g. implementing a plan, first on a small scale, **Check** - evaluation e.g. monitoring just how successful the measures or plans are, what went wrong etc. and **Act** - adaptation e.g. what has been learnt so far? How can any improvements that have been made, be themselves further improved upon? The experiences made in the first three sub-phases of PDCA are used to create new activities for the new cycle of activities. Similarly, the learning experiences made in first three sub-phases of Radar namely the Results, Approaches and Deploy will certainly determine the level at which the Assessment and Review are set.

2.1.5 Measuring Corporate Performance

As we have seen, a very important part of self-assessment and the achievement of excellence within organisations, is, or can be, through effective strategy deployment. Effective strategy deployment means the effective putting into action of the organisations strategies and processes, and can be won through highly effective corporate performance, which is itself a part of the greater measurement process. Excellent organisations or what are sometimes referred to as 'good practice organisations use integrated business performance measurement systems¹³, to; align or bring into line, all employees with the fundamental strategies of the organisation, empower employees and orient them around the process of continual improvement. The measurement of performance in an organisational working towards excellence, is absolutely fundamental and it is critical to the success of business in the manufacturing, sales and the service sectors. Despite this, however, many organisations still overlook or underestimate the relevance of their performance measurement systems. Performance measurement enables organisations to identify, measure and improve upon key organisational capabilities which drive long lasting improvements and which create excellent businesses. It also provides employees and managers with the chance to create a set of performance outcome measures that connect with the needs and requirements of employees, customers, stake-holders internal as well as external – in a systematic way. Performance measurement also clarifies key processes which drive those systematic performance measures, supporting the creation, definition of and the use of process measures throughout the organisation. Measurement brings outcomes and processes together, building a stable performance

¹³ 'Good Practice Organisations' are 12 key findings of the EFQM/APQC Benchmarking Project, "European-based innovative Systems of Corporate Performance Measurement", source: *Good Practice Implementation Workshop EFQM Benchmarking Services. Using Corporate Performance Measurement to achieve effective Strategy Deployment*, published by EFQM, Brussels, 1998.

measurement system, which can be used to systematically improve all business areas, and thereby progress towards business excellence.

2.2 Using the EFQM Excellence Model as Benchmark

Overview

The second section of this chapter deals with the European Business Model itself, describing its use and relevance in the assessment or measurement of performance within organisations. It is presented as being just one approach that companies have at their disposal in the evaluation of excellence – its qualities as a benchmark being the point of discussion.

Benchmarking can be described as being the systematic comparison of the performance of an organisation in relation to that of other departments or divisions (internal benchmarking) or other organisations, top companies or other competitors within the industry (external benchmarking) (Hardjono et al, 1996). Benchmarking has indeed become a favoured technique or tool used by numerous organisations who are seeking to improve or implement quality management as part of the process of continual improvement. It is particularly valued by organisations because comparing ones own performance to that of others, brings with it valuable benefits. Benchmarking enables the organisation to learn from the experiences of other organisations, whether internal or external - it provides a platform upon which standards for improvement can be set and reviewed . It also gives an insight into, or is able to generate ideas within, the learning organisation, by viewing and reviewing the successes and the errors made by the organisation being benchmarked.

Therefore, organisations wishing to undertake self-assessment as part of long term performance improvement, can find the experiences of organisations who have already deployed the EFQM Excellence Model, or who are *in the process of* deploying it, highly informative and useful when setting their own standards and improvement processes. Benchmarking concerns the exchange of ideas and experiences, is about learning and improving upon the current state or situation, in order to become the best¹⁴.

One danger does however, does exist and is that of using an unrealistic benchmarking perspective, for example, organisations seeking to learn from other organisations or competitors must be careful to choose appropriate benchmarks i.e. if a company ranks 25th position in the industry, making comparisons with the 1st position company makes little sense (although one can still learn things from top ranking organisations). Becoming the number one has, anyway probably taken the organisation a long time and is most likely to have been achieved by a more 'mature' company i.e. a well established one. So, for the number 25 organisation it probably makes more sense to look at the organisations ranked 15 to 24 in the industry. Benchmarking has a soundly-structured methodology with guiding principles designed to aid the learning organisation, these principles include:

- Using a focused approach – addressing specific areas and not trying to solve everything all at once
- Ensuring that the organisation has made adequate preparation towards change
- Include top and senior managers, line managers and 'process' owners right from the beginning
- Go for win-win exchanges, not win-lose exchanges (where one company steals the ideas of another company)

¹⁴ Refer to, *People Management, People Satisfaction. A Quality Working Group to benchmark Human Resource Management practices: V Approaches to Benchmarking*. Published by the EFQM, Brussels, March 1993 – March 1994.

- *Look* for best-practices to inspire change – these are necessary to improve your organisations performance
- Use best practices to set your own improved performance targets ¹⁵

Benchmarking is certainly a useful way in which organisations can learn how to improve performance by looking at the "best in class" - this helps the learning organisation to highlight good practices (Hardjono et al, 1996), which it may be able to adopt straight into its own structure or adapt to meet its own individual needs. Organisations deploying the EFQM Excellence Model lend themselves as ideal benchmarks for those organisations considering or indeed already using the EFQM Excellence Model as part of their self-assessment program.

2.2.1 Assessing For Excellence

As has become clear now, any organisation wishing to improve its performance and achieve success must embark upon systematic, regular and comprehensive self-assessment. Self-assessment enables the organisation to clearly identify strengths, weaknesses and derive from these, appropriate and planned improvement actions which must be regularly evaluated and renewed. Identification of areas for improvement may also highlight areas where additional resources need to be invested. For many organisations, the EFQM model provides a comprehensive way in which they can measure their own performance and therefore establish which are their improvement areas and which objectives need to be accordingly set (Hardjono et al, 1996). Self-assessment using the EFQM model, provides organisations with a highly structured, fact-based approach to identifying and assessing themselves through regular measurement. It is also seen that the model itself creates a common language and a conceptual framework for self improvement ¹⁵. It also introduces people in the organisation to the concept of excellence, and educates them on how they can attain it themselves in their daily work routines and how their efforts go towards the greater good of the organisation. As the EFQM model identifies good practice within the organisation, it also provides a platform upon which good practice(s) can be shared, as well as a good benchmark with other internal/external organisations. Should the organisation be aiming for entry to the European Quality Award, using the model also aids the organisation in its pre-entry preparations. Deploying the model assists the organisation in defining organisational-specific excellence – *excellence* does necessarily mean the same to all organisations, sub-divisions, sectors or industries, in fact excellence may not even mean the same thing to the same organisation at two different points in time.

Which Approach?

One important issue is which approach to self-assessment is the best? This question is often the first that an organisation asks itself when deciding to self-assess. Depending upon the approach adopted by the company, it can involve all employees at all levels and units simultaneously or involve smaller groups or areas to begin with, expanding to include more areas later on. Whether an organisation decides to introduce an organisation-wide approach is dependent upon several factors such as, company policy, company size etc. Not surprisingly, there is no one best way for any organisation to assess itself and decisions about which is the correct approach, involve examining wider organisational issues such as, for example, culture, desired organisational outcomes, market requirements. Defining an appropriate self-assessment approach requires the company to also define its own level of maturity i.e. is it a newly established enterprise, or is it a long established corporation? In order to achieve the right outcomes from the self-assessment, it is essential that the organisation apply a well matched and appropriate approach, otherwise this can lead to wasted time and resources. Many organisations will not know automatically which approach is the correct one, and will need assistance or guidance in arriving at such a decision.

¹⁵ Refer to *Assessing for Excellence. A Practical Guide for Self Assessment*. Published by the EFQM, Brussels, 1998.

Companies can find out which approach may be most relevant for them by benchmarking with other 'similar' organisations to see which approaches and methods they have deployed, or they can refer to some of the guidance evaluation tools provided by the EFQM such as Pathfinder Card ®. Pathfinder Card is an assessment tool, designed as a set of quick questions undertaken during the self-assessment process to help identify opportunities for improvement ¹⁶. In brief, some other self-assessment approaches include for example the Award Simulation Approach, whereby a full submission document must be written for the entire organisation or unit. This approach provides a comprehensive way in which to self-assess but is more suitable for more mature organisations. A Pro-Forma approach involves creating a set of pro-forma's e.g. one page for each criterion part, totalling 32 (re. the 1998 version of the model) in all. Each page is headed with a Criterion and must include sections covering strengths, areas for improvement and evidence for both. The self-assessment document is put together by individuals or teams from within the organisation and scored by *trained* ¹⁷ assessors. The EFQM advocates that a particularly well-constructed set of pro-forma's is especially useful for addressing the Enablers Criteria i.e. Leadership, People, Policy & Strategy, Partnerships & Resources and Processes. Larger companies and organisations may collate such pro-forma's from several business units, thereby creating a visual pool as it were, of the common strengths and areas for improvement identified. This strategy can be reviewed and organisation-wide improvement plans thus developed and repeated as part of the continual improvement process. Benefits of using a Pro-forma approach include: the provision of fact-based evidence, provision of a list of strengths and weaknesses for driving the identified improvement actions, scoring profiles can be close to the Award simulation approach as regards accuracy and pro-forma can potentially involve people from varying functions and levels in the data gathering process. Disadvantages to pro-forma include: alone, the collection of pro-forma's is not able to fully cover all relevant issues within an organisation because they represent only a summary of the current position, also poor data gathering may endanger the overall relevance of the outcomes (although all approaches are potentially at risk of poor data gathering).

Other approaches advocated by the EFQM for example, include a questionnaire approach, a matrix chart approach and a workshop approach. None of these approaches are not the same as each other but vary according to possible accuracy of scoring, depth of knowledge of the EFQM Excellence Model required to use the approach, necessity of a site visit, requirement of trained assessors and a difference in the levels of resources needed in the adoption of that specific approach.

In order for organisations to be in a position to estimate or make a decision about an approach they must not only consider the accompanying list of advantages and disadvantages but also ask themselves fundamental questions such as which identified strengths do we need to maintain, which strengths must we develop, which improvement areas must be identified and pursued, how will progress be monitored against the agreed upon improvement actions. Organisations should be able to select the appropriate method or approach once they have answered these basic questions and once consensus has been reached regarding approach fit.

The EFQM model is also used by some companies to structure and plan their own control cycles and can be therefore seen as a business concept within itself. To exemplify, the Dutch Quality Award and Decoration founded by the Dutch Ministry of Economic Affairs has taken the EFQM's Excellence Model as its base, and expanded upon it by adding five what it terms as, "development phases". These five phases include; product orientation, process orientation, systems orientation, chain orientation and total Quality. These phases are clearly defined and based upon solid specifications and help assist those organisations using them (Holland Car, PTT Post, Nashuatec etc.) in identifying or characterising the overriding *orientation* or phase of development, at a particular point in time. These developmental phases are accepted as a business concept which encourages discussions between top level and middle level

¹⁶ Refer to The EFQM Excellence Model 1999, published by the EFQM, Brussels.

¹⁷ Trained as an Assessor – this involves attending workshops and training courses provided by the EFQM.

management whilst supporting and structuring the planning and controlling activities within the organisation (Hardjono et al, 1996).

2.3 ISO Standards

Overview

The final part of this chapter introduces the important topic of international standards, citing some of the most common business standards deployed by today's organisations. This sub-chapter also discusses the ISO 9000+ range of standards and their connection and aptitude in the achievement of business excellence.

What are Standards?

The International Organisation for Standards defines standards as agreed documents that contain specifications (precise criteria) that are designed to be used consistently as guidelines or rules, or as definitions of characteristics. Such standards ensure that products, materials, services or processes are fit for their purpose¹⁸ i.e. standards ensure suitability through reliability and effectiveness of services and products.

Who are ISO?

The International Organisation for Standardisation (ISO) is a world-wide federation of national standards bodies coming from over 130 countries¹⁹. ISO is a non-government organisation that was established on Feb. 23rd 1947 to, "promote the development of standardisation and related activities in the world with a view to facilitating the international exchange of goods and services". Another of ISO's main aims is to, "develop co-operation of spheres of intellectual, scientific, technological and economic activity" (see Footnote 18). The very name itself, ISO, which derives from the Greek *isos* meaning 'equal' is part of the organisations philosophy of an equality for the business world, through standardisation. ISO consists of members who are divided into one of three categories; *member bodies* are a national body which represents the standardisation in that country e.g. the BSI or British Standard Institute, for the United Kingdom, *correspondent members* can be a organisation in a country which has not yet fully developed its national standards - their involvement in policy work with ISO is limited and *subscriber membership* for those countries with small economies. Members inform interested parties in their countries of standardisation opportunities and activities, they also represent their own countries interests re. standards agreements and negotiations and support ISO operations through payment of subscriptions.

What does ISO do?

The work that goes into the preparation of international standards is usually carried out by or through the ISO technical committee. These technical committees are decentralised and make up some 2850 individual committees, subcommittees and working groups. These committees comprise qualified representatives of industry, research institutes, government bodies, consumer agencies and international organisations – each year over 30 000 experts take part in meetings concerned with standardisation. The International Standards Organisation covers areas including all technical fields (apart from electronic engineering).

Three main phases exist in the development of standards. The first phase begins after the recognition and official agreement of the need for a standard – it includes defining the technical scope i.e. the parameters, for the future standard. The second standardisation phase includes a negotiation stage where individual countries discuss and negotiate specifications within the proposed standard, this is termed the consensus-building phase (refer to Footnote 18). The final stage involves the official approval of the resulting draft

¹⁸ Source internet: internet address: <http://www.iso.ch/infoe/intro.htm> on 20.12.00

¹⁹ Source internet: internet address: <http://www.nsaicert.com/> on 19.12.00

International Standard. In order for a draft to be accepted, a two thirds majority of the ISO members (who have actively taken part in the creation of that standard) must approve plus there must be acceptance by 75% of *all* ISO voting members – after this phase, the agreed upon text is published as an ISO International Standard²⁰.

When ISO refer to *consensus* they mean that the interests of all groups are considered, from manufacturers through to end users of the product or service. The world-wide nature of ISO is also paramount as it is recognised that global solutions must satisfy industries and consumers alike. As International Standardisation is market-driven i.e. the market defines what standards are needed now and likely to be required in the future, it relies on voluntary involvement from *all* interested parties. As with all processes of improvement, developed standards must be regularly reviewed and updated. This usually occurs in 5-year cycles, but some standards require an earlier evaluation. ISO's current stand on standardisation work equals some 12 000 International Standards.

Why are International Standards necessary?

When non-harmonised standards exist i.e. standards that are not in synchrony with one another, this can lead to what is called a technical trade barrier. Technical trade barriers are exactly what they say, barriers to the international trading process, which is an essential ingredient in a successful global market economy. There are many important reasons why international standardisation is necessary. One reason is that free market economies promote very diverse supply sources and allow opportunities for growing markets. Technologically, competition in the market place must be fair and it can only become fair when identifiable through defined common references that are recognised by all participating nations. Standards that span industry and are internationally recognised create a platform through the consensus developed by the trading partners, for a common language of trade. A second reason why international standardisation is necessary is that world-wide communication systems benefit from them. For example, the computer industry is perhaps the fastest expanding sector today and therefore requires a progressive, globalise standardisation. When open systems are fully compatible a healthy state of competition between producers exists and of course offers a wide range of options to its users – these creating acting a strong catalyst for innovation and creativity, improved products as well as reduced costs.

What have ISO produced?

The range of ISO standards is very lengthy covering a wide variety of industries, as previously mentioned over 12 000. To exemplify, in 1922 an original standard for paper sizes was published by DIN (*Deutsche Industrie Normen*, Germany Industrial Norms). Today ISO 216 is an internationally used standard for paper size – standardised paper sizes promote economies of scale which produce cost benefits for both consumer and producer. The universal system of measurement, known as the SI (Système international d'unités) is a system that includes such measurements as m (metres), kg (kilogram), s, A, mol and cd, and is covered by 14 International Standards. Absence of these standards would lead to rather haphazard shopping and trading - development of technology would also be greatly hindered (see Footnote 18).

Amongst these many standards is the ISO 9000 which has proved internationally important for businesses as it provides them with a Standard and a framework for quality management and quality assurance. It is reported that up to and including 1999 over 70 000 companies in 75 countries were registered with ISO 9000 standards (Chin et al, 1999).

2.3.1 DIN EN ISO 9000 – 9004

As its very name suggests *DIN*=Germany Industrial Norm, *EN*= European Norm, *ISO*=International Norm, this Standard family is an International one. For any organisation, business, unit or company

²⁰ Refer to *Environmental management systems - Specification with guidance for use. Foreword* Published by ISO, Reference Number ISO 14001:1996 (E), First Edition 1996-09-01.

wishing to apply a comprehensive Quality Management System DIN EN ISO 9000-9004 must provide the fundamental groundwork. This standard was created in 1987 and revised in 1994 (Pun et al, 1999). The standard ISO 9000 family or series can be divided into 5 separate but inter-related parts:

DIN EN ISO 9000 (guidelines for selection and use, application, dependability programme management): is seen as the point of orientation and reference for the entire group of norms. This norm indicates the choice and level of implementation of each of the norms which should be formerly written and met by the organisation. It also deals with the further evaluation of Quality Management Systems i.e. the functional use of documentation, as well as the current state of quality management – so it sets the entry level at which the 9000 family can be applied. Also included in DIN EN ISO 9000 are guidelines for the implementation of DIN EN ISO 9001, 9002 and 9003. It is important that the persons or groups responsible for implementing the norm, have a sound understanding of the relationships, precision and clarity that exist between norm implementation and norm requirements i.e. the norm does not deliver a complete list of requirements but rather provides guidance in the implementation of DIN EN ISO 9001, 9002 and 9003.

DIN EN ISO 9001 (models for quality assurance and quality systems): Contains the demands or stipulations on quality assurance and the definitions or explanations behind it i.e. the rationale behind the quality system that is to be communicated to the external world i.e. to the organisation. Standard 9001 gives practical guidelines to help the organisation establish and maintain a documented quality system for meeting customer requirements.

DIN EN ISO 9002 and DIN EN ISO 9003 (models for quality assurance and quality systems): Have similar goals to 9001 but concentrate more on the minor activities taking place within the organisation i.e. the micro activities. Standard 9002 helps organisations establish and maintain a documented quality system.

DIN EN ISO 9004 (guidelines for quality management and quality system elements): Provides instructions for Quality management on the general elements of quality management. These include the development and the realisation of a comprehensive and effective internal Quality Management System (QM-system). Such a system can only be created and influenced through the formation of organisation-specific goals, products, processes and procedural instructions. The norm 9004 also provides an explanation of the basic terminology, understanding and indications for management responsibility toward the individual Quality Management elements, pointing also to the financial considerations that need to be addressed in the QM System. DIN EN ISO 9004 also makes reference to quality in marketing, the interpretation of quality, quality of findings, processes, process control, product checking, test material monitoring, controlling of defective products, proofing measurements, post-production tasks, quality related documents, personnel, product security and finally use of statistical methodology (Brauer and Kühme, 1997).

2.3.2. Relevance and Usage of the ISO 9000+ Standards for Business Excellence

As businesses, whole industries and business sectors strive to achieve business excellence through improved quality, the number of management tools and quality methods including amongst others, quality function deployment, zero defects programme, Kaizen etc. are able to provide the means and methodologies for companies to continually improve their business standards. Indeed, according to Sun (1999), the improvement of quality is of paramount importance for, "nearly all manufacturing companies in the world".

The ISO 9000+ family is just one of those available management instruments that provide companies with a quality method and a standard for achieving business excellence and recognition. But, is ISO 9000+ enough on its own, or should organisations be combining it with other quality methods? The use of ISO 9000+, either in isolation or in combination with TQM methods, deserves some discussion. Is it the

case, for example, that specific industry- types underlie the usage of particular quality methods? Is there even a fundamental difference, for example, amongst industrial sectors' implementation of the individual parts within the ISO 9000 series? Leung et al (1999) showed a preference by the construction industry in Japan, for implementing ISO 9001 over implementation of ISO 9002. Is there a cultural difference to be seen in the use of quality methods? Sun (1999) conducted a survey which revealed that indeed choice of quality method is influenced by cultural differences. In Sun's research, participants from 20 countries and some 600 companies were asked to evaluate the extent to which ISO 9000+ had been implemented in comparison to TQM in their organisations and what the contribution of ISO 9000+ and TQM had made to the improvement of quality within those companies. Research results showed that North American and Japanese companies tended to favour TQM methods, whereas their European counterparts showed a preference towards implementing ISO 9000+ standards. But which method was the best or the most effective way of improving quality? Sun's results suggest that implementing ISO 9000+ in isolation, is *not* the answer to the quality problem, but rather that implementation of a combination of quality methods e.g. TQM plus ISO 9000+ may prove to be the most beneficial. One criticism of Sun's research is that, participants were asked to evaluate the benefits of the implemented quality methods after just two years. One of the drawbacks of many quality methods is that they may take several years to be correctly implemented, actually work and begin to show tangible benefits. Two years is a very short evaluation time and probably not long enough for all organisations to show significant improvements in quality. The question still remains, why do so many organisations across the world seek ISO 9000+ certification? If one takes a look at the list of pros and cons associated with the ISO 9000 series, some reasons for the popularity or non-popularity of these international standards, may come to light.

The benefits of implementing ISO 9000+ are of course affected by organisational size, industrial sector etc. However, high on the list of advantages to gaining ISO 9000+ certification, is that certification gives organisations the competitive edge (Sun 1999). Organisations concerned with achieving and demonstrating excellent performance are seeking in greater numbers than ever, ISO certification. One important factor for ISO 9000+ implementation, as indicated by Leung et al (1999), is that it is not expensive (although this is surely influenced by other factors such as organisational size). Some companies have reported after implementation reduced delivery times, increased quality, enhanced communication with customers and sub-contractors (Leung et al, 1999).

As with any quality management system or methodology, disadvantages with the ISO series can be found. The costs of implementing ISO 9000+ have outweighed in some circumstances, the benefits. One criticism is that ISO 9000+ is regarded as not sufficiently focusing on control of product quality (Sun 1999) – and this could surely be problematic for manufacturing organisations. Some companies have also reported that this standard series may not be suitable for smaller organisations (Leung et al, 1999) – perhaps due to an imbalance of the cost-benefit ratio. Hardjono et al (1999) report on a European study which revealed that some organisations tend to attach certain bureaucratic and mechanistic characteristics to ISO certification and find also that the certification process lacks attention to the human aspect.

Despite the perceived disadvantages, many organisations use the ISO 9000 models and guidelines as a valuable part of their quality management. They are able to see a quality based system such as ISO 9000+ as providing them with a way of demonstrating to their customers, suppliers and other partners, that internationally recognised standards have been implemented in *their* organisation (Hardjono et al, 1996) – this is of great worth to them. In addition to this, companies achieving certification appear to the outside world, to be able to define their processes and perhaps more importantly (in the light of change processes and the need for adaptability), be able to discipline and control their organisations activities. ISO 9000 allows a form of standardisation or uniformity to take place. Some critics of ISO 9000 advocate that this *uniformity* does not take into account, the needs of individual companies – a reply to this is that the ISO 9000 series are designed as a comprehensive set of guidelines and models and are supposed to be expanded and built upon by the organisation as part of their efforts towards improved performance and reliability. It may possibly be those organisations who try and adopt ISO 9000+ as an ultimate goal in

itself, rather than looking to learn from the ideas and philosophies that it advocates, who are most critical of the standard. Organisations who, on the other hand, seek quality assurance inspiration from more than just one source i.e. who are able to combine various quality management methods and initiatives, seem to be the most satisfied and best able to gain the most from implementing the standard series ISO 9000.

Conclusion

Chapter one described the setting in which this investigation into manager behaviour, change processes and work optimisation, takes place. It summarises the crucial issues that were considered at the outset of this research and furthermore provides an essential background of information that is required for a full understanding of the connection between business models and change, work performance measurement, international standards, and Total Quality Management, the latter of which is the subject covered in chapter three.

CHAPTER 3: TOTAL QUALITY MANAGEMENT (TQM)

Overview

Chapter three in this text concerns TQM, Total Quality Management, and is sub-divided into eight separate parts. The first sub-division deals with TQM, its philosophy and what 'quality assurance' means in terms of commitment, culture and cost. The second part handles several regional approaches to TQM including European, American and Eastern advances. The third part in this chapter then moves on to the benefits for organisations of deploying Total Quality management practices – here, case studies for both successful and non-successful implementation of TQM in two company's are provided as exemplary evidence. The fourth and fifth parts of chapter three deal with selected quality methods, highlighting as examples, two widely used quality techniques within organisations, those of i) Quality Circles and ii) Kaizen. Part six brings the issue of quality management awards into the arena, naming European as well non-European examples and, it closes finally with what are considered to be 'award-winning practices'. Finally, the issue of quality within the host organisation is discussed and one of the organisations own awards for quality, is mentioned. Prior to the conclusion of this chapter, the relevant hypotheses concerning quality are posed.

3.1 TQM – what is TQM?

Overview

This first breakdown of TQM focuses on several main aspects, including its historical background, a view on adopting different approaches towards TQM and finally regional categorisation or apparent variations (and similarities) existing between differing countries' use of TQM.

The search for new concepts to improve productivity, increase market success, profit and conditions for survival, have caused organisations to develop strategies for producing, monitoring and maintaining quality in management systems and management function. But what does maintaining quality in management *actually* mean in practice? How do organisations go about achieving and sustaining quality - in fact, how, do organisations even go about defining quality? Quality is an interesting concept in that its meaning, differs according to the particular needs and requirements of the individual, group or organisation defining it. Gibson et al (1994), believe quality to be generally accepted as, "...meeting customer and client expectations for product performance and service provision, with the source of measures and judgements of quality coming from customers and clients..", advocating that here, customers or service-users define quality. Polisotou (1997), describes the service industries as using *at least* five central approaches (often interchangeably with one another) when referring to quality, including; a transcendent-approach, a product-based approach, a user-based approach, a manufacturing-based approach and a value-based-approach. Rodrigues (1999), goes on to describes Juran's definition of quality as comprising at least two dimensions, that of product performance resulting in customers who are satisfied, and freedom from product deficiencies, which enables avoidance of customer dissatisfaction. Members of the chemo-pharmaceutical industry claim quality as the manufacturing of something that is *better than average*, it is about producing something that is outstanding, something special, something that is worth a great deal i.e. a product that is often, especially pure, extremely durable, easy to care for and lasts a long time (refer to Qualitätsgrundsätze und Qualitätsstrategie in Bibliography).

The concept of Total Quality Management or TQM as it is usually referred to, has been a familiar acronym used by management in organisations for several decades now and is concerned with the creation of better, more effective and efficient ways of accomplishing employee and customer satisfaction and in general a better working environment. At this point it is necessary to distinguish between Total Quality Management and Quality Assurance. As has often been the case, one has become interchangeable with the other, despite fundamental differences in their underlying concepts and motives. *Quality assurance* (QA) is more oriented towards the assurance of service and product quality in certain areas of

the organisation and tends to be designated to selected professionals and managers, whereas *TQM*, although also touching on product and service quality, involves more the people or employee aspect, and does normally extend throughout the whole organisation. Total Quality Management also includes societal and competitive aspects, which are not generally found in QA approaches to management.

Assuring quality in the organisation is the kingpin behind Total Quality Management and has become more a way of life, a way of thinking for 21st century management. The key factors for success lie within the comprehensive quality management programme in the organisation, Laszlo (1999); Hummel and Malorny (1997). More modern approaches to TQM have produced quality management systems, shortened to Quality Management (QM), which advocate quality as being an integral part of management activities and systems of management, within the individual organisation. Inevitably, it must be emphasised that QM is more than just a collection of tools or techniques providing either support or enhancing internal processes towards product or service excellence, but QM is also a means for managing people. Only when establishing an organisation-wide or global *quality* thinking as well as an adequate training in quantitative and qualitative methods (for transfer), is a comprehensive quality programme at all possible.

Organisations that are searching for ways in which they can improve performance and product must have, or at least strive to have, a culture that deals effectively with change. Quality Management is synonymous with "doing things more effectively", thus being able to cope with change (in order to be able to improve upon the *old* established way of doing things) has to become a way of life within the organisation that wishes to implement this philosophy successfully. The importance of the *people aspect* of QM becomes apparent when one considers the willingness, or non-willingness of employees to accept such a philosophy, and therefore the changes that it may bring. Employee acceptance will set the change niveau and the pace at which goals are achieved, therefore, employee commitment to the approach is absolutely vital. Another very important aspect of acceptance of change at the organisational level, is *how* the organisation reacts to failure to achieve those goals mentioned – this will be covered in greater depth in the chapter dealing with change ¹. Suffice to say, inability to deal with failure or *use* failure effectively, can have disastrous effects on change processes and quality in general, within the organisation.

3.1.1 Different approaches to QM?

It is clear that different organisations use varying approaches to QM. This *has* logically to be the case, as organisations vary in size, number of employees, services, products, management structures etc. to name but a few – therefore, adopting a universal method for QM would not only be highly inappropriate, but also highly ineffective. The key factors that drive any quality programme, regardless of which particular approach is selected, form the basis of a successful or a non-successful implementation. Naturally, differing schools of thought on *what* such success factors should comprise, exist. For example, it has been suggested that the critical success factors, or QM *drivers*, can be grouped together into three groups, termed “the 3C’s of success“ (Laszlo, 1999). The three C’s include; commitment (micro and macro, involvement at all levels within the organisation), culture (responsibility at the social level, doing it the way that *this* particular company does it, which invariably differs according to individual company philosophy, vision and culture) and cost (the costs, financial and other, of implementing the quality management programme, not forgetting the costs of non-implementation):

3.1.1.1 Commitment

Management generally recognise that there is a need to meet the expectations of customers in terms of quality of services and products, and typically, the importance of being aware that that the main objectives behind the quality programme, are to facilitate such desired improvements in services and

¹ Refer to Chapter 7 *Change Management*, section 7.3.4.

products, as well as improve profitability. Therefore, not only gaining initial, but also maintaining commitment and support from management, is (or should be) non-problematic. Management have a *social responsibility*² towards stakeholders, employees, customers, suppliers and society, which by definition, involves being able to use leadership ability to convince or motivate *others* into sharing their view, mission or vision about quality management. It can be said with certainty that convincing those relevant *others* includes, invariably, following by example i.e. providing employees with managers who make good role models. The importance of *role model function* for managers and leaders, including the cultural context, will be explored in a later chapter³.

The initial step towards successful implementation of the quality programme means gaining management approval. In order for any major initiative within an organisation to be a success, *sustained* commitment from top management must be won. Senior management have many important functions within the organisation, one of which is to set up the strategies that will be used to achieve the goals and objectives of that organisation. Being able to mobilise a strategy includes being able to prioritise - this is also the case when seeking to implement the successful quality programme. Therefore, management seeking to ensure acceptance of any major cause, must include it within its strategic plans, setting clearly defined goals towards its attainment and later on, its maintenance.

A typical attribute of management is that it often requires good results fast (optimally yesterday) - unfortunately fast results do not usually accompany the implementation of a good quality programme (although *some* short term benefits will inevitably follow). However, it is more likely to be the case that the short and long term investment in quality will lead to long term results. Therefore, management need to be aware of, and patient towards, the gap between programme implementation and tangible results, which can sometimes follow several years. Management must also be aware that, although quality programmes promise much, they are not to be mistaken as the *cure-all* for all organisational problems.

The second phase in gaining commitment in the quality programme is, of course, the adequate provision of financial resources and support. Due to the complexity of QM, the how, where, when and how much financial backing is allocated, needs to be very carefully considered – decisions taken lightly regarding funds and fund allocation can have serious consequences on acceptance of the programme by either individuals or sectors within the organisation, and create, if left unguarded, a *politically hot potato*.

Management must at this point, make a crucial decision, which will become one of the major factors determining from early on, the acceptance level of QM within the individual sectors or divisions, as well as the greater organisation. However, it must not be forgotten that the complexity of the individual organisation, sector or industry will also determine how QM can be best delivered. Type of management structure also plays an important role in the allocation of resources.

One sensible, perhaps more democratic approach to the resources question, would be to simultaneously allocate resources to *all* sectors of the organisation – this would also mean diffusing such disparate resources, thus spreading the level of control and decision-making over them, to several individuals. Advantages of such a decentralised option would include a clearer general overview of resource allocation and in end-effect, a spread of decision-making or power-net over financial support. Providing individual sectors with power over resources transfers the level of social responsibility for resources to a more local level, which can win greater motivation and interest in QM. Creating local level funding might also facilitate competitiveness amongst groups (this can be evaluated both ways i.e. as a positive or a negative trait). The disadvantages of such an approach could include; that encouragement or facilitation of competitiveness between differing local level fund groups, might reduce the overall or *organisational emphasis* on achieving a common or commonly-owned quality i.e. might marginalise the depth at which an *organisational quality* becomes part of the company vision. Individuals or individual sectors might

² Refer to Chapter 8 *The Social Contract* (section 8.3).

³ Refer to Chapters 6 *Leadership Style* (6.2.2), and Chapter 9 *Cross Cultural Differences* (9.2).

experience the feeling that only *their* efforts count – this would automatically reduce the sense of belonging and a sense of the common effort in achieving the greater organisational goal. A third disadvantage might be that, sectors spending more resources on QM might, erroneously, be evaluated as doing better than sectors with a lower expenditure on QM. One does not necessarily imply the other. To exemplify:

*Sector A is lucky enough to have an employee who has designed a **super scheme** as part of QM that will save his/her sector lots of money, and improve customer satisfaction into the bargain – Sector B however, does not have such a wizard employee, but they have come up with an **extra super scheme** anyway, as part of QM. Unfortunately, Sector B's extra super scheme costs more than Sector A's super scheme, and the list of advantages for the customer are not as long, as those for Sector A's customer, BUT the extra super scheme will reach more customers than Sectors A's scheme.*

Which sector is doing better, the sector spending less resources on QM but achieving better results than before, or the sector spending more money but still achieving better results than before? It is impossible to tell. Experience has shown managers in industry that it is also unwise to reduce achievement down to sets of figures (despite the importance of those figures), qualitative as well as quantitative results must be taken into consideration in order to provide a balanced view.

Alternatively, one can centralise the QM budget, therefore narrowing down the decision or power of responsibility for resources, to a select few. Advantages of this option include a clearer overview of the resources and budget at hand, being controlled by just a few co-ordinators. General estimates, figures and reports on progress can be put together more quickly from a central source than from a decentralised one. The major disadvantage here is that employees might evaluate a centralised power or organisation over the QM budget, as a lack of trust or even faith in their abilities. This might lead employees to think that the QM programme belongs more to managers and white-collar workers within the organisation – is something that doesn't necessarily concern them. Non-inclusion of employees at any stage in QM, can not only reduce motivation and commitment, but also lead to serious problems in acceptance and *ownership* later on.

As previously mentioned, an important part of QM is the appropriate training of *facilitators*, who guide and support implementation of the QM programme, throughout the organisation. Therefore, resources for training need to be mobilised, and specific appointments identified for when the individual QM projects will be evaluated. The role and responsibilities of the QM facilitators is wide and includes the monitoring of employee skill levels concerning their knowledge, know-how and use of quality tools within the organisation, and provision of just-in-time training as the need for it arises.

These in-house facilitators provide assistance or guidance for others in the organisation, on the differing aspects within the quality programme – this is usually carried out using a series of steps or phases, which inevitably come into line with the higher goals and priorities of the organisation. QM facilitators hold such a vital role within the programme because they mediate between the QM programme and employees who will be faced with unfamiliar situations and changes in the workplace – in this respect they can be seen as the *quality drivers*. Guidance and monitoring of employees into the programme is of course fundamental, and if approached in the wrong way, can quickly lead to lack of enthusiasm for the programme, by employees. The monitoring role in the QM programme should therefore, not be underestimated in its importance, indeed management itself can quickly lose interest in programmes that are not adequately monitored, as they do not provide a clear overview of progress being made. Because, monitoring plays such an important role within QM, facilitators must be selected carefully, and monitoring groups and steering committees should definitely always include a high percentage of facilitators who work full-time on the QM programme. This allows them to monitor the progress of change and the improvement of quality *over time* on an continual basis, which is an important factor for success. This, in turn provides the basis for the appropriate follow up.

Time, is also one of the key factors for success and management acceptance of the QM programme – this means management lend their commitment to the project with respect to time. Becoming fully involved in the project requires commitment to time i.e. taking the time necessary to implement small and large-scale change, this means of course management's *active participation*. This can be seen once again, as a point where the *relevance of Role Model function* comes in. Sometimes, QM facilitators have difficulties persuading management that time is a necessary investment. The old adage “time is money“ can be used here to demonstrate to management that time and training invested in the implementation of a Quality Programme, will be reciprocated or won back, in terms of improvements in efficiency of service quality and product. The familiar quality-time-cost triangle is seen by management today as the strategic weapon of competitiveness (Mayer et al, 1993). Such improvements lead to general organisational improvements in quality and of course enhance the organisations competitiveness in the market.

3.1.1.2 Culture

The successful QM programme must have an effect throughout the whole organisation, reaching *all* its members. This can inevitably only be achieved through teamwork, co-operation and mutual respect amongst and between employees, managers and associates. Such synergy is easily reachable through the facilitation of creation and innovation and a continual emphasis on continued improvement. The way in which change is handled is obviously paramount to the success/non-success of the quality programme ⁴. Of great relevance here also, is the way in which *error*, or inability to achieve goals, is handled or perhaps culturally determined, and this has a large effect on the learning process of individuals within the organisation. The importance of learning how to deal with or approach non-achievement (the preferred term) or “failure“, is an important issue and will be dealt with separately later ⁵. Continuous improvement involves management's state-of-the-art crisis management as well as the development or nurturing staff and employees who will want to actively seek a problem-solving *modus operandi* i.e. employees who have learned to self-monitor. Staff are more likely to want to air their problems or work-related difficulties in an environment that encourages acceptance of error, for example, by turning it into a learning opportunity for the future. It must also be said, that crisis management, by its very nature, can divert attention away from those factors of success that have been brought about through good business strategy.

The central message behind QM is the not so much the "doing things right" aspect, but rather the "doing things better" aspect i.e. innovation, and not necessarily tradition. Organisations embarking on the path to quality through continual improvement, will inevitably face some obstacles along the way. One such common obstacle is the attitude or idea, often fostered by some employees or managers who are not convinced about the necessity for change and continual improvement, "Well, *we* didn't invent it, so it doesn't apply to us". A second similar adage follows more along the lines of, "We've always done it this way", or "We're working perfectly well, why change things now?". Trying to bring about continual improvement in the light of such attitudes is non-sensical or at least extremely challenging. Employees and managers alike must first be convinced of, and really accept the reasons for, wanting to do things differently – otherwise the QM programme has little chance of success.

Organisational culture is multi-faceted, but perhaps one of the overriding themes concerning culture is that of *belongingness*. Employees at any level throughout the organisation, often experience a sense of loyalty towards the organisation, this is part of the greater order of things and helps sustain a healthy level of motivation for their job. Organisational culture provides individuals with the chance to work towards a common goal i.e. the goals of the organisation, as part of a larger team. Good teamwork naturally depends upon a sound understanding of the common goals, aims and objectives of the organisation. Goal clarity, understanding the essence of the programme and what it is trying to achieve, is vital for the achievement

⁴ Refer to Chapter 7, *Change Management and Organisational Effectiveness* (section 7.2.1).

⁵ Refer to Chapter 7, *Change Management*, see *Reactions To Failure* (7.3.4).

amongst employees, of a sense of purpose – a clear sense of purpose will also help avoid certain conflicts that might arise. Good team-building skills are also required to ensure a high level of communication - these attributes, amongst others allow successful achievement of work tasks and the daily job routine, “business as usual“, too function well in the workplace. Employees, seen here as the internal customer within the QM philosophy, need to work well together. Working together efficiently as internal customers leads to a common focus i.e. satisfying the external customer, after all each internal customer is inevitably an important link with the external customer. A second, equally important facet of organisational culture is that of mutual respect amongst all employees, so important because it aids the successful implementation of the QM program. Co-operation fits in quite closely with mutual respect, and the need and wish to work well as a team together, and is required at all stages of the program, from implementation to evaluation. Indeed, situation analysis is often used (Laszlo; 1999) to assess particular issues or themes within the program, and is carried out using an established set of valid measurements. The use of such situation analysis as a tool for evaluation, relies heavily on hard work and a strong sense of discipline, which are in turn facilitated by the synergy amongst employees which is created by mutual respect and co-operation. This analytical approach towards QM is used by organisations in differing situations, whether it be for people issues or issues of a rather more technical, logistic nature.

The typical QM approach dictates that once a situational analysis and appropriate measurements have been selected, considering guidelines and references from benchmarking should then follow. Inter-organisational as well as intra-organisational comparisons that take place as part of benchmarking, are extremely valuable and can provide important comparative information. Feedback and improvement groups within the program, need to operate using specific detailed plans. Follow up, is of course, essential and must be allocated to appropriate working groups, who should as fundamental to their function within the program, also include back up of the *is versus the should-be* results.

3.1.1.3 Cost

As previously mentioned, gaining top management interest for a QM program may not be *too* difficult, but gaining their commitment to it, cannot only prove difficult to obtain, but even more of a challenge to maintain. All 21st century, forward-thinking organisations *must* operate today using very strict cost-control systems - expenditure, economic output is always something that can be improved upon, and is therefore, under constant scrutiny. Costs which are kept to an operative minimum enable organisations to increase their competitiveness – and for this reason, sometimes organisations may lose patience with quality programs, stopping them on the premise that too much expenditure has occurred without sufficient tangible results i.e. inadequate return on investment, is in the long term, intolerable. Management and employees alike, need, however to be convinced of the fact that the quality program can and must withstand overriding financial scrutiny – it must be evaluated for what it is i.e. a worth-while investment.

The cost issue can, however, be seen as an advantage, when considering that increased quality leads to minimised inefficiencies in general. Management may emphasise the value-added aspect gained when encouraging employees to evaluate their own behaviour and operations, which, when optimised, will provide benefits for the customer. The emphasis on self-monitoring behaviour in the workplace is an important part of many QM programs – parallels can be drawn between self-monitoring behaviour as fostered by QM programs, and the self-evaluation that is integral to Change Management Programs ⁶.

This approach comes naturally into line with the customer-focussed approach that most organisations adopt as part of their quest for overall improvement. The approach places the onus on all round optimal efficiency, starting from the smallest *seemingly* insignificant daily work routine operations, right up to direct customer service and production levels, whereby individual activities are seen as being strongly connected with the greater goals of the organisation.

⁶ Refer to Chapter 4 (section 4.4) and Chapter 7 *Change Management* (section 7.1.4.1).

Justification for the quality program can be found alone from the fact that it enhances or promotes improvement of internal processes and interactions – this is part of the on-going process of business excellence, excellence in terms of service and product – which is a major part of the greater organisation wishing to achieve quality. Management will certainly wish to know what the pay-back is for the large investment in the Quality Program is, in terms of time, training, finances etc. The measurable benefits include as mentioned previously, improved product and service quality, efficiency of larger processes and daily work routine, superior quality work methods and an excellence in terms of approach to *business as usual*, which involves more creation and innovation – all these enhance organisational competitiveness and chance of survival in an expanding and increasingly more unpredictable market. Benefits from quality programmes that are less directly measurable include the personal benefit to individuals, the improved communication between groups and teams, the increased job satisfaction and motivation experienced. Astute organisations are able, however, to monitor these less tangible, but equally as important benefits, through regular people and customer surveys. This is a useful method for keeping track of current *climatic changes* within the organisation, but is also useful for monitoring the positive effects and benefits induced by the program, which are a valuable part of quality public relations. Such surveys and climate-indicators should belong to the comprehensive quality program, being regarded as a vital part of the feedback and evaluation process.

It goes without saying, that commitment, culture and cost issues will have an effect on individual employees, in the way that they are able (or enabled) to function as part of the quality programme – they are inevitably affected by the opportunities and constraints of the program. Equally, how (the art in which) these drivers are implemented will, to a certain degree, determine how the quality management program is, on the whole accepted, and this can be observed in the changes seen in the collective behaviour, during and after its implementation.

3.2 A European or a Universal Approach to TQM?

Interesting here, is the question of whether or not geographical situations make a difference to QM approaches being used by organisations. If organisations are using different individualised QM systems are they taking into account geographical or cultural differences? Is there such a thing as a European, an Asian or an American approach to Quality Management, and if the answer to this question is ‘yes’, then what in essence, are the differences between these systems - or put another way, what common elements can be found amongst them? Krüger (1999) suggests that during the 1990’s three distinguishable geographic regions have been influencing Quality Management Systems, namely those of Europe, America and Japan. He suggests that these three areas can be highlighted as “areas of action“ where noticeable development in TQM have been taking place. If one takes a chronological/historical look at the development of quality across these three continents, one can identify a clear pattern of events that unifies them into a rather special triad.

3.2.1 Germany

In Germany during the C12th, for example, *guilds* were developed by groups of craftsmen of particular professions, whose interest was to protect not only their product but also their profession. These guilds provided for those who were able to join them, not only competence, but also membership, training and quality. Craftsmen were only allowed to run a business on their own once they were had their certificate of qualification (*Befähigungsnachweis* – the literal translation being “proof of ability“). So with the event of the guilds, both craftsmen and consumer were protected. Later on into the C20th, infact since the German Reunification in 1990 and the demise of the Iron Curtain and the Cold War, the German government has created an institute called the Treuhand. The Treuhand, “promotes structural adjustments in the former GDR economy to meet market requirements by developing potentially viable firms into competitive enterprises and then transferring them into private ownership“ (Krüger 1999).

3.2.2 United Kingdom

Britain, like Germany, also saw the development of guilds during the C12th. Groups of craftsmen were established to carry out early forms of quality control within their own professions. During the Industrial Revolution in the C19th the British population was on the increase - manufacturing was also on the increase as was the demand for highly accurate mass production. William Gosset (1876-1937), a mathematician, was one of the first scientists to lay down the foundations for statistical quality control. Gosset was working as a brewer in Dublin and was concerned with identifying the relationships between the quality of the raw materials used in the brewing of Guinness®, the conditions for its production and the quality of the product. During C20th, the British Standards Institution released their first standard on quality control (Morrison, 1990). As a result of post-war consumerism, volume requirement led to the training of professional statisticians, who worked on the development of statistical techniques and quality systems. Despite developments in the area of professional statistics, it was not until 1983 that the British government published in a White Paper its *Standards, Quality and International Competitiveness*. This paper sought to further facilitate the development of quality systems according to the British Standards 5750.

3.2.3 United States

In the United States of America however, the quality picture looks quite different, having begun much later on than those European nations mentioned, but nevertheless having produced in a shorter time-span, such great advances in quality, such as that of Taylorism. The quality issue begins in America in the C19th with the boom of large department stores and a post-industrial-revolution increase in production. This increase in production led to the creation of assembly lines, or conveyer belts, which allowed factory workers to perform their work tasks along a moving line. F.W. Taylor (1856-1915), a mechanical engineer, had already had revolutionary ideas about scientific management systems, one of which was to separate the planning of work, from work execution. He was of the opinion that ordinary workers were not in a position to i.e. did not have an adequate training to, be able to estimate or judge what comprised a days work, or indeed what order the work itself should be carried out in. Taylor's separation of task planning and task execution led not surprisingly to an increase in production levels – however, it led also simultaneously to a decrease in quality. As a result, it was deemed necessary to install a separate inspectorate, whose task was to centrally plan through inspection, quality. Such inspectors were appointed on a full-time basis. They planned or established standards for a days work, dividing them into single units or single job-tasks (Baker, 1988). Workers who performed their work using this piecework system were paid according to their actual performance i.e. the more they produced, the more they were paid - this can be seen as one of the earlier forms of performance-related-pay, as we know it today. As a standard, workers were supposed to meet at least the days quota – if this quotient was reached, they were paid a certain amount per production unit. But, if a worker exceeded the daily standard quota i.e. produced more than the daily quota, he or she was paid an extra bonus for all extra units produced. This obviously provided the workers with an extra incentive to produce more, which provided not only themselves with a direct benefit, but of course provided the factory with improved production levels. All reward systems include with remuneration, a penalty system, for poor or inadequate work – this system was designed to help avoid production of faulty or defective goods. One major drawback of this early system was that workers who operated the system, were not in a position to fine-tune or appropriately adjust it, that is, they were not provided with the means to do so. As a consequence, defects and faults in the system became a heated point of discussion and nobody claimed responsibility for them. So this early system produced quantity at the expense of quality. Products were produced in each functional department, then delivered on to the next department. Quality was only then inspected for at the end of the process, where acceptable or "good" products or completed units, were separated from faulty or "poor" products. Despite quality only being controlled for at a late stage in the production process, it was nevertheless, being controlled for. This earned products coming from America the reputation of being of a

high quality. Taylorism functioned, so long as competitors practised it to the same standard. However, during the 1970's this standard changed as Japanese competitors were able to engineer a higher quality of product at a much lower production cost than those of their American counterparts. This led to an influx of Japanese products onto the American markets, and a decrease in demand for American produced goods.

A further drawback of Taylor's method was that he had assumed, probably incorrectly, that supervisors and workers what not able to plan their own work processes, due to a lack in technological education. One might also argue at this point, that exactly *those* workers who faced those particular problems associated with their work tasks on a daily basis, might be in a rather good position to be able to analyse where faults lie and where possible areas for improvement might be able to be introduced. As a consequence of Taylor's oversight, the task of planning and inspection was left to specialists. Despite these drawbacks to the system, Taylor's ideas firmly planted the ideal of *detection* , and his concepts remain right up until the C21st a base and standard for management in the United States.

3.2.4 Japan

As with America, Germany and the United Kingdom, Japan also experienced a boom in demand for consumer goods after the Second World War. Post-war industrial production levels in Japan were abysmal, reaching no more than 10%. Due to the increase in demand, producers were literally forced into improving their products in terms of quality in order to not only meet the customers needs and expectations, but to also ward off growing European and Non-European competition. As part of the post-war rebuilding of industry and market, the MITI (Ministry of International Trade and Industry) was established in 1949 to assist, especially in a diagnostic sense, in the rebuilding programme. Issues such as legal regulation, tax incentives and administrative guidance were high on MITI's agenda. The Japanese, being in a unique position, in terms of having next to no natural resources i.e. no iron, coal or even wood, soon realised the great importance of quality for the future success of their industries and markets (Fukukawa, 1990). Japan did experience difficulties in finding its way to quality, one problem being too strong a concentration on statistical tools. A major development however, was that control over quality was deemed to be the responsibility of top management, and not simply part of the post-production quality inspection. This was shown to be a significant step towards total quality control.

An important event took place in 1950 at the Japanese Union of Scientists and Engineers (JUSE), when W.E. Deming, an American, was invited to speak about his concept on Statistical Process Control (Kaoru Ishikawa, 1986). Demings ideas about quality majorly influenced the Japanese concept of quality, and in 1951 the historic Deming Prize for Quality Control was established – this highly sought after prize is still awarded today, to those companies and businesses who successfully practise total quality (for a detailed description of the Deming Prize refer to (see section 3.5.2). Since the 1980's American and European markets have experienced an increase in Japanese penetration, especially in the areas of electrical goods, cars and industrial machinery. As a response to this Eastern penetration, Western markets concentrated more on technical innovations, making great use of the computer revolution which began at the end of the 1980's. Computers were able to provide rationing of quality control through automation and the detection of defects through computer-controlled inspection equipment. This offered *some* improvements in the accuracy of products, but was not the answer to the whole quality problem.

It is only during the last two decades that Western management has come to realise that total quality must incorporate cultural change at a corporate level. This change *must* be management led and of course customer-focussed. In contrast to the relatively late Western realisation that quality involves everybody, the Japanese had already developed their concept of organisation-wide quality as early on as the late 1950's, where courses in quality were already being offered in educational institutions (Krüger, 1999). The overwhelming success of Japanese companies over the last twenty years, coupled with the increased penetration of the Japanese into the American and European markets, indicated that the Western ideal on

product and services, was no longer able to meet customer expectations and needs. However, Japanese products and services *were* able to meet these needs. For example, Japanese automobiles have attracted a reputation for good quality, especially in terms of reliability and breakdown statistics. The ADAC, a German automobile association publishes regularly a list called the *Pannen-Hitliste*, or translated the Breakdown Hitlist, which shows the number of official breakdowns per 1000 cars in one year, on German roads. Cars constructed in the years 1994, 1995 and 1996 were rated i.e. cars that were six, seven or eight years old – these cars totalled 10'000 vehicles. The statistics shown in Table 1 (next page) are the average breakdown figures for all three stated construction years ⁷:

Table 1. Breakdowns per 1000 vehicles per year

Car Class	Car make	Position in Hitlist	Percentage per 1000
<i>Small</i>	VW Polo	3rd	13.2
	Mitsubishi Colt 2nd		12.2
	Toyota Starlet	1st	8.7
<i>Low. Middle</i>	Nissan Sunny/ Almera	3rd	12.8
	Honda Civic/CRX	2nd	11.6
	Toyota Corolla	1st	11.2
<i>Middle</i>	Audi 80/A4	3rd	16.1
	Mercedes C Class	2nd	11.3
	Toyota Carina	1st	10.5
<i>Upper Middle/Upper</i>	BMW 5	3rd	23.0
	Audi 100/A6	2nd	21.0
	BMW 7	1st	19.6

Table 1 shows us that, for example, in the Automobile industry, Japan is a clear leader in quality when it comes to vehicle reliability. In the car ranges small and lower middle, Japanese cars dominate the first two and the first three positions respectively, as being those cars with the lowest numbers of breakdowns per 1000 vehicles. Also in the middle car range, the Japanese car occupies again, the number one position for least breakdowns, therefore achieving the highest reliability per 1000 cars. However, in the upper-middle to middle range, German cars seem to occupy the top positions. It interesting however here to notice that the percentage breakdown rate for the German cars lies a good 10% over the best Japanese breakdown figure per 1000 cars – the next best German breakdown rate also lying 11% higher than the next best Japanese breakdown figure (see Table 2).

⁷ Source, ADAC in the Internet, Internet address: <http://www.adac.de/cgi-bin/adac> on 3.11.00

Table 2. Comparison of German vs Japanese Vehicle breakdown statistics (in %)

Top Japanese breakdown figure:	8.7% (per 1000 cars)
Top German breakdown figure:	19.6% (per 1000 cars)
Bottom Japanese breakdown figure:	12.2% (per 1000 cars)
Bottom German breakdown figure:	23.0% (per 1000 cars)

Table 2 shows the substantial difference between Japanese and German breakdown figures, seen as a percentage. This shows not only that Japanese automobiles demonstrate high quality in their levels of reliability in terms of breakdown, but also that that Japanese quality is of a very high rate, at least when examining a European comparison.

The Americans, in response to the Japanese advances in quality, launched a high-profile campaign of quality, designed for American companies, to improve their quality of product and production levels. A direct result of this was the creation of, in 1987, the Malcolm Baldrige National Quality Improvement Act (Public Law 100-107). This law basically indicates the need for American enterprises to, “improve their product and service quality”. Indeed, the enormous importance that quality now has on American business success has even been focussed on by American Presidents - ex-President G. Bush stated in one of his speeches at the Malcolm Baldrige National Quality Awards in 1992, “dedication to quality and excellence is more than good business...it is a way of life...it is offering your best to others” (Krüger 1999).

3.2.5 Differences in Quality across two continents

A study carried out by Van der Wiele and Brown (1999) has also highlighted differences and similarities between European and Australian companies in their approach to Total Quality Management and self-assessment. Their study compared total quality management practices between the two continents. The authors found differences in how self-assessment practices were used, for example, they were able to identify three distinct approaches as used by the European companies, namely those of the assessor-driven approach, management-driven approach and an employee-driven approach. In contrast, the Australian companies were using four different approaches, namely those of the assessor-driven approach, a management-driven approach, a tools/techniques-driven approach and a fourth top-management-driven approach. So, the Australian companies seemed, at least in this study, to be separating management-driven from top-management driven approaches, whilst not including employee-driven approaches at all in their quality practices. The authors offer explanation of their finding in that self-assessment in Australian companies seems to be treated more as a management issue necessary for the strategic aspect of business planning. It seems that organisations are very concerned with developing a link between the self-assessment criteria, the business policy and business planning. The European companies leading the way in the field of business excellence started self assessment procedures from the bottom of the organisation by initiating internal assessments in line with procedures described in relation to award guidelines. The differences highlighted by this particular survey, can almost be seen as a top-down approach (Australian companies) versus a bottom-up approach (European approach).

It seems that total quality management is not something that can be bound necessarily by culture, but it is, and indeed has become over the last two decades, more of a universal business process and strategy. Quality control and importance of quality, surpasses not only cultural and national boundaries, but also type of industry or service, as well as company size i.e. quality is important for all organisations.

Adopting a universal approach to quality is useful in the setting of a universal standard, *but* the fine-tuning of the quality programme (an important key to its success in practise) must also relate to either the Western or the Eastern national business cultures, company size and particular type of industry.

3.3 The Benefits of Improving Quality in the Organisational Setting

Overview

In this section of chapter three, two case studies are set out, one describing the successful implementation of TQM by an organisation and one describing the reverse i.e. the non-successful implementation of TQM. This presents real 'live' evidence as cited by organisations and comments on those organisations experience of TQM.

It would seem that the list of benefits to the organisation that sets improvement through quality as it's highest priority, is quite lengthy. Economic advantages such increased profits and turnover, stronger position as a competitor in the marketplace thus improved survival chances; societal advantages through enhancement of public image, *corporate identity* or social responsibility; human factors such as higher levels of employee satisfaction through increased empowerment and being able to satisfy the customer needs (Stern 1995) increasing customer satisfaction, the optimisation of business processes or improvement in organisational performance (Terziovski and Samson, 1999); improved communication through a common underlying value system, are just a few of the benefits that can result from a good (effective) quality program. Caution needs to be paid however, to the fact that successful deployment of the quality program depends also on the quality program itself i.e. its structure, contents and its delivery. Significant differences in the relationship between Total Quality Management and organisational performance have also been found across industrial sectors and amongst different sized companies – these differences having a specific effect upon defect rates (rates at which faults in products are detected), warranty costs and on the innovation of new products (Terziovski and Samson, 1999). Therefore, perhaps it can be concluded that only certain quality programs have a positive organisational effect on certain companies, which supports the idea that an off-the-shelf program would not be beneficial to all organisations. This idea is expanded upon later on in this chapter. In most cases, the organisation must concentrate on a tailor-made quality program – organisational-fit being then, important for success.

3.3.1 Case Study Pro: Six Sigma™ At Motorola: All About Being The Best In International Markets

Using Quality To Lead

In 1994, the renowned, Robert W. Galvin was CEO at Motorola Inc., and therefore, the leader of one of the world's leading high tech companies. He was a leader in a class of his own, one who was unafraid of taking on the Japanese, or anyone else, who was competing in the international marketplace. It was Robert Galvin who was responsible for developing a sense of competition throughout Motorola. The company had, at that time a wish, like many other companies, to become the best in the world, or top of the market. Motorola intended to be *the* world producer of telephones, pagers, two-way radios, multi-communication products and many other electronic devices. Galvin has assisted the company into upgrading its quality, by improving its manufacturing processes through cost-cutting, whilst at the same time ceaselessly pursuing dominance of certain market niches. Motorola had also placed emphasis on supporting and carrying out research and development – it had also created new consortiums together with other leading companies, to try to win new foreign markets. The company had become a new major player in Japan's market through creating and developing high-quality products and strong effective public relations.

Galvin at that time, reported back regularly to legislators in the United States on the realities of international competition. He commented regularly on his own observations on developments in foreign competition – his main wish being, the ability to compete fairly.

Like the Japanese, Motorola has realised that improved quality not only speaks for itself, it also pays for itself. High quality costs less because floor space, equipment and people used for nothing, cost money. It was Motorola's wish to remain *lean*, whilst paying attention to the hidden costs of poor quality. The

normal facets of any reward and remuneration system, such as promotions, bonuses and salary increases were just as important at Motorola, as at any other leading company. However, one aspect that varied from many other companies, was that each was tied to quality improvement. Employees had now been made aware of the fact that better quality meant more rewards. Workers believed too that better quality, meant in end effect not only greater personal benefit, but also greater chances for success of the company in the marketplace. In other words, quality had become part of their living vision. Motorola employees were firmly convinced that teamwork, vision and reward were important in meeting the goal - of being the No. 1.

The question was, however, can *one* man/woman make a difference⁸? Is it possible to train leaders to be Galvin-like in their approach to quality? Galvin's approach did seem to be motivating, inspiring and directing the people at Motorola – the firm was, after all, a major competitor, a world class leader in international markets ranging from Northern Europe to Japan and South America. The goals of a tenfold reduction in defects, teamwork and the Six Sigma quality plan (Six Sigma (6σ) is statistical jargon for near-perfect manufacturing – a rate of just 3.4 defects per million products) had provided Motorola employees with a cause and with a mission. Motorola was not satisfied with *any* defects, which were shown in that *all* employees had wallet-sized cards stating Motorola's Six Sigma goals, in eleven languages. At management meetings, and at officer meetings the first topic for discussion was always Six Sigma and quality. During Galvin's leadership, Motorola had increased its spending on employee training to about 40%, or about 40 million dollars, spent specifically on developing employee skills designed to maintain and improve upon the Six Sigma goals. It is Galvin's true belief that Motorola can produce products that are virtually perfect. This emphasis on quality seen through Robert Galvin's vision of perfection, has won him and the company much attention, many awards and international respect for Motorola and its employees (Gibson et al, 1994)⁹.

3.3.2 The Costs of not improving Quality in the Organisational Setting

When a company does not concentrate on prioritising quality, it can be relatively certain that, either in the short or the long term, several direct/indirect negative effects will result. Especially in the light of events during the last decade at least, where quality, quality management and continual improvement, are the desire of most organisations, those organisations *not* following suit are at a distinct disadvantage and at the end of the day, will marginalise themselves. It is well known that through better quality processes, overtime, waste and error through defects are reduced (Hummel and Malorny, 1997). Non-optimisation of processes on the other hand, will lead to a higher rate of defects or faults in products, which in turn, costs the company some of its profits. Higher defects rates cost not only money, but also bring negative press from outside the company, which creates a poor external image – this can have damaging effects on shareholders, owners, suppliers, employees and not the least the customers. Dissatisfied customers also have the tendency to “go elsewhere” if their dissatisfaction is not quickly rectified. In effect, all those advantages that good quality management can bring an organisation; quality through re-definition of the company's goals, effective management and management development, greater employee orientation, improved customer-orientation, better supplier integration, strategy based upon the organisations' fundamental aims, the chance to improve and measure that improvement etc. etc., are not achieved, when quality is not made the first priority.

⁸ Refer to Chapter 13, (section 13.2).

⁹ Original Source, Fred. R. McFadden, “Six Sigma Quality Programs”, *Quality Progress*, June 1993, pp. 37-42. Based on Thomas A. Stewart, “How to Manage in the New Era”, *Fortune*, January 15, 1990, pp. 58-72; Lois Therrien, “The Rival Japan Respects”, *Business Week*, November 13, 1989, pp. 108-18; John Hillkerk, “Top Quality Is Behind Comeback”, *USA Today*, March 28, 1989, pp. 1-2B.

3.3.2.1 Case Study Contra: Counting The Cost Of Poor Quality

The Path To Quality Is Hard – Some Lessons To Be Learned

Dr. Joseph Juran, a Romanian, had left his country in 1912 to settle with his family in America's Mid-West. It was he who established the Juran Institute at Wilton, Massachusetts, America, the institutes' European headquarters being in The Hague, Holland. The Juran Institute had been selected to take part in a project funded by the European Committee for Standardisation (CEN) to assist Bulgaria, the Czech Republic, Romania, Slovakia and Hungary in identifying improvement opportunities in the areas of standardisation, testing, certification and quality assurance. One of the goals set out by the project was to evaluate sources of industrial competitiveness, which could be developed by each of those economies named, by reducing the costs incurred through poor quality.

Since Dr. Jurans participation in the European Organisation for Quality Conference ¹⁰, where he presented his, now world-recognised, methodology on cost reduction and quality improvement, his work has had a major influence on many of Europe's largest top companies, including Hoechst (Germany), KLM (Holland), Nokia (Japan) and Shell (US). It has been estimated that between circa 20-30% of national west European revenues, are lost through poor quality and waste – the corresponding rate of loss for east European revenues is even greater (Janssen 1997). This project was unique in its methodology: whilst data were collected and corresponding improvements were made at the company level, the information was used to access and make recommendations for each nation as a whole.

An initial step in the project was the development of a guide, laying out the specific method for identifying the cost of poor quality within an organisation. The cost of poor quality is seen as the difference between the *actual costs* to an organisation for providing good service, and the cost that would have been reached, had there been no waste either, during the production phase or, after delivery. Facilitators or local consultants were trained in the use of Jurans methodology. Whilst under the supervision of a quality-cost expert, they were able to work with the individual companies to help them identify, measure and solve any cost/quality problems. Nationwide estimates of the savings brought about by corrective action were also determinable. Each country had a steering committee comprising top government-level administrators and key figures from selected industries who would supervise and monitor the study. Key industries were chosen on the basis of their contribution towards the nations gross national income. Working groups for industry adapted samples and case studies in the guide, to their own specific situations. Individual organisations were nominated as the pilots for the study – and finally, a revised version of the guide was finished for each country.

The method set out in the guide was used by European and North American companies and was an interactive process involving all management levels from the shop floor to the executive office.

It is clear that the governments of those countries involved in the studies, were able to benefit from the ideas that were being proposed at the time, indeed Juran's methodology is definitely widely used as an active ingredient for governmental performance improvement drives in the west today (Janssen, 1997).

The Northern Ireland Civil Service (NICS) had in 1993 applied Jurans methodology to a continuous improvement plan that was to involve some 30'000 staff in seven central departments across 30 agencies. Recently, Sir David Fell, the then head of NICS, described the lessons that the organisation had learned from its early experiences with total quality management and the Juran approach. He has indicated the main areas in which things could have been carried out differently, or better. Listing the improvement areas in this way is useful as it can also help other countries by informing them as they set out on their own quality journey. Below are the listed areas of improvement or key lessons, as described by Sir Fell (Janssen, 1997):– they are followed by concluding comments.

¹⁰ The European Organisation for Quality Conference, Stockholm, Sweden, 1966.

3.3.3 Key Lessons From The Northern Ireland Civil Service

- A) We might have delayed our initial communication with staff through the strategy booklet until we had some capability in place to involve them quickly in improvement activity; significant numbers of staff have still been hardly touched by continuous improvement.
- B) We should have chosen our early projects more carefully to achieve big hits; most projects were chosen by senior top managers remote from processes and were therefore, likely to reflect irritations of which they had become aware rather than major problems affecting customer satisfaction and staff morale.
- C) We allowed this ad hoc identification of projects to go on too long; we should have moved more quickly to the use of analytical tools such as cost of poor quality to identify the big hits.
- D) We have been slow to set and promulgate targets and goals for quality and efficiency which could have increased momentum.
- E) Some projects had been under-resourced in terms of carving out dedicated time for team members from their work schedules.
- F) We had not yet adequately built continuous improvement into our performance management reward and recognition's systems.

Comment

A) An old saying claims that, "You never get a second chance at a first impression". The initial communication with staff and employees is perhaps *the* most important as it represents the entrance level for the quality programme – it sets the scene for the staff and their acceptance of, or scepticism for, the programme. Involving staff from the very beginning is crucial to the whole quality issue but, the involvement must be carefully thought through to provide strategic involvement. Involving employees empowers them and shows them that they are an important part in the quality process.

B) Big hits surely provide good PR at an early stage, by winning support and demonstrating success. Including projects chosen by middle management or below again demonstrates that top management wish to involve employees from all levels, this develops in employees, a sense of trust and loyalty in the programme. If only top management choose projects, the process quickly becomes a *white collar programme*, remaining remote from staff lower down in the hierarchy – it also stands the risk of creating the impression that the process is being *forced* upon staff, rather than being *given to* staff i.e. not including them in process ownership.

C) Ad hoc identification of projects is too non-systematic, whereas the systematic identification of quality should and must be, the basis for the quality programme.

D) Making systematic identification of quality the basis for all other activities provides at least the main target – how one goes about achieving that target provides then at least the basis for the remaining goals.

E) Adequate financial and time resources, are fundamental to the success of the programme – if the organisation does not allow staff time to get involved in the processes, they will simply not be able to achieve the goals.

F) As continuous improvement should affect all systems and processes as part of the quality program, the organisations reward and remuneration system must be adjusted accordingly. If management want staff to improve continuously they need also to provide them with an incentive for doing so. Incentives do not only need to be realised in financial terms, but can also be given in terms of time, other material reward (i.e. a phone-card action), or simply public recognition.

Interestingly, many of the above points A) to F) reflect much of what John Kotter (1996) identifies as being his eight steps to 'winning at change', which deal with important issues such as, realising a sense of urgency, motivating others towards a vision and planning and creating for short term wins.

3.4. Quality Methods

Overview

This part of chapter three deals with total quality methodology, citing two popularly deployed TQM techniques, quality circles (a European approach) and Kaizen (a Japanese approach). Despite each method being developed on separate continents, both are used interchangeably on both.

3.4.1 Quality Circles

Quality circles are one approach to improving organisational performance and should therefore, be included in the discussion on quality. Quality circles are basically one way in which to get employees involved in problem-solving activities. The normal *circle* is a parallel structure, meaning it operates as a separate structure, a *distinct unit* functioning separately from the organisations normal or regular activities. Groups tend typically, to comprise of volunteer employees from a particular work area or division, who meet every week or every fortnight for a few hours. Groups usually have a leader or facilitator whose role, amongst others, is to monitor productivity and problems concerning quality (Lawler and Mohrman, 1987). In an effort to produce change, quality circles must be able to sell their ideas to the rest of the working force. As quality circles function on a parallel to the rest of the company this can bring with it certain advantages, such as the discussion of issues that are not normally dealt with by the rest of the organisation – usually due to a lack in time (or allocation of time), insufficient or inadequate goal definition, lack of goal ownership, or even general lack of interest. Parallel structures have the distinct advantage of having a more objective or detached approach. The setting up of quality circles is relatively uncomplicated, requiring minimal disruption or change to the regular organisations structure, responsibilities or activities – all those take place within the circle. Another advantage, particularly at the individual employee level, is that membership of quality circles is not hierarchical i.e. any employee from any level within the organisation can become a member (which, under normal circumstances, would probably not be the case). Infact, it is the case that in many organisations, quality circles are the one and only participative management device that managers *are* actually willing to accept. It seems that they are more willing to accept Quality Circles because they are minimally disruptive, therefore, allowing management's authority to remain unthreatened (Lawler and Mohrman, 1987). This is probably rather short-sighted of management, as hoping that things will change or that quality will improve with only a minimal amount of disruption is quite unrealistic in itself, and if 'minimal disruption' is the main concern, change or quality improvement can never occur.

3.4.1.1 Problems With Quality Circles?

Although the list of advantages to having Quality Circles is long, the list of accompanying disadvantages, is almost as long. One major problem with many quality circles is that, because they are viewed as parallel or auxiliary to the normal organisation, they tend to often be not taken seriously or even cancelled. A second innate problem of quality circles is that they do not have much *real* power i.e. they may be able to recommend certain courses of action or particular innovations, but the actual power required through decision-making remains within the regular organisation. There is a tendency for them to deal only with changes or innovations in procedure or work methods which deal with improvements in productivity and quality. There is also a difference seen in the norms and behaviour of Quality Circle participants compared to those of the rest of the organisation – this might be evaluated as either an advantage or a disadvantage. In any case it can certainly evoke a backlash from employees *not* involved or included in the circle, creating a somewhat *elite* air about quality circles. For this reason there may be a

tendency for the regular organisation employees (those not included in a quality circle) to resent employees who *are* members of a quality circle, and subsequently circle members can experience difficulties in their treatment in the regular organisation. Such integration difficulties are most likely due to non-member resentment from within the rest of the organisation.

It seems that quality circles have certain developmental phases; starting from the initial honeymoon phase which is often very positive. Members are very enthusiastic and keen to produce new ideas and indeed to get on with improvement. This initial phase often triggers a quality circle boom, resulting in the mushrooming of several circles within the organisation, with some organisations falsely believing that the more circles they have, the greater the improvement that must be going on (Lawler and Mohrman, 1987) - this is invariably not the case, however. After this dissemination of circles within the organisation has occurred, the first signs of disillusionment begin to show, usually resulting from deteriorating management enthusiasm and support, non-implementation of suggested ideas or innovations etc. Later circles often have difficulty in gaining the necessary attention of middle management and must therefore, sometimes deal with negative reactions from the environment. At this stage some organisations decide then to abandon the idea of quality circles.

Many managers are therefore sceptical about the benefits that quality circles can bring to the organisation. They remain therefore, unconvinced of the concepts underlying quality circles, doubting their ability to improve or restore economically, failing competitiveness in the marketplace (Zink, 1995).

3.4.1.2 Kaizen

Improvement as a continual process:

The Japanese term or concept **Kaizen** means continual improvement through change at all levels – it can be applied to whole organisations, or individual departments or sub-divisions within organisations. Kaizen is not however, to be mistaken for just a tool or a method used to solve a particular problem, but is to be seen more as an ongoing process of change, long term directed towards continual improvement. Although the concept Kaizen was developed in Japan it has not only been restricted to Japanese industry - German industry also has its own version of Kaizen called, *kontinuierliche Verbesserungsprozess* (KVP), translated to continual improvement process (Hummel and Malorney, 1997). The improvement process Kaizen, is based upon four sub-processes:

i) - **Plan:** *Planning Activities* e.g. create a plan for change, for an improvement.

Planned changes are defined, methods and measurements chosen, measurable indicators established and possible obstacles discussed. Finally, the chosen measures will be carried out.

ii) - **Do:** *Carry out* e.g. implement that plan, first on a small scale. The efficiency of the methods and measures chosen, will be checked using the indicators established during the Plan-phase.

iii) - **Check:** *Evaluate* e.g. how successful were these measures, what went wrong? Good results will be standardised and reasons for the non-successful measures will be examined.

iv) - **Act:** *Adapt* e.g. what have we learnt so far? How can the improvements that have been made, be themselves further improved (fit)? The experiences made in the first three sub-phases will be used to create new activities for the new cycle of activities - through this, the process of improvement will itself become self-regulatory, providing continual improvement.

These sub-processes are also known as the PDCA-cycle or the Deming-Cycle (after W.E. Deming).

Person-oriented Kaizen

Activities associated with Kaizen can be grouped or divided into persons/people, groups or management-oriented Kaizen. Persons- or People-Kaizen focuses on creating improvement within the own workplace and is concerned with the application of common sense supported by quality assurance techniques.

Kaizen begins here with the employees who are confronted with change and improvement in their own work techniques and activities - it therefore instils (at the micro-level) a positive development in employees confronted with change. When involvement at *this* level it is already established within the organisation, and can go towards helping guarantee People-oriented Kaizen activities amongst all or most of the employees, across the whole organisation, on a continual basis. The advantage here is that the improvement activities remain on a personal level, with the employees themselves. Personal Kaizen, such as this, is supported in companies through for example, the concept of what, for example, German industry calls *Vorschlagswesen*¹¹, literally translated into *suggestion-being* (*suggestion box*). *Vorschlagswesen* is where any employee or group of employees, who have come up with a good practical idea or solution to a problem, something which will help the organisation or division save time and/or money or reduce waste, is rewarded, usually with a certain percentage of the overall winnings, won through implementation of the solution. This idea systematises person-oriented Kaizen in that it highlights the positive teamwork between employees, without only focussing on the economic advantages.

Group-oriented Kaizen

Improvement measurements that go beyond the individual workplace however, but still remain within a working division are carried out as part of group-oriented Kaizen, organised as Quality Circles i.e. a small group existing of between five and 12 people. Here, people work on a voluntary, self-initiative basis, within their own divisions or departments, on current problems using, for example, the Q7 principles (the seven basic tools used for quality management) which include; Error Collection List, Quality Rule Card, Histogram (these three tools make up the Error Register), Pareto diagram, Correlation diagram, Brainstorming and the Reason-Effect Diagram (these four tools make up the Error Analysis). The Q7 quality techniques or tools, help to improve processes by supporting guided goal-oriented solutions to identified problems, throughout the organisation as a whole. Because Q7 is not limited to any individual division or branch, it can bring great advantage to both production and the service sector within the organisation (Theden and Colman, 1997).

Management-oriented Kaizen

Problems that cannot be solved within an already existing system, call for either, the creation of a new system, or change (updating) within the old system. Here, Management-oriented Kaizen in the form of "Policy Deployment" becomes functional. Policy Deployment is the breakdown of the organisations goals and objectives for the coming business year. It is an Anglicised (American) version of the Japanese term *Hoshin Kanri*, which when translated, means, "managing the method of strategic trend-setting" (Hummel and Malrony, 1997). In contrast to Person-oriented and Group-oriented Kaizen, whose activities are aimed at making changes *within* the system, Management-oriented Kaizen aims at making changes *to* the system itself. Other differences separate Management-oriented Kaizen from People- or Group-oriented Kaizen. For example, the latter two Kaizen forms are based on voluntary or self-selection of participants or members i.e. theme selection and realisation of improvement is the responsibility of group members with supporting functions being taken on by management. Improvements to the system achieved through Management-oriented Kaizen, will have organisation-wide reaching effects, therefore, measures undertaken by management must first be given general clearance – here management takes on a more directive or guiding role.

¹¹ Refer to Chapter 7 Change Management: *Reward and Remuneration* (7.3.4), for a detailed description of *Vorschlagswesen*.

The "5 S" Steps To Introduction and Use

The **5S** (next page) deal with the introduction of continual improvement, within and across the organisation. They are named after the first letters of five Japanese terms or phrases and can be deployed as a self-initiative by every employee.

- **Seiri** - *Create order*

Separate the necessary from the unnecessary – remove everything that is unnecessary from the workplace. This particularly concerns having too many circulars or memos, unnecessary office equipment or machines, unnecessary paper and documents etc.

- **Seiton** - *Love of order, every object has its own place*

Maintain a high level of order, do this by making sure all necessary work objects are kept in impeccable order, have their own place and are readily usable.

- **Seiso** - *Hygiene, cleanliness*

Keep the workplace clean at all times.

- **Seiketsu** - *Personal sense of order*

Make cleanliness and order a habit, start by applying this rule to your workplace.

- **Shitsuke** – *Discipline*

Maintain high standards, rules and regulations.

The 5S serve as a suitable *Should-be* situation for the workplace. Although this Eastern philosophy might at first appear to have rather rigid and militaristic in flavour, it can be seen as a good starting point and can indeed help employees to set and achieve their own personal goals with respect to improvement.

Considering all the improvements that can be made through total quality management philosophy's or processes such as Kaizen, which are the advantages that can be won? Kaizen has a positive effect on both individual workers within the organisation as well the organisation seen as a whole. Listed below are some of the main advantages to employing Kaizen:

Advantages at the Employee Level:

- a) Increases self-confidence through the solving of problems in a team
- b) Builds a stronger identification with the organisation through the opportunity to make decisions which are built into the daily work routine.
- c) Increased job satisfaction through the ability to arrange ones own workplace
- d) Reduction in absenteeism

Advantages at the Organisational level:

- a) Optimised work processes, greater efficiency
- b) Improvement through team and group efforts, improves processes and communication between divisions and individuals
- c) Reduction in development and production costs
- d) Increased competitiveness

3.5 Total Quality Management Awards

Overview

The sixth sub-division in this chapter on TQM focuses on total quality awards. Many organisations today have made it their goal to achieve at least one such award – the reasons for so doing are clear, prestige, credibility and added-value for the customer, or consumer. Four awards are outlined here (including American, European and Japanese examples), together with their criteria.

As a result of global competition amongst organisations over the last decade or so, quality has become *the* main issue in organisations wishing to improve their products and services i.e. organisations are committing themselves to quality. Internationally, there has been a growth in the recognition that quality not only places worth or value on individuals within organisations, organisations themselves and their products, but also reflects a national stance towards the new industrialisation. National awards serve at least two important functions; firstly they recognise organisational accomplishment in the areas of quality and quality management and secondly; provide companies and organisations with a spur or an incentive to do well, to become the best and provide unbeatable competition.

3.5.1 The Baldrige Award (United States)

The Malcolm Baldrige National Quality Award(MBNQA)

In 1987 the United States Congress established the Malcolm Baldrige Award. It was designed to promote or enhance the competitiveness of United States organisations' amongst world markets, through creating a systematic national framework for assessing quality in US organisations (Rodrigues, 1999), and by promoting quality awareness, recognising organisations achievements in quality and by making public, successful performance strategies (Malcolm Baldrige National Quality Improvement Act of 1987, 1987). The MBNQA is managed by the National Institute of Standards and Technology (NIST), which is a federal agency as well as being part of the US Department of Commerce. The MBNQA's core values, concepts and principles are clearly set out in the awards criteria. Since their very first distribution in 1988, thousands of organisations have used these criteria for training and self-assessment purposes, or as a tool to develop performance and business processes (Swyt, 1999).

When Congress stated that the Baldrige Award be made legislative, stipulated that organisations wishing to apply would need to be management-led and customer-oriented. Since the introduction of the MBNQA its criteria have evolved into what NIST terms "a standard for performance excellence" (Swyt, 1999). Bill Clinton even deemed the MBNQA as a model for government, and following his statements about Baldrige-based quality, a number of federal agencies quickly set up top-level councils whose express goal was to pursue quality management within their organisations (Gore, 1995)¹². Other organisations having adopted the MBNQA include the US Postal Service and the US Army. Listed below are the Year 2000 Criteria For Performance Excellence (Business), as set out by the Baldrige National Quality Program¹³:

¹² (Gore 1995) – Secondary reference taken from Sywt (1999), (see Bibliography).

¹³ Source: Internet, internet address: <http://www.quality.nist.gov/HTML> on 21.11.00.

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| <p>1. Leadership</p> <p>1.1 Organisational Leadership</p> <p>1.2 Public Responsibility</p> <p>2. Strategic Planning</p> <p>2.1 Strategy Development</p> <p>2.2 Strategy Deployment</p> <p>3. Customer and Market Focus</p> <p>3.1 Customer and Market Knowledge</p> <p>3.2 Customer Satisfaction</p> <p>4. Information and Analysis</p> <p>4.1 Measurement of Organisational Performance</p> <p>4.2 Analysis of Organisational Performance</p> <p>5. Human Resource Focus</p> <p>5.1 Work Systems</p> <p>5.2 Employee Education, Training and Development</p> <p>5.3 Employee Well-Being and Satisfaction</p> | <p>6. Process Management</p> <p>6.1 Product and Service Processes</p> <p>6.2 Support Processes</p> <p>6.3 Supplier + Partnering Processes</p> <p>7. Business Results</p> <p>7.1 Customer Focused Results</p> <p>7.2 Financial + Market Results</p> <p>7.3 Human Resource Results</p> <p>7.4 Supplier + Partner Results</p> <p>7.5 Organisational Effectiveness Results</p> |
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3.5.2 The Deming Prize (Japan)

The American, Dr. W. Edwards Deming, an eminent scientist, mathematical physicist and a statistician, is particularly renowned for his approaches to quality management, TQM and statistical processes (Mawhinney 1992, Xie and Goh 1999). Deming has been many times decorated for his services towards Engineering and Technology and can without doubt be said to be one of the greatest contributor towards the increase in product and service quality in Japan.

Pre 1950 Deming had created a system called *The System of Profound Knowledge*, which, as a comprehensive theory of management, which advocated the philosophy that every aspect of life can be improved upon. The background to The System of Profound Knowledge includes; appreciation for a system, knowledge about variation, theory of knowledge and psychology. During the 1950's, as part of his distinguished career, W. E. Deming taught his management philosophy in Japan, to Japanese businessmen and women, which ended in the total transformation of Japanese business known today as the "Japanese Industrial Miracle". In order to honour Deming and his great achievements towards providing a theory and methods for improving the quality and reliability of manufactured products, the Japanese Emperor decorated him with the Second Order Medal of the Sacred Treasure ¹⁴. He was also awarded the National Medal of Technology 1986 by President Ronald Reagan.

The annual Deming Prize was established in 1950 and is administered by the Union of Japanese Scientists and Engineers (JUSE) – it is awarded, "for contributions to quality and dependability of product" (Japanese Union of Scientists and Engineers).

The following list is a shortened version ¹⁵ of the criteria for the Deming Prize and is an excerpt from the "1996 The Deming Prize Guide for Overseas Companies" ¹⁶:

¹⁴ Source Internet, internet address: <http://www.deming.org/> on 23.11.00

¹⁵ For the full length Deming Prize Criteria list refer to Appendix 3, Deming Prize Criteria

¹⁶ Source Internet, internet address: http://www.deming.eng.clemson.edu/pub/den/deming_prize1.htm on 23.11.00.

- 1. Policies**
 1. Quality and quality control policies and their place in overall business management
 2. Clarity of policies (targets and priority measures)
- 2. Organisation**
 1. Appropriateness of the organisational structure for quality control of achieving policies
 2. Clarity of authority and responsibility
- 3. Information**
 1. Appropriateness of collecting and communicating external information
 2. Appropriateness of collecting and communicating internal information
- 4. Standardisation**
 1. Appropriateness of the system of standards
 2. Procedures for establishing, revising and abolishing standards
- 5. Human Resources**
 1. Education and training plans and their development and results utilisation
 2. Status of quality consciousness, consciousness of managing jobs, and understanding of quality control
- 6. Quality Assurance**
 1. Status of managing the quality assurance activities system
 2. Status of quality control diagnosis
- 7. Maintenance**
 1. Rotation of management (PDCA) cycle¹⁷ control activities
 2. Methods for determining control items and their levels
- 8. Improvement**
 1. Methods of selecting themes (important activities problems and priority issues)
 2. Linkage of analytical methods and intrinsic technology
- 9. Effects**
 1. Tangible effects (such as quality, delivery, cost, profit, safety and environment)
 2. Intangible effects
- 10. Future Plans**
 1. Status of grasping current situations
 2. Future plans for improving problems

In addition to the Deming Prize list laid out above, there exists also The Deming Application Prize Checklist (For Senior Executives) which involves the following title points: 1. Understanding, 2. Policies, 3. Organisation, 4. Human Resources, 5. Implementation, 6. Corporate Social and 7. Future Visions. This list provides extra points that need to be considered by employees who occupy a management function.

3.5.3 The European Quality Award (Europe)

The European Foundation for Quality Management (EFQM) was set up in 1988 by the leaders of 15 European nations. Its objective is, a commitment to improving efficiency, effectiveness and achieving business excellence in European organisations. The EFQM's *mission* is to be the driving force for sustainable excellence in Europe and its *vision* is a world in which organisations in Europe excel¹⁸. Jac Delor, President of the European Commission, who also supported the EFQM, at the signing of the letter of intent in Brussels at the establishment of the European Foundation for Quality Management back in 1988 said, "...the battle for Quality is one of the prerequisites for the success of your companies and for our collective success" (excerpt from The European Quality Award: the promoters, see footnote 18). The European Quality Award Trophy stands for a combination of strength, quality, flexibility, energy,

¹⁷ Refer to this Chapter, 3.4.2.1 Kaizen, for description of the PDCA cycle.

¹⁸ Source Internet, internet address: <http://www.EFQM.org/> on 23.11.00

harmony and unity and therefore, represents the *ideal* quality management approach in any organisation. It is an annual award that is presented to organisations of varying category (Large Businesses, Operational units of companies e.g. divisions, Public sector companies, and Small and Medium-sized Enterprises called SME's (either independent or subsidiaries). Those companies and organisations who hope to win the European Quality Award (EQA) must be exceptional organisations that are able to demonstrate a high degree of excellence in management of quality as a fundamental process for continuous improvement. The EFQM also points out the benefits for organisations of applying for the prestigious award as well as the benefits of actually winning it!

Applying for the award helps organisations focus more on improvement activities, it also heightens public awareness on excellence and helps create a comprehensive description of the organisation in terms of activities, operational methods and results. Obviously the benefits of actually winning the award are numerous – international recognition and status, indicating to others that the organisation demonstrates excellent practice in terms of quality, and belongs along with the other award winners, to *the* best organisations in Europe. It should not be overlooked however, that more than a few organisations submit applications for the EQA in the full knowledge that they have little or no chance of actually winning it, but they still enter because they consider it as a valuable part of their learning process (Hardjono et al, 1996). The criteria for the European Quality Award are set out in the EFQM's Business Excellence Model and are listed in brief form i.e. each main Criterion with one accompanying Sub-criterion, below¹⁹:

- | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| <p>1. Leadership</p> <p><i>1.a</i> Leaders develop the mission, vision and values and are the role models of a culture of Excellence</p> | <p>5. Processes</p> <p><i>5.a.</i> Processes are systematically designed and managed</p> |
| <p>2. Policy and Strategy</p> <p><i>2.a.</i> Policy and Strategy are based on the present and future needs and expectations of stakeholders</p> | <p>6. Customer Results</p> <p><i>6.a.</i> Perception Measures</p> |
| <p>3. People</p> <p><i>3.a.</i> People resources are planned, managed and improved</p> | <p>7. People Results</p> <p><i>7.a.</i> Perception Measures</p> |
| <p>4. Partnerships and resources</p> <p><i>4.a.</i> External partnerships are managed</p> | <p>8. Society Results</p> <p><i>8.a.</i> Perception Measures</p> |
| | <p>9. Key Performance Results</p> <p><i>9.a.</i> Key Performance Outcomes</p> |

The European Model for Business Excellence is by no means static, it is a living model which changes with time. This can be seen for example, in that the named criteria are regularly updated i.e. the individual naming of the main nine Criteria for excellence do differ now from those, for example, seen in the 1997 version of the Model. The EFQM recognised that the Model must be reviewed. Member feedback had showed that the 1997/1998 version of the model had proved extremely useful but that it could also be

¹⁹ For a full description of the European Excellence Model for Business, refer to Chapter 2.

improved upon. The rationale behind the changing or updating of criteria is clear, however it is uncertain whether the meaning for each of the new Model version (post 1998) criterion is directly accessible i.e. Business Results seems, at first glance, to be more easily interpretable than Key Performance Results. To help avoid possible confusion or misunderstanding about Criteria definition, a Glossary of Terms is included with the Criteria, this defines all terms used. The official title of the model (2000) is the EFQM Excellence Model. This new title replaces the old title, the EFQM Business Excellence Model as it was misinterpreted by some parties as, meaning not relevant for companies that were not seen as being *businesses*.

3.5.4 The Ludwig-Erhard Prize (Germany)

In 1967, in Bonn, Germany, Professor Dr. Ludwig Erhard, the then Chancellor, Prime Minister of the Federal Republic of Germany, established the Ludwig-Erhard-Stiftung, a foundation concerned with the basic questions posed by social and economic markets and by the general order of society. The work of the foundation is not however, limited to Germany, but also concerns itself with the challenge of system change and development in the former Eastblock countries. Of special interest to the foundation are; the recreation of the socio-economic system in the newly won Eastern German states, the economic order and development of the European Union and third world economies. The foundation believes that *freedom and responsibility* give the socio-economic market a sense of order and that in the past they have set strength and energy into motion – they enabled the German reunification (1989), for example, to take place, and they must also set future trading standards.

The Ludwig-Erhard-Stiftung committee decide annually, which person will be awarded the Ludwig-Erhard-Medaille (Medal). This Prize, established in 1975, is awarded to men and women, who are journalists, scientists or belong to any other related discipline, who have shown through their exemplary behaviour, great service towards the common good and state of development of the socio-economic market and its connected principles²⁰.

3.5.4.1 The Ludwig-Erhard Prize Winner 1997

In 1997, the Otis Elevator Company GmbH, a German lift-making company, won the Ludwig-Erhard-Prize for developing (since 1993) the "Otis Quality Evaluation System". Otis created a *Qualitätsverbesserungsprozess*, a process for continually improving quality within its organisation. The Otis Quality Evaluation System (OQES) has many similarities with the earlier version (1997/1998) of the EFQM's Model for Business Excellence. An important factor for Otis was that the Quality Evaluation System should not only be the responsibility of top managers, but that all Otis managers from *Meister* (Master craftsman) to *Gruppenleiter* Group Leader/Team leader, should take part in the system, so that not only top-down but also bottom-up communication and information processes were taking place. The OQES is broken down into four main action areas including Management, Systems, Measurement of Processes and Goal. Below are the Criteria of the OTIS Quality Evaluation System (Haller 1998):

1. Leadership
2. Information and Analysis
3. Strategic Quality and Planning
4. Human Resources Development
5. Management of Process Quality
6. Quality Operational and Business Results
7. Customer Focus and Satisfaction
8. Impact on Society

²⁰ Source Internet, internet address: <http://www.ludwig-erhard-stiftung.de/> on 18.11.2000. The text appearing in 3.5.4 was translated from internet information, by the author of this text.

3.5.5 Award-winning Practises

Awards and Prizes that are given or presented to organisations or units, clearly then define for us, in their terms, what an organisation or unit must do to meet their own criterion for excellence and for total quality. However, *being*, or which is even more challenging, *developing into*, a Quality Organisation (QO), involves more than just meeting those pre-defined criterion or standards. Organisations that have received quality awards and prizes naturally fit the definition of a quality organisation, but on the other hand, many quality organisations exist that have not been selected for recognition through such quality awards. The questions therefore are, what separates a QO from other organisations, does this definition *Quality Organisation* span right across all industry-types and sectors, or is the QO a universal phenomenon?

For an organisation to achieve world class quality, development and empowerment of its workforce is a prerequisite (Rao et al, 1999). Realising the potential of employees through active participation in continual improvement practises benefits not only the single employee but the organisation as a whole, and should be the number one priority in quality management. Rao et al (1999) carried out a study in which they assessed practices in the human resources development dimension of quality management across three new industrialised nations (India, China and Mexico). The authors reported that training work skills and building *quality awareness* were found to be the best commonly followed human resource development practices amongst the three countries. As expectedly, their research showed that certain practices were seen as good in some countries, whilst those same practises did not receive the same attention, or were not seen as important, in other countries e.g. concern for employee well-being was not rated so highly in Indian companies as it was in Mexican and Chinese companies. Managers who attached greater importance to the human resources dimension, belonged to those companies who were rated in this study, as being of a higher quality - this demonstrates that in this instance, organisations rated as "higher in quality", focussed more attention on human resources development practices than those organisations who paid less attention to HR factor. This finding is supported by Krasachol and Tannock (1999) who also discovered the importance of all-employee involvement in Quality practices at Toshiba. This shows one aspect of quality practice at a more micro or individual level, but what quality factors play an important role at the organisational level?

Terziovski and Samson (1999) investigated links between total quality management practice and organisational performance. The authors wanted to test whether TQM practice in Australia and New Zealand had a significant effect on organisational performance, and whether this relationship was weakened or strengthened by organisational size and type of industry. Their results showed that indeed TQM practice had a significant effect on organisational performance for at least six out of 14 organisational performance variables – these included; customer satisfaction, employee morale, delivery in full on time, productivity, cashflow and sales growth. Those organisational variables not significantly affected by TQM practices were shown to include; cost of quality, defect rates, warranty costs, employee growth, market share growth, export growth, innovation and organisational performance. Interesting here, is the non-significant effect of TQM practice on defect rates, especially when one considers for example the success of the Six Sigma™ Quality Plan set into motion by Motorola's CEO, Robert Galvin. Here for example, a low defect rate was of high priority in the overall efforts towards total quality. How can such differences in organisational variables then be explained – perhaps by industrial sector, or by cross-cultural differences? Terziovski and Samson go on to report that the strength of relationship between TQM practices and defect rates is significantly effected by company size, and that the relationship between TQM practices and innovation (of new products for example), is significantly effected by industry type.

Despite variances in approaches towards TQM and quality practices amongst differing organisations, there are also some common practices to be found. Krasachol and Tannock (1999) found in their study, for example, that successful TQM implementation in all their test companies included the following

aspects: commitment of top management, good communications, effective use of problem-solving tools and techniques, group activity, employee training and development. Carl Rodrigues (1999) has defined a set of behaviours that his study has showed to be necessary for organisations to become QO's. Rodrigues advocates that quality practices can be broken down into seven interdependent QO Behaviours; **Customers**: the organisation needs to be responsive to customer needs; **Community**: the organisations must continually gather information and spread it, to what he calls, appropriate decision-makers; **Employees**: organisations must implement participation and empowerment programmes and possess relatively flat management structures, they must also have performance-related pay and horizontal promotions rewards systems, as well as possess the ability to achieve employee commitment through a, 'sense of ownership'; the successful QO organisation must also provide ongoing training and development programmes; **Stockholders, Creditors, Suppliers and Government**: QO's must cooperate and indeed collaborate with internal as well as external units. SGS - Thomson Microelectronics, won in 1997 The European Quality Award. Their particular winning recipe for quality included; management commitment, employee empowerment, fact-based decision-making, continuous improvement, and customer focus²¹.

It is clear to see that amongst the many factors that are required for organisations to become QO's, the most salient of these concern employees, customers and communication. Human resource management is paramount to the success of any organisation, then the old adage, 'The whole is greater than the sum of its parts', meaning here that employees cannot be seen as individual units, but that they are the whole organisation and that their commitment to quality is the deciding issue for success. Today's customers have high demands, have learnt to speak out for what they want in terms of services and products and have also learnt quickly the power of switching to another company if their requirements are not met. The customer is, inevitably king and must be highly satisfied at all times, therefore, the customer remains a central focus in the quality process. Communication, or rather good communication is also paramount to success – those who talk to each other, can learn from each other, and quality is still for many companies and organisations a learning process, a process of continual improvement. Today's global economy has pushed many companies towards becoming QO's, and if they do not hold quality as priority, they are going to be left behind. But a ready-made programme of how-to-do-it, or how to achieve quality, does not exist. What does exist are the experiences good and bad, of those organisations who have made it to the top. These learning experiences should not be underestimated in their value. Organisations must listen to the specific needs of their own environment and learn from organisations who have achieved quality through continual improvement.

3.6 Quality At Merck

Overview

One cannot speak of quality management only in other organisations, without eventually making reference to it, or rather its existence, in the host organisation, Merck. Quality is an integral part of this organisation, not surprising when one is dealing with Chemo-pharmaceutical production. This sub-section deals with how quality is handled at Merck and describes one of the companies own awards for quality.

Quality of service and especially quality of product, have been historically, an important issue for Merck. A letter dated 1851, written by Emanuel Merck (1794-1855), Merck's founding father, describes his absolute faith in the quality of his products. The letter is apparently written to a customer who has complained about impurities in the morphine that he purchased:

²¹ SGS-Thomson: TQM@SGS-Thomson. The European Quality Award Winner 1997. Total Quality Management. Published by SGS.Thomson Microelectronics.

"I fully guarantee the purity of my preparations and will reimburse you for any loss incurred by you in association with contaminated product, and for this reason I would ask you to have the morphine in question examined by a competent chemist".²²

This statement about quality is Merck's first noted commitment to quality. Merck has invested in the past much time, effort and money into achieving a high level of quality for its customers, and this tradition is still in practice today. In definition, Merck sees quality as having the ability to be able to rise above the average standard to produce something outstanding, something of great value. Such high quality products are often particularly pure, are especially durable, especially easy to care for and maintain and are therefore, something very special²³.

The four cornerstones that mean quality at Merck are; Customer, Quality, Society and Environment. In a company that produces pharmaceutical and chemical products, quality is obviously going to be a high priority. For this reason, and leading directly on from E. Merck's guarantee of product quality, special analytical laboratories have been set up to continually guide the production process with in-process controls and with the development and validation of corresponding test methods. These in-process controls help to recognise and eliminate nonconformity's at an early stage, thereby allowing the targeted achievement of product quality requirements. Test results also provide useful documentation for the internal and external customer.

3.6.1. Quality for Everyone

It is also Merck's message that quality is everybody's business, "It is our aim to help all our employees be aware of the importance of quality, and that they allow quality to drive them to always seek to do their best to satisfy our customers. So that quality is inwardly and outwardly visible – this comprises our Quality Principles at Merck"²⁴. Part of Merck's opening vision begins, "We, the management and employees, wish to run a successful business. Entrepreneurial success starts with people". This shows that total integration of Merck's workforce in quality management is the key to an overall awareness that quality applies to *all* areas of the company, it goes right across all divisions. The company realises that the input of its employees in the compilation of quality documents covering the work carried out in their own areas, supports the underlying confidence in them and their qualifications and professionalism. The implementation and rewarding of improvements and proposals put forward by employees is part of this confidence. *Betriebliche Vorschlagswesen* (BVW)²⁵, or company suggestion scheme, is an important point at which employees actively participate in quality and continual improvement at Merck. Merck also believes that human resources management and integrated quality management are two cornerstones on which their corporate success rests. HR and quality management encourage individual motivation and allow the release of potential amongst employees, that might otherwise remain untapped. This quality-combining strategy gives Merck the leading edge on performance which allows it to provide competitive services and products.

²² This text is taken from a direct translation of the letter. Source Internet, internet address: <http://www.Merck.de/english/corporate/culture/ukqm1.gb.html> on 24.11.00.

²³ Directly translated from the German, by the author of this text. Source *Qualitätsgrundsätze und Qualitätsstrategie: Wir schaffen Qualität (Qualität ist kein Luxus)* a Merck publication on Quality, published by the Arbeitskreis Qualitätssicherung und Abteilung Öffentlichkeitsarbeit, Merck, 1990.

²⁴ Directly translated from the German, by the author of this text. Source *Qualitätsgrundsätze und Qualitätsstrategie: Wir schaffen Qualität (From inwards to outwards)* a Merck publication on Quality, published by the Arbeitskreis Qualitätssicherung und Abteilung Öffentlichkeitsarbeit, Merck, 1990.

²⁵ BVW is discussed in Chapter 7 (7.3.4)

3.6.2 The Heinrich-Emanuel-Merck Award For Analytical Chemistry

This prize, first awarded in 1988, is given for analytical research and is worth approx. DM 25'000, it bears the name of its founder, E. Merck and is a direct response to E. Merck's claim, "I guarantee the purity of my products...". The prize is intended for chemists up to the age of 45 years, who have successfully worked on new methods of chemical analysis and whose applications are in areas of human interest. A major stipulation of the prize is that, winners work should not only be oriented towards themselves but towards the common good e.g. work carried out in the area of environmental chemistry, life sciences or material sciences. The winner of The Heinrich-Emanuel-Merck Award For Analytical Chemistry in 2000 was Professor Dovichi, a Canadian chemist²⁶.

3.7 The direction of TQM

Overview

This final part of chapter three covers the current stand of TQM, and briefly deals with the fundamental differences between quality management and quality assurance practices.

It is important to realise the fundamental differences between QM and QA: quality assurance is literally what it says, a means of assuring quality, whereas quality management refers to the methodology and the knowledge systems that go towards improving the quality of management. QM is more than just a collection of QA techniques, but rather recognises that managers have a social responsibility towards employees, stakeholders, owners, suppliers, customers and not least, the greater society and environment. Management must be capable of motivating and leading their people into sharing their holistic vision and mission of the organisation – and they need to be able to carry this out on a long-term basis, otherwise they will be left behind in the marketplace. The QM concept is founded on the premise that improvement is a continual never-ending process, and therefore is one which requires generations of managers who are completely committed to it, to provide back-up in terms of training, finances and time, but who are also themselves proactive in the process. Managers as role models must become involved, must become the visible sponsors for the QM programme (Laszlo, 1999) in the organisation, ensuring that QM becomes an organisation-wide philosophy. Acceptance of change, automatically follows the need to continually improve internal and external processes and is a pre-requisite for the successful QM program. QM projects need not only to be analysed to determine their relevance or *fit* to the organisations goals and priorities, but also need to evaluate the possible return on investment needed for implementation. If TQM is to flourish, there needs to be less rhetorical excess and greater emphasis on researchers to highlight the mechanisms through which Total Quality Management practices can be realised in organisations (Hackman and Wageman, 1995). Judging by the increase over the last decade in TQM-based research, this does seem to indicate a trend in this direction.

3.8 Hypotheses

The hypothesis relevant to this third chapter on the quality (and the Quality Performance Scale) is listed below:

Hypothesis 3a: Managers' self-reported critical 'excellence factors' (QPS score), will be significantly related to the organisational outcome of 'improvement' (Merck Excellence) as evaluated by co-workers.

This hypothesis predicts that managers' self-rated QPS scores will be significantly associated with the organisational outcome 'improvement', as evaluated by co-workers.

²⁶ Source, Federico Hernández-Meyer: Internet, internet address: <http://www.Merck.de/english/services/hemaward/> on 24.11.00.

Hypothesis 4a: Managers' self-rated Ego scores, will be significantly associated with co-workers ratings on performance and quality measures.

Here, managers' self-reported Ego scores will be associated with their co-workers ratings of performance and quality.

Conclusion

Chapter three dealt with one of the central themes in change management and improvement processes that take place within organisations, that of Total Quality Management. Because the issues of *quality* is so absolutely fundamental in the process of advancement and work optimisation and in end effect, corporate success or at least advantage, it was seen as necessary to guide the reader towards a complete understanding of the philosophy behind TQM – this was carried out through highlighting all relevant theoretical and practical issues concerning Total Quality Management. Chapter four describes in depth the host organisation itself - it also makes mention of quality measurement in the chemo-pharmaceutical industry.

CHAPTER 4: MERCK THE ORGANISATION

Overview

Chapter four deals with the host organisation of this research project. It handles the company's history dating from 1668 to the present day, taking a special look at how its employees have fared over the course of time, through two world wars and organisational expansion. This chapter also looks at the company, Merck today and reflects on its most important corporate goals and strategies. The organisations' concept and program for continuing change, Merck Excellence, and its place within the company, are also discussed here. Finally, a brief look is taken at the future Merck and of the pharmaceutical industry worldwide, at its changing markets and the conditions set for future competition. Before this chapter closes the relevant hypotheses concerning Merck Excellence, are posed.

4.1 Historical Aspects

Without doubt, the history and background to the organisation¹ Merck, is very colourful. The company has its roots as far back as the early C17th (1668), when Friedrich Jacob Merck became owner of the 'Angel Pharmacy' in Darmstadt, which is still in existence and is still owned by the Merck family today. His relative, Heinrich Emmanuel Merck (1794-1855), was a pharmacist by profession and became founder of the company. He was an assistant at several pharmacies in the Rhine-Main area of Germany and Strasbourg and studied amongst other things, physical chemistry in Berlin and Vienna. By the 1820's he had begun investigations into methods of purification and by 1827 he had become an industrial manufacturer of alkaloids. Examining the historical documents of the company, one sees that already by 1860 the company E. Merck, Darmstadt, produced over some 800 products including new alkaloids, vegetable substances and other organic and inorganic substances. Of relevance to today's stringent tests on quality and purity (also to be found in all chemical and pharmaceutical manufacturing), is the old pledge or guarantee of purity, written sometime in the 1840's: '*I herewith guarantee the purity of my preparations and undertake to reimburse you for any damage that may arise through one of preparations being impure*'. This pledge was written in response to a customer who had complained to Emmanuel Merck about the quality of a batch of morphine. During the continuing 1800's the company Merck expanded its trade relations to include Liège, Utrecht, Rotterdam, London, Strasbourg, Paris, Basle, Lausanne, Zurich, Trieste, Prague, St. Petersburg and Izmir. Continuing on into the late 1800's and early C19th, Merck had expanded its operations and begun to produce photographic chemicals, sera, vaccines and diagnostics. Regarding quality, even as far back as the beginning of the C19th, the company had installed a 'Quality Control Laboratory' – this represents one of the earliest concentrated efforts that the company made in securing the highest quality of its products. The quality control lab, referred to today as the Central Analytical Laboratory (*Analytisches Zentralaboratorium*) became known as 'the conscience of the factory'. This specially constructed laboratory put all products through its strict quality tests before releasing them for sale. If any products did not pass the tests in the lab they were returned to their respective departments for reworking.

Around 1900, there had been plans to relocate the *Kontore* or factory worksite in Darmstadt, to somewhere with a better transport infrastructure – for this Gernsheim (Hessen), Aschaffenburg (Bayern) and even Hamburg, were considered. However, an area north of the city Darmstadt along the Frankfurter Strasse, was found and the factory relocated there in circa 1903/4. The outbreak of WW1 in 1914 meant that all borders to foreign countries were closed and exports were prohibited – this caused naturally, a stagnation within the company and its production efforts and, in effect, caused a shortage of work. During the war Merck had the task of equipping medical depots for all four German army corps including those at Metz, Strasbourg, Koblenz and Mainz. Despite the initial reduced sales, sales in Germany did however, pick up considerably, later on during the war. Changes in staffing were experienced as workers

¹ All sources in this sub-chapter 4.1 are taken from Possehl (1995).

were drafted in as soldiers, this meant that more and more workers were employed who were unqualified. During WW1 Merck supplied the military, especially with photographic materials – the first aerial photographic squadron in the German Airforce was established in Darmstadt. Needless to say that after the war had ended, the company's business began to pick up.

An interesting event in the history of the management at Merck took place in 1920, when the company appointed a 'direktorium' – this directorship consisted of eight gentleman in leading positions from within the firm – the creation of the directorship meant the first change to the official management structure of the company since 1850 when Emanuel Merck had set up the business partnership. These eight gentleman were responsible for their own divisions and departments as well as for their 'direktorium' duties. This early conglomeration of high ranking managers from within the company represents the company's first attempts at a 'Board of Executives'. Inflation within Europe and America during the 1920's meant that sales during this era reflected the economic situation of the time sank i.e. on occasions picking up, on occasions sinking extremely low.

Early Employee Aspects – How Mercks workforce fared through its expansion

Evidence has been found that as early on as 1853 the welfare of the employees of E. Merck, Darmstadt, was an issue of importance within the company. The document found is an employment contract, which indicates the industrial climate of the time. Working conditions seemed to be typical for the era, with great emphasis being placed on obedience and discipline. The contract promises to provide the signing employee with work for as long as the employee adheres to the conditions of the contract. It also promises to provide a small pension after at least 20 years employment with the company, and continued payment in the event of illness or injury not due to the employees own negligence. During one of the larger phases of expansion in the company, around the 1873 approx. 196 workers were employed, 20 years later numbers had risen to 450 workers, 28 of which were chemists. Archives reveal that in 1900 the company employed 800 workers plus 200 chemists, pharmacists and doctors. At this time there was also a welfare scheme for salaried employees and for their widows and children. In 1884, social legislation was passed which allowed a company-run health insurance scheme to be developed.

Arbeiterkolonie (workers colony)

After expansion of the company around the turn of the C19th, a housing estate was built for the workers and was planned as part of a small town to contain ca. 200 houses, it's own school and day nursery. In the end, only 22 houses were built. Political controversy and 'ostracisation' of company workers, who were sometimes seen as the 'slaves of the factory lords' by other towns people, meant that many chose *not* to live in the colony. The remainder of the colony buildings were taken down in the 1970's to make way for more factory buildings.

Foreign Workers at Merck

During WW2 Merck had no choice as to which workers it employed. Many foreign workers were employed including prisoners of war from France, Holland, Belgium and Italy, the largest foreign contingency being Flemish.

Prior to the onset of WW2, high unemployment levels were already a fact of life in Darmstadt and infact in Germany and much of Europe. Merck, however managed to keep on most of its employees during this time, only releasing ca. eight percent of its workforce (compared to some other company's in the chemical industry e.g. IG Farben, which had laid off ca. 45% of its staff). From about 1933, Merck prospered, expanding its offices, buildings and also its staff. During the totalitarian regime of the Nazis, Merck like other organisations was not able to operate in a socially free sphere, but was forced to take part in political festivities – e.g. Merck had been ordered by the responsible government office, to release all workers to join in on National Labour Day celebrations on May 1, 1933. War-time production didn't differ that much from pre-war time production, a few analgesic (pain killer) products were added. Of primary interest in this phase, was the production of Vitamin C (Cebion®) which had been ordered by the

Reich Interior Minister for the general public, and remains to this date one of Merck 'best sellers'. From the summer of 1943 the number of air raids over Darmstadt had increased considerably, as the chemical industries had become a target for the allied forces. The air raid that flattened much of Darmstadt took place on Sept. 11th, 1944 (remembrance of which today is rung throughout the city churches on Sept. 11th) – Merck survived this monumental raid unscathed, although the Angel Pharmacy was destroyed in the raid. The company was however, severely hit during further raids in December 1944 during which ca. 70% of the factory was destroyed and some 60 employees were killed. Production obviously was no longer possible, even for a while after American occupation of the company had finished. Not until April 1945 was a production permit issued by the government, and Merck allowed to resume its production. After 1946, permission was given to recommence export trade and Merck's export business began to expand. In 1948 in accordance with the Marshall Plan (the idea of the American Secretary of State, Marshall, designed to revitalise the European economy), German was admitted to the 'European Reconstruction Program' – this aided recovery of the German economy at the time. At the end of 1946 Merck was released from custody and once again became the property of Karl, Fritz and Wilhelm Merck.

Further developments in the company's history included the acquisition of a sugar-refining plant at Gernsheim (Hessen) which later became the production plant for some of Merck's products including pearl-lustre pigments. The 'Wirtschaftswunder' or economic miracle, occurred during the 1950's and 60's when Merck sales expanded rapidly e.g. the company's turnover tripled between 1950 and 1957, with the workforce increasing to 5,856. During the decades to come, Merck expanded its pharmaceutical and chemical laboratories, establishing several 'research and development' facilities as well as acquiring outlying factories and facilities such as the Schuchardt factory in Munich.

The tradition of Merck's managers and leading figures in involving themselves in matters exceeding those of the affairs of the company such as joint ventures, (e.g. the programme set up by the Merck, Boehringer/Mannheim and Knoll) companies, partnerships, memberships in professional bodies etc. has continued since Emanuel Merck's time and is still a notable trait within the company today.

4.2 The company Merck today and some of it's Corporate Goals

Merck is today one of Germany's, if not Europe's leading pharmaceuticals, laboratory and specialty chemicals groups. It boasts a product range which exceeds 20'000 items which include medical drugs, vitamins, biomaterials, reagents, laboratory supplies, electronic chemicals, liquid crystals, pigments etc. Ownership of the company was changed in 1995 from open partnership to KgaA (*Kommandit Gesellschaft auf Aktien* / Partnership Limited by Shares) which means owners are shareholders in the company. Today 73.8% of Merck's capital remains within the family Merck, 26.2% with the shareholders.

Part of Merck's overall goal, is to become number one, become a global leader in its core businesses of pharmaceuticals, specialty chemicals, laboratory products and laboratory distribution (this is Merck's 1st strategic goal) – through this, it also aims to achieve over 15% profitability for the group, and 20% for the pharmaceutical division (which is the largest of Merck's divisions) ². Another ambitious goal, but one which Merck believes it can achieve, is the production of at least one new therapeutic option for the treatment of cancer, every year, starting in 2002.

Touching on some of Merck's other corporate and strategic goals, we see that its second (of four) strategic goals is 'innovation'. Merck regards innovation thus- '*We believe innovation is the best way to offer our customers unique benefits, our shareholders a satisfying return and make our employees proud of the company for which they work*' ³. The innovation that Merck speaks of here, ranges from the development of special teams working together on strategies for global purchasing, compensation plans for employees

² Source internet, address: <http://www.Merck.de/english/corporate/culture> on 11.09.2001, 11:55

³ Source internet, address: <http://www.Merck.de/english/corporate/culture> on 11.09.2001, 21:40

to allow them to benefit from the company's successes, to the special training programmes e.g. Merck University – which are designed to help deal with increased competition in markets (see section 4.4). Merck also sees reduction in development time for new products in the pipeline, as innovation, but above all, it claims that it is the creativity of its people which is paramount to its success. Its fourth strategic goal, but by no means its least important, is that of 'Responsibility'. Responsibility here means, in Merck's words, taking care of its people and people external to the organisation, through taking care of the environment by operating under strict health and safety regulations (which tend to be stricter in Germany, than in many other European nations), and by adopting programmes for protecting the needs of people and environment, such as Corporate Citizenship and Responsible Care®. Although not specifically named as a corporate goal, quality through quality management is also one of Merck's central corporate interests. This has been demonstrated in the quality management criteria system which exists. This systems employs three central phases in ensuring quality of Merck products; *quality planning*: this deals with specifications of measures to achieve quality objectives which aim to follow quality requirements of relevant international standards, *quality improvement*: concerns identification and analysis of nonconforming product initiation of corrective action, and *quality control*: involves the use of tools and activities used to fulfil quality requirements on the basis of quality planning (see first phase). Regular audits, inspections and reviews of quality are carried out as part of the quality control system⁵.

Employees at Merck

Merck believes entrepreneurial success starts with people – indeed its third strategic goal states as much: '*We believe that talent is a necessary prerequisite, and lifelong learning, a continuous responsibility: But only the entrepreneurial thinking of our employees will make the decisive difference*' Today, worldwide, Merck employs a total of 33,520 (with circa 8000 employees in Merck Darmstadt, making it the largest employer in the region) people which it sees as the 'driving force' behind its strategy.

The company claims to commit itself to providing job security and the creation of new jobs and as a direct approach to attract entrepreneurial success, it began in the Spring of 1997, a 'company-wide creative process of change' - this has been summed up in its motto, That's ME – Merck Excellence, the primary goal of which, is to develop personal initiative and responsibility throughout the company. The Merck Excellence Check (details in the next sub-chapter) offers not only a way in which employee performance can be measured but it offers employees the possibility to embrace ongoing self-evaluation, one of the recognised critical factors necessary for success, both at the individual and organisational level. The Check also measures employees satisfaction and motivation levels and is thus an indicator of organisational climate. For some 45 managers in the company, the Merck University, created in 1998, offers amongst other training programs, MBA (Master of Business Administration) at reputable business schools based in the UK and Japan. Merck claims that the cultural diversity of its workers is also paramount – to this effect, English was introduced as the official corporate language in 2000. The company has also established several employee training programs which promote international networks, bringing people from different cultures together - this is one step or approach towards cultural diversity. For some interesting and relevant cross-cultural results of this research project, refer to chapter twelve, Results.

Other aspects that Merck deems important to the just and fair handling of its employees, include the sharing in profitability of the company. A high level of performance is expected of Merck employees, but in return, the company promises such performance will be rewarded. Efforts in this direction include, a stock option program for Merck's managers and the introduction of a performance-related compensation plan as a basic part of an employee motivation program. The latter means, that as part of a new initiative in 2001, employees will receive a bonus which is directly related to their operating performance⁵. Some

⁴ Source internet, address – see above, on 11.09.2001, 21.25. Internet page last updated 1998.

⁵ Source internet, address: http://www.merck.de/english/corporate/culture/uk_employees.gb.html, 11.09.2001, 21.38

interesting results regarding performance-related-pay for the German manager sample in this research project, are to be found in chapter twelve, Results.

4.3 What significance does Merck Excellence have within the organisation?

Merck Excellence is Merck's strategic plan for continual improvement of its people and of its product performance which relates to all individuals within the company as well as the organisational whole. The Merck Excellence Check not only checks workers performance, helping them identify areas for improvement, but is also culturally diverse i.e. has been, and will continue to be, eventually introduced in all of the Merck Group businesses, subsidiaries, divisions and central functions, worldwide. The Merck Excellence Check⁶ is based on the EFQM Excellence Model (refer to chapter two, section 2.1.2) and measures performance across the nine criterion of leadership, people, policy and strategy, partnerships and resources, processes, people results, customer results, society results and key performance results. Merck sees the Check as the logical and organised approach towards performance measurement. Before beginning a check, departments, divisions and units and their individual managers need to contemplate where their strengths and weaknesses lie, how measurement can take place, how to involve as many people as possible whilst allowing for individual initiative.

The basic procedure for carrying out a Merck Excellence Check (MEC) in any unit follows the desire of the management to introduce self-assessment. According to the MEC manual, the next step is to train the executive team of that unit or division i.e. train the trainer. The training is delivered by a person with the relevant knowledge and expertise in ME Checks. The next phase involves collecting data and information with the team of employees, whereby those people who set the criterion for the check, take on responsibility for one or two criteria together with their teams, evidence is then described in terms of where strengths and weaknesses lie. The third phase in carrying out a check includes conducting the self-assessment, whereby people in charge of a criteria present their results of the 'audit' at a workshop together with an *advisor* from another area or department, whose role is to act as a mediator. The results of the workshop make up an assessment report compiled by all MEC advisors belonging to the area or department, which covers all criteria. A second workshop or 'optimisation workshop', then takes place in which the assessment report is used to compile an action plan and for identifying the measurement criteria that are to be used for measuring progress. Finally, a review of the whole process then takes place and a new assessment is then begun on the basis of the results of the first data collection. Reviews should take place (as recommended in the MEC manual) at least annually. The MEC manual provides a log book for managers assessing performance in their areas and divisions and contains all nine criterion, with each criteria being laid out with recording space for 'Evidence', 'Strengths' (what *do* we do well?) and 'Areas for improvement/Weaknesses' (what do we *not do* well?). Additionally, a Scoring Table for the enablers (see model, chapter two, section 2.1.2) is provided to guide managers in allocating scores. Finally, the manual contains a summary of results i.e. which percentage scores are possible for which enablers, as well as a table of total points which shows the assessment of each criteria as a percentage and its relevant factor of importance within the entire assessment.

Implementation of the check is supposed to be seen as long term, taking place repeatedly after each set of improvements, as part of a continual monitoring process.

4.4 Keeping up with the European Pharmaceutical Industry and future Competitive Markets

It has been recognised by many in and outside of the industry itself, that the Pharmaceutical Industry, worldwide, is preparing for change. With large scale changes in the health-care industries, pharmaceutical

⁶ Source, Merck Excellence Check Version 3, English, (October 1998).

companies are really struggling to keep healthy profits ⁷. It has been estimated that in the future, pharmaceutical companies will be selling information about disease outcomes and costs, as well as selling drugs to doctors and health institutions. It is also likely that in the future brand-name prescription drugs will be directly marketed to the consumer via advertisements, via internet marketing and telemarketing. Partnerships and amalgamations between pharmaceutical companies, research organisations, governments and hospitals will increase as health-care communities establish new methods, and more cost-effective ways of caring for the sick and the dying. Advances in disease management, cost containment, speed to market etc. have meant that pharmaceutical companies won't just be selling products but will also be selling value-added services to their customers. These developments have meant that the forces of change have now arrived in the industry. With price pressures causing continuing cost explosions, big changes in molecular drug research making research and development for new drugs ever increasingly competitive and with almost a third of the industry's best-selling patents about to expire, companies producing generic drugs are ready and waiting for their opportunity. This tightened competition means that organisations need to get involved in such changes, place emphasis on partnerships but above all, they need to remain flexible – and in an effort to achieve this they need to learn to change or adapt to the changing market requirements.

It is clear to see that Merck Excellence is Merck's competitive strategy for meeting the new challenges head on and for achieving success. As the organisation says itself, 'change is occurring at rapidly increasing rates' not only for customers and competitors but also for research and in the development of new winning technologies. Merck Excellence, *That's ME*, is designed as a competitive tool for company-wide improvement and is supposed to bring Merck to the forefront of success, where it hopes it can compete as a leader with the pharmaceutical industry in Europe and worldwide. The organisation believes that constant improvement involves each employee and is won only through 'focused activities', which is where Merck Excellence comes in. The organisation tells its employees that the ME Check forms the basis of a comprehensive evaluation of all (involved) areas of the company and reminds employees that responsibility for improvement starts with them. The Merck Excellence program is also thought of as being able to provide, in future terms, not only the means to improve all working processes, but to improve them to such an extent as to be able, eventually, to apply for the European Quality Award (application of which was already under discussion in Rio in 1999 ⁸). The benefits that such an award can bring are clear and are discussed at depth in chapter three, Total Quality Management, section 3.5.3.

Spelling out Excellence

The many posters, occasional documents, and other forms of information and communication involving Merck Excellence that circulate the organisation at regular intervals, spell out Merck's message to its employees about Excellence (should some of them have problems in understanding the Merck Excellence concept, or indeed have problems in identifying with it), namely that: *Merck* – is the frame of reference of the most important brand name – it allows the documentation of the importance of change and, *That's ME* which shows that success is not achieved by individuals, but rather through collective expertise and initiative and finally, *Excellence* which describes the organisations performance in market segments in which Merck is active and which provides customers with maximum value.

Whether or not the organisations' definition of *excellence* meets those of its employees ⁹ is the subject of the next chapter, chapter five, The Pilot Study, in which a pre-questionnaire-survey or Pilot Study, investigates a sample of Merck's international managers' and their understanding of the concept of

⁷ Source internet, address: http://www.cio.com/CIO/0901_pharm.html on 13.09.2001, 15.42.

⁸ Source, Merck Change Management Process, Rio, 02.09.1996, printed 23.06.99.

⁹ See Reference Njå & Lütke (1998). A project which measured employees evaluation of the 'instruments used in change management' at Merck. It revealed managers and employees held quite different views about the delivery of Merck Excellence i.e. the larger proportion of the sample were only averagely satisfied with Merck Excellence, changes and the instruments of change being used. The study also revealed participants were less than satisfied when rating whether Merck Excellence brought any advantages to their work.

'excellence', establishing for each manager, a Manager Excellence Profile. For answers to the question of whether organisational and individual definitions of excellence match, please refer to chapter twelve, Results, in which all research hypotheses are tested.

4.5 Hypotheses

The hypotheses relevant to this fourth chapter on Merck are listed below:

Hypothesis 3b: Managers' self-rated Ego scores will correlate positively with self-rated commitment towards Merck Excellence

Managers self-rated Ego scores will be associated with self-rated commitment towards Merck excellence, the company's change program.

Hypothesis 5a: Organisational divisions having carried out a Merck Excellence Check (MEC), will be associated with higher ratings of employee satisfaction.

Organisational divisions which have carried out a Check will have employees who are more satisfied than divisions which haven't carried out a Check.

Hypothesis 5b: Organisation/division size will correlate positively with higher motivation scores, both self- and co-worker rated.

Divisional size will be associated with higher motivations ratings (self and co-worker rated).

Hypothesis 5c: Managers in divisions that have carried out an ME Check will show significantly higher stress levels and an inability to separate work from private life, than managers in divisions that have not carried out such a Check.

Managers in divisions that have carried out a Check will have been subject to higher levels of stress, and thus be less able to separate their work from their social life, than managers in none-Check divisions.

Conclusion

Chapter four dealt with the most relevant historical aspects of the host organisation, Merck. Corporate goals, strategies and Merck's own answer to changing markets and competition within the pharmaceutical industry, were also covered in detail. Finally, the question of whether the individual and the organisations' definition of excellence match, was put. The answer to this question is to be found in the following chapter, chapter five, The Pilot Study.

CHAPTER 5: THE PILOT STUDY

Overview

Chapter five deals with the Pilot Study of the research project, which was carried out with a voluntary sample of managers from company headquarters and two daughter companies, during 1998. The rationale behind the Pilot Study was to accurately define *excellence performance* not only in personal, but also in organisational terms, the definition of which was to form or provide the starting point for the Leadership and Change Management Questionnaire (LCMQ) - the instrument used to measure manager performance in this research. The chapter deals with distinctions in 'excellence', then moves onto the method, in which the gathering of excellence core competencies, is gathered. The third part to this chapter shows the results of the Pilot Study, the Manager Excellence Profile, showing aggregated results as well as an individual manager profile example. Finally, the discussion deals with possible interpretations for the given results.

5.1 Introduction to Manager Excellence Profiles

The true starting point to this research project really is the subject of excellence itself. When organisations wish to become knowledgeable about what they produce in terms of employee performance and output, they need a standard against which they can effectively measure current performance levels. Merck has already clearly defined the nature of its ultimate goal, Merck Excellence i.e. excellence in terms of superior or 'excellent' performance and applying to all performance, processes, products and services. This leads us naturally on to the question of the definition of excellence - what *is* excellence, what does it entail, how does one achieve excellence, how is excellence maintained? The answers to these questions may vary according to the interests of the audience providing the answer. Chapter five deals with these questions and attempts firstly, to uncover an individual definition of excellence (for the sample manager group) and secondly, an organisational or peer-group definition of excellence. In discovering the true meaning of 'excellence' and superior performance we are able to get closer to understanding its particular relevance in the improvement of standards, quality management and ultimately business. As we read in chapter three, excellence is an integral part in management and performance improvement as it represents the ultimate goal i.e. where all standards are leading to. This is reflected by many of the previously mentioned management and business methods e.g. Kaizen and awards such as the Deming Prize or the European Quality Award, which stipulate the absolute necessity of excellence in the process of continual improvement.

When carrying out research into employee performance, perception of management and leadership within a large-scale change project, it is especially important to understand what excellence means for the employees of the organisation. Merck Excellence, as described in chapter four (4.3). What significance does Merck Excellence have within the Organisation) which explains the relevance and meaning of excellence in Merck terms. The questions and topics dealt with in this chapter help us to understand the issues of importance for i) the employees at the time they entered into 'excellence', and for ii) development of the organisation which has propounded 'excellence' as being the way forward in the future. What we learn about employees thoughts, feelings and opinions on excellence becomes highly relevant for this research project, not only because it represents the first time that the organisation has officially (albeit indirectly) asked employees' for their opinions on the subject of excellence, but also, because the results of the Pilot Study reflect some of the findings seen in the main results section (see chapter twelve).

Distinctions made in Excellence – different sorts of excellence?

It is crucial to recognise the fact that 'excellence' as superior performance, means different things to different people at different times and of course, in varying situations. With this in mind, the division of excellence (a direct result of this Pilot Study) into two separate *types* of excellence, was clearly an important development in the research project. Having analysed the individual managers' definitions of

'excellence', (presented in 12.3 Results) an individual definition of excellence emerged. This definition was referred to as *General Excellence* and is represented in the LCMQ (Leadership and Change Management Questionnaire) as EG, Excellence General - all managers who completed the LCMQ received a separate EG score as part of their overall QPS (Quality Performance Scale) score. The second type of excellence to emerge from this Pilot Study was the organisational definition on excellence and superior performance, which was more or less developed by the host organisation from the European Business Model (refer to chapter two). This second or rather parallel, form of excellence is referred to here as *Merck Excellence* and is represented in the LCMQ as EM, Excellence Merck –all managers who completed the questionnaire received a separate EM score as part of their overall QPS score. More details regarding EM, EG and their respective sub-scales in the QPS, can be found in chapter ten (10.5 The Quality Performance Scale (QPS), a model for measuring Manager Excellence).

5.2 Method

Overview

This section of the fifth chapter describes the sub-method i.e. the method that was used as part of the Pilot Study. It is not to be confused with the Method section found in chapter eleven which describes the main Method used in this research project i.e. the method used to collect the LCMQ questionnaire data.

5.2.1 Participants

The participants in the Pilot Study came from three separate divisions within the host organisation's (a chemo-pharmaceutical concern based in the Rhine-Main area of Germany) parent company and two of its further daughter company's, based in France and in Mexico. Initial discussions with the company's senior management allowed the areas and organisational divisions that were to take part in the research, to be identified. The only criterion for selection of participants, as for the main Method (see chapter eleven, 11.1), included i) that divisions which had completed a Merck Excellence Check, as well as divisions that had not completed a check, be included amongst those selected, and ii) that central as well as operative divisions both be included. The total number of German managers who took part in the Pilot Study was $n = 15$ (12 male, 3 female), these managers came from the electric-chemical (EC), cosmetic, health & nutrition (CHN), pharmacology (pre-clinical) (Pha Cli) , laboratory (Lab) and technical (T) departments based at company headquarters in Germany. The total number of French participants was $n = 1$ (1 male), this manager came from the central division of Lipha, a daughter company, in Lyon. The total number of Mexican participants in the Pilot Study was $n = 5$ (5 male), all of whom operated from the central division based in Naucalpan, Mexico. In total $n = 21$ managers took part in the study, all of whom were selected using a random method. All participants in the study held the status of 'manager' – *manager* being defined here, as a person who has personnel responsibility i.e. who is responsible for a number of employees, whether it be one other employee or several hundred. The larger part of the German Pilot Study sample came from EC, CHN and Pha Cli divisions, the Mexican sample came from areas including the executive committee, chemical, pharmaceutical and the finance divisions and the French participant came from the central executive level – this combination of working areas allowed central, operational *and* executive levels to be represented within the Pilot Study participant sample, which was an important pre-requisite considered during selection of the sample.

5.2.2 Design

The Pilot Study took place during the preparatory phase of the of the research study, and involved measurement at one point in time. The one measurement involved, a recorded structured interview collated employee opinion using the Excellence Interview Sheet (see measures), and was held with all 21 sample participants, during the Spring of 1998.

Subjective or Objective Opinion?

How people perceive their working environment and those working within it i.e. how they see *it* as effecting *themselves*, has been the subject of much discourse in the literature (Randall et al, 2000) and has been linked to the elusive nature of change and how changing roles can lead to changes in identity construction (Tajfel, 1978, 1982) and therefore, changes in subjective and objective opinions about events and the environment (Davey and Arnold, 2000) - this seems to be suggesting that an unstable environment may be causing people to falsely evaluate their own behaviour. Whether manager opinion about events and the environment is objective or subjective, is hard to say and can probably be better evaluated by looking at the opinions of those who work with them, but then again, co-worker opinion is also subject to the same criticisms about objectivity. What has emerged in recent years is that employee opinion, whether subjective or objective, is important. Simply allowing employees the chance to voice their opinions about work and the organisation, is beneficial not only to the employees themselves, but also to the organisation – voicing opinion means additional information, and especially in times of change, additional information is important as input and can be regarded as aiding in the transition process (Bridges, 1995). Therefore, the 21 managers' opinions regarding 'excellence', which were collated for the purposes of this Pilot Study were seen as being of great value in establishing the building blocks upon which excellence and superior performance were to be measured within this particular organisation.

5.2.3 Measures

The structured interview held with the manager sample, used an interview sheet, the Excellence Interview Sheet which included questions about superior performance and excellence (refer to Appendix 4a and 4b for English and German versions of the Excellence Interview Sheet). The interview sheet comprised two main sections: a *general* section which asked participants about general (i.e. in more global or societal – non-organisationally specific) excellence and superior performance issues, plus a further section containing questions about *specific* or superior performance and excellence in 'Merck Excellence' terms (organisationally specific). The Excellence Interview Sheet contained no demographic or personal information.

Excellence Interview Sheet

The Excellence Interview Sheet is a means of measuring individuals personal perceptions regarding excellence and superior performance. It allows collation of employees subjective opinion and feelings about the issues under question – as subjective opinion deals more with persons individual ideals or ideas that exist only in their own consciousness, the Excellence Interview Sheet cannot be necessarily used as a standard measure for defining excellence and superior performance, however, it was deemed as being sufficiently representative for the purposes of this Pilot Study.

Questions on General Excellence: in this section the employee was questioned on what they understood by 'general excellence' and superior performance as seen in normal daily life (i.e. external from the workplace). They were asked about what excellence meant for them personally, which factors and which behaviours they associated with excellent or superior performance and also whether they saw 'general excellence' as being achievable in the long term.

Questions on Specific Excellence: in this second section, participants were asked about issues specifically concerning Merck Excellence. They were asked about what Merck Excellence meant for them in personal terms, in terms of their division or unit and also what differentiated *excellent* (Merck Excellence) behaviour from normal or standard behaviour. Managers were asked whether or not they agreed with the notion that Merck Excellence included the translation, optimisation and improvement of processes, or not. They were also asked to name three things or actions which they personally do for, or towards achieving Merck Excellence – the issue of 'which three things can I do to improve my performance?' is to be found in the Merck Excellence literature and is regarded as being one of the basic organisationally-defined precepts of performance improvement. Managers were also queried on whether or not they recognised the

importance and necessity for issues such as; self-responsibility for excellence, the transparency of excellence for the customer and whether excellence was necessary for success – these questions were scored as yes/no answers. The second section ended with participants comments on both general and specific excellence.

5.2.4 Procedures

The interviews conducted as part of the Pilot study were carried out either i) as face-to-face interviews or ii) as telephone interviews.

With managers who were based at Darmstadt HQ, face-to-face interviews were possible, taking place at the participants own workplace (by appointment) – the rationale behind this was that managers felt more at ease in their own working environment and could, if they so wished, show me what work was carried out in their divisions and indeed what their work entailed. A total of $n = 15$ face-to-face interviews were carried out at company HQ. Interviews were structured (refer to Excellence Interview Sheet) and were untimed (lasting from ten minutes to over one hour).

Verbal Protocol

A verbal protocol procedure was deployed (only) during the face-to-face interviews, which meant that all interviews were recorded using a tape recorder. This method was used to help recall facts later on during data analysis, and necessary as most interviews were held in the participants own native tongue of German, and as the researchers native tongue was English, recordings were thought to act as an aid to a better understanding of participants input during later recall. All participants were explained why recording the interview was necessary and were asked before the interview was conducted, if they agreed to the interview being recorded – all participants agreed to this.

With managers in the sample who were based at the two daughter companies based in Mexico and France, a telephone interview was conducted (by appointment) – $n = 6$. The same structured interview procedure was used as was the Excellence Interview Sheet - interviews lasted between ten minutes and half an hour. With occasionally poor telephone lines and sometimes very strong accents, understanding some managers was difficult - in these cases questions were repeated as necessary. The verbal protocol procedure was not used during any of the telephone interviews.

Efforts were made to try and conduct all interviews in the employees own language, whether with company or with daughter company HQ participants – the reason being that individuals express themselves better and more articulately in their own native tongue. With the German group it was possible to offer the face-to-face interviews in either German *or* English (out of 15 interviews, 13 were conducted in German, two in English). With the managers based in France and Mexico, the telephone-interviews were only available in English (the researcher did not speak French or Spanish) – as it was appreciated that managers were not able to used their native tongue, more time was allowed for the interviews, questions were repeated and questions put at a slower tempo (all telephone-interviews, $n = 6$, were held in English). In total, 13 interviews were held in German and 8 in English.

5.2.5 Data Analysis

A basic form of analyses were carried out on the data gathered from the structured interviews (these analyses involved mathematical and percentage calculations, not statistical procedures) and was later used to construct the ‘Manager Profiles’ – this will be further discussed in section 5.3 Results, this chapter. The procedure for reducing the information gathered at interview involved three stages. *Firstly*, all completed Excellence Interview Sheets were gathered and the participant responses to the nine questions (only questions 1-3 in the first section and questions 1-3, 5 and 6 in section two were used in the evaluation. Question four was unsuitable for inclusion in the analysis (see Appendix .4a for questions). The

remaining questions were collated, evaluated and categorised into one of 16 categories¹ (see Figure 1). *Secondly*, as categories and themes were repeated named by managers throughout the interview in response to the nine questions, a pattern or overriding form of interpretation for the concept of ‘excellence’ was established for each respondent – repeated factors or categories allowed each separate category to be weighted or translated into a percentage of the overall responses. *Thirdly*, the aggregated percentages for each participant formed an excellence profile, which itself established a core set of competencies, formed the basis of the respondents Manager Profile.

Figure 1. Response Categories for Excellence Interview Sheet (German: English)

1. Leistung / Kompetenz	Performance / Competence
2. Kunden-Orientierung	Customer Orientation
3. Motivation	Motivation
4. Selbstverantwortlichkeit	Self Responsibility
5. Kommunikation / Offenheit	Communication / Openness
6. Vorbild	Role Model
7. Eigeninitiative / Innovation	Self Initiative / Innovation
8. Zielorientierung	Goal Oriented
9. Unterstützung	Support
10. Engagement / Wettbewerb	Involvement / Competition
11. Personalentwicklung	Employee Involvement
12. Flexibilität / Risiko	Flexibility / Risk
13. Struktur / Prozess	Structure / Process
14. Qualität / Kaizen	Quality / Kaizen
15. Effizient Resourcing	Efficient Resourcing / Budgeting
16. Mission / Vision	Mission / Vision

5.3 Results –Manager Excellence Profiling

The results section included three areas of analysis for the Pilot Study data. Area i) covers aggregated results (shown as percentages) for the entire sample, area ii) deals with the 16 core competencies mentioned above and, area iii) shows an example of one of the Pilot Study participants results.

i) The creation of the 16 core competencies, which managers perceived to be integral for ‘excellence’, have been briefly described in section 5.2.5. In the first part of the data handling, the results of all participants $n = 21$ were aggregated to show the overall weighting in terms of importance of each of the core competencies. Figure 2 (below) shows the aggregated percentages of the 16 core competencies (as rated by the participants). For a clearer overview, the competencies have been grouped into three main areas:

¹ These 16 categories were not pre-selected, but represent simply the categories that were established from managers responses to the questions.

Figure 2. Participants (n = 21) Weighting of the 16 Core Excellence Competencies

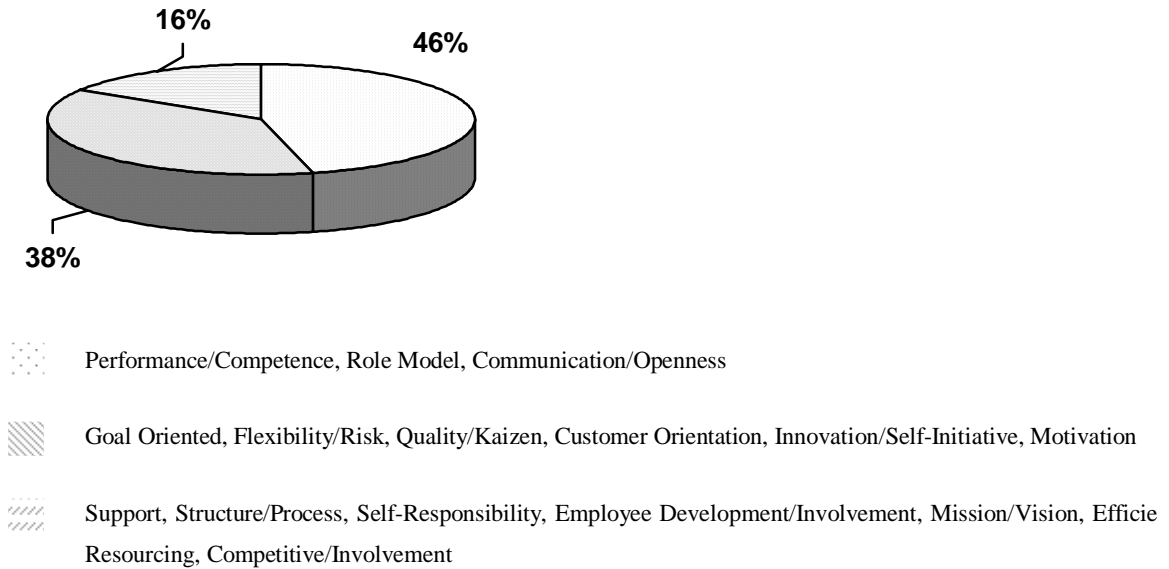
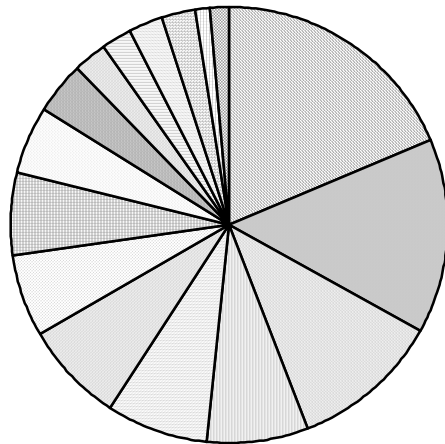


Figure 2 shows the weighting or salience of these three competency groups for the Pilot Study sample. The group that is *most* salient for these managers and therefore, contributes the most towards *excellence* is the group: Performance (on the job), Competence (how good you are at your job), Role Model (living *yourself*, what you expect others to live) and Communication (being a good communicator), Openness (being open in ones communication style) which accounts for approx. 45% of the overall weighting.

ii) In Figure 3 the 16 core competencies and their relative ratings of importance by the participants, are shown with individual salience percentages as a table and a pie chart.

Figure 3. Total Individual Core Competency Weightings (as percentages)

Performance 19%	Role Model 15%	Communication 11.4%	Goal Orientation 7.6%
Flexibility/ 7.6%	Risk Motivation 6.4%	Quality/Kaizen 6.4%	Customer Oriented 5.1%
Innovation/Self 5.1%	Init. Support 3.8%	Structure/Process 2.5%	Self-Responsibility 2.5%
Employee Develop. 2.5%	Mission/Vision 2.5%	Efficient Resourcing 1.3%	Competition 1.3%



- Performance
- Role Model
- Communication
- Goal Orientation
- Flexibility/Risk
- Motivation
- Quality/Kaizen
- Customer-Oriented
- Innovation/Self Initiative
- Support
- Structure/Process
- Self Responsibility
- Employee Development
- Mission/Vision
- Efficient Resourcing
- Competition

Figure 3 shows the total grouped individual weightings for the 16 core competencies identified by the participants in the study. The competencies Performance/Competence, Role Model and Communication/Openness have been weighted as the most important factors or indicators necessary for excellence, by the manager group. These three competencies total 45.4% , almost half of the total grouped weightings, and therefore, their overall salience becomes quite clear. The importance that performance, role model function and communication all have as factors of relevance in quality performance, is also shown in the main Results section (see chapter 1twelve). The competencies that seem to hold the least weight, but which are nevertheless identified as being relevant to excellence are Mission / Vision, Efficient Resourcing and Competitiveness, which total only 5.1% of the overall weighting. Possible explanations for these results are discussed in the next section.

iii) As previously mentioned, the results and competency weightings of participants contributes towards the individual Manager Profiles – each participant had such a profile. Part three of this section shows an example of one of the Pilot Study participants’ results and weighting of competencies which are presented as a Manager Profile. Individual results and profiles were not fed back to participants but grouped into the main results section, which was fed back to the host organisation.

Example of a Manager Excellence Profile

Participant PID2 who was an *Abteilungsleiter* i.e. a head of department or divisional head, based at the company headquarters. A face-to-face interview was carried out with him which lasted circa half an hour. In response to the questions put to him from the Excellence Interview Sheet, the following four factors emerged from his responses to the nine questions. Shown below are the questions and the respondents answers, from which overriding factors were extractable:

Q.1 What does the general term ‘excellence’ mean for you personally? Describe..

A. Excellence is exceptional performance, its about being the best.

Q.2 What factors/attributes of behaviour need to be present for you to evaluate something or somebody as being in some way, excellent?

A. When an employee is ‘customer-oriented’, it also means having the business goals at the forefront of ones mind.

Q.4 What does Merck Excellence mean for you personally?

A. It means exceptional performance for the customer

Q.5 What differentiates ‘excellent’ behaviour from ‘normal or standard’ behaviour at Merck?

A. Excellence was achieving a good delivery time, good performance as opposed to normal, being customer-oriented.

Q.7 What do you personally do to achieve excellence?

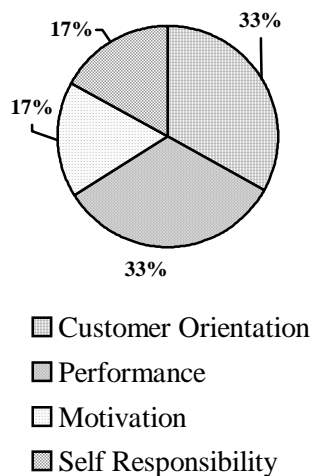
A. I motivate the employees.

Q.8 Do you have any further comments regarding Merck Excellence?

A. Merck Excellence means motivating the employees.

What emerges from this participant’s responses to the questions is his own personal weighting on ‘excellence’. Figure 4 shows the Manager Profile for PID2 i.e. the (in this case) four core competencies which have been extracted from the responses to make up the excellence profile:

Figure 4. Example of a Manager Excellence Profile



5.4 Discussion

To begin discussion of these Pilot Study results one must first recognise that the 16 competencies do not represent an exhaustible list of factors/competencies required for excellence. They represent rather those competencies identified by *this particular sample*, at this time and in this organisation - they are in part, attributable to the climate current and other developmental issues existing in the host organisation.

It is interesting however, to see that the participant group gave the core competence of (on the job) performance coupled with competence at ones job, the greatest weighting out of all competencies (19% out of 100%). Such a factor may have been expected to have been especially high if, for example, more managers had come from operative working areas – this assumption is derived from the already great emphasis placed on operative procedures and performance such as Zero Defects and Six Sigma etc. However, the Pilot Study group of managers were relatively well combined out of operative and central functions within the organisation, so this does not explain this result. One other possible explanation may be that in the last two to three years the emphasis on performance and improvement in general has been greatly increased throughout organisation the development of the Merck Excellence Process.. Role Model ² is certainly one of the tenets of Merck Excellence, which is probably why it appears for this sample amongst the top three most salient excellence factors. Surprisingly, the result mission/vision was (despite being identified) weighted one of the least important factors to contribute towards excellence. One explanation for this may be reflected in the job status level of the Pilot Study group. Most of the participants were lower level managers i.e. group and team managers within divisions up to divisional managers (two levels below executive level). Mission and vision issues tend *typically* to be important for more senior level management, as their job requires them to think ahead into the long term i.e. the next ten to twenty years, this is in contrast to lower level managers who tend to think more in the short term (this is also connected to having more or less power of decision-making) – manager status, power and short and long term thinking is discussed by Mintzberg (1973) ³. One could discuss in detail the various other competencies and their subsequent weightings but it would not reveal too much, as indeed another different sample of managers within this same organisation may choose slightly different core competencies, giving them different ratings. However, what is of importance here and is to be lifted out of this group of 16 factors, are the top three weighted competencies of performance, role model and communication – these remain important for this research as they appear to be pivotal factors (at least revealing a pattern) for excellence in the light of change. Performance, role model and communication appear repeatedly and are covered in the hypotheses results in the main results section. Similarly, as with the aggregated competency weightings, individuals weightings on particular factors or competencies do not reveal much in themselves, accept to say that of course, the overriding three factors mentioned above, do appear in individual managers Manager Excellence Profiles more often, showing a general pattern or trend towards, performance, communication and role model issues. This again can be most likely attributable to the slow but sure, sinking in or ‘conditioning’ of management within the organisation towards Merck Excellence and towards a basic understanding of what excellence or superior performance means on a personal level – this is no doubt, of great value for the organisation which is currently engaged in the change program Merck Excellence.

Conclusion

This chapter described in detail the Pilot Study to this research project, it covered the important issue of ‘excellence’ as a concept and indeed as a goal and the starting point for the Leadership and Change Management Questionnaire - the main tool measuring performance in this research. The Manager Excellence Profiles which were derived from the results of the Pilot study were also presented to provide the reader with an idea of which issues were of importance to these sample managers, as were the various

² Refer to Chapter 7 Change Management.. section 7.1.5.1 *Role Model Function*, for elaboration of this issue.

³ Refer to Chapter 6 Leadership Styles.. section 6.2.2 *Does Organisational Culture affect Leadership Behaviour?*

possible explanations for the selection of specific core competencies by them. Why different managers prioritise different factors in their jobs is discussed in greater depth in the following chapter, chapter six on leadership.

CHAPTER 6: LEADERSHIP STYLE; SUPERIOR PERFORMANCE AND SELF-REGULATION

Overview

This sixth chapter deals with one of the most central themes of this thesis, namely with the wider subject of leaders and leadership behaviour - leaders are the key or central figures involved in any change process in organisations and thus must be explored in depth. The chapter has been approached using three crucial perspectives. The first view of leadership covers what can be termed as the popular or more accepted concepts on what leadership is *believed* to be comprised. It generally covers the varying schools of thought on leaders' characteristics, traits and features which allow leaders and potential leaders to become identifiable. The second perspective on leaders and their behaviour addressed in this chapter deals with leaders in the organisation, and discusses relevant issues such as leadership style, leadership method and issues affecting deployment of particular leadership methods. The third approach on leadership addresses the issue of the leader as individual and co-worker, and how he/she is appraised in the workplace by employees including subordinates, superiors and peer colleagues. It not only covers co-workers evaluations of their leaders but deals also with how leaders self-regulate their own behaviour, finally dealing with the issues of work optimisation processes and superior work performance.

Chapter six then in summary, presents the leader from three varied but extremely pertinent perspectives; i) *what the leader is perceived to be* i.e. what he/she comprises and some of the methods both old and new, used to lead, ii) *the leader within the organisation*, the leadership methods and styles that can be used and finally, iii) *the leaders as individual and as team members*, how employees judge their leaders and how leaders not only judge themselves, but how they self-regulate or adapt their behaviour to changing circumstances.

This presents us then with the leader as individuum, showing us his thought processes and character, but also with the leader as being a part of the greater organisational cosmos, as one who, affected by process is nevertheless able to adapt using self-regulation.

6.1 Leaders and perceived leadership - do leaders have certain characteristics or traits?

Overview

This sub-chapter deals with several salient issues surrounding perceived leadership, leaders characteristics, traits and attributes. These issues are approached from, on the one hand, a historical context, to include certain notions on leadership purported by some of its founding fathers, as well as, on the other hand, introducing some present day psychological concepts on leaders, leader behaviour and its effects in the modern organisational arena.

Gibson et al (1994) describe *leadership* as, "an attempt to use non-coercive types of influence to motivate individuals to accomplish some goal". This tells us that leaders are individuals capable of motivating others into carrying out goal-related actions, in a variety of different environments. Even without an exact description of a leader, most people can name without too much difficulty, someone whom they regard as a leader - Winston Churchill, Nelson Mandela, Mahatma Gandhi, Mother Teresa, Billy Graham, Lee Iacocca (Gibson et al 1994, Fiedler 1996). All these people are leaders, whether it be statesman, militarist or business guru, whether it be in a social, political or business context. Why however, are they regarded as leaders? These people share at least something in common in that they all have communicated their *vision* to those around them in such a way, that has inspired and motivated their followers into making great efforts, and sometimes into achieving outstanding performance. But, if this tells us something about leaders, how can we truly understand and appreciate what the stuff of a leader is or indeed what *leadership* is, or whether it really exists?

In the search for answers to these questions, a large body of literature on leaders and leadership research has accumulated over the last 50 years or so. In a non-organisational context, Stogdill (1948) examined samples of behaviour in group situations. According to his earlier work, the development of determination and self-control, grasp of abstractions and social ideals, awareness of personalities and sufficient memory span to pursue remote goals rather than immediate objectives, can be seen as the four stages necessary for the appearance of leadership, at least in children - Stogdill maintains that such evidence for leadership does not emerge in infants before the age of two years.

In the adult context, we are practically bombarded with theories about leadership qualities, leader traits and characteristics, some of which are now outdated, others of which however, remain the stable basis for today's knowledge about leaders and their behaviour.

As far back as 1963, Stogdill¹ gathered samples of descriptions of leaders, or supervisors, from their supervisees. The Leadership Behavior Description Questionnaire (LBDQ) Form XII, indicates 12 salient aspects of behaviour associated with leadership, these include: *representation* (of the group), *demand reconciliation* (reduces disorder and resolves conflict), *tolerance of uncertainty* (able to cope with uncertainty), *persuasiveness* (effective use of persuasiveness and argument), *initiating structure* (clearly defines own role and clarifies follower goals), *tolerance of freedom* (gives followers scope for initiative and action), *role assumption* (actively exercises leadership role rather than surrendering it), *consideration* (is concerned with comfort and well-being of followers), *production emphasis* (exerts pressure on/towards output), *predictive accuracy* (can predict outcomes through foresight), *integration* (maintains inter-group relations, can resolve conflicts), *superior orientation* (maintains good relations with superior, supervisors, has influence with them and strives for advancement).

According to Fred E. Fiedler (Fiedler 1996), an early American leadership guru, leadership entails leaders undergoing highly complex interactions with their social, task or organisational environments. Fiedler defines leadership as, "...that part of management that involves the supervision of others...". He sees leadership as involving the following seven elements; *Emergent leadership* - no evidence for an emerging leadership trait or a leader personality. Group members seen to possess the required skills, abilities or resources that would help the group in achieving its defined goal, are chosen or 'accepted' as a leader – individuals who are seen or perceived as good leaders are also seen as good followers; *Leader effectiveness* - the capability of getting a group to achieve its mission, is dependent upon how well the leader's personality, his/her abilities and behaviours match the situation in which the leader is required to operate, this would indicate that leadership is situation-dependent; *Stress and control over group processes and outcome* - leadership-situation has a different effect on different types of leader – different leaders experience different levels of stress, feelings of being in control and evaluation of task uncertainty – this can lead to different outcomes; *Leader behaviours* – it seems that others evaluate leaders through two major behaviours i) whether leaders treatment of subordinates is poor, or whether they used consideration and employee-centred behaviours and ii) how leaders structure the roles and working relationships of their subordinates, such behaviours include task-oriented, structuring and job-centred behaviour; *Charismatic leaders* - describes people who are completely committed to their vision and mission, who are 100% convinced that their mission is the right way to success, and who are able to communicate this to their followers; *Gender and race differences* – men and women from different racial and ethnic backgrounds make equally effective leaders (from Winston Churchill to Mahatma Gandhi); *Attributed abilities, skills and motivation* – the ability to motivate others and the abilities associated with leaders and followers, determines how well leaders and followers deal with one another and how this affects them in their respective roles (Fiedler 1996).

¹ Secondary Reference - refer to Cook et al (1981) in Bibliography.

The literature indicates other leadership qualities that have been found to include some of the following; **above average intelligence (IQ)** - Stogdill (1948), Kotter (1982), Hunter and Jordan (1939)² found interestingly, intelligence to be only *slightly* above average i.e. in children the IQ ranged only from 15-30 quotients higher for identified leaders, this indicates that leaders are more intelligent than their followers, but only just – *if* they had a much higher IQ they might not be able to relate or communicate so well with their counterparts and would thus remain probably more detached from the group; **emotional intelligence (EI)** a factor or attribute discovered to be essential for effective leadership during the 1990's – it refers to the ability to understand and relate to people and is considered by some, to have a greater impact on individual and group performance than traditional measures of intelligence, Johnson and Indvik (1999), **originality of thought** or innovation and creativity has been found to correlate with leadership (Stogdill 1948), Yammarino (1996), McCall et al (1988) as was the **ability to cope with changing environments**; **extroversion** - leaders have been found to be more often extroverts than introverts according to Stogdill (1948) but evidence is scanty; a **superior physique**, Nutting et al (1923)² or being fit and well trained, was found to be more evident in leaders, although Tyron (1939)² found this only to be significant in male leaders; **self-confidence and absence of modesty** i.e. leaders tending *not* to be modest, is mentioned by Stogdill (1948) as being present in effective leaders, whilst Yetton (1984) reports that effective leaders have higher scores on self-confidence. McCall et al (1988) interviewed a group of executives, whose own experiences of leadership had led them to believe that leader talent included several wider issues such as: **setting and implementing agendas** e.g. learning about the business, taking full responsibility etc.; ability at **handling relationships** e.g. handling political situations, getting workers to implement solutions etc., Kotter (1982) **basic values** e.g. delegation, sensitivity to the human side of management etc., **executive temperament** e.g. tenacity i.e. being tough when necessary, persevering in the face of diversity etc., **personal awareness** being able to balance work and personal life, being aware of personal limits and blind spots, are all to be found in leaders. Gibb (1969) reports that interpretation of non-verbal cues is also important and that females are significantly better at this than their male counterparts. Downey et al (1976) carried out a study in which they showed that in structured task situations, leaders/supervisor's consideration was directly related to subordinates level of satisfaction with the work itself and with opportunities for promotion. McClelland and Boyatzis (1982) showed that managers showing moderate to high level of **self-control** are more likely to succeed as leaders, than those with lower levels of self-control (self-control and leadership is discussed later on in this chapter). Leaders coming from a **higher socio-economic background** has also been advocated by Kotter (1982), Stogdill (1948) and McCall (1988). Shield et al's (1995) research on leadership behaviour and team sports, showed that higher group cohesion is more likely when a leadership style that is strong in training and instruction, social support, democratic behaviour, positive feedback and avoidance of autocratic decision-making, is used i.e. leadership that includes social support may be better for group cohesion (ability to work together). Lüke (1995) reports from an astonishing development coming from the business and finance sectors in Germany, where effective leadership is now being more and more associated with the ability to coach i.e. the ability to guide co-workers through long term partnership. Indeed co-workers, in this case employees, have been found by Höhler (1994) to expect **creative impulse**, **extensive team experience**, the **ability to praise**, the **avocation of failure-friendly systems**, creating a **climate for innovation** and the **opportunity to uncover potential** from their leaders and top management. Similar findings by Angermeyer (1997) suggest that so-called coaches, or the process of coaching, are an absolutely vital part of the organisations development concept. This shows us for example, that the demands on leaders vary considerably according to follower or audience. Indeed Dahlgaard (1997) suggests that European employees place higher worth on leaders and managers who are more creative, inspiring, action- and problem-solving oriented. *If* there were to be any general traits found amongst

² Secondary Reference - refer to Stogdill (1948) in Bibliography.

leaders, they would have to vary with the leadership requirements of different situations i.e. persons who are leaders in one situation, may not necessarily be leaders in other situations (Stogdill 1948). Hollander and Offermann (1990) also advocate that situational elements are now a recognised element affecting the leadership process. Despite there being a wealth of literature, there *is* no comprehensive list of characteristics or traits for successful leaders or executives, but rather a set of common values or experiences that can be found amongst good leaders. Such common experiences may include, according to McCall (1988), characteristics like emotional stability, the desire for achievement or power, creating opportunities for growth. Zaleznik (1977) goes one step further by separating managers from leaders, arguing the case for differences in personality between managers and leaders and by suggesting that the two differ in their attitude towards goals and towards their world views. Managers according to Zaleznik, tend to adopt more impersonal or even passive attitudes towards goals than do leaders. Managers may act to limit choices, whereas leaders work almost in an opposing direction working towards developing new approaches to long standing problems and towards assisting in the opening up of new options. Fundamental differences are also seen between manager and leader by the author, in attitudes towards risk and survival. Leaders tend to work from high risk positions, whereas managers instinct is more towards survival than towards risk. Managers ability to bear tedious or every day practical work, allows them to survive – leaders tend not to react to mundane work in the same way, and in fact shy away from it, seeking rather the exciting challenge (Zaleznik 1977).

Whether leaders are made and whether genetics really plays a role, is also disputed by McCall (1988), as is the role of experience in leaders. Here, the author suggests that it is not necessarily the *amount* of experience that is relevant to leaders, but rather that leaders tend to *use* their *experiences differently* from non-leaders i.e. they have the ability to extract something worthwhile out of their experiences, even the negative ones, which then become a greater part of an overall learning experience. Neck et al (1999) advocate something similar by claiming that the typical leader adopts more the *opportunity-* rather than the *obstacle-*thinking pattern i.e. leaders evaluate situations differently. Opportunity thinkers involve thought patterns that focus more on opportunities and challenges, whereas the obstacle thinker tends to centralise more on negative aspects that are a part of challenging situations e.g. finding reasons for ceasing to try to solve particular problems. Timmons (1994) takes this one step further by explaining that the opportunity thinker i.e. the manager *more* likely to make a better leader, tends also to be the optimist, seeing the proverbial cup as being half full, rather than half empty. Fiedler (1988) maintains that there is no consistent evidence to suggest that leaders experience contributes generally towards their performance (refer to this chapter 6.4.3 for relevant Hypotheses).

Being able to cope well with the contradictory demands of the job, is also, according to McCall (1988) what makes a good executive. For example, being able to act alone as well as work together in a team when necessary, or being able to make tough (sometimes) unpopular decisions, with compassion or having the confidence to act, as well as the humility to know that other people's views may also need to be considered - this would seemingly indicate that leaders possess a great level of flexibility, diversity and an ability to get the most out of each varying situation in which they find themselves. Leadership certainly can be seen as a working relationship between the leader and members of the group, Hollander and Offermann (1990) - indeed leaders tend to acquire their status through active participation and demonstration of capacity for carrying out co-operative tasks through to completion. The path-goal theory (House 1971; House and Mitchell 1974), a contingency based model which is based around a leader's effectiveness in being able to increase subordinates' motivation along a path which leads to a goal. In this model we are confronted with three contingencies that face the leader, including the task, the characteristics of the leaders subordinates and the nature of the subordinates group - the main emphasis here being the leader's behaviour, which is seen as a source of satisfaction (or dissatisfaction) to subordinates. Difficulties may arise here due to differences in perception of leaders. Offerman and Kennedy (1987) suggest that although individuals may use similar dimensions when describing supervisors and leaders, their perceptions may vary – the authors research showed that ratings in response

to the cue *supervisor* were significantly less favourable than ratings for the cue *leader*. This will be discussed in more depth (see section 6.3, this chapter). The role model aspect seen in many models, some of which have been covered here, is a central function of leadership (Yammarino 1996) and will be discussed later on in this chapter.

6.2 Leaders in the Organisation, Leadership Styles, Power and Empowerment.

Overview

In contrast to the previous sub-chapter which dealt mainly with leaders' individual characteristics, this sub-chapter sets out the issues surrounding leaders within an organisational context, examining more closely some commonly deployed leadership styles and methods as well as the very important relationship that leaders have with power.

Leaders contribute a great deal towards the success or failure of the organisation (Fiedler and House 1988) and it is therefore, important for organisations to know something about *how* they lead and the effects that they have on their followers and the organisation as a whole. Amongst the plethora of studies proposing various models of leadership behaviour, a few centrally relevant theories and studies have been selected for this section, in order to highlight leadership as it pertains to individuals and the organisation, paying special attention to the phenomena of change. Leaders are perceived as having, like anybody else, individual differences. These differences are naturally perceived by those around them or those who deal with them and have consequently something of an effect on "follower" satisfaction and performance outcomes (Hollander and Offerman 1990), (Smith et al 1984). A wonderful example of how these differences in perception are shown to affect follower outcomes is seen in research carried out by Thorlindsson (1987). Thorlindsson carried out a study on some 200 fishing trawlers belonging to the Icelandic shipping fleet. These ships were between 100-200 feet in length, typically carried a crew of eleven men and operated under practically identical conditions in, what the author describes as, "a highly competitive environment". A longitudinal study revealed in its analysis that, over a three year time span, the skipper (the man in charge of the ship) had accounted for between 35-49% of the variation in the catch of fish. The best skippers are reported to have remained at the top of this extremely competitive occupation year after year, and also that the correlation of catch by skipper was substantial over the three year period (.59, .66 and .70), even when controlling for such variables as boat size and number of days spent fishing. This provides us with a clear example that any organisation's success is directly affected by its leaders.

Leadership style is now seen as being rather complex and more than simply typical individual behaviour or sets of behaviours. It is seen as relating to situational demands and constraints, typically of the organisation, as well as the expectations of the followers. Leadership style seems also to be a function of the particular follower group with whom the leader is interacting, for example, leader plans, their decisions and their action strategies are communicated generally through what can be described as directive behaviour and are only implemented if the group is supportive (Fiedler and House 1988).

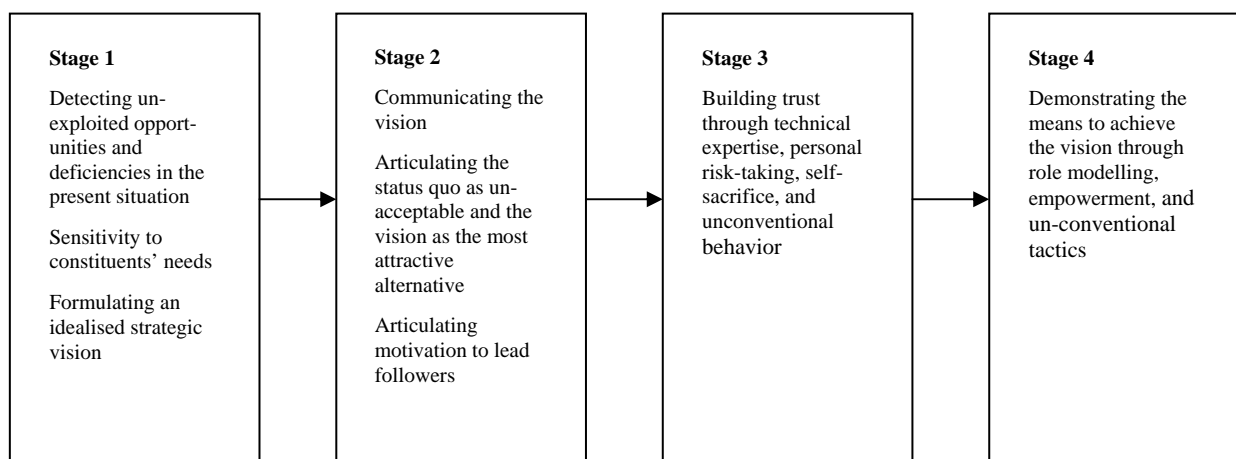
6.2.1. Leadership Styles, Classic and Neo-classic

There are many different forms of leadership style and method extant. The reasons why organisations and individuals show preferences for particular leadership styles and methods is certainly open to discussion – the variables involved in selection include amongst others, type of industry, size of organisation, management philosophy, style and ethic, regional / geographical differences. For example, some individuals argue that certain leadership styles are 'typically adopted' by or lend themselves to Western management structures, others by Eastern management structures. In the interests of space conservation, a small selection of styles and methods has been highlighted upon here in order to give the reader a brief overview.

Charismatic and Transformational Leadership

The word charismatic comes from the Greek word *charisma*, meaning divine gift. Charismatic Leadership, now one of the older trait-based concepts, is still popularly referred to today, probably due to its emotional appeal. Charismatic leaders possess amongst others things, the following behavioural components; are generally opposed to 'status quo' and strive to change it; have a highly idealised vision discrepant (non-compliant) from the status quo; their shared perspective and vision deems them well liked and they are seen as honourable and worthy of identification with; expert at using abstract or using unusual means to transcend the existing order; high level of environmental sensitivity (highly aware) for changing the status quo; strong articulation (eloquent) of future vision and motivation to lead; personal based that is based on expertise and respect; entrepreneur, is able to transform people to share in radical change (Chemers and Ayman 1993, Hollander and Offermman 1990, Gibson et al 1994). The following chart from Gibson et al (1994), demonstrates the four phases that constitute charismatic leadership.

Figure 1. Stages in Charismatic Leadership (Gibson et al, 1994)



On a more up to date note, some authors have attributed factors such as, the successful diffusion of new technologies such as e-mail within an organisation, to strong charismatic leadership (Romm and Pliskin 1999). An example of a charismatic leader and his associated organisation was Lee Iacocca at Chrysler (now Daimler Chrysler).

Burns (1978), *Transformational Leaders* tells us about leaders who change the ideas and outlooks of their followers. Burns, sees the leader as an individual transforming agent, capable of bringing followers to exceptional and unexpected performance. Here, it is suggested that leaders main aim is to go beyond the usual boundaries in order to bring about a change in the thinking patterns of their followers, which will lead to changes in followers actions. Transformational leaders motivate their followers to work towards transcendental goals i.e. long term goals, rather than towards goals associated with self-interest, security and self achievement. Such leaders inspire followers to achieve outstanding results which provide them with internal rewards – here the leaders *vision* provides the follower with motivation to work hard which is in itself rewarding, or internal. Bass (1985) identifies five factors that can be associated with transformational leaders, these are; *charisma* (the leader is able to create a sense of value, to express a vision), *individual attention* (leaders pay attention to their followers needs and requirements, assigning them meaningful projects), *intellectual stimulation* (leaders help followers find new ways in which to assess a situation, encourage creativity), *contingent reward* (the leader informs followers what they must do in order to receive the rewards that they prefer), *management by exception* (leaders allows followers to work on tasks without interfering, unless goals aren't being achieved within an acceptable time span or reasonable cost).

Charismatic and transformational theories of leadership both address leaders actions that cause subordinates or followers to *change* their values, needs, goals and motives – these two particular types of leadership style, might therefore, be considered appropriate leadership styles in an organisation which is undergoing wide reaching restructuring such as during a change management programme.

Just as important and relevant to leadership theory as defining and understanding styles of leadership, is the understanding of follower response. The response of followers or subordinates to certain types of leadership style is well documented. Smith (1982) showed that charismatic leaders have significantly different effects on their followers than successful but non-charismatic leaders. The study reported that followers of charismatic leaders tended to be more self-assured, placed greater meaning in their work, reported greater levels of support from their leaders and saw them as more dynamic, were willing to work longer hours for them and produced higher performance ratings, than non-charismatic but successful leaders. House (1977) had a similar finding, reporting that charismatic leadership behaviour had a more positive influence on followers' performance, adjustment and satisfaction. The question here is, *why* – could perhaps followers of charismatic leaders be more easily able to personally identify with their leaders? Could such an effect be explained by fundamental differences in followers perceptions of their leaders? (this topic will be further explored in 6.3, this chapter).

Thought Self-Leadership (TSL)

Manz et al (1988) describe a survey of 3,580 managers, which indicated that the thought patterns of higher performing managers significantly differed from those of lower performing managers. Therefore, given that leaders and leadership styles vary, further exploration of any such differences, as for example, in their thought patterns, is highly relevant .

Thought Self-Leadership, as reported by Godwin et al (1999), involves the ability to influence the self through certain cognitive strategies that focus on self-dialogue, mental imagery, assumptions and beliefs as well as thought patterns. It describes the ability to influence oneself into establishing the self-direction and self-motivation which is needed to perform. TSL is centred around employees' establishing and being able to maintain, constructive desirable patterns of thought (Neck and Manz 1992). The authors suggest that the main ways in which thought patterns can be controlled are through i) individual self-dialogue and ii) mental imagery, the symbolic experience or creation of imagined results of the actions and behaviours, before they are performed, attitudes and beliefs. This type of self-leadership implies that when employees effectively apply such mental strategies, they are able to enhance thought patterns, their perceptions of self-efficacy as well as their performance (Neck et al 1999). The authors argue that self-leadership can certainly serve as a fundamental component towards entrepreneurial leader self-development (*entrepreneurial* including the following processes: autonomy, innovativeness, risk-taking, proactiveness and, competitive aggressiveness), Lumpkin and Dess (1996).

Customer Relationship Leadership (CRL)

Customer relationship management, or CRM, is a new method for managing customers which appeared in the United States at the end of the 1990's. It concerns mainly the management of technology, processes, information resources and individuals required to build an environment that enables businesses to take a complete overview, a 360° view, of customers and their needs. With the creation of this new management concept, it became clear that in delivering effective CRM, a rethink about leadership and leadership style was necessary. Customer Relationship Leadership (CRL) rose therefore, out of this need for a reformed style of leadership and is a new model which leaders in organisations can adopt to help them recreate or readjust their styles of leadership, towards creating a business atmosphere which can foster the ideas and principles behind customer relationship management. Although CRM environments have been shown to improve business performance, any initiatives embarked upon using this new management approach, demand at the first level a thoroughly sound leadership (Galbreath and Rogers, 1999).

Kyosei

Kyosei is an interesting case because it can apply equally to individual managers and leaders as well as to entire organisations, and represents, much like CRL, more of a philosophy about how to lead effectively and above all, how to lead fairly. As its name suggests, *kyosei* is an eastern management philosophy, based around individuals' taking on full responsibility for themselves as well as others around them and with whom they work. Organisationally applied *kyosei* can be seen as global social responsibility which overrides all forms of conflict, whether local or international (London, 1999). Companies engaging in *kyosei* adopt a holistic approach, taking into consideration employees, internal and external customers, suppliers, stakeholders, the local and international community's needs. *Kyosei* is synonymous with fair and honest leadership decisions, as well as ethical organisational practice and is therefore to do with mutual respect and dignity. Leaders and managers who wish to apply *kyosei*, operate using business diplomacy i.e. the ability to remain fair and honest throughout such processes as decision-making, conflict resolution and negotiation procedures. *Kyosei* says that principled leaders are good role models for business diplomacy and furthermore companies practising *kyosei* tend to teach, encourage and reward those shown to demonstrate business diplomacy. Diplomacy is of course, not a bad idea, as it encourages agreement amongst groups where agreement was not previously found and above all it encourages Cupertino amongst groups who might have fairly different interests (London 1999). Such a style or management philosophy is more likely in general, to lead towards increased leadership effectiveness.

6.2.2 Does Organisational Culture affect Leadership Behaviour?

In order to gain a deeper insight into the behaviour of leaders and its effects in the workplace, it is necessary to examine the interaction that a manager has with his/her greater environment i.e. that of the organisation itself. Studies carried out during the 1960's e.g. by Likert (1961) observed that top managers or leaders set a certain climate or *tone* within the organisation, and Likert suggests that this tone, "permeates the leader style" within that organisation. For example, a senior manager within the organisation who has an autocratic leadership style (low on subordinates' input and participation), *may* set a climate for leaders below their own level, which is limited to being participative. This may however, not necessarily be the case. Perhaps behaviour permeability is leadership style dependent i.e. *some* leadership styles may be more prone to cause such effects than others – this would certainly make an interesting topic for further leadership research.

Not only is leadership style affected by individual differences, as demonstrated above, but it is also affected by situational or macro-level variables. Leaders can seemingly be blamed or credited by others for certain outcomes that they may, in fact, have little to do with (Lord and Maher, 1990). Meindl and Ehrlich (1987) found that in perceiving groups and organisational performance positive and negative factors were more likely to be attributed to leaders than other factors. Situational variables can considerably influence managerial or leadership behaviour and activity patterns. Such variables, according to Yukl (1994), include amongst others, managerial level, particular function of the organisational unit, size of the organisational unit, crisis situations, lateral interdependence and developmental stage in the organisational life cycle. According to Mintzberg (1973), Nealey and Fiedler (1968), a *manager's level* within the authority hierarchy of an organisation is one of the most salient situational influences on the manager's own patterns of activity. These differences arise out of the different job requirements for managers at varying levels. Managers with more authority and therefore higher up in the hierarchy of the organisation, tend to deal more with exercising a broad authority in making more long term plans, developing organisational structure, and with creating new ways of doing things. Decisions taken at this higher level tend also to have long term effects, simply because it is appropriate for senior executives to be thinking about what will be happening within the company over the next ten to twenty years (Jacobs and Jacques 1987). Managers below this hierarchical level tend to have to deal more with the interpretation and implementation of policy and programs. Middle level managers are making decisions that have effects over a moderately long time span i.e. between two to five years. Lower level

managers time perspective is limited to between several weeks to a couple of years. Research carried out by amongst others, Allan (1981), Rosenkrantz and Hennessey (1985) and Paolillo (1981), has showed that different level managers have, not only different job requirements as well as varying levels of job discretion, but they also tend to allocate varying amounts of time to different managerial roles e.g. resource allocation, spokesman and figurehead roles seem to be more salient for top level executives, whereas entrepreneur, liaison and negotiator roles seemed to be more important for middle and top managers, than for lower level managers. Research carried out by, Page and Turnow (1987) and Katzell et al (1968), showed that lower level managers in organisations tended to be more concerned with technical issues, staffing, work-scheduling and following subordinates work performance. It is commonly recognised that the job requirements of higher management positions vary in terms of level of responsibility, Chapple and Donald (1946).

Function of the organisational unit plays a role in the source of variation in managerial behaviour, but research on this area is limited. One complication with measuring function administered by a manager is that many managerial positions include organisations or divisions that perform several different functions, and not just one function.

Size of the organisational unit also accounts for some of the variation in manager's behaviour. When examining size of organisational unit or division, one is dealing with the "span of control", as Yukl calls it. Drawing clear conclusions about the effects of organisational unit is confounded by other related issues, such as task complexity and the level of role interdependence i.e. how one person's role is affected by another person's role, amongst subordinates. Kotter's 1982 study concluded that managers working in larger organisational divisions had jobs that were more demanding than managers employed in smaller divisions or subunits. Decisions are more difficult to make in larger units, due to the increased volume and number of activities and issues involved – simply, the larger the unit, the more complex it becomes. It seems also, that due to larger units' having a more bureaucratic structure, managers within them are required to deal with a greater number of constraints and limitations e.g. in the form of rules and regulations, necessary authorisations etc. Size of organisational unit will inevitably determine the numbers of subordinates that a single manager may have. When managers have larger numbers of employees it is more difficult to get them altogether, for example, for a meeting, infact, it even becomes more difficult to see them *all* on an individual basis. Therefore, leaders tend to use a less participative leadership style, or they may limit themselves to executive committees or a few trusted individuals. When span of control was found to increase (Heller and Yukl 1969), higher level managers tended to make more autocratic decisions and they tended also to delegate more. Both autocratic and participative leadership styles enable managers who are overloaded with responsibilities to reduce the amount of time taken in making decisions. Kotters study also showed that managers lower down in the hierarchy also made a greater number of autocratic decisions as their span of control increased, they did not however, use more delegation (perhaps as the power necessary to do this, was simply not available to them).

Lateral Interdependence is the degree to which a leader's division or subunit is dependent on other subunits in the same organisation or on external groups – this will affect leaders behaviour. As lateral interdependence increases with other divisions or subunits, the need for external co-ordination also increases. In non-predictable or dynamic environments i.e. in changing environments, it becomes even more necessary but also more difficult, for subunit managers to make mutual changes to activities, schedules etc. (Galbraith, 1973). Lateral interdependence means that daily routine activities require modifications more often in order to take into account the needs of the other dependent subunits – this tends to reduce autonomy and stability (Sayles 1979).

Crisis Situations also have a certain effect on leader's behaviour. The expectations on the leader change and become more unpredictable, the more pressure increases to complete a difficult task or to survive in a hostile environment. Subordinates, in this type of situation, tend to expect certain changes in the leader's behaviour, such as increases in assertiveness, directiveness and decisiveness, expecting the leader to

demonstrate initiative by defining the problem, identifying a solution and by directing the group through the crisis. Mulder et al (1970), carried out a study of naval officers, which showed that officers used more power in crisis situations seen through an increase in directive, autocratic and goal-oriented behaviours.

Stage in the Organisational Life Cycle - organisations, much like biological systems, progress along a life cycle which includes a birth, growth, maturity and a decline and revitalisation stage (Quinn and Cameron, 1983). During the initial start-up phase in an organisation, it is necessary for management to communicate to stakeholders e.g. bankers, investors in that organisation, a vision and a direction for the organisation. The next stage in organisational development requires that the appropriate technology is acquired to perform the work proposed, and that suitable staff are selected into the organisation, to carry out the work. As the organisation expands managerial responsibility is concentrated around internal demands i.e. motivation, staffing, work organisation, allocation of resources etc. When the company is mature i.e. when the organisations products and services have become fully developed and the market is stable, the main focus of management is on the development of procedures and the structuring of work processes to allow an increase in the effectiveness and efficiency of operations, and to maintain employee motivation when controls are being tightened and opportunity for advancement is reduced. Organisations will in the course of time, experience external threat such as new competitors, declining demands for products, new markets becoming apparent etc.. When such severe environmental threats occur, it is management's main responsibility to decide which is the best way to change, or to adapt to the new conditions in order to survive. Members of the organisation must identify new strategies, resources need to be released in order to fund proposed changes and importantly, credibility must be re-won with stakeholders. The success of this effort to change and bring about improvement through new strategy, will determine whether the organisation survives or fails (Baliga and Peterson 1988).

Organisational climate can also be seen a situational variable in this context, and has indeed been shown to affect managerial retention within organisations. An enlightening study carried out by Biasion (1993), describes a tendency of top managers and executives in organisations to be quitting their jobs due to a reported negative organisational climate and *Personalpolitik* or attitudes towards and treatment of, company employees. Biasion's hitlist of reasons for quitting the job included at position 12 (bottom of the list) working conditions e.g. reduced opportunity for personal/professional development, at position six (halfway up the list) behaviour of superiors/bosses e.g. patriarchal management and lack of recognition, and at position one (top of the list) organisational climate, treatment of and attitude towards employees e.g. lack of communication, lack of clarity in own-divisions' as well as the organisations goals, passing on of incomplete information, high rate of turnover amongst peers and employees.

6.2.3 Power and Empowerment (Power-Sharing)

Kirkbride (1982) cites in his chapter on power, Cleggs (1979) comment about power, "...it is only when control slips, assumptions fail, routines lapse and 'problems' appear that the overt exercise of power is necessary..". Power and its distribution play an important role in the interactions which occur in organisational life and is therefore, of fundamental interest to the study of leaders and their behaviour. Understanding *how* power over other people functions is equally as important when attempting to understand leaders and leadership processes. Power exists in many forms e.g. *coercive power* - a power base that is dependent on fear, *reward power* - the opposite of coercive power and concerns material and other reward, *persuasive power* is when a person can decide who to employ for example, or have some influence on a group's norms, *knowledge power* is when an individual controls unique information that is needed in order to make a decision (Pheng, 1999). According to Pfeffer (1981, 1982), managers and leaders in organisations deal with at least four different sources of power, coming from those power bases mentioned above. They include; *position power*, refers to the power in the position itself, regardless of the person in that position, *personal power* refers to the power residing in the person, regardless of their position e.g. if an individual is charismatic etc., *expert power* refers to those people holding specialist knowledge, who are able to use it to manipulate others who do not have that knowledge and, *opportunity*

power refers ‘to being in the right place at the right time’ and having the opportunity to exercise power (opportunity power might be expected to increase, the more senior the level of the manager i.e. the higher up she/he is in the hierarchy, the greater the opportunity to exercise power is likely to be). Yukl (1994) examines the possibility that effective leaders may use different types of power from ineffective leaders. As reported by him, one piece of research showed that expert, referent and legitimate power correlated positively with attitudinal commitment by workers, whereas reward and coercive power (manipulation) correlated with behavioural compliance.

Power is an official organisational role that gives leaders and managers the legitimate or permitted authority to make use of available resources (whether they be financial, human etc.) in order to achieve expected, or desired, outcomes (Schermerhorn 1996) – it also relates to a person's access to relevant information (Gibson et al 1994). When discussing issues of power and authority with regard to leaders and managers roles, one must also address the issue of responsibility, which is closely linked to power and authority. According to Pheng (1999), responsibility is the obligation to do something or carry something out, with the presumption that some act, outcome or output will result. One can see the connection between authority and responsibility as managers and leaders expected to achieve certain outcomes or results, require the necessary *authority* to use those resources available, in order to achieve those desired results. One major difference to note however, between authority and responsibility, is that whilst authority can be delegated or passed on down i.e. individuals can be given power that they did not previously have, to perform tasks etc., responsibility cannot be delegated down i.e. responsibility stays with the person responsible. Leaders and managers are often willing to hold people responsible for certain tasks but are often unwilling to delegate the necessary power or authority to them to allow them to do their jobs effectively (Moorhead and Griffin 1995). The *unofficial* passing on down of responsibility by individuals in the organisational setting is quickly seen, when detected, as irresponsible and is likely to lead to some form of ‘punishment’ or disciplinary procedure set by the organisation, taking place.

At least since Stanley Milgram's “Behavioral Study of Obedience” in 1963, and his famous experiment in which respectable businessmen gave on command, “high level” electro-shocks to subjects who had answered questions incorrectly (Gibson et al 1994), research into the understanding of authority, power and indeed the illusion of power, has increased. As a consequence, the *official* passing on or delegation of power within organisations, is something that has remained over the last three decades, a topic of great interest to the scientific world.

Power Sharing

Dahlgaard's 1997 leadership research identifies which important factors turn, as he claims, ordinary leaders into *excellent* leaders. His project found six factors or principles to be necessary for *business excellence* (in the terms described in chapter two) – among them was the empowerment and participation of all staff. Dahlgaard suggests that one must look at the individual leadership profiles of managers and leaders, to see whether or not they correlate with the six identified principles. He goes on further to say that if individuals' profiles *do not* correlate with the identified principles, this may cause a barrier to the achievement of management excellence within an organisation and furthermore, should this be the case, the leader or manager should be re-educated or given appropriate training on these principles. Dahlgaard describes what he terms the **impulsive leader**, whose attributes include being obsessed with new ideas, being unfocused, curious, energetic and participative, who is more likely to engage in power sharing activities than for example, the **involved leader**, who is more empathetic, has a more hands-on approach and who is procedure-oriented but who does *not* delegate (Dahlgaard 1997).

But what actually is power sharing or employee empowerment, what does it mean and what are its effects both on the individual and the organisation as a whole? Hardjono et al (1996), offer an explanation of ‘people empowerment’ in reference to total quality management and competitive advantage through *people focus* in European organisations’, describing it as building development, increasing power through co-operating, sharing and working together. According to Hollander and Offerman (1990), power

sharing or participation can be seen as the idea behind employees being permitted or encouraged to 'influence their own working environment', to a greater extent than would be *normally* expected of them (job task and hierarchy taken into account). Control of the working environment can range immensely from no influence over it at all to joint decision-making, or power-sharing (Tannenbaum and Schmidt, 1958). Empowerment involves the enablement of workers in the setting of their own work-related goals, the ability for them to make their own decisions and to solve problems within their given sphere of responsibility and authority (Pheng, 1999). Managers and leaders can empower employees in a variety of ways, from allowing them to participate in decision-making processes, giving them autonomy and the freedom to decide how best to carry out job tasks (job decision latitude) etc., to expressing confidence in employees abilities and their expected performance on the job, by using position power in a diplomatic way i.e. not always pulling rank over employees and by limiting use of coercive power or manipulation (Luthans, 1992). Positive effects of power sharing on the individual have been reported by, for example, Miller and Monge (1986), who report positive relationships between participation and worker satisfaction (mean correlation .34) and participation and performance (mean correlation .15), (Leana, 1987). Hollander and Offermann (1990) also report that by distributing power through delegation leaders may encourage development of leadership amongst employees – Manz and Sims (1988) point to this modelling as being a mechanism for helping individuals learn how to lead themselves. One of the more difficult aspects of delegation for leaders however, is the allowance of employees to make mistakes (this subject will be discussed in greater depth in Chapter 8, 8.3.4). Another element of delegation is that whilst managers and leaders are delegating and empowering employees they are also, according to Hollander and Offermann (1990), also freeing themselves from some duties which will give them more time to engage in other profitable activities e.g. long term planning and entrepreneurship etc... Therefore, can it be expected that some managers engaging in delegation and empowerment activities, may have ulterior motives for doing so? When considering that delegation involves the mobilisation of power and responsibility, something which many leaders and managers guard and tend to prefer to hold on to, this would seem unlikely. When considering that empowering employees is likely to lead to higher satisfaction and improved performance, it is easy to see how power sharing could benefit the organisation as a whole through increased production, reduced absence etc. Vogt and Murrell (1990), describe how empowering individuals through increased communication, participation and trust can increase people's commitment to institutions, projects and experiences, which would inevitably benefit the organisation in the short and the long term.

Just as there are definite factors necessary in the support and distribution of power within organisations, there are also clear barriers to its promotion and distribution. There remains a common belief amongst some managers, leaders and those in possession of power, that power has a *zero-sum quality* about it, that it is somehow finite i.e. the empowering of others leads to the loss or reduction in ones own power or authority. Such perceived loss of power can be seen as a deterrent to leaders and managers in the distribution of power (Hollander and Offermann, 1990). Another reason why power sharing can fail is an insufficiently developed conflict system within an organisation. As previously touched upon, the acceptance of error and failure of individuals in the organisation fosters development and a learning environment. Consequently, when people who have been empowered, make mistakes, the learning effect is high – when however failure is *not* tolerated in the organisation, fear of the consequences arising out of possible error is great, and is likely to cause managers and leaders to not want to empower employees - for fear of reprimand. Managers are often held responsible for the actions of others (Pfeffer 1977), therefore when the team loses, the coach has to go. A third possible barrier to empowerment involves at the individual level, *different leadership styles* – as mentioned above, certain leadership styles e.g. participative leadership styles, will lay greater emphasis on employee empowerment than say, for example, more autocratic leadership styles.

6.3 Differences in Self-image versus Other-Image; Self-Regulation

Overview

This sub-chapter handles the important issue of the leaders ability to evaluate themselves and accurately evaluate how they are perceived by others. It discusses not only how leaders view their own behaviour and its environmental impact, but it also covers how leadership is perceived and received by others in the workplace. Self-image versus Other-image and the processes that underlie them are important for understanding leader behaviour and its outcomes. Self-regulation is also an important factor or part of self-image and is thus included here, together with the contribution that it makes towards the wider issues of self-efficacy and finally, self-leadership.

The *Spiegelbild* or reflection that people emit through their behaviour, not only forms them but it also confirms who they are, not least because it causes them to take a critical look at their behaviour. Some believe that the reactions to our behaviour show us without doubt, whether we are practically and emotionally accepted or rejected by those around us (Nothnagel, 1998), whereas others suggest that in order to understand how others, especially subordinates, evaluate us, we must turn 180° degrees around and take a look at our own bosses (Jago and Vroom, 1975, refer to Hunt and Larson, 1975).

Leadership behaviour ratings are very important for the study of leadership performance as leadership performance is dependent on the interactions and reactions of others, especially of followers (Atwater and Yammarino, 1992). Despite the criticism that self-report ratings tend to be inflated (Thornton, 1980), they can still provide the researcher with valuable information about the leader. Relevant to the study of leadership behaviour in general, is the issue of leaders self-perception i.e. how do leaders self evaluations of their own behaviour in the workplace vary, and how this may differ to co-workers' perceptions of their leaders behaviour? The exploration of this perception-dyad will hopefully help us to understand and interpret how self/other evaluations of leadership behaviour can influence work processes. Yukl (1994), remonstrates the fact that too much behavioural research already concentrates on examining individual leadership behaviours (monitoring), rather than looking at effective 'patterns of behaviour' that might be used to accomplish goals and agendas. Specific behaviours most likely interact in highly complex ways and in order to discern leadership behaviour and its effects, these interactions must be explored. Leadership behaviour and patterns of behaviour are also likely to be affected by individual personality differences and differences in job task, demand and other variables such as organisational culture etc. – as discussed in this chapter. Studies of managerial work have shown that corresponding behaviours are intertwined with one another in such a way as to render the whole as being greater than the sum of its parts (Kaplan, 1986). Any leader must possess a certain level of skill in selecting and using suitable behaviours, and this ability to select appropriate behaviours will be related to success of the outcome, not forgetting that different patterns of behaviour can be used to achieve the same outcome (Yukl, 1994). One of the central aims of *this* research project is to identify patterns of leadership behaviour found in this sample of managers within this host organisation.

Being aware of oneself, of ones actions and the possible affects that those actions may have on ones own function, is a vital part of being an effective manager. Also, understanding the possible consequences of ones own behaviour on fellow workers is an equally important requirement of any successful leader - research into self versus other-evaluations of manager behaviour is therefore, relatively abundant. Johnson and Indvik (1999) list *self-awareness* as being the first of five important components of emotional intelligence (interestingly, the second most important component is self-regulation) – discussed previously in this chapter. Self-awareness in this case, has been defined 'an individual difference variable that results from self-observation and self-evaluations' (Wegner and Vallacher 1980). Atwater and Yammarino (1992), carried out research into leader self-awareness in US Naval Academy students and came up with some interesting findings. Agreements between self- ratings and others-ratings were examined. The authors found evidence that; self-ratings tended to be inflated, self-ratings were less highly related to ratings by others (including peers, supervisors and subordinates) than peers, supervisors and

subordinates ratings were with one another (Harris and Schaubroeck 1988). In this case, self-ratings were less accurate than those given by peers, supervisors and subordinates and inaccurate self-raters were found to be poorer performers than their more accurate compeers (Bass and Yammarino, 1991) – these results seem to indicate that self-ratings may not be reliable indicators or predictors of behaviour. Leniency (when managers rated themselves better than their co-workers had rated them) bias had been found to relate to self-esteem (Korman, 1970). Mabe and West (1982), found that accurate self-evaluations were consistently associated with three separate characteristics, namely intelligence, achievement status and internal locus of control. An explanation of this might be that more intelligent and competent people are able to judge better, or more accurately, their own performance. Ashford (1989), suggest that self-assessment in general has several relevant credentials including how self-raters collate and interpret information and the stability (fragility) of the self-rater's ego. So, *even if* self-ratings tend to be unreliable, they may still be able to tell us something meaningful about the self-rater. Individuals who are more self-aware are more capable of combining information resulting out of comparisons with others, into their own self-evaluations and finally into their own behaviour (Atwater and Yammarino, 1992). The authors suggest that the self-aware individual is more conscious of how they are perceived by others and this leads to a more accurate self-assessment.

6.3.1 Self-Other Agreement

The degree of match between managers self evaluations and those of their co-workers is certainly valid for the self-raters future behaviour, especially when the self-rated has evaluated themselves 'higher' than they actually are i.e. if they have over-rated themselves (Atwater and Yammarino, 1992). Research has showed that for self-raters who over-rate, or see themselves in a more positive light, it is improbable that they will think any change in their behaviour, is required (Ashford, 1989). This is extremely unfortunate for *over-raters* because although they are unable to recognise that changes in their behaviour are necessary, their co-workers will see things quite differently. According to the authors, managers evaluating themselves more correctly, or nearer to the ratings of their co-workers, are likely to have used information from their own capabilities and/or previous experiences in order to accordingly adjust their behaviour. *Under-estimators* have a low or negative self-rating will feel forced to a certain degree, to change their behaviour in some way. Investigating rating bias, Holzbach (1978), found that self-ratings were likely to be more lenient than either superior ratings or peer ratings.

As previously discussed, leaders self awareness is an important managerial function or ability, as is the leaders awareness of how others perceive him/her. For example, a subordinates' perception is likely to affect their decision whether to co-operate or not with a leader (Ashford, 1989). Similarly, the perceptions of a leader by their own superior, also affects how they evaluate them in, for example, their regular performance evaluations. Atwater and Yammarino found in their study that the level of self-awareness of a manager moderated the relationship between predictors and leader behaviour, and also between leader behaviour and performance. They suggest that leaders who are self-aware respond to information about their experiences and abilities i.e. self-aware individuals seem to use the information that they receive from others about their leadership to improve their performance ratings, whereas over-estimators do not.

Self-aware managers i) accurately evaluate themselves i.e. ratings are in line with those of their co-workers and ii) perform better, overall, than non-accurate-raters. Atwater and Yammarino (1992), found that self-awareness was a moderator of relationships between predictors and performance with leader behaviour i.e. self-aware individuals tended to use information received about their own leadership in order to improve upon their overall performance ratings.

6.3.2 Reasons for Over-rating and Under-estimating

Ashford (1989), proposes that early success experiences by leaders, can cause them to hold particular beliefs about themselves and/or their capabilities. These beliefs act as a filter for

ensuing information – filtering can lead to inaccurate self-evaluation due to leaders ‘misreading’ cues i.e. they read more into the cues than really exists or they read into cues what they expect. Atwater and Yammarinos’ (1992), research showed that over-raters’ experiences and abilities were negatively related to their leadership ratings by others i.e. superiors and subordinates. This may suggest that this information may only be used by individuals as a form of cognitive dissonance, to support the over-rater’s opinion that they are performing well enough and that there is no need for any change. Other authors have suggested however, that there is a certain natural motivation behind people wanting to present themselves in a favourable light (Fox and Dinur, 1988), and indeed serious mismatches between what executives say and what they do, is not an uncommon phenomenon (Lloyd and Trapp, 1999). Atwater and Yammarino (1992), showed that leaders who rated themselves more favourably i.e. who over-rated themselves, were under-rated by their subordinates and by their superiors – almost as if those co-workers were somehow able to sense the tendency of their leaders, to inflate their own ratings. Unlike over-raters, under-estimators tended to allow both their abilities *and* their experiences to affect any subsequent leadership behaviour (Atwater and Yammarino, 1992). Under-estimators tended to receive in general more favourable ratings from their co-workers, perhaps suggesting that as a leader, modesty may be the best or most favoured, policy.

People who were more attentive or accurate at judging how they were perceived by others, were rated by their underlings as being more *transformational* - such leaders were also found to be the best performers (Bass and Yammarino, 1991).

Having briefly covered some of the reasons behind why leaders may over or under-estimate themselves, one must also examine the issues involved with co-worker over and under-estimation. One reason for such ‘miscalculations’ might be that different people understand or evaluate certain constructs and beliefs, in divergent ways - such conflicting beliefs may cause them to inevitably rate those constructs differently. Others have indicated that subordinates’ descriptions and ratings of their superiors may be affected by the generally high degree of attraction that subordinates may have to their bosses. Such ‘attraction’ could necessarily introduce large amounts of error into subsequent subordinate-leader ratings, which would not be necessarily expected in the leader’s self reports (Jago and Vroom 1975, refer to Hunt and Larson, 1975). This raises several interesting questions. For example, does attraction come about *through* the subordinates desire to ‘please’ or ‘satisfy’ their superior? In other words, employees may deem it necessary to win their bosses approval in order to improve their working relationship, create more opportunities for receiving favourable job appraisals, job advancement and promotional chances etc., and thus, attraction may aid or at least *ease* the process of striving to improve performance in order to satiate and impress the boss? After all, we are unlikely to want to impress or influence someone whom we do not particularly like. Or could it simply be that subordinates identify better with superiors whom they see as being similar to themselves?

Another explanation may be that, for example, superiors and subordinates may have different cognitive categories of leadership behaviour which might accordingly affect their leader ratings (Foti, 1990). This seems plausible in as far as individuals i.e. subordinates and superiors, occupy different jobs, which in turn comprise different job status levels, task complexity levels, level of decision latitude etc. etc.. What is *expected* of each job i.e. by the person carrying it out, as well as by other co-workers ‘viewing’ the job from outside, will vary greatly, not only from individual to individual but also from job to job and organisation to organisation (e.g. many jobs consist of more than what is comprised in their official job descriptions). Atwater and Yammarinos’ (1992), research showed low correlations between superior and subordinate ratings as well as variances in predictors of superior and subordinate ratings – these findings suggest that superiors and subordinates had differing perspectives. It also showed that leaders with the most inflated self-ratings were judged by *all* raters as being the least *transformational* i.e. less able to inspire and motivate their followers.

Certainly it seems that leaders' ability to skilfully estimate their own behaviour and its possible affects, may be valuable when predicting the future success of those leaders.

6.3.3 Self-Regulation

The processes that managers and leaders use to estimate or evaluate their own behaviour is a salient factor in understanding *how* and *why* they perform in the way that they do, take the actions that they do and making the decisions that they do (or don't). Earlier on in this chapter we saw how organisational culture and socialisation can affect leaders and managers behaviour. Research has reported that when leaders are asked to self-report they sometimes have a tendency, perhaps due to lack of objectivity, to report what they *think* they are trying to do, or *should be* doing. Generally, such self-reports are highly normative by nature and can be influenced by prototypical conceptions, stereotyping or indeed certain leadership theories (Chemers, 1993). There is evidence that self-reports on leadership behaviour are 'universal', or certainly definable within certain cultural groups e.g. western European executives, American executives, etc. To exemplify, if a particular culture's (organisations') theory of leadership advocates a more transformational leadership style, in-match leaders (leaders who wish to identify with the organisations *leitmotif*, or wish to be seen to identify with it) will tend to describe themselves as transformational (Chemers, 1993), i.e. leaders may change or *adjust* information about their performance etc. in order to bring it into line with the organisations own 'management ideal'. This can be seen effectively as engaging in socially desirable behaviour. However, despite there being evidence for definable cultural groups e.g. west European, American, Eastern etc. other leadership researchers have suggested that the *most* effective leader behaviours will digress from one society to another (Misumi, 1990), (Sinha, 1990). This is to be expected, as each society holds different values, beliefs and norms regarding effective leadership behaviour.

As previously discussed, accurate self-evaluation is an important part of being an effective leader or manager, as is, the ability to correctly perceive the needs and requirements of co-workers and colleagues. However, what part or *relevance* does the ability to self-regulate have on leadership effectiveness? Self-regulation is the ability to control mental activities that are connected or associated with certain goals – it can be seen as a flexible, context-sensitive balance between planning, implementation and maintenance and disengagement (Kuhl, 1992). The ability to perform subjectively preferred actions and activities is known and commonly accepted as 'willpower'. Kuhl (1992), describes self-regulation as the ability to initiate self-chosen actions. This, according to Kuhl, is carried out using two concepts, i) self-discrimination and ii) false externalisation. *Self-discrimination* concerns the capacity to distinguish between one's own conceptions or ideas and those beliefs and ideas of others. *False externalisation* refers to when an individual, for example, has the intention to perform well on some task, for some second party rather than for themselves. Skills that have been developed to trigger and maintain self-chosen actions are unable to be used until an activated intention can be identified as being of a 'self-related' nature. False externalisation of information unfamiliar to the self, increases the risk that other peoples beliefs, expectations and motives are supported by self-regulatory functions due to the 'actor' misinterpreting them as being self-defining (Kuhl, 1992). Wicklund and Gollwitzer (1982), conducted research on symbolic self-completion, which showed that individuals expend alot of energy and time in establishing, supporting and communicating to others', their self-definitions. In the organisational context, managers and leaders who falsely perceive company policies as being their own policies, are unable to properly identify with those policies – although at first glance, it may *appear* as though they are doing so. Such managers and leaders' behaviour is, in the long term, inconsistent, it is not reliable and is probably not as flexible as planned. They behave inconsistently because they fluctuate between their organisation-oriented imagined selves and their real or true selves. The inconsistency marked in their behaviour leads to an inflexibility, an inability to deal with unprecedented situational change. This occurs because their self-regulatory skills are coupled with, the constraints of what it is that their organisation expects them to do, rather than being coupled with the complete range of self-related knowledge (Kuhl, 1992).

The legendary work of Albert Bandura on self-regulation provides help in clarifying the issues surrounding the human self-reflection, self-reactive capabilities that allow us to exercise control over our feelings, thoughts, actions and motivations. Bandura (1986), suggests that self-regulation functions through a set of psychological sub-functions that need to be developed and set into action, for self-directed change. The structure of the system of self-regulation of motivation and action, Bandura divides into three succinct processes (see Figure 2. below). The first process is that of *self-observation* which concerns evaluating i) performance dimensions such as quality, productivity, originality, sociability, morality and deviancy, as well as ii) the quality of monitoring itself e.g. informativeness, regularity, proximity and accuracy. The second phase in the self-regulation process is the *judgemental process*. In this part of the system personal standards including level, explicitness, proximity and generality are reviewed, as are referential performances including standard norms, social, self and collective comparisons. Valuation of activity is also examined during this phase and is seen as being either valued, neutral or devalued. Performance determinants are also rated as being either personal or external. The third and final stage in the process of self-regulation of motivation and action concerns *self-reaction*. Here, self-reaction is broken down into three individual constituents, that of i) evaluative, which is seen either as positive or negative, ii) tangible, evaluated as either rewarding or punishing and finally a third option of iii) no reaction (Bandura, 1991).

Embarking on a diet, reducing alcohol consumption or indeed, adhering to any other type of regimen can be seen as exerting a form of self-control or self-motivation. By taking Bandura's social learning theory one step further and applying it in the organisational setting, we find what is termed behavioural self-management (BSM). In BSM, it is accepted that people have a certain amount of control over their behaviour, their cognitive processes and causal outcomes. During behavioural self-management, people are faced with immediate response alternatives, each of which involves a different consequence (Gibson et al, 1994). Typical self-management behaviour includes self-instruction on how to achieve certain performance goals, planning to develop a new set of competencies etc. It is highly probable that such forms of self-management are advantageous to those managers, leaders and employees who deploy it within organisations. Frederick Kanfer³ (refer to Gibson et al 1994, pp.187), advocates a three stage self-management model which has useful managerial application. Kanfer applies his model of self-regulation to a work situation, which functions as follows: when an event occurs that is not planned for e.g. a new boss is allocated, and it brings disorder to the daily work routine or the regular pattern of events, individuals start to engage in self-examination. This might take the form of asking a series of questions such as, 'what will my new bosses expectations be like?', 'How is my performance on the job?', 'Have I been putting in enough hours recently, or should I have done more over-time?' etc. Such self-questioning represents stage one, self-monitoring. Stage two, self-evaluation, would involve making comparisons between the previous and the newly appointed boss, it also includes making decisions about whether previous personal performance could be reapplied with the new boss i.e. is previous performance good enough. The third stage in the model is that of self-reinforcement, this would include the individual adjusting their performance until they are themselves satisfied with it. Kanfer believes that such self-regulation occurs very quickly, and without much awareness by the person making it. Figure 3 shows Kanfers' model.

³ Frederick H. Kanfer, "Self-Management Methods", in *Helping People Change: A Textbook of Methods*, edited by Frederick H. Kanfer and Arnold P. Goldstein (New York: Pergamon, 1980), pp.339.

Figure 2. Structure of the system of self-regulation of motivation and action (Bandura 1991)

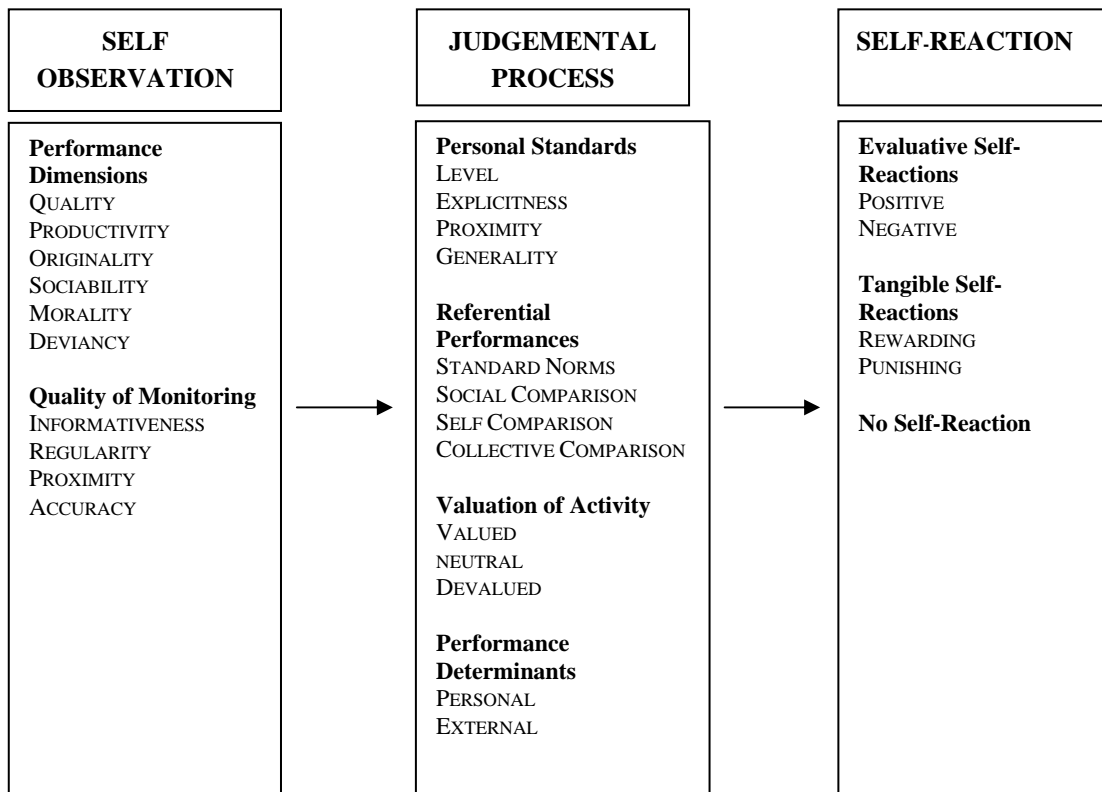
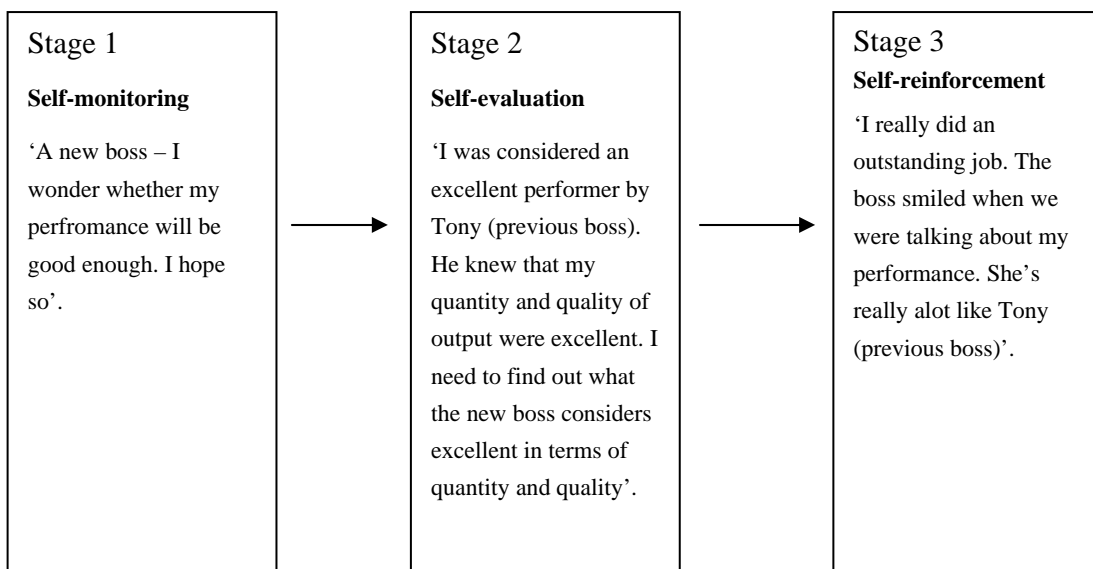


Figure 3. Kanfer's Self-Regulation Methods (1980)⁴



⁴ Source: refer to Gibson et al (1994) in Bibliography.

Possible impediments of Self-Regulation

Karoly (1993), reports that failed self-regulation can be attributable to such phenomena as premature disengagement from goal pursuit e.g. giving up, relapse, recidivism, resistance, or maintenance/generalisation problem. People's ability to initiate, maintain and then disengage from intended behaviours will naturally vary. Such individual differences will consequently affect individuals' self-regulatory abilities. State-orientation is connected with uncontrollable or intrusive thoughts that may be directly or indirectly related to frustrated or confused needs or unrealistic intentions. State-oriented persons who have a tendency toward false internalisation of others' beliefs and expectations can lead to conflicting behaviours. Kuhl (1992), suggest that overmaintenance of false internalisation's that are related to context-inadequate intentions, can evoke helplessness and under-achievement. State-oriented behavioural can certainly in the long term, impede self-regulatory efficiency due to its association with uncontrollable intrusions. People who are more state-oriented, function more effectively in structured environments, where lower levels of self-regulatory behaviour are required. Emotional response is another factor that is important in the facilitation of self-regulatory behaviour. A disposition towards negative self-esteem may develop as a result of repeated negative evaluation of self-defining attributes during the socialisation process (Kuhl, 1992). Similarly, self-confidence is a salient part of the motivational nature of self-regulation. Motivation affects self-regulatory effort, which is itself dependent on belief about self-regulatory ability, thus individuals who are not motivated will be less able to self-regulate.

When managers and leaders are shown to possess reduced or no self-regulation, this can be corrected – dependent upon whether the individual, job or organisation requires self-regulatory behaviour. It has even been suggested that some people's efforts at self-management, despite being professionally supported, will not always produce successful outcomes, either short or long term (Karoly, 1993). With self-regulation, it is not a question of, 'either you have it, or you don't' – it can be learned, or rather, trained. Self-management training's are by no means new within the organisation, and are a useful way of teaching individuals how to self-regulate. Courses may vary considerably, but usually deal with the fundamental issues of self-estimation (e.g. learning to systematically gather data about one own behaviour), goal-setting (e.g. with regards to *which* behaviours should be employed *when*), self-monitoring (e.g. participants learn here which measurement form to choose e.g. diary etc.), self-supporting (e.g. participants how learn to reward themselves when a target behaviour is achieved etc.), self-evaluation (e.g. written contracts between participants, which help them to implement the set steps and methods learnt in training), maintenance (e.g. practising in the workplace what has been learnt and set in the training) – Nerdinger (1995).

6.3.4 Self- Efficacy and Self-Leadership

Self-efficacy is also an important factor underlying cognitively based motivation and concerns personal effectiveness and efficiency, influence and control. It is the belief that one is able to adequately perform in a given situation. Edwin Locke et al (1984), suggested that self-efficacy provides a combining mechanism between learning theory and goal-setting approaches⁵. Self-efficacy is characterised as having three distinct dimensions, those of *magnitude* which concerns the level of task difficulty that an individual believes he can reach, *strength* referring to the expectation regarding magnitude, as being either strong or weak and *generality* referring to the degree to which the expectation can be used in varying situations Gibson et al (1994). According to Bandura and Cervone (1983), people who have a low sense of self-efficacy are liable to become easily discouraged by failure, in contrast to those who are relatively self-assured or confident of their goal attainment capabilities, who tend to increase their efforts

⁵ Edwin A. Locke, E. Frederick, Cynthia Lee, and Philip Bobko, "The Effect of Self-efficacy, Goals, and Task Strategies on Task Performance", *Journal of Applied Psychology*, 1984, 241-251. Source: refer to Gibson et al (1994) in Bibliography.

when their performances do not match their expectations i.e. when they don't succeed. Empirical evidence has also showed that the setting of goals is an important part in producing superior performances e.g. setting specific, challenging and obtainable goals has a tendency to enhance performance, Locke and Latham (1984; 1990). Bandura and Cervones 1983 study, showed that participants who set no goals whatsoever were outperformed by those participants who had set themselves the goal of maintaining their performance, and they were, in turn, outperformed by those participants who were striving to improve upon their previous attainment. Perhaps this suggests a form of autogenous thought-process taking place. The authors offer an explanation of this, by suggesting that such goals were more *qualitative* in sustaining efforts e.g. 'I want to do as well as the last time', rather than being laid down in terms of categorical *quantitative* levels of performance change. So it seems that goal systems certainly affect performance motivation, partly through self-evaluative and self-efficacy systems. **Feedback** has been shown to have a salient affect on the development of efficacy perceptions that interact with goal setting in order to improve performance motivation, Gibson et al (1994). Research has shown that information given to individuals concerning their performance efforts, seems to have an affect on motivation e.g. some subjects provided with negative feedback i.e. feedback of a poor performance, abandoned the goals that they had set themselves, seeing them as non-achievable, but were however, not necessarily self-dissatisfied with the only moderate progress they were making, Bandura and Cervone (1983). It seems that *slight* negative disparities (between expectancy and outcome) reduced self-dissatisfaction whilst simultaneously reinforcing self-precepts of efficacy. In contrast, larger disparities or discrepancies between level of attainment achieved and intended performance, increased self-dissatisfaction whilst simultaneously reducing perceived self-efficacy for goal attainment, Bandura and Cervone (1983). One way of dealing with such anomalies as described above was offered by Kanfer and Karoly (1972), who proposed that discrepancies could be rectified by self-generated punishment, given for unsuitable actions and/or self-reinforcement of behaviour-goal correspondence. In the organisational setting, self-efficacy skills affects employees and managers, as previously covered, however, the organisation and personnel structures play themselves an important role in either supporting or hindering self-efficacy. Whether organisations offer employees the possibility to train themselves in self-efficacy is clearly one factor, as is the feedback mechanisms that are used within the organisation e.g. during regular job appraisals or performance programmes etc. Mention has even been made, of self-efficacy and its relevance to equal employment opportunities, Gibson et al (1994).

With the emergence of the global economy during the 1990's, the organisational world has seen a trend in corporate downsizing, reorganisation (Godwin et al 1999) and business reengineering in general. This 'concentrating' or reduction of organisations, means that it is becoming a more typical feature for leadership abilities and competencies to be fostered and utilised, not only amongst upper management levels, as was traditionally seen, but amongst all employees i.e. leadership skills are being cultivated outside the traditional management *etage*. As a result, the steadfast 'middle management' level within organisations may becoming a fast dying breed (Stahl 1997). Now, more than ever, employees are requested to take on a leading role in goal-setting activities, Godwin et al (1999). One result of 'changing organisations', is the new generation of change management and work optimisation programmes being employed within many organisations, which often include in their ground philosophy, vision and mission, that individuals must learn to be responsible for themselves. Indeed, employees being accountable for their own improvement through self-management, is one of the central themes of the Merck Excellence Process ⁶. Manz (1992) defines self-management as, "the process of influencing oneself to establish the self-direction and self-motivation needed to perform". Godwin et al (1999), draw differences between *self-management* and *self-leadership*, seeing the former as a set of strategies for managing one's own behaviour with the aim of reducing discrepancies existing between standards, whereas the latter, also including strategies for self-management, additionally focuses on management of the natural motivational

⁶ Refer to Chapter 4, 'The Merck Excellence Process'.

value of tasks and the patterns or *muster* found in how one thinks, Manz (1983; 1986). A further distinction between self-management and self-leadership is the role that intrinsic work motivation plays in both. Self-management regards rewards as being separate from the task and which are received for its completion, in contrast to self-leadership, which distinguishes intrinsic reward that results from performing ‘job-related’ tasks (Markham and Markham, 1995). Self-leadership, according to Godwin et al (1999), focuses behaviour and cognition simultaneously, addressing not only the issue of reduction of disparities from standards but also the appropriateness of standards. In a way, self-leadership can be seen as being more *practical* as it deals with what, why and how things should be carried out. Manz and Angle (1986), suggest that self-leadership comes much nearer to total self-influence than does self-management. Indeed, they have reported that under conditions of self-leadership, employees play a larger role in influencing higher level management decision-making. A central core to self-leadership is the concept of thought self-leadership or TSL (refer to 6.2.1 this chapter) which advocates that workers can influence themselves or lead themselves by employing certain cognitive strategies. Such strategies can include self-management of assumptions and beliefs, self-dialogue or mental imagery (Godwin et al, 1999). Engaging in such strategies can help employees create constructive patterns of thought or even habitual ways of thinking (Neck and Manz, 1992). The positive effects of such strategies as self-talk and mental imagery on subsequent performance are widely known, especially in sports psychology, Mahoney and Avenier (1989), Zecker (1982). For example, self-dialogue or self-talk has been shown to improve personal effectiveness. It seems that self-statements concur with emotional states, which themselves have an affect on behaviour and thought processes. Therefore, employees may be in a position to improve their goal performance by governing their emotional state (Godwin et al, 1999). A study by Neck and Manz (1996a), revealed that workers who had taken part in a TSL training intervention within an organisation, encountered improved mental performance as well as increased job satisfaction and feelings of self-efficacy, in comparison to those workers who had not taken part in the training.

Certainly it can be said that thought self-efficacy in the form of self-leadership is beneficial to individuals’ goal performance, and thus becomes an important part of not only leader and managers’ development, but actually all employees, regardless of status.

6.4 Work Optimisation Processes and Superior Work Performance

Overview

This section brings this chapter to a close by focussing on what could be termed as an outcome of the leadership process. It discusses firstly *work optimisation* processes, from an organisational perspective, taking a look, for example, at the concept of excellent organisations. Secondly, the subject of *superior work performance* is also discussed from the individual leaders point of view. Finally, the notion of the ‘superleader’ is considered.

6.4.1 The Organisations' Perspective

“I think my phrasing of leadership would lay a little more stress on this counter-hostility, secret resentment, secret jealousy, and accept more realistically the fact that excellence may be loved and admired, but it is also hated and feared” – this statement, made by Abraham Maslow in 1965 (Mant, 1983), seems to have been a remarkably insightful summing up of the position of ‘excellence’ and the regard that it holds by individuals within organisations today, over three decades later. Organisational excellence, *excellent organisations* and indeed individual excellence or superior performance are very much topics currently under discussion. Developing global economies and expanding markets have led to increases in competitiveness and a quest for alround optimisation in both process and outcome. Leadership excellence comes under particular scrutiny, and rightly so, when considering the importance of leaders and executives for the success within the organisation. Research such as that by Scully and

colleagues (1994), has shown that CEO behaviour does have an effect on organisation's financial performance, and is for this reason, worthy of examination.

Work optimisation processes (here referring to processes that effect the macro/larger organisation) and superior work performance (here referring to processes that effect the micro/individuals within the organisation) can be, in this context, concurrently approached, as ability to engage in the former necessarily leads to achievement of the latter as outcome. This seems a sensible approach, as management action does not take place outside of the organisational process - likewise, organisational process modifies management action.

Improving work processes within the organisation is neither easy, quick nor through short term solutions achievable⁷. Rather, such processes are generally successfully obtained

as a result of complex and sometimes painful, (in terms of organisational reduction or *lean management* and increased expenditure) long term change. What *makes* the excellent organisation is certainly open to discussion and is naturally governed by numerous external factors for example, industrial sector, resource availability, market conditions etc.. However, despite these fluctuating factors, it seems that certain strategies or 'themes' appear repeatedly throughout the literature e.g. customer care, product innovation, committed people and management leadership (Darling, 1999). With customer care, the old adage, 'the customer is king' [interestingly, in German, this translates to 'the customer is Kaiser', or emperor, which is one step higher than a king - despite this, the service industry in Germany does not necessarily reflect this] springs to mind. According to Darling (1999), in the 1990's, many top business executives and CEO's focused *first and foremostly* on customer care, including Chrysler's, Robert Eaton and Continental Airline's, Gordon Bethune, Nokia's CEO, Jorma Ollila, to name a few - each of these organisations having reached worldclass status by caring deeply for their customers interests. Product innovation was also a primary strategy for corporate efficiency, and was ranked in Darlings' study as being second most important business strategy - with the technological explosion of the 90's, exploiting technological developments was a preferred tactic of many top executives. Being able to 'read' the markets is essential, but success often included risk-taking, especially when amalgamating old models with new. Darling (1999), reports further on the importance of committed people, and purports that excellent customer care and dynamic product innovation are not the result of 'executive genius', but, are rather to be attributed to the existence of a committed workforce, who, have had the chance to operate and develop in a climate based on trust and listening, where a healthy respect for the creative potential of each individual within the organisation, has been maintained. Such an organisational climate tends to instil, through empowerment, confidence in its workers, leading them to feel personally a part of the company's goals and objectives. Darling (1999), refers finally to management leadership as being the fourth reoccurring theme in worldclass organisations. It comprises four basic strategies; attention through vision - this aids the organisation in building a focus; meaning through communication - this concerns being able to communicate a vision or an image, which acts as a catalyst for commitment and dedication in others; trust through positioning and confidence through respect - successful teams are based on trust as trust implies reliability, predictability and accountability; and confidence through respect - a major factor in building confidence through respect, is the 'creative deployment' of the self - this causes executive leadership to become a very personal activity that involves much time spent dealing with people and people issues. Such leaders are able to create the best for their organisations and bring out the best in their workers, spotting latent potential and nurturing it, as well as recognising the fact that just because an individual cannot do one task, does not mean that he/she is unqualified or incapable of, doing all tasks (Darling, 1999).

⁷ Quote, "It took probably 15 years to change the organisation", source: N. Hancock, European Marketing Manager, Xerox Europe, 1995.

At the organisational level, optimising work processes can be seen as a form of process reengineering which organisations have recognised as requiring higher levels of integration amongst groups and sectors. The need for change through greater integration has grown as a result of globalisation and has meant in end effect, a ‘cultural revolution’ which has stimulated the creation of such optimisation schemes such as, for example, total quality management, Scanlon plans ⁸ or self-managed work teams (SMWT’s), (Markham and Markham,1995). The latter refers to the degree to which any employee within an organisation takes on accountability for the managerial i.e. planning, scheduling, organising etc. role of their job, outside of the usual carrying out of production- and content-related activities and responsibilities. Markham and Markham (1995), suggest that although self-management programmes can certainly benefit organisations, there must exist first, however, an adequate level of ‘fit’ between the culture and implementation of such self-management practices. For this reason, it seems sensible to implement such programs only when there are no major barriers to doing so.

Business and performance excellence (BPE), has been referred to as a way of operating which balances stakeholders needs, therefore increasing the chance of long-term success through operational, customer-oriented, financial and marketplace excellence (Edgeman and Scherer 1999). But, what exactly are the competencies required by organisations to turn themselves into BPE’s? According to Dahlgard et al (1997), six basic principles are necessary for BPE: continuous improvement, commitment to creativity, customer focus, continuous learning, focus on facts and empowerment and participation of all staff. Edgeman and Scherer, suggest that the correct type of leadership can be a catalyst to BPE. Leadership which emits a strong sense of empowerment is a crucial ingredient, not only because empowerment is the cornerstone to fulfilment of organisations mission and vision, but also because empowerment underlies the core value of diversity, and diversity is one of the key enablers of BPE, along with creativity, innovation and the ability to cross-culturally adapt. Assessment is another important feature of BPE’s, as only when assessment takes place, can success be measured (what is measured can be rewarded). It is important for organisational performance to be measured to show successes and highlight improvement areas, through the reward and remuneration system. Edgeman and Scherer (1999), comment that performance measures markedly influence organisational culture (or could this be the other way round actually i.e. that organisational culture affects which performance measures are used?) and that measures used must correspond to the organisations leadership core value system.

Research has shown (Drago and Clements, 1999), that there is a strong connection between organisations performance and strategic planning – organisations that were shown to adopt a “standard package” for strategic planning experienced more problems than those organisations which had used organisationally modified i.e. adapted to the individual organisation, versions. Drago and Clements, argue that leadership characteristics significantly affected planning intensity as well as which planning tools were selected and in which direction such tools were used.

Entry into the ‘information age’ has meant that some organisations (sometimes referred to as Network organisations), their structures and requirements have fairly drastically changed within the last 15 years. Such information-age structures include amongst others, boundaryless organisations (Kerr, 1995), virtual organisations (Davidow and Malone 1992), and network organisations (Powell, 1990). Often such organisations are customer-oriented and team-based including virtual (often electronic) inter/intra-organisational links – such organisations afford set new challenges and afford new competencies and approaches (Coulson-Thomas, 1997). Employees are more often than not directly involved with customers and suppliers (Gupta and Case, 1999). Certainly it is important that such teams can effectively use outward influence – this can be seen in direct contrast to managers and leaders’ previous behaviour which dealt more with downward, lateral and upward influence tactics. It seems that ‘strategic alliances’ with business partners in network organisations cannot rely solely on traditional systems of authority or

⁸ Scanlon Plans: $\text{Scanlon formula} = \frac{\text{Labour costs}}{\text{Revenue}}$, measure the labour costs required to produce services given within a set period i.e. labour costs are compared with sales volumes. Source: Gibson et al (1994).

chains of command, thus the importance of effective outward influence and excellent negotiation skills (Gupta and Case, 1999) i.e. the emergence of these ‘new’ organisations merits development and cultivation of new skills and roles.

One good example of an organisation that has not only optimised its work processes but continues to lead in global markets is that of Motorola. How has this organisation earned such a reputation? Motorola manages itself through a process of continual renewal, it engages the energies of *all* its employees (it empowers), it does not compromise when it comes to quality (Six Sigma) and it encourages its people to challenge the status quo. It also places heavy emphasis on 360° feedback initiatives, initiatives involving managers, peers, subordinates and customers (Zairi, 1999). One important factor which makes Motorola a winner is its leadership practices which are aimed at ‘activating the human spirit’ and at exciting, teaching, listening and facilitating’ (Zairi, 1999). The company’s leadership process has been developed using best practice and benchmarking methods and through measurement against the criteria for excellence found in such models as Malcolm Baldrige Quality Award (Zairi, 1999). It advocates that it understands leadership to be a total process, a process of renewal. Motorola’s track record have repeatedly proven that its effective leadership practices have embodied a totally integrated process which have been able to drive it towards excellent corporate performance – it has achieved this through a never-ending process of renewal and self-examination.

Equally of interest, is when an organisation *fails*⁹ to achieve its goals or desired outcomes, simply because there is just as much that can be learned from underperformance as there is from superior performance. In fact, many prominent persons who have achieved great organisational successes, also realise the learning value behind failure e.g. Henry Ford, had experienced bankruptcy an amazing five times before his motor car company became the legendary organisation that it now is (Longecker et al, 1999). Certainly one of the keys to overcoming failure, is to understand it, from *every* perspective and this involves for the organisation, developing ways in which failures can be avoided and ways in which mistakes will be made a second time. How can better performance be made out of failure? Longecker et al, (1999), suggest that primary reasons for organisational failure is due to failure at the top, by inadequate leadership in a variety of forms e.g. lack of a clear vision, deficient business planning and/or forecasting, too much political wrangling etc.. Beecroft (1999), also reports that some business are failing due to inadequate strategic planning. For example, whilst many companies engage in quality improvement skills in a quest to management, they are failing to see the connection between quality, productivity and profitability. This means that much of their efforts at improvement is not being integrated into the business planning process. One way of aiding or assisting strategic quality planning is *Hoshin kanri*, (Beecroft, 1999). *Hoshin kanri*, a Japanese planning model, is already a relatively widely used tool amongst some organisations (e.g. Xerox, Hewlett-Packard) and is a method used to plan, implement and review quality plans that are vital for business, by focusing on the definition of *how* objectives are to be reached. With *Hoshin kanri* even if goals are not achieved, plans are simply revised or modified accordingly i.e. even when the outcomes are not achieved, the implementation method is still accepted (Beecroft, 1999).

6.4.2 Superior Performance and the ‘Superleader’?

Rating manager or leader behaviour has been and remains a difficult thing because judgements, often through some form of bias, become value judgements. Often, interpersonal elements such as resource power, respect and personal characteristics such as motivation, affect our assessment of a manager’s effectiveness (Hunt et al, 1984). Attributions of success or failure are often moderated by factors such as empathy, similarity (to the person being evaluated) and liking of the person being evaluated (Lefkowitz, 2000). Effectiveness can become a self-fulfilling prophecy in that the more managers and leaders are

⁹ Refer to Chapter 8 (Section 8.2.1 pp), *Failure*, for an in-depth discussion of organisational failure.

favourably evaluated by their co-workers, the more chances they are likely to get in order to prove their 'value' in more demanding tasks (Hunt et al, 1984). Work by Martinko and Gardner, (see Hunt et al, 1984) on high-performers, suggests a social-learning theory model, which indicates that the changing external environment and the specific environment are major determinants of effective performance. The model highlights the importance of the environment on performance (also supported by Fiedler's contingency theory, Peters et al, 1985, and by Ayman et al, 1995), of cognitive processes and the interactive nature of behaviour. The authors' research showed that both high and moderate performers preferred verbal and face-to-face contacts, and high-performers showed not only a greater diversity of media in communication, but also utilised more often, a task-oriented style of interaction with peers and superiors, than did moderate-performers. There is a large amount of literature to be found on the relevance of how managers perform and their use of discretion. Tsui (see Hunt et al, 1984), suggests that the qualitative aspects used in the process of performance assessment such as, which activities are programmed by the manager (i.e. prioritising), and *how* the manager uses discretion, are important. Gast (see Hunt et al, 1984), purports that managers interact successfully with their environments when they are properly able to use discretion, because discretion gives them freedom or the authority to make decisions and choices, the power to make certain judgements and to act (this is not only true for managers). Gast sees the ability to use discretion as being paramount for managers, because so many of their functions or tasks are not found in formal job descriptions. However, the use of discretion is also affected by outside variables such as technology, structure, procedures and policies. Martin and Hunt (1981), propose that through use of discretion, the effective leader is able to clarify desired performance and its relationship to favourable outcomes.

The very interesting European survey on successful leadership styles carried out by Dahlgaard and colleagues (1997), identifies five specific leadership styles which are, the authors claim, the, "crucial drivers of business excellence". The success criteria required by the organisations are learning, creativity and quality. The five leadership styles are; *the captain* – whose attributes include commands respect and trust, is professionally competent, communicative, reliable and fair; the *creative leader* – identifiable as being innovative, visionary, courageous, inspiring, strong sense of ego; the *strategic leader* – can be identified through their focusing on strategic goals, they tend to take a holistic view of the organisation, are good planners, avoid day to day issues, are process-oriented and trustworthy; the *impulsive leader* – has attributes including being obsessed with new ideas and can tend therefore, to be rather unfocused, is curious, energetic and participative; the *team builder* – is more tolerant, is good at giving feedback, takes on the coaching role, is resistant to change and calm. According to Dahlgaard et al, all five leadership styles make a positive impact on at least one of the three success criteria mentioned above. When employees (subordinates to CEO's and managing directors) were asked what their 'ideal' leader would look like, it was clear that there was an overwhelming preference for leaders who were creative, inspiring and courageous. This was further interpreted that European employees favoured or envisaged the 'ideal' leader as being a source of inspiration, as being an active problem-solver and able to motivate (Dahlgaard et al, 1997).

Leader-follower dynamics are an important part of the leadership role which have been mentioned by Clements and Washbush (1999). So long as both parties understand each other and communicate well, the relationship should be unproblematic. However, problems arise with this dyad when leaders fail to self-examine, or take a look inside themselves. Kets de Vries (1993), mentions three issues that can be found in disturbed leader-follower dynamics; 'mirroring' – the tendency for managers to see themselves as they are perceived by their followers and a sense of wanting to act to satisfy the projections of others; 'narcissism' – this refers to a distorted or incorrect view of the self, narcissists tend to need power and status, enjoy a drama and manipulating others and tend to be intolerant of criticism and unable willingly to negotiate; 'emotional illiteracy' (nowadays termed emotional intelligence), refers to the inability to respond to one's own emotions or those of others, these people are unable to encourage creativity and act inappropriately when faced with conflict (Clement and Washbush, 1999). The authors suggest that the

most effective leaders are able to understand themselves, and are capable of being sensitive to the needs of their followers, providing them with adequate feedback. Other authors have also shown that giving performance feedback to employees with high growth needs induces beneficial psychological states such as internal motivation, general satisfaction and work effective (Kerr and Jermier, 1978). Clement and Washbush, also advocate the salience of being able to teach co-workers to lead themselves. This concept of self-leadership is not new within management research infact, an ancient Chinese saying says, “The best of all leaders is the one who helps people so that, eventually, they don’t need him”, Lao Tzu (Maccoby, 1981). This is all fine and good, but what about when leaders struggle with this concept? Are organisations providing adequate training in methods (Manz and Sims, 1987) - if they are failing to propounding a philosophy that encourages leadership which teaches self-management, then they certainly should be.

Another important point is that, just as the good leader will be able to identify when his or her employees performance will no longer improve as a result of additional training, Mauro (1999), effective organisations should be able to identify when their (some schools of thought suggest that there is always room for improvement as the learning process is a continual one) leaders performance is no longer improvable due to extra training – to date there is regrettably very little research on this topic.

Finally, in response to the question, “is there such a thing as a superleader?”. The answer to this is unclear, although Manz and Sims (1989), offer the description of ‘superleadership’, which involves according to them, modelling self-leadership, facilitating self-goals and productive thought patterns, reinforcing self-leadership, reprimanding constructively, facilitating cultures that foster self-leadership and the ability to design sociotechnical systems and teams (Markham and Markham, 1995). Even *if* the ‘superleader’ did exist her/his definition would vary according to organisation, context , moment in time and not least, culture. Without expanding at great depth here, a large body of literature on the subject of cross-cultural difference in leadership is already extant, Alimo-Metcalfe and Alban-Metcalfe (2001), Brodbeck et al (2000). It probably isn’t even appropriate anymore to be proposing how a superleader differentiates him/herself from a run of the mill leader. One should rather be concentrating efforts on defining the total quality leader, as Mauro and Mauro (1999) do: one who has ... ‘a profound knowledge of variation, a functional knowledge that results from statistical theory, the ability to apply the tools used to achieve total quality management and an ability to know his/her people and predict the systems capability...’ – the description isn’t one of a superleader, but rather one of a Deming Leader.

6.5 Hypotheses

The hypotheses relevant to this sixth chapter on leaders and leadership behaviour are listed below and include the following:

Hypothesis 2a: Managers communication ratings and goal clarity ratings will correlate significantly with reduced levels of job stress experienced.

This predicts an association between communication ratings, goal clarity ratings and reduced levels of job stress.

Hypothesis 2b: Managers' commitment to Merck Excellence will correlate significantly with increased job satisfaction and motivation levels.

Here it is anticipated that commitment to the organisations 'change program' will be associated with increased levels of job satisfaction and increased levels of motivation.

Hypothesis 7a: Managers who have been longer in their job role (i.e. have more experience), will not have above average QPS scores (self- and co-worker rated), than those managers who have not been in their jobs so long (i.e. have less job experience).

Here, managers who have been longer in their positions are thought not to necessarily receive above average QPS scores (self and co-worker rated) than managers who have been in their positions/jobs for a shorter time i.e. experience on the job is not associated with QPS score, both self-and other rated.

Hypothesis 7b: Managers stress ratings are not affected by job experience levels.

Stress is predicted not to be associated with level of job experience.

Conclusion

This chapter dealt with one of the most central themes in this research study, that of leaders and their behaviour. It sought to provide the reader with a comprehensive overview of leaders and their interaction with the working environment by discussing what perceived leadership actually is, how it can vary according to culture, organisational structure and other extraneous variables. It also described how leaders evaluate their own thoughts and actions, how and by which mechanisms they are able to adjust their work behaviour to fit the situational requirements. Employees and co-workers, being an important part in the leader-environment dyad, were also covered in this chapter, focussing especially on the issues of empowerment, co-worker leader evaluation as well as self-evaluation. The leader has been described here from three important perspectives, i) as individual, with individual style and method, ii) as team member and employee leader and iii) as an individual who is part of a greater organisational cosmos. Finally, the hypotheses relevant to this sixth chapter were listed. As the leader-change dyad is so central to this investigation it was thought that the next chapter, chapter seven, should present the issues surrounding the other half of that dyad, namely, change. Chapter seven deals then with the second major topic of this investigation, Change Management, Organisational Effectiveness and Stress.

CHAPTER 7: CHANGE MANAGEMENT, ORGANISATIONAL STRESS AND EFFECTIVENESS

Overview

This chapter deals with the second central theme of this thesis, that of change in organisations, organisational stress and organisational effectiveness. The reason that change is so central to this research is that the host organisation is undergoing a program of change management, and therefore, understanding change and transition is of paramount importance. Changing the organisations management or culture is a task full of complexities and is especially valid for the organisation host which is currently working towards changing its culture. In order to fully understand those complexities it becomes necessary to take a look at how changing organisations can suffer stress and the effects of stress. The perspective of organisations as a whole is taken here, examining the macro effects of stress on organisations, as well as the individual micro perspective i.e. employees affected by stress and subsequent effects on performance. The chapter is completed by taking a look at how effective organisations function, especially in the light of change management initiatives.

7.1 Organisational Change and the Management of Change

Overview

This first part to chapter seven handles the subject of organisational change and the management of this change. The changing states and forces that operate within company's is examined using examples of planned and unplanned change, as well as episodic and continual change. Later on we turn to the individual, to investigate how employees perceptions of changes to organisational culture, are influenced. Leaders are essentially the key figures or 'change agents' within organisations, therefore, we take a look at the leaders role, discussing the change agent role within the host organisations change program.

7.1.1 The changing "states" and "force fields" within organisations

At the very latest with the commencement of changes in the worlds business economy and 'globalisation' somewhere around the beginning of the 90's, workers within organisations have been either surviving, learning to live with or *not* as the case may be, those elements that accompany national and international coalition of company's such as mergers, upsizing, downsizing, buyouts, take-overs bids etc. (Gambil and Kirk, 1999). Experiencing such changes, even at first hand, does not however, necessarily mean that employees a) have had any choice in the course of events taking place within their organisation or indeed their own destinies or b) completely grasp the full meaning behind the changes that have taken place. Several factors will play a role in how change is received or embraced by employees within an organisation – these factors include organisational structure, size (and probably industrial sector) and culture, organisational maturity, how change is introduced i.e. centrally, decentrally, how the change process is delivered i.e. if systematic and continual or sporadic and diffuse, whether the change was planned or not, whether it was undertaken on a voluntary basis or imposed on the organisation and even the tempo at which change is expected to take place (Bacharach et al, 1996). A plethora of literature on these various facets of change and transformation process has been developing since the late 1980's – this sub-section lifts the most interesting and relevant of those contributions out to examine them.

Let us take one of the American social psychologist, Kurt Lewins' famous statements, "you cannot understand a system until you try to change it" as our starting point (Schein, 1996:34). If we consider then that organisations are *systems*, or more accurately *open systems* (i.e. being affected by activities taking place externally to the system itself) in the sense that systems comprise sets of constituents which are connected to one another by either energy, information or materials, then it is reasonable to suggest that organisations possess similar characteristics found within systems. Organisations then, as open systems have sub-systems or hierarchies, are dynamic (change or develop over time), are able to self-regulate and

self-control through feedback processes, are synergistic (gestalt i.e. the whole equals more than the sum of all individual parts), are essentially social by nature (i.e. are operated by systems of authority, status and power and possess people/employees who have varying needs from within each of these social systems, Gibson et al 1994), and try to maintain a constant “state” of being or balance (Gambil and Kirk, 1999).

We see therefore, not only the similarities that organisations have to biological systems, such as the evolutionary, growth, development and maturation phases, but also that the system has ‘states’, which will invariably change. Organisations are also reminiscent of the biological system in that they go through a process of selection whereby those strong enough, will survive in a hostile or ‘competitive’ environment.

What does it mean then to refer to the ‘state’ of an organisation, what is one really referring to here? Is it perhaps the level of stability of an organisation in the face of forces (internal or external) that can cause weaknesses, changes or instabilities within it? Porras and Silvers (1991), see it as an ‘environmental shift’. Lewin (1952), noted there are, ‘forces in the system that cause change’ and ‘forces that contribute towards a state of equilibrium’. Bacharach et al (1996), also describe how organisations move from one stable state to another – this they call organisational transformation. The authors define stability as being, “when there is alignment in the logic’s of action of the parties in the exchange” relationship. This alignment doesn’t, however, mean that there is no disharmony amongst those parties – it means simply that parties at all levels have basically the same universal goal and intention (Bacharach et al, 1996). According to the authors, when ‘logic’s of action’ are consistent with each other, the system, or organisation, is at its most stable. Van de Ven and Poole (1995), offer a typological framework of process theory of change which include *life-cycle theories* (comprising a start-up, grow, harvest and termination and start-up sequence of events), *teleological theories* (comprising an event sequence of envision/set goals, implement goals, dissatisfaction, search/interact and envision/set goals), *dialectical theories* (also having an event series comprising thesis/antithesis, conflict, synthesis/antithesis, and *evolutionary theories* (involving the sequence of variation, selection, retention and variation). The authors suggest that these four motors can be grouped into two dimensions, that of i) the *unit of change* i.e. which shows whether the process focuses on the development of a single organisational entity or rather on interactions between two or more entities, and ii) the *mode of change* i.e. showing if the sequence of change events is prescribed by deterministic laws, producing first-order change, or whether the sequence is developed, emerges as process itself is revealed, and then generates new second-order change. Using motors as an analogy in this context is very useful because it refers to the mechanisms of interplay taking place between theories – the language of motors (also having been used by others when discussing organisational transformation, Clanon, 1999), being the language of process rather than outcome. Van de Ven and Poole (1995), go on to say that when change interventions fail, this is due to a mismatch between the dominant conditions and the type of motor activated by the change intervention (Weick and Quinn, 1999) – this will be further explored in section 7.3.4 of this chapter.

If we examine the concept of “forces”, we find ourselves once again with the Kurt Lewin. He suggested that there are forces within an organisation that work in favour of, or *facilitate*, change (seen as the driving forces), and other forces that oppose a given change (termed as restraints), (Gambil and Kirk, 1999). For the required change to take place, the driving forces must be more powerful than the restrictive forces. It is certainly crucial for organisations undergoing change or transformation processes, to consider the forces issue within their own context i.e. which forces are the strongest overriding forces, which are the driving and the restraining energies – the next subsection explores in further depth such forces and also the relevance of tempo within change initiatives.

7.1.2 Planned vs. Unplanned change and Episodic vs Continual change

Changes taking place within the organisation at particular rates – these rates, and the forces that lie behind them, which fundamentally effect the change or transformation processes themselves, will be discussed in the following section. Bacharach et al (1996), report the effects ‘rapid or dramatic environmental change’ have on organisational coherence. They are not explicit about what such changes might be, but one only need read financial journals to realise that such changes include phenomena such as downsizing, hostile take-over bids and buyouts etc. Some authors have suggested that when organisational adaptation lags or slips, organisational effectiveness decreases, the need for change increases and therefore, a revolutionary phase is entered into (Weick and Quinn, 1999) – this leads us to believe that the change is inherent within the organisation itself, rather than being spurred on by outside or external forces.

Other authors also agree that radical change tends to be too drastic, suggesting that intemperate change causes disruption to the organisation and often sets its people in a panic, causing them to ‘retreat in their shells’ (Hammer and Stanton, 1995). They suggest that it likely to trigger changes in logic's of action (cognitive frameworks) at the institutional level, and that these new logic's may not be consistent with the already existing logic's of action at the managerial and technical levels. The authors then go on to report that the drive for cognitive consistency or balance (assuming that members of the same group or ‘organisation’ tend to share a common logic), may be able to explain the illogical part of what strategic theorists refer to as the ‘resistance to change’ (Tichy, 1983:344). Parties wishing for consistency may avoid discord by resisting the change or by posing and contesting changes that have already taken place (Bacharach et al, 1996). The analysis of dissonance then, certainly tells us a little more about the minutiae involved in transformation from one state of consistency to another.

Planned change versus unplanned change – evolution or revolution?

A small introduction to change, planned or unplanned, tells us that one of the most important aspects to the change / transformation process, according to Hammer and Stanton (1996), is the construction or planning phase. Typically, during this phase, the change or new process is itself taken apart - this includes fully revealing details of its operation, examination of implications are made from all possible aspects of the organisation, where appropriate training’s for people are considered where the necessary requirements necessary to set up new information systems are laid down etc. etc. Of course *reengineering* styles tend to differ, but essentially all must be based on or at least start with, well-defined goals and a clear project plan, in other words a clear process design (Hammer and Stanton, 1996). A more detailed discussion of the entire transformation process will be made later on this chapter.

Ford and Ford (1995), provide us with a neat description of planned vs unplanned change. Planned change is when a change agent makes a deliberate and concerted effort to establish conditions and circumstances that are different from those prevailing at that time, this is accomplished through using some set of actions or interventions, either singularly or in partnership with other people. Unplanned or unintentional change, say the authors, is not consciously produced, but is produced rather through side-effects, through some subsidiary event or secondary effect or even unexpected consequences of action (April, 1999). Even without this view from the scientific literature, one could confidently state that *planned* organisational change versus unplanned change, seems more reasonable and logical, allowing all affected parties the chance to come to terms with change itself, or indeed be active within it and taking on its wider implications. But somehow suggesting that planned is synonymous with the right, best way to go about change, and unplanned is equal to the worst or more inefficient way of going about change, would be too simple an explanation. Porras and Silvers (1991), divide planned organisational change into four definite phases, i) a change intervention that alters, ii) key organisational target variables that then impact, iii) individual organisational members with their individual job behaviours which result in change and iv) organisational outcomes (Porras and Silvers, 1991). The authors make a clear distinction using their, Planned Process Model, between organisational development (OD) and Organisational Transformation (OT) – until fairly recently both terms were used interchangeably with one another. The

former, seen as planned change, deals more with technologies, theories and research, where organisational target variables concentrate more on the work setting e.g. the social factors etc., whereas the rather newer OT, itself, according to the authors, still not clearly defined but developing, can be seen as the 'cutting edge' of OD and whose organisational target variables look more at vision e.g. mission and purpose etc. (Porras and Silvers, 1991). The authors go on to report that both OD and OT methods and theories will be continued to be used for planned change. Rapidly changing environments require that organisations come up with equally quick responses, at least in order to survive. Therefore, planned change, as proposed by Porras and Silvers, is one way of sensitising organisations and making them more flexible or responsive towards environmental shifts.

Episodic versus Continuous Change (unfreeze-transition-refreeze)

The heading may be a little disconcerting as it moves the reader to think of episodic and continuous change in terms of pro and contra, which is actually not the case - the disadvantages, as well as benefits of both are indicated here.

Increasing interest has been paid of late, in the literature, to the rate, rhythm and pattern of work activity itself – and this interest has now be expressed with respect to change in organisations (Weick and Quinn, 1999). Weick and Quinn's research highlight's the importance of the tempo of change. The subject of episodic change, i.e. when organisational changes are made in an infrequent, discontinuous but intentional manner, is addressed. The theory is that episodic change occurs as specific change phases within the organisation are reached. Episodic change occurs during intervals of divergence, in other words, when organisations depart from their normal conditions of 'stability', and is so-named because, as the authors report, it has a tendency to take place at certain periods, when 'shifts' are accelerated by events in the external environment e.g. in technology or in key figures within the organisation. A certain passivity or organisational *inertia* precedes episodic change, which is set off varying sources including; environment, performance, characteristics of senior management, structure and strategy (Huber et al, 1993). Episodic change is characterised in that is usually; infrequent, slower due to the breadth of its scope, is incomplete as it is often not fully implemented, tends to more strategic in content, is more intentional and formal than for example 'emergent change', however, it is also more disruptive to the organisation as a whole as programmes are substituted (this view is also backed by Beer et al, 1990) as opposed to being altered or adapted (Mintzberg and Westley, 1992). The amount of time between phases of discontinuous change is set by the amount of time that organisations spend in other phases or stages of organisational development (Weick and Quinn, 1999). If we consider that the stages in organisational change include, as described by Mintzberg and Westley, development, stability, adaptation, struggle and revolution – then episodic change is considered when adaptation begins to lag – or perhaps, when the organisation hasn't recognised the need for adaptation because it hasn't recognised the appropriate signals, due to it being 'immature' or not fully developed. So therefore, perhaps episodic change is experienced by *young* organisations experiencing the turbulence necessary before achieving stability. A true understanding of episodic change requires one to understand the processes of inertia (apathy), triggers (or signals) and replacements (or substitutions). If one considers that organisational change occurs only in the face of a failure to adapt, as has been suggested (Weick and Quinn), then an *ideal organisation* may be one that is able to continually adapt (such 'self-organising' organisations have been observed by Brown and Eisenhardt (1997), in the computer industry). These company's did not simply rely on one process of structure for change, but instead, chose to focus their efforts on well-defined managerial responsibilities and clearly defined project priorities, whilst incorporating highly flexible design process which were impromptu or non-rehearsed and themselves continually changing. The most successful companies amongst those observed, tended to have highly developed communication systems, which included formal and informal communication lines with much importance being placed on communication between and across projects. Episodic change tends to be laden with emotion and can be seen as drastic change – this was what however, was required to, 'break open the shell of complacency', as Lewin (1951) described it. Emotional shake up, can of course, bring the necessary energy boost required for dramatic or

revolutionary change, but it may also become a major source of stress (Barr and Huff, 1997) – the stress factor will be explored in section 7.3 of this chapter. Episodic change is also closely associated with planned, intentional change, this comes about through the breaking of the known equilibrium ('punctuated equilibrium' as described by Tushman and Romanelli, 1985) or stable state, into a newly created one. Weick and Quinn (1999), see intentional change happening through 'change agents' who set with the specific task of creating new conditions that differ from the present one, this is achieved through a set of given actions. This is similar to what Schein (1996), called, *unfreezing*: This is when people become motivated to learn something new, they are particularly susceptible to current ideas that are prevalent. *Refreezing*, which takes place after unfreezing, and involves learning the new behaviours to prevent slipping back into the old behaviours, generally occurs when the new behaviours match the personality of the target and the relative expectations of the target's social network (Weick and Quinn, 1999). New research in episodic change reveals how difficult it is to unfreeze behaviours already learnt - reminding us of about the processes involved in conditioning - (relapses back into the old habits were not uncommon, occurring three or times), and unfreezing procedures begin earlier than originally thought (this analysis coming from research into smoking cessation by Prochaska et al 1992). According to Beer et al (1990:50), relapse i.e. dropping back into the old way of doing things, is more common with episodic change, simply due to the fact that episodic change involves change on a greater scale, than for example continual change, perhaps because large-scale change in larger groups is against the normal run of things, added to which size and participation tend to be negatively related (Gilmore and Barnett, 1992). They purport that large-scale interventions rely to a lesser extent on closely held internal data generation, and more on the gathering of data from the environment and sharing it widely. They also depend to a lesser extent, on the individual unit of learning and more on learning about the entire organisation.

Continuous change (freeze-rebalance-unfreeze)

Continuous change has the characteristics of being more ongoing in process, of developing or evolving more and being more cumulative. It is about small persistent changes or alterations, occurring simultaneously across units or subunits within the organisation, which accumulate to create solid change (Weick and Quinn, 1999). Evidence provided by Wheatley (1992), reveals that organisations involved in continual change were those which considered improvisation, translation and learning of great importance in their development. So, we see that a series of, "ongoing and situated accommodations, adaptations, and alterations..." are enacted and become adopted over the course of time, (Orlikowski, 1996). Orlikowski also states that such series lead to recurrent reciprocal variations, which become coupled with unanticipated outcomes and innovations, all of which have no beginning or end. Culture, is also an important factor associated with continuous change (see 7.1.3) because it provides support for multiple changes and endorses, according to Kotter and Heslett (1992), non-conformative actions made in the effort towards change through adaptation and adaptability, establishing adaptive know-how into the language of the organisation, or into its system of norms and values. Scale (as in macro or micro changes) is also handled by continuous change in a particular way. Some authors have pointed to the fact that micro changes are by no means trivial, not only from the point of view that small changes, do not always remain small but develop into something more substantial (Maruyama, 1963), but also because micro-level changes provide the rostrum upon which transformational change becomes institutionalised within the organisation. The authors propose a plausible change sequence for continuous change is; to freeze or show what is happening, to rebalance or to rebalance, redefine and re-sequence patterns, finally to unfreeze or to take up improvisation, again to translate and to learn in more flexible ways, (Argyris 1990, Dutton, 1993, Weick and Quinn, 1999). One way in which to rebalance continuous change is by using 'logic's of attraction' – this is in parallel to the 'logic of replacement' in episodic change, that we see. The theory is that in order for individuals to change or move over to a new position or standpoint, they must first be *attracted* to it i.e. it must appeal to them or inspire them. In relation to this, Kotter (1996), posed the question, 'is change something one manages or something ones leads?' To *manage* change infers that one tells people what to do (replacement), whereas to *lead* change is to show people by example, how to

be (logic of attraction), Weick and Quinn (1999). Changing by showing and the function of role models in change are an important part of the Merck Excellence Process and will be discussed later (see section 7.1.4 pp).

In summary then, one is able to see the contrasts between the analytical frameworks of episodic and continuous change. Episodic change is seen more as an interruption or deviation from the state of equilibrium, whereas continuous change is based around a sequence of never-ending modifications in work processes. The perspective of both in terms of time also differs, episodic change dealing with change at the macro level, therefore being more removed or global by nature, compared to continuous change which operates at the micro level, therefore bringing it somewhat closer to the individual in their daily task, and being more locally accessible. Therefore, it seems that episodic change tends more to be in the direction of revolution i.e. changes are created by intention, they are planned. Continuous change is more 'Confucial' in style i.e. cyclical, without end-state - change is more about moving in another direction than that which has already been taken, so it can be seen more as evolutionary. Finally, Weick and Quinn (1999), propose one difference between episodic and continuous change in the language, or systems of meaning, that they both use. The former being more concerned about *reinterpreting* the triggers and signals for change, whilst continuous change replaces the fundamental meaning by introducing a new language and dialogue.

Whilst it is plausible that different organisations when considering change tempo, may see the benefits of using one or both change forms discussed here, there is nothing to prevent them using elements from both. Indeed, it is likely that organisations may use or combine elements of both episodic and continuous change to fit either their current individual developmental needs, or their particular industry. From my experiences of the change program within the host organisation, I would conclude that it has adopted a method that aligns with planned, episodic change.

7.1.3 Culture Change and Perceptions of Change

Understanding *how* employees perceive the culture, climate and value system of their organisation is important, especially if we are to comprehend changes taking place within that culture and possible reactions to it. Many factors will influence how people perceive their surroundings and their work environment – the most important of those factors will be dealt with here.

Whether individuals are at all able to accurately perceive their work conditions or social environment, is discussed by Ganzach and Pazy (2001). For example, one reason why employees may not be so easily able to accurately perceive their working environments, according to the authors, is because raters who are asked to rate their environments, are affected by their own frames of reference (including reflecting on previous experiences and taking social comparisons i.e. how peers currently rate the situation, into consideration, Oldham et al, 1982) and can even be affected by their own current level of job satisfaction (which in Ganzach and Pazy's research, is also related to job complexity). So, can we assume that if peoples working environment is becoming more complex due to changes within the system, or changes be imposed from outside the system, they are likely to experience lower job satisfaction and perceive changes negatively? This would be a too simplistic view – but it provides us with a starting example about some of the complications involved in the construction of individuals' perceptions of their working environments.

The communication culture within organisations, for example, is extremely important in helping establish a climate of trust amongst its workers (Müller, 1999), and not surprisingly, deficient communication cultures have been shown to have negative effects on climate and indeed job satisfaction levels. Communication, its method and delivery within the organisation, may certainly reflect acceptance levels or tolerance of change within that culture. Kanter et al (1992), identify the key roles of communication in organisations as being in the provision and acquiring of information, establishing a level of understanding and in producing and developing ownership – all these methods of communication become part of the

apparatus used in the change process. This is practically in contrast to what April (1999) claims, which is that it is *change* that is the phenomenon that transpires within communication, conversation and dialogue.

Indeed, as Schein (1985), points out, “if change processes are to be successful, those who are involved in the design and implementation of culture changes must share the same assumptions about change itself”. He explains that what we define as ‘change’ is dependent upon its immediate effect and our expectation. In other words, individuals who experience some immediate affect as a result of change are more likely to perceive actual changes, whereas people on the periphery of change, may not necessarily recognise any shifts (simply because it takes longer for any change to reach them). Schein also says, that how one perceives change depends upon ones ‘time horizon’ i.e. whether one is thinking in the short or the long term. Individuals with a long term horizon probably look more towards historical trends. This concept is not new, but still throws open questions deriving from more recent research. For example, it is widely accepted that different managerial levels and levels of hierarchy within the organisation, also hold differing time perspectives e.g. junior to middle managers tend to think more in terms of short-term goals, that is to say, in periods spanning between two to five years, Page and Turnow (1987), Jacobs and Jacques (1987). In contrast to this, senior managers and executives tend to operate on a more long term basis and therefore, think in terms of what is going to be happening within the organisation over the next ten to twenty years. In other words, they are considering the long range forecast. They have goals, objectives and long term initiatives at the forefront of their minds. This fits in with the fact that senior managers deal with, amongst other things, the organisations’ mission, vision and value system, all of which are not definable on a short- but on a long-term basis. So, it would seem reasonable to suggest that managers placed or operating at different levels of responsibility are fitting change in to their own particular schema i.e. they perceive it in such a way as to fit in or match their own time horizons. This fits in with Schein’s observation that people with different frames of reference have different perceptions about, or expectations of culture change, and tells us there is a motivational background to understanding the perception of change. Perceived change and continuity, according to Schein, are two sides of the same coin, therefore, we have to examine the motivations or intentions of actors wishing to change things or not.

Changes to the Culture of an Organisation

The ‘culture’ of an organisation is complex but can be seen as being captured in its system of assumed values which are often laid down in terms of philosophies, ideologies and mission or vision statements, and encompass world views, symbols, habits, myths/sagas, rituals, status, work surroundings and customer expectations (Van der Bent et al, 1999). These, what Schein terms, ‘taken-for-granted’ assumptions, deal with how group members (members of the organisation) regard the internal and external relationships and environments in which they operate – and is affected by groups that have a shared history. Such groups are able to form a basic pattern of fundamental beliefs which eventually become the cultural standard – the strongest level of that culture. When culture has developed in the organisation, it will touch all aspects of that organisation, from the organisational strategy and objectives, through to its reward and remuneration systems (see section 7.3.4) right down to its daily routines. Once an organisation has established a need for change, how does its culture then affect that change, indeed how does culture itself change? What in fact *is* ‘culture change’ defined as, does it imply changes in employee behaviour, or changes in their values or changes in both – one thing is clear, diagnosing *culture* is very problematic (Schein, 1985). Regardless of just how clear the conceptual or theoretical definition of culture is, the culture of any given organisation is extremely difficult to pinpoint, probably, because inevitably, some aspects which go to make up that culture are themselves not defined within the organisations own framework and are therefore, in a sense, intangible.

Ability to make changes to organisational culture may depend to a certain extent on the age of the organisation i.e. its levels of maturity, and also on the particular current situation (environmentally speaking) that the organisation is in, its size and complexity and, very importantly, its present managers’ opinions on the change within the culture. Senior management and especially the CEO of an organisation

play a vital role in the acceptance of changes within the organisation and within its culture. For example, if a newly appointed CEO or the new generation of senior executives do not hold the same values about the culture as did the first generation of managers, this can lead to conflict, especially with respect to acceptance of changes within that culture. Top management who do not 'buy' major changes in the culture cause a problem for middle management further down the line, who may wish to support changes, but who may be hindered in so doing, due to a lack of support from their own managers (Kaeter, 1992). Similarly, people at the grass roots levels who don't buy in the changes also create a basic block to organisation-wide change (West et al, 1994). But why these different reactions to cultural change? Silvester et al (1999), explain that inter-group differences play a significant role in acceptance of organisational culture change. Managers, trainers and trainees have differing cognitive maps, which leads to variance in the 'sense-making' processes they employ to planned change processes. The authors propose a socio-cognitive model of organisational culture which is able to recognise causal attributions as the basic units of analysis and their transmission as a way in which cultural beliefs are communicated between organisational and group members. Managers, trainers and trainees' attributions about a training program were coded along six dimensions, two of which being change (the attributional statements associated with this dimension included whether or not the training programme would produce successful organisational change) and culture. Of particular interest here, is how each group perceived the change dimension and how it correlated with all other dimensions. Results confirmed that inter-relationships between change and all other dimensions showed that the groups' collective perception of the organisational change process including, how long they expected it to last, whether they perceived the process as being under subjugation and influence by the stakeholders involved, the limitations of any likely change and the connections between winning change, the organisational culture and quality issues (Silvester et al, 1991). By undergoing a process of examination of group member 'shared explanations' given as either positive or negative statements, the authors were able to identify the extent to which change was perceived as being stable or temporary, whether it was more localised or universal and whether they were seen as having any influence in the change process. Managers were relatively pessimistic about the changes being company-wide, stating that they expected change to be more localised in its impact upon the company's culture. Trainees made significantly more positive attributions than did either managers or trainers. Trainers had the most negative expectancies of all three groups in the research. This was confirmed in that they made significantly more negative future-oriented attributions regarding change and that they held real misgivings about whether or not they had the ability to sway outcomes. This is certainly an interesting and useful finding, in the light of how salient training programmes that address organisational and culture change processes can be, to the overall acceptance and understanding of change. Surely the trainers need to adopt positive attitudes and accept change fundamentally, otherwise, how can they teach or influence other organisational members to embrace it. This might certainly indicate for those organisations where training for change has been identified as being ineffectual (and even for those organisations where training interventions were successful), that trainers need themselves to be scrutinised to ascertain what their own perceptions of change and cultural change are, and if they are accurate or realistic in their perceptions.

Above we saw the importance of trainers in the change process – now let us take a look at managers and leaders and their perceptions of change. Anna Maravelas (1992), tells us that in order to change culture often a radical rethink about core beliefs concerning power and leadership is necessary – certainly leaders as change agents are fundamental in the change process. She also explains that top managers have a tendency to be viewed by other organisational members in 'Lone Ranger' terms i.e. they, 'ride into town, unerringly alter the situation and then ride out again into the sunset..' This implies that others in the equation assume a position of dependence as managers and leaders are allowed or in fact, expected to perform the high-status role of rescuer. The issues surrounding differences in value and cultural commitment and indeed in peoples expectations of senior management, will be discussed in this chapter, see 7.1.5. Research by Brodbeck et al (2000), indicates that cultural (regional) differences may divide leaders and how they approach change. Their research revealed that leaders from North European

countries (to include United Kingdom, Netherlands, Denmark, Norway, Sweden and Finland) showed more of a preference towards leadership as *coaching*, whereas leaders and managers from South European and Germanic countries (to include Spain, Belgium, France, Austria, Switzerland and Germany) favoured leadership by *direction* – such regional differences may also produce fundamental variances in how culture and change are perceived.

Holmqvist (1999), suggests that the rules people learn in organisations, how they know *how* to act (explicit knowledge), is based on mutual or commonly shared background knowledge – it is reasonable to think that this may stem from an understanding of their culture. Holmqvist discusses the relevance of ‘knowledge ownership’, both individual and organisational, suggesting that in fact, *any* organisations, but also organisations that have been in existence a long time (taking the Catholic Church as his example), consist of organisational knowledge that is *not* dependent upon the actions of any one single member – this is why such organisations, he maintains, are able to retain the same fundamental mission, strategy and objectives over such a long period of time. This is to take, once again, a gestalt approach, by saying that organisational knowledge is greater than the sum of knowledge of its individual members – this notion is also put forward by Argyris and Schön (1996). Holmqvist purports that organisations tend to *learn* when their ‘knowledge’, in the form of standards, rules and procedures etc. is changed – therefore, the organisation undergoing cultural change, is a learning one – the learning organisation is explored in 7.2.2 of this chapter.

The issues surrounding successful implementation of change programmes in organisations has been widely discussed by several authors. The introduction of change programmes that haven’t worked, have often ended in cynicism and demotivation amongst staff and managers alike, this has led to a newer surge of *cultural change programmes* which are seen by some as an attempt on the behalf of organisations to replace, ‘change programs that don’t work’, Clarke and Meldrum (1999). This newer breed of programme, claim the authors, involves trying to control the commitment and values of employees, winning them round to change in that way – but many such efforts have fallen flat, primarily due to “mimicking” by people. Mimicking, as its name suggest, is when individuals literally mimic or play the behaviours that they believe are expected of them. Mimicking implies not only a lack of understanding of what is really required, but also a lack of faith and commitment to change and is potentially dangerous, as it builds a false picture of the real change situation, and also leads to a ‘distancing of self’ (Willmott, 1993). Schein suggests that what is needed is, amongst other things, for programmes to address whether or not they are really congruent with the culture of the organisation i.e. programmes must be compatible to the organisations own culture i.e. be translated into its own language. Being congruent, would suggest an implicit knowledge on the part of the programme designers, a knowledge which showed a profound understanding of the constraints (an example of which would be political awareness) of that particular culture – such knowledge is *more likely* to be found amongst internal consultants and trainers.

Perhaps in the past the issue of training, as an effective element in the successful implementation of change management programmes, had been somewhat neglected by organisations – with many companies ‘fitting in’ appropriate training, and this being considered much too late. However, it seems that now organisations are realising the relevance of suitable training as being an important issue to be considered *early on* in the change process. There many indications for training programmes within organisations, including the improvement of current job skills, groundwork for employees career advancement, and to readjust and adapt for new or changing job requirements (Tannenbaum et al 1991). Important to realise also, is that training and induction programmes represent for many employees, their entrance point into the organisation (Goldstein, 1980a), and as such can be seen as an important first step in their socialisation process (Feldman, 1989) within the company. Thus, at a time of potential turbulence and change such as is often the case during major reengineering, where organisational processes are being rethought and redesigned, and where most likely, job requirements at the individual level are changing and developing to meet the new cultural requirements, training must be able to adequately prepare

workers to function effectively in their working environments. On the one hand, the training programmes themselves need to take place in the current organisational change context i.e. be aware of actual change issues. This to my mind, is *only* possible once an organisation has already started to undergo the process of self-examination and measurement in order to establish or identify the effects and outcomes of macro and micro changes taking place within its working environment. On the other hand, it is important to understand the great differences that can exist between individuals and their methods and capacities for learning. Taking into account training issues such as employees' reactions to learning, how they learn best and how their behaviour might be expected to change or in indeed, in which direction behavioural changes are desired, is critical to the subsequent level of employee transfer. Educational programs must also broach the developmental stage workers are at, when embarking on them, gauging the training at the appropriate level. To exemplify, new incumbents who have just entered an organisation will have no previous measure or standard (of that particular organisation) regarding conditions of change, to go on (unless their previous organisation had undergone such a process) i.e. they represent a *tabula rasa* in terms of learning the culture, taking on and accepting the change process, simply because they only just encountered it for the first time. In contrast to new employees, staff who have already been integrated into the existing or previous culture of the organisation, because they have been employed longer, will already have firm views, perceptions and attitudes towards the organisation as a whole, their job and the working environment in terms of change and exchange processes. Therefore, differences in the learning requirements of both new incumbents and *established* employees, is a point that subsequent training's and trainers need to embrace. A further point of relevance when discussing the training issue is that of changes in attitude. There is evidence to suggest that employees attitudes and values (that is, what their values are, what they see as norms etc.) change in training settings (Kirkpatrick, 1976, Feldman 1989). According to the authors, this is especially relevant for those training programs which provide employees with their first impression of the organisation i.e. induction programs.

Training settings are inevitably quite separate from the day to day work settings that employees expect to encounter i.e. less stressful, reduced workloads and reduced communication network in progress etc.. Is it possible therefore, that a change in environment alone may evoke difference in peoples values, attitudes or perceptions – and if so, how might this be explained? *Different schemas* might be one explanation: people tend to adjust how they perceive and evaluate things/people/events according to the environment or situation in which they currently find themselves in, this involves processes of self-efficacy and is majorly concerned with adapting to “fit into” the given environment, a kind of self-preservation if you like. The onus for the employee in the normal or daily work routine is, ‘getting things done’ or even ‘getting things done well’, whereas the onus in the training situation is ‘learning’ or ‘learning as much as possible’ – each possesses a slightly different mind set, which activates different attitudes, perceptions etc. This is not to imply that the normal workplace is not a place where learning takes place. On the contrary, individuals probably learn continually during the course of their daily jobs - and it is also not implying that training courses are not settings where individuals may wish to do their best – all this implies, is that people tend to employ different mind sets, different agendas and priorities according the situation at hand. *Social desirability* may also be a factor affecting individuals' perceptions, values, or norms in a given training situation. Let us suppose that a particular training course propounds the current and ongoing new philosophy of an organisation, dealing directly with how employees are to incorporate the new philosophy into their daily work routines. Success in the transfer of new skills which should be built into staffs work routines, would mean not only that they complete all the training requirements, but would also mean that in order for them to get that far, they would firstly need to be fundamentally in agreement with the ‘changes’ that are being sold or learnt through the training program itself. However, this may not always be the case. Some employees, may for whatever reasons, not be in agreement, or even be against the changes being exacted by the organisation. So, what do such employees (who are not in agreement with the new mission and values, the new philosophy) do, when faced with training? Well, two choices spring immediately to mind. Either, they participate in the program, feigning their interest and/or allegiance to the new philosophy and resulting changes that are required as a result of it (which

amounts to ‘mimicking’, previously discussed), or they stand ground, deciding not to waste their time, and abstain from taking part in the program. Of course in reality, things are never as clear cut as this, and there will indeed be many employees who prefer to sit on the fence with regard to culture change or change management, that is to say, they neither agree or disagree with it, but decide to take part in the program because they are willing to be won over by it, or simply because they wish to inform themselves more about it, and finally make a decision. Social desirability would also imply that employees do not want to be seen as taking an ‘outside position’ by their peers, therefore co-operating with such a programme may be for them purely self-preservatory.

With certainty, one can say that training programs are capable of influencing employees’ perceptions, attitudes, expectations and beliefs as they join the organisation (Tannenbaum et al, 1991). The authors suggest that the expectations and aspirations of the incumbents can affect subsequent evaluations of what actually did take place during the program and thus post-training commitment and motivation. If training meets the expectations and desires of its participants, i.e. training fulfillment, one might expect transfer to be high and behaviours to change accordingly. If, however, training fulfillment is low i.e. the program fails/failed to meet the participants’ hopes, this could lead to negative attitude change i.e. no change in behaviour, negative trainee reactions (being unsatisfied with the training) or even result in non-completion of the program. Research has shown that pre-training motivation (a person’s motivation level prior to training) is related to learning, performance and indeed training completion, Biersner et al (1997), Baldwin et al (1990). Therefore, a sound pre-training analyses of trainee motivation would provide program designers with useful information regarding trainee motivation and possible expected outcomes, in terms of trainee performance during and after training interventions – this would help in delivery of programs that maximally benefit those people taking part in them. The research also indicates that trainee reactions were positively related to organisational commitment, which is easily understandable. The design and nature of training programs can also influence trainees perceptions of them, Hicks and Klimoski (1987). This would indicate that it is a sensible prerequisite to carry out training-needs analyses, prior to training, in order to align compatibility with trainees’ expectations. Also, one can change employees’ expectations; however, it is not just about changing expectations. Trainers should take into account consideration trainees’ real requirements. An effective training program would probably be one therefore, where trainers communicate realistically with the trainees and remain flexible about their training needs and expectations, Tannenbaum et al (1991). A second important factor is that trainers attitude towards change needs urgently be addressed by organisations. Trainers are amongst the key players involved in training the desired attributes, changing the perceptions and guiding the behaviour of organisational members engaged in change, therefore a thorough analysis of their own perceptions and expectations of the change process, must be the starting point. It seems that some trainers who have been involved in the training of unfruitful change management attempts have developed a fatalism about ability to transform anything using their training programmes – this fatalism may have developed due to previous failed attempts at change that have taken place within the organisation. Following up training, to ascertain whether it really was instrumental in achieving or assisting cultural change, is also critical – this can be assessed in a variety of ways, including, for example, administration of post-training attitude questionnaires. But why these different reactions to cultural change? Silvester et al (1999), explain that inter-group differences play a significant role in acceptance of organisational culture change. Managers, trainers and trainees have differing cognitive maps, which leads to variance in the ‘sense-making’ processes they employ to planned change processes. The authors propose a socio-cognitive model of organisational culture which is able to recognise causal attributions as the basic units of analysis and their transmission, as a way in which cultural beliefs are communicated between organisational and group members. Managers, trainers and trainees’ attributions about a training program were coded along six dimensions, two of which being change (the attributional statements associated with this dimension included whether or not the training programme would produce successful organisational change) and culture. Of particular interest here, is how each group perceived the change dimension and how it correlated with all other dimensions. Results confirmed that inter-relationships between change and all

other dimensions showed that the groups' collective perception of the organisational change process including, how long they expected it to last, whether they perceived the process as being under subjugation and influence by the stakeholders involved, the limitations of any likely change and the connections between winning change, the organisational culture and quality issues (Silvester et al, 1991). By undergoing a process of examination of group member 'shared explanations' given as either positive or negative statements, the authors were able to identify the extent to which change was perceived as being stable or temporary, whether it was more localised or universal and whether they had any influence in the change process. Managers were relatively pessimistic about the changes being company-wide, stating that they expected changes to be more localised on its impact upon the company's culture. Trainees made significantly more positive attributions than did either managers or trainers. Trainers had the most negative expectancies of all three groups in this research. This was confirmed by them making significantly more negative future-oriented attributions regarding change. They also held real misgivings about whether or not they had the ability to sway outcomes. This is certainly an interesting and useful finding, in the light of how salient training programmes that address organisational culture change processes can be, to the overall acceptance and understanding of change. Surely the trainers need to adopt positive attitudes and accept change fundamentally, otherwise, how can they teach or influence other organisational members to embrace change. This might certainly indicate for those organisations where training for change has been identified as being ineffectual (and even for those organisations where training interventions are successful), that trainers need themselves to be scrutinised to ascertain what their own perceptions of change and cultural change are, and if they are accurate or realistic.

7.1.4 The Leaders Role in Change and Change Agents, the Ambassadors of Change

Carrying out major change within organisations is impossible without the help and assistance of one or more 'change agents' i.e. key figures/persons, either external or internal, whose primary objective is to nurture, encourage and monitor change (Makin et al, 1996). In some larger organisations for example, people may be employed, or even 'released' from their normal work duties, on a full-time or part-time basis, to take on the role of change agents, whilst in other organisations, steering committees, boards or councils may be established in order to officially guide the change process. The organisation hosting this particular research project has such a committee. The role, function and effectiveness of this committee is discussed in terms of *change agents* in the following sub-chapter.

Rogers and Shoemaker (1971), have created a classification model of change agents which includes; *innovators* (people who adjust quickly to change, are not afraid to risk new ideas), *early adapters* (these people exercise more caution but are still quick to act on new ideas, such persons are generally more integrated into their organisation), *early majority* (pick up on new ideas once they have already been tried and tested by others, these people are quick to adapt), *late majority* (these individuals belong to the sceptics and take strong persuasion before taking on any changes, they observe how others come to terms with changes and only after they have been tried and tested over some period of time, will they themselves adopt the changes), *laggards* (laggards are extremely distrustful of innovation and belong to the last group to adapt to change, in fact some never do adapt to it at all). According to Makin et al (1996), most of an organisations population of employees falls into either the early or late majority's, with minimal individuals fitting into the innovators, early adapters and laggards categories (the innovators occupying the 2.5%, first quartile of the distribution curve, Makin et al 1996). Ottaway (1982), classifies change agents into three groups; change generators – who deal with the unfreezing part of the change process, they translate problems into a sizeable need for change, change implementers – their role is to generate change once the initial requirement for change has been detected (this group of people fall into what we traditionally term as *change agents*), and change adopters - these people guide the refreezing process by taking on and practising change (role models), they ground the change as the new order for the organisation. Inevitably, all three change agents types are required in the change process and therefore hold equal importance within it. In delivering or carrying out effective and long lasting change in a group

or an organisation, the need to fully understand the individuals' roles of change agents and where they fit into the overall process of change, is absolutely fundamental. Makin et al (1996), stress the importance of recognising that individuals *should not* take on more than one role in the change process, although they do admit to some overlap between roles. Varying types of change agents may influence others and may bring valuable information or experience about change with them, so that a 'sharing' amongst change agents, regardless of role, can only be seen as beneficial.

7.1.4.1 Leaders enacting change

The connection that leaders and managers have as part of the change process has been long recognised. Managers and leaders seem ideal for the part of leading change in organisations, not least because they have the power to initiate and bring about change. As Kotter (1995), reminds us, change by definition requires creating a new system and then institutionalising the new approaches – managers and leaders are able, conventionally, to institutionalise new approaches, including change, into the organisation. As change management depends on leadership to be enacted (Eisenbach et al, 1999), the key role and significance of the leader and managers in the change process, becomes apparent. The capabilities and various styles of leadership play an important part in terms of managers' suitability as key figures in the change process – an expansion of this theme is found in chapter six, Leadership. Nadler and Tushman (1989), liken managers' and leaders' roles in the change process - 'managers need to navigate the turmoil of metamorphosis' (Eisenbach et al, 1999), but is this a dramatic or a realistic description? Which mechanisms might managers use, for example, when guiding events in changeable environments? Sastry (1997), supports the idea of time-based pacing (the pacing of events at particular points in time), which he claims is more beneficial in turbulent environments than simply reacting to events taking place in the external environment (Eisenbach et al, 1999). Turning now more towards the desired qualities or skills of managers who are agents of change, we learn that the different models of logic applied to any change process will of course determine how its change agents react to it and enact within it. Brown and Eisenhardt (1997), identify three aspects that are desirable in managers who successfully implement change, i) provision of clear responsibility and priorities, ii) extensive communication and iii) freedom to improvise – and it states clearly that such an environment is likely to allow people to be creative. So what qualities should managers and leaders possess in order to be able to successfully enact change? According to Eisenbach et al (1999), those characteristics that can be associated with transformational leaders. April (1999), also suggests that the *transformationalism* concentrates on releasing human potential and high level interaction and alignment through individual learning (initially) and re-examination of everything that is carried out. Social influence seems to be pivotal here as it enables leaders to successfully enact change, and through high quality relationships i.e. between supervisors and other team members. Perhaps these high levels of working relationship between transformational leaders and their followers is helping build trust (Simons, 1999) which is a building block to overcoming the anxiety associated with adapting to change (see employee stress: 7.3.2). However, not all change theorists are of the opinion that the transformational way is the best (see Kotter, 1995) ¹.

April (1999), discusses the importance of what he terms, 'metalanguage' and symbols of meaning for, successful leaders and change agents. When society's (including organisations) undergo major change initiatives, a new language is often founded. This contemporary language also involves the ministry of symbols e.g. the Berlin Wall in Germany, Hadrians Wall, Scottish border, the statue of Winston Churchill in London, the statue of Liberty in the harbour of New York, all of which symbolise entry into a new era, whether it be one of oppression and dictatorship, or freedom and liberty – whatever else the new era symbolises, it signifies an era of change. In recognising the relevance of language and symbols in change, Burns (1978), reports on the power of communication and the spoken word, "the words and symbols we choose to use are metaphors for concepts that define attitudes and behaviours" (April, 1999). The words

¹ Kotter, J. P., - 1995 – "Leading change: why transformational efforts fail", Harvard Business Review, March/April, pp.591-614.

leaders use as part of their communication, conjure up images of what they hope to achieve and create and to a certain extent, how they expect individuals to act or behave (e.g. Martin Luther King.., “I have a dream..” speech). Meanings and interpretations, on the other hand, are just as important because they define individuals expectations – e.g. meanings which are ignored may cause reduction in commitment (April, 1999), or can lead to resentment. Thinking together as a community, discovering meanings together also gives value to meanings – April remonstrates the fact that in many of today’s organisations, employees have forgotten or unlearned, how to properly communicate with one another and this had led to people operating separately from one another i.e. we have lost the chance or opportunity to learn from shared meanings. If people are functioning separately they build barriers, whereas when they establish communications and dialogue they not only learn, but also develop shared meaning which transcends, goes beyond self-interest. The type of change agents required are those who are able to strike up a balance between motivation of the self and between self interest and organisational interest - such individuals would be capable of working in such a way that both elements (self and organisation) are congruent, Clarke and Meldrum (1999). April makes a highly valid statement which concerns a pulling away, by organisations, from such individualism:

“I believe that when an individual has less concern for the ego associations of leadership, and more for the mission to serve by liberating and redirecting individual resources and energy, potential expands. People do more than they had been doing because they feel freer to be more than previously they had felt it possible to be. As a result of the greater energy available, through the more actualised individuals, there is more possibility for creative change in organisations”.

One of the core messages that April makes is that the change agents in organisations need to align or co-ordinate function and energy i.e. to bring people together to form a synchronic system i.e. one working in synergy. People need to start to think beyond their own range of operations (refer to Egotism scale) and personal ambition and more in terms of totality through communication, conversation and collaboration – only then, claims April, will they be in a position to reach or achieve the general aim(s) of the system, and if the goal of the system is creative change, then they are more likely to successfully achieve it in this way.

A guideline for Change Agents

Which guidelines might successful agents of change employ in assisting the change process? A healthy awareness of the psychological configuration of individuals within the organisation is a good starting point, especially understanding the personalities and organisational history (which experiences they bring with them) of the people involved in the process. The *way* that change is being introduced into the organisation also requires consideration in terms of compatibility with the existing culture and sub-cultures, for example, how open the communication system is. It seems that many organisations and groups need to create more space for open dialogue than may already exist. Organisations of the C21st will need to create what April refers to as, “special places” which allow or provide special environments in which employees can have dialogue, conversation and discussion outside of the normal ‘conference’ or ‘meeting’ rooms. Dixon (1998), suggests these areas are less formal, tend to have natural lighting² in preference to the usual harsher strip-lighting often found in conference and meetings areas, and include refreshment facilities. Such areas with their ostentatious, comfortable interiors would help people relax more and provide a venue a different type of communication to take place. The availability of such ‘common rooms’ was shown by Wild et al (1996), to increase team member collaboration.

An additional innovation with respect to conversation and communication in organisations, and one that change agents need to be aware of, are what are referred to as ‘conversational banks’ or ‘chat rooms’ – these are discussion databases, much as one might find as part of many internet web sites today (the ones

² See, Cotterell C. B., (1994), “Flexibility of the Physical Working Environment, Environmental Appraisal and Employee Job-Related Behaviour” Section 1.4, The Office Environment (unpublished thesis, University of Nottingham).

found in the organisational context tend to be referred to as *intranets*, information networks that operate inside of an organisation). The idea behind such banks is that participants *chat* or write to each other, sending messages about current issues and topics, any of which may be of a political, personal or organisational nature. This medium again has a certain informality about it. I had personal experience of a 'chat room' in a quite small department within the organisation hosting this research project (the department comprised circa 15 employees). The chat room was established in order to increase communication on given 'organisational' topics between staff, who, due to the nature of their job, were often unable to attend departmental meetings and discussions due to being away either on business trips or dealing with internal clients. The chat room was also heralded at the time of its introduction as 'new technology', as its recent creation had taken part within the establishment of an (also relatively new) internal communication system. Initially staff showed some enthusiasm for the chat room, making efforts to initiate discussion on relevant topics, most of which received three or four replies, then usually fading out. In all, the chat room lasted perhaps a quarter of a year, but it inevitably slowly died a death due to non-participation. But what were the reasons for non-participation? The reasons for its non-success, in my opinion and based on observation were: i) after the initial *rush* on the chat room by staff, regular participation had been whittled down to only three or four persons within the department who thought it worth using on a regular basis, ii) the *leader* of the unit used the chat room himself very little and irregularly, therefore no role model function was observable, iii) although the chat room was informal by nature, it wasn't, for some reason, taken seriously enough to warrant its regular use by the larger proportion of the department – one explanation may be again, the leaders lack of role model function here i.e. 'showing by doing' - not using the new communication medium, leads other employees to think the chat room unimportant, in other words, their boss didn't use it often, so therefore, it wasn't important, iv) the departments rooms were actually in relatively close proximity to one another, whereby people would often drop in on colleagues for a face-to-face chat about a variety of work-related and non work-related issues, this may make the use of a rather distant medium such as a chat room, defunct. However, despite this case, chat rooms can be of great value to organisations as an added discussion *mittel* or medium.

Very crucial to the organisations' change process is the visible involvement of leadership and top management in it. Their responsibilities (previously gone into relative depth elsewhere in this text) also include designing the methodology that aid people in getting past the hurdles and hindrances to open dialogue and excellent communication – communities of practice are one way of achieving this (April, 1999), in that they contemplate *together* their achievements, their disappointments and their defeats. Indeed other authors have argued that many organisational performance problems are probably due to an incapacity to formulate and express and review underlying assumptions, rather than inefficiency (Argyris and Schön, 1978). This suggest the fundamental importance of change agents comprehending peoples perceptual processes and how they interpret information around them and just as importantly, how they react to the changes around them.

Many authors have heralded the relevance of feedback in the change process, both individual and at the group level. Organisational mentors (often organisational psychologists) need to be utilised because they provide essential feedback to individuals regarding their performance, experience and their life in the organisation in general, which is itself based on observation, conversation and reliable data based on organisational norms (e.g. whether a particular incidence in an organisation has been generally perceived in a certain way). Group feedback is about getting people to share their experiences in a common setting and on a common interest through a process of self-disclosure and through stimulating feedback from their colleagues. This process alone builds trust amongst people by encouraging openness and supporting a stage for friendlier, closer and more meaningful relationships. In an environment where individuals take more 'risks', about themselves their experiences and feelings i.e. during group feedback, they not only show their more vulnerable side (making them perhaps more human, and perhaps more approachable), but they also reveal their inner strength through being able to be self-critical and objective about themselves: individuals who act in this way are more likely to inform change rather than resist it (April,

1999) – this is what Giddens (1994) refers to as ‘democracy of emotions’. Change agent involvement in and as initiators of, group feedback, represent therefore, a crucial part of the change process. When change agents handle change and their part in the process effectively they would become, it seems, the ‘ambassadors’ of change, delivering, negotiating, dealing mainly with open communication, representing the interests of all parties by bringing them together into a communal dialogue and towards the achievement of one common goal, adaptation and continual improvement. This scenario is surely a metaphor for successful management than the lone ranger ‘champion’ approach adopted by many individuals or cultures. On the contrary, April (1999), advocates several change agents being utilised throughout the organisation; this facilitates a quicker and more broadened learning.

Change agents are directly involved with managing change, which is itself implicitly involved in instilling the level of trust generated in both individual and group or society (whether that be organisational or otherwise). Where change tends to be more turbulent or disruptive, emotions will be higher and therefore emotional commitment is needed to cope with loss (April, 1999) – this reminds us also of the need for change agents to be emotionally aware or intelligent³. Change agents are literally what they say, agents, intermediaries or representatives of change, individuals who steer change, leading and guiding others by doing. One of the roles of agents in change is as previously donated, that of ambassador. Some organisations make the mistake of believing that change must be controlled or commanded and therefore, encourage their leaders and managers to increase their span of control – perhaps wanting to tighten control as it may appear control is lost during processes of change. This is infact, probably counter-productive to change. The more control over employees is asserted by leaders and managers, the more likely they are to perceive their own span of control as being reduced. *Change* is not about tightening control, or about reducing the power some people have whilst increasing that of others, but it is rather about the redistribution of power and empowerment. Barker (1993), tells us that the post-bureaucratic organisation (albeit in the public sector) is leading more and more towards the removal of rule-based hierarchies (McHugh and Bennett, 1999) – this would have enormous implications for the power structures within those organisations.

Change agents need also to have political aptitude, or awareness, as pointed out by Clarke and Meldrum (1999). Being politically alert, being aware of political realities i.e. understanding the realities and constraints of the various competing interest groups involved in change, allows change agents, leaders and managers alike to remain impartial from ‘organisational rhetoric’. Clarke and Meldrum argue that managers must be able to view the ‘bigger organisational picture’ (referred to earlier as *universalism*) in order to be able to identify which criteria for success are necessary for their own individual immediate environments. They also see the close involvement in the change process of credibility and what they call subversion – this implies in some cases leaders accepting certain organisational norms and behaviours, whilst at other times, undermining them by causing them to change. The authors propose that organisations that wish to effect long lasting change in the future will need to recognise not only the role modelling function of their managers (and change agents), but that manager self-interest also has a specific role when combined with organisational interest. They go on further to purport that it is much closer to the reality of organisational life, and of political ‘positioning’ to expect managers to possess a certain level of self-interest, so long as it is coupled with the development of realistic visions for their groups and divisions, which answer and relate to business issues that are considered local, yet of organisational significance. This means managers and leaders need to ‘strike the balance’ i.e. to not let personal gain cloud the importance of achieving successes for the larger organisation, but it means also not operating out of pure altruism or self-sacrifice so as to compromise their own developments within the changing organisation. This balance is not at all easy to achieve, but is so vital for the organisation which is learning and changing - change agents need to be aware of this.

³ See reference list: Johnson and Indvik (1999) – Organisational benefits of having emotionally intelligent managers and employee.

7.1.5 Change and Change Agents in the Host Organisation

This sub-section is divided into two parts. The first part deals with the issue of change within the host organisation, providing a general overview of significant events and themes concerning changes that have taken place since the beginning of this research project (1998). The second part deals specifically with the change agents that host organisation deployed as part of its change process – these are the main stakeholders in the change process i.e. managers, leaders, change agents. This commentary is intended as a *brief* account of some current change issues within the host organisation. It is based on observations and discussions made whilst spending time in the organisation, talking to groups and individuals – some of these comments and observations are reflected in the results section, and are further interpreted in the final discussion section of this thesis. For a full account of the place Merck Excellence and That's ME, find within the organisation, refer to chapter four.

A final note worth mentioning at this point, is that I began this research project under the auspices of the Merck Excellence Process (MEP) and for the Merck Excellence Team, back in 1997. At the time of my arrival in the organisation, the process was already *relatively* well established, with a number of Merck Excellence checks having already been carried out (several also in daughter companies) and the concept, philosophy, vision and goals of the process had already been widely expanded throughout HQ and some of the daughter companies. This means that there was no chance to make or take any pre-change process measures, which I naturally would like to have done. Ideally, these pre-process measurements would have been later compared and contrasted with the post-process measures captured by the LCMQ. Pre and post comparisons would have provided a lot of valuable information about how employees' behaviour, attitudes, perceptions and performance with respect to change and improvement, had changed from the pre-MEP phase, to the post-MEP phase when measures were taken along a longitude. The time of my entry meant that I could only deal with post-MEP measures – this presents one limitation to this research.

7.1.5.1 **Change** in the Host Organisation

In the early 1980's, seeing what other competitors in world markets had achieved through the superiority of their goods and services, Merck adopted its own world-wide goal of quality management - this had already been embraced by Emanuel Merck in "Warranty" and "Zero Defects", both of which are elaborated upon in chapter four. Later, during the early 1990's, the host organisation had introduced which it called 'The Heidelberg Process' (Heidelberg) and 'Customer Orientation', so named because initial founding meetings had taken place in Heidelberg, a city, not far from the company's HQ based in Hessen, Germany. This process was an early attempt at change management, an effort to improve profit through improved process, procedure and product. The process had been recognised as a *first attempt* and was therefore, treated on a trial basis, being introduced into only one of organisations main divisions – this division was the Pharmaceutical division, which remains today, the largest of the company's divisions, being accountable for circa 70% of the organisations generated income. Heidelberg had some success within the pharma division, but did not last more than a couple of years - and was not introduced to other organisational divisions. Whether an increase in profits in the pharma division at that time, can be attributable to this change process remains unclear (pre- and post-process quantitative measures were not taken). However, one very valuable win from the process (at least for the staff who had been employed in the division and who experienced the Heidelberg Process) was that of *exposure*, i.e. they had dealt with many of the important issues surrounding change, such as examination of process, self-examination and critical appraisal, performance and group cohesion, therefore it is highly likely that at the individual level, employees may have benefited from Heidelberg. Staffs' experiences with Heidelberg will inevitably have prepared them in some way (pre-knowledge of change issues, and personal experience of changes in work dynamics) for the greater, change management process that was to come their way during the late 1990's, the Merck Excellence Process. Interesting also, is the fact that when we examine the results section in reference to the research hypotheses, we see certain differences in the patterns of behaviour as demonstrated by staff based in the pharma division, in contrast to staff from other divisions. These

differences will, to a certain degree, be attributable to employees' earlier experiences of the Heidelberg Process – see Results, chapter twelve, for expansion of these inferences.

The Heidelberg Process and 'Customer Orientation' are not referred to inside of the organisation in any negative way or in terms of failure, but tends to be seen as a 'first attempt' at change by the organisation, and are thus handled with respect in terms of overall achievements – it is commonly viewed as a concept of its time and one of the early fortifications on which the culture of change within the host organisation, was to be later based.

The Merck Excellence Process and 'That's Me' comprise the host organisations' process of continual change and improvement, which came into being, as previously mentioned around 1997. Its history and reason behind its creation and introduction are discussed at depth in chapter four and therefore, will not be gone into again here. This section will deal more generally with observations of the effects of the change management process. Merck Excellence was introduced into the organisation on a random basis, whereby, areas or divisions within the company who showed interest in the change initiative by preparing themselves for a Merck Excellence Check, came forward. Another additional method used to select divisions was also initiated by the Merck Excellence Team (the steering committee behind the Merck Excellence Process) itself, whereby some members of the committee, being high ranking managers (often the heads of divisions) or executives in the organisation, suggested their own divisions take an active part in the process.

But why did the organisation choose to introduce Merck Excellence in such an inconsistent manner? The answer probably concerns that fact that introducing the change programme into the organisation in such a *decentralised way*, may well have fitted in with what the company wanted at that time, it may also have fitted in well with getting away from old structures and traditions e.g. hierarchical structures and autocratic leadership, which no longer fit the profile of a modern, multi-national company. Arguably, introducing a change programme centrally to an organisation is complex, so decentral introduction may well have been the better option. Certainly, introducing the programme little by little or in 'pockets' may be preferable as the successes and failures of those divisions or units taking part, will provide valuable learning by trial-and-error. This form of learning also impacts on those non-participatory areas in the organisation, by providing innovation through 'learning-by-doing' and has wider implications for the entire organisation. There are definite advantages and disadvantages to both central and decentral approaches with change management programmes, however, no finite list of criteria on opting for either one or the other – organisations' must make a decision as to which method fits best, based on information about their management structures, their specific culture and politics and their future goals and organisational mission.

Role Model Function

One of the central themes, if not *the* central theme to the Merck Excellence Process is that of change through demonstrative leadership, that is, what has come to be known as 'showing by doing'. The importance of the role model function is captured by the Merck Excellence logo – 'That's ME', literally a *double entendre* meaning 'That's ME', i.e. that is Merck Excellence, in the first instance, and secondly, 'That's Me' i.e. that means me – in other words, Merck Excellence refers to me, I must demonstrate what I expect to see in others, excellence is the responsibility of every person, excellence means showing by doing etc.. The role model function within the change process is not only seen as one of the core functions of leaders and managers in the organisation and is to be found. During the Pilot Study phase of this project, it was shown to be not just one of the building blocks of continual change and improvement, but *the* most significant building block on which successful change could take place within the organisation. This verdict was delivered by a sample of 21 managers from across the organisation (HQ and daughter companies) as part of the Manager Profiling which took place as part of the pilot study phase – the complete results of this early phase are presented in chapter five, Manager Excellence Profiling. The onus on role model function is to be found in all the Merck excellence literature and naturally, in the Merck

Excellence Check handbook itself (version 10/1998), as the second sub-criterion to the first main criteria of the Merck Excellence Model, Leadership: 'how leaders.... act as role models for the values and expectations of Merck excellence, leading by example'.

Damage limitation and early learning

When we read about the long known relevance of the role model function, as demonstrated in the literature, Makin et al (1996), Komaki (1998), and witness the relevance that role model function for leaders and managers has in the host organisation, one sees that whatever our leaders and managers do, they are being observed, followed and scrutinised - they are made examples of what they preach. This follows not only when they win, when they achieve success either individually, as part of teams and groups or as an organisation, but also when they lose, when they fail to achieve their goals and when they make mistakes. Failure, on the part of individual managers, leaders and in terms of organisational change will be discussed in section 7.3, this chapter. One early mistake in terms of winning change and commitment to the Merck Excellence Process, was reported to me first hand by an employee. During the initial set-up phase of Merck Excellence, senior management had created a scheme for benefiting employees by way of an incentive. Employees within the company were offered company shares at a somewhat reduced rate, the offer was only short term i.e. was a one-off and critically, only applied to staff of a certain hierarchical level within the company. Much criticism was aroused by this offer throughout the organisation because it was seen as being 'unfair' that only *certain* job levels had been included in the offer, whilst others had been excluded altogether from it. The critique evoked by this not-well-thought-through offer, may not have been so hefty had the whole thing been run under the banner of Merck Excellence. It is impossible to ascertain *how* much damage a 'miss' like this one, would have had on the overall acceptance and commitment to the ME process in general. Particularly damaging may have been the fact that it took place during the early 'grounding' phase of the process, a time when a new concept and mission are particularly vulnerable and in particular need of commitment and engagement on the part of employees. Alienating those whom you wish to recruit, in any way, is bound to cause scepticism concerning management motive and it creates a lot of negative press and is potentially very damaging to the overall future success of a change programme.

How the organisation *could* have dealt with (i.e. minimised further injury) such a *faux pas*, had it even recognised its error, might have been to i) publicly apologise to employees and extend the offer across job statuses, ii) publicly apologise to employees and withdraw the offer altogether or iii) publicly apologise to employees and create a second offer for those staff excluded from the first. None of the above were undertaken, no apology or admittance of error were admitted to my senior management, therefore staff were left feeling cheated on by management, the change process received a very hard knock in terms of acceptance (for some people, one major error such as this, is enough for them to lose faith in management and the change process altogether) and much rhetoric about senior management, inequality, insensitivity etc. had been released. Just to put this incident into perspective, the offer had been around the begin 1996, I found out about it just after my entry into the organisation at the end of 1997 – this incidence was *still* in discussion by employees almost two years after its occurrence. This shows us perhaps the gravity of the effects of the incident itself and that the wounds that such perceived miscarriages of justice inflict, lie very deep with staff and probably caused lasting damage in terms of acceptance of the change process.

7.1.5.2 **Change Agents** in the Host Organisation

The change agents in the Merck Excellence Process can be separated into two groups, the Merck Excellence Team and those individual managers and leaders within the organisation who guide teams, groups and the organisation towards continual improvement as part of Merck Excellence but who are not included in the steering committee – the second group being considerably large.

Merck Excellence Team

The Merck Excellence Team (ME Team) is a special steering committee that was set up at the outset of the Merck Excellence Process - its function is to establish the change management programme, defining its organisational parameters, to guide and translate ideas and innovations into action as part of the change processes, to evaluate and regularly review research projects run as part of the larger change management process (e.g. such as this one) and review all other matters concerning Merck Excellence within the Headquarters and any daughter companies. The team comprises on the whole, circa ten people (usually nine), each of which heads a further sub-committee, each with a separate further function e.g. Project Management, New Employees, the Merck Excellence Check etc.. These sub-committees generally contain between three and seven people. The constituent ME team members are generally high ranking managers and executives within the organisation, typically occupying positions such as head of division, sub-division heads, regional manager etc. All ME Team members, with the exception of one, who was the CEO of the Mexican daughter company, were based at the company's HQ in Hessen, Germany. Of the nine ME team members only one was a woman, all nine members worked on a full-time basis within the company, normally occupying full time positions such as, for example, head of personnel. Interestingly and rather astonishingly, only one out of the team of nine, worked full-time on the steering committee i.e. his sole work responsibilities took place within the parameters of Merck Excellence (and were contracted over a two year period). One might expect that in a change management project of this size and calibre, and taking place within a company as complex as this one, rather more than one individual to be 'released' from his duties in order to aid and assist all 'excellence activities'. The reason why only one person was placed in this rather important role is unclear – one explanation might be that perhaps only one individual came forward to offer their services for this job, or it is conceivable that the ME Team thought it unnecessary to place more than one person in this role on a full-time basis. If we take a look now at which mechanisms the ME team used to promote, foster and further the message of excellence through continual improvement and how they justified their own role within the whole change process. High performance is already named as one of the organisations main strategic goals and objectives – the Merck Excellence Teams' main function is to realise this objective by capturing the potential of its employees by guiding, demonstrating and assisting them through continual change and improvement in their daily work routines. The team has attempted, indeed continues to attempt to do this in a variety of ways, through the use of several diverse medium. As well as assisting individuals and groups into understanding the rationale and the sense behind improving performance, as part of the ME team, individual members can introduce change innovations into their own particular divisions, and as they all occupy senior management positions in those divisions, this tactic shouldn't generally receive much resistance – whether this *was* the case can be partially ascertained when examining the results of the individual divisions (see Results, chapter twelve). The role model function of these individual ME Team members is, of course, of immense importance. The most senior member of the ME team, a member of the board of executives, who is also seen as being the leader within that group, plays a central role in Excellence activities and is one of the central change agents within the organisation. Interestingly, his *particular* management style, falls more under 'charismatic' (i.e. being more for challenging the status quo, striving to change it, strongly articulating future vision and having motivation to lead - these leaders tend to be entrepreneurs, Chemers and Ayman, 1993) than 'transformational' (i.e. being more leaders who actually change the ideas and outlooks of their followers – these leaders are capable of bringing their followers to exceptional and outstanding performance, bringing their people to concentrate more on long term goals, Burns, 1978). Although, *charisma* may get the attention of the people to start with, *transforming* their attention into viable change and improvement would be the next step, so an ideal management style in this key change agent role would be someone displaying characteristics of both leadership styles.

Other communications or channels through which the ME Team advertise their activities and through which the Merck Excellence Process is propounded include the following; *Merck Informiert* (translates to

Merck Informed), this is one of the organisations main newspapers or publication, specifically dealing with more local central issues concerning processes and employees, it usually contains at least one article concerning Merck Excellence, and is published fortnightly – of relevance here is the fact that Merck Informiert is put together by the editing team i.e. readers replying to articles or writing letters to the editor, is not necessarily encouraged, although one might think Merck Informiert an ideal ground for organisational discussion about ME activities, from the employee side; both internet and intranet are widely used as a medium in which to advertise Merck Excellence activities, but again this medium is only one way, there is no change for staff to reply to issues or express their personal opinions; organisational ceremonies and conferences that regularly take place, such as the *Konzern Tagung* (Concern/Company Conference), which takes place every few years, also provide information about the excellence process – the last ‘tagung’ contained an info stand on excellence, where delegates of the conference (generally only middle to upper management) were able to discuss issues – this provides some form of dialogue, but not for less senior managers, or indeed managers not taking part in the congress; *Betriebsversammlung* (Organisational Assembly) this is the annual meeting of high ranking managers (CEO and senior executives) and employees of any level, in order to discuss relevant organisational matters such as business wins and financial statements, developments in divisions or sectors and of course Merck Excellence (at the 1998 assembly, the excellence process was briefly mentioned); finally the organisation widely uses its other communication systems as a sounding board for excellence activities e.g. Con-nect (this system is now defunct) or Lotus Notes, also a regular occurrence within the organisation are what are termed as ‘short or occasional publications’ – these take more the form of propaganda, literally of spreading the faith, or in this instance, the organisational mission – an excerpt from one such corporate communication reads as follows:

.”...In early 1997, we focused our change process into a program called, ‘That’s ME – Merck Excellence’. This slogan contains three major concepts describing our process:

- Merck – the reference to our most important brand, the Merck name, enables us to document not only the importance of change, but also the fact that this process is driven by our own employees.
- ‘Excellence’, this describes our performance in the market segments in which we are active, providing our customers with maximum value.

That’s ME – business success is not achieved by individuals, but rather through the collective expertise and responsibility of all staff, requiring initiative from every employee.

...The Merck Excellence process will continue into the coming years, implementing the challenge contained in our Mission and Vision: “By joining together with out personal motivation and creativity and by being prepared to accept responsibility, each and every one of us can contribute towards the success of our enterprise as a whole”⁴.

One sees then that the organisation and the Merck Excellence Team are making alot of effort to communicate the message about performance improvement, indeed they spell out very clearly what each concept means, however, what is missing here is a dialogue, a two-way discussion between the organisation and its employees. The change process is being ‘told’ or ‘sold’ to employees, it is being explained, but the employees have not been asked to express their opinions or views on their experiences of excellence and of their important part within the process, or on their thought and ideas – this is an error. In order to win wide-reaching employee commitment for such a change process, employees must feel as though they are i) implicitly involved in the process, a part of it and ii) that their opinions and contributions to the process are of worth and that they can be regularly aired.

What is needed is not only for these particular change agents to take a more humanist approach by involving the employees more in their processes, but for change agents in general to do so – infact, this

⁴ Source: Merck Internet Website, address: <http://www.Merck.de/english/corporate> on 31.7.2001 at 17.10.

deficiency is seen as being tendential of change agents (Bradshaw-Campbell, 1996). Until the humanist approach, is not only recognised, but also put into action, it will be extremely difficult for organisations and their change agents to successfully engage employees into committing themselves to the process of change.

Conclusion

Having examined the wider topics of change in organisations and the effective management of change, we now turn to how change can effect organisations by taking the organisational effectiveness perspective, looking at the mechanisms company's employ in order to become effective.

7.2 Organisational Effectiveness

Overview

The second part of this chapter deals with organisational effectiveness and how it has come to be defined. It also takes a look at the learning organisation, focusing mainly on the effects on the organisation as a whole from learning, and the part that learning has within the concept of change. With respect to learning, we also investigate the concept of Best Practise within learning organisations.

7.2.1 Effective Organisations?

Understanding the processes involved in organisational change, requires a sound knowledge of what organisational effectiveness is - this may prove difficult to discover as a universal definition of effectiveness does not exist (Ahmed, 1999). The culture and management of an organisation certainly contribute towards its effectiveness (Gibson et al, 1994) – each culture and management having a different set of criteria for effectiveness. In order to be able to measure whether an organisation is effective or not, you must understand its systems of shared beliefs, its values and norms. These form the organisations socialisation processes and play an important role in the organisations' effectiveness. Through career processes, for example, employees try and develop their performance in terms of production, quality, efficiency etc. Simultaneously, also through socialisation, the organisation itself tries to accomplish highly effective performance by optimising the values of its criteria for effectiveness – such socialisation processes normally combine individual and organisational interests (Gibson et al, 1994). In the second instance, organisational efficiency can be measured against 'accepted' criteria for effectiveness, these include; production (Wheelwright, 1981), efficiency, quality (Schonberger, 1982), satisfaction, flexibility (Wolberg and Smelty, 1993), turnover (Ryan et al, 1996), competitiveness (Hayes and Clark, 1985), financial performance (Paradise-Tornow, 1991) and development, all of which it achieves through organisational development (development in terms of learning to change and adapt). If we take the second criterion *efficiency*, for example, efficiency in terms of effective human resources: According to Shafritz and Ott (1996), organisations and people need each other (organisations need ideas, energy and talent, and people need careers, salaries and work opportunities). So when the match between people and the organisation is poor, inevitably, one or both will suffer (in this instance we need to look at organisations selection and appraisal systems – this topic is covered in chapter eight). Ellig (1997), suggests that for human resource functions to be optimal, they require that two different goals be addressed, firstly a mission support goal (individuals contribution and support towards the organisational mission) and secondly, the employee support goal (the organisations contribution towards providing individuals with opportunities for development of potential), Ahmed (1999). Only when both support goals are satisfied can the human resources efficiency within an organisation be optimised. Also linking in to the human factor is employee attitude - this has been shown to be linked to other indicators of organisational performance such as contract retention (Ryan et al, 1996). So how might employee attitudes relate to the effectiveness of organisations? Ryan et al (1996), examined the shared attitudes of an organisational unit and the productivity of that unit. The factors that the authors found to be consistently related to productivity indicators, included teamwork, training, job/company satisfaction and

customer satisfaction (the latter having a causal influence of staff morale). Parry (1999), propounds the view that in turbulent environments (often as are typically associated with organisations undergoing change), the enhancement of adaptability is paramount – and that this is a primary function of leadership. Promoting adaptability in individuals is concerned with reducing of uncertainties within them, being able to cope with the unpredictable - and is particularly relevant to *change*. Parry's paradigm is centred on interdependence between leader and follower. The leader on the one hand, makes him/herself more adaptable to uncertainty and change through social process, whilst simultaneously giving followers the feeling that they are capable of adapting to change. The followers on the other hand, develop feelings of adaptability which are directly attributable to the leader and which lead to increased performance and increased morale (Parry, 1999). The author stipulates however, that the theory emerging from this study which was based on major change incidents taking place within local government authorities, can only therefore be applied to such organisational sectors.

The key to achieving effectiveness in all these and other criteria is improvement through measurement of the *current situation* which inevitably, through the identification of problems and grey areas, will lead to the establishment of the *desired situation*. The importance of measurement, as suggested by Sutherland et al (1995), cannot be overstated, "If you cannot understand something you cannot measure it. If you cannot measure it you cannot control it. If you cannot control it you cannot improve it" (adapted from Harington, 1987).

The issue of quality in organisations has, over recent years also become one of the main factors for organisational success and belongs firmly in the list of efficiency criteria – quality is dealt with in great depth in chapter three and shall therefore, only be briefly mentioned here. Mechanisms such as Six Sigma⁵ or Zero Defects have improved product quality as have adherence to international standards e.g. DIN (Deutsche Industrie Normen), BS (British Standard), ISO (International Standards Organisation) etc. have improved business processes and efficiency. On a line with standards and organisational measurement, there has been an increase in the number of self-assessment models⁵ available, which provide enterprises with a comprehensive list of criteria that include: resources, leadership, policy and strategy, people and knowledge, partners/partnerships, customer-focused processes, organisational performance, information and analysis, innovation and learning, business results, customers and society (Dalrymple et al, 1999). But to what extent are efficient or effective organisations, such as those implementing self-assessment measures such as those proposed above, *excellent* organisations? Edgeman et al (1999), define organisational excellence:

"Organisational excellence is the overall way of working that balances stakeholders concerns and increases the probability of long-term organisational success through operational, customer-related, financial, and marketplace performance excellence", (Dalrymple et al, 1999). Dalrymple and his colleagues wish to replace the word quality with excellence. In the strive for excellence organisations must engage in three important activities; i) collate a mass of ideas through an international community of interdisciplinary scholarship whose aim and focus is 'excellence', ii) identify knowledge of excellence and spread it, so as to have a positive effect on organisational routine and iii) create processes that foster theory- and knowledge-based practice (Dalrymple et al, 1999).

Ryf (1993), suggests that all organisations need to become winners to become excellent, is to have an organisational structure that is centred around three important criteria – these three criteria he calls the '*magisches Dreieck*' (magical triangle) and consist of efficiency, customer-orientation and motivation (Ryf, 1993). Improved efficiency can be won through simplicity and the adherence to uncomplicated structures and processes. Getting closer to the customer doesn't just mean their satisfaction through getting things done quickly and cost-efficiently, but it also means doing the right things e.g. meeting each

⁵ See Chapter 3, Section 3.3, 'Case Study Pro'.

⁶ See Chapt. 2, Section 2.1.2, 'The EFQM Excellence Model' and also Section 2.2.1, 'Assessing for Excellence'.

different type of customer need. The third angle for the successful organisation that Ryf proposes is motivation. Motivation means using the human potential to its full through - this can be achieved by concentrating on job content: employees are motivated by jobs that are interesting and by a working environment that is shapable – this includes giving them sufficient freedom to incorporate their ideas and values (Ryf, 1993).

Best Practice

Another form of standard that is being more and more widely used as a measurement of efficiency in the organisational context, is the ‘code of practice’ sometimes referred to as ‘best practice’. Laing and Weir (1999), report on one particular ‘code of practice’ example, set up by the Cadbury Committee (1992) in response to corporate performance (in the UK) and specifically concerned with the investigation of corporate governance standards. The committee was established to examine governance mechanisms and procedures and hopefully to propose improvements for both, which would result in improved corporate performance. The resulting code of best practice, recommended by the Cadbury Committee included three key elements, those of i) *duality* (the roles of chairman and chief executive officer (CEO) should always be separated and not rolled into one function – power, especially decision-making power should be spread across both roles, therefore excluding duality), ii) *non-executives* (Cadbury recommend that large UK firms have a minimum of three non-executive directors on their boards, this was deemed sufficient to influence board’s decisions and iii) *board committees* (Cadbury also recommended the introduction of subcommittees with the specific tasks of monitoring the remuneration of executive directors and the auditing of financial statements, Laing and Weir, (1999). The authors study revealed that there was a tendency for larger UK firms to adopt the Cadbury recommendations, however, they found little evidence to suggest that those organisations which had embraced the individual mechanisms, had improved company performance.

7.2.2 The Learning Organisation

One cannot enter into a discussion about corporate measurement and effectiveness without mentioning the place that learning has within organisations. The organisation wishing to achieve excellence and reach world-class status is inevitably a learning organisation i.e. an organisation engaged in long-term learning. But *how* can learning improve business performance? If we examine some of the mechanisms and concepts used by organisations engaged in learning, we may find the answers.

In the context of continuing professional education (also known as CPE) Senge (1990), defined the learning organisation as one where, “people continually expand their capacity to create results they truly desire; where new and expansive patterns of thinking are nurtured; where collective aspirations are set free and where people are continually learning to learn together...” (Battersby, 1999). This description is rather utopian and shouldn’t simply be accepted without critique. Lyotard (1984), refers to such descriptions as being a part of the ‘post modern condition’ which he claims, to reach a high level of performance (usually measured through some financial parameters), organisations must learn to ‘love change’ rather than build up a commitment to the intrinsic value of learning (Battersby, 1999) – this does not necessarily foster an intrinsic interest in learning. Ideally, one might believe that during processes of change and cultural adjustment in organisations, the time might also be right to encourage inquiry, dialogue, collaboration and team learning (Hargreaves, 1994) as part of those change processes. Marquardt and Reynolds (1994), suggest that such re-culturing would nurture in organisations, groups of empowered employees who were in a position to generate new knowledge, products and services. Such a learning culture would cultivate professionals who were concerned with learning, questioning, investigating and who are solution-oriented (Kleine-Kracht, 1993) – and would liberate and empower professionals far more than do the older generation of CPE programmes, which tended in the past to be more centred on passive rather than participative learning (Battersby, 1999). But if traditional learning methods have now been shown to be inadequate to teach what modern organisations require from their

staff, which methods should replace them? Indeed, how can we address the important issue of wide-scale learning? Again a plethora of research on the correct or best teaching methods for the learning organisation is extant. Ikehara (1999), for example, suggests that there are similarities between the principles associated with the concepts and practice of the learning organisation and those used in gestalt therapy e.g. holism, existential phenomenology, mental models and team learning. Implying that therapeutic models could be used to teach employees, may however, make quite good sense, especially if we take the view that individuals undergoing change within organisations gain and lose from those changes. Elisabeth Kubler-Ross believes that when individuals experience losses in their lives, they go through the five phases of denial, anger, bargaining, depression until finally reaching acceptance (Gambil and Kirk, 1999). Remaining with this rather clinical metaphor for learning, we are reminded that the losses incurred upon employees who undergo change, must be addressed not only in the learning process itself but in any subsequent training's (the stress aspect of change, seen here as loss, is addressed in the following section).

Wide-scale learning, organisation-wide learning, can be best achieved, according to Smith and Tosey, (1999), when the organisation 'objectively measures its progress'. Company's need to be measuring the extent and types of learning that they offer their employees – however, the authors predict problems already in the definition of *learning* and *organisational learning*, perhaps because learning is seen as a construct and not an activity. Moving towards the 'learning organisation ideal' and assessing learning is, say Smith and Tosey, a social process that is not achievable through rules, regimentation or structures. They propound Wheatley's (1992) view that, "the learning organisation is an organising principle" as opposed to being a goal or aim in itself- it is more a new form of practice through which an ideal state can be reached (Smith and Tosey, 1999). Finally, the authors propose that organisations wishing to embrace true learning should see that; their employees are given opportunity to develop the ability to 'dissipate' and to 'self-organise' (the Merck Excellence Process also stipulates that self-organisation or self-responsibility is conducive to excellence) – this will propagate a tolerance of disorder (adaptability), typically brought about by change; and that a system for transforming performance, be based on an approach which advocates performance as being driven by the broader issue of learning the organisational outcomes that are required (Smith, 1997).

Organisation-wide learning also implies 'total learning' i.e. where *all* members of the organisation are involved in the learning process. The idea behind the total learning organisation is an organisation that facilitates learning in all of its members through a process of continual transformation (Ho, 1999). Such an approach seems reasonable to me, as it may promote a sense of common 'ownership' amongst employees (shared mental models, Kim, 1993), who may then be more likely to be motivated towards recognition of the benefits of their active participation within the learning process. Ho, highlights the need that organisations have to adopt a structured approach to total learning, namely, that of complying with a given set of rules for success (this seems to be in direct contrast with Smith and Tosey's concept that learning through the social process cannot be achieved by adhering to rules or regimentation). But surely, if an organisation is going to facilitate learning across all of its members, it must have in place, or at least adopt, a structure that can support organisation-wide learning. Organisational design and structure, according to Hong (1999), plays a fundamental role in organisational learning, with some *structures* promoting learning, whilst others hinder it. By structure, what is meant here is the information distribution, information interpretation, organisation memory and knowledge acquisition processes which make up the interaction between different members. Hong suggest that the organisations should be structured in such a way as to incorporate the ideas of different individual members – knowledge transfer and transformation is negatively affected if employees who have intrinsic knowledge are prevented from participating in discussions with other employees, or vice versa, if information is not filtered down or through to all members. Hong says that organisations must learn to allow all their members to contribute towards learning – taking this step will not change the hierarchical structure. Perhaps this implies that in the past organisations had been *afraid* to take this step forward for fear of a reduction in their hierarchy –

although one is able to find sufficient literature on organisations' wishing to achieve more flattened hierarchies – such organisations shouldn't then be necessarily concerned with changes to hierarchical structure, whether induced by changes in power distribution or otherwise.

Knowledge management is fundamental to the learning organisation, according to Hong and Kuo (1999), which it can achieve through three learning modes. *Maintenance learning* (basically encompasses learning for organisational survival – here set goals are compared with employee's performance level which reveals a knowledge gap that needs to be filled by relevant training and education), *adaptive learning* (benchmark learning i.e. seeing the competitor as a goal to be caught up with – this involves choosing a realistic competitor and through identification of the competence gap be able to assimilate new technologies, mechanisms and knowledge) and creative learning (setting the scene in learning, or leading learning, this involves overtaking competitors by setting new objectives and assimilating required knowledge through varying channels to fill the knowledge gaps), Hong and Kuo (1999). In order to enhance learning ability, organisations need to practice knowledge management – Hong and Kuo believe one way to help achieve this is to adopt varied learning modes such as those described above, which facilitate wisdom sharing amongst colleagues, clients and competitors.

Conclusion

This concludes organisational effectiveness, the learning organisation and change. Having examined the precepts to optimally functioning organisations, we now turn to look at organisations that may not be optimised through increased stress, by concentrating on stress effects and resistance to change, as well as employee stress and coping.

7.3 Organisational Stress

Overview

This sub chapter handles the subjects of organisational stress, specifically concerning resistance to change as a form of organisational stress. We also look at employee stress and coping, especially the effects stress has on the individual within the organisation. In the final section we examine reactions to failure within organisations again from the change perspective. The last part to this sub chapter and chapter seven, deals with the flip side of the coin, that of reward and remuneration and how it can effect performance and motivation.

7.3.1 Organisational Stress and Resistance to Change

The organisation that is re-structuring, undergoing process re-engineering or any other form of change is affected by its environment external as well as its organisation-employee dyad. The latter has attracted over recent years far more attention in the scientific literature, than external influences on changing organisations. Redesigning activity initiates modification in organisational culture, information systems, technologies and external environments (Douglas, 1999) – all of which create turbulence or instability, which places the organisation under stress. Factors in the external environment, for example, that can induce organisations to change include shifts in markets (e.g. competition), political and legal developments (e.g. import embargo or other industrial regulation) as well as technological developments (e.g. creation of the internet). In the light of such external pressures, organisations have been put under stress and forced to respond to these changes by adapting in order to survive. Inevitably, structural changes in the organisation cause alterations (often a reduction) in management layers, frequently leading to a more flattened framework. Just as with individuals who are subject to change, the extent to which they perceive the changes as 'stress', will be dependent upon how receptive they are to change and to a

certain degree, their personality. Organisations are no different in this respect, the *type* of organisation⁷ affects its receptivity towards change (Hong, 1999) – its structure will also define its level of flexibility in times of instability or crisis. Just as individuals are either receptive or have a tendency to fight or resist change, organisations may lend themselves to transformation or they may resist it.

Resistance to Change

Resistance to change may result for several reasons including; perceived unfair treatment by employees, many failed attempts at change on the part of the organisation, challenges to the status quo, loss of faith in leadership, perceived increased role complexity causing stress (Swanson et al, 1998), or even a change in, or a lack of, rules (Young, 1999) – rule changes can often occur during restructuring of structures or systems. To a certain extent, resistance to change might be a normal reaction to loss (Crouch and Wirth, 1991) which occurs when we forfeit something through change, as described by E. Kubler-Ross. While some believe that the processes involved in change and transformation include accepting that resistance occurs, and must be dealt with by mastering strategies for eliminating it or at least preventing it from hindering the process of change, Kamiske and Fűrermann (1995), others disagree entirely, suggesting that resistance doesn't *necessarily* accompany change and that treating workers properly in the process, can for example, influence their resistance to change (Kirkpatrick, 1985).

At the same time, it would be a fallacy to assume that all stresses and strains⁸ induced on the organisation have a negative effect upon it. Stress and strain can be either beneficial or detrimental to the effectiveness of a company (Riley and Zaccaro, 1987). For example, organisations able to cope successfully with stress may be provided with the chance to develop new solutions, to develop themselves, becoming more competitively viable etc. – on the other hand organisations experiencing strain (ineffectual coping), are more likely to experience negative effects such as a reduction in performance (at both macro and micro level). Good communication, as we know, is especially important within the organisation as it underpins, or facilitates, the efficient functioning of all subsystems and is reliant upon clear (clearly communicated) organisational goals, for example. If organisational goals are unclear, or if they conflict with one another, the direction behind groups and individuals' work also becomes vague (Riley and Frederiksen, 1984). This tells us that uncertainty at the organisational level filters down to create uncertainty and lack of motivation for groups and individuals, and if that uncertainty is brought about by change, groups and individuals can react to it by resisting it. Organisational stressors and strain can affect individual performance (Riley and Zaccaro, 1987), as is demonstrated by Janis's (1982) idea behind 'groupthink', where individuals reacted to a crisis (stress situation) by engaging in collective rationalisation which caused them to make misguided conclusions thus diminishing overall group effectiveness. So how can organisations go about reducing common stressors or strains, including those initiated through the change process? Riley and Zaccaro (1987), propose intervention at two levels: a) group-level interventions which are typically focused on the management role and interpersonal demands e.g. participative management, and b) the organisational level which tends to deal with modification of the formal organisation with the aim of reducing demands on individuals (we will return to the subject of coping with resistance later).

Employee resistance to change is costly not only for the organisation in terms of failed initiatives due to lack of commitment or motivation, but also for the employee in terms of stress and its consequences. Employee resistance naturally impedes effective organisational change (Folger and Skarlicki, 1999). Being 'treated fairly' leads employees to demonstrate the attitudes and behaviours needed for successful change even under conditions of loss, according to Cobb et al (1995). In contrast, when managers make decisions that are seen to be unfair e.g. reduction in pay, changes in work routine or job content etc.,

⁷ N-form organisation: middle manager focus, top manager as catalyst, J-type organisation: creative chaos from top level, middle-up-down management, Circular-organisation: organisation into circles, decision-making by census. Source: Hong, 1999.

⁸ Riley and Zaccaro define *stress* as a process – a fight or flight response, associated with the awareness of a potential threat, and *strain* as the outcome of stress, which includes any negative effects caused by unsuccessful coping e.g. frustration, muscle tension etc.

affected employees will react in anger, which can even lead to revenge intentions (Greenberg, 1992). Jermier et al (1994), suggest that resistance of change is one way in which workers can use their power in order to try and restore the (perceived) injustice imposed on them by unfair treatment. To avoid these behaviours occurring, decision making processes need to be perceived as being consistent, fair (unbiased), representative and ethical, Leventhal et al (1980). Employees see these criteria for fair decision-making as being necessary for achieving desired outcomes, but they are also symbolic of their status, of their relation to one other and thus touch upon self-esteem (Lind and Tyler, 1988). It has also been pointed out by Kirkman et al (1996), that change often requires employees to work together in groups and that this is often met by resistance.

Workers are often reviewed in the literature concerning resistance to changes in the organisation, however, managers' responses to change, have not received quite as much attention, probably because they are expected to drive change and not obstruct it in any way. Crouch and Wirth (1991), carried out research into managers reactions to mergers and say with regard to take-overs that, "employees involved in acquisitions experience a powerful sense of loss when strong attachments are destroyed or changed", Schweiger et al (1987). Loss and an overriding sense of failure (to be explored in the next subsection) at the impact of massive change, "can evoke very primitive states and corresponding regression in organisational performance", Krantz (1985). Such losses can also manifest themselves in reduced commitment to the organisation and a decrease in job involvement on the part of managers (Crouch and Wirth, 1991). The particular anxiety-related features associated with take-overs and mergers, are similar to those experienced during other types of change within organisations and include, high levels of uncertainty, lack of information re. plans for the future and ambiguous and inconsistent relationships. However, Crouch and Wirth go on to report that the managers in their study of change through merger, were not *as* affected by change as might be suggested elsewhere in the literature i.e. their manager sample made a suitable psychological adjustment and were able to cope with the changes.

One of the methods for meeting resistance to change is to not wait until resistance occurs, but to build into management practices early on (not only during times of change, but generally) preventive measures. Such prophylactic measures can include open communication by managers, and not distributing misinformation. Schweiger and DeNisi (1991), advocate that managers should simply communicate to employees 'what they know', for example by offering what information is known, by trying to answer staffs questions, and when unable to answer questions i.e. due to insufficient information or results, by explaining why answers cannot yet be given. It also helps if managers are able to admit that they are themselves not infallible, but that even *they* sometimes make mistakes, this tends to build trust amongst employees (Meglino et al, 1988) and transmits a sense of, 'being one of us'. A lack of good communication, we are told, can also result in employee anxiety states about organisational change (Miller and Monge, 1985). Therefore, managers need to be considering information as means to reducing anxiety and stress especially in a changing environment (employees in Miller and Monges study, found *any* information, however small, better than no information). A further important issue is that of current and future expectations, on the parts of both management and staff, in the change process. Management should be communicating clear goals and aims with regard to the changes anyway, but they should also indicate that future changes will require employees to commit themselves by 'going beyond the call of duty' (Organ, 1988)⁹ – open communication is preferable to ambiguity as it provides workers with a clearer idea of management's' expectations of them.

⁹ This is labelled Organisational Citizenship Behaviour, OCB.

7.3.2 Employee Stress

Overview

This section on employees, deals primarily with the aspect of change-induced stress and how organisations either contribute towards such stress or deal with it through, for example, Employee Assistance Programmes. Issues concerning employee selection and job satisfaction will be dealt with, as will other employee-related issues, in chapter eight.

7.3.2.1 Work-induced Stress

Stress is an undisputed feature of life at work, in fact, an inescapable fact of working life and is expensive for the organisation in terms of lost revenues through employee absenteeism and sickness levels, reduction in production levels, social climate and increase in accident rates (Cox et al, 1990). Work-related stress can be sub-divided into either positive or negative stress, both of which affect individuals' quality of working life and the performance that they bring on the job. Positive stress may be seen as stress that improves performance, satisfaction or production. For example, some individuals may require a higher workload and level of challenge in their jobs to be able to perform better, than others i.e. people evaluate stressors in their environments differently. Research carried out by Persing (1999), revealed that creative individuals showed improved performance when their working environments experienced an increase in polychronicity (polychronicity = doing two or more things simultaneously). In other words, when the number of tasks, task complexity and time to complete tasks increases (as might be expected during small and large scale organisational change). Definitions of stress no longer present us with a problem, Cox et al, for example, define it as, "the experience of pressure or challenge which is difficult to manage or unmanageable" – stress causing negative effects on people can include role conflict or ambiguity, work overload, work underload, poor organisational climate (Hemingway and Smith, 1999) and changes to and in the structure of organisations etc. Career development has also been shown to be evaluated by some individuals as a work stressor and can be triggered by overpromotion, underpromotion and threatened job security (for example during organisational changes such as take-overs), Cooper and Marshall (1976). Gardiner and Tiggemann (1999), report that women working in environments which are numerically dominated by men reported higher stress levels typically associated with increased visibility (they stand out more because they are in the minority or in a managerial position), exaggeration of differences (in leadership styles) and stereotyping.

Of course, the type of person one is i.e. whether one is neurotic or not (Watson and Pennebaker, 1989, McCrae and Costa, 1991), and the current situation at work, make large differences as to whether jobs are perceived by workers as being stressful or not. Stressful environments can leave employees feeling confused by placing conflicting demands on them, and can be seen as being chaotic, hostile and unrewarding. Whilst some minor physical symptoms have also been related to stress at work such as tachycardia (increased pulse), hyperventilation (increased breathing rate) and hypertension (high blood pressure), other more serious and long term illnesses have also been related to it – these include cardiovascular disease, particularly coronary heart disease (maybe also be due to people starting or increasing smoking to help cope with added stresses) (Cox et al, 1990) and burnout (Cordes and Dougherty, 1993) which is typically characterised by features such as emotional exhaustion (lack of energy and fatigue) and depersonalisation (the treating of patients/clients as objects). A wealth of literature exists on persons displaying *Type A Behaviour* (i.e. people who show strong commitment to work, who have a good sense of time urgency and also are highly competitive) suggesting that they are more prone to experience stress, Gibson et al (1994), Cox et al (1990), Watson and Pennebaker (1989), than *non-Type A* persons. Watson and Pennebaker (1989), report from their research on people who displayed the negative affectivity trait (NA) i.e. individuals who are more likely to experience distress and dissatisfaction at *all* times and during any situation (even when there is no apparent stress). Subjects with NA were found to be more introspective and also tend to focus on their non-successes and deficiencies;

they also had a propensity to see only the negative side of others and the world in general. As a consequence NA persons had a more negative self-view, and tended to be less happy with themselves and their lives (Watson and Pennebaker, 1990). The outcome of the authors study revealed that persons with NA personality traits were more likely to complain about ill health, but showed no hard evidence of it and were unlikely to seek medical advice as a result of it. This tells us that although some employees may report more stress and strain in their jobs, one must realise that some personality characteristics may lead workers to over react or over exaggerate the true levels of stress experienced.

7.3.2.2 Change as a Stressor

We have read previously about the different types of change intervention that occur in organisations and how certain change, such as radical change, can be seen as being dangerous and even inhumane (Hammer and Stanton, 1995) to those employees and managers who experience it. If change is not handled well, or fails, it can leave an aftermath of stressed, dissatisfied employees unable to identify with their organisations and broken organisational structures, processes and shattered corporate cultures. Much of the literature refers to the ‘survivors’ of change who have lived through intense disruption in their jobs and their working environments – when we read about the costs of change, the term *survivor* does not seem an exaggeration. Despite this, some schools of thought suggest, ‘no pain. no gain’ – but at what cost or rather at who’s cost? Downsizing, for example, has been shown to cause certain affects on job variables such as role overload, role clarity, job involvement, satisfaction with senior managers, job security satisfaction, organisational commitment and intention to quit (Allen et al, 2001). The authors refer to any major changes in role requirements as ‘work role transitions’, which have been shown to involve four phases: preparation, encounter adjustment and stabilisation (Nicholson and West, 1988) – some characteristics of which, show similarity with the previously described loss paradigm of Kubler-Ross and others. Transition experiences such as those caused by downsizing tend to be viewed as stressful life-events and can result in employees exhibiting symptoms such as guilt (at having survived the downsizing, whilst other colleagues did not), lack of organisational commitment and fear (of the unknown future), (Noer, 1997). Indeed, during restructuring activities such as downsizing, employees are (understandably) often more concerned with saving their jobs, rather than *changing* their jobs as part of any re-engineering exercise (Strauss, 1992 – see Hartley and Stephenson, 1992).

When considering that some change initiatives bring with them enriched jobs i.e. jobs with more responsibility or increased task content etc., not all employees may actually want this, thus ‘enriched’ jobs may cause those employees to see change as a stressor. People generally dislike making changes to their routines both in and out of the work sphere (routine is safe and involves minimal risk), and although some workers may desire more participation in management and other activities, they are often unwilling to make the necessary adjustments in terms of job routine. This perhaps reminds us a little of the manager who is all for empowerment of his/her staff, but who is rather unwilling to *sacrifice* or redistribute their own power, in order to achieve this.

The process of helping individuals to recover from loss evoked through change requires a deep understanding of the issues concerning employee well-being and the coping strategies that are used to adapt to change – this appears to be one of the big tests facing those organisations undergoing change management and other forms of transformation.

7.3.3 Employee Coping and Well Being

When individuals experience stressors and strains at work their normal reaction is to try to control the situation by using a variety of strategies and techniques which help them cope with the particular stresses at hand. Well being and indeed coping strategies, are affected by several factors including behavioural style (De Rijk et al, 1998). In demanding situations, the coping skills of employees who are low in ‘active coping’ (active coping = the attempt to control problems at work by cognitively surveying the situation

and/or by taking concrete action to try to resolve the problem) become easily affected by high levels of control – this can in turn produce negative effects on their well being (De Rijk et al, 1998). Van Yperen (1998) implies a connection between organisational informational support and employees experiencing feelings of not only inequity, but in many cases, of burnout. Simon Carter's work on coping and change identified two distinct change dimensions, i) personal identity and ii) role development. In coping with change, employees have to deal with not only changes in their self-perception but also with changes in their relationship to and with their organisation (Carter, 1999). This may imply that people who identify very strongly with an organisation experience greater levels of stress, when the organisation undergoes major changes, than individuals who identify less with the organisation. Another factor affecting peoples coping mechanisms may be time. Allen et al's (2001) research on downsizing survivor reactions, showed that employees experienced most negativity immediately after downsizing, compared with their reactions measured 1 year after the event. This showed that over time, the negative effects of change had decreased i.e. employees had learnt to cope or adjust.

It has become clear therefore, that the psychological well being of individuals is a diffuse and complex concept (Warr et al, 1979), reliant upon many factors. Employees experiencing stress and strain in the organisation, especially by the stressors associated with change and restructuring, need to be helped to cope with changing circumstances. Organisations have a moral obligation to look after the health and needs of their employees and the consequences of failing to do so are, as we have read, severe. One way of caring for employees needs and to help them cope with the challenges of work and an ever transforming environment, is for organisations to provide either Occupational Health Units or indeed Employee Assistance Programs, called EAP's.

Employee Assistance Programs (EAP's)

The reasons for introducing employee programs are becoming for organisations, clear. According to Bacharach et al (1996), many organisations have now realised the necessity to help employees experiencing work-related stressors regain emotional stability and well-being, by providing EAP's. Evidence from the US Department of Labor, reported by Roman (1981), revealed (over 20 years ago) that over 300,000 employee assistance programs had been adopted by organisations. Cox et al (1990), report a smaller but steady growth of EAP's in the UK, including (as reported by The Times newspaper) larger institutions such as the Post Office, several police forces and some hospitals.

The objective behind EAP's is also clear, to teach staff to develop coping skills and strategies that will assist them in managing their 'problems', whether associated with work or home life.

Although the content of employees assistance programs vary considerably from organisation to organisation, Cox et al (1990), report several common elements among them. These common elements include the supply of health promotion information (e.g. concerning smoking cessation), fitness and relaxation training, discussion groups, stress management and access to professionals such as counsellors. Nahrwold (1987) reports that many programs have gone beyond their normal call of duty by extending their services into areas such as advising management on ways to introduce change, offering support to employees facing job loss due to layoffs. As with any major organisational initiative, in order for EAP's to be a success, they need to receive support from senior management (Cox et al, 1990). This involves not only formal written policies but also the provision of an acceptable service, additional training for managers, leaders and other supervisors in the recognition of employees with problems (although self-referral is preferable) that may need to be addressed using such a program, sufficient access to such programs, a strict confidentiality protocol, sufficient after or follow-up care and naturally, a system for evaluation of the EAP (Cox et al, 1990) to provide valuable feedback and information necessary to allow for improvement. Such requirements obviously call for mobilisation of resources, again usually a reason for top management's involvement. There is no doubt that EAP programs can bring benefits to organisations, infact it has been reported that some downsizings were mainly successful as result of their existing training and counselling programs (Caudron, 1996).

A final consideration with EAP's, according to Nahrwold, is that their success is partially reliant on luck. Major changes in organisational culture (for example during change initiatives), senior management or profitability levels of a company can naturally affect such programs, resulting in their cancellation, due to lack of resources. Ironically, the very reasons why such EAP's may be desperately needed by organisations i.e. to help its employees cope with the effects and fall out brought about by change, may also contribute towards or be instrumental in, the reduction of such programs, or worse still, in the complete abandonment of them.

7.3.4 Reactions To Failure

Everybody is happy to hear about successes, people generally are less comfortable with discussing failure (especially their own) because it means defeat and it tells us about our weaknesses - all of which can potentially damage our self-esteem and our sense of worth. There are however, enough change management success stories that one can read about, although what is often forgotten is that even those organisations that have become successful in changing their culture or management, have not *always* had it so easy. In many cases organisations have had it particularly hard, and have had to take a long tough path, one on which they have met failure several times, before reaching or achieving their final goals. These organisations have been successful at the end of the day, because they have been able to overcome failure, by hosting a climate which accepts and learns from its mistakes. A willingness to fail is a prerequisite for significant success say, Hammer and Stanton (1995). Institutions that are able to recognise that yesterdays successes are not necessarily those of tomorrow, are aware that circumstances change, needs change, and that in order to win in such environments, adaptability, learning and opportunity need to be seized. Perhaps seen as another form of failure in organisations, is '*organisational lag*' – this is when companies have a 'discrepancy in the rate at which new technical and administrative ideas are implemented into the organisation' (Damanpour and Evan, 1984). Examples of lag might include not investing in, or being slow to invest in new technologies or even styles and methods of management. Innovations and new ideas can be a means of improving performance. If lag isn't recognised and corrected, it can cause organisation to miss out on chances for advancement in new and developing markets (Longenecker et al, 1999), it can hinder performance and it can allow competitors to take the lead. Other reasons why organisations might fail, particularly at change, include failure from top management to create a clear vision and direction for the organisation, inability to develop an efficient business strategy, becoming inwardly focused (to the extent that what is happening externally i.e. in markets, is not of interest), inaccurate business forecasting and planning, too much political infighting and wrangling and an inability to make the necessary vigorous business resolutions etc. (Longenecker et al, 1999). Drago and Folker (1999), showed an association between what they called organisational incompetence's and performance – noting also that an incompetence for one organisation provides an opportunity for advancement for another.

Organisations that incorporate failure avoidance are likely to encourage fear in their environments, fear of reprisals when things do go wrong (organisations should be encouraging innovation in employees and not impeding it) – this becomes an added source of stress to employees. Individuals give their best and are at their most creative and experimental with ideas and innovations, when they are allowed to operate in an environment where mistakes are accepted and seen as learning opportunities and where they need not be in fear.

George Laszlo (1999) discusses treatment of failure with respect to successful TQM programs. He propounds the view that it is unrealistic to expect anyone to have all their innovations and new ideas come to fruition – indeed, innovation and failure are very close to one another. Fear of derision or punishment makes effective barricades against innovation and organisations wishing to adopt quality management must ensure that fear is totally omitted from their corporate culture (Laszlo, 1999). In organisations where a negative climate prevails, workers tend to think more about the security of their jobs rather than about how to increase and improve their performance (Longenecker et al, 1999).

So given, that there is something that organisations can learn from failure, what exactly is it? The organisation needs to identify where mistakes occurred that caused the failure and make a thorough examination of its processes and procedures, in order to uncover deficiencies or errors – but more importantly it must adopt or develop a climate where ‘failure’ is tolerated and accepted, and where mistakes become learning opportunities for those involved. As leaders are the key figures instrumental in organisational change, how they operate is crucial to success or failure, and thus they must be the first to be scrutinised – leaders must openly demonstrate (in front of their co-workers) ability to exercise self-critique and the ability to adapt and learn from error, until they do so, their employees will most likely also avoid doing so. When failure is apparent, open communication is also helpful in clarifying the situation. Krantz (1985) argues that disclosure of as much information as possible is helpful in the immediate repercussion after failure. Hammer and Stanton (1995) say that leaders need to be made to recognise just how damaging defective or erroneous processes can be to the organisation, only when they are fully aware, can they start to change the processes. Benchmarking is another useful way in which organisations can learn from failure, that is, the failure (and successes) of others. Watching others can provide us with insight into the depth and complexities of the processes used by others who are trying to achieve the same goal. By viewing what others do and especially *how* they do it, we learn different approaches and by observing others making mistakes, we can also learn to avoid making those same mistakes ourselves. Perhaps above all, learning from our mistakes encourages us to become tolerant - tolerance being a pre-requisite of flexibility, which itself underpins the ability to improve and to change processes.

Reward and Remuneration

When people do something wrong or unjust one might expect some form of punishment, punitive action to follow – this fits in with what we generally accept as the concept of equity and fairness. Similarly when people do something right or well, they might be expected to be rewarded for their efforts, this *also* follows our beliefs about justice and fair play. So how do organisations reward their workers, especially in the light of good performance – and what do workers expect for their efforts? Two important things to remember are that reward and remuneration levels are set by the organisations culture and that individuals generally have differing reward and remuneration requirements. One might expect staff, for example, to wish for more pay, or annual leave, but research shows that *in general* these benefits are not what employees wish for or regard as reward for good performance. Better pay is certainly an issue, but is rather more connected with issues such as professionalism and role definitions (Law and Wong, 1998). Naturally, performance-related-pay is the exception here – Gibson et al (1994), describe some of the problems with performance-related-pay systems to include supervisors having difficulties making reliable differentiation’s in performance across workers who perform a given job.

It seems often the case however, that employees seek intrinsic reward (internal job reward) more in terms of recognition for their good performance, good feedback is also seen as reward (although good feedback should not be dependent on good performance, but should already be a part of the organisations effective communication system). People generally want to know where they stand in terms of performance, and the only way to do this is to give them good feedback (Longenecker et al, 1999) – this stands for both good and poor performance. Receiving extra (extra-role) responsibilities, outside those normally assigned to a job may, for many, also been seen as reward and may follow some success on a particular job.

Extrinsic rewards (reward external to the job) are, however also to be found in many organisations. Nowadays, many companies have what are called Company Suggestion Schemes, in German companies they are referred to as *Betriebsvorschlagswesen*. These company schemes are designed towards capturing the innovations and new ideas of employees and rewarding them for their efforts. If employees make suggestions, create something new, improve quality in some way (Zink, 1995) or perhaps change something in the system that can be shown to bring profit to the organisation (*profit* here doesn’t just mean financial, but also refers to saved time, winning of more business or even the recruitment and retention of customers etc.), or unit where they operate, the organisation rewards them for their good

performance by usually giving them a certain percentage of the financial profits won through the implementation of their innovation. Some organisations may reward employees in the form of time *in lieu*. Often such schemes advertise holidays that can be won for the best suggestion in the company, making the whole idea of creativity and innovation competitive – that is not to say that there is only one reward to be won, indeed multiple proposals i.e. from different departments or divisions, can receive rewards (although usually only one reward is given per person). Such suggestion schemes provide employees with a good incentive to improve performance through innovation and creativity, whilst simultaneously winning them recognition within their own division or the company as a whole.

The organisation hosting this research project also has a well established company suggestion scheme which receives regular attention in the organisations newspaper, *Merck Informiert*.

7.4 Hypothesis

This hypothesis, although relevant to this chapter is also relevant to, and therefore listed in, chapter nine.

Hypothesis 6d: German managers co-worker flexibility ratings will be significantly lower than the ratings of either their French or Mexican co-workers.

Here it is predicted that German managers will be found to be less able to change or adapt i.e. be less flexible, than either their French or Mexican counterparts - and that this will be reflected in their co-worker ratings.

Conclusion

In chapter seven we were able to examine the processes that surround the organisation undergoing, or striving towards effective change. We were able to appreciate the complexities that changes in culture, structure and process can have when company's commit themselves to change and transition. Often the path to change is a long arduous one, fraught with mishaps, failures, difficulties and resistance. Effective change usually develops over a period of several years of concentrated and continual effort on the part of the organisation and its management as a whole, and all employees. There is no magic recipe for successful change, however, there are some useful guidelines and lessons that can be learned from those who have already gone through the process.

The final part to chapter seven dealt partially with the perspective of employees in the change process, e the subject of stress and coping. Chapter eight continues on the theme of employees and deals with the other main issues concerning employees in the changing organisation by focusing on employee selection and satisfaction.

CHAPTER 8: EMPLOYEES: SELECTION; SATISFACTION AND THE ORGANISATION - A SOCIAL CONTRACT

Overview

In the previous chapter, chapter seven (see chapter seven, section 7.3.2 Employee Stress) we were able to take a fleeting look at some of the effects that employees may undergo in the work situation and especially in respect of changing organisations. This chapter concentrates more on employee satisfaction and how change and transition may take effect. It concentrates especially on the areas of perceived fairness and justice in the workplace. The second part deals with employee selection and the deployment of the LCMQ instrument measuring performance quality in the light of change, developed as part of this study. The final part to this chapter takes a look at employee satisfaction, performance, pay and reward and how these aspects of working life may be affected by change processes. The chapter closes by examining the issues surrounding organisations obligation towards social and psychological contracts with employees and indeed employees' role in 'organisational citizenship'. Before this chapter concludes, the relevant hypothesis is presented.

8.1 How Employees fair during Change and Transition in Organisations

As we have seen, change and transition in organisations (see chapter seven) affects not only product and process but also managers, executives, indeed all employees alike. The effects may take place in different ways and perhaps over different spans of time depending on individuals' position or status, however, one thing is certain, change and transition in organisations affects each and every worker. The aim of this subsection is not only to look at how work attitudes may be conditioned, but also to present leading thought on change and worker satisfaction. The *possibility* of achieving 'stability' in a changing environment and whether satisfaction levels are more attributable to stability of the *person* (dispositional determinants) or the *situation* that the person is in (situational determinants) is also discussed. Staw and Ross (1985) expand on the earlier premise of environment-affecting-organisation-affecting-person (Hosking and Morley, 1991). Having researched this subject they purported that traditionally, job design and social information processing were seen as being important variables in assessing job attitude (bear in mind it has been previously shown that fundamental changes in attitude *do not* necessarily follow changes in working practice, Mallon and Cassell, 1999), and that this had lead to neglect of the influences that dispositional variants can have on individuals 'stability' in changing environments, across time. The authors argue that there is a dispositional source of job satisfaction which leads people to, for example, perceive their jobs (even if formal job descriptions remain constant) in different ways (O'Reilly et al, 1980). This leaves the possibility open that sufficient nebulous features remain in most job situations, that allow people to interpret work contexts or information, in different ways. Staw and Ross go on to explain that despite changes taking place in job context (as might take place during organisational restructuring, for example) there remains a continuity in persons individual job attitudes which can be observed as being consistent across time and across situations (Straw and Ross, 1985). Specifically, the authors found that job and occupational changes lowered attitudinal consistency and the greater the situational changes, the lower attitudinal consistency was found to be. It seems that the effects of time coupled with major changes in work context can indeed weaken attitudinal consistency.

Still dealing with individuals perceptions of their environment, we now move on towards how perceptions of organisational change climate are formed amongst employees and how the perceptions of managers and supervisors, can influence employees attitudes towards climate and indeed effect their 'psychological climate' for change. Research carried out by Tierney (1999) into working relationships and their effects revealed that leader-member exchange (LMX) significantly affected employees' psychological climate for change. Social factors such as interpersonal relations between managers, leaders and employees, can obviously play a role in influencing employees' attitudes towards and

willingness to take part in, changing climates. Two organisational factors which have been found to be necessary to a conducive change climate are trust (as change means moving away from old behaviours and the taking of risks, employees may typically avoid change unless they are able to operate in an environment in which they feel safe) and operational freedom, sometimes referred to as job-decision latitude (Nicholson, 1984) - for employees to engage in 'experimental' behaviour, such as that required during change and transition, they need latitude or a certain amount of freedom. Tierney, also points to the necessity for openness and good communication for a deeper understanding and commitment towards change (see chapter ten, 10.2.1 Sub-scale construction and scientific background). Tierney's research is interesting because it takes a look at both employees' relationships to their supervisors and to their peers – this is particularly relevant to this current research, which deals with a 360° view of managers and their relations to those around them. Tierney's results indicate that employees found to have strong (positive) relationships with both their peers and supervisors perceived their working environments as being characterised by risk-taking and departing from the given *status quo*, open communication, trust, operational freedom and employee development (which represent five of the factors required for both individual and organisational change to take place (Porras and Hoffer, 1986). Tierney also found group dynamics to play an important role in employees' psychological climate for change. Specifically, teams who perceived the climate as change-conducive were more likely to have individual members who shared the same opinion – this suggests that workers' idea of 'organisational reality' is linked to the reality communicated by their respective work groups or teams (Tierney, 1999).

Other authors have also commented on people's individual differences, their effects upon subsequent ability to make work role transitions and influences upon modes of adjustment. Nicholson (1984), for example, takes a look at determinants of work role adjustments from the standpoint of the newcomer to the organisation. As Nicholson suggests, persons undergoing transitions in role hold different motives, expectations and feelings. Previous occupational socialisation (influences and experiences gained from previous organisations) and subsequent motivational orientation can have strong effects upon moderators and mediators of adjustment outcome (Nicholson, 1984). Related to this is also the fact that persons who are at different stages in their careers also demonstrate different commitment in relation to performance and absenteeism. Cohen (1991) found that people who were in, what he describes as, late-career stage, had a stronger commitment in relationship to their performance and absenteeism, than for example, new job incumbents. One possible explanation for this is that turnover intentions are more affected by organisational commitment at earlier career stages, perhaps during the phase when employees are still learning the job and getting to know the organisational culture.

If one takes the changing environment as being one which is less stable (due to the *status quo* being challenged) and therefore, one which may contain higher stress factors induced by that instability, one might also believe that instability and stress could have certain effects upon perceived 'locus of control' (which is responsible for psychological well-being). Riiipinen (1997) found a relationship between well-being and individuals' level of job involvement, whilst Daniels and Guppy (1992), whose research falls into dispositional literature, reported that psychological well-being (e.g. affective symptoms, self-esteem) is related to one's belief in control (Perrewe and Ganster, 1988). Feelings of being in control were found to promote feelings of competence, Fisher (1989). Daniels and Guppy found evidence that job control and locus of control may synergistically boost the effects of stressors in the workplace – it may also be that 'internals' i.e. those individuals with a more internal locus of control, might experience less stressors (or events in the environment as being stressors) and therefore, possess a better psychological well-being. This research would support the idea that perhaps organisations undergoing change and transition, which are considering relevant transition training's, should also consider assessing or addressing issues concerning employees' 'individual differences' in terms of locus of control, stress and coping mechanisms.

In response to the question, 'What can organisations do to minimise the possible negative effects that change might be having on their employees?' There is, obviously, a tendency for organisations to try, in a naturally prophylactic way, to investigate possible conversion trouble areas, areas that might cause hindrance to change (i.e. to trouble-shoot), such as employee resistance, increased sickness rates etc. Even if company's efforts along these lines are successful, there will still always be a certain level of sickness, absence from work and turnover rates that need to be addressed individually as well as organisationally – this is a fact of organisational life. Bycio (1990) points out that job performance is related to absenteeism. It seems there may be several reasons for increased employee absence related to poor performance. One reason may be 'supervisor annoyance' i.e. superior's becoming irate with workers not meeting targets for example (also reflected in part, in employees appraisals). On the subject of employees-supervisor relations, Kobasa and Puccetti (1983), found evidence in their research that perceived boss support was found to increase participants' hardiness against stressful life events – employees perceiving higher support levels reported lower illness levels. A second reason why absence is related to poor performance may be that workers are taking sick days due to a perceived increase in stress at work and therefore, absence may be a form of reducing stress experienced. Bycio's review of the literature on this theme is certainly of relevance for the changing organisation and definitely for this research project. Firstly, supervisors' feedback and appraisal systems need to be regularly examined, especially if higher sickness levels for poor performers in departments are noted (in particular post begin of a change program initiative). Performance appraisal systems need to be scrutinised also. Performance evaluation has historically, a tendency towards subjectivity (individual rator bias and differences in perception of constructs) and thus needs to be checked. Secondly, a possible perceived increase in stress factors in the working environment i.e. due to changing job roles, and allocation of power etc., must also be broached with sooner than later. Changes in job role do not necessarily *have to* induce negative work outcomes, for example, such changes may bring increased job enrichment, which has been shown to increase worker motivation (Orpen, 1979). Shaw et al, (1993) showed that personal coping resources had a direct effect upon job stressor and strain levels, especially during organisational restructuring. Barling and Macintyre (1993) examined the issues surrounding role conflict (which can easily result during times of change and restructuring) and found that role overload exerted a direct effect on emotional exhaustion – the authors also found here that both role overload and role conflict are mediated by a persons mood, which seemingly fluctuates on a daily basis (Barling and Macintyre, 1993). Therefore, examining employee profiles to gain more insight into their perceptions and attitudes, would be advantageous to the organisation – one way of realising this would be to carry out employee surveys, and this approach has been advocated by other employee attitude researchers (Schneider et al, 1996). The other salient issue here is to also provide an answer to the question, 'What can employees do for themselves to minimise the possible negative effects that change might be having on them?'

In recent years, there has also been an increase in interest on issues surrounding justice¹ and rights for employees in the workplace – this has emerged not least, from a growth in the complex problems of modern organisational design and practice. Previously it has been suggested that some infringements of rights have taken place when too ambitious cultural or attitudinal change programmes have been introduced (Woodall, 1996). Indeed, it may seem at times, especially during these rather more 'turbulent' working times, that absolute efficiency (and ultimately, profit) and new management methods, have partially replaced employee well-being, morality and justice. Barrett (1998) suggests however, that good strategies can still be also 'ethical' ones, being more anticipatory and concerned with the fostering of long-term relationships with employees. Marshall and Kleiner (1999) also note that candidates' privacy rights are being regularly violated, for example, when, during pre-employment screening, they are being asked questions that do not relate to the job requirements of the job being applied for. Certainly justice, or

¹ Justice here, refers to both *distributive justice* (the perceived fairness of the amounts of compensation workers receive) and *procedural justice* (the perceived fairness of the means used to determine those amounts) (McFarlin and Sweeney, 1992).

rather *perceived* justice is an important factor, which has been shown to affect work outcomes such as job satisfaction (McFarlin and Sweeney, 1992) – therefore, organisations should not only be addressing employee opinion on perceptions of justice, but also measuring them, alongside other important employee work attitudes such as motivation (Crostack et al, 1997).

So then to summarise – although it may seem we are being rather dramatic about the possible effects of demanding job environments, as Karasek et al (1981) put it, “a hectic and psychologically demanding job” has negative affects on health and, “can lead to premature death”. Such extreme outcomes tend to be rare, although what is not quite so rare is the real loss to organisations in terms of working days, time, production and profit etc. due to staff absence, which still remain a problem for organisations, no less those organisations undergoing change and transition. Companies need to be gathering information, taking action on that information and finding out why employees are exiting or neglecting organisations – one good starting point is through the ability to communicate with employees at their level, in their terms and in their language.

8.2 Employee Selection and the LCMQ

Effective Hiring in Organisations

It might be argued that one way in which organisations can practically guarantee that their employees possess the necessary ‘hardiness’, the required flexibility to cope with changing and stressful demands in the workplace, is to select or hire individuals who show these characteristics before entering the organisation i.e. to recruit in the right people. This would certainly seem to make sense, although in organisational reality things are not quite as straight forward as this. Even *if* company’s had absolute fool-proof methods for selecting the desired employees (which *most* probably claim to have), who is to say what will happen when the working environment drastically changes, for example, when large numbers of redundancies are suddenly forecast and employees are suddenly faced with working (optimally) in a surroundings that resemble more of a mine field (in survival terms), rather than the challenging yet safe, environment which they have come to know as their work domain? One can predict, to a certain extent how individuals will react to given stresses or strains, at least in an ‘experimental’ or an ‘artificial’ context, but accurately predicting peoples behaviour ‘in the real situation’ is another matter and would probably yield less than accurate results. Managers also know that it makes more economic sense to hire and retain an employee than to fire an existing one. Recruitment misses cost vast amounts of money, time and other resources to organisations. In general, the cost of turnover in, at least in American organisations, has been estimated at about 1/3 of an annual salary i.e. replacing a person who earned \$50,000 per annum would cost the organisation ca. \$16,000 including training and replacement costs (Newton and Kleiner, 1999). Mismatches between employer and potential incumbents occur due to several reasons. It seems that often employers have inadequate or even false information (Lammers, 1997) on which to base hiring decisions (through insufficient scrutiny of applicants backgrounds), or they may be hindered by their employers in releasing certain information to candidates (Connerly et al, 1999). Reliance on any one method for hiring is seldom – this is not surprising as companies invest a lot in their employees (and not just in terms of financial investment), they want to be really sure about their applicant evaluations, and, therefore, tend to deploy multiple assessment methods. The times when a job interview alone provided enough information upon which to hire an employee or not, are more or less over - Delery et al (1994) claim that despite the situational interview lacking incremental validity, it may still provide an ideal ‘public relations exercise’ by presenting a friendly and professional overview of the employing organisation for the candidate. This is not to be overlooked, especially as all too often the assessment and selection process is presented or viewed only from the employer’s standpoint and not from that of the potential employees’ (selection processes are just as much about employees selecting employers, as *vice versa*). Nowadays, Assessment Centres (AC’s), which can include various interviews, group exercises, in-trays, psychometric tests, role plays and mock presentations, tend to be widely used, both in European

and non-European employee selection. Assessment Centres typically provide 'job near' situations in which candidates act out certain roles, thus demonstrating relevant behaviours, and are *relatively* reliable but rather costly (although the cost of the assessment centre may play a relatively minor role in determining pay-offs, Cascio and Silbey, 1979). Indeed, the modern scientific advances in assessment and selection are vast and include tele-interviewing and on-line psychometric testing, to name but two. Although AC's win much favour amongst a wide variety of organisations seeking to hire individuals, they should not necessarily be used in isolation from other selection techniques, but be used rather in conjunction with other tools to provide job relevant information (Seegers, 1989)². There is, predictably a plethora of literature on the validity or non-validity of all of these different selection techniques, for example, Hogan et al (1996) (Joyce and Robert Hogan being the authors of the CPI, California Psychological Inventory) both personality and aptitude tests) suggest that personality measures are suitable for pre-employment screening, although they do stress that this particular instrument should be used rather alongside other sources of information, including the assessment of candidates technical skill, their work experience and propensity for learning.

There are relevant cultural differences in terms of selection and recruitment (Shackleton and Newell, 1994) – this theme will only be briefly covered here as it is one of the main topic areas of chapter nine. Twisk (1995) discusses, for example, the fact that due to opening up of markets, international managers (managers operating over several countries or even continents) need to be selected using 'international methods'. He proposes that factors such as knowledge of relevant international management issues, the motivation and personality of the prospective manager, the motivation and personality of the manager's partner and, managers leadership and communication style and the *foreign* culture. It is hard to see the relevance of whether a managers spouse's motivation will have any effect on a manager's job, and really one should not be judging individuals on their partners' motivation, but it does highlight the fact that if the manager's 'private life' in the new culture is turbulent or unstable, this may have effects upon her performance on the job. At any rate, such issues of cultural diversity need to be addressed by organisations which operate internationally.

There is no exhaustive list of 'how to successfully hire employees', simply from the point of view that this would prove impossible because, for example, job descriptions vary tremendously, not only in content but also in how constructs are perceived. Added to this, internal and external variables in organisations do effect hiring decisions – there are however, according to Newton and Kleiner (1999) some rule of thumb issues that company's should be observing in their hiring systems and these include; the organisation *analysing the interviewers (assessors) recommendations* to determine the best applicant, *choosing someone who is likely to find the job challenging*, but who has got enough experience to complete ca. 80% of the job, the remaining 20% leaving room for development, not hiring persons who are too like oneself (can lead to conflict and power struggles), and to *compare applicants* against each other and against some norm. Not only does accurate selection make economic sense, but there is sufficient evidence to suggest that optimal person-organisation fit enhances positive outcomes such as enhanced worker attitudes, reduced stress and reduced turnover rates (Karren and Graves, 1994). Research into 'recruiter skills' e.g. on how to gather relevant interview information on competencies/benefits, job/career and security/success issues, has also been carried out (Maurer et al, 1992). In Maurer et al's study, evidence was found that recruitees responded more positively to personnel representatives, than to either line managers or engineers. One explanation for this might be that prospective employees may have seen Personnel staff as being more *qualified* in the art and techniques of recruitment, than either engineers or line managers (although the latter, would probably bring more on-the-job experience with them). Certainly these issues indicate that organisations cannot pay enough attention to ensuring that the 'right people' are selected to do their recruiting *and* that recruiters have the

² See Herriot P (1989), in Bibliography.

necessary skills, methodology and awareness of new technological advancements in selection as well as a deep understanding of ethical issues, in order to do a good job.

The LCMQ as Selection Tool in the Organisation

A detailed description of how the organisation might deploy the LCMQ is given in chapter ten, section 10.5.3 'Applying the QPS and the Egotism Scale in the Organisation', therefore, mention of it here, will be brief. The QPS and Egotism Scales yield two practical tools which may help the organisation select the right candidates for the job. Two notes of caution must however, be noted, and that is that the LCMQ and relevant scales therein, have been created i) for a specific organisation and ii) for the organisation which is undergoing transition, change, and a development of its culture, therefore, use of the scales should be with discretion. The *ideal* situation, in which both scales can be deployed, is in the company situation where change is occurring, planned or forecast for the future. A second issue is that due to Part B of the LCMQ being based around the EFQM's Business Excellence Model, again *ideally*, organisations that are using adaptations of this model as part of their quest for continual improvement (Wunderer, 1997), would be suitable candidates for using the LCMQ in their selection procedures. The full version of the LCMQ, as it stands in this text, is applicable to select managers who are already integrated into the said organisation. The reduced version of the LCMQ includes the Egotism Scale but an altered version of the QPS – in this altered version, the final section called Business Results, is partially omitted, that is because certain items requiring the participant to provides business data. The rationale behind this being that incumbents into the organisation would not have access to this information, and therefore this section becomes irrelevant when used for selection at the organisational entry phase.

Therefore, to summarise, the LCMQ, both full and reduced versions, provides the organisation with an additional tool with which to measure behaviours of managers and potential managers specifically involved in change. It can be used to select individuals at the point of entry into a company – here, naturally only the Self-evaluation questionnaire would be administered. Alternatively, it can be used for managers already integrated into the organisation (in which case the 360° administration would be appropriate) for purposes of either ascertaining suitability for promotion, particularly into leader and managers positions, or as part of managers continuing professional development. The author also notes that when using the 360° administration of the LCMQ, it should be only used for managers who have been in their current position for 'at least' 6 months – using the 360° versions on managers who have been with company for shorter periods of time, would not allow sufficient time for their co-workers to get to know them and subsequently accurately evaluate them. Apart from this, managers, or any employees for that matter, do take time to settle into new positions, to 'find their feet' as it were and therefore, to carry out any sort of behavioural evaluation before this settling-in period has been reached, would not only be unfair on participants, but also yield false information about job behaviours that have not yet had time to properly develop. The LCMQ should therefore, be used in conjunction with other selection tools for example, together with the situational interview or integrated into an Assessment Centre, alongside other psychometric tests.

8.3 Satisfaction, Performance and relation to Pay and Reward: The Social Contract

Companies undergoing change tend also to experience adjustments in work design, then this is more or less a prerequisite for structural change. It makes sense then to examine the effects that changing work design may have upon employees, especially levels of participation, performance and resulting satisfaction and commitment to the organisation. Satisfaction in relation to stress (and coping mechanisms) triggered by change and transition, has already been dealt with in considerable depth in chapter seven (see section 7.3.2 Employee Stress and section 7.3.2.2 Change as a Stressor), therefore this section concentrates more on satisfaction in relation to performance, pay and reward.

Gyan-Baffour (1999) reports that firms with higher levels of employee participation and higher levels of flexible work design tend to outperform firms with less worker participation and with less flexible work designs. It seems that if there is flexibility at the job level, and inflexibility at the organisational level, successful redesign cannot take place. Gyan-Baffour goes on to comment that many company's undergoing work redesign remain unsuccessful until they change their structural make-up of the organisation – and this seems a sensible argument as the organisations management structure will surely determine whether individual job design is flexible or rigid i.e. the latter precedes the former. Needless to say, employees with greater levels of flexibility in their jobs are necessarily happier, more satisfied and more motivated employees (Hackman and Oldham, 1976; Orpen, 1997).

Satisfaction in relation to pay and reward has received much attention in the literature to date and indeed belongs to the 5 most studied job satisfaction factors (Hatfield et al, 1985). Some scholars have suggested that pay is not a good predictor of job satisfaction (Staw and Ross, 1985), whilst others have naturally claimed the opposite. Shaw and Gupta (2001) suggest that our knowledge of pay dynamics is relatively low, but can be enormously improved if one concentrates on the after-effects of pay attitudes and interactive predictors. The authors found that pay attitudes were inconsistently related to physiological, psychological and behavioural outcomes. It seems that when employees are 'economically dependent', they are more likely to feel dissatisfaction with their lives, be depressed and suffer somatic complaints as result of the perception of unfair pay. Shaw and Gupta also discovered that relationships between pay perceptions and job performance were negative for persons high in financial need. In their study, financially dependent people did not perform well (one explanation for this may be 'retaliatory', with employees bringing poorer performance 'on purpose' as a result of perceived unfair pay). What the authors however, fail to indicate is exactly when or at what level, pay is defined as being unfair. Also, surely the majority of employees *are* 'financially dependent' i.e. they need to work to earn money to live, it is surely only very few individuals who do not necessarily need to work and who, without employment, would be financially stable. Closer definition of where economic dependence and perceived pay fairness needs to be further explored. Concerning this present study, the German manager sample who were more willing to work on a pay-related-basis were predicted to have higher job satisfaction levels as well as have lower egotism scores, the data confirmed this prediction (see chapter twelve Results, Hypothesis 6G for more details).

Closely related to the issue of pay, is that of reward. More and more literature is emerging around the question of why increasing numbers of company's seem to be rewarding extremes in performance. Zenger (1992) carried out research into extreme reward and performance, pay and turnover levels. He found that extremely high and moderately low performers were more likely to remain in firm's offering such reward-the-extremes contracts, whereas extremely low and moderately high performers were more likely to want to quit their jobs. Extremely high performers were more likely to receive promotions than their respective low-performing peers – such promotions were accompanied by substantial increases in salary. These results indicate that (contrary to what was previously thought to be the case) there is no simple linear relationship between performance and turnover – although caution must be added when generalising these results, as Zenger used only two companies in his study. Zengers study does, however, throw open some interesting issues. Why do some organisations often only reward extremes? Well, there is some evidence to suggest that rewarding high effort (not performance) produces a generalised increase in industriousness i.e. people try harder (Eisenberger and Cameron, 1996). It is understandable for organisations to want their employees to become very good at their jobs, to want to strive for excellence, but surely a more realistic approach is needed. Most individuals bring an average performance or just above average, with only very small percentages of workers performing either very poorly or conversely, very well, so surely taking the midway point of performance, or just above, would be a natural starting point upon which to try and form some kind of performance standard. Even if people try their best, it takes time to improve and people tend to improve performance incrementally i.e. a little at a time,

therefore, in order to reach 'excellence' - they need time. Expecting average performers to suddenly become excellent is not only naive, but impractical in terms of time needed to improve performance. A further point is that performance standards should also be marked 'individually' i.e. appraisals of performance should be looking at personal achievement levels, and setting appropriate goals around that. Having unrealistic performance expectancies probably not only frustrates the employees who are average to middle performers, but also frustrates the organisation, which consequently only has a very small level of (self-defined) excellent performers in its charge. Revising impractical performance expectancies doesn't necessarily mean the performance standard will drop, but may cause it to rise as more individuals believe that they can reach the standards being set by the organisation. The detrimental effects of reward have also been reported on by Eisenberger and Cameron (1996). In their paper, the authors examined the effects that reward had on intrinsic tasks and creativity. Results showed that verbal rewards (e.g. discussions with supervisors etc.) increased the time spent on performing tasks, whereas tangible rewards (e.g. financial) decreased the amount of time spent on tasks – the moderator here seems to be whether or not employees expect reward (expected rewards are those contracted to participants before the experiment, whereas unexpected rewards are those paid out either during or after the experimental session). The authors also claim that reinforcement for high creativity tends to increase generalised creativity, that is, rewarding high creativity in one task may lead to high creativity in another completely different task. Therefore, the importance of reward and reinforcement on both performance and work motivation are salient. The possible negative effects of inappropriate reward is an issue that organisation seeking improvement, also need to address.

Change and the Social Contract

Changes, as we have read, affect employees and their working environments in a variety of ways. How changes are received by employees depends on how they are perceived, and that tends to be as either as a threat, or not. Organisations can prevent changes being perceived as threatening by taking special care to examine the social contract that they have with their employees. Shortly defined, the social contract, not a new ideal (having had a central political position at least since the times of Plato), concerns the unwritten set of rules, rights and obligations that set the level of the relationship between the state (the organisation) and the citizens (the employees). Such contracts also possess what can be described as natural limitations i.e. there are certain rights that cannot be given away, or replaced by the organisation. Without going into this aspect too deeply, such rights might include such rules as are witnessed in the constitutional rights of persons, like the right to equality. Emergence of the 'psychological contract' has been handled by several authors, including Argyris (1960) and Schein (1980). Schein's version, '...unwritten set of expectations operating at all times between every member of an organisation and the various managers and others in that organisation...' refers more to the relations rather than the transactions between individual members (Makin et al, 1996). Makin et al suggest that relations include factors such as consideration i.e. consulting individuals first before introducing changes such as room allocation etc. The organisation may expect from its members in return, what has come to be called 'organisational citizenship' and which can be defined as employees willingness to work overtime when overload is increased, or willingness to demonstrate support or commitment to the organisation when conversing with members in and outside of the own organisation – again such expectations are unwritten and therefore, highly subjective by nature as well as being informal - yet despite this, they are popularly accepted as being reasonable by employees. Understandably, the importance of both the social and the psychological contract cannot be underestimated, as they provide the basis for trust between both the organisation and its members. When organisations breach the psychological or social contract, or *vice versa* when members breach the contracts, this can result in negative outcomes such as reduced job satisfaction or trust – members who have experienced such breaches also show a greater tendency to quit the organisation. Certainly in times of instability, the unofficial rules may be of even greater importance to members in terms of 'keeping up moral', than during times when 'business as usual' is more the norm. One explanation for this may be that

social and psychological contracts reduce uncertainties amongst parties, therefore during more tumultuous or changing times, the need to reduce those uncertainties through informal contracts, is increased, thus the need for them within the organisation becomes even greater.

8.4 Hypotheses

The hypotheses relevant to this eighth chapter on the employees are listed below:

Hypothesis 1a: Managers with a lower self-rated QPS score will be more associated with co-worker QPS ratings than managers who do not have a low self-rated QPS score.

This predicts that when managers give themselves lower QPS scores (to be wished for, as lower scores mean that observations and statements in the QPS are 'agreed with'), their co-workers will rate them on QPS similarly. This expresses the idea that self-other image is 'transmitted' (when accurate) to co-workers.

Hypothesis 1b: Managers, who self-rated themselves as being less Egocentric, will be significantly more motivating for their co-workers, than managers who have self-rated themselves as being more egocentric.

Here, managers who score themselves as being less Egocentric will prove to be more motivating for their co-workers than managers who are more Egocentric in their workplace behaviour.

Hypothesis 1c: Managers' self-rated QPS scores will correlate significantly with Superior ratings on suitability for promotion.

Managers' ratings on Quality Performance will be associated with Superior ratings on suitability for promotion.

Hypothesis 4b: Managers' self-rated Ego scores will predict co-worker ratings on communication measures, and this will remain constant across time.

Managers self-report Ego scores will be predict their co-workers communication ratings . this effect will remain constant across time.

Hypothesis 4c: Co-worker Egotism scale ratings of managers' will correlate positively with less time spent with staff.

Co-workers ratings on Ego will be associated positively with lower 'time spent with staff' scores - this means that those managers who are spending more time with their co-workers (staff, peers and superiors) will also have lower Ego scores, thus show less Egocentric workplace behaviour.

Conclusion

This chapter dealt with the main important issues surrounding the welfare of employees involved in the changing organisation. It has dealt specifically with workplace factors such as job satisfaction and has indicated the importance of pay, reward, social and psychological contracts for the employee, as well as the salience of selection and performance for the organisation. Chapter eight has also hinted towards some interesting results with respect to performance-related-pay which have emerged out of this study (full results of which can be seen in the seven main Hypotheses of chapter twelve, Results), and which lead on now to the subject of performance feedback in chapter nine.

CHAPTER 9: PERFORMANCE FEEDBACK, CROSS CULTURAL DIFFERENCES AND MEETING CULTURE

Overview

In the first section of this chapter we deal with the issue of performance feedback. Understanding how performance can be improved is a crucial part of the change process, but just as important, is the comprehension of how performance feedback can affect individuals' performance. In this first section we take a look at feedback issues in the general organisational context, moving on then to examine multi-source feedback systems such as 360° measurement, which was used for deployed in this study. The second part to chapter nine handles an equally salient issue, that of cross cultural differences. The managers in this sample came from three geographical diverse areas, the issues surrounding culture and differences in performance arising from culture, are explored further. The final section takes a look at the 'meeting culture' within the host organisation and presents background to the topic, as well as the procedures undertaken. Data taken from the Manager Diary, which examined the 'meeting' culture of Merck, and Merck Excellence popularity issues, are presented in the results, and interpreted in the discussion section. The hypotheses relevant to this chapter are also listed, with results being presented in the main results section (chapter twelve).

9.1 Performance Rating and Feedback Systems – Differences and Effects

The difficulties surrounding the accurate measurement of performance was briefly mentioned in chapter seven (see Effective Hiring in Organisations) in which evaluating performance or future performance for hiring purposes, was discussed – it was also mentioned in relation to performance-related pay and reward systems. Performance evaluation further occurs in this study as managers' behaviour in the workplace is evaluated by their numerous co-workers. Therefore, we see the importance and relevance of performance and indeed performance feedback systems for this investigation.

The dynamics of performance feedback are complex and interesting. If we look at the effects that supervisor or peer feedback can have on future performance for example, whether performance evaluations should include in-role and extra-role behaviours, or indeed the differences that identical feedback can have on high or non-high performers, we have only touched on a few of the related issues. Yammarino and Waldman (1993) carried out research that showed incumbents and supervisors only agreed moderately on which skills areas were relevant for managerial positions – this may well be accounted for by the fact that (as previously discussed elsewhere) people in different job groups or of different job status levels, tend to see the world or working place around them through their own jobs. The authors showed a slight effect for employee job performance and job analytical ratings – they were also able to show that incumbents and supervisors were more easily able to arrive at agreement about skill importance than they were about skill performance (Yammarino and Waldman, 1993). Werner (1994), points out that some performance-appraisal research shows that the cognitive processes used by raters does influence the halo effect and rater accuracy, whilst Lefkowitz (2000) showed that supervisors liking for subordinates, did influence subsequent performance appraisals. Yet a further study revealed that both subordinate job performance and supervisor influence are affected by organisational climate (Sheridan et al, 1990). Werner also examined whether supervisors actively searched for evidence of in-role and extra-role activities prior to making evaluations and found evidence that raters were looking for information about 'organisational citizenship behaviour'(OCB). Manager's display of consideration towards subordinates, seen as OCB, has also been discussed by Organ (1988), and also by Motowidlo et al (1986) who suggest that job-related stress inhibits the, 'flow of OCB gestures'. As individuals seemed to be looking for evidence of OCB, this leaves the question of whether organisations shouldn't already be including in their behaviourally oriented rating scales, organisational citizenship behaviour.

Some interesting research carried out by Barrick and Mount (1993) suggests that the 'situation' in which people are being evaluated (in the workplace) can effect which behaviours they may choose or even be

able to use. *Strong situations* for example, are those which exhibit more pressures and demands which induce more compliance (here individuals are confined to a narrower range of behaviours), whereas *weak situations* are those which make less demands and pressure to conform (therefore, individuals can use a wider variety of behaviour and exercise more discretion). This issue may be of relevance to this research in that the host organisation was undergoing a company-wide change program at the time, which may certainly have caused more pressure in the working environment. Although big structural changes were not occurring, more and more employees were aware of the need to improve performance. Now, some people may have dealt with this perception by sticking more to the normal standard way of getting things done i.e. to conforming, because it is safer, and because it is something they are familiar with. Alternatively, other individuals may have perceived more pressures in the environment due to 'change', as an indication that they should behave in more innovative or creative ways. Perhaps this may be due to whether or not they adhere to one of the fundamental premises of Merck Excellence, which says, that improvement begins with the self, and perhaps there is no easier way to improve than to change ones behaviour. The issue of performance, behaviour and innovation and creativity are also dealt with in this research and are measured by the LCMQ. This shows us that once again, individual differences need to be considered and that when giving feedback one should not only examine the hard evidence for behavioural patterns, but look at other relevant features that might affect behaviours or 'set the scene' for *which* behaviours have been chosen – only when considering both, (i.e. background for choosing behaviours and evidence of chosen behaviours) can one truly begin to understand individuals reasons for behaving as they do, in the workplace.

An excellent evaluation of various feedback mechanisms has been presented by Jöns (2000). According to the author, feedback instruments differ in quality efficiency of measurement and in how they can and are, used within organisations. She suggests that the acceptance of feedback is affected by several salient factors surrounding the background in which it is given. These factors include i) *characteristics of the person* 'feeding back' i.e. where they are coming from, ii) the *type of feedback* i.e. whether positive or negative, iii) the *type of process* used i.e. the regularity with which it is used, iv) also the *perceived distance* of the individual giving the results i.e. how emotionally detached they seem, v) *comparison of results/feedback's* i.e. the consistency of the self-other evaluations, vi) the evaluation of the feedback i.e. how credible it seems, what it means for the recipient (Jöns, 2000).

The different methods used to feedback to employees are numerous and include departmental meetings (usually regular discussions about group-based performance), goal-setting - often seen as a regular *jour fixe* – here group or individual performance is discussed, employee appraisal (usually carried out by the individuals' superior, covering feedback about previously set goals and developmental issues), manager evaluations (where staff complete an anonymous questionnaire about their boss and her behaviour), employee evaluations (involves employees discussing first anonymously then finally openly, mutual discussions, topics covered include all aspects of work). Successful feedback should provide a valuable, meaningful teaching as well as learning opportunity for all parties involved (Shelley, 1999). Jöns claims that for such differential feedback instruments to be used fortuitously, several factors need to be addressed. These may include the organisation making sure managers are properly qualified and adequately coached in how to give feedback. Managers should also be versed in how to deliver feedback e.g. how to communicate credibly and following up the evaluation process – they must also learn to take on board feedback which applies to themselves (this also means coming to terms with negative feedback). A further factor that needs to be addressed by managers is just how effective each of these varying feedback methods actually is. Let us take, for example, the second and third methods already mentioned i.e. goal-setting and employee appraisal. The effectiveness of goal-setting is partially dependent upon commitment i.e. the relationship between goals assigned and subsequent performance is possibly moderated by the extent to which the person is committed towards the goal, Tubbs (1993). Connected to this, is the fact that employees level of commitment to their jobs, is also related to whether or not they actively seek feedback – Ashford and Cummings (1985) explained that such 'feedback seeking behaviour' (FSB) was found to be greater amongst younger, less experienced employees, than for their

older more experienced counterparts. There has also been evidence to suggest that employee consultation (seen here as participation) in methods such as employee appraisal, can also have positive effects such as, increase job satisfaction (Wagner, 1994) and improve efforts towards quality management (Rao et al, 1999). These are small but important facts that managers should be aware of when using or choosing their methods of feedback. Leaders and managers should be aware of the larger issues that surround performance and feedback too, such as, for example, the possible effects on performance of various rewards (Harder, 1992). Naturally, one cannot expect managers to understand *all* the possible intricacies of each feedback method, or even have the time to carry out extensive research into these work-related areas, but they should at least be concerning themselves with the general pros and cons attached to each of the feedback methods that they are using.

Multi-rater Feedback Systems (360°) – are managers ready for this?

The relevant merits of qualitative appraisal methods such as multi-source feedback systems have been highlighted elsewhere in this text (see chapter eleven, Method, section 11.2), (Shelley, 1999), suffice to say that they prove advantageous, as they provide measures of a persons own understanding about his/her strengths and weaknesses i.e. provide information about their levels of self-awareness. Managers and leaders need to be aware that through their behaviour, they signal, indeed display, to their employees, the behaviours that they most value (Ashford and Cummings, 1985). Providing individuals with accurate feedback about their behaviours and performance is a very important part to any form of evaluation system. The effects of multi-source feedback on performance outcomes have been discussed by Fletcher and Baldry (2000). Here, the connection between individuals' personality, cognitive ability and self-awareness in a sample of managers who used a multi-source feedback process (360°), was examined. The authors indeed found that personality and cognitive scores were related to scores of self-awareness. But let us move on to examine *why* ratings from different sources, i.e. co-workers, should produce different results. Bias may be one obvious reason, in other words, how 'friendly' are individuals with each other in the workplace (how well do people understand each other, find each other sympathetic, over and above the working relationship?) – such relationships definitely effect ratings. Mount (1984) also found differences amongst co-workers ratings – he found that subordinate and supervisor ratings were more similar to each other than self-ratings, in terms of convergent validity and leniency effect - this somewhat contradicts Fletcher and Baldry's (2000) findings, but fits in with the research findings of this project, namely that subordinate ratings were more aligned with supervisor ratings than with self-ratings (see Results, chapter twelve). In this research, for example, much extra effort was made to try and avoid participants who took part in multi-rater behavioural evaluation, from selecting work colleagues and co-workers with whom they got on very well (or lets say for arguments sake, 'a better than average working relationship') to evaluate them. It was clear straight away, that simply defining working relationships was itself very difficult and extremely subjective, however, a brief description of which factors participants should avoid when choosing their co-worker raters, was given ¹. Whether managers really tried to adhere to these guidelines is another matter and will never be known without undertaking further investigation – this is discussed in the final chapter Discussion and Conclusions (see Limitations of the Research). Fletcher and Baldry (2000) suggest that self-awareness (SAw) is an important factor on its own, to consider as an individual difference. Typically self-awareness is seen as a trait and a skill and is therefore, open to cognitive bias, leading to either a high or low self-other agreement. According to the authors, SAw is found amongst individuals relatively rarely, and when, it then tends to be exhibited in high performers, where it remains stable across a variety of performance and competence areas (Nilson and Campbell, 1993). Yammarino and Atwater (1997) also suggest individuals who are able to make accurate self evaluations were found to have higher intelligence, cognitive complexity and better memories. People who are high in self-awareness are able to make accurate comparisons of behaviour which they build then into their self-perception, whereas, low self-aware persons tend to ignore or dismiss feedback and cues

¹ Refer to Appendix 5e 'Instructions and Guidelines for Participants'.

about themselves and their behaviour, which can cause them to suffer problems following their career path, they also tend to have negative work attitudes (Ashford, 1989). This particular fact associated with self-awareness also appears in this study, where measures of managers' ability not only to exercise constructive criticism about others, but also review their own behaviour critically, were measured. Some early results² showed that when asking co-workers to rate which were the most important factors for them which denoted 'quality performance' both peers and supervisors rated ability to self-criticise as being the most important feature in quality performance (using Pearson's correlation, peer ratings showed self-criticism correlated with Quality Performance Scale (QPS) Excellence, being significant at the 0.01 level, whilst supervisor ratings also showed self-criticism correlated with QPS Excellence, being significant at the 0.01 level). So it may well seem that individuals, at least involved in this research, who were able to successfully apply criticism were rated by others as delivering what they perceived as quality performance – this ties in well with Fletcher and Baldry's suggestions. The indices that we have read about concerning which factors affect people's evaluations of their own behaviour are critical to understanding how feedback information is handled and indeed interpreted. Whether a person is able to use feedback information received from his/her colleagues to improve their behaviour or performance, is relevant for not only their development, but also for their future performance. Brutus et al (1999) found evidence that multi-source feedback contributed towards the selection of development goals. The authors report that in their study of 2,163 managers who had taken part in 360° performance measurement, subordinate ratings were found to be the most important for goal setting, in comparison to all other sources. This result was fairly astonishing as it meant that as the authors put it, 'the source with the least institutional power' i.e. the subordinates, proved to be the most persuasive, whereas, the source with the least institutional power i.e. the supervisors, proved to be the least influential in terms of setting developmental goals, for these managers. Managers placed greater worth on the feedback given to them by their subordinates than from their own bosses - an extraordinary result. The authors believe one reason for this may be the increasing popularity, or winning of favour, of more non-traditional feedback methods within the workplace.

Multi-source feedback, 360° evaluation, is a useful method for evaluating behaviour as it provides an overall view of individuals' behaviour patterns. More importantly, it allows the self-other perspective to provide information and clues for the employee about incongruencies in their self-other paradigm. This is certain an advantage over perhaps more conventional feedback methods, such as those used during the interview between boss and employee at the regular (usually annual) developmental performance appraisal. An additional plus to multi-source feedback, is that during such standard performance evaluation procedures as previously outlined, peer and staff (subordinate) feedback, is not usually asked for. Co-worker evaluations, however, as we have read, can provide highly relevant feedback information. Precisely because co-workers tend not to rate their bosses, they may need some guidance on how to evaluate behaviours correctly or indeed interpret dimensions and individual items that are being used to measure. The offer of such guidance, more information or simply the asking of questions etc. was certainly given to the co-workers involved in this research project. A further pro to using 360° feedback concerns those systems which integrate the customer in their evaluations – such evaluation systems do tend to promote interaction between the customer and the company (which can only be a good thing), and can therefore, be generally seen as a PR exercise that facilitates customer-organisation communications (Yamin and Gunasekaran, 1999).

Whilst having referred to some of the advantages of 360° feedback systems, one should not forget that not all employers or employees are in favour of such performance evaluations systems. Indeed some critics of multi-source feedback have had some quite scathing comments to make about it, for example, that it is, "obscene", "unnecessary" and "top management just want more information in order to exert more

² These results were produced as part of a First Report for this project and were prepared as part of a presentation made at the XXVII International Congress of Psychology, held in Stockholm, Sweden in 2000. Copies available upon request.

control” – it has also been seen as reducing motivation and by some as being a farce on communication, Gronwald (1998). As we know, 360° feedback promises a lot, for example, that complete evaluation means good communication, openness, fairness and a well developed conflict-culture i.e. a culture in which argument and conflict are handled openly and not dealt with as taboos to be avoided. So much is true, but perhaps many organisational cultures are simply not ready to use 360° evaluation for that reason - their cultures are not developed enough yet in the direction that is required to deploy such a measurement tool. One interesting aspect that Gronwald suggests is when using multi-source evaluation systems which use multiple sources of evaluation (co-worker) to rate managers, this should then be carried on over into the writing of references for that manager and in the development of his/her regular performance appraisal – which currently is only evaluated and written by the manager's superior. It's a valid point, although I think the author is somehow missing the point of 360° evaluation here. Multi-source evaluation is used more, I believe, with a view to establishing the level of managers self-awareness and their effects upon their co-workers, it's also about looking for evidence of patterns of behaviour and about seeing whether managers are as good as they say they are. I think involving co-workers in manager appraisals and in the compilation of work references is not only inappropriate, but it doesn't make sense in terms of resources, or time. Gronwald is voicing here, a sort of 'tit-for-tat' approach, in which 'all parties have evaluated me here (work performance)', therefore, 'all parties should evaluate me there (appraisal and references)'. She fails to understand the level of the 'manager' or the central position, the key role, that the 'manager' has, in comparison to other workers in the organisation i.e. as one which is central to change, one which deals with middle to long-term organisational goals and one where, due to this central function, should indeed be subject to rather more rigorous performance evaluations – this is however, not to undermine the importance of either higher or lower status positions within the organisation. It almost seems as though the manager is seen here as the 'victim' (indeed the picture accompanying the article, is of a man sitting on a chair, centred in a room made up like a classic 'interrogation situation', hanging light bulb etc. surrounded by measurement instruments) and that 360° measurement is a way that the organisation can 'catch her out'. There is little appreciation however, that multi-source rating systems can actually benefit an individual or organisation. Although, perhaps one should give the author the benefit of the doubt - perhaps Gronwald has not *failed* to understand the issue of centrality that managers have here, but perhaps the culture on/from which she is writing i.e. a German management culture, interprets its managers and their functions rather differently than Anglo-American management cultures (this is expanded upon in section 9.2).

Other researchers who have evaluated multi-rater feedback systems have reported that they tend to be less 'objective' than for example, assessment centres, Jansen and Vloeberghs (1999). Jansen and Vloeberghs see 360° measurement methods as belonging more to total quality methods in which customer opinion can be, and is asked. Traditionally social interaction between evaluating parties is presupposed for such multi-source methods, which isn't necessarily the case with all customers, or indeed all managers i.e. not all customers will have contact with the organisation, and not all managers will have access to customers, therefore, 'customers' need to be carefully selected. The authors do go on to suggest that organisations undergoing cultural and structural changes seem *ideally* suited to using multi-source feedback. They also highlight some possibilities of what can actually happen to the feedback i.e. the information that the evaluators give about the 'focus' person. Naturally, the assessee can completely ignore feedback – this would mean no change in behaviour would necessarily result, and therefore, potentially no improvement through recognition of weak spots. A second option, is that the 'focal person' may choose to just register the positive feedback, which is still better than not registering any feedback, but can lead the person to have a false view of the self i.e. they will believe that they have been performing well up to now and therefore, may see no reason for change. A third alternative is that the person being assessed may only focus on the negative feedback given to him, which would probably cause them to be demotivated. A further reaction to 360° feedback could be, of course, that the person being evaluated takes *all* the feedback given i.e. positive and negative, and therefore has a chance to develop themselves further, whilst feeling indirectly 'praised' by their workers for their successes – these individuals, as we have previously

read, are likely to be highly self-aware individuals, and thus able to make the most of feedback from such multi-source feedback systems. An additional issue is, who gives the manager being rated, her feedback? There are a variety of options - all co-workers could give feedback, as suggested by Gronwald, supervisors could give feedback (a more traditional option), or even a personnel supervisor or officer i.e. someone who is traditionally associated with the carrying out of such employee-related tasks and who may be seen as being suitably neutral in their approach, could provide feedback.

Inconsistencies in ratings amongst those rating the focal person, can also compound performance measures – this can be controlled for, in that items and statements should remain relatively short and written in simple understandable terms i.e. language which is ambiguous and leaves room for multiple interpretations, should be avoided. Another measure to check against rater inconsistencies is that the same pre-information about rating and 360° measurement, should be provided to *all* individuals who have been asked to rate. Both these controls were applied in this research project in an effort to minimise such compounding effects on measurement accuracy. The wider implications, for the organisation using multi-source feedback mechanisms should not go unmentioned. Dependent on whether the company is deploying this method for the first time, or not, 360° measurement can make an impact on organisational communication (whether it be in the division or department or throughout the company as a whole). Authors have commented on multi-source feedback methods as marking or opening up a new era of communication, where issues are made more transparent, Jansen and Vloeberghs (1999). Nevertheless, as noted by Jansen and Vloeberghs (1999), it is probably unwise to use the multi-source feedback alone, but rather in conjunction with other performance evaluation systems such as, for example, assessment centres.

9.2 Cross Cultural Differences and Leadership Research

A very important part of this research project focuses on cross cultural differences. The reason why cultural differences play a role here is because the current manager sample derive from three different nations and two different continents, Germany, France and Mexico, or Europe and America. One of the central questions regarding possible cross cultural variances, was whether there would be any noticeable difference between French, Mexican and German managers in terms of acceptance of change and in terms of quality performance or whether an overriding ‘organisational culture’ would cancel out any such differences. A further issue was, *should* an overriding ‘organisational culture’ exist, would it be attributable to the current Merck Excellence process, or was it due to some, as yet unidentified, other underlying culture. Whichever culture exists, how strong is it? Cultural *strength* means here, as Edgar Schein puts it, the homogeneity and the stability of group membership and the length and intensity of its shared group experiences (Schein, 1984). Hypotheses 6a-6g of this study examine the cross cultural differences predicted and look at variances in self and co-worker-ratings, at the specific issues of job satisfaction, time spent with co-workers, levels of egotism amongst managers, and at levels of flexibility (refer to chapter twelve, Results, for the answers to Hypotheses 6a-6g).

In order to understand cultural differences, one must first understand what ‘culture’ *is* – and many definitions are to be found in the social and psychological literature. Chung and McLarney (1999) offer a definition that says the essence of culture is the ‘process of meaning creation’ – so if we agree with this version, cultural differences (also well documented in the literature) must then amount to, differences in the creations of meanings. But what about individuals’ perceptions of culture? Brodbeck et al’s (2000) research provides evidence that leadership concepts are culturally endorsed with respect to individuals’ concepts of what constitutes an ‘outstanding business leader’ – this is therefore, of relevance to this research, as it also examines superior work performance differences amongst managers. If we lift out Germany and France from Brodbeck’s evidence, we find the following differences in important leader dimensions identified. France formed its own cluster in the data, separate from all other Latin clusters and rated outstanding leaders as those who were ‘participative’ and ‘non-autocratic’, they also found being ‘self-centred’ to be the greatest impediment to becoming an outstanding leader. Managers in the

Germanic cluster found, amongst other attributes, 'integrity', 'performance' and 'decisiveness' to be important, they also, like the French, lay importance on being 'non-autocratic'. Interestingly, Brodbeck et al's research showed that nine out of ten Ronen/Shenkar clusters identified 'self-centred' as being an impediment in becoming an outstanding business leader. The current research also examines the possible effects that being self-centred (in this study referred to as 'egotistic') may have on performance, organisational goals and on co-worker ratings. The Egotism Scale³, part of the LCMQ, is a scale rating self-centred behaviours such as, the importance of organisational goals and ones own goals in terms of career advancement and achievement, power and its use etc. Unfortunately Mexico did not feature in Brodbeck et als general Latin cluster.

Morden (1999) purports that international managers and multinational companies need to make what he terms a *best fit* when approaching management issues. He suggests that management styles should be suited to the 'prevailing local contingencies'. Bloom et al (1994), for example, came up with a cultural model, *Euromanagement*, which proposed that European managers were identifiable by certain common characteristics which included i) the capacity to manage international diversity, ii) an orientation towards people, iii) social responsibility (as being a part of society), iv) internal negotiation and v) a degree of informality (scepticism toward written rules and formal management systems). Culture, according to Jeanquart-Barone and Peluchette (1999), also played a role in employee selection and recruitment procedures amongst German and American organisations. The authors found evidence that German companies used significantly more low-risk recruitment (e.g. internal recruitment, employee referrals or internships/apprenticeships) and high-validity selection tools (e.g. work samples, assessment centres, structured interviews) to select their employees than did American companies. American companies were found to use more risky selection procedures to determine employee effectiveness, such as personality traits. Germany was also found to use the structured interview significantly more than America and spend more on employee training. A commentary by Iles (1994) reveals that the legal framework in Germany may influence use of tests, in comparison to other countries including Italy. Human resource management in German companies may be more legalistic and reactive than the proactive, strategic models used by US and UK companies (Iles, 1994).

So it seems that cultural issues are becoming more and more an issue within leadership and management research, not least because of the merging of international markets, and the integration of more market leaders and multinational organisations, but also because if cultural differences are left unattended at the individual level, conflicts among employees and groups can easily arise (Copeland, 1988). Berrell et al (1999) propose a model for inter-cultural management development. Their model involves elements of inter-cultural learning experience which require constant renewal, high levels of commitment and an appropriate budget established through the creation of a 'manager brief', which is based on detailed research and knowledge. Canen and Canen (1999) also advocate cultural diversity, suggesting that it facilitates a deep understanding of cultural world views that are different from one's own. The authors believe such an approach can lead organisations operating in a globalised era, towards success and indeed, for organisations to offer cultural diversity programmes is now not as unusual as it was even five years ago. Yet another aspect in the cultural diversity question is the innovations brought about by the information and technology revolution, which have accompanied organisations into the new millennium. Korac-Kakabadse and Kouzmin (1999) comment on companies growing need to try and understand the effects of our ever expanding IT culture by educating people into the new set of generative values. The authors see the only way to resolve the current 'ethnic and gender dilemma', is to create an organisational culture that shares beliefs about three salient areas: competence, equity and adaptability. They go on to say that the sharing of our experiences and solutions to problems, helps us to avoid putting obstacles in our own way, and helps us to accept new knowledge. In the end being able to adapt will help

³ Refer to Chapter 7, sub-section 7.5.2, 'The Egotism Scale and what it measures' for a description of the Egotism Scale.

organisations to achieve in an environment that is characterised by constant innovation and challenge (Korac-Kakabadse and Kouzmin, 1999).

Of great relevance for this particular research project is the work of Black (1999), who reports that high commitment management (HCM) practices have been found to be related to superior employee performance across different cultural environments. HCM practices broadly include employee involvement and participation, employee autonomy, job security, opportunity to develop in the workplace, selection practices that are aimed towards employee commitment and advancement and good relations between staff and management (Black 1999). Black goes on to claim that a causal relationship between culture and HCM practices - which certainly seems plausible if one takes Jeanquart-Barone and Peluchettes (1999) standpoint on cultural diversity and selection methods. Black ends his paper by reporting that up until now, most HCM initiatives are to be found mostly in the United States, but that there is nothing stopping them being applied in other cultures.

To summarise, the acceptance of diverse cultures is important for both managers and for leaders who are trying to produce better than ever performance, and for assisting organisations which are operating internationally by understanding the cultural mechanisms at play, when diverse groups work together.

9.3 Meeting Culture: some responses to the Manager Diary

Background and Rationale

Meetings, whether formal or informal, are of special interest in this research because they represent an effective (or non-effective, as the case may be) means of communication between colleagues and thus, to some extent may reflect the 'communication culture' of the said organisation. The final measurement part to this study involved giving a small number of managers (volunteers) from Time 2 a brief questionnaire-diary called the 'Manager Diary'³; this was on the subject of the culture of meetings within their organisation, division or group. The rationale for distributing the Manager Diary was to gather information from managers about the 'meeting culture' as part of the communication and information network in their particular area or division. It looked specifically at group behaviour issues concerning group information processes, time-management, inter-groups roles (especially leadership), goal-setting, achievement and efficiency, and group conflict. The final part of the Manager Diary contained several open questions which asked participants to rate the popularity of Merck Excellence as well as to state the general pro and cons to the change management process.

There are many forms of groups both within and external to organisations, task groups, informal, command groups and formal groups etc.. What we are interested in this section however, is in exploring the group dynamics that take place within formal group meetings that take place within this organisation as part of its daily work routine such as e.g. project planning. Whilst there is a large body of literature extant on groups and group dynamics, I was actually unable to find *any* research specifically relating to the 'meeting culture' within organisations and how it may be affected through culture and communication. Xie and Johns (2000) conducted research which revealed that group cohesiveness and absence cultural salience (the extent to which groups agree on patterns of absence and legitimacy) functioned as a social control mechanism for attendance i.e. absence in groups was higher when social control was perceived as being weak. Leaders also play a significant factor in both formal and informal groups and if groups are to be successful in achieving their long or short term goals leaders need to have vision an ability and willingness to work both horizontally and vertically and have outstanding communication skills, Gibson et al (1994).

The information gathered through the Manager Diary and presented in the procedure, results and discussion sections, provides information on these issues.

³ Refer to Appendix 6 to see a copy of the Manager Diary.

Procedure

The Manager Diary was sent to eleven participants in total. A brief cover note explaining the Manager Diary, when it would be distributed (in 2001) and also asking for volunteers, was included with the second distribution of the LCMQ in 1999. Of the $n = 65$ participants to whom a follow-up questionnaire was sent (and a Manager Diary), $n = 11$ managers returned the Manager Diary volunteer slip agreeing to take part in the final measurement. Of those eleven participants who said they would take part, $n = 3$ employees returned the completed diaries. $N = 1$ manager (of those 3) was from Germany, male, 36 years of age and currently working in the technical department, $n = 2$ managers were female, and were 54 and 41 years of age respectively. These managers came from the pharmaceutical and human resources departments in Mexico.

The design of this final part of the study was actually a repeated measures design as it required managers to rate two meetings using exactly the same measures (manager diary). The diary asked managers to rate two meetings of their own choice, taking part over a two week period. They were required to use the same manager diary question list for the evaluation of each meeting.

The diary consisted of three separate sections, the first section containing questions about the meeting culture for meeting nr.1, the second section also containing open questions but for meeting nr.two and the final section dealing with Merck Excellence popularity questions.

The *pre-information meeting measures* included in the first part of the diary included adequacy of information, whether the meeting was announced with sufficient time for preparation; the *meeting-information measures* in the second part of the diary included role function and understanding, leader choice and knowledge and clarity of meeting goals; the *post-meeting-information measures* in the final part of the diary included goal achievement, whether set goals were realistic, meeting necessity and points of satisfaction and dissatisfaction with the meeting. All questions required either straightforward yes/no responses, apart from the questions on Merck Excellence. Here participants were required to rate the change management program on a four-part scale ranging from extremely popular to extremely unpopular. The diaries contained general sheets at the back, to allow managers to make free comments on any points should they wish to.

The data gathered from the manager diary was not statistically tested as a sample size of $n = 3$ is insufficient – instead, the data was subject to simple mathematical calculations, from which some general comments and assumptions may be drawn. The interpretations of the data available are presented in the coming section.

Results

The results to the Manager Diary are presented in two main sections, the Meetings Questions (further subdivided into three sections) and the Open Questions regarding Merck Excellence.

Meeting Questions' Results

Pre-Meeting Questions: In answer to the questions regarding whether sufficient notice had been given prior to the meeting taking place, out of a total of 6 possible responses, there were 4 'just right' (80%), 1 'too short a notice' (10%) and 1 'too far in advance' (10%):

Meeting Questions: When managers were asked if they understood their own role within the meeting, out of a total of 6 possible responses, there were 6 'yes' responses (100%), and all were able to describe their roles. When asked whether the meetings topics were typical out of a total of 6 possible responses, there were 5 'yes' (90%), 1 'no' responses (10%). Managers were asked about how leaders were selected for the meetings; the possible options were i) selected by group, self-selected and other: out of a total of 6 possible responses, there were 4 'selected by group' (80%), and 2 'other' (20%) responses. The final question in this section asked managers whether they knew the goals of the meeting, out of a total of 6 possible responses, there were 6 'yes' responses (100%).

Post-Meeting Questions:

In this section managers were asked whether they and the group managed to achieve the goals set out for the meeting, out of a total of 6 possible responses, there were 5 ‘yes’ (90%) responses and 1 ‘no’ response (10%). When asked whether the goals of the meeting were realistic, out of a total of 6 possible responses, there were 4 ‘yes’ (80%) responses, 2 ‘no’ (20%) responses. Managers were asked whether they thought the meeting was absolute necessary, out of a total of 6 possible responses, there were 4 ‘yes’ (80%), 2 ‘no’ (20%) responses. Finally managers were asked to identify some positive and negative aspects of the meetings: there were equal response levels to both positive and negative reactions, but only by the Mexican managers, the German manager made no reactions:

Positive reactions: brings us all together, provides information, brings us up-to-date, can save time.

Negative reactions: too little preparation time, key persons late, people late, too many deadlines.

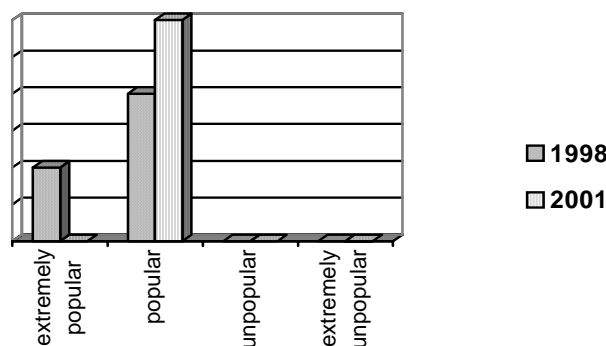
Open Questions Results

These questions were about Merck Excellence popularity and about changes in performance brought about by Merck Excellence.

Managers were asked if they had had the chance to improve their own performance over the last 2-week period, out of a total of 3 possible responses, there were 2 ‘no’ responses (75%) and 1 ‘yes’ response (25%). When asked whether they had had the change to improve an employees performance over the last 2-week period, out of a total of 3 possible responses, there were 2 ‘no’ responses (75%) and 1 ‘yes’ (25%) response.

Managers were asked about the popularity of Merck Excellence, as they saw it, from the beginning of this research study to the present time, a period of ca. 4 years. The response possibilities were, extremely popular, popular, unpopular and extremely unpopular. Out of a total of 6 possible answers (3 over the two time frames) there were 5 ‘popular’ (83%) responses and 1 ‘extremely popular’ (17%) response. See Table 1. below for results.

Table 1: Total Merck Excellence Popularity Ratings (n = 3) from 1998 - 2001

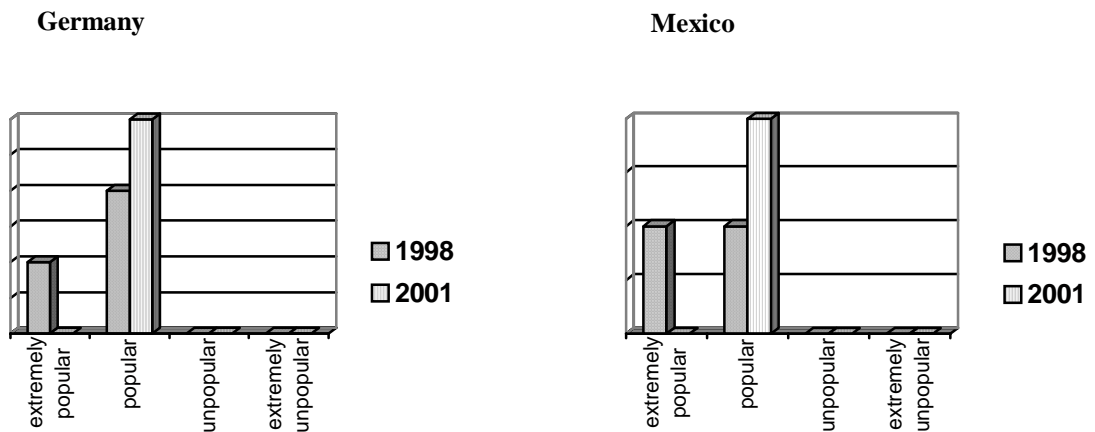


The next two tables (see Table 2) show separate popularity ratings of Merck Excellence for Germany and Mexico.

Managers were asked to list the main strengths and weaknesses of Merck Excellence as they perceived them. The list below represents their comments:

Strengths: create for everyone, gives us a chance to improve, has team worth, allows us to be active in Merck Mexico, innovates, allows participative leadership.

Weaknesses: ME’s popularity has dropped, not all are for change, some of the goals can include negative topics, the leaders can’t promote change and this ‘stops’ the people who feel innovated.

Table 2. German (n = 1) and Mexican (n = 2) Popularity Ratings of Merck Excellence 1998-2001

Discussion

The results, despite being the responses given by just three individuals, still reveal interesting results and indeed give us valuable information about people perceptions of the Meeting Culture within their organisation as well as the perceived popularity of Merck Excellence. From the results we see that most managers here believed the amount of notice given about meetings to be adequate, only two people felt it was too short or too long. The reasons for this may have been to do with their own workloads. All managers here fully understood their roles within the meetings, also most managers (five out of six) found the meetings to be on 'usual topics', such as one might find in the daily routine of work. It is interesting here to see regional differences in the way in which the leaders of meetings were 'elected'. The Mexican managers were always selected by the group, whereas the German leaders were appointed through in some 'other' way, which was not specified – perhaps from an outside source. No one claimed that leaders selected or volunteered themselves into the leader's role, which might be expected of entrepreneurial leadership behaviour, for example. Reassuring for the organisation is that all managers in this sample knew the goals of the meeting and indeed how they could contribute to them – this is especially important in the light that goal clarity increases, amongst other things, motivation. Not all managers found the goals that had been set during the meeting to be achieved, but most did – this is not an unusual or unacceptable result. Goals cannot always be achieved or immediately achieved, and need sometimes to be reviewed. Managers also found the goals of the meeting, or set by the meeting to be realistic, which is also likely to have a positive effect on issues such as meeting attendance. One Mexican manager did claim the goals of their meeting were unrealistic, but this also tallied in with their finding the meeting unnecessary – however, most of the sample found their meetings necessary and when one examines some of the listed positive effects of meeting listed by the participants one sees why. The positive aspects include being together, this suggest favour towards citizenship, but why? Many positive reactions to meetings involved informational issues, such as allowing one to get up-to-date on some topic, and to provide extra information. One manager said because goals of the meeting were achieved, they had saved time, which shows that time saving and efficient use of time is important for this sample. Negative points included again time aspects, such too little time to prepare, which suggest meetings are valuable, but only when one has adequate preparation time, otherwise they become more of a burden. Managers commented on colleagues' absence from meetings, which brought about negative feelings; indeed, one manager claimed that a key person was missing (probably the leader) which would probably mean an obstacle to information flow was created. That absence was commented on in the Manager Diary, without prompt, shows that absence tolerance or intolerance is something that managers also include in performance issues, and organisations must be aware of this. One final interesting cultural difference was in the

handling of conflict during the meetings. Both Mexican managers claimed that conflict in the meetings was solved, whereas the German manager claimed the opposite i.e. conflict was not solved; this manager also said that the meeting was 'atypical', perhaps for that reason. Why should this result occur however? Both managers who claimed conflicts were resolved were females, so their response may be a reflection of the masculine/feminine difference that people have towards conflict, or towards conflict resolution. Alternatively, there may have been a cultural difference in how Mexicans go about resolving conflict i.e. they may engage in more conflict-avoidance behaviour than the German managers. If one reads Brodbeck et al's (2000) research on cross-cultural differences in leader prototypes, we see difference in styles between Germany and Mexico. Germans also tend to be more direct in their approach, which may possibly lead to conflicts arising. However, the conflict may also have been endogenous to the meeting i.e. concern the topic under discussion, more than the persons in the meetings and their roles within it.

The results given by managers on the popularity of Merck Excellence and how they have contributed towards Merck Excellence are also worthy of mention here. Most managers were unable during their stated two-week period, to improve their own performance in some way, again this may be a reflection of increased workload or they may feel that they have already optimised their performance, or simply they may have reached a lull in performance, where perhaps due to external forces, improvement is difficult. More managers were however, able to facilitate their employees to improve their performance in some way during the same time-span. This also may suggest that perhaps they place more importance of developing their workers than on developing themselves (but this is only speculation). popularity of Merck Excellence between the two given dates had remained the same for the German manager (who came from the Technical dept.) and had decreased for the Mexican managers, who came from the pharmaceutical and human resources departments in Mexico. these results show us that at least for this sample, popularity of Merck Excellence had not increased, and had in part decreased, or was less popular than ca. 4 years ago. The Mexican perception of a decrease in popularity also fits in with what managers found negative about Merck Excellence (ME) e.g. leaders are not promoting Merck Excellence and those people who felt innovated were being blocked (possibly by leader apathy). Mexican also found the drop in popularity negative. Finally managers' listed strengths of ME as being created for everyone (the 'for everyone' is a recurring theme from the Mexican culture). Managers also found it a chance to improve themselves and to place emphasis on team work, it was also found to innovate and to encourage participative leadership. The weaknesses of ME that were named by the sample included as suspected, a drop in ME's popularity, this may have large effects, at least for Mexican managers. Another down-side was found to be that not everyone was for change, this results is not unusual, especially now that ME popularity is fading. Leaders were sometimes found not to promote change (this means then, that they were also not demonstrating role model behaviour, which is what people generally look for, especially during change initiatives). Innovated people felt 'stopped' in their innovation tracks by managers who were not promoting ME – this result should be of concern to the organisation, and needs to be investigated and dealt with.

9.4 Hypotheses

The hypotheses relevant to this ninth chapter on performance feedback and cross cultural differences are listed below and include the following:

Hypothesis 6a: French and Mexican managers will have higher QPS co-worker ratings than their German counterparts.

Here, it is predicted that German managers' QPS will be lower (on average) than either French or Mexican managers QPS scores.

Hypothesis 6b: The highest Egotism scores (self-rated and co-worker rated), will be found amongst the German manager group.

It is predicted that the highest levels of Egocentric workplace behaviour will be found amongst the German sample group.

Hypothesis 6c: Mexican and French managers will show higher Job Satisfaction and Motivation ratings than their German counterparts.

This hypothesis predicts that French and Mexican managers will in general have higher job satisfaction and motivation ratings.

Hypothesis 6d: German managers will have lower co-worker ratings of flexibility than either French or Mexican co-worker flexibility ratings.

It is hypothesised that the lowest co-worker flexibility ratings will come from the German co-workers sample group.

Hypothesis 6e: German managers will rate themselves significantly higher on the QPS scale than either French or Mexican managers will rate themselves on the QPS scale.

It is anticipated that the German sample group will rate themselves the highest (of all country sample groups) in terms of Quality Performance.

Hypothesis 6f: Mexican managers will spend significantly more time (hours per week) with their co-workers than either French or German managers will.

Here, Mexican managers are predicted to spend (on average) more time with their co-workers than either French or German managers.

Hypothesis 6g: Willingness to work on a performance-related-pay basis, will be associated with (below average) Egotism scores and job satisfaction scores (German sample only).

Here it is predicted that there is an association between willingness to work on a performance-related-pay basis, Egotism score and job satisfaction ratings.

Conclusion

In this chapter we handled the important issues of performance feedback systems and their relevance within the change management program of this organisation. We have also dealt with the important issue of cross-cultural differences in the change and transition context. Finally, meeting culture was investigated through presentation of the Manager Diary results. Chapter nine concludes the theoretical part of this thesis and precedes the empirical part of the research which begins with a detailed description and rationale for the Leadership and Change Management Questionnaire, LCMQ, the performance measurement tool used to measure quality of manager workplace performance in this investigation.

CHAPTER 10: THE LEADERSHIP & CHANGE MANAGEMENT QUESTIONNAIRE (LCMQ)

Overview

This chapter describes the background and conception, development and construction as well as the distribution of, the Leadership and Change Management Questionnaire (LCMQ). The LCMQ is the main instrument in this investigation measuring, through self-report and co-worker-ratings, manager performance in the workplace across two points in time. The questionnaire is described here in detail, and includes discussions that reflect its firm grounding in the scientific literature and the European Business Model (EFQM, 1997, 1999). Individual items, rating scales, rating tendencies and the four LCMQ versions and translations have also been covered in order to clarify, for the reader, the rationale behind the seemingly small, but nonetheless crucial differences that exist amongst the four job-status and language versions of the questionnaire. Finally, the Quality Performance Scale (QPS) and Egotism Scale, both integral parts of the LCMQ, have been discussed in terms of what they measure and their application within the organisation. In conclusion, the relevant hypotheses for this chapter are included.

10.1 The Questionnaire

The questionnaire that follows is the English version of the LCMQ, Leadership and Change Management Questionnaire. In total, the questionnaire has been translated into the four languages of English, French, German and Spanish respectively. No English versions were distributed to participants in this research study, only French, German and Spanish versions. The English version exists purely i) as a master copy from which all other versions of the LCMQ were translated and ii) for inclusion in this text. It is recognised that when translating texts from one language into another, it is sometimes possible that *exact* meanings of words or phrases become difficult to paraphrase, this stems from the differing values and constructs that exist naturally across diverse cultural groups. For this reason, and in a concerted effort to minimise any misunderstandings regarding meaning, the author worked closely with the host organisations' translators in order to achieve exact or extremely close meanings across all four languages. The LCMQ is part of a 360° measurement (the method of 360° measurement is discussed in chapter nine) tool used for managerial behaviour and therefore exists in 4 'job status' evaluation versions, these include; a) M-Se, manager self-evaluates, b) St-M, staff (subordinate) evaluates manager, c) Pe-M, peer colleague evaluates manager and d) Su-M, superior evaluates manager. Taking all four language and four 'job status' versions of the LCMQ into account, this totals 16 individual questionnaire versions, therefore, to minimise space usage in this text, only one example of the LCMQ is shown below, namely the M-Se English version (manager self-evaluates own behaviour). Other versions of the LCMQ can be found in Appendices 5a-5d. For spatial reasons, LCMQ rating scales (three in all), have only been shown once in this version. Differences between 'job status' versions of the questionnaire and questionnaire structure are also discussed later on in this chapter.

TECHNICAL UNIVERSITY DARMSTADT
MERCK EXCELLENCE
CHANGE MANAGEMENT AND LEADERSHIP QUESTIONNAIRE

Biographical Details

Research Nr.: M-Se

Male Female Age: Years: _____
 Full-Time Part-Time Job-Share

Your Job Status:

Executive Manager Regional Manager Divisional Manager
 Head of Department Departmental Manager Team Leader/ Supervisor

Average number of hours worked per week: Hours: _____

No. of years/months **in this job**: Years: _____ Months: _____

No. of years/months **with Merck**: Years: _____ Months: _____

Notes on completion of the questionnaire

The questionnaire is circa 8 pages long and includes some questions that will require you to gain information that may not be immediately at hand - therefore it is recommended that you spend *at least* one week on its detailed completion. Please answer ALL QUESTIONS, leaving yourself adequate time for reflection before giving your answers. Research shows that the *initial response* to a question is usually the most accurate representation of your opinion, so once you have decided upon your answer try not to go back later and change it. As it is your own personal opinions and beliefs that interest us, please **do not discuss individual questions or responses to questions with your work colleagues**. Your responses to the questions should be the result of your own personal opinion, and should not be influenced by the opinions of others. Please give one clear response only to each question i.e. place one clear cross on each answer rating-scale provided e.g.

Agree/-----/--**X** --/-----/-----/-----/-----/Disagree N/A

N/A Option

Please **DO cross the N/A option** when a question does not apply to you, or if you genuinely do not know the answer to a question. **DO NOT cross the N/A option** because you can't decide where on the scale to place your cross. If you cannot immediately decide where on the scale to place your cross, this is a sign that *you need more time to decide*, therefore give yourself more time by returning to that particular question later on. If the question is relevant to you, you must place a cross on the scale (do not leave any questions unanswered!).

If you are unclear about *exactly* what is being asked in some questions, please do not hesitate to contact me - I will answer any queries that you may have. Thank you in advance for taking part in this research project. Follow-up details and feedback information regarding the results of this research project will be made available for *all* research participants. Feedback will include, a presentation of research results, and a short summary of results - participants will be informed about the date and venue of the presentation in due course. Once again many thanks for your help and co-operation.

Telephone: Work: +49 (0) 6151 72 **8134**

Private: +49 0172 889 5151 (24 hours)

PART A: General Job Management Issues

Below are a series of question-statements. Please consider how much each statement applies to you. When you have decided on the extent to which you agree or disagree with each statement, please place a cross on the scale provided.

1. Thinking, Problem-Solving, Innovation

"This job requires me to think creatively" Agree/-----/-----/-----/-----/-----/-----/-----/Disagree N/A

"I make efforts to present new ideas in a non-threatening way"

"I believe innovation is an important part of my job"

"Being a *global thinker* is important for this job"

"In this job strategic thinking is a prerequisite"

"Finding innovative ways to solve problems is important for me in my job"

2. Power, Influence

"I am in favour of power sharing"

"Abuse of power is sometimes required in this job"

"I have no problems of authority with staff who were once my peers"

"When it comes to dismissing staff, I do not experience any problems"

"Influencing other members of staff is not a problem for me"

"Getting staff to implement solutions does not present a problem for me"

"I am able to handle and work well with staff over whom I have no authority"

"I have no problems when it comes to enforcing unpopular measures"

"Decision making is not a problem for me"

3. Commitment, Political System, The Business

"I really feel as if this organisation's problems are my own"

"I am able to personally identify with the organisational mission"

"I have a good knowledge and understanding of how this business works"

"I understand the political system (the competition and conflict) within this organisation"

"I understand the reasons behind the constraints and demands that are sometimes required in this job"

"It is important to me to continually communicate to others the corporate mission and targets"

"I make a constant effort to pursue the corporate mission and targets"

"In my opinion the organisation should have a more flattened hierarchy"

"I am fully committed to the Merck Excellence Process"

4. Performance, Flexibility, Stress

"I generally regard myself as a high level performer"

"I always manage to achieve the job performance that I expect to achieve"

"I maintain a high level of professional and technical skills"

"I have no problems in confronting and dealing with worker performance problems"

"I regard quality as a part of my daily work routine"

"I am able to remain flexible when the working environment changes unpredictably"

"To me, large scale change within the organisation is an intrusion on my daily work routine"

"A changing work environment provides me with more opportunity for gaining information"

"I am able to deal easily with tense political situations"

"I am able to cope with situations outside of my control"

"To me, managerial activity means expanding the range of choices"

"Working towards *excellence* means for me being competent at my job and in what I do"

"I can cope well with the level of stress experienced in my job"

"The level of stress experienced in my job has considerably increased during the last 18 months"

"I feel that my job stress level has no negative effects upon my state of health"

"Having a high level of flexibility through decision-making is very important to me in my job"

"I believe my overall efforts towards, and personal achievement of *Merck Excellence*, to be high"

5. Information, Communication, Opportunity

"Advanced networking e.g. diverse information exchange, is a basic requirement in my job"

"I regard myself as an excellent communicator"

"I place great value on giving open feedback whenever possible"

"I am able to work well with senior executives in the organisation"

"Being an effective communicator at the individual level, is fundamental in the organisational strive towards *excellence*"

"Understanding other peoples' perspectives is not a problem for me"

"I take pride in being able to handle conflict"

"I place great worth on building relationships with staff"

"Use of information means for me the recognition and seizing of opportunities"

"When job stress is high, additional sources of information help me to cope with the added strain"

6. Motivation, Satisfaction, Vision

"I am highly motivated by my job"

"Motivating others is an important part of my job"

"Developing staff and creating opportunities for them to grow in their job is an integral part of my job"

"Providing staff with vision through clear goals and objectives is an important part of this job"

"Rewarding good performance is a very important part of my job"

"I believe in empowering my staff"

"I help my staff to take charge of their own development"

"I am very proud at having a high level of personal job satisfaction"

"Being a good role model for my staff contributes towards *excellence* within the organisation"

"I am prepared to work on a performance-related pay basis"

7. The Self

"I believe self-criticism to be a necessary part of my job"

"I welcome others constructively criticising my work as it provides me with a learning opportunity"

"I regard myself as having enough self confidence"

"I am able to separate my work from my personal life"

"I know myself and am aware of my own limits"

"Personal development and need for achievement are more important for me than the needs and goals of the organisation as a whole"

"I am able to take care of my own career needs without any problems"

"I believe I am a prime candidate for promotion"

"I have a clear picture of what it is that I want to achieve in my job"

"I place great value on being a good role model for my staff"

"I wish that my job was more self-regulatory"

PART B: Merck Excellence Job Management Issues

Below are a series of question-statements. Please consider how much each statement applies to you. When you have decided how much you agree or disagree with each statement, place your cross on the scale provided.

8. Leadership

"As a manager, I visibly demonstrate my commitment to Merck Excellence (ME) by..

- developing clear values and expectations for the organisation"

Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

- acting as role model for the values and expectations of Merck Excellence, and leading by example"
- making myself accessible, listening and responding to my staff's proposals"
- being active and personally involved in improvement activities"
- showing my personal commitment to Merck Excellence"
- reviewing and improving the effectiveness of my own leadership"

"As a manager, I support improvement and involvement in ME by providing resources and assistance towards..

- defining priorities"
- fund learning, facilitation, and improvement activities in Merck Excellence"
- enabling my staff to participate in improvement activities"
- developing systems designed to support improvement and create involvement"

"As a manager, I make sure that I am involved with customers, suppliers, and other external organisations by..

- understanding and responding to the needs of clients, suppliers, and other external organisations"
- establishing and participating in partnerships"
- establishing and participating in joint improvement activities"
- actively participating in professional bodies, conferences, seminars"
- promoting and supporting Total Quality Management outside Merck"

"As a manager, I recognise and appreciate people's efforts and achievements by..

- recognising individuals and teams at all levels within organisations"
- recognising individuals and teams outside the organisation (e.g. customers, suppliers, external organisations etc."

9. People Management

How people resources are planned and improved. "As a manager, I ensure that the organisation..

- aligns the human resources plan with Policy and Strategy"
- develops and uses people surveys"
- is fair in terms of employment policies"
- aligns remuneration, redeployment, redundancy, and other terms of employment with the organisation's Policy and Strategy"
- uses innovative work organisation strategies and methods to improve the way of working"

How people capabilities are sustained and developed. "As a manager, I ensure that the organisation..

- identifies, classifies, and matches people's competencies with the organisation's needs"
- uses the job profile and other procedures to manage recruitment"
- uses the managerial interview and the job profile for career development"
- establishes and implements career plans"
- reviews the effectiveness of training"
- develops team skills"
- promotes continuous learning"

How people agree targets and continuously review performance. "As a manager I ensure that the organisation...

- aligns individual and team objectives with its Policy and Strategy"
- reviews and updates individual and team objectives"
- encourages and supports people to help them reach and even improve upon their targets"
- appraises people on the basis of their success in achieving their targets"

How people are involved, empowered and recognised. "As a manager I ensure that the organisation..

- encourages and supports individual and team participation in continuous improvement"
- involves and empowers people actively to participate in ceremonies and in-house conferences"
- empowers people to take action and evaluates the results of their actions"
- designs the recognition systems to sustain involvement and empowerment"

How people and the organisation have an effective dialogue. "As a manager I ensure that the organisation..

- identifies communication needs"
- shares information and dialog with its people at all levels"
- evaluates and improves communication effectiveness"
- structures top down, bottom up, and lateral communications"

How the organisation cares for its people. "As a manager I ensure that the organisation..

- promotes the awareness of and involvement in health, safety, and environmental issues"
- sets the level of benefits (e.g. pension plan, health care, child care etc.)"
- promotes social and cultural amenities"
- provides facilities and services (flexible hours, transport etc.)"

10. Customer Satisfaction

The customer's perception of the organisation's products, services, and customer relationships. "As a manager I ensure the..

- *direct measurement of performance* relating to customer satisfaction (surveys, discussion groups, vendor ratings etc.)"

Additional measurements of performance relating to the satisfaction of the organisation's customers. "As a manager I ensure the..

- *indirect measurement of performance* relating to customer satisfaction e.g. handling of complaints"

(Please note there is now a change in the type of rating scale used)

11. People Satisfaction

The people's perception of the organisation. "As a manager, I ensure that I acknowledge the people's perception of the following motivation-related factors..

career development" Yes No N/A
communication"
empowerment"
equality of opportunity"
how the organisation involves people"
leadership"
opportunity to learn and achieve"
recognition"
target setting and appraisal"
the organisation's values, mission, vision, Policy and Strategy"
training and education"

"As a manager, I ensure that I acknowledge the people's perception of the following satisfaction-related factors..

company administration (establishment plan, procedures etc.) "
employment conditions"
facilities and services"
health and safety conditions"
job security"
pay and benefits"
peer relationships"
the management of change for continuous improvement"
the organisation's environmental policy and impact"
the organisation's role in the community and society"
working environment"

Additional measurements relating to people satisfaction. "As a manager I monitor the measurements used by the organisation to understand, predict and improve; motivation and involvement issues including:

involvement in improvement teams" Yes No N/A
involvement in suggestion schemes"
levels of training and development"
measurable benefits and teamwork"
recognition of individuals and teams"
response rates to people surveys"

satisfaction issues including:

absenteeism and sickness"
accident levels"
grievances"
recruitment trends (possibility of contracts, basic recruitment etc.)"
staff turnover"
use of organisation provided facilities (e.g. recreational, crèche etc.)"

services provided for the organisation's people including:

effectiveness of personnel administration"
 effectiveness of communication"
 speed of response to inquiries"
 training evaluation"

Business Results (for your own business unit)

Measurements of financial performance that reflect business success. "As a manager, I monitor..

i) profit-and-loss account items (e.g. sales, DB1, BE1)" Yes No N/A

Sales at --/--/ 98 were: DM_____ Were your expectations met? Yes No

Sales at --/--/ 99 are: DM_____ Were your expectations met? Yes No

ii) information from the balance sheet" Yes No N/A

Additional measurements of the organisation's performance. "As a manager, I monitor..

i) overall performance e.g. development of market shares"

market shares at --/--/ 98 were: _____ %. Were your expectations met?

market shares at --/--/ 99 are: _____ %. Were your expectations met?

ii) key indicators e.g. complaint handling times"

handling times at --/--/ 98 were: _____ days. Were your expectations met?

handling times at --/--/ 99 are: _____ days. Were your expectations met?

e.g. product to market times"

prod-to-mark. at --/--/ 98 were: _____ days. Were your expectations met?

prod-to-mark. at --/--/ 99 are: _____ days. Were your expectations met?

iii) information e.g. accessibility" Yes No N/A
 e.g. timeliness" Yes No N/A

Has the department or area in which you are working, carried out a Merck Excellence Check?

Yes No I don't know

☺ THANK YOU! You have now reached the end of the questionnaire. Please note that you are requested to return the completed questionnaire in the addressed envelope provided by

---/--/ 1999. Thank you very much for taking the time and making the effort to complete this questionnaire. Don't forget that *your* support in this project is greatly appreciated, because *your* opinion counts.

10.2 General Structure Description of the LCMQ – the rationale

The decision regarding overall structure of the LCMQ was reached after, i) discussions with the host organisation highlighting specific and general areas of research interest had taken place and ii) results of the Pilot Study had been analysed respectively (refer to chapter five, Pilot Study). The LCMQ is divided into two separate yet interconnecting parts, Part A and Part B. Parts A and B together comprise 12 sub-scales, Part A containing a total of seven 'Superior Performance Indicators' or sub-scales, Part B containing a total of five Superior Performance Indicators (SPI's).

Title: The LCMQ title was agreed between author and senior management and was seen to reflect a certain *distance* by using the TU Darmstadt for the over heading, whilst demonstrating *commitment* to the Merck Excellence Process in general, by including the Merck Excellence title in the organisations

own colour logo. Despite the rationale behind using this title sequence during the first LCMQ distribution, by the second distribution (exactly one year after the initial distribution), it had been requested by Senior Management that the Merck Excellence logo be removed from the title page.

Biographical Data: The LCMQ cover page includes; research identification number (upper right hand corner), biographical data and questionnaire instructions for completion. The research identification number was specifically ‘coded’ so that *only* the author was able to decode and identify individual participants. This code mechanism involved a combination of participants job status level, work division, the questionnaire year (as the study is longitudinal, the LCMQ was distributed at two time points) and the participants subject number, and was especially designed to protect the confidentiality and anonymity of individual participants in the study. The biographical data used in the LCMQ took a fairly ‘standard’ format including participants’ gender, age, whether in full or part-time employ, average hours per week worked and length of time in a) present job or position and b) within the organisation. An additional question regarding sickness and absenteeism level was originally planned to be included in the biographical data, but was rejected by Senior Management within the organisation during the Pilot Study phase of the research project. The information regarding participants absenteeism was seen as too ‘sensitive’ and a possible source of participant identification – therefore this question was removed. The instructions for completion were felt necessary to guide the participant through the relatively long questionnaire and provide tips and hints for completion, should any problems concerning rating arise. Researcher contact information was also added to ensure participants knew where and when to get help regarding the questionnaire and research project in general.

Part A: After lengthy discussions with the organisations senior management had highlighted the general areas of research interest around the topic of Change Management processes, the specific themes for inclusion in the LCMQ were identified by the author. In this respect, one is able truly to say that the LCMQ is a tailor-made i.e. individually created for the host organisation, instrument for measuring management behaviour in the change management process context. That is *not* to say, however, that the LCMQ is unable to be generally applied to other organisations undergoing similar processes of change management and business re-engineering, either in chemo-pharmaceutical, other business sectors, public or private sectors. Caution must be taken however, in its application outside of the context for which it was designed - for a further discussion of this, please refer to the Method section, this chapter.

The sub-scales 1-7 in Part A: 1) Thinking, Problem-Solving, Innovation; 2) Power-Influence; 3) Commitment-Political System, The Business; 4) Performance, Flexibility, Stress; 5) Information, Communication, Opportunity; 6) Motivation, Satisfaction, Vision and 7) The Self, have been individually *constructed* and taken from what can be referred to as the current “scientific opinion” on what superior performance and *excellent* behaviour in leaders, managers and people in general, is believed to be. There is no one complete set of attributes or characteristics that allows individuals to achieve superior performance or even excellent behaviour in the organisation or any other setting for that matter – rather ‘excellent performance’ is the product of a unique person-environment interaction that is easily influenced by a multitude of external factors, some controllable, others not e.g. personality, resources, organisational climate etc. Therefore, the lists that one reads in the scientific literature are exhaustive, and ought rather to be seen as superior behaviour groupings or taxonomy’s in themselves. Indeed, some are supposed to be used as guidelines by organisations (see chapter two, the EFQM Business Excellence Model). None of the seven sub-scales are *in total* taken from any previously used questionnaire or inventory (two single items have been used from Stogdills 1963 LBDQ, and Seashore et al’s 1982 MOAQ, see sub-scale construction), but are fitted together specifically in this format for the host organisation i.e. to measure the issues of interest to *this* organisation. Where Cotterell (1998), has been shown, this indicates that the author created these items, and *not* that the scale is from a published article or book.

Part B

Part B of the LCMQ is almost a direct answer to the scientific community's definition of superior performance, in that it comprises the host organisations interpretation of superior manager performance. Part B can therefore be seen as a further measure of excellence, a measure that is complementary to that of the scientific community – this provides us then with two separate yet connecting measures of excellence, Part A, let us call this *Excellence General* and Part B, the host organisations' measure of excellence, let us call this *Excellence Merck*. The sub-scales 8-12 in Part B: 8) Leadership; 9) People Management; 10) Customer Satisfaction; 11) People Satisfaction and 12) Business Results are taken directly from the Merck Excellence Check, which is itself based on the EFQM Business Model, versions 1997 and 1999. As described in chapter two, the Business Model consists of nine criteria, that is, those five listed above plus the four other criteria of Policy and Strategy, Resources, Processes and Impact on Society. These four latter criteria, although part of the Business Model, were not included in Part B of the LCMQ for two main reasons. First, the time factor was thought to be too short to include in great detail all nine criteria, and secondly, if the four remaining criterion had been taken into account in Part B, this would have meant considerably lengthening the questionnaire, which is already rather lengthy. The decision not to include all nine criteria in full was also further rationalised in that, the issues dealt with in the criteria Policy and Strategy, Resources, Processes and Impact on Society, are partially dealt with in Part A of the LCMQ, and as the LCMQ is a questionnaire primarily involved in behavioural measurement, it was deemed sensible to place greater emphasis on those criteria that were more *menschenbezogen*, concerned with people. Naturally, it can be argued that the criterion Business Results does not concern 'people' as such, but this criterion was seen as highly relevant as it would represent evidence at data collection, of what can be termed as the 'hard facts' i.e. it would provide quantitative data. Finally, it was seen that by adopting the format of the Merck Excellence Check (MEC), this would introduce a certain familiarity for some participants i.e. those who were employed in areas or divisions within the organisation that had already taken part in a Merck Excellence Check (this turned out to be fewer rather than more of the participant group).

Merck Excellence Check Item

The final item in the LCMQ regards whether participants had taken part (their department/division) in an MEC – answers to this question are discussed in the Results Chapter.

10.2.1 Sub-scale construction and scientific background

The seven sub-scales and their constituent items used in Part A of the LCMQ represent the Superior Performance Indicators for *General Excellence*, and have been constructed and formulated taking into account the opinion of many different authorities from the scientific community i.e. the thoughts, concepts, theories and intellectual knowledge on superior performance and excellence in leaders and managers. Some items were created by the author - these items are clearly shown. Below are listed the twelve Sub-scales, each with its individual items, a description in short form, author/s and source or publication year:

1) Thinking, Problem-Solving, Innovation (6 items)

- creative thinking (Dahlgaard 1987)
- presenting new ideas in a non-threatening way (King 1987)
- innovation is important part of job (precursors for innovation, King 1987)
- is a global thinker (West and Farr 1989)
- is a strategic thinker (McCall et al 1988)
- uses innovative problem-solving methods (McCall et al 1988)

2) Power, Influence (9 items)

- in favour of power sharing (McCall et al 1988)

- sometimes job requires abuse of power (McCall et al 1988)
- ability to manage people who were once peers (McCall et al 1988)
- no problems with dismissals (McCall et al 1988)
- no problems influencing other members of staff (McCall et al 1988, Yukl 1994)
- no problems with getting staff to implement solutions (McCall et al 1988, Yukl 1994)
- ability to handle people over whom one has no authority (McCall et al 1988)
- no problems enforcing unpopular measures (McCall et al 1988)
- decision-making is not a problem (Yukl 1994)

3) *Commitment, Political System, The Business (9 items)*

- ownership of the organisations problems (Meyer et al 1993)
- personal identification with the organisations mission (Meyer et al 1993)
- fully committed to the Merck Excellence Process (Cotterell 1998)
- good knowledge of how the business works (McCall et al 1988)
- understands the political system of the organisation (Yukl 1994)
- understands the reasons for demands and constraints of the job (Yukl 1994)
- continually communicates the corporate mission and target to others (Meyer et al 1993)
- makes constant effort to pursue corporate mission and targets self (Meyer et al 1993)
- the organisation should have a flattened hierarchy (Cox et al 1990)

4) *Performance, Flexibility, Stress (17 items)*

- is a high level performer (West and Farr 1989)
- always achieve the job performance expected (Cotterell)
- maintain high level of professional and technical skills (McCall et al 1988)
- working towards *excellence* in general means being competent at my job (Cotterell 1998)
- believe overall efforts and personal achievement towards *Merck Excellence* to be high (Cotterell 1998)
- easily able to confront and deal with worker performance problems (McCall et al 1988)
- regards quality as part of daily work routine (Deming 1986)
- is flexible in an unpredictably changing environment (Stogdill 1963 from LBDQ, Leader Behavior Description Questionnaire, Form XII)
- large scale change is an intrusion on my daily routine (Yukl 1994)
- a changing environment provides me with an opportunity for gaining information (Yukl 1994)
- am able to handle tense political situations (McCall et al 1988)
- can handle situations outside my control (McCall et al 1988)
- managerial activity means expanding the range of choices (Yukl 1994)
- can cope with the levels of stress in job (Cotterell 1998)
- stress levels have increased over the last 18 months (Cotterell 1998)
- the stress level in my job has no negative affects on my health (Riipinen 1997)
- high level of flexibility through decision-making in my job is important (West 1987)

5) *Information, Communication, Opportunity (10 items)*

- advanced networking (diverse information exchange) is a basic job requirement (Yukl 1994)
- I am an excellent communicator (Conger and Kanungo 1988)
- place great value on giving open feedback (Conger and Kanungo 1988)
- effective communication at the individual level is fundamental towards *excellence*

(Cotterell 1998)

- ability to work well with senior executives in the organisation (McCall et al 1988)
- understands the perspectives of others well (McCall et al 1988)
- takes pride in handling conflict well (McCall et al 1988)
- places worth on building relationships with staff (McCall et al 1988, Yukl 1994)
- use of information means recognition and seizing of opportunities (McCall et al 1988)
- seizes extra opportunities to communicate with staff e.g. going to lunch with them (Cotterell 1998)
- when job stress is high, additional information sources help me to cope with added strain (Shaw et al 1993)

6) *Motivation, Satisfaction, Vision 10 items*

- is highly motivated by job (West 1987)
- motivating others is an important part of this job (West 1987)
- am proud at having a high level of job satisfaction (West 1987)
- developing staff and creating opportunities for them to grow is integral to this job (McCall et al 1988)
- providing vision through clear goals and objectives is integral to the job (Yammarino 1996, Sheashore et al 1982 (see footnote 1), MOAQ, Michigan Organisational Assessment Questionnaire)
- rewarding good performance is an important part of my job (Yukl 1994)
- I help staff to take charge of their own development (McCall 1988)
- I make great efforts to empower my staff (Dahlgaard 1997, Stogdill 1963)
- being a good role model for staff contributes towards *excellence* in the organisation (Cotterell 1998)
- I am prepared to work on a performance-related pay basis (Cotterell 1998)

7) *The Self (11 items)*

- I believe self-criticism is a necessary part of the job (Conger and Kanunga 1988)
- welcomes others constructively criticising my work as it offers learning opportunities (Conger and Kanunga 1988)
- I regard myself as having enough self-confidence (McCall 1988, Wood 2002)
- I am able to separate work from private life (McCall 1988)
- I know myself and am aware of my own limits (McCall 1988)
- I wish my job was more self-regulatory (Cotterell 1998)
- my personal development and need for achievement is more important than the needs and goals of the organisation (West et al 1989)
- I can take care of my own career needs without any problems (McCall 1988)
- I believe I am a prime candidate for promotion (Cotterell 1998)
- I have a clear picture of what I want to achieve in my job (Yukl 1994)
- I place great value on being a good role model for my staff (Yammarino 1996)
- I would say my subordinate is well suited for his/her position (Cotterell 1998)

The five sub-scales and their constituent items used in Part B of the LCMQ represent the Superior Performance Indicators for *Merck Excellence*, and have been taken directly from the Merck Excellence Check list, which is itself taken from the EFQM Business Model® versions

1997 and 1999. Some items in Part B, such as those to be found in Sub-scale 12) Business Results, were created or added by the author after consultation with experts within the organisation, as a further clarification of those items listed in the ME.

8) Leadership (17 items)

All 17 items (see questionnaire) are taken from the Merck Excellence Check and are designed so as to show whether the behaviour of managers and executive personnel is conducive i.e. leads the company/division, towards excellence. Executives and managers need to visibly show involvement and a role model function within Merck Excellence (ME). The organisation also expects its managers and leaders to promote ME activities by giving adequate resources and assistance to its employees for this purpose. Managers and executives are expected to make considerable efforts towards dealing with customers and external organisations, as well recognising and acknowledging the efforts of their own people (staff).

9) People Management (28 items)

Merck expects good management of its people by its people, and one way this is achieved is through it realising the full potential of its employees and the ability to harness it in order to optimise the company's business. Managers and leaders in the organisation are expected to pay attention to how people resources are planned and improved upon. They are also expected to give attention to people's capabilities and how they are developed, how people agree targets and make sure performance is a process of continual renewal. It is important for leaders to ensure that employees are involved, empowered and recognised, that people-organisation dialogue is effective and that employees are 'cared for'.

10) Customer Satisfaction (2 items)

The organisation is interested in discovering the extent to which it, as a whole or individual unit, is achieving with respect to the satisfaction of external customers. This it does by concentrating on the customer's perception of its products, services and customer relationships. Direct measurement of performance on this level is taken through, for example, customer satisfaction surveys, discussion groups etc. The organisation wants also to see additional measurements of performance relating to satisfaction, taking place – these include more indirect measures such as the handling of customer complaints etc.

11) People Satisfaction (38 items)

This sub-scale deals with the organisations measurement of the satisfaction of its people i.e. its employees. It handles this theme by asking questions about peoples perceptions of motivation-related and involvement factors within the organisation or individual unit. It also examines its peoples perceptions on certain satisfaction-related issues.

12) Business Results (15 items)

The general Business Results items are intended to measure the financial performance that reflects business success of the individual's particular unit or division. These parameters measure the company's entrepreneurial success and checks whether the individual manager or leader is aware of, for example, profit and loss items e.g. sales and contributions margins. The specific questions attached to each general question, were compiled after advice had been taken from an economics expert, who also held an MBA, from within the organisation. The specific questions attached to the six main items in this section are also designed to gather quantitative data e.g. DM, days, % win or loss.

10.2.2 LCMQ Rating Scales

The Leadership and Change Management Questionnaire uses in all, three different types of rating scale (refer to Questionnaire to view scales). Although questions and statements may vary according to job-status level in the LCMQ, the rating scales accompanying them do not. The rating scale used most widely in the LCMQ i.e. for ten out of twelve of the sub-scales, is a seven-point Likert-type graphic rating scale. This scale has been adapted by the author, from Latham and Wexley's (1981) Behavioral Observation Scale (BOS). The scale was thought particularly appropriate as it was originally developed for the criterion or performance dimension of overcoming resistance to change and was designed for use in

evaluating managers, albeit using frequency of behaviours, which is not the case with the LCMQ. The BOS was also favoured over other rating scales, as it does not assign scale values, but uses simply dyadic-responses of Agree, which scores one point (except for reversed items) to Disagree, which scores seven points (except for reversed items). The author has also had two previous positive experiences using this adapted scale in previously applied research², where participants found this scale especially ‘participant-friendly’. It should be mentioned at this stage, however, that the ‘normal’ type of rating scale often used in Germany, is a six-point scale. This rating scale is based on the traditional scoring system used in German schools³ and consists of the following (here translated from the German):

1 = very good 2 = good 3 = satisfactory 4 = adequate 5 = inadequate 6 = poor

This scale is not only commonly taken to be the *official* grading system for the German educational system (from primary schooling up to university education) but is also used by many German organisations (probably on the grounds of familiarity) for internal and external organisational survey purposes. During the design and construction stage of the LCMQ, careful thought was given to whether to use this ‘well known’ scale, but it was rejected for four reasons. Firstly, it was considered more desirable to use a scale that did not adopt a forced-choice method such as that seen in the six-point rating scale. Secondly, the author considers it important to give participants a middle choice in the scale i.e. a ‘don’t know’ option, as categorical answers to questions or statements are not always possible and sometimes raters prefer to select a neutral option. The third reason for rejection was that although the six-point rating scale would be familiar to the German participants in this study, it would not *necessarily*, despite being connected to the host organisation i.e. coming from daughter company’s, be familiar to the French or Mexican managers in the sample. The fourth reason for rejection of this scale is that the scorings 3 = satisfactory and 4 = adequate were thought to be too ambiguous i.e. too similar. Certainly their equivalent in German, 3 = *befriedigend* and 4 = *ausreichend* may have clearer more separate distinctions – this is not the case however, once translated into English. It was decided that all participants were likely to have had equal experience of and exposure to, a seven-point rating scale. It also gave participants a wide range of answer choices and provided as previously discussed, a middle or neutral value - and therefore it was chosen as the main rating scale for the LCMQ.

The remaining two types of rating scale used in the LCMQ were simple triadic-option i.e. yes-no-n/a or don’t-know responses;

- i) yes no n/a
 ii) yes no don’t know

These two rating scales were only used in Part B of the questionnaire. The rationale behind this is that the questions-statements found in Part A ask the person evaluating, to consider the *extent to which the ratee shows evidence of* this attribute, characteristic, competency, behaviour or tendency i.e. they are required to undergo a deeper process of reflection regarding their answer. This is in contrast to the question items found in the tenth and eleventh sub-scales (People Satisfaction and Business Results) of the LCMQ, whose questions are not so detailed and therefore warrant a shorter answer i.e. it is adequate for the rater to indicate *whether or not* this attribute, characteristic, competency, behaviour or tendency is shown by the ratee. The final item in the LCMQ, concerning whether a Merck Excellence Check had taken place in the department or division, required a simple yes-no-don’t know response. The reason for this particular choice rating for this final item is that due to the decentralised way in which the Merck Excellence Check was utilised within the organisation, some divisions, departments at the organisations headquarters and at the two daughter company’s had already carried out a Check, whereas other divisions and departments

² Cotterell (1994), unpublished BA (Hons) Psychology thesis, University of Nottingham, Cotterell (1995), unpublished M.Sc. Industrial Psychology thesis, University of Hull.

³ German grammar schools use a 15-point grading system, which is based on the traditional 6-point grading system, but with additional plus and minus grades.

had not. A third dimension to this was, that some individuals within the company simply did not know a) whether a Check had been carried out within their division or not or b) what a Merck Excellence Check was – this issue is discussed in chapter four.

10.2.3 Accounting for Rating Tendencies and Bias

Distortions in rating can occur during evaluations of performance appraisal. Such distortions arise out of common tendencies which originate either from rater tendencies or from external factors (McCormick and Ilgen 1992). The author made a concerted effort, during construction of the LCMQ, to try and control for as many of these forms of distortion as possible, but it is recognised that it is practically impossible to successfully control for all forms of error.

Halo Effect: This arises when raters give a constantly high or positive rating or alternatively, a constantly negative or low rating for the ratee. The author made efforts to reduce this effect in compiling a fairly lengthy and detailed document referred to as the **Instructions and Guidelines for Distribution...** which was given out with each questionnaire that was distributed. One of the reasons behind raters over-rating (see also 10.3.2 for an in-depth discussion of this) is raters' relationship, or emotional attachment, with the person they are evaluating. Participants were therefore, advised using the Instructions and Guidelines document (see section 3) on i) socially desirable answers (for managers evaluating themselves and co-workers rating managers) and ii) choice of subordinate and peer-raters. This does not of course guarantee that raters will not give constantly positive or high ratings, but it points out the 'sense' behind raters making unbiased evaluations.

Leniency: When raters are reluctant, for whatever reason, to give poor or below average ratings, this is leniency i.e. they are 'lenient' on rating, their ratings are biased. This effect may occur, certainly in the case of subordinates rating their bosses, managers or leaders, due to a 'fear' of reprisal on the part of their superior (in the case of giving poor ratings), which can really only logically follow if subordinate raters believe that their evaluations, data and questionnaire in general, are not being treated in a confidential manner. Great efforts were taken by the author to ensure confidentiality and therefore reduce any such leniency effects – these efforts included: a) use of a coded participant research number (refer to LCMQ in Appendix 5a...) which was only decodable by the author, b) separate return of completed co-worker questionnaires, using separate envelopes, so that despite the manager knowing *which* subordinate, peer and supervisor had rated them, they were unable to view their evaluations, thus maintaining confidentiality. These measures certainly would help in the reduction of leniency caused by 'emotional' issues.

Central Tendency: Central tendency is where raters opt for the mid point on the rating scale in an attempt to avoid both positive and negative extremes on the scale. It may however, occur if a participant cannot be bothered to take time to rate each item, and in an effort to save time, crosses the middle option. One way of coping with central tendency effect is to use occasional reversed items i.e. include items that are negative in their statement, rather than positive. One explanation might be that if the rater is inclined towards central tendency because he/she wants to save time, they are unlikely to register the reversed item as they may not even read each question or statement. However, if they are rating centrally to avoid being positive or negative in their ratings, but are reading the questions and statements, they are more likely to register a reversed item, and *often* rate accordingly.

Some authors have agreed that a particularly good way of reducing halo, leniency and central tendency effects is to use graphic rating scales (McCormick and Ilgen 1992).

10.3 Differences in the 4 LCMQ versions (language and job-status)

The LBDQ, being a 360° behavioural measurement questionnaire naturally has four parts or versions. Each of the four versions measures manager performance, from a self-evaluation, subordinate-manager,

peer-manager and supervisor-manager standpoint. Other 360° measurement combinations have been known to include a broader base for measuring managerial behaviour e.g. bosses, peers, co-workers and even customers or clients (Yammarino and Atwater, 1997). Customer opinions on manager and leaders' behaviour is also a valuable source of information and this is certainly a philosophy that is becoming adopted by more and more organisations, especially in the light of total quality management and customer-focused practices. Involving the customer or client was also considered during the design phase of *this* research project but was rejected on the grounds that this would be too complicated a procedure to include in the research design. Although the host organisation is a manufacturer of products, mainly chemo-pharmaceutical products, many of these products are not sold directly to the customers i.e. direct dealings with end-line customers occurs on only a limited basis. The manager participants whose behaviour was evaluated here, were mostly *not* involved directly with the customer, therefore the customer was not included as an evaluator.

The four different LCMQ versions include the self-evaluation, the subordinate-manager, peer-manager and the superior/supervisor-evaluations. Figure 1 shows all twelve sub-scales, the number of items and its variation across the each version is also shown.

Figure 1. LCMQ Versions (no. of items per sub-scale)

<u>Sub-scale*</u>	Part A							Part B				
	1	2	3	4	5	6	7	8	9	10	11	12
<u>LCMQVersion</u>												
M-Se*	6	9	9	17	10	10	11	17	28	2	38	15
St-M	6	9	7	16	11	9	9	17	28	2	38	7
Pe-M	6	9	7	16	11	9	9	17	28	2	38	7
Su-M	6	9	8	17	11	9	11	17	28	2	38	7

Key*:

Sub-scale Description:

- | | |
|-------------------------------------------------|---------------------------------------|
| 1) = Thinking, Problem-Solving, Innovation | 2) = Power, Influence |
| 3) = Commitment, Political System, The Business | 4) = Performance, Flexibility, Stress |
| 5) = Information, Communication, Opportunity | 6) = Motivation, Vision |
| 7) = The Self | 8) = Leadership |
| 9) = People Management | 10) = Customer Satisfaction |
| 11) = People Satisfaction | 12) = Business Results |

Version Description:

M-Se = Manager Self-evaluates behaviour (beh.) Pe-M = Peer evaluates manager beh.
 St-M = Subordinate/Staff-evaluates manager beh. Su-M = Superior evaluates manager beh.

The four versions of the LCMQ are *practically* the same i.e. circa 93% identical, however some small difference such as the number of items in each sub-scale and differences in the biographical data questions on the front cover, are to be found across the four job-status versions of the questionnaire and also from French to Spanish and the German versions. Variance is found in the biographical data across each of the four job-status versions. These variations are explained below.

The biographical data varies in that ‘hours per week worked’ was only asked for in the self-evaluation version. Staff, Peer and Superior versions also asked for ‘number of hours per week of contact with the manager’ being evaluated – this was deemed necessary in order to form some idea about professional contact between evaluators and evaluatee – it can probably be said that the more time spent in contact with the manager/leader, the better any second party is able to judge his or her behaviours. Years and months in a job, on the part of all four evaluators, is also probably an indication of time and opportunity in which managers and leaders can grow in their jobs and be able to prove themselves in terms of excellence. It might therefore, be expected that managers who have only been in a position or indeed a member of the organisation for six months or less, may be scored by their evaluators quite differently to those managers who have been in their current position for several years. The subordinate version of the LCMQ asked how long staff had been ‘under’ their boss or manager – again the time factor would more than likely show differences in evaluations i.e. the longer staff have to ‘get acquainted’ with their supervisors, the more chance they have to get to know them and their behaviour in the workplace. The peer colleague version also focused in the biographical data on amount of contact with the manager as well as hierarchy. Peers were asked to identify whether they had always been on the same hierarchical level as the evaluatee, or whether they had been higher or lower in rank than the evaluatee. Difference in previous peer rankings may cause differences also in how they interpret their colleague’s position; also ranking differences may cause changes in working relationship and consequently variation in the results. The questionnaire for superiors, again concentrated on amount of contact with the manager being evaluated but also asked for data regarding number of personnel appraisals with the manager/leader. This question was thought to again give a picture about the degree to which the supervisor had planned and discussed personal goals and objectives with the evaluatee, and was therefore thought to be a fair indication of ‘how well’ he or she understood the evaluatee, their motives and professional progress.

Cultural Differences: All biographical data is the same across the German, French and Spanish versions of the LCMQ, with one exception: All French job-status versions included an extra category in the Job Position/Status e.g. Executive, Regional Manager etc. In altering the French versions it was requested that an extra category be added here, that of ‘Ingénieur ou cadre’ – this means roughly translated ‘trainee executive’ and is especially allotted to young trainee managers who are seen as potential executive material within the organisation. The term *Ingénieur ou cadre* is also similar to the German word *Führungskraft*, which has a similar function in German organisations.

The sub-scales;

- 1) Thinking, Problem-Solving, Innovation was the same across all four job-status versions.
- 2) Power, Influence, are also to be found across all four LCMQ versions.
- 3) Commitment, Political System, The Business, has variations in item usage across the 4 job-status versions. The items regarding being committed to the Merck Excellence Process is only included in the self-evaluation and the supervisor-evaluation versions, as it was thought that staff and peer would not necessarily know the extent to which the evaluatee was engaged in the Merck Excellence Process, at least not as well as the manager themselves or their supervisor i.e. the person with whom such issues are regularly evaluated during personnel, for example. The item concerning whether the manager believed in a ‘more flattened hierarchy’, was left to the self-evaluation only, as co-workers would again not necessarily witness behaviour on the manager’s part, that would show this sentiment.
- 4) Performance, Flexibility, Stress, again questions focusing on whether efforts towards Merck Excellence, were left to self-evaluations and supervisor evaluations only.
- 5) Information, Communication, Opportunity involved an item regarding ‘seizing of extra opportunities to communicate’ which was asked only of the three co-workers i.e. staff, peer and supervisor.
- 6) Motivation, Satisfaction, Vision, items were the same across all four versions apart from one item asking about ‘being prepared to work on a performance-related-pay-basis’. This was only asked in the

German self-evaluation version. The reason being that it was only of interest to know if the evaluatee him/herself would be willing to work on a performance-related-pay- basis. French, and Spanish versions did not include the item for fear of misinterpretation i.e. they may, as a consequence, believe that such a pay system might be introduced by the company Headquarters (in Germany), as a result of this question – and as it was not the intention to unsettle them, only the German sample were asked.

7) The Self, one or two items vary across the 4 job-status versions for this sub-scale. One item regarding whether the manager wished their ‘job was more self-regulatory’, was only asked in the self-evaluation version – again this opinion or view would not necessarily be expressed amongst co-workers. Another item which has been restricted to only the self and the superior evaluations was an item asking about whether the evaluatee was ‘a prime candidate for promotion’ – it was thought more appropriate to ask the leader to self-evaluate on this and naturally the superior. Finally, an item which asked about ‘suitability for current position’ was only asked in the superior evaluation, as he/she would probably be best able to judge the evaluatee on job suitability.

8) Leadership, 9) People Management, 10) Customer Satisfaction, and 11) People Satisfaction are identical across all four job-status and language versions.

12) Business Results, the most in-depth questioning about Business Results was, of course, directed at the manager self-evaluating – this seemed the most appropriate because as a manager he/she must have to regularly deal with the business and commercial side of the job and only they would have access to the data that was required to complete this sub-scale.

The final item in the LCMQ, a question about the Merck Excellence Check, was present in all four versions and across all languages.

10.4 LCMQ Cover Letter and Instructions and Guidelines for Participants

All participants who received the LCMQ also received with it, a cover letter (refer to Appendix 5e), explaining in depth the research project, the issues it involved i.e. performance measurement, and also their (the employees) own part within it. Participants ‘rights’ were also clearly explained to them i.e. that all participation in the study was voluntary and that absolute confidentiality and anonymity had been guaranteed. In general, data collection and feedback procedures were also highlighted upon. A return date for the questionnaire plus further contact information with the author were also given – the cover letter was signed by the author and by a well known member of the board of executives within the company, this added weight to the significance of the project and of the company as a whole, to the Merck Excellence Process.

The Guidelines and Instructions for participants came in two variations, namely one for the managers who were self-evaluating and therefore required to choose three co-workers as part of the 360° measurement, and one for the co-workers. The latter version was shorter than the former, covering general issues such as employee opinion, confidentiality, return and feedback information. The guidelines for the self-evaluators i.e. those managers who were to be 360° evaluated, was explicit. It clearly gave advice and guidance to participants in the selection of their subordinate and peer colleagues who were to evaluate them, placing emphasis on ‘average working relationships’ – this was to minimise any bias in co-worker rating later on. Mostly managers have only one supervisor or superior from whom to choose in order to evaluate them, but this is not always the case. The general logistical procedure was also clearly laid out i.e. separate return of questionnaire for co-workers, to maintain confidentiality. General issues such as not discussing the questionnaire and answers with others’ and information regarding the second distribution to follow one calendar year were also covered.

10.5 QPS, The Quality Performance Scale, a model for measuring Manager Excellence

Overview

In this part of chapter ten, the Quality Performance Scale and Egotism Scale are discussed in terms of relevance and connection to the LCMQ and taking into account their different possibilities for application within the organisational setting.

10.5.1 The Quality Performance Scale (QPS) model, measures and scoring

The Quality Performance Scale (QPS) is a scale for measuring the quality of managers' performance in organisations, along those dimensions set out in the sub-scales of the LCMQ. The twelve sub-scales, seven sub-scales in Part A (Thinking, Problem-Solving, Innovation; Power, Influence; Commitment, Political System, The Business; Performance, Flexibility, Stress; Information, Communication, Opportunity; Motivation, Satisfaction, Vision, The Self) and the five sub-scales in Part B (Leadership; People Management; Customer Satisfaction; People Satisfaction; Business Results) of the LCMQ, make up the superior performance indicators (**SPI's**) which measure the performance superiority or excellence of workplace performance in the target group i.e. in managers and leaders within the organisation. The SPI's in Part A of the LCMQ have been termed *Excellence General* (EG) and represent those excellence dimensions or measures that can be seen as 'general', or applicable to others managers and leaders outside of the host organisation. The SPI's in Part B of the LCMQ have been termed *Excellence Merck* (EM) and represent those excellence dimensions or measures than can be seen as 'organisation specific', or applicable specifically to the managers and leaders of the host organisation. The number of individual items which make up the SPI's for Part A of the LCMQ totals 66, and the number of SPI's in Part B totals 100, making a total of 166 superior performance indicators in the LCMQ. It must be emphasised that not all items to be found in the LCMQ sub-scales are included in the QPS, although they are still seen as SPI's. Those items *omitted* in the QPS, total 35 items and include biographical data, some Business Results items and reversed items, all of which are listed in Appendix 5f. The items *not included* in the QPS from sub-scale 12) Business Results, are quantitative items i.e. those items measuring concrete dimensions e.g. days, percentages, deutsche marks (DM) etc. These quantitative dimension items were left out of the QPS for two reasons, a) too few participants completed these items and b) even *when* participants had completed these items, it would be highly unlikely for the author to be able to draw any parallels or definite conclusions regarding quantitative measures and overall job performance, as there are too many extraneous and uncontrollable variables which can affect such items.

Scoring on the QPS is carried out using the following procedure. All items (apart from the reversed items, totalling four), are scored between 1 and 8 points i.e. 1 = completely agrees up to 7 = completely disagrees, not applicable = 8. As it is desirable that co-workers and the managers or leaders themselves are 'compliant' with the SPI's, in other words that they demonstrate or believe themselves to be demonstrating the factors necessary for superior or excellent behaviour, it is consequently better when participants score lower on the items i.e. when the cross on the rating scale lies nearer to 'completely agree' i.e. nearer to 1. Therefore, for Part A, participants with a lower score, have been evaluated as superior performers demonstrating a higher quality job performance as managers and leaders, than those participants who achieved higher scores. Scores totalled for Part A of the LCMQ are totalled to give an overall *EG score* or Excellence General score. For Part B, participants with a lower score have also been evaluated as superior performers demonstrating a higher quality job performance as managers and leaders, than those participants who achieved higher scores. Scores totalled for Part B of the LCMQ are totalled to give an overall *EM score* or Excellence Merck score. An overall *QPS score* is then achieved when participants' *EG score* and *EM score* are totalled to give a QPS score – again the lower the QPS score, the better the participant has been rated (along the excellence or quality dimension) in their performance as managers and leaders.

10.5.2 The Egotism Scale and what it measures

Egotism in an organisational context, that is, managers or leaders who put their own goals and needs over those of the organisation in general are something that organisations are increasingly wary of, especially in the light of change within organisations (Nuber 1993) – egotism can hinder the change process. Understandably, all individuals wish to further themselves and indeed this is encouraged, but development should not be at the cost of others or at the cost of the organisations goals as a whole. The Egotism Scale is a response to this, and is designed to be used alongside or as part of the LCMQ in assessing managers and leaders for superior or excellent performance. Obviously a manager or leader, who demonstrates too much egocentricism i.e. self-centred behaviour, cannot (or is less likely to) show superior performance or a very high quality leader behaviour, in comparison to those managers and leaders whose egocentric behaviour is limited. The 13 items making up the Egotism Scale are to be found in Parts A and B of the LCMQ (see 10.5.2.1 for author and year) and are listed together with those sub-scales that they occur in, below:

- 1) Abuse of power is sometimes required in this job (reversed item: sub-scale 2)
- 2) The organisations problems are my (sub-scale 3)
- 3) I am fully committed to the Merck Excellence Process (sub-scale 3)
- 4) Large scale organisational change intrudes in my work routine (reversed item: sub-scale 4)
- 5) My general efforts towards excellence are high (sub-scale 4)
- 6) Seizes extra opportunities to communicate with staff (sub-scale 5)
- 7) Motivating others is important for me (sub-scale 6)
- 8) My personal development needs are greater than the goals of the organisation (reversed item: sub-scale 7)
- 9) I am a prime candidate for promotion (sub-scale 7)
- 10) I wish my job was more self-regulatory (reversed item: sub-scale 7)
- 11) I actively listen to staff and help them with their problems (sub-scale 8)
- 12) I establish and participate in joint improvement activities (sub-scale 8)
- 13) I encourage individuals and team participation in continuous improvement (sub-scale 9)

Items 1-10 of the Egotism Scale are from Part A of the LCMQ, whilst items 11-13 are from Part B – it was especially intended that items be taken from both LCMQ parts in order to include so-called egotism factors that are representative of excellence dimensions in both general and company-specific terms. The scoring mechanism is the same for the Egotism Scale as for the LCMQ. All items (apart from the reversed items, totalling 4) are scored between 1 and 8 points i.e. 1 = completely agrees up to 7 = completely disagrees, not applicable = 8. It is naturally desirable that co-workers ratings and self-ratings reflect managers and leaders as *not* engaging in egocentric behaviour, therefore they demonstrate or believe themselves to be demonstrating the necessary factors for superior or excellent behaviour, namely non-egocentric behaviour, in this case. For items in the Egotism Scale with ‘normal scoring’ i.e. 1 = completely agrees up to 7 = completely disagrees, not applicable = 8, obviously lower scores are better than higher scores. Reversed item scores (four in total) i.e. 7 = completely agrees down to 1 = completely disagrees, not applicable = 8, would still be preferably rated with lower scores by raters who are low on egocentric behaviour.

Consequently, it is better when participants score lower on the Egocentric items i.e. when the cross on the rating scale lies nearer to ‘completely agree’ i.e. nearer to 1. Therefore, low scorers will have been evaluated as superior performers demonstrating a higher quality job performance as managers and leaders, than those participants who achieved higher Egotism scores. Scores are totalled to give an overall Egotism score – lower scores are more conducive to excellent behaviour.

10.5.3 Applying the QPS and Egotism Scale within the Organisation

The Quality Performance Scale (QPS) was intended to be used as a *whole* for the host organisation i.e. both Parts A *and* B in synchrony with one another, one measuring behaviours that can be allotted to general excellence, the other measuring behaviours that can be aligned with company-specific excellence or Merck Excellence. This was necessary as it was in the interests of the organisation to be able to examine its managers' and leaders' workplace behaviour against its own measures or standards for superior performance i.e. against the Merck Excellence Check. Using both Parts A and B of the LCMQ gives a much better overall view of superior performance and excellent behaviour in a much wider *quality* context. However, *other* external organisations are able to use the LCMQ either in full form (Parts A and B) or in a reduced format (just Part A). Such organisations and company's may have also adopted the principles of the EFQM Business Model in their efforts to improve performance and produce quality management, therefore it is plausible that these organisations already be familiar with the check list items to be found in Part B of the questionnaire. So, in this sense, when external organisations are already using the EFQM business model, they are in a position to apply the LCMQ as part of the measurement of manager/leader behaviour.

The Egotism scale again, was designed for use with the LCMQ, as its items are to be found amongst the LCMQ's sub-scales. However, organisations may also wish to 'lift out' these individual items in the form of the Egotism Scale, using it simply for itself as a measurement of level of Egotism amongst its executives and leaders.

The LCMQ reduced format (i.e. the manager evaluates him/herself questionnaire *only* i.e. M-Se) and the Egotism Scale can be used as measures of manager and leader performance at two principle phases within the manager or leader life-cycle. The *first phase*/stage is that of entrance into the organisation i.e. when organisations are recruiting managers and potential leaders into their organisation. At this entry phase, the LCMQ (M-Se) and/or Egotism Scale can be used together alongside other methods of evaluation, in order to effectively evaluate potential for superior or excellent performance in the workplace. The *second phase* or stage in which the LCMQ and the Egotism Scale can be used, is during the manager development stage i.e. during professional assessment and development procedures that organisations undergo in order to identify possible future leaders and executives. Such developmental stages might include promotional phases, in other words, when managers wish to become promoted to higher positions within the organisation. The LCMQ should however, when used during this second phase, be used in its full 360° format, to provide managers' and their co-workers with the chance to evaluate behaviour and thus provide a complete view of manager/leader performance to date and possible potential within the organisation. Deployment of the full LCMQ format (360° version) and the Egotism scale should not be considered for usage alone necessarily, but rather as a supplementary measurement tool *for use with other established measurement tools already familiar to the organisation*. That is not to say, however, that neither instrument can be used alone, certainly for individual assessments. It is rather only *preferable* that these measurement techniques be used in conjunction with other assessment instruments. This statement is not an attempt to undermine the validity of the LCMQ or Egotism Scale, but it is rather the recognition that today when organisations are investing large sums of money in recruitment and development activities, they are wanting to be as accurate as possible when making decisions about senior managers, executives and leaders. This means therefore, that a more complete or multifaceted overview of employee potential, is more likely to be won through the use of several selection tools, rather than the reliance on just one or two.

10.6 Hypotheses

The hypotheses relevant to this tenth chapter on the Leadership and Change Management Questionnaire, and Egotism Scales as tools for measuring superior performance, are listed below and include the following:

Hypothesis 3a: Managers self-reported critical 'excellence factors' (QPS scores), will be associated with the organisational outcome of 'improvement' (Merck Excellence), as evaluated by co-workers.

Here, self-rated QPS scores are predicted to be associated with 'improvement', as rated by co-workers.

Hypothesis 3b: Managers Ego scores will correlate positively with commitment towards Merck Excellence - these scorers will also have an increased ME commitment score.

It is anticipated here that managers Ego scores will not only be associated with their 'improvement scores' as rated by their co-workers, but also that the better the Ego score, the better the 'commitment' score will be.

Conclusion

This chapter provided a detailed description of all major instruments used in this investigation to measure quality of managers' workplace performance. These tools were presented in great detail so as to provide the reader with a complete view of their individual contents as well as the relevance of their general application within this and other organisational settings. Data collected from the LCMQ, QPS and Egotism Scale have been statistically treated and provide evidence for acceptance or rejection of the investigations main and sub-hypotheses. These data are presented in chapter twelve, Results and are finally deliberated upon in the Discussion and Conclusions in chapter 13. The next chapter, chapter eleven, presents the main Method section, in which the LCMQ was used to gather performance data.

CHAPTER 11: METHOD

Overview

Chapter eleven represents the main Method section for this study (a further sub-method section is to be found in chapter five, The Pilot Study). The method describes in detail the research participants, their background (inclusive of cultural background), gender, job status and level of involvement in the research. The design of the investigation is also summarised in this section and handles 360° measurement technique and related distribution information. Measures and procedures are also covered here and include general description of the LCMQ (Leadership and Change Management Questionnaire), piloting of the questionnaire, the questionnaire preparation and distribution phases. Finally, a rough outline of the data analyses carried out on the data is indicated.

11.1 Participants

The survey sample in this study came from three separate organisations, two of which, based in France and Mexico, were daughter companies of the third larger central organisation which was the company head quarters. The organisation is a German chemo-pharmaceutical company based in the Rhein-Main region of Germany. After discussions with senior managers in the company, external organisations, i.e. daughter companies, organisational divisions and departments were selected for inclusion in the survey. The only criterion for selection of area was to include both organisational divisions and departments that had completed a Merck Excellence Check as well as some which had not carried out such a check. The French daughter company, based in Lyon, has approximately 3'200 employees – the French divisions included in the study included the research and development (based in the Lacassagne region of France) and administrative headquarters (based in the Saint Romain region of France). As the study was a longitudinal study, data collection took place at 2 time points. The total number of French managers taking part in the study was $n = 137$ ($n = 127$ at T₁, and $n = 10$ at T₂). The Mexican daughter company, based in the Naucalpan region of Mexico is simply a smaller version, operationally speaking, of the parent company in Germany, with the similar departments and divisions. This company employs circa 6'000 employees. The total number of Mexican managers in this study was $n = 64$ ($n = 43$ at T₁ and $n = 21$ at T₂). The parent company and headquarters, is based in the Darmstadt, Hessen region of Germany and employs world-wide over circa 23'000 employees, approximately 8'000 at headquarters in Darmstadt, Germany. The total number of German participants in this study was $n = 117$ ($n = 83$ at T₁ and $n = 34$ at T₂). German employees in the study were based in the following departments and divisions at company headquarters: EC (Electronic Chemicals), CHN (Cosmetics, Health, Nutrition), Laboratory SLP, Laboratory LR, PhaKli (Clinical Pharmacology), R&D (Research and Development), T (Technical), Laboratory LC (Laboratory Liquid Chrystals), P (Personnel) and USF (Environment, Security and Fire). It must be emphasised that at the time this study was carried out (1998) the above mentioned departments, and divisions were known by these names – many of those areas within the company have now either changed their names or ceased to exist altogether.

The total number of employees taking part in the study from all 3 separate organisations was $n = 318$ ($n = 253$ at T₁ and $n = 65$ at T₂). As previously mentioned, organisations and departments were basically selected on the principle that some had carried out Checks and others not. Another consideration, highlighted by senior management within the organisation, was that the choice of division/department should include both administrative as well as operational function within the company e.g. the Personnel department being administrative and the Technical department being more operational – this was preferable so that the entire management level within the company was covered or represented. Selection of participants, although this was done on a random basis, was aimed to include this variation in manager level within the company and daughter companies. This meant that the particular job-status levels required with such a 360° measurement design i.e. manager, subordinate, peer and superior, were all included. All participants in this study were 'managers' - managers being defined here as persons who

have a personnel responsibility i.e. who are responsible for a number of employees, whether it be one other employee (sometimes the case with Group Leaders) or several hundred employees (sometimes the case with Senior Executives, Heads of Division or Regional Managers). The important factor in selection being here, that managers have sufficient co-workers with whom they work or come into professional contact with, to evaluate their behaviour in the workplace.

Table 1 shows the sample listed according to gender, age and organisational division, for *both* questionnaire distribution times i.e. Time 1 and Time 2 – data collection time points were separated by a gap of exactly 1 year.

Table 1: Sample participation level (T1, T2), listed by gender, age and divisional membership

	T1 (Time 1)	T1	T1	T1	T2 (Time 2)	T2	T2	T2
	Σ Male (n=)	χ Male Age (yrs)	Σ Female (n=)	χ Female Age (yrs)	Σ Male (n=)	χ Male Age (yrs)	Σ Female (n=)	χ Female Age (yrs)
EC (G)	n = 1	51.0	-	-	-	-	-	-
CHN (G)	n = 12	45.8	n = 1	43.0	n = 2	55.2	-	-
Labor SLP (G)	n = 3	46.3	n = 2	51.5	n = 1	43.0	n = 1	45.0
LR (G)	n = 3	52.0	-	-	n = 1	51.0	-	-
Pha Cli (G)	n = 22	43.9	n = 3	45.6	n = 10	49.4	n = 2	47.5
Mexico	n = 29	43.7	n = 12	43.0	n = 15	43.6	n = 6	46.1
France	n = 93	45.0	n = 33	38.7	n = 9	42.7	n = 1	31.0
T (G)	n = 20	47.5	-	-	n = 10	45.4	-	-
Labor LC (G)	n = 3	53.0	-	-	n = 2	54.0	-	-
P (G)	-	-	-	-	-	-	-	-
USF (G)	n = 4	52.5	n = 1	33.0	n = 3	55.3	-	-

Key: F= Female, M= Male, G= Germany, EC= Electric Chemicals, CHN=Cosmetics, Health, Nutrition, SLP= Laboratory, LR=Liquid Reagents, Pha Cli= Pharmacology Clinical, T=Technical, Labor LC= Laboratory Liquid Crystals, P=Personnel, USF=Environment, Security, Fire.

As can be seen in Table 1, some of the average ages of participants in certain divisions or areas are relatively low, this relates *in most cases* to the lower number of employees that returned a questionnaire. In some areas, e.g. especially in the German divisions, several participants who had returned questionnaires had omitted their gender, whilst in other areas, e.g. Mexico, several participants had omitted their ages. This means that as some participants provided incomplete biographical data either in terms of omitting age or gender, they were not included in Table 1, but *are* accounted for in the total numbers of participants taking part in the study.

The Cultural Aspect

A particularly important factor in this study was what can be termed the 'cultural aspect'. The cultural aspect centred around the fact that this study involved managers who were from, on the one hand, one principal organisation (the mother company), whilst being, on the other hand, from three different cultural

backgrounds and countries. It was of special interest to uncover any main overriding differences that might be caused by such cultural differences. Cross cultural differences have been advocated by many different authors, amongst them Brodbeck et al (2000), to include contrasts in work-related attitudes and values e.g. work goals importance, job satisfaction, managerial style, organisational climate, work role and interpersonal orientation (Brodbeck et al, 2000). The present study included managers from European and non-European countries - France, Germany and Mexico – or, using Brodbeck's terminology, from South European, Germanic and Latin countries. The aim in including these countries was to highlight any such core differences across i) cultural level and ii) job-status level. This was carried out using two levels of analysis a) within-region analysis – this examines the core difference between all the three countries i.e. inter-country differences and b) across-region analysis – this examines major differences between larger cultural groups, e.g. European vs. non-European. It is hoped that the analysis will reveal core dimensions i.e. whether cultural differences are strong enough to 'transcend' a prevailing 'organisational culture' or whether the organisational culture is simply adapted or *translated* to meet each country's specific cultural needs.

11.2 Design

This study was a longitudinal study: Participants were distributed a 360° measurement questionnaire at two measurement points in time. The aim was to leave a one-year interval between the two time points, Time 1 being Summer 1998, Time 2 being Summer 1999. It has previously been advocated by other authors, Frese and Zapf (1988), Vermaat (1994) that an interval of one year is adequate time to allow for possible changes in individual scores, whilst remaining not too long a time span for participant non-response to occur. The author of this study also felt a one year gap between measurements appropriate in terms of allowing some of those divisions and departments who had *not* carried out the organisation's own performance check (Merck Excellence Check) at Time1, to have carried out such a check by the second data collection at Time2. It was expected that individual scores would vary according to whether the check had been carried out or not – this expectation is also reflected in the research hypotheses. A further reason for choosing a 1 year gap is that, what can be termed as 'seasonal fluctuation', i.e. people changing jobs, leaving the organisation or division in which they work, or retirement of employees, is expected to be minimal over such a short period of time. Employee turnover in this study was minimal, with individuals who had left their jobs or departments, being replaced by another person (only manager self-evaluations participants were affected by this, and in each case the 'new' participant was expressly asked if they wished to partake in the study – all responses were positive). As is often the case in many organisations, when employees go into retirement, or take early retirement, their positions or jobs are 'cut' i.e. they cease to exist after that individual has left. This was also the case for those participants who had completed a questionnaire at Time1, but who had by the Time2 distribution, left the organisation altogether.

360° Measurement

The advantages and disadvantages of co-worker ratings (Atwater and Yammarino, 1992, Lefkowitz, 2000) as well as those associated with 360° measurement (Gibson et al, 1994, Komaki, 1998) of manager and leader workplace behaviour, have received much attention in the literature in recent years. Multi-rater feedback measurement is a relatively new measurement tool which involves asking co-workers and sometimes customers or service users, to evaluate manager behaviour and performance. In this study managers were asked to self-rate their behaviour across several dimensions – co-worker evaluation along the same dimensions were also asked of subordinates (staff), peer colleagues and superiors (managers own bosses or supervisors), thus completing the manager evaluation circle. As previously mentioned in chapter seven, 'customers', meaning here, those people buying or benefiting from the end product of manager performance, were not asked to partake in this manager evaluation. Many of the managers being evaluated had either very little, irregular or no contact whatsoever with customers/service users, therefore in this instance, it was seen as inappropriate to include them in the evaluation cycle. The LCMQ

(Leadership and Change Management Questionnaire) was administered to the participants at Time1 and Time2. There are different four job-status versions of the LCMQ i.e. one self-evaluative questionnaire, plus three further co-worker (subordinate, peer, superior) questionnaires – and whilst all managers were asked to self-evaluate, not all managers were given the ‘complete package’ i.e. self-evaluation plus three co-worker evaluations. The reason for this is purely logistical, if all managers in the study asked three co-workers to evaluate them on a 360° basis, this would lead to some participants having to fill in six, seven or more questionnaires due to having to evaluate more than one manager in any one division, which is totally impractical. Therefore only *some* of the participant managers were given 360° measurement packages i.e. four questionnaires in all - with this reduced number being involved in the complete 360° measurement, managers were only faced with completing two questionnaires at the most. The LCMQ self-evaluation questionnaires and LCMQ co-worker evaluation questionnaire distribution and return rates are shown in Tables 2 and 3 respectively.

Table 2. Time1 Questionnaire Distribution per Organisation

	LCMQ Self-Evaluation Questionnaires	LCMQ Co-Worker Questionnaires (360°)
Germany (all divisions), T1	n = 128 (78%)	n = 28 (22%)
Mexico, T1	n = 25 (68%)	n = 8 (32%)
France, T1	n = 124 (80%)	n = 25 (20%)
Total LCMQ Distribution	n = 277 (78%)	n = 61 (22%)

As one can see from the Table 2 distribution levels, the percentages in brackets represent the total number seen as a percentage total. In each case the number of self-evaluation questionnaire distribution remained between the 70 and 80% level, whilst the co-worker evaluation questionnaire distribution remained between 20 and 30%. It had *originally* been planned by the author to distribute exactly the same number of questionnaires to participants during the Time2 distribution, however, senior managers within the host organisation decided that only those participants who had returned a questionnaire at Time1, should be asked to complete a questionnaire at Time2 (all participants were aware that two data collections were expected, this had been clearly pointed out to them during the Time1 distribution phase of the study) – therefore, questionnaires were distributed only to those employees who had returned a questionnaire – these data are seen in Table 3. When we see that the total number of co-worker questionnaires distributed at Time1 was n = 61, it must be remembered that this figure must be multiplied by four, as the co-worker

Table 3: LCMQ Self-evaluation and Co-worker Questionnaire Returns per Organisation

	LCMQ Self-Evaluation Questionnaires	LCMQ Co-Worker Questionnaires (360°)
Germany, T1 (n = 83)	n = 63	n = 20
Mexico, T1 (n = 43)	n = 26	n = 17
France, T1 (n = 127)	n = 96	n = 31
Germany, T2 (n = 34)	n = 26	n = 8
Mexico, T2 (n = 21)	n = 10	n = 11
France, T2 (n = 10)	n = 9	n = 1

(360°) LCMQ versions included four questionnaires i.e. M-Se, Sta-Man, Peer-Man and Sup-Man (see chapter seven for job-status questionnaire descriptions), therefore, $n = 61$, becomes $n = 244$. This means that when coupled with the total number of self-evaluation questionnaires distributed at Time1, $n = 338$, the total number of data points becomes $n = 582$. In view of the organisational restrictions during the second phase of the study i.e. during Time2, it was seen as fortuitous that the total level of data points at Time1 had been so high.

Total self-evaluations questionnaires returns for Time1 were $n = 185$, total co-worker questionnaires returns for Time 1 were $n = 68$ i.e. circa one third of the total self-evaluation questionnaires distributed. Total self-evaluations questionnaire returns for Time2 were $n = 45$, total co-worker questionnaire returns for Time 2 were $n = 20$ i.e. circa half the total self-evaluation questionnaires distributed. The total number of questionnaires distributed at Time1 was $n = 338$ ($n = 277 + n = 61$, see Tab.2), of which $n = 253$ were returned, this represents a 75% return rate, which, for a postal questionnaire, is a good return. The total number of questionnaires sent at Time2 was $n = 253$, of which $n = 65$ were returned – this represents a 26% return rate, which in contrast to the Time1 return rate, is a relatively poor result. The reduced Time2 return rate was however expected, and was a result of ‘restrictions’ placed on the research project by senior managers within the host organisation. The effects of these ‘restrictions’ not only on the scientific results but on the study as a whole, will be discussed briefly in the conclusion.

11.3 Measures

The LCMQ, Leadership and Change Management Questionnaire, comprised three main sections: demographic/personal characteristics/job information, seven general excellence sub-scales and five organisation-specific excellence sub-scales. For a complete description of measures and items in the LCMQ, please refer to chapter seven (7.2 General Structure Description of the LCMQ).

The Questionnaire – LCMQ

The LCMQ measures excellence i.e. general excellence and organisation-specific, by rating manager performance across twelve dimensions. Questionnaires were administered to all participants, either as self-evaluation packs, which included one self-evaluation questionnaire, or as a 360° evaluation packs, which included four questionnaires i.e. one self-evaluation plus three further questionnaires, one subordinate-manager-evaluation, one peer-manager-evaluation and one superior-manager-evaluation questionnaire.

Demographic/personal and job-information characteristics: These refer to background factors such as gender, age, job level, length of time in current job and within the organisation, peer hierarchical level, amount of employee appraisals have been had, hours per week spent with manager being evaluated etc.

Seven general excellence sub-scales (LCMQ Part A): These scales measured such characteristics as thinking (an example item from the sub-scale thinking-problem-solving, innovation is ‘it is important for this job to be a global thinker’), problem-solving, innovation, power and influence (an example item from the sub-scale power and influence is ‘I am in favour of power-sharing’), commitment, political system, the business (an example item from the sub-scale commitment, political system and the business is ‘I understand the political system within the organisation’), performance, flexibility, stress (an example item from the sub-scale performance, flexibility and stress is ‘I have no problem in confronting and dealing with worker performance problems’), information, communication, opportunity (an example item from the sub-scale information, communication and opportunity is ‘I place great worth on building relationships with staff’), motivation, satisfaction, vision (an example item from the sub-scale motivation, satisfaction and vision is ‘developing staff and creating opportunities for them to grow in their job is an integral part of my job’) and the self (an example item from the sub-scale the self is ‘I know myself and am aware of my own limits’). In all, there were 72 items included in these scales. All characteristics measured using these sub-scales were rated using a seven-point Likert response scale ranging from 1 ‘completely agree’ to 7 ‘completely disagree’, with a ‘not applicable’ option at the end of each scale.

Five organisation-specific sub-scales (LCMQ Part B): These scales measured such characteristics which are to be found in the Merck Excellence Check and are based on or derived from, the European Foundation for Quality Management's' Business Excellence Model® (Versions 1997 and 1999). These scales measured leadership (an example item from the sub-scale leadership is 'develops clear-cut values for and expectations in subordinate staff'), people management (an example item from the sub-scale people management is 'aligns human resources plan with policy and strategy'), customer satisfaction (an example item from the sub-scale customer satisfaction is 'uses direct measurement of performance relating to customer satisfaction e.g. surveys etc. '), people satisfaction (an example item from the sub-scale people satisfaction is 'ensures staff appraise leadership') and business results (an example item from the sub-scale business results is 'addresses overall share price data').

In all, there were 100 items included in these scales. All characteristics measured using these sub-scales were rated using a 7-point Likert response scale ranging from 1 'completely agree' to 7 'completely disagree', with a 'not applicable' option at the end of each scale.

A final item concerning whether participants' divisions or departments had been involved in a Merck Excellence Check was included on all four job-status versions of the LCMQ.

The questionnaire in its complete format contained in Part A, 72 items and in Part B, 100 items – the three remaining versions of the LCMQ i.e. those intended for co-worker measurement, had occasionally, varying numbers of items in Parts A and B, however the questionnaires did *not* differ considerably from one another and were worked out to be 93% identical (see chapter seven, 7.3 Differences in the four LCMQ versions (language and job-status)). The LCMQ was distributed at two time points, Time1 (summer 1998) and Time2 (summer 1999), and despite the previously mentioned varying numbers of items apparent across the four LCMQ versions, none of those items were themselves changed. Items were combined from three sources, i) scientific academic literature ii) the author and iii) the Merck Excellence Check and were translated from English into German, Spanish and French. The questionnaires delivered at T1 and T2 were identical, the one small change being an alteration to the coded research number, used for participant identification on the questionnaire cover page – this was changed to accommodate the change in distribution year.

High scores on the ratings scales were actually those scores that were lower i.e. a score of 1 'completely agree' and meant that managers were either self-evaluated or co-worker evaluated as having or demonstrating SPI's (Superior Performance Indicators). Managers and leaders having lower scores than on SPI's showed superior performance on either one or both of the two excellence dimensions *EG*, Excellence General and *EM* Excellence Merck. Low SPI scorer had been evaluated as excellence in their performance in the workplace as judged by themselves and their co-workers. In contrast, those managers with low scores i.e. higher scores on the rating scales, were evaluated either by themselves or their work associates as performing less well in terms of general or organisation-specific excellence.

11.4 Procedures

During the initial phase of the research study face-to-face interviews and telephone-interviews were carried out on a small randomly selected sample (n = 21) of managers/leaders from within the three organisations (the parent organisation in Germany, plus the two daughter company's in Mexico and France). This rationale behind this initial interview was to establish in the first instance an organisational and personal definition of *excellence*, which was to be the basis of the Pilot Study and set the general background for development of the LCMQ. The interviews, which were structured, were carried out on a face-to-face basis with managers from the German site and took place in their own workplaces. The remaining telephone interviews were carried out with managers based at the Saint-Romain, Lacassagne, in Lyon and Naucalpan-Mexico sites. The method, procedures and results of the Pilot Study will not, however, be discussed here in full – please refer to chapter five for a complete review.

After carrying out the Pilot Study, the basic structure and information needed for the development of the LCMQ became clear and thus the first blueprint for the LCMQ was made.

11.4.1 The Pilot Questionnaire

Once again, a full description of the method, procedures and results of the Pilot Questionnaire are discussed in chapter five, 'The Pilot Study'. Suffice to say here that the Pilot Questionnaire was distributed to the same sample of managers (they had previously agreed to assess the initial LCMQ as part of the Pilot Study) as took part in the face-to-face structured interviews and telephone-interviews ($n = 21$). Pilot Questionnaires were sent to the managers per internal and external post, participants were given six weeks to complete the questionnaire. Additional to completion of the questionnaire participants were asked to evaluate it on certain criteria, namely content, logic, format, presentation and relevance. It was during this *piloting phase* that feedback such as adding an extra job status category (Ingénieur ou cadre) to the French biographical data, and the dropping of an item concerning absenteeism and sick levels also on the biographical data (suggested by a senior executive within the organisation), became evident. All such feasible suggestions were taken on board, and changes were made accordingly to the questionnaire.

11.4.2 The LCMQ Questionnaire (Preparation Phase)

It was of considerable concern to the author that an extensive pre-phase or preparation phase to the study be provided for all participants, prior to distribution of the questionnaire during Time1 of the study i.e. summer 1998. This preparation phase was designed to help participants from all three organisations familiarise with the research study as a whole (rationale, background and their own involvement within it), understand the study's relevance within the organisation change management programme, have a chance to see the questionnaire and put any questions, queries or other issues regarding the study and/or questionnaire to the author in person. The preparation phase was divided into three stages: i) preparation for the German participants, ii) preparation for the Mexican participants and iii) preparation for the French participants. German participants were provided with a 'Research Seminar', which took place at headquarters (where the author was based) in Darmstadt, Germany (German participants had received their questionnaires circa two weeks prior to the research seminar – this was to allow adequate time for participants to read through it and ask any questions about it). **All** German participants were invited to take part in the seminar. Of the German participants included in the study at Time1 ($n = 156$), circa 60 managers took part in the research seminar, this represented about 38% of the German sample. Managers were presented with a talk about the research and the LCMQ, held in English (a Dolmetcha was available for direct translations), 'questions' at the end, were held in participants native tongue, German. The second stage of the preparation phase took place also during Time1 (summer 1998), and was held in Naucalpan, Mexico. This involved the author travelling to Mexico to present the research seminar to the Mexican sample, at their own place of work. Of the Mexican participants included in the study at Time1, ($n = 43$), circa 42 managers took part in the research seminar, this represented about 98% of the Mexican sample. Managers were again presented with a talk about the research and the LCMQ, held in English (a Dolmetcha was available for direct translations), 'questions' at the end, were held in English. During this visit to the Mexico, structured interviews were also held with interested managers and leaders – interviews covered general issues concerning excellence and superior performance. A site visit was also arranged. The third stage of the preparation phase taking place also during Time1 (late summer 1998), was held in Lyon, France. This involved the author travelling to Lyon to present the research seminar to the French sample of managers, at their own place of work. Of the French participants included in the study at Time1, ($n = 127$), circa 65 managers took part in the research seminar; this represented about 52% of the French sample. French managers, coming from the organisations' headquarters in the Saint-Romain region of France and also the Research and Development Department, based in Lacassagne, attended a seminar with a talk about the research and the LCMQ, held in English (an interpreter was available for direct translations). 'Questions' at the end were held in English. During this visit to the

France, structured interviews were also held with interested managers and leaders – interviews covered general issues concerning excellence and superior performance – once again a site visit was also arranged.

The visits to both Mexico and France and the holding of the Seminar at the mother organisation were seen as an especially important part of the study, as they provided the chance to get to know and meet with all participants and a chance to build up a rapport, a personal relationship between researcher and participants. It was also seen as valuable, as it provided participants with a chance to see managers and leaders ‘in action’, as it were, in their own workplaces and in their home territory. Being able to answer questions face to face is preferable also to all other forms of communication medium. Mexican and French managers unable to take part in the research seminar were either on holiday, or business trips, most of those absent from the seminar took part in structured interviews during the visits to France and Mexico. German managers who did not attend the research seminar were partially on business trips or on holiday, others made no effort whatsoever to meet with the research to discuss issues. However, several German managers made telephone contact with the author to confer on issues or pose their questions. This non-direct approach from the German sample is discussed later on in the final chapters of this text.

11.4.3 The LCMQ Questionnaire (Distribution Phase)

Questionnaires were sent out initially to participants during Time1 of the study, i.e. summer 1998, participants were given six weeks to complete and return it. This relative lengthy time for return of questionnaires was due to several factors: the LCMQ’s length (being eleven or twelve sides long, completion time must be suitably lengthy), data and information (managers were asked to find out information and data [see business results, sub-scale twelve] of the LCMQ) that would not be immediately available to them i.e. they would have to carry out their own recherche first to provide the required data and finally, absences due to sickness, leave or business trips. The procedure for distribution, especially for those managers who had received the full LCMQ version i.e. 360° evaluation, was fairly complicated, and therefore came with explicit Instructions and Guidelines for completion of questionnaire and distribution of the three further questionnaires. These guidelines advised, or gave tips regarding selection of the three co-workers who were to evaluate the manager’s workplace behaviour and performance. For the 360° LCMQ questionnaires, all four participants received individual questionnaires, with separate return envelopes, each individually addressed as either ‘employee’, ‘peer colleague’ or ‘superior’. Completed questionnaires were sent back individually and *not via the manager* or leader being evaluated – this was an important factor in maintaining confidentiality. No questionnaires bore participants names, but all had a coded research number, which allowed *only the author* to identify participants job division, organisation etc. This was an important second factor in guaranteeing anonymity and confidentiality of data. Mexican and French managers were sent their questionnaires ahead of German managers to allow for any hold ups in the postal systems – both samples received their questionnaires about two or three weeks prior to the authors visit. German managers received their questionnaires per internal house post, therefore were the last to receive questionnaires. Distribution of the LCMQ at Time2 took place almost exactly one year after the Time1 distribution (summer 1999) – and exactly the same logistics for the 360° questionnaires was used once again. Participants were given, as with the first distribution, six weeks for completion and return of their questionnaires. All questionnaires were accompanied by a cover letter explaining the purpose of the study, emphasising voluntary participation and guaranteeing absolute confidentiality – it was included at *both* distributions.

11.5 Data Analyses

Three preliminary analyses were carried on the LCMQ sub-scales items to assess reliability and robustness. Bivariate correlations (Pearson) and linear regression were carried out on each of the twelve sub-scales across all four job-status categories of the questionnaire - reliability scale alpha values showed all sub-scales to be valid and reliable. Factor Analyses were also carried out, but due to the sometimes

low number of data points, were unable to be successfully calculated. for The QPS scale was partially correlated with EM (Excellence Merck) scores and were found to be highly significant. The QPS scale was also correlated using Pearson's Correlation coefficient with: 'communication' and found to be highly significant, 'providing staff with vision through clear goals and objectives is important' and employee motivation revealing a high significance level. Further findings of a First Report preliminary correlation analyses (Pearson) revealed manager self-ratings of 'commitment to the Merck Excellence Process' correlating and 'QPS Excellence (EM+EG, *Excellence General*)', 'Being a good role model' and 'Showing personal enthusiasm for the Merck Excellence Process' to be highly significant. Subordinate employees rating managers found 'Being a good role model' and 'Having adequate self confidence', 'Rewarding good performance' and 'Building relationships with Staff' to be highly significant. For the peer colleague rating of managers 'Ability to be self-critical' and 'QPS excellence (EM+EG) score' were found to correlate highly. Time1 data was correlated and regressed with Time2 as were each of the four individual job-status level questionnaire data (M-Se, Sta-Man, Pe-M, and Sup-Man), as were the data from each of the three different organisations i.e. Mexico, Germany and France. The seven main Hypotheses (22 sub-hypotheses) were tested using, Regression analyses (linear), Pearson's correlational analyses, univariate ANOVA, independent t-tests, Discriminant Analysis, Levene's Test of Homogeneity, Wilk's Lambda and other basic descriptive statistics.

Conclusion

The Method section included a full description of the participants who took part in the investigation, the design of the study, the measures used to collect relevant data, the procedures used to carry out to employ those measures and finally, the statistical treatment of the data collected using the measures. The following chapter, chapter twelve, presents the results (descriptive statistics) of the seven main Hypotheses of this investigation.

CHAPTER 12: RESULTS

Overview

Chapter twelve presents the main Results section of this study and is divided in six parts. The first part contains basic statistical treatment and results of the Leadership and Change Management Questionnaire (LCMQ) sub-scales, it also shows the descriptive statistics for the Quality Performance Score (QPS) and Egotism scores. The remaining five sections are devoted to each of the main hypothesis areas and their accompanying hypotheses, which have been presented throughout the thesis in chapters three, four, six, seven, eight and nine.

12.1 LCMQ Reliability and Validity

A general structure description of the Leadership & Change Management Questionnaire, its sub-scales construction, scientific and theoretical background, bias control plus further detailed descriptions of the QPS and Egotism Scales are to be found in chapter 10, 'LCMQ' (section 10.2 onwards).

12.1.1 Sub-scales

The twelve LCMQ sub-scales operated with a varying number of items (scales contained between 6 and 38 items) totalling 172 for the self-evaluation version. The four LCMQ versions varied in number of total items (please refer to Fig. 1, chapter 10.3). An in depth description of each sub-scale is found in chapter ten (10.2.1). Below are listed the sub-scales and their respective number of items (manager Self-evaluation version):

1. Thinking/Problem-Solving/Innovation (6)
2. Power/Influence (9)
3. Commitment/Political System/The Business (9)
4. Performance/Flexibility/Stress (17)
5. Information/Communication/Opportunity (10)
6. Motivation/Vision/Mission (10)
7. The Self (11)
8. Leadership (17)
9. People Management (28)
10. Customer Satisfaction (2)
11. People Satisfaction (38)
12. Business Results (15)

The 172 items contained statements and observations about *i*) managers own perceived workplace behaviour and, *ii*) co-workers observed evidence of their managers behaviour, which were rated, for example, Item 11, "Influencing other members of staff is not a problem for me". Whilst subjective opinion was asked i.e. managers evaluating their own behaviour, objective opinion was also asked i.e. co-workers rating their manager's behaviour.

12.1.2 Analysis of the LCMQ

Each of the 172 items were each attached to a 7-point rating scale (refer to chapter 10, 10.2.2 'Rating Scales'), participants were required to mark each scale to indicate how much or how little they agreed with the given statement or observation. Scales were scored by summing the marked scale items.

Analysis was undertaken to establish the reliability of the twelve sub-scales which make up the Leadership and Change Management Questionnaire (LCMQ) - the analysis was carried out using the

statistical program SPSS (version 10 and version 10.1). Table 1 shows the summed reliability results for all twelve LCMQ sub-scales, with Cronbach's alpha. All four versions of the LCMQ i.e. manager-self-evaluation, staff, peer and supervisor-evaluations (Time1) are included in the analysis.

Table 1. Summed Sub-scale Reliability by version (all 4 versions), Time1

LCMQ Version	Sub-Scales (All) Mean	SD	No. Cases	Alpha
Manager Self-Evaluation	329.66	63.15	114	.79
Staff-Manager-Evaluation	351.90	86.62	21	.79
Peer-Manager Evaluation	342.57	87.77	14	.81
Supervisor-Manager Evaluation	347.66	92.94	12	.85

Sample

A detailed description of the sample group is to be found in the main Method chapter (chapter eleven, 11.1), however, Table 1a below shows the breakdown in terms of job status (evaluator status) per country, at Time1 and Time2, for each of the sample groups GERmany, FRAnce and MEXico.

Table 1a. Breakdown of Sample Rater Groups, per country, for T1 and T1

Rater Status	GER, T1	GER, T2	FRA, T1	FRA, T2	MEX, T1	MEX, T2	Total T1	Total T2
SELF	n = 50	n = 26	n = 93	n = 9	n = 24	n = 11	n = 167	n = 46
STAFF	n = 8	n = 2	n = 14	-	n = 7	n = 4	n = 29	n = 6
PEER	n = 7	n = 3	n = 8	n = 1	n = 6	n = 5	n = 21	n = 9
SUPERIOR	n = 5	n = 3	n = 9	-	n = 4	n = 2	n = 18	n = 5
Totals	n = 70	n = 34	n = 124	n = 10	n = 41	n = 22	n = 235	n = 66

Table 2 shows the reliability results for each of the separate sub-scales in the LCMQ, Manager-Self-evaluation version, T1.

The LCMQ sub-scales using Cronbach's Alpha for test of Homogeneity range from .93 to .52 and demonstrate an acceptable sub-scale reliability level.

To test the validity of the sub-scales, a correlation of the 12 sub-scales was also carried out (Table 2a below) and shows that 10 out of 12 sub-scales correlate highly with each other. The highest inter-correlation of .68 was between the sub-scales 6) Motivation/Satisfaction/Vision and sub-scale 8) Leadership. The lowest inter-correlation, an negative correlation, was between sub-scale 6) Motivation/Satisfaction/Vision and sub-scale 11) People Satisfaction. This is most likely due to the fact that sub-scale 11) People Satisfaction only has 2 items, and was not consistently rated by participants. Sub-scale 12) Business Results, which contained both quantitative as well as qualitative data was often not evaluated by participants completing the LCMQ as it required extra research to provide additional data (participants did not want to take time for this, or did not have time for this) - this explains its low, sometimes negative inter-correlation with the other sub-scales of the LCMQ.

Table 2. LCMQ Sub-scale Reliability (Manager-Self evaluation version), Time1

Sub-scale	Cases (n =)	Items	Mean SD	Range	rit Min	rit Max	rit θ	α	Schiefe Excess
1) Thinking/Problem-Solving/Innovation	174	6	12.41 4.54	0-31	6.00	37.00	12.33	.73	1.45
2) Power/Influence	99	9	24.07 6.71	0-44	2.00	46.00	22.89	.64	0.98
3) Commitment/Political System/TheBusiness	167	9	16.66 5.85	0-35	5.00	40.00	16.40	.79	0.91
4)Performance/Flexibility/Stress	150	17	41.97 10.27	0-65	19.00	84.00	4.49	.74	0.41
5)Information/Opportunity/Communication	156	10	21.74 6.22	0-47	10.00	57.00	21.71	.71	1.30
6)Motivation/Satisfaction/Vision	165	10	16.47 5.59	0-47	9.00	56.00	16.36	.82	2.22
7) The Self	163	11	21.52 6.57	0-43	7.00	50.00	21.03	.67	0.68
8) Leadership	116	17	36.65 11.93	0-86	16.00	102.00	34.77	.90	1.29
9) People Management	100	28	66.68 22.46	0-154	6.00	160.00	61.00	.93	0.65
10) Customer Satisfaction	112	2	5.58 2.71	0-13	1.00	14.00	5.19	.74	0.72
11) People Satisfaction	68	38	69.51 6.68	0-73	3.00	76.00	63.33	.90	-1.83
12) Business Results	3	15	15.33 2.51	0-27	1.00	28.00	10.24	.52	0.66

Comments: N = Sub-scales = sum of individual items per sub-scale, M = Average, SD = Standard Deviation, Range = Of observed minimal to maximal score selection on each sub-scale, rit = selection of items θ = mean observed selection, α = Cronbach's Alpha.

Table 2a. Inter-correlation of the 12 LCMQ Sub-scales

		Correlation Matrix (Pearson)										
	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
1.												
2.	.34**											
3.	.45**	.33**										
4.	.53**	.47**	.60**									
5.	.53**	.39**	.56**	.67**								
6.	.46**	.40**	.50**	.48**	.63**							
7.	.42**	.40**	.56**	.67**	.65**	.49**						
8.	.46**	.34**	.52**	.54**	.58**	.68**	.46**					
9.	.34**	.32**	.34**	.40**	.52**	.55**	.42**	.66**				
10.	.24**	.36**	.19**	.43**	.37**	.26**	.27**	.32**	.44**			
11.	-.08	.02	-.20**	-.20**	-.17*	-.13	-.18*	-.06	-.05	-.11		
12.	-.16*	-.04	-.12	-.08	-.08	.00	-.12	.16*	.09	.07	.19*	

Comments: $N = 114$ 1) Thinking/Problem-Solving/Innovation 2) Power/Influence 3) Commitment/Political System/TheBusiness 4) Performance/Flexibility/Stress 5) Information/Opportunity/Communication 6) Motivation/Satisfaction/Vision 7) The Self 8) Leadership 9) People Management 10) Customer Satisfaction 11) People Satisfaction 12) Business Results.

* = $p < .05$ ** = $p < .01$

A principal components [*factors*] analysis, PCA, (varimax rotation method) factor analysis, was carried out on the LCMQ sub-scales to determine whether one or more of the sub-scales were dealing with the same underlying psychological dimensions, or performance. By carrying out PCA 25 factors with an Eigen Value of >1.0 were extracted (Eigen Values: 20.30, 9.54, 7.28, 6.65, 4.89, 4.74, 4.72, 4.42, 4.14, 3.42, 3.24, 2.84, 2.61, 2.40, 2.21, 2.13, 1.98, 1.76, 1.54, 1.43, 1.31, 1.26, 1.20, 1.11, 1.02). Factor analysis scree test (see Scree Plot in Table 2b) gives the 3-factor solution based on the Eigenvalues and Scree-test (Reliability test alpha factor 1 = 0.96; alpha factor 2 = 0.87; alpha factor 3 = 0.86). These factors are

Factor 1:

1) *Thinking-Problem-Solving-Innovation*; 2) *Power/Influence*; 3) *Commitment-Political System-TheBusiness*; 4) *Performance-Flexibility-Stress*; 5) *Information-Opportunity Communication*; 6) *Motivation-Satisfaction-Vision*, 7) *The Self*, 8) *Leadership*. The items in these 8 sub-scales contributed towards this factor. Example items from the sub-scales included: 1) 'Am a strategic thinker', 2) 'Am in favour of power sharing', 3) 'Personally identifies with the organisations mission', 4) 'Is a high level performer', 5) 'Is an excellent communicator', 6) 'Motivating others is an important part of this job', 7) 'I know myself and am aware of my own limits'.

Factor 2:

Customer Satisfaction. Both items in this sub-scale contributed towards this factor. Typical items in the sub-scale included: 10) 'Organisation uses direct measurements of performance relating to customer satisfaction' and, 'Organisation uses indirect measurements of performance relating to customer satisfaction'.

Factor 3:

People Satisfaction. Items in this sub-scale 11) contributed towards this factor and included, 'Ensures staff appraises career development, communication and empowerment'.

The varimax rotation gives an *a priori* fixed numbers of factors which explain 82% of the variance in total. The three factors:

Factor 1)	60.08%
Factor 2)	12.03%
Factor 3)	10.03%

Table 2b. Factor Scree Plot showing Factors and Eigen Values (Main Components Analysis)

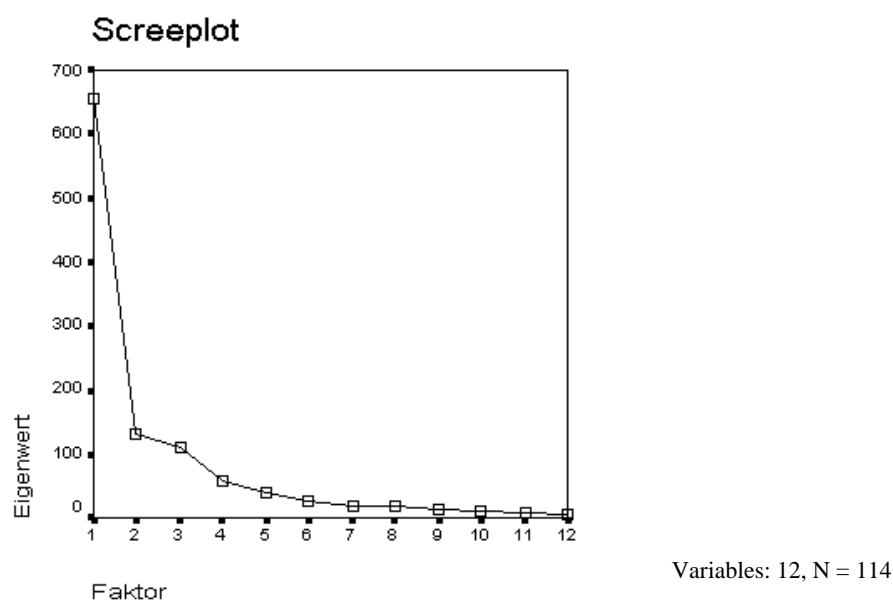


Table 3. Factor Analysis for LCMQ Sub-Scale, showing the 3-factor solutions

Sub-Scale/Item	Mean	SD	Factor	Eigen Value	Variance	Loading
Thinking/Problem-Solving/Innovation	12.01	4.38	1	5.64	47.06	47.06
Power/Influence	23.05	6.66	1	1.27	10.64	-
Commitment/Political System/ The Business	16.03	5.73	1	1.00	8.34	-
Performance/Flexibility/Stress	40.63	10.48	1	.95	7.92	-
Information/Opportunity/ Communication	21.58	6.38	1	.71	5.94	-
Motivation/Satisfaction/Vision	16.49	6.08	1	.52	4.34	-
The Self	20.42	6.88	1	.49	4.09	-
Leadership	35.84	11.74	1	.39	3.31	-
People Management	62.75	21.30	1	.34	2.84	-
Customer Satisfaction	5.14	2.71	2	.26	2.17	57.70
People Satisfaction	64.49	11.09	3	.21	1.77	66.05

12.2 Descriptive Statistics for the LCMQ and the Egotism Scale

The information in this second results section shows the descriptive statistics for the Leadership & Change Management Questionnaire, and also for the Egotism Scale. Individuals' LCMQ scores are derived from two main scores, namely from an EG (Excellence *General*) score and an EM score (Excellence *Merck*) (refer to chapter ten, section 10.5.1. for descriptions of excellence) - scores being then summed to give a total LCMQ score. The Egotism scores are derived from the 13 variables (see chapter 10.5.2) and all participants received an Egotism score i.e. self-rated and co-worker rated.

In Table 4 below, we see the grouped (German, French and Mexican sample together) QPS scores (all cases), whilst Table 5 shows the grouped QPS scores (360° evaluations).

Table 4. T-test: Grouped Country scores: Self and Co-worker QPS ratings, T1,T2 (all cases)

Quality Performance Scores (QPS)	t-test for equality of means					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Q P S – Self T1	66.594	178	.000	320.7877	311.2817	330.2937
Q P S – Staff T1	21.963	27	.000	352.6786	319.7301	385.6271
Q P S – Peer T1	14.433	20	.000	322.0000	275.4627	368.5373
Q P S – Superior T1	13.792	17	.000	318.3333	269.6379	367.0288
Q P S - Self T2	28.033	44	.000	299.5111	277.9781	321.0441
Q P S - Staff T2	10.572	5	.000	379.1667	286.9753	471.3581
Q P S - Peer T2	15.296	8	.000	290.6667	246.8475	334.4858
Q P S – Superior T2	10.652	4	.000	332.8000	246.0549	419.5451

Table 5. T-test: Grouped Country QPS scores: Self and Co-worker ratings, T1, T2 (360° cases only)

Quality Performance Scores (QPS)	t-test for equality of means					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Q P S – SelfT1	29.798	26	.000	324.7778	302.3736	347.1820
Q P S – StaffT1	21.963	27	.000	352.6786	319.7301	385.6271
Q P S – PeerT1	13.733	19	.000	322.1000	273.0096	371.1904
Q P S – SuperiorT1	12.485	15	.000	313.2500	259.7696	366.7304
Q P S - Self T2	12.400	7	.000	293.5000	237.5303	349.4697
Q P S - Staff T2	10.572	5	.000	379.1667	286.9753	471.3581
Q P S - Peer T2	13.644	7	.000	286.3750	236.7422	336.0078
Q P S - Superior T2	9.333	3	.003	345.2500	227.5183	462.9817

Table 6. T-test: Separate Country QPS scores: Co-worker ratings (co-workers only)

QPS Key: G=Germany F=French M=Mexican	t-test for equality of means					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
G.QPS Score - Staff	10.863	7	.000	392.5000	307.0598	477.9402
G QPS Score - Peer	6.704	6	.001	303.7143	192.8617	414.5669
G QPS Score - Superior	17.835	4	.000	320.8000	270.8595	370.7405
F QPS Score - Staff	21.816	12	.000	336.9231	303.2743	370.5719
F QPS Score - Peer	9.467	7	.000	344.2500	258.2626	430.2374
F QPS Score - Superior	7.476	8	.000	317.2222	219.3711	415.0734
M QPS Score - Staff	8.432	6	.000	336.4286	238.7973	434.0598
M QPS Score - Peer	8.376	5	.000	313.6667	217.3981	409.9353
M QPS Score - Superior	6.717	3	.007	317.7500	167.2055	468.2945

In Table 7 the grouped mean Ego scores for all participants, that is, for self-evaluations and co-worker evaluations, are shown.

Table 7. T-test: Grouped Country Self- and Co-Worker-evaluation Egotism scores (all cases), T1

Egotism Rating	t-test for equality of means					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Self- Rating	46.015	178	.000	26.8547	25.7031	28.0064
Staff-Rating	16.375	27	.000	25.7857	22.5546	29.0168
Peer-Rating	16.099	20	.000	22.4286	19.5225	25.3346
Superior-Rating	10.518	17	.000	26.5556	21.2289	31.8822

In Table 8 (next page), the independent country Egotism ratings for both self-evaluated and co-worker-evaluated are shown for Time1.

Table 8 T-test: Separate Country Ego scores: Self-evaluation and Co-worker rating means, T1

Ego Key: G=Germany F=French M=Mexican	t-test for equality of means					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Ego Rating Staff G	11.190	7	.000	28.8750	22.7733	34.9767
Ego Rating Peer G	7.602	6	.000	20.1429	13.6595	26.6262
Ego Rating Superior G	12.693	4	.000	27.4000	21.4065	33.3935
Ego Rating Self G	31.490	55	.000	30.6250	28.6760	32.5740
Ego Rating Staff F	11.430	12	.000	25.0769	20.2966	29.8572
Ego Rating Peer F	10.633	7	.000	23.0000	17.8853	28.1147
Ego Rating Superior F	5.778	8	.000	27.4444	16.4919	38.3970
Ego Rating Self F	31.031	96	.000	25.1443	23.5359	26.7527
Ego Rating Staff M	6.068	6	.001	23.5714	14.0667	33.0762
Ego Rating Peer M	9.488	5	.000	24.3333	17.7405	30.9262
Ego Rating Superior M	5.985	3	.009	23.5000	11.0044	35.9956
Ego Rating Self M	24.800	25	.000	25.1154	23.0296	27.2011

12.3 Results of the predicted Hypotheses

There are in total, seven separate main Hypotheses which have been investigated and concern the background of change management, its effects on managers work behaviour and its subsequent effects on co-worker as well as on selected organisational outcomes. The hypotheses incorporate five main prediction areas which include the following predictions;

- Predictions made about *Quality Performance and the QPS* (Quality Performance Scale, looking specifically at its effects on managers and their co-workers, these include Hypotheses 1, 2 and 3 (refer to chapters 6, 7 and 8 respectively).
- Predictions made about *Egoistic Behaviour and Egotism ratings* looking specifically at the effects of egoistic behaviour in the workplace, these include Hypothesis 4 (refer to chapter 3).
- Predictions made about the change management initiative *Merck Excellence* and its bearing on work attitudes, especially employee satisfaction. These predictions include Hypothesis 5 (refer to chapter 4).
- Predictions regarding *Cross-Cultural Differences* and quality performance which incorporate Hypothesis 6 (refer to chapter 9).
- Predictions about *Stress and Experience Levels* and manager performance - these predictions are dealt with in Hypothesis 7 (refer to chapter 6).

Preamble: Throughout the following sections, hypotheses and predictions have been made about the effects that the numerous aspects of change may have on various performance scores and ratings in the changing work environment of this organisation. Managers scores, in particular on two performance measurements, the LCMQ and the Egotism Scale, are discussed. Whenever a 'high score' is referred to in connection with either of these scales in the text, this means a positive or good score, which actually *in reality* is a low score i.e. with these scales, the lower the individuals score, the better they have self-evaluated their own performance or their performance has been evaluated by their co-workers. Hypothesis 1 is sub-divided into three sub-hypotheses - these are presented with their respective results.

12.3.1 Hypotheses 1: Predictions about QPS scores' positive effects on Co-workers

Hypothesis 1a:

Managers with a lower self-rated QPS score will be more associated with co-worker QPS ratings than managers who do not have a low self-rated QPS score.

This sub-hypothesis predicts that when managers give themselves lower QPS scores, their co-workers will similarly rate them on QPS i.e will also give them a low rating. Statistical analyses was carried out to determine mean QPS scores. Test of means were carried (Table 9) out to ascertain QPS averages across each of the three country groups

Table 9. Test of Means: QPS self-rater and Co-worker rater, T1, T2

	N	Min	Max	Mean	Standard Deviation
Quality Performance Score - Self T1	179	124.00	730.00	320.787	64.448
Quality Performance Score - Staff T1	28	225.00	570.00	352.678	84.971
Quality Performance Score - Peer T1	21	133.00	535.00	322.000	102.236
Quality Performance Score - Superior T1	18	165.00	548.00	318.333	97.921
Quality Performance Score - Self T2	46	91.00	472.00	300.391	71.123
Quality Performance Score - Staff T2	6	280.00	481.00	379.166	87.848
Quality Performance Score - Peer T2	9	199.00	370.00	290.666	57.006
Quality Performance Score - Superior T2	5	262.00	424.00	332.800	69.862

Results revealed that self-rating managers had a mean QPS score of 320.78 at T1 whilst at T2, self-rated QPS had gone down (i.e. improved) to 300.39. Therefore, managers self-rated QPS ratings were higher at T2 than at T1. Co-worker QPS ratings showed differences from T1 to T2. Staff QPS ratings showed they had rated managers higher (i.e. *more negatively*) at Time2 than at Time1, as had superiors. However, Peer co-workers had rated managers QPS as improving from T1 to T2. So here, a pattern can be seen: self-raters and peers are rating QPS similarly i.e. their QPS scores improved across time, whilst staff-raters and superior-raters are rating similarly i.e. their QPS scores deteriorated across time.

A similar pattern of results was found when separating the manager groups into 2 further groups, a 'multi-rater feedback' (360°) only group and an 'all cases' group. To see t-test for QPS scores equality of means results, refer to Table 4. For the 360° only group self-rating managers at T1, $t = 29.79$; $df = 26$; $p < 0.01$ gave themselves a better QPS rating at T2, $t = 12.40$; $df = 7$; $p < 0.01$, as did their peer co-workers, T1, $t = 13.73$; $df = 19$; $p < 0.01$ and T2, $t = 13.64$; $df = 7$; $p < 0.01$, staff and superior co-worker QPS ratings fell from T1 to T2, that is, they gave their managers below average (worse) scores one year later (despite a reduced number of data points).

Once average QPS scores had been identified, a sufficient number of above average and below average score cases, were selected for further analysis to determine whether there would be associations between these variables. Pearson's correlation's were carried out to determine QPS self/co-worker score correlations. Firstly, a calculation was carried out to examine the correlation between *all 360° QPS scores* (see Table 10 below).

Table 10. Pearson's Correlation: QPS self-rating and co-worker-ratings, 360° only

		QPS: Self	QPS: Staff	QPS: Peer	QPS: Superior
QPS –Self	Pearsons Correlation	1.000			
	Significance (1-tailed)	.			
	N	44			
QPS –Staff	Pearsons Correlation	.168	1.000		
	Significance (1-tailed)	.206	.		
	N	26	28		
QPS –Peer	Pearsons Correlation	.138	.174	1.000	
	Significance (1-tailed)	.293	.239	.	
	N	18	19	20	
QPS – Superior	Pearsons Correlation	.568(*)	-.120	-.051	1.000
	Significance (1-tailed)	.017	.334	.438	.
	N	14	15	12	17

* The Correlation is at the level 0.05 (1-tailed) significant.

The correlation matrix shows that superior QPS ratings correlated with manager self-evaluated QPS $r = 0.56$; $n = 14$; $p < 0.05$, whilst staff and peer QPS ratings were non-significant - a result which was not reflected in the t-test results. A second correlation (see Table 11, next page) taking only *below average QPS scores* revealed no significant correlation's between the variables.

Table 11. Pearson's Correlation: QPS Self- and co-worker ratings, 360° only (below average scores)

		QPS: Self	QPS: Staff	QPS: Peer	QPS: Superior
QPS: Self	Pearson's Correlation	1.000			
	Significance (1-tailed)	.			
	N	23			
QPS: Staff	Pearson's Correlation	.202	1.000		
	Significance (1-tailed)	.276	.		
	N	11	11		
QPS: Peer	Pearson's Correlation	.006	.141	1.000	
	Significance (1-tailed)	.494	.369	.	
	N	9	8	9	
	Pearson's Correlation	.613	.658	-.452	1.000
	Significance (1-tailed)	.136	.171	.222	.
	N	5	4	5	5

* The Correlation is at the level 0.05 (1-tailed) significant. Superior data insufficient for correlation

A third correlation using *able average QPS scores only* was calculated and revealed non-significant results, apart from an association between peer and superior QPS ratings (see Table 12 below).

These results tells us that there is no association between below average co-worker QPS ratings, and also that an association between above average co-worker QPS ratings is found only between peer and superior ratings. When examining QPS averages for managers rating co-worker rating patterns are clear, however the strength of association between the QPS variables is however less clear, as seen when examining the correlational results (the value of Pearson Correlation is disputed by Anscombe (1973)¹ .

¹ Refer to Kinnear and Gray (1999) in the Bibliography.

Table 12. Pearson's Correlation: Above average QPS self- and co-worker rating scores (360° only)

		QPS: Self	QPScore: Staff	QPS: Peer	QPS: Superior
QPS: Self	Pearson's Correlation	1.000			
	Significance (1-tailed)	.			
	N	15			
QPS: Staff	Pearson's Correlation	.399	1.000		
	Significance (1-tailed)	.127	.		
	N	10	10		
QPS: Peer	Pearson's Correlation	.538	-.033	1.000	
	Significance (1-tailed)	.106	.472	.	
	N	7	7	7	
QPS: Superior	Pearson's Correlation	.439	.044	.905(*)	1.000
	Significance (1-tailed)	.162	.463	.047	.
	N	7	7	4	7

* The Correlation is at the level 0.05 (1-tailed) significant.

Hypothesis 1b:

Managers who self-rated themselves as being less Egocentric, will be significantly more motivating for their co-workers than managers who have self-rated themselves as being more Egocentric.

This sub-hypothesis looks at whether managers who find themselves either more or less 'egoistic' in their workplace behaviour, have a motivational effect on their co-workers. Statistical analyses were carried out on the data to determine this. First mean Egotism scores were calculated (Table 13).

Table 13. Mean Ego scores: Self-rated and Co-worker rated, T1

	N	Min	Max	Mean	Standard Deviation
Egotism - Self	179	10,00	64,00	26,8547	7,80817
Egotism score - Staff	28	12,00	40,00	25,7857	8,33270
Egotism score - Peer	21	14,00	35,00	22,4286	6,38413
Egotism score - Super	18	12,00	57,00	26,5556	10,71130

A further t-test was computed (see Table 13a) to determine equality of Ego score means.

Table 13a. T-test: Manager Self-evaluation Egotism score (all cases)

	T-test for equality of means					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Egotism rating	46.015	178	.000	26.8547	25.7031	28.0064

With this information high average and below average QPS scores were identifiable. Scores found to be lower than average were then selected for inclusion in further analysis (ANOVA). The one-way between subjects ANOVA was carried out on the data to determine if population means between manager Egotism scores and co-worker motivation ratings were equal (refer to Table 14).

Table 14. ANOVA: Manager Ego score and Co-worker motivation ratings (all cases)

ANOVA		Sum of Squares	df	Mean Square	F	Sig.
Am Highly Motivated by my Job - Staff	Between Groups	17.365	15	1.158	3.087	.039
	Within Groups	3.750	10	.375		
	Total	21.115	25			
Motivating Others is Important for Me in this job - Staff	Between Groups	51.154	15	3.410	1.337	.327
	Within Groups	25.500	10	2.550		
	Total	76.654	25			
I Believe in Empowering my Staff - Staff	Between Groups	30.865	15	2.058	.742	.709
	Within Groups	27.750	10	2.775		
	Total	58.615	25			
Am Highly Motivated by my Job - Peer	Between Groups	11.500	15	.767	3.067	.273
	Within Groups	.500	2	.250		
	Total	12.000	17			
Motivating Others is Important for Me in this job - Peer	Between Groups	21.278	15	1.419	.896	.647
	Within Groups	3.167	2	1.583		
	Total	24.444	17			
I Believe in Empowering my Staff - Peer	Between Groups	25.775	15	1.718	1.473	.577
	Within Groups	1.167	1	1.167		
	Total	26.941	16			

Due to insufficient number of cases, Superior motivation ratings could not be included in the analysis and are therefore, not shown. Results revealed below average Ego scores and staffs (subordinates) ratings on 'Am highly motivated by my Job' ratings to be significant, $F(15,19) 3.09$; $p < 0.05$, whilst the other motivation ratings 'Motivating others is important..' and 'I believe in empowering staff' as well as those rated by peer co-workers, were all non-significant.

Levene's Statistic which tests for homogeneity of variances was also carried out (see Table 15) between self-rated Ego scores (1 variable) and co-worker motivation ratings (3 variables).

Results showed that all three staff motivation ratings, 'Am highly motivated by my job', 'Motivating others is important for me' and 'I believe in empowering my staff' were significant at the .01 level, whilst

Table 15. Levene's Test of Homogeneity of Variances: Below Average Self-rated Ego ratings and Co-worker Motivation ratings: (all cases)

	Levene Test	df1	df2	Significance
Am Highly Motivated by my Job - Staff	8.530	15	10	.001
Motivating Others is Important for Me in this job - Staff	10.923	15	10	.000
I Believe in Empowering my Staff - Staff	17.821	15	10	.000
Motivating Others is Important for Me in this job - Peer	8.513	13	4	.026
I Believe in Empowering my Staff - Peer	2.406	13	3	.255
<i>a Test of Homogeneity of Variance for Am Highly Motivated by my Job - Peer cannot be computed because the sum of the weighted means is smaller than the number within the group.</i>				

peer ratings for 'Motivating others is important for me in this job' were significant at the .05 level. Due to the insufficient number of data (for all three variables), superior motivation ratings could not be computed. Peer rating for 'Am highly motivated by Job' was, for the same reason, not included in the analysis. The results of the analyses partially confirm the prediction that managers with a below average QPS rating are more motivating for their co-workers, namely that staff are motivated by managers with low Ego scores.

Hypothesis 1c:

Managers self-rated QPS scores will correlate significantly with Superiors ratings on suitability for Promotion.

Hypothesis 1c examines whether managers performance quality, as measured by the QPS score, is significantly associated with, supervisors (superiors) ratings on suitability for promotion. In other words, is the performance achieved good enough to further managers' to be able to further themselves in their careers? Table 4 already shows us the average manager self-evaluation QPS scores and therefore, gives us the range of individual scores suitable for further analysis in inclusion in the correlation between QPS scores and superiors' suitability for promotion ratings. Most QPS scores were above average. Pearson's Correlation between QPS score and supervisors ratings of managers' suitability for promotion at Time1 and Time2, were computed (see Table 16, over).

Table 16. Pearson's Correlation: Manager Self-evaluation QPS score and Supervisor ratings on suitability for promotion, T1, T2.

	Quality Performance Score	QPS Score Self T1	I am a Prime Candidate for Promotion - Superior T1	QPS Score Self T2	I am a Prime Candidate for Promotion - Superior T2
QPS Score Self T1	Pearson Correlation	1.000			
	Significance (1-tailed)	.			
	N	179			
I am a Prime Candidate for Promotion - Superior T1	Pearson Correlation	.046	1.000		
	Significance (1-tailed)	.450	.		
	N	10	12		
QPS Score Self T2	Pearson Correlation	.870(**)	.344	1.000	
	Significance (1-tailed)	.000	.388	.	
	N	45	3	46	
I am a Prime Candidate for Promotion - Superior T2	Pearson Correlation	.976(*)	.(a)	1.000(**)	1.000
	Significance (1-tailed)	.012	.	.	.
	N	4	1	2	4

** Correlation is significant at 0.01 level (1-tail). * Correlation is significant at 0.05 level (1-tail) a Not computed as < 1 variable constant

Results revealed a weak correlation between Superior promotion ratings at T1 and QPS-Self score at T1. QPS Time1 ratings correlated with QPS Time2 ratings, $r = 0.87$; $n = 45$; $p < 0.01$, and QPS Time1 ratings correlated with Superiors rating on suitability for promotion at Time2, $r = 0.97$; $n = 4$; $p < 0.01$. The Scatterplot of Managers self-evaluation QPS scores and Supervisor ratings on managers suitability for promotion, showed that there is no obvious pattern, thus confirming that assumptions of linearity and homogeneity of variance had been met (please refer to Table 16a in Appendix 7 for Scatterplot). On the basis of these results we are able to say that as predicted, there is an association between managers Self-QPS scores and Supervisors scores on suitability for promotion.

12.3.2 Hypotheses 2: Predictions about QPS scores and positive outcomes on the Self

Hypothesis 2a:

Managers Self-reported Communication ratings and Goal Clarity ratings will correlate significantly with reduced levels of job stress experienced.

This sub-hypothesis predicts an association between managers communication scores, goal clarity scores and reduced stress levels (self-rated). Data were analysed firstly to determine means scores for communication and goal clarity - only individual communication and goal clarity ratings being included in the first analysis (see Table below).

Table 17. Test of Means: Communication and Goal Clarity Variables, Self-report, T1

	N	Min	Max	Mean	Standard Deviation
I am a Good Communicator	178	1.00	6.00	2.797	1.0859
Good Personal Communication is Fundamental for Excellence	174	1.00	7.00	2.023	1.0803
Providing staff with Vision through Clear Goals and Objectives is Important	172	1.00	7.00	1.907	1.0217

Secondly, the entire sub-scale 'Communication/Information/Opportunity with goal clarity was tested for means scores (see Table 17a).

Table 17a. Test of Means: Sub-scale Communication and Goal Clarity Variables, Self-report, T1

	N	Min	Max	Mean	Standard Deviation
Providing staff with Vision through Clear Goals and Objectives is Important	172	1.00	7.00	1.907	1.021
Subscale: Information/Opportunity/Communication:	179	10.00	57.00	21.715	6.082

Managers with above average communication and goal clarity scores were identified and selected for further analysis. A Pearson correlation was then computed to ascertain association between the variables communication, goal clarity (4 variables in all) and job stress (three variables).

The Pearson correlation matrix showed that 'Am a good communicator' correlated significantly with 'Giving open feedback is valuable', $r = 0.31$; $n = 78$, $p < 0.01$, and with 'Can cope with the stress level in my job', $r = 0.24$; $n = 78$; $p < 0.05$. These results indicate that as predicted, there is an association between managers with above average communication scores and giving open feedback. Good communication appears also to correlate with ability to cope with stress. This allows us to accept the hypothesis as it stands.

Table 18. Pearson Correlation: Self-Rating Communication and Goal scores with job stress, T1

		AGC	GOFV	GPCE	PVCGOI	JSIL	JSNEH	CCSLJ
AGC		1.000						
	Sig. (2-tail)	.						
	N	78						
GOFV		.317(**)	1.000					
	Sig. (2-tail)	.005	.					
	N	78	78					
GPCE		-.011	-.100	1.000				
	Sig. (2-tail)	.927	.389	.				
	N	77	77	77				
PVCGOI		-.125	.048	.129	1.000			
	Sig. (2-tail)	.290	.687	.277	.			
	N	74	74	73	74			
JSIL		-.151	-.107	.125	.148	1.000		
	Sig. (2-tail)	.191	.353	.281	.211	.		
	N	77	77	76	73	77		
JSNEH		.159	.130	.093	.132	-.178	1.000	
	Sig. (2-tail)	.166	.260	.422	.264	.124	.	
	N	77	77	76	73	76	77	
CCSLJ		.248(*)	.096	.102	.034	-.130	.186	1.000
	Sig. (2-tail)	.028	.405	.376	.771	.258	.105	.
	N	78	78	77	74	77	77	78

Comments: AGC=Am a good communicator, GOFV=Giving open feedback is valuable to me, GPCE=Good personal communication is fundamental for excellence, PVCGOI=Providing staff with vision through clear goals and objectives is important, JSIL=Job stress has increased over last 18 months, JSNEH=Job stress has no negative effects on my health, CCSLJ=Can cope with the stress level in my job.

** Correlation is significant at the 0.01 level (2-tailed). * Correlation is significant at the 0.05 level (2-tailed)

Hypothesis 2b:

Managers commitment to Merck Excellence will correlate significantly with increased job satisfaction and motivation levels.

This sub-hypothesis suggests that managers who are committed to the organisations change program, Merck Excellence, will experience higher levels of job satisfaction and increased motivation. A test for means was computed to determine average Merck Excellence commitment, job satisfaction and motivation scores (refer to Table 19 for table).

Table 19. Mean Test: Manager Self-rated Commitment, motivation and job satisfaction variables

	N	Min	Max	Mean	Standard Deviation
Am Highly Motivated by my Job	179	1.00	7.00	1.709	.908
Motivating Others is Important for Me in this job	178	1.00	6.00	1.741	.927
Developing Staff is an Integral Part of my Job	171	1.00	7.00	2.017	1.070
Rewarding Good Performance is Important in my Job	176	1.00	6.00	1.761	.855
I have a High Level of Job Satisfaction	176	1.00	6.00	2.045	1.120
I am fully Committed to the Merck Excellence Process	170	1.00	7.00	2.423	1.433
I Believe in Empowering my Staff	175	1.00	6.00	1.880	.872

After commitment, motivation and satisfaction means had been computed, Pearson's Correlation (see Table 20 next page) was computed for the same variables and produced some very interesting results.

Table 20. Pearson Correlation: Self-evaluation Commitment, Job Satisfaction and Motivation scores

		CME	HMJ	MOIM	DSPJ	RPIJ	BES	HLJS
CME	Pearson Correlation	1.000						
	Sig. (2-tail)	.						
	N	170						
HMJ	Pearson Correlation	.216(**)	1.000					
	Sig. (2-tail)	.005	.					
	N	170	179					
MOIM	Pearson Correlation	.168(*)	.338(**)	1.000				
	Sig. (2-tail)	.029	.000	.				
	N	169	178	178				
DSPJ	Pearson Correlation	.247(**)	.282(**)	.535(**)	1.000			
	Sig. (2-tail)	.001	.000	.000	.			
	N	163	171	171	171			
RPIJ	Pearson Correlation	.310(**)	.328(**)	.425(**)	.297(**)	1.000		
	Sig. (2-tail)	.000	.000	.000	.000	.		
	N	167	176	175	171	176		
BES	Pearson Correlation	.300(**)	.179(*)	.400(**)	.474(**)	.453(**)	1.000	
	Sig. (2-tail)	.000	.018	.000	.000	.000	.	
	N	167	175	175	171	174	175	
HLJS	Pearson Correlation	.305(**)	.376(**)	.341(**)	.338(**)	.318(**)	.303(**)	1.000
	Sig. (2-tail)	.000	.000	.000	.000	.000	.000	.
	N	167	176	175	169	174	173	176

* Correlation is significant at the 0.05 level (2-tailed) ** Correlation is significant at the 0.01 level (2-tailed).

Comments: CME= Committed to Merck Excellence, HMJ=Am highly motivated by job, MOIM=Motivating is important for me in my job, DSPJ=Developing Staff is a basic part of my job, RPIJ=Rewarding good performance is an important part of this job, BES= I believe in empowering my staff, HLJS= I have a high level of Job satisfaction

Correlation between all variables proved to be significant at the .01 level, with only two results showing significance at the .05 level, these were, 'Motivating others is important for me in this job' and 'I am committed to Merck Excellence' $r = 0.29$; $n = 169$; $p < 0.05$ and 'I believe in empowering my staff' with 'I am highly motivated by my job', $r = 0.17$, $n = 175$; $p < 0.05$. On the basis of these results we are able to accept the hypothesis that commitment to Merck Excellence predicts managers' job satisfaction and motivation levels.

12.3.3 Hypotheses 3: Predictions about QPS scores and organisational outcomes

Hypothesis 3a:

Managers' self-reported critical 'excellence factors' (QPS score) will be significantly related to the organisational outcome of 'improvement' (Merck Excellence), as evaluated by co-workers.

Hypothesis 3a predicts that managers self-rated QPS scores will be significantly associated with the organisational outcome 'improvement' (one of the company's basic missions) as evaluated by managers co-workers. Analysis determining mean QPS scores can be seen in Table 5, thus managers QPS scores were identifiable and selected for further inclusion in a Pearson's Correlation together with the

improvement variables 'Develops systems to Support improvement', 'Monitors improvement/effectiveness of own Leadership Attitudes' and 'Is personally involved in improvement activities'.

A test of mean (refer to Table 21) analysing grouped improvement variable means was computed. QPS scores for self-raters and co-workers can be found in Table 9.

Table 21. Means Test: Co-Worker Improvement Variables, T1 (all cases)

	N	Min	Max	Mean	Standard Deviation
I Am Personally Active in Improvement Activities	174	1.00	6.00	1.839	.838
Develops Systems at work that Support Improvement and Create Involvement	160	1.00	7.00	2.075	1.102
I Am Personally Active in Improvement Activities - Staff	28	1.00	6.00	2.428	1.317
Develops Systems at work that Support Improvement and Create Involvement - Staff	26	1.00	6.00	2.615	1.525
I Am Personally Active in Improvement Activities - Peer	21	1.00	5.00	2.238	.995
Develops Systems at work that Support Improvement and Create Involvement - Peer	21	1.00	6.00	2.619	1.203
I Am Personally Active in Improvement Activities - Superior	17	1.00	5.00	2.235	1.251
Develops Systems at work that Support Improvement and Create Involvement - Superior	16	1.00	6.00	2.375	1.310

A Pearson's Correlation was then carried out on the 'improvement' variables for all co-workers (see Table 22 next three pages, for the Correlation Matrix). Results showed that whilst improvement variables *intra co-worker* were significantly correlated (staff 'Develops systems to Support Improvement' with 'Monitors improvement/effectiveness of own Leadership attitudes' $r = 0.68$; $n = 26$; $p < 0.01$, staff 'Monitors improvement/effectiveness of own Leadership attitudes' with 'Is personally active in improvement activities' $r = 0.77$; $n = 28$; $p < 0.01$, peer 'Monitors improvement/effectiveness of own Leadership attitudes' with 'Is personally active in improvement activities' $r = 0.77$; $n = 21$; $p < 0.01$ and superior 'Monitors improvement/effectiveness of own Leadership attitudes' with 'Is personally active in improvement activities' $r = 0.62$; $n = 16$; $p < 0.05$), the *inter co-worker* improvement variables were not significant.

Table 22. Pearson Correlation: Self-rated QPS scores, co-workers improvement variables, all cases, T1

		DWSSICI Staff 1	MIEOLA Staff 2	IPAIA Staff 3	IPAIA Peer 4	MIEOLA Peer 5	DWSSICI Peer 6	IPAIA Superior 7	MIEOLA Superior 8	DWSSICI Super 9	QPS Man 10
1	Pearson's Correlation	1.000									
	Sig. (2-tailed)	.									
	N	26									
2	Pearson's Correlation	.688(**)									
	Sig. (2-tailed)	.000	.								
	N	26	28								
3	Pearson's Correlation	.681(**)	.773(**)								
	Sig. (2-tailed)	.000	.000	.							
	N	26	28	28	19						
4	Pearson's Correlation	-.006	.198	.034	1.000						
	Sig. (2-tailed)	.981	.417	.890	.						
	N	18	19	19	21						
5	Pearson's Correlation	.005	.170	.173	.779(**)	1.000					
	Sig. (2-tailed)	.984	.487	.478	.000	.					
	N	18	19	19	21	21					
6	Pearson's Correlation	-.025	.308	.126	.748(**)	.743(**)	1.000				
	Sig. (2-tailed)	.923	.199	.606	.000	.000	.				
	N	18	19	19	21	21	21				

		DWSSICI Staff 1	MIEOLA Staff 2	IPAIA Staff 3	IPAIA Peer 4	MIEOLA Peer 5	DWSSICI Peer 6	IPAIA Superior 7	MIEOLA Superior 8	DWSSICI Super 9	QPS Man 10
7	Pearson's Correlation	-.116	.205	.116	-.417	.150	-.143	1.000			
	Sig. (2- tailed)	.705	.483	.693	.202	.660	.675	.			
	N	13	14	14	11	11	11	17	16		
8	Pearson's Correlation	-.123	.309	.053	-.241	.273	-.043	.620(*)	1.000		
	Sig. (2- tailed)	.689	.282	.858	.476	.417	.900	.010	.		
	N	13	14	14	11	11	11	16	16		
9	Pearson's Correlation	-.393	.177	-.121	.092	.285	.171	.494	.795(**)	1.000	
	Sig. (2- tailed)	.185	.544	.679	.801	.426	.637	.052	.000	.	
	N	13	14	14	10	10	10	16	15	16	
10	Pearson's Correlation	.029	.167	.049	-.014	-.126	.160	.331	.327	.208	1.000
	Sig. (2- tailed)	.892	.413	.811	.955	.608	.512	.248	.275	.495	.
	N	24	26	26	19	19	19	14	13	13	179

** Correlation is significant at the 0.01 level (2-tailed). * Correlation is significant at the 0.05 level (2-tailed)

Comments: DWSSICI = Develops work systems to support improvement and creative involvement, MIEOLA = Monitors improvement effectiveness of own leadership attitudes, IPAIA = Is personally involved in improvement activities. 1, 2, 3 = Staff, 4, 5, 6 = Peer, 7, 8, 9 = Superior.

Based on these results the statement that QPS scoring managers predicted co-workers as perceiving them as contributing towards the organisational outcome 'improvement' is not confirmed. The results indicate that these co-worker perceptions on the organisational outcome improvement are aligned with each other (partially) with not with managers performance scores. On the basis of these results we must accept the Null Hypothesis.

Hypothesis 3b:

Managers Ego scores (below average scores) will correlate positively with commitment towards Merck Excellence (ME) - these scorers will also have an increased ME commitment than above average Ego scorers.

This sub-hypothesis predicts that managers Egoistic behaviour that is low will correlate positively with commitment to Merck Excellence than managers demonstrating more Egoistic behaviours in the workplace. Data were analysed to establish the mean scores for commitment and effort towards Merck Excellence. A test of variables means was carried out (see below).

Table 23. Means Test: Commitment to Merck Excellence scores, Self-rated (all cases), T1

	N	Min	Max	Mean	Standard Deviation
My General Efforts towards Excellence are High	167	1.00	7.00	2.616	1.311
I am fully Committed to the Merck Excellence Process	170	1.00	7.00	2.423	1.433

Levene's Statistic tested for homogeneity of variances was also carried out (refer to Table 24 over) between self-rated Ego scores and commitment and effort towards Merck Excellence. Results showed that managers self-ratings of Ego with 'Am fully committed to Merck Excellence' were significant at the .01 level, whilst Ego ratings with 'My general efforts towards Merck Excellence are high' were not significant.

Table 24. Levene's Test of Homogeneity of Variances Manager Ego (all cases), commitment to Merck Excellence ratings:

	Levene Test	df1	df2	Signif.
I am fully Committed to the Merck Excellence Process	2.757	14	47	.005
My General Efforts towards Excellence are High	1.199	14	45	.309

Managers with below average Ego scores were then selected out for one-way Analysis of Variance (ANOVA) with Merck Excellence commitment scores. Anova results (see Table 25,) showed within group variability for below average Ego scores and commitment towards Merck Excellence was $F(14,47) = 3.43$; $p < 0.01$, whilst group variability between low Ego scores and efforts made towards Merck Excellence did not reach significance.

Table 25. ANOVA: Between Below average Ego scores and Excellence commitment scores

ANOVA		Sum of Squares	df	Mean Square	F	Signif.
I am fully Committed to the Merck Excellence Process	Between Groups	36.569	14	2.612	3.432	.001
	Within Groups	35.770	47	.761		
	Total	72.339	61			
My General Efforts towards Excellence are High	Between Groups	17.647	14	1.260	1.753	.078
	Within Groups	32.353	45	.719		
	Total	50.000	59			

Finally, Ego scores were correlated with commitment and effort towards Merck Excellence (ME) scores (see Table 26 next page).

Table 26. Pearson Correlation: Manager Self-rated Ego score and commitment to ME scores, T1

		1	2	3
I am fully Committed to the Merck Excellence Process 1	Pearson Correlation	1		
	Sign.(1-tail)	.		
	N	170		
My General Efforts towards Excellence are High 2	Pearson Correlation	.579(**)	1	
	Sign.(1-tail)	.000	.	
	N	165	167	
Egotism rating 3	Pearson Correlation	.601(**)	.556(**)	1
	Sign.(1-tail)	.000	.000	.
	N	170	167	179

** Correlation is significant at the 0.01 level (1-tailed)

Results showed that Ego scores correlated with both commitment scores, the highest correlation being between Ego rating and I am fully committed to Merck Excellence $r = 0.60$; $n = 170$; $p < 0.01$. On the basis of these results we are able to reject the Null Hypothesis.

12.3.4 Hypotheses 4: Predictions about Egocentric behaviour and negative effects on Performance Quality

Hypothesis 4a:

Managers self-rated Ego scores will be significantly associated with co-workers ratings on performance and quality.

This hypothesis predicts that managers Ego scores will be associated with their co-workers ratings on performance and quality - this stems from Bass's (1985) idea that transformational leaders are more associated with motivating their staff to achieve transcendental goals i.e. long term goals, rather than towards goals associated with self-interest, security and self achievement. Mean Ego scores have already been computed (see Table 8). The next stage in analysis involved establishing means for the performance measures (4 in total) including 'I Regard Myself as a High Level Performer', 'I Always Achieve the Job Performance that I Wish to', 'Maintains High Level of Professional / Technical Skills' and 'Can Deal with Worker Performance' and for 1 quality measure 'Quality is part of my Daily Work Routine'. Test for means were computed (see Table 27).

Table 27. Mean Test: Co-worker Performance and Quality ratings, T1

	N	Min	Max	Mean	Standard Deviation
1) I Regard Myself as a High Level Performer - Staff	27	1.00	7.00	2.444	1.601
2) I Always Achieve the Job Performance that I Wish to - Staff	26	1.00	6.00	2.846	1.541
3) Maintains a High Level of Professional / Technical Skills - Staff	28	1.00	6.00	2.571	1.399
4) Can Deal with Worker Performance Problems - Staff	28	1.00	6.00	2.892	1.423
5) Quality is part of my Daily Work Routine - Staff	28	1.00	6.00	2.178	1.218
1) Peer	20	1.00	4.00	1.800	1.005
2) Peer	21	1.00	5.00	2.238	.995
3) Peer	20	1.00	4.00	2.100	1.071
4) Peer	19	1.00	4.00	2.368	.955
5) Peer	21	1.00	7.00	1.904	1.410
1) Superior	18	1.00	3.00	1.888	.832
2) Superior	18	1.00	5.00	2.222	1.114
3) Superior	18	1.00	4.00	1.944	.872
4) Superior	16	1.00	6.00	2.875	1.454
5) Superior	18	1.00	4.00	2.000	.840

Finally, performance and co-worker quality ratings plus self-rated Ego score data were subject to correlational analyses to determine the strength of association between means. Pearson's correlation (refer to Table 28) showed a correlation between Staff 1) 'I am a High Performer' and Peer 1) 'I am a High Performer' $r = 0.68$; $n = 12$; $p < 0.05$, and also between Peer 1) 'I am a High Performer' and Peer 2) 'Quality is part of Daily Work Routine' $r = 0.58$; $n = 11$; $p < 0.05$.

Table 28. Pearson Correlation: Manager Ego ratings and co-worker Performance and Quality ratings

		Ego rating Self	1) Staff	2) Staff	1) Peer	2) Peer	1) Superior	2) Superior
Ego rating	Pearson Correlation	1.000						
	Sig. (1-tail)	.						
	N	106						
1) Staff	Pearson Correlation	.301	1.000					
	Sig. (1-tail)	.129	.					
	N	16	16					
2) Staff	Pearson Correlation	.271	.279	1.000				
	Sig. (1-tail)	.147	.148	.				
	N	17	16	17				
1) Peer	Pearson Correlation	.103	.588(*)	.056	1.000			
	Sig. (1-tail)	.375	.029	.436	.			
	N	12	11	11	12			
2) Peer	Pearson Correlation	-.018	-.107	-.381	.680(**)	1.000		
	Sig. (1-tail)	.476	.371	.111	.007	.		
	N	13	12	12	12	13		
1) Superior	Pearson Correlation	.294	.096	-.084	.382	.540	1.000	
	Sig. (1-tail)	.190	.403	.409	.199	.105	.	
	N	11	9	10	7	7	11	
2) Superior	Pearson Correlation	-.451	-.299	-.276	.047	.596	.303	1.000
	Sig. (1-tail)	.082	.217	.221	.460	.079	.183	.
	N	11	9	10	7	7	11	11

** Correlation is significant at the 0.01 level (1-tailed) * Correlation is significant at the 0.05 level (1-tailed) Comments: 1= I am a High Performer, 2= Quality is part of Daily Work Routine.

On the basis of the above results we can say that there is some degree of association between managers' self-rated Ego scores and some of their co-workers ratings on performance and quality, but by no means do Ego scores correlate with all co-worker ratings, therefore, we may only partially accept the hypothesis as predicted.

Hypothesis 4b:

Managers self-rated Ego scores will predict co-worker ratings on communication measures - and this will remain constant across time.

Here we are dealing with Ego scores, suggesting scores will bring positive co-worker communication scores i.e. one of the characteristics of manager who are low on Ego is that they are good communicators. Mean Ego scores for managers were computed elsewhere in the results section (see Table 8). Therefore, managers scoring low on the Egotism scale were selected from the population for further analysis. Next, the three communication variables taken from the sub-scale communication/information/opportunity, 'Am a good communicator', 'Giving open feedback is valuable to me' and 'Good personal communication is fundamental to Excellence' were grouped into one new 'communication' variable. A t-test revealed that this communication variable (selected for below average ego scorers only) was, for all 3 co-workers i.e. staff, peer and superior, significant at the .01 level).

Table 29. T-test: Co-worker Communication variables (selected cases only)

	t-test for equality of means					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Communication - staff	11.200	24	.000	12.4400	10.1477	14.7323
Communication-peer	8.663	16	.000	11.8824	8.9745	14.7902
Communication-superior	10.846	16	.000	11.4706	9.2286	13.7126

The final part of the analysis included computing a correlation analysis between communication co-worker ratings and Ego scores from both Time1 and Time2. Pearson Correlation (see Table 30, over) revealed that peer communication scores at Time2 correlated with Ego scores, $r = 0.75$; $n = 7$; $p < 0.05$, and peer communication scores at Time1 correlated with staff communication scores at Time1, $r = 0.58$; $n = 13$; $p < 0.05$. Very interestingly, *all* superior communication ratings for T2 correlated with *all* other co-worker communication ratings at the .01 significant level.

Table 30. Pearson Correlation: Below average Ego scores and Co-worker communication ratings T1, T2

	C = Communication Variable	Ego Rating	C Staff T1	C Peer T1	C. Super T1	C Staff T2	C Peer T2	C Super.T2
Ego rating	Pearson Correlation	1.						
	Sig (1-tailed)	.						
	N	179						
C Staff T1	Pearson Correlation	.199	1.000					
	Sig (1-tailed)	.181	.					
	N	23	25					
C. Peer T1	Pearson Correlation	.091	.582(*)	1.000				
	Sig (1-tailed)	.373	.018	.				
	N	15	13	17				
C Super. T1	Pearson Correlation	.175	.191	-.350	1.000			
	Sig (1-tailed)	.274	.277	.198	.			
	N	14	12	8	17			
C Staff T2	Pearson Correlation	-.391	.227	-.809	-1.000(**)	1.000		
	Sig (1-tailed)	.258	.357	.096	.	.		
	N	5	5	4	2	5		
C Peer T2	Pearson Correlation	.750(*)	.368	-.002	-1.000(**)	-.219	1.000	
	Sig (1-tailed)	.026	.208	.498	.	.390	.	
	N	7	7	8	2	4	8	
C Super T2	Pearson Correlation	-1.000(**)	1.000(**)	1.000(**)	.(a)	-1.000(**)	1.000(**)	1.000
	Sig (1-tailed)	.	.	.	.	.	.	.
	N	2	2	2	0	2	2	2

* Correlation is significant at the 0.05 level (2-tailed) ** Correlation is significant at the 0.01 level (2-tailed).

a Could not be computed as there needs to be at least one variable constant.

The hypothesis that managers with below average Egotism scores will predict positive co-worker communication ratings is partially true, at least for peer and staff ratings, although ratings did not remain stable across time. The only co-worker communication ratings which correlated with all other co-worker ratings and remained stable across time, were superior communication ratings at T2. On the basis of these results we can partially accept the hypothesis as it stands.

Hypothesis 4c:

Co-worker Egotism scale ratings will correlate positively with less time spent with staff.

This hypothesis predicts that managers' Egoistic workplace behaviour (as rated by their co-workers), will correlate with amount of time spent with their co-workers and colleagues. It is anticipated that the more time spent with staff will associate with lower Ego scores. Above average co-worker Ego scores for managers (see Table 8) were selected from the general population and correlated with biographical data for time spent with staff (average boss 'contact'- hours per week). Pearson's Correlation (see Table 31) revealed that average time spent with staff correlated negatively with managers Ego ratings, $r = -0.36$; $n = 25$; $p < 0.05$. All other co-worker ratings 'time spent in contact' and ego score correlation's were non-significant.

Table 31. Pearson's Correlation: Above average Ego scores with Time spent with Co-worker, ratings

	ABC= Average Boss Contact (per week)	Ego rating	ABC Staff	ABC Peer	ABC Superior
Ego rating	Pearson Correlation	1.000			
	Sig. (1-tailed)	.			
	N	179			
ABC Staff	Pearson Correlation	-.361(*)	1.000		
	Sig. (1-tailed)	.038	.		
	N	25	26		
ABC Peer	Pearson Correlation	.002	.260	1.000	
	Sig. (1-tailed)	.498	.157	.	
	N	19	17	21	
ABC Superior	Pearson Correlation	.214	.139	.330	1.000
	Sig. (1-tailed)	.222	.318	.148	.
	N	15	14	12	18

* Correlation is significant at the 0.05 level (1-tailed)

The results as they stand do not allow us to accept the hypothesis as predicted, therefore the Null Hypothesis is not rejected.

12.3.5 Hypothesis 5: Predictions about organisational Division/Unit Size, Merck Excellence Check, Job satisfaction and Job Stress.

Hypothesis 5a:

Organisational divisions having carried out Merck Excellence Checks (MEC) will correlate positively with higher ratings of employee satisfaction, than divisions that have not carried out such a Check.

This sub-hypothesis predicts that divisions that have undergone ME Checks will have higher ratings on employee (staff) satisfaction than divisions that have not carried out such checks. A means test was carried out on job satisfaction scores from both divisions that had had a Check and divisions which had not had a Check (see Table 32 over for means).

Table 32. Mean test: Co-workers Job Satisfaction Variable and Divisions with Check, No Check, T1

HLJS= High Level of Job Satisfaction	N	Min	Max	Mean	Standard Deviation
HLJS - Staff (No Check)	15	1.00	5.00	1.933	1.162
HLJS - Peer (No Check)	10	1.00	3.00	2.400	.843
HLJS - Superior (No Check)	9	1.00	6.00	2.333	1.658
HLJS - Staff (Check)	7	1.00	3.00	1.714	.755
HLJS - Peer (Check)	6	1.00	6.00	2.333	1.966
HLJS - Superior (Check)	4	1.00	2.00	1.500	.577

Data were divided into two groups, into divisions that had carried out a Merck Excellence Check, and those that had not. The two groups were used separately for the following analyses. Pearson Correlations were carried out on each group separately with employee satisfaction ratings and Check variables (see Table 30, below for the combined Correlation Matrix).

Table 33. Pearson Correlation: Organisational Division ME Check/No Check, Staff Satisfaction ratings

MEC=Merck Excellence Check	I Empower my Staff - Staff	High Level of Job Satisfaction - Staff
I Empower my Staff: Staff = No MEC	Pearson Correlation	1.000
	Sig.(1-tailed)	.373
	N	15
High Level of Job Satisfaction Staff = MEC	Pearson Correlation	.373
	Sig.(1-tailed)	.085
	N	15
I Empower my Staff: Staff = MEC	Pearson Correlation	1.000
	Sig. (1-tailed)	.761(*)
	N	7
High Level of Job Satisfaction Staff = No MEC	Pearson Correlation	.761(*)
	Sig. (1-tailed)	.024
	N	7

* Correlation is significant at the 0.05 level (1-tailed)

Results show that only staff-rated 'I empower my staff' correlated with staff-rating 'I have a high level of job Satisfaction', $r = 0.76$; $n = 7$, $p < 0.05$ for the organisational divisions that had carried out a Merck Excellence Check - all other correlation's were non-significant. The prediction then on the basis of these results proved true in that although job satisfaction is affected by the ME check, employee empowerment is however, not affected by it. On the basis of the majority of these results the Null Hypothesis may be rejected.

Hypothesis 5b:

Organisation/divisional size will correlate positively with high motivation scores, both self- and co-worker rated.

This prediction looks at whether or not unit/division size is associated with the co-worker motivation scores 'I am highly motivated by my Job' and 'Motivating others is important for me in this Job'. Divisional data were separated out into either 'small' or 'large' groups, for example, a large division is the Pharmaceutical division at HQ (this accounts for example ca. 70% of company profits), whereas, a smaller division is, for example, the Technical department at HQ. These two divisions were selected then

for further analysis. A t-test (see table 34) on motivation scores for all employees i.e. managers and co-workers was then computed and showed that all motivations scores, both self and other-rated were significant at the .01 level.

Table 34. T-test: Self-rated and Co-worker-rated Motivation scores, T1

	t-test for equality of means					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
AHMJ - Self	25.177	178	.000	1.7095	1.5755	1.8435
MOIM - Self	25.064	177	.000	1.7416	1.6044	1.8787
AHMJ - Staff	9.979	27	.000	1.7500	1.3902	2.1098
MOIM- Staff	8.495	27	.000	2.9286	2.2212	3.6360
AHMJ - Peer	7.594	19	.000	1.8500	1.3401	2.3599
MOIM - Peer	8.935	19	.000	2.5500	1.9527	3.1473
AHMJ - Superior	9.628	17	.000	1.8889	1.4750	2.3028
MOIM - Superior	8.282	16	.000	1.9412	1.4443	2.4380

Comments: AHMJ = Am Highly Motivated by my Job, MOIM = Motivating Others is Important for me in this Job

Finally, a Pearson correlation was carried out on the *small division group* (see Table 35) and revealed that the self-rated motivation variables i.e. 'I am highly motivated in my job' and 'Motivating others is important for me in this job' correlated, $r = 0.48$; $n = 19$; $p < 0.05$. Pearson's correlation carried out with the *large division group* (see Table 36, next page) showed no significant correlation's between the motivation variables.

Table 35. Pearson Correlation: Small Div. (Technical Dept.) Self and co-worker motivation ratings, T1

		MOIM Self	AHMJ Staff	AHMJ Self	MOIM Staff
MOIM Self	Pearson Correlation	1.000			
	Sig.(1-tailed)	.			
	N	19			
AHMJ Staff	Pearson Correlation	.(a)	.(a)		
	Sig.(1-tailed)	.	.		
	N	1	1		
AHMJ Self	Pearson Correlation	.485(*)	.(a)	1.000	
	Sig.(1-tailed)	.018	.	.	
	N	19	1	19	
MOIM Staff	Pearson Correlation	.(a)	.(a)	.(a)	.(a)
	Sig.(1-tailed)	.	.	.	.
	N	1	1	1	1

* Correlation is significant at the 0.05 level (1-tailed) a Could not be computed as there needs to be at least one variable constant.

Table 36. Pearson Correlation: Large Div. (Pharma Dept.) Self and co-worker motivation ratings, T1

		MOIM Self	AHMJ Staff	AHMJ Self	MOIM Staff
MOIM Self	Pearson Correlation	1.000			
	Sig. (1-tailed)	.			
	N	14			
AHMJ Staff	Pearson Correlation	.091	1.000		
	Sig. (1-tailed)	.455	.		
	N	4	4		
AHMJ Self	Pearson Correlation	.349	.522	1.000	
	Sig. (1-tailed)	.111	.239	.	
	N	14	4	14	
MOIM Staff	Pearson Correlation	.572	.763	.730	1.000
	Sig. (1-tailed)	.214	.119	.135	.
	N	4	4	4	4

Results indicate that for the smaller organisational divisions, self-rated motivations scores ('Am highly motivated by my job' and 'Motivating others is important for me in this job') do correlate with each other, whilst co-workers ratings of these variables are not associated with each other. Thus these results lead us to conclude that organisational size predicts only self-rated motivation scores - therefore, thus the prediction is only partially accepted.

Hypothesis 5c:

Managers in divisions that have carried out an ME Check will show significantly higher stress levels and an inability to separate work from private life, than managers in divisions that have not carried out an ME Check.

This sub-hypothesis predicts that having used the organisations check on quality i.e. the Merck Excellence Check, will lead managers to experience higher levels of stress at work and reduced ability to separate work and social life (i.e. problems in the social sphere may be transferred to the working sphere) - stress is hypothesised to be perceived as being higher simply due to the fact that an additional form of control or measure, has been deployed. Firstly, test of means were computed (see Table 37,) for the 3 stress variables and 'I can separate work from my private life' variable.

Table 37. Means Test: Self-rated stress variables and ability to separate work/private life, T1 (Check/No-Check)

	N	Min	Max	Mean	Standard Deviation
Job Stress has Increased in the Last eighteen Months - No MEC	117	1.00	7.00	3.487	2.062
Can Cope with the Stress Level in my Job No MEC	120	1.00	7.00	2.675	1.244
Job Stress is having No Negative Effects on my Health - No MEC	119	1.00	7.00	3.672	1.935
I can Separate my Work from my Private Life No MEC	120	1.00	7.00	2.700	1.761
Job Stress has Increased in the Last eighteen Months MEC	30	1.00	7.00	2.266	1.910
Can Cope with the Stress Level in my Job - MEC	30	1.00	4.00	1.700	.702
Job Stress is having No Negative Effects on my Health - MEC	29	1.00	7.00	3.448	1.784
I can Separate my Work from my Private Life - MEC	30	1.00	6.00	2.466	1.479

Results showed for all 3 stress variables and for the variable 'Can separate work from social life', the No-Check divisions i.e. those divisions which had not carried out a Merck Excellence Check, had higher mean scores, than the divisions which had carried out a Check.

Next, divisions that *have carried out the check* were grouped, as were those which *had not carried out such a check*. These two groups were then separately tested to see which of them showed higher stress level scores and inability to separate work from private life. Both Discriminant analysis and Pearson Correlation's were used.

Univariate ANOVA (see Table 38) was computed for stress and the SWPL variable, and Wilk's Lambda (Λ) was used to 'weigh up' the addition and removal of these variables in the analysis. Results showed, $F(2, 165) = 8.85$; $p < 0.01$ for the 'Can cope with stress level in my job' variable and, $F(2, 165) = 3.80$; $p < 0.05$ for the variable 'Job stress has increased over the last 18 months'.

Table 38. Univariate ANOVA: Test for Equality of means for stress and ability to separate work from private life IV's, self-evaluation, T1

	Wilks-Lambda	F	df1	df2	Significance
Can Cope with the Stress Level in my Job	.903	8.859	2	165	.000
Job Stress has Increased in the Last 18 Months	.956	3.801	2	165	.024
Job Stress has No Negative Effects on my Health	.995	.441	2	165	.644
I can Separate my Work from my Private Life	.995	.375	2	165	.688

The largest absolute correlation between each of the variables and discriminant function was also calculated (see Structure Matrix, Table 39).

Table 39. Structure Matrix (pooled within-groups correlations between discriminating variables and functions)

	Function	
	1	2
Can Cope with the Stress Level in my Job	.737(*)	-.676
Job Stress has Increased in the Last eighteen Months	.463	.887(*)
Job Stress is having No Negative Effects on my Health(a)	.242	-.397(*)
I can Separate my Work from my Private Life(a)	.191	-.251(*)
<i>Pooled within-groups correlations between discriminating variables and standardized canonical discriminant functions. Variables ordered by absolute size of correlation within function.</i>		
<i>* Largest absolute correlation between each variable and any discriminant function</i>		

Classification results also revealed an indication of the success rate for predicting group membership of the grouping variable's categories used in the discriminant function - the overall success rate being 41.8% (see Table 40).

Table 40. Classification Results a, showing success rates for predictions

			Predicted Group Membership			Total
			No	Yes	Don't Know	
Count	Has there been a Merck Excellence Check carried out in your Department?					
	No		40	35	42	117
	Yes		6	22	2	30
	Don't Know		9	5	9	23
Ungrouped cases		1	1	3	5	
%	No		34.2	29.9	35.9	100.0
	Yes		20.0	73.3	6.7	100.0
	Don't Know		39.1	21.7	39.1	100.0
	Ungrouped cases		20.0	20.0	60.0	100.0
<i>a 41.8% of original grouped cases correctly classified</i>						

The final part of this analysis involved carrying out Pearson's Correlation's on both division groups i.e. those which *had* carried out a check, and those which *had not* carried out a check.

Correlation's on variables from managers in the division that *had* carried out a Merck Excellence Check (see table 41, next page) showed the SWPL variables correlated with 'Can cope with the level of stress in my job', $r = 0.50$; $n = 30$, $p < 0.01$.

Table 41. Pearson Correlation: Divisions that *have* carried out ME Check with stress and ability to separate work from private life variables (self-rated)

		Can Cope with the Stress Level in my Job	Job Stress has Increased in the Last 18 Months	Job Stress has No Negative Effects on my Health	Can Separate my Work from my Private Life
Can Cope with the Stress Level in my Job	Pearson Correlation	1.000			
	Sig. (1-tail)	.			
	N	30			
Job Stress has Increased in the Last 18 Months	Pearson Correlation	-.195	1.000		
	Sig. (1-tail)	.150	.		
	N	30	30		
Job Stress has No Negative Effects on my Health	Pearson Correlation	.254	-.280	1.000	
	Sig. (1-tail)	.092	.070	.	
	N	29	29	29	
Can Separate my Work from my Private Life	Pearson Correlation	.505(**)	.052	.225	1.000
	Sig. (1-tail)	.002	.392	.120	.
	N	30	30	29	30

** Correlation is significant at the 0.01 level (1-tailed).

Table 42. Pearson Correlation: Divisions that *have not* carried out ME Check with stress and ability to separate work from private life variables (self-rated)

		Can Cope with the Stress Level in my Job	Job Stress has Increased in the Last 18 Months	Job Stress has No Negative Effects on my Health	Can Separate my Work from Private Life
Can Cope with the Stress Level in my Job	Pearson correlation	1.000			
	Sig (1-tail)	.			
	N	120			
Job Stress has Increased in the Last 18 Months	Pearson correlation	-.221(**)	1.000		
	Sig (1-tail)	.008	.		
	N	117	117		
Job Stress has No Negative Effects on my Health	Pearson correlation	.391(**)	-.157(*)	1.000	
	Sig (1-tail)	.000	.047	.	
	N	119	116	119	
Can Separate my Work from Private Life	Pearson correlation	.239(**)	-.088	.362(**)	1.000
	Sig (1-tail)	.004	.172	.000	.
	N	120	117	119	120

** Correlation is significant at the 0.01 level (1-tailed). * Correlation is significant at the 0.05 level (1-tailed)

The correlation carried out on manager ratings from the group which had *not carried* out an ME check table 42) revealed that all variables (4 in all) correlated with each other at the .01 level, *apart* from 'Stress has increased over the last 18 months' with 'Job stress has no negative effects on my health', $r = -0.15$; $n = 120$; $p < 0.05$. Can cope with stress correlated negatively with increased job stress, as did increased job

stress with job stress has no negative affects on health. In divisions which had carried out a Check being able to cope with stress was associated with being able to separate private from work life.

The results of the means test showed that average stress and ability to cope scores were higher for the N-Check divisions than for the Check divisions. Results of the coorelation indicate that the associations between stress and SWPL variables were stronger for the divisions that *had not* carried out an ME Check, than for the division that *had* carried out a check. On the basis of these results we must accept the Null Hypothesis.

12.3.6 Hypotheses 6: Predictions about Cross-Cultural Differences and Quality Performance

Hypothesis 6a:

French and Mexican Managers will have above-average QPS co-worker ratings in comparison to their German counterparts.

This hypothesis deals with examining *how* co-workers have rated their bosses/managers total quality performance (QPS score), and whether or not differences exist within job status groups and between countries. QPS co-worker score rating data were firstly separated into three groups i.e. a German, French and Mexican manager group. T-tests were then conducted to determine whether differences amongst the three different country and job status QPS-co-worker rating group means were significant or not.

Table 43. T-test: QPS means for German, French and Mexican Manager Groups

Key: G=Germany F=French M=Mexican	t-test for equality of means					
	T	df	Sig. (2-tail)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
G.QPS Score - Staff	10.863	7	.000	392.5000	307.0598	477.9402
G QPS Score - Peer	6.704	6	.001	303.7143	192.8617	414.5669
G QPS Score - Superior	17.835	4	.000	320.8000	270.8595	370.7405
F QPS Score - Staff	21.816	12	.000	336.9231	303.2743	370.5719
F QPS Score - Peer	9.467	7	.000	344.2500	258.2626	430.2374
F QPS Score - Superior	7.476	8	.000	317.2222	219.3711	415.0734
M QPS Score - Staff	8.432	6	.000	336.4286	238.7973	434.0598
M QPS Score - Peer	8.376	5	.000	313.6667	217.3981	409.9353
M QPS Score - Superior	6.717	3	.007	317.7500	167.2055	468.2945

T-test results revealed that all co-worker QPS status mean scores were significantly (2-tailed) different, as were all three country group means scores. What is interesting to note here is that of all co-worker QPS manager-ratings, the Mexican superior QPS ratings, although significant, were the least significant. Results show that French and Mexican staff ratings are indeed lower than German staff ratings, also that French and Mexican superior ratings are also lower than German superior ratings. The only co-worker group where this prediction is *not* proved is the peer co-worker group, where German peer ratings were higher than both French and Mexican peer rating groups. On the basis of these t-test results the Null Hypothesis can be rejected. Co-worker QPS rating scores for the three groups were also subject to correlational analyses (see Table 44). Data were split into two main groups, group one being German co-worker QPS ratings, and group two being (all non-German) French and Mexican co-worker QPS ratings.

Table 44. Pearson Correlation: German, French, Mexican QPS co-worker ratings, T1

		QPS - Staff	QPS - Peer	QPS - Superior
QPS - Staff German Group	Pearson's Correlation	1.000		
	Sig (1-tailed)	.		
	N	8		
QPS - Peer German Group	Pearson's Correlation	-.080	1.000	
	Sig (1-tailed)	.440	.	
	N	6	7	
QPS - Superior German Group	Pearson's Correlation	-.436	.036	1.000
	Sig (1-tailed)	.232	.482	.
	N	5	4	5
QPS - Staff: French/Mexican Group	Pearson's Correlation	1.000		-.198
	Sig (1-tailed)	.		.292
	N	20		10
QPS - Peer: French/Mexican Group	Pearson's Correlation	.679(**)	1.000	
	Sig (1-tailed)	.005	.	
	N	13	14	
QPS - Superior: French/Mexican Group	Pearson's Correlation	-.198	.235	1.000
	Sig (1-tailed)	.292	.288	.
	N	10	8	13

** Correlation is significant at the 0.01 level (1-tailed).

Pearson's Correlation revealed that the strength of association between German co-worker QPS ratings was non significant, whilst for the French/Mexican manager group, co-worker (staff) QPS ratings were significant $r = 0.67$; $n = 13$; $p < 0.01$.

Hypothesis 6b:

Manager with above-average Egotism scores, both self- and co-worker rated, will be found amongst the German manager group.

This sub-hypothesis examines managers self-rating on the Egotism scale as well as their co-workers' ratings of them, on the same scale. It is predicted that the highest Egotism scores, self *and* co-worker rated, will come from the German manager group. Firstly, manager self-evaluation Ego scores had already been computed (see Table 8). Secondly, grouped co-worker Ego scores for all countries and all job statuses were computed (see Table 45 below).

Table 45. T-test: Grouped Average Co-Worker Ego scores (all countries included), T1

	t-test for equality of means					
	T	df	Sig. (2-tail)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Egotism score Staff	16.375	27	.000	25.7857	22.5546	29.0168
Egotism score - Peer	16.099	20	.000	22.4286	19.5225	25.3346
Egotism score - Superior	10.518	17	.000	26.5556	21.2289	31.8822

The grouped t-tests (2-tailed) revealed some interesting results, namely that the worst Egotism ratings (as discussed in chapter ten, 10.5.3, a lower Ego score is indicative of less Egocentric behaviour) came from managers own self-ratings, the best (or highest scores) were given by peer co-workers. These results show 2 groups of rating similarity: *i*) managers self Ego-ratings were more similar to superior Ego ratings (average self-report ratings and superior ratings were closest) and, *ii*) average staff (subordinate) and peer

Ego ratings scores were also similar, although average scores lay less closely together than manager self-report and superior average scores. Finally, Ego score data were then sub-divided into the 3 country groups. Table 46 shows each country's average Ego score across each job status level i.e. co-worker ratings, at Time1.

Table 46. T-tests: Grouped Country Co-worker and Self-evaluation Ego score means, T1

G = German, F = French, M = Mexican	t-test for equality of means					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Ego Rating Staff G	11.190	7	.000	28.8750	22.7733	34.9767
Ego Rating Peer G	7.602	6	.000	20.1429	13.6595	26.6262
Ego Rating Superior G	12.693	4	.000	27.4000	21.4065	33.3935
Ego Rating Self G	31.490	55	.000	30.6250	28.6760	32.5740
Ego Rating Staff F	11.430	12	.000	25.0769	20.2966	29.8572
Ego Rating Peer F	10.633	7	.000	23.0000	17.8853	28.1147
Ego Rating Superior F	5.778	8	.000	27.4444	16.4919	38.3970
Ego Rating Self F	31.031	96	.000	25.1443	23.5359	26.7527
Ego Rating Staff M	6.068	6	.001	23.5714	14.0667	33.0762
Ego Rating Peer M	9.488	5	.000	24.3333	17.7405	30.9262
Ego Rating Superior M	5.985	3	.009	23.5000	11.0044	35.9956
Ego Rating Self M	24.800	25	.000	25.1154	23.0296	27.2011

Table 47. Means: Average inter-Country Egotism scores across four job status levels, T1

	German	French	Mexican
Self rating	30.62	25.14	25.11
Staff rating	28.87	25.07	23.57
Peer rating	20.14	23.00	24.33
Supervisor rating	27.40	27.44	23.50

Results revealed that both the highest and the lowest Egotism ratings come from Germany, i.e. German managers self-reported themselves as the most *egotistic* in their behaviour out of managers in all 3 countries, whilst their peer colleagues rated them as the least egoistic out of all 3 countries. German staff found their managers behaviour to be the most egoistic out of all German co-workers, French superiors rated managers as most egoistic. Mexican managers also rated themselves as being egoistic above all their co-workers, Mexican peers rated managers the most Egoistic. The results indicate that the Null Hypothesis can be rejected in this case. In two out of four cases i.e. in two out of four ratings (self-ratings and staff ratings), German managers were given the highest Ego scores from all three countries - the only German group not giving German managers the highest Ego scores, were the peer and superior managers.

Hypothesis 6c:

Mexican and French participants will show above-average Job Satisfaction and Motivation ratings in comparison to their German counterparts.

This part of Hypothesis 6 looks at the different inter-country job satisfaction and motivation ratings amongst participants in this study, specifically predicting that German managers will have significantly lower satisfaction and motivation ratings than either French or Mexican managers. The summed sub-scale Motivation/Satisfaction/Vision was used in this analysis (this sub-scale contains 10 summed items). Data were sub-divided into two groups, a German manager group and a French/Mexican manager group. T-tests analyses of means were then carried out on both groups (see Table 48 for T-test results table).

Table 48. T-Test: German and French/Mexican Manager Summed Sub-Scale Satisfaction and Motivation ratings, T1

Sub-scale ratings MS = Motivation, Satisfaction	t-test for equality of means					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
MS Self, German	27.214	55	.000	15.9643	14.7887	17.1399
MS Staff, German	5.043	7	.001	25.6250	13.6097	37.6403
MS Peer, German	4.601	6	.004	18.2857	8.5607	28.0107
MS Super., German	5.947	4	.004	17.4000	9.2768	25.5232
MS Self, French/Mexican	30.341	122	.000	16.5528	15.4728	17.6328
MS Staff, French/Mexican	9.913	19	.000	20.5500	16.2112	24.8888
MS Peer, French/Mexican	9.464	13	.000	19.9286	15.3796	24.4775
MS Superior, French/Mexican	6.484	12	.000	17.4615	11.5943	23.3288

Results revealed that in two out of four cases (i.e. two out of four job status levels), German managers were shown to have lower Job Satisfaction and Motivation ratings than either French or Mexican managers. German manager self-evaluation satisfaction and motivation ratings $t = 27.12$; $df = 55$; $p < 0.01$, were lower than French and Mexican manager self-evaluation ratings $t = 30.34$; $df = 122$; $p < 0.01$. German peer satisfaction and motivation ratings $t = 4.60$; $df = 6$; $p < 0.01$ were also lower than French and Mexican manager ratings $t = 9.46$; $df = 13$; $p < 0.01$. German superior satisfaction and motivation ratings were also lower $t = 5.94$; $df = 4$; $p < 0.01$ than French and Mexican ratings. The results indicate that in *this* case the Null Hypothesis cannot be fully rejected. Interestingly, staff evaluations on job satisfaction and motivation ratings were lower for German staff (average score 25.62), than for French or Mexican staff (average score 20.55). German staffs' average motivation and satisfaction ratings of their managers also spanned the greatest range i.e. the distance between the lowest and highest scores was the greatest for German staff than for *any* other co-worker ratings in any country, this indicates the most varied opinion as coming from the German staff participant group.

Hypothesis 6d:

German managers will have lower co-worker ratings of flexibility than either French or Mexican managers.

Hypothesis 6d examines inter-country co-worker flexibility rating differences. It is predicted that German co-workers will rate their managers as being significantly less flexible, than will French or Mexican co-workers rating their managers on the same variables. Data were firstly tested for mean scores - each job status group being tested in each country (see Table 49).

Table 49. Means test: Co-worker flexibility ratings, per country, T1

Is Flexible when Unexpected Environmental Change occurs = FUEC High levels of Flexibility through Decision-Making, are Important in this job = HFDM	N	Min	Max	Mean	Standard Deviation
FUEC - Staff, Germany	8	1.00	7.00	2.750	2.187
HFDM - Staff, Germany	8	1.00	6.00	3.125	1.885
FUEC - Peer, Germany	7	1.00	2.00	1.571	.534
HFDM - Peer, Germany	7	1.00	5.00	2.714	1.704
FUEC - Superior, Germany	5	1.00	2.00	1.800	.447
HFDM - Superior, Germany	5	1.00	4.00	2.400	1.516
FUEC - Staff, France	11	1.00	5.00	2.181	1.328
HFDM - Staff, France	13	2.00	5.00	3.307	1.031
FUEC - Peer, France	8	2.00	4.00	2.500	.755
HFDM - Peer, France	7	3.00	5.00	4.000	.577
FUEC - Superior, France	9	1.00	7.00	2.555	1.943
HFDM - Superior, France	9	1.00	4.00	2.333	1.224
FUEC - Staff, Mexico	7	1.00	6.00	3.000	2.000
HFDM - Staff, Mexico	7	1.00	4.00	2.428	1.272
FUEC - Peer, Mexico	6	1.00	3.00	1.833	.752
HFDM - Peer, Mexico	6	1.00	4.00	2.166	.9831
FUEC - Superior, Mexico	4	1.00	3.00	2.000	.816
HFDM - Superior, Mexico	4	1.00	4.00	2.250	1.258

Means scores showed the highest peer and staff ratings on FUEC and HFDM came from France and Mexico, whilst the highest superior rating on FUEC came from France, and on the variable HFDM came from Germany. T-tests were also carried out on the German group and the French/Mexican group flexibility ratings data to determine average co-worker scores on them. (refer to Table 49a, next page).

Table 49a. T-test: Inter-country co-worker flexibility ratings of managers, T1

	t-test for equality of means					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Flexible when Unexpected Environmental Change occurs - Staff German	3.556	7	.009	2.7500	.9211	4.5789
High level of Flexibility via Decision-Making is Important in this job - Staff German	4.689	7	.002	3.1250	1.5490	4.7010
Flexible when Unexpected Environmental Change occurs - Peer German	7.778	6	.000	1.5714	1.0771	2.0658
High level of Flexibility via Decision-Making is Important in this job - Peer German	4.214	6	.006	2.7143	1.1380	4.2905
Flexible when Unexpected Environmental Change occurs - Superior German	9.000	4	.001	1.8000	1.2447	2.3553
High level of Flexibility via Decision-Making is Important in this job - Superior German	3.539	4	.024	2.4000	.5169	4.2831
Flexible when Unexpected Environmental Change occurs - Staff French/Mexican	6.556	17	.000	2.5000	1.6954	3.3046
High level of Flexibility via Decision-Making is Important in this job - Staff French/Mexican	11.469	19	.000	3.0000	2.4525	3.5475
Flexible when Unexpected Environmental Change occurs - Peer French/Mexican	10.333	13	.000	2.2143	1.7513	2.6772
High level of Flexibility via Decision-Making is Important in this job - Peer French/Mexican	9.365	12	.000	3.1538	2.4201	3.8876
Flexible when Unexpected Environmental Change occurs - Superior French/Mexican	5.179	12	.000	2.3846	1.3813	3.3879
High level of Flexibility via Decision-Making is Important in this job - Superior French/Mexican	7.039	12	.000	2.3077	1.5933	3.0220

The flexibility scores comprised two separate variables, one measuring 'flexibility during unexpected environmental changes' (FUEC) and a second measured, 'high flexibility levels through decision-making are important for this job' (HFDMI). The prediction that German co-workers would rate their managers as being less flexible on 2 measures of workplace flexibility, than French or Mexican co-workers would rate *their* managers, was only partially confirmed. French and Mexican staff flexibility ratings (both FUEC and HFDMI), $t = 6.55$; $df = 17$; $p < 0.01$, were lower than equivalent German ratings. French and Mexican superior flexibility ratings (HFDMI only), $t = 7.03$; $df = 12$; $p < 0.01$ were also lower than the equivalent superior flexibility ratings. The unexpected results included German peer flexibility ratings (FUEC and HFDMI), $t = 7.77$; $df = 6$; $p < 0.01$ and $t = 4.21$; $df = 6$; $p < 0.01$ respectively, both of which were higher (i.e. better scores) than French and Mexican peer ratings of those same variables. German superior flexibility ratings, were also unexpectedly better, $t = 3.53$; $df = 4$; $p < 0.05$ than French and Mexican superior flexibility ratings, and although the difference in the mean is significant, it proved to be the least significant of all the flexibility mean ratings. Taking into account the mean flexibility ratings (Table 49) and t-test results (Table 49a) there is insufficient evidence to accept the hypothesis as it stands, yet some evidence does exist that German co-worker ratings on flexibility were higher (for the superior group) and thus, neither can we accept the Null Hypothesis.

Hypothesis 6e:

German managers will rate themselves significantly higher on the QPS scale than either French or Mexican managers will rate themselves on the QPS scale.

This prediction deals with managers rating their own performance and states that managers from the German part of the organisation are more likely to give themselves above average scores on total quality performance (QPS ratings) than either their Mexican or French colleagues. QPS self-evaluation data was again split into a German group and a French/Mexican group. Each group were separately analysed for QPS mean score, across both Time1 and Time2. Table 50 on the next page shows the results of the t-tests carried out for both German and French/Mexican groups at T1 and T2.

Table 50. T-Tests: German and French/Mexican Self-evaluation QPS scores at Time1 and Time2

	t-test for equality of means					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
QPS Score - Self T1 German	50.894	122	.000	319.5203	307.0922	331.9485
QPS Score - Self T2 German	15.024	19	.000	273.3500	235.2701	311.4299
QPS Score - Self T1 French/Mexican	46.797	55	.000	323.5714	309.7147	337.4282
QPS Score - Self T2 French/Mexican	29.709	25	.000	321.1923	298.9261	343.4585

T-test results show that German managers had average self-rated QPS scores that were higher than French/Mexican average self-rated QPS scores, and this result remained constant across both Time1 and Time2, despite the reduced number of participants available at Time2. It is also noticeable that *both* manager groups i.e. German managers and French/Mexican managers, have higher average QPS rating scores at Time1 than at Time2, again despite reduced participant numbers. On the basis of these analyses, we are able to reject the Null Hypothesis.

Hypothesis 6f:

Mexican managers will spend significantly more time (measured as hours per week) with their co-workers than either French or German managers.

Hypothesis 6f predicts that Mexican managers spend, on average, more time with co-workers than their French or German counterparts. This particular prediction tries to confirm a suspected cultural difference that might exist between European and Latin management styles. Firstly a t-test for grouped (all 3 countries together) 'average boss contact' (ABC) was calculated (see Table 51 over).

Table 51. T-test: All groups Average (Germany/France/Mexico) 'Average Boss Contact' ratings, T1, T2

Average Boss/Subordinate /Peer Contact (time spent with boss per week) = ABC	t-test for equality of means					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
ABC - Staff, T1 (Time1)	18.500	25	.000	2.8462	2.5293	3.1630
ABC - Peer, T1	13.000	20	.000	2.4762	2.0789	2.8735
ABC - Superior, T1	11.347	17	.000	2.7222	2.2161	3.2284
ABC - Staff, T2 (Time2)	9.220	5	.000	2.8333	2.0433	3.6233
ABC - Peer, T2	10.539	8	.000	2.1111	1.6492	2.5730
ABC - Superior, T2	6.325	4	.003	2.0000	1.1220	2.8780

Results showed that when the country samples were grouped into one that staff (both at T1 and T2) gave the highest ratings on 'time spent with staff'.

Next, ABC data were separated into two groups, a German managers group and a French/Mexican managers group. Further t-tests were carried out on these two groups to ascertain average 'Average Boss Contact' (average *boss* contact should be taken to mean here, time spent with either boss, for staff, or colleague for peers and subordinate, for superiors). The results for these two groups are shown in Table 52 (over).

Table 52. T-test: Average Boss Contact, German, French and Mexican Co-worker ratings, T1

Average Boss/Subordinate /Peer Contact - average time spent with boss per week = ABC	t-test for equality of means					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
ABC Staff, Germany	11.000	7	.000	2.7500	2.1588	3.3412
ABC Peer, Germany	6.584	6	.001	2.4286	1.5260	3.3311
ABC Superior, Germany	4.802	4	.009	2.8000	1.1811	4.4189
ABC - Staff, France	12.279	12	.000	2.6154	2.1513	3.0795
ABC - Superior, France	7.234	8	.000	2.4444	1.6652	3.2237
ABC - Staff, Mexico	14.697	4	.000	3.6000	2.9199	4.2801
ABC - Peer, Mexico	7.889	5	.001	3.1667	2.1349	4.1985
ABC - Superior, Mexico	13.000	3	.001	3.2500	2.4544	4.0456

Results showed the highest ratings on time spent with staff came from the Mexican staff group with a mean score of 3.60, the lowest rating came from the German peer group with a mean score of 2.42. A score of two on this particular 'contact' variable meant that managers were spending just below/up to 5 hours a week in direct contact with their managers. A score of three meant managers spent 5-10 hours on average with their co-workers each week. As we can see in Table 53 below (summary of separate t-tests), the Mexican group clearly spend more time with their co-workers .

Table 53. Summary of Average Co-worker 'ABC' scores (German, French, Mexican manager groups)

	German Group	French Group	Mexican Group
Average ABC Staff rating	2.75	2.61	3.60
Average ABC Peer rating	2.42	-	3.16
Average ABC Superior rating	2.80	2.44	3.25

Comments: French Peer ratings were not calculated due to lack of data.

Out of all co-workers in the German manager group, it appears that the superiors rated managers as spending most time with them i.e. circa 5 hours per week, $t = 4.80$; $df = 4$; $p < 0.01$. The French manager group data was unfortunately incomplete, as due to insufficient cases, peers were not included in the analysis. However, out of staff and superior ratings, staff rated managers as spending the most time with them i.e. circa 5 hours per week, $t = 12.79$; $df = 12$, $p < 0.01$. The Mexican manager group, as predicted, spent the most time with all three co-worker groups. As with the French, the Mexican managers spent most time with their subordinates, $t = 14.69$; $df = 4$; $p < 0.01$. What is interesting to note with the Mexican scores is that for each job status category, the Mexican group scored higher than their German *or* French counterparts. As the Mexican average scores have reached three and above, this means that managers spent on average, 5-10 hours per week in direct contact with their colleagues. On the basis of the t-tests data we are able to confirm the prediction and reject the Null Hypothesis.

Some further interesting results concerning this sub-hypothesis were found when examining differences in score, taking gender into account. When examining the descriptive statistics for all cases (all three countries) it was found that for *all job status levels*, female managers spent on average, more time per week with their co-workers than their male counterparts, STAFF male score = 2.7, female score = 3.0, PEER male score = 2.3, female score = 2.6, SUPERIOR male score = 2.6, female score = 3.0. This is an extraordinary result especially considering that in each case there were far fewer female cases than male cases (refer to Table 54, for the complete descriptive statistics). Of all job status levels, managers spent the most time with staff, followed by superior and peer respectively.

Table 54. Descriptive Statistics: Inter-country (all cases) 'Contact' scores divided by Gender, T1

Average Contact/time spent with per week = ABC		N	Mean	Standard Deviation	Standard Error	95% Confidence Interval		Min	Max
						Lower Bound	Upper Bound		
ABC - Staff	Male	22	2.7727	.8125	.1732	2.4125	3.1330	2.00	4.00
	Female	3	3.0000	.0000	.0000	3.0000	3.0000	3.00	3.00
	Total	25	2.8000	.7638	.1528	2.4847	3.1153	2.00	4.00
ABC - Peer	Male	16	2.3750	.8062	.2016	1.9454	2.8046	1.00	4.00
	Female	3	2.6667	1.1547	.6667	-.2018	5.5351	2.00	4.00
	Total	19	2.4211	.8377	.1922	2.0173	2.8248	1.00	4.00
ABC - Superior	Male	13	2.6923	1.1094	.3077	2.0219	3.3627	2.00	5.00
	Female	2	3.0000	1.4142	1.0000	-9.7062	15.7062	2.00	4.00
	Total	15	2.7333	1.0998	.2840	2.1243	3.3424	2.00	5.00

Hypothesis 6g:

Willingness to work on a performance-related pay basis, will be associated with (below average) Egotism scores and job satisfaction scores (German sample only).

Here it is predicted that there is an association between willingness to work on a performance-related-pay basis, Egotism score and job satisfaction scores. The analyses required to test this sub-hypothesis was divided into three parts. The first part involved finding out average scores of the 'willingness to work on a performance-related-pay-basis' variable (WPRPB) ¹, as well as Ego and Job Satisfaction scores. For the second part of the analysis, WPRPB scores were divided into two groups i) high scores and ii) low scorers. Finally the high and low score groups had t-tests computed for them and were then separately correlated using Pearson's Correlation, with job Satisfaction and Ego scores.

The initial analysis phase included carrying out t-tests to determine average scores on Ego, Job Satisfaction and WPRPB variables (refer to Table 55 below).

Table 55. T-Test: Average Self-evaluating managers WPRPB scores (German group only)

	t-test for equality of means					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Am Prepared to Work on Performance-Related-Pay Basis German Self-Managers	16.534	53	.000	1.5556	1.3668	1.7443

¹ The WPRPB variable was used *only* for the German manager group - the reason being that performance-related-pay had not been company-wide introduced at the time of this study, and was only being discussed by some German managers at Headquarters.

Egotism score and Job Satisfaction score means for the total manager population were also computed so as to provide a basis on which to compare high and low WRPRB case scores. (see Table 56)

Table 56. T-test: Average Ego and Job Satisfaction scores (all cases), German managers

	t-test for equality of means					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Egotism rating	46.015	178	.000	26.8547	25.7031	28.0064
I have a High Level of Job Satisfaction	24.222	175	.000	2.0455	1.8788	2.2121

Next, managers with above average WRPRB (prepared to work on a performance-related pay basis) scores only were selected and t-tests and Pearson Correlation computed. T-tests showed Ego $t = 28.62$; $df = 49$; $p < 0.01$ and Job Satisfaction $t = 13.40$; $df = 49$; $p < 0.01$ (refer to Table 57 next page).

Table 57. T-test: Above average WRPRB managers *only* Ego and Job Satisfaction means

	t-test for equality of means					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Egotism rating	28.623	49	.000	30.7000	28.5446	32.8554
I have a High Level of Job Satisfaction	13.404	49	.000	2.2000	1.8702	2.5298

Average mean scores were also computed for the below average WRPRB scorers, Ego $t = 18.47$; $df = 3$; $p < 0.01$ and Job Satisfaction $t = 9.00$; $df = 3$; $p < 0.01$ (see Table 58).

Table 58. T-test: Below average WRPRB managers *only* Ego and Job Satisfaction means

	t-test for equality of means					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Higher
Egotism rating	18.475	3	.000	32.0000	26.4878	37.5122
I have a High Level of Job Satisfaction	9.000	3	.003	2.2500	1.4544	3.0456

The final stage in the analysis involved Pearson Correlation's, which were carried out separately on both above and below average WRPRB score manager groups. As predicted, those managers scoring above average on willingness to work on a performance-related-pay-basis, correlated with below average Ego scores $r = 0.30$; $n = 50$; $p < 0.05$ and with Job Satisfaction $r = 0.30$; $n = 50$; $p < 0.05$ (refer to Table 59 over).

Table 59. Pearson Correlation: Above average WRPRB scorers with Ego and Job Satisfaction

		Am Prepared to Work on Performance- related-Pay Basis	I have a High Level of Job Satisfaction	Ego rating
Am Prepared to Work on Performance-related-Pay Basis	Pearson Correlation	1.000		
	Sig.(1-tailed)	.		
	N	50		
I have a High Level of Job Satisfaction	Pearson Correlation	.063	1.000	
	Sig.(1-tailed)	.331	.	
	N	50	50	
Ego rating	Pearson Correlation	.309(*)	.308(*)	1.000
	Sig.(1-tailed)	.014	.015	.
	N	50	50	50

* Correlation is significant at the 0.05 level (1-tailed).

Below average WPRPB scoring managers did not correlate with either Ego scores or Job Satisfaction scores (see Table 60 over).

Table 60. Pearson Correlation: Below average WRPRB scorers with Ego and Job Satisfaction

		Am Prepared to Work on Performance-related- Pay Basis	Have a High Level of Job Satisfaction	Ego rating
Am Prepared to Work on Performance-related-Pay Basis	Pearson Correlation	1.000	-.333	.577
	Sig. (1-tailed)	.	.333	.211
	N	4	4	4
Have a High Level of Job Satisfaction	Pearson Correlation	-.333	1.000	.192
	Sig. (1-tailed)	.333	.	.404
	N	4	4	4
Ego rating	Pearson Correlation	.577	.192	1.000
	Sig. (1-tailed)	.211	.404	.
	N	4	4	4

One further interesting result connected with Hypothesis 6F is that both above average WPRPB managers *and* below average WPRPB managers had lower than average Ego *and* Job Satisfaction scores than those obtained by the total sample population (see Table 61 below).

Table 61. Mean Test: Ego and Job Satisfaction scores: all cases compared with WRPRB cases

	N	Ego scores	Job Satisfaction scores
Total Sample - All cases	178	26.85	2.04
Above average WRPRB cases only	49	30.70	2.20
Below average WRPRB cases only	3	32.00	2.25

Thus, based on the results presented we are able to accept the hypothesis as predicted.

12.3.7 Hypotheses 7: Predictions about Manager Experience and reactions to Stress

Hypothesis 7a:

Managers who have been longer in their job (i.e. have more experience), will not have above average QPS scores (self- and co-worker rated) than those managers who have not been so long in their jobs (i.e. have less experience).

This hypothesis deals with the level of experience that managers bring with them to their jobs. It is anticipated that having more job experience will not necessarily predict better (lower) QPS scores (i.e. experience will not affect work performance ratings), either self-rated or co-worker rated i.e. it is predicted there will be no association between experience and work performance ratings. Two variables deal with level of managers experience in this study, TPJ 'Time in present job' and TAM 'Time at Merck' i.e. total time within the organisation - both variables were measured in months, and then converted into years. Mean scores were calculated for the 2 experience variables (see Table 62 below).

Table 62. Means test: Manager self-rated Experience Variables, T1

	N	Min	Max	Mean	Standard Deviation
Time in Present Job (Length of time in months, in current position)	167	2.00	372.00	77.215	69.002
Time At Merck (length of time in months at Merck)	168	3.00	567.00	173.815	112.910

T-test were also calculated for TPJ and TAM scores calculated and showed an average TPJ score of 77 months (6.4 years) $t = 14.46$; $df = 166$; $p < 0.01$, whilst average TAM was 173 months (14.41 years) $t = 19.95$; $df = 167$; $p < 0.01$ - the latter being a relatively high *average* 'time in the company' score (see Table 63 next page).

Table 63. T-test: Manager-Self Time in Job and Time at Company scores, T1

	t-test for equality of means					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Time in Present Job (in months)	14.461	166	.000	77.2156	66.6734	87.7578
Time At Merck (in months)	19.953	167	.000	173.8155	156.6172	191.0138

The second part of this analysis involved computing average QPS scores for the general population, in order to provide a basis average on which to compare later QPS scores. QPS averages for the entire manager population have been calculated elsewhere in these results (please see Table 4). As can be seen from Table 4, of all (German, French and Mexican inclusive) QPS scores, *superiors* had given managers below average QPS score of 318.33, whilst *staff* had given managers above average score, 352.67. Grouped QPS average data was then divided into two further groups, i) highly experienced managers, managers with over 200 months in service (16.6 years) and ii) less experienced managers, managers with under 100 months service (8.3years). The 'highly experienced' manager group had QPS averages computed as did the 'less experienced' manager group. T-tests (see Table 64 and 65, next page) were calculated and revealed that all four job status level scores were, as predicted, higher for the 'less experienced' managers i.e. in this case, experience has not affected QPS score, both self-rated and co-worker rated.

Table 64. T-test: 'Highly Experienced' (over 200 months in service) Manager Group QPS scores

	t-test for equality of means					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
QPS Score - Self	32.098	58	.000	324.7119	304.4617	344.9620
QPS Score - Staff	17.643	8	.000	379.5556	329.9450	429.1661
QPS Score - Peer	8.647	7	.000	351.5000	255.3747	447.6253
QPS Score - Superior	6.157	4	.004	302.4000	166.0384	438.7616

Table 65. T-test: 'Less Experienced' (under 100 months service) Manager Group QPS scores

	t-test for equality of means					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
QPS Score - Self	66.594	178	.000	320.7877	311.2817	330.2937
QPS Score - Staff	21.963	27	.000	352.6786	319.7301	385.6271
QPS Score - Peer	14.433	20	.000	322.0000	275.4627	368.5373
QPS Score - Superior	13.792	17	.000	318.3333	269.6379	367.0288

Interesting to note is, when total QPS averages were computed, superiors rated managers best of all co-workers at 318.33. When groups had however been separated out into highly and less experienced groups, *superiors* were still rating managers the highest i.e. with best QPS scores. A further result that should be noted here, is that the least favourable manager QPS ratings were *consistently* given by staff (subordinates/staff) i.e. general population staff QPS rating average 352.67, highly experienced manager group staff QPS rating average 379.55 and finally 'less experienced' manager group staff QPS rating average 327.33. The above results indicate that on this occasion the Null Hypothesis may be rejected.

Hypothesis 7b:

Managers stress ratings are not affected by job experience levels.

This final sub-hypothesis looks at whether level of job experience affects managers in terms of how they might deal with job-induced stress - it is anticipated that stress level is not associated with job experience level. The stress variable we are dealing with is JSILM (Job Stress has Increased in the Last 18 Months) - 18 months was the time point chosen because during administration of the LCMQ, it had been circa 18 months previously that the company-wide change management project had been started, thus managers had about one and a half years to adjust to an environment of change.

Data were subject to two further analyses in order to accept or reject this final hypothesis. Firstly, the 'less experienced' manager group had an average job stress score calculated, which was 3.51, $t = 10.69$; $df = 44$; $p < 0.01$ (see Table 66).

Table 66. T-test: 'Less Experienced' Manager group Job Stress average score

	t-test for equality of means					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Job Stress has Increased over last 18 Months	10.699	44	.000	3.5111	2.8497	4.1725

In contrast the 'highly experienced' manager group had an average job stress score that was 3.30, $t = 13.14$; $df = 58$; $p < 0.01$ (see Table 67 over).

Table 67. T-test: 'Highly Experienced' Manager group Job Stress average scores

	t-test for equality of means					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Job Stress has Increased over Last 18 Months	13.140	58	.000	3.3051	2.8016	3.8086

Finally, self-rated QPS, job Stress and TAM (Time in the company) were correlated with each other using Pearson's Correlation (see Table 68 and Table 69).

Table 68. Pearson Correlation: Highly Experienced Manager Group with Stress QPS score and TAM

		Time At Merck (length of time in company)	Job Stress has Increased over Last 18 Months	QPS - Self
Time At Merck	Pearson's Correlation	1.000		
	Sig. (2-tailed)	.		
	N	59		
Job Stress has Increased over Last 18 Months	Pearson's Correlation	-.036	1.000	
	Sig. (2-tailed)	.789	.	
	N	59	59	
QPS - Self	Pearson's Correlation	-.055	.059	1.000
	Sig. (2-tailed)	.681	.655	.
	N	59	59	59

Table 69. Pearson Correlation: Less Experienced Manager Group with Stress QPS score and TAM

		Time At Merck (length of time in company)	Job Stress has Increased over Last 18 Months	QPS - Self
Time At Merck	Pearson's Correlation	1.000		
	Sig. (2-tailed)	.		
	N	49		
Job Stress has Increased over Last 18 Months	Pearson's Correlation	-.272	1.000	
	Sig. (2-tailed)	.071	.	
	N	45	45	
QPS - Self	Pearson's Correlation	.445(**)	.041	1.000
	Sig. (2-tailed)	.001	.787	.
	N	49	45	49

** Correlation is significant at the 0.01 level (2-tailed).

Results showed that the more experienced managers showed no association between stress ratings and self-rated performance quality, whilst the less experienced manager group did show an association between self-rated quality performance and length of time in service,

$r = 0.44$; $n = 49$; $p < 0.01$ - neither group showed associations with the stress variable. On the basis of these results we are able to accept the hypothesis as it stands.

Conclusion

Chapter twelve presented, using descriptive statistics, the five main Hypothesis areas of this investigation (seven hypotheses in total). The main hypotheses included predictions about manager workplace performance concerning; *quality performance* (effects on the self, on co-workers and on organisational outcomes), *egoistic behaviour* (effects on co-workers, effects across time and on professional relationships), *Merck Excellence* (effects on employee satisfaction), *cross-cultural differences* (effects on quality performance, on co-workers and inter-country manager behaviour), and *stress and job experience* (effects on job stress and workplace performance). The implications, interpretations, general discussion of the results of these research hypotheses and the subsequent recommendations for further action, are explored in detail in the concluding chapter of this thesis, chapter 13.

CHAPTER 13: DISCUSSION AND CONCLUSION

Overview

This final chapter lays out the concluding comments and discussion to this investigation. Firstly, discussion and interpretation of the results of the statistical analyses of the data are undertaken. Next, the limitations to the research are discussed and this is followed by the making of subsequent recommendations for further action, which are directed at the host organisation and are designed to help guide the organisation in its quest for continual improvement through change management and serve as a set of important pointers for the future. These recommendations are based on the factual evidence which have arisen out of the statistically analysed results, which are direct answers to the research hypotheses. The final part to this chapter brings the findings in their entirety and the results on the theme of 'change management, leadership behaviour and corporate success' to a logical close.

13.1 Discussion and Interpretation of the Results

Overview

In this section the statistical analyses of data which was carried out in chapter twelve, Results, are explained and interpreted. With any discussion about results there is a certain amount of personal opinion involved and whilst presenting factual evidence and conclusions from results here, individual interpretations have been made, in other words, the authors explanation of these results represents *one way* in which the evidence can be accounted for. Therefore, other possible interpretations of the results should not be excluded from further discussions on this topic. This section is divided into seven sections, each section discussing the results of each of the seven main hypotheses.

13.1.1 Hypothesis 1

The first three main hypotheses concern predictions that have been made about the quality of performance, as measured through the QPS scale, and how performance may effect managers own workplace behaviour and the behaviour of those with whom they work.

Hypothesis 1a:

QPS scores predict positive effects on Co-workers:

The first prediction states that 'managers who have given themselves below average (good) QPS scores in the LCMQ are more likely to also be given below average QPS scores by their co-workers'. This hypothesis concerns to a certain extent the 'cognitive ability and awareness' that Fletcher and Baldry (2000) and Atwater and Yammarino (1992) speak of. It looks at how skilfully managers are able to rate the quality of their performance and how accurate their estimates are when compared with co-worker quality performance ratings.

Managers had self-rated themselves higher at T2 than T1, therefore, they rated themselves as improving in performance over this time bracket. The reason for this increase in self-rated performance is unclear. The results also showed differences in ratings from T1 to T2 for co-workers. When all co-worker inter-country QPS scores were examined, Staff and Superiors gave the worst i.e. highest *above average* QPS score at Time1, whereas at Time2 Peers gave the lowest *below average* QPS score - the reason for this may either be the reduced number of data points at Time2, which will have brought down all averages, or there may be another underlying reason. Conversely, the highest i.e. worst QPS scores for managers given at Time1, were from the Staff group - this result remained constant across time e.g. Staff also gave the worst QPS ratings at Time2. It may be argued that of all co-workers Staff, or subordinates a) spend the most time with their managers and b) are therefore, more likely to experience a higher number of negative as well as positive work experiences as part of the daily work routine. The subordinate sees his/her manager from all sides i.e. at their best *and* at their worst. One must take into account two further

important issues here, that of power and that of personal liking. Managers naturally have power over their subordinates, and perhaps the power-relationship (even if not overt) may cause staff to rate managers lower (at least perhaps, if this relationship is being mis-used by the manager), although we have no way of telling yet, whether managers who exert more power receive lower staff ratings on performance. Personal liking for a person, surely affects subsequent ratings of them, on any subject and this must also be taken into account. The author was well aware of the power of such confounding variables, and thus took pains to ensure that managers chose co-workers with whom they had an 'average working relationship' i.e. neither very positive nor very negative - whether participants took this advice when selecting co-workers to rate them, is another issue. Another interesting point here is that managers (all cases and then 360° cases only), rated themselves better from Time1 to Time2, for both data sets - which means managers felt that between Time1 and Time2 they had improved their performance - this seems to conflict however, with their Staff's ratings and would thus indicate managers had a relatively inaccurate picture of their own performance [*self-other image*], at least when compared with their Staff's perceptions. Interestingly, examining only mean score QPS data we see two distinct rating patterns emerge, i) that of staff-superior rating agreement and ii) that of self-rating and peer rating agreement - this pattern disappears however, with the correlation data results.

When examining all QPS 360° scores together, Superior and managers self-ratings correlated, this may indicate similarity in 'mind set' between manager and supervisor i.e. that both these job roles tend to think along the same lines i.e. have the same long term goals and issues in mind etc. Alternatively, managers may wish to make extra special efforts in terms of work etc. to try and create a good impression with their superiors, this is, to a certain extent, to be expected. However, it shows that perhaps managers are not interested in creating a good impression with their Staff, whereas doing likewise with their Superiors, may bring career advantage. Above average QPS (i.e. a poor score) Peers and Supervisors ratings correlated with each other (just), but not with manager ratings. The reason for this is unclear. Interestingly, below average score (i.e. a good score) QPS self-and other ratings, did not correlate with each other. Based on the equality of means seen in the t-tests, we would be able to say that below average QPS scores did attract lower co-worker ratings than above average QPS scores and thus we may accept the prediction as it stands. *However*, when looking at the correlation's, we see that there is little strength of association between these variables, and therefore, conclude that extraneous variables may affect the relationship between these variables.

Hypothesis 1b:

Manager who self-rated themselves as being less Egoentric, will be significantly more motivating for co-workers:

This prediction states that managers who are less Egoistic in their work behaviour and how they go about their daily business, as measured by the Egotism Scale, are likely to be more motivating for their co-workers, than managers who are rated as being more egoistic in their behaviour. Interestingly, when examining mean Ego scores, out of all Egotism ratings, managers rated themselves as being the most Egoistic, closely followed by their superiors - this is of interest as one is forced to ask the question, why would a manager rate themselves as being 'egoistic'? Well, perhaps they truly perceive their behaviour as being egoistic - it may be that managers prefer to be honest about their perceptions (if they *are* more egoistic, that is).

To ascertain motivation levels three variables were included in the analysis of variance, 'Motivating others is important for me in this job', 'Am highly motivated by my job' and 'I believe in empowering my staff'. Levene's test for homogeneity of variances showed significance for all motivation variables apart from 'empowering staff', as rated by Peers and 'Am highly motivated by my job' for Peers, as there were insufficient cases. This confirms that all three motivation factors for Staff are certainly affected by managers Ego scores and at least one motivation factor for Peers. Superior ratings were not included in the analysis due to insufficient data. Analysis of variance also revealed that 'Am highly Motivated by my

job' for Staff was significant at the .5 level. These results indicate that co-workers ratings on motivation are affected by managers Ego levels, as measured by their Ego scores, and we can, on the strength of the results, partially accept the hypothesis. Managers who are rated as being more egocentric or self-centred in their work behaviour are less likely to prove motivating or empowering to the colleagues around them, than managers who are not necessarily more altruistic in their behaviour, but who are less egoistic. Peers, seem to be less affected by managers egoistic behaviour, and this stands to reason as they probably spend, on average, less time working with these managers. Again, Staff spend more time with managers than any other co-worker group and are more likely to feel such factors as a managers egocentric behaviour effecting their motivation levels. A second reason here is why egoistic behaviour may have adverse effects on co-workers, is that when a manager is egoistic e.g. spends more time concerned with his/her own tasks, projects etc. and less time (apart from the stress of deadlines or workload etc.) with staff, this gives out a message or signal to others. It says that a manager may prefer to operate alone, deal with his own problems, whereas, what a more 'ideal manager' should be doing , is, despite her workload etc. spending some time with staff and colleagues (such time can be spent either formally or informally with colleagues). This not only builds relationships but enhances a feeling of 'teamwork' and shows co-workers that the manager is concerned for their problems and welfare etc.

Hypothesis 1c:

Managers self-rated QPS scores will correlate significantly with Superiors' ratings of suitability for promotion:

This prediction states that managers who bring a better quality of work performance (self-rated), will be more likely to be seen by their Superiors as being suitable for promotion (*promotion* meaning here either, promotion into a higher status job or, promotion, in terms of giving the manager more 'senior' projects with increasing levels of responsibility etc.). Looking at the correlation's between QPS scores and Superior's suitability ratings for promotion at Time1 and Time2, we see several interesting results.

As might be expected QPS scores correlated with each other at both Time1 and Time2 i.e. below average scoring managers did well in terms of performance, at Time1 and at Time2, showing that in this case good performance was constant. QPS scores did not correlate with suitability for promotion score at Time1, but they did at Time2. At Time1 superiors were not likely to 'promote' their subordinates, however at Time2 they were. One explanation for this might be what can be called a 'time effect'. A time effect may involve some form of delay in superiors either recognising or responding to the good performance of their underlings. Alternatively, superiors may wish to be cautious in arriving at such assumptions about whether to promote an individual or not, and therefore wish to 'observe' managers over a longer, more secure period of time - thus delaying in their promotive actions. Important here, is to see that superiors do seem to recognise managers who bring good performance. Based on the correlational evidence we can accept the hypothesis as it stands, but must exercise caution and say that suitability for promotion was, in this case not constant across time.

13.1.2 Hypothesis 2

Hypothesis 2a:

Managers self-reported Communication and Goal clarity ratings will correlate significantly with reduced levels of job stress experienced:

The importance of both communication (Conger and Kanungo, 1988) and indeed goal clarity (Yammarino, 1996) as part of superior performance is well documented - the importance of a clear understanding by employees of the overall goals and objectives of the organisation and of the specific change program are vital. This prediction deals with managers levels of communication and goal clarity, both of which are an integral part of the quality performance scale. It is predicted that communication and goal clarity will be related to job-stress levels. There were four communication and goal clarity variables

involved, 'Am a good communicator', 'Giving open feedback is valuable', 'Good personal communication is basic for *excellence*', and a total of three stress variables, 'Job stress has increased over the last 18 months', 'Job stress has no negative effects on my health' and 'I can cope with stress levels in my job'. Above average scoring managers were selected only for further analysis in line with the prediction. Correlations were carried out between all seven variables and revealed interesting results. Being a good communicator correlated positively with giving open feedback as being valuable. Therefore, managers are reporting that for them being a good communicator means at least on one level, being able to give open feedback, whether this is actually happening in their workplace is another matter. Truly open feedback is often wished for in organisations, but in reality, seldom delivered. One problem is that 'who gives who the feedback' (see chapter nine, multi-rater feedback systems) can have fairly major effects on *how* the feedback is received and later, responded to. Results also showed that being a good communicator for this manager group correlated positively with 'Can cope with the stress level in my job'. The connection between being able to communicate well and be able to cope with stress, may simply be that people who communicate better, tend to communicate *more* i.e. take on more opportunities for communication, such as through informal communication channels, and thus communication becomes itself a way in which to reduce stress, at least stress concerning uncertainties about information. Good communicators tend also to be better informed, and knowledgeable information handlers. Thus whilst saying that good communicators tend not necessarily to experience less stress but are able to better cope with stress, we are unable to say that goal clarity predicts reduced stress levels. The results show there to be an association between managers with above average communication scores and the giving of open feedback, thus we are able to accept this hypothesis.

Hypothesis 2b:

Managers commitment to Merck Excellence will correlate significantly with increased job satisfaction and motivation levels:

Here it is predicted that managers who are committed towards the company change management program will experience greater job satisfaction and motivation levels. Correlational analysis showed extremely interesting results for the seven commitment, motivation and satisfaction variables. All seven variables, 'I am committed to Merck Excellence', 'Am highly motivated by my job', 'Developing staff is a basic part of my job', 'Motivating others is important for me in this job', 'Rewarding good performance is important in my job', 'I believe in empowering my staff' and 'I have a high level of job satisfaction', correlated at the .01 level of significance (apart from two variables which correlated at the .05 level) thus indicating a high degree of association between commitment towards the company change management process and satisfaction and motivation variables. The highest correlation was between 'Developing staff is a basic part of my job' and 'Motivating others is important for me in this job'. This tells us that motivating and developing staff are for this sample, intrinsically connected. Developing staff is naturally a central way in which to motivate them, as they are shown not only their worth but also they are worth bothering about and this strengthens identity and builds trust. A second high correlation here was between 'I believe in empowering my staff' and between 'Rewarding good performance is important in my job' This tells us that for *this* manager group, rewarding good performance is also seen as empowering them. Everyone likes to receive recognition for a job well done, therefore, reward in the workplace has great value (the implications of reward are discussed in chapter seven). Reward can take place in the form of extra time spent with colleagues, days off *in lieu* or recognition amongst other co-workers and teams and need not always be financial. A third interesting result was a high correlation between 'reward' and 'empowerment', showing that to empower staff in this case, means to reward them - this is an unusual result as one might have expected motivation to correlate more highly with reward (actually only .05 level). One can see it another way i.e. to reward is to empower. But through which mechanisms does this occur? Perhaps through the mechanism or moderator of recognition itself. By rewarding an individual you are recognising their efforts, you are giving her recognition, which in turn may act as a form of empowerment.

The results indicate that the prediction made can be confirmed, commitment to Merck Excellence does relate with motivation and satisfaction levels.

13.1.3 Hypothesis 3

Hypothesis 3a:

Managers' self-reported critical excellence factors (QPS scores) will be significantly related to the organisational outcome of 'improvement' (Merck Excellence) as evaluated by co-workers:

Managers who self-report good workplace performance are predicted to make significantly more contributions to the organisational goal improvement as rated by co-workers, than those managers who do not report good performance. Therefore, managers reporting quality performance are expected to tally with co-workers 'improvement' ratings. Managers with self-reported above average performance were selected for correlational analysis together with the 3 improvement variables, 'Develops Work Systems to support improvement and create involvement '(DWS), 'Monitors/Improves effectiveness of own Leadership Attitude' (MILA), and 'Is Personally Active in Improvement Activities' (PIAC). Results revealed some interesting patterns across all three co-worker levels, namely that whilst *intra co-worker* variables were significantly correlated, *inter co-worker* improvement variables were not.

Staff DWS and MILA correlated very highly showing that for them an important part of developing improvement systems is to 'improve' oneself by monitoring one own manager/leader behaviour. This fits very much in with, not only the pivotal function that role model has in the implementation of change management but also one of the key concepts behind Merck change program itself, namely that 'change begins with the self'. Staff DWS and PIAC also correlated very highly. This shows the relevance for staff, that developing improvement systems has with personal involvement in those systems - so it is not simply just a question for them of their leaders developing appropriate systems, they want to see their leaders become active in their implementation. A third high correlation for staff was between PIAC and MILA, emphasising that monitoring and improving the effectiveness of one own leadership attitudes is closely aligned with being personally involved in 'improvement' activities. Again we see the importance for subordinates in their managers literally carrying out what they preach to others - therefore, being personally involved in improvement activities means taking on the role model function once again, and starting monitoring ones own leadership attitude. Peer ratings on these improvement variables showed similar results as staff ratings, with correlation's also all reaching the .01 level of significance. One might interpret these peer results from the 'observer' viewpoint when asking why do peers find such improvement variables so important in managers? One explanation is that they see or *observe* those behaviours in the managers that they have evaluated, as those which they believe to important in their own workplace behaviour, after all, they have the same hierarchical level as the managers they have assessed i.e. when assessing their manager colleagues, they are assessing indirectly the behaviour that they would wish to see in themselves, or that they believe to be important for their own effective work functioning. The superior group in this correlation yielded slightly different results to the staff and peer group. Superiors showed high correlation's between DWS and MILA, revealing that managers' supervisors found developing systems to support improvement and creative involvement correlated with the monitoring of effectiveness of ones own leadership attitude. So superiors perceive the development of improvement to include self-monitoring of leadership attitude, not an unexpected result. Interesting is, however, that PIAC and MILA, personal involvement and monitors own leadership attitude, received a slightly lower rating and correlated only at the .05 significance level - I am unsure why superiors should find these two variables less important, but the next results may help explain this. Superiors also found DWS and PIAC to be unconnected, that is, the correlation between development of work systems to support creative improvement and personal involvement in improvement activities was non-significant. So here it seems that the common denominator is the DWS variable, the develops work systems to support improvement/creative involvement. Why did superiors find this variable unimportant? One explanation may be that the aspect of this variable 'develops work systems to support improvement' may

be taken by superiors as being so fundamental to managers' function, that it was not worth highlighting. Alternatively, these superiors may have regarded this particular aspect as being the responsibility of the greater organisation or unit/division itself in which managers work, and not solely their responsibility. The other aspect to this variable, 'creative involvement' may also be seen by superiors as being the responsibility of each and every individual i.e. creative involvement must come from within first and cannot be initiated by managers (creative involvement as *intrinsic* and not an extrinsic factor). Interestingly, all three improvement variables did not correlate with the QPS self-evaluation variable, showing that despite these individuals improvement variables being important, they are not associated with low QPS scores. Further, *intra* co-worker correlation between improvement variables was evident, however, there were no inter co-worker correlation's amongst variables. This indicates that amongst individual co-worker group ratings one can find an association between improvement variables, but not between the staff, peer and superior group ratings. This may be because each co-worker group may operate when evaluating managers using their own associate groups' mindset and that each co-worker groups' mindset, varies from the next - this concept of differing time perspectives and 'mindsets' (Turnow, 1987, Jacobs and Jacques, 1987) is found elsewhere in this text ¹ and supports the concept of 'perceptive islands'. Schein also believed that people had different 'time horizons' and this caused them to evaluate *change* differently. It seems that manager level dictates to a certain degree how 'far in advance' a manager thinks, then the higher up a management scale she is, the more long term she will think about issues that effect her. The lower hierarchical manager levels, the more short term thinking will take place.

So whilst we see a correlation between improvement variables, there is no evidence to support their connection with quality performance ratings of managers, and thus we are unable to accept the hypothesis as it stands.

Hypothesis 3b:

Managers' Ego scores (below average scores) will correlate positively with commitment towards Merck Excellence (ME) - these scorers will also have an increased ME commitment than above average Ego scorers.:

This hypothesis predicts that managers who are less egoistic in their behaviour will correlate positively with commitment towards the company change management process, Merck Excellence. The two commitment variables here are, 'I am fully committed to the Merck Excellence Process' and 'My general efforts towards Excellence are high'. Levene's test of homogeneity of variances revealed .01 significance between self-rated Ego scores and being committed to the Merck Excellence Process - self- rated Ego and efforts towards Merck Excellence were not significant.

Analysis of variance revealed within group variability for low Ego scores and indeed, commitment towards Merck Excellence, whilst group variability between Ego scores and efforts made towards excellence were non-significant. Pearson's correlation carried out on the ego scores and commitment and effort towards Merck Excellence variables, revealed correlation's that were all significant at the .01 level. The highest degree of association being between 'I am fully committed towards Excellence' and Self-rated Ego. This results tells us that for this manager group, not only is workplace behaviour that is less egoistic related to commitment and effort toward the company's change management process but also that commitment is shown or measured by how much effort people are actually putting into being a part of the excellence process. Again, this clearly indicates that claiming that one is active is not enough, one must actually be active and make efforts in order to show commitment. On the basis of these results we are able to reject the Null hypothesis and accept the premise that below average ego scores predict commitment and effort towards excellence.

¹ Refer to Chapter 7 'Change Management, Organisational Stress and Effectiveness' pp

13.1.4 Hypothesis 4

The next main hypothesis concerns predictions that have been made about Egoistic Behaviour in the workplace and Egotism scores, looking at effects on quality and individual performance.

Hypothesis 4a:

Managers self-rated Ego scores will be significantly associated with co-workers ratings on performance and quality:

This prediction states that managers who are less egoistic in their behaviour will be rated more positively by co-workers on performance and quality measures. The one quality measure was 'Quality is a daily part of my work routine' (QWR), whilst the 4 performance measures included 'I regard myself as a high level performer' (HLP), 'I always achieve the job performance that I wish to' (AJP), 'I maintain a high level of professional and technical skills' (HLP) and 'Can deal with worker performance problems' (CWPP). Mean Ego scores revealed that for all three co-workers, the variable to achieve the lowest mean was 'Can deal with worker performance problems' - this indicates that this variable may have been perceived by this sample as being either the least interesting i.e. not an issue, or that managers simply scored the worst on this variable, identifying it as a potential issue for manager development.

The variable with the highest mean for both peers and superiors was 'I regard myself as a high level performer', this would indicate the important nature of performance for these two co-worker groups. Staff found, in contrast, the most salient variable here to be the quality variable - this can certainly be seen as relevant for adopting the correct mindsets for continual improvement.

Correlation analyses between Ego ratings and co-worker performance and quality ratings revealed interesting results. Very few variables correlated with each other - the staff 'high performer' variable correlated with the peer 'high performer' variable, showing agreement between these two co-worker groups, that high performance is salient in ones job. The peer 'high performer' variable also correlated with the peer 'Quality is part of daily work routine', which shows us that peer co-workers are finding both variables salient. No association between these quality and performance variables and Ego scores was found amongst any of the co-worker groups. What might be the reason for this - perhaps, that individuals simply perceive egotism as a completely separate construct i.e. one that is unaffected by intrinsic work factors such as quality or performance.

On the basis of these results, the hypothesis is only partially confirmed, and cannot thus be fully accepted.

Hypothesis 4b:

Managers self-rated Ego scores will predict co-worker ratings on communication measures - this will remain constant across time:

Here it is suggested that the less egocentric a manager is in her behaviour, the higher her ratings on communication by her colleagues will be - this will be evident at Time1 and Time2. Once again below average and above average scoring Ego data were divided into separate groups for analysis. The three communication variables, 'Am a good communicator', 'Giving open feedback is valuable for me', 'Good personal communication is fundamental for excellence' were grouped together into one new 'communication' variable. Mean tests of these variables revealed that staff gave managers the lowest rating on communication.

Correlation between ego scores and the communication variable for all co-workers at both Time1 and Time2 were computed and showed rather unexpected, but nevertheless interesting results. Peer communication scores correlated with Ego scores at Time2 and peer communication scores at T1 correlated with staff communication scores at T1. All superior communication ratings for T2 correlated with all other co-worker communication ratings. Superior communication ratings correlated negatively however, with self-rated Ego ratings - this can be interpreted as meaning the higher an individuals ego

score, the lower their communication score will be - therefore, the prediction is certainly correct for the superior co-worker group and is constant across T1 and T2. Why this should only be the case for superiors and not for staff or peers is also unclear? Peer communication ratings T1 correlated with staff communication ratings also at Time1, whilst superior communication ratings at T1 correlated with peer communication ratings at T2 - thus peer and staff groups agree about communication at Time1 (which incidentally was the 'outset' period of the change management process i.e. it had *just* begun here). Superiors rating communication at T1 associating with peer communication at T2 may indicate differences in the importance of 'communication' between groups across this time frame of ca. one year. Superior communication ratings at T2 corresponded to staff communication ratings at T2 also, whereas at T1 they had not correlated. This may indicate an increase in importance of 'communication' from T1 to T2 for these two groups - a simple explanation being that as time passed by, even seen in the difference of one year, the importance of communication had increased. Superior and peer communication ratings also corresponded at T2, whereas at T1 they had not, again indicating that peers had over the course of one year, changed their minds about the relevance of communication measures and egotism scores. The only co-worker communication rating to correlate with below average ego scores was found in the peer group at Time2, again indicating that the peer group have come to recognise the relevance of communication and reduced egocentric manager behaviour over time - this may simply be a function of awareness i.e. the introduction of the Merck Excellence process and program has made groups more aware of the issues that are involved in leader behaviour.

The correlation between superior communication at Time2 correlated negatively with the below average Ego score - this indicates that indeed the lower the communication score (i.e. the better the score) the higher the communication rating, a logical result. So whilst low egotism scores may predict co-worker communication ratings, this can only be said to be true for superior ratings and not for either staff or peer group ratings. On the evidence presented in these results we are unable to fully accept the hypothesis as it stands.

Hypothesis 4c:

Co-worker Egotism scale ratings will correlate positively with less time spent with staff:

This states that managers who are rated as being more egocentric in their behaviour by staff, are likely to spend less time with. It is anticipated that more time spent with staff will associate with lower Ego scores. Above average co-worker ego scores were used in a Pearson's correlation and revealed that out of all three co-worker groups, only the staff group correlated with above average ego scores and this was a negative correlation. This means in effect, that the higher the ego rating (i.e. the worse it becomes), the lower the average contact/time spent with the boss per week - which seems a reasonable result. Managers spend differing amounts of time (differences in time spent with co-workers is also examined in Hypothesis 6f) with various co-workers groups - this is to be expected. What also may be reasonably accepted is that, generally speaking, managers probably spend more time on average with their subordinates (one would hope so, anyway) than with either superiors or peers. If this assumption is then true, this would explain the staff groups reaction to egocentric behaviour on the part of their managers and time spent with them, as seen in this correlation. So whilst we are able to confidently say that higher ego scores predict average time spent with colleagues, we can only say that this is true for the staff groups (where it is probably the most important) and not peer or superior co-worker groups. Thus whilst we are able to say that managers self-rated Ego scores predicts co-worker ratings, this is only the case for staff/subordinate groups and thus we unable to fully accept the hypothesis as it stands.

13.1.5 Hypothesis 5

The next main hypothesis concerns predictions that have been made about Merck Excellence and its connections with organisational division and employee satisfaction and motivation.

Hypothesis 5a:

Organisational divisions that have carried out Merck Excellence Checks (MEC) will correlate positively with higher ratings of employee satisfaction, than divisions that have not carried out such a Check:

This prediction states that organisational divisions which have carried out the MEC will report higher employee satisfaction levels than divisions which have not carried out an MEC. Two satisfaction variables were used in this analysis namely, 'I empower my staff' (empowerment is thought to be a component in employee job satisfaction, Stogdill, 1963; Dahlgaard, 1997) and 'I have a high level of job satisfaction'. Examining variable means alone showed that for the 'no check' group the highest job satisfaction score came from the staff, whereas for the 'check' group, the highest job satisfaction score came from the superior group.

Correlation analysis carried out on the data showed that having high levels of job satisfaction and empowerment did indeed correlate at the .05 level in divisions that had not carried out a Merck Excellence Check. That is to say that both peer and superior groups did not associate having carried out a check with either satisfaction or empowerment. This is an interesting result because one has to ask why do staff (subordinates) only respond in this way? Perhaps we are getting to the grass roots levels of satisfaction here, in that only staff are feeling the difference or the improvements (at least in empowerment terms) that an MEC can bring to a division. Staff may be less involved in the actual implementation of checks (although not necessarily) as opposed to either peers or superiors and thus due to less involvement are able to reap the reward of increased empowerment, whilst remaining relatively 'free' of the stresses of actual implementation of such a check. On the basis of these results we cannot accept the hypothesis totally, but can only confirm that the predicted effects are true for staff co-worker groups.

Hypothesis 5b:

Organisational division size will correlate positively with higher motivation scores, both self-and co-worker rated:

This predicts that smaller and larger organisational divisions or units will report differing levels of motivation amongst all staff. The rationale behind this statement is that it is thought that smaller units may enjoy a higher level of communication than larger units where operations tend to be more complex and communication is more 'filtered'. The motivation variables used in the analysis were, 'I am highly motivated by my job' and 'Motivating others is important for me in this job'. Mean scores for these variables showed the highest satisfaction *and* motivation scores to be amongst the self-rating managers, showing in general managers to be most satisfied and motivated than their co-workers. The least motivated, or the group with the lowest motivation mean was the staff group. On the face of it, this results is unusual - one might expect that when managers are satisfied, so are there co-workers, however, this is not the case.

After data were divided into small and large units, they were subject to Pearson Correlation to examine the degree of association between variables across the four workers groups. Results showed that for the smaller division, being highly motivated by ones job correlated at the .05 level with motivating others (but only for self-ratings), whilst for the larger division it did not. Due to lack of data only self-ratings and staff co-worker ratings were included in the analysis. Therefore, whilst being able to say that smaller divisions reported greater motivation levels, we are only able to say that this applied to managers' self-ratings on motivation and thus we cannot accept the hypothesis as it stands.

Hypothesis 5c:

Managers in divisions that *have* carried out Merck Excellence Checks will show significantly higher stress levels and an inability to separate work from private life, than those managers in divisions that have not carried out an ME Check:

Here we are predicting that divisions that have carried out MEC's will have employees (self-rating managers) reporting higher levels of stress. The three stress factors that were included in the analysis were, 'Can cope with the stress level in my job', 'Job stress has increased over the past 18 months' (18 months being namely the time that had elapsed since the begin of the Merck Excellence process in the organisation) and 'Job stress has no negative effects on my health'. The other variable was 'I can separate my work from my private life', which has been shown (McCall, 1988) to vary under certain levels of stress.

A test of variable means showed that in the 'no check' group the stress variable with the highest rating was 'can cope with the stress level in my job', whilst in the 'check' group the stress variable with highest mean was 'job stress has no negative effects on my health' - seemingly showing that stress *effects* in different ways amongst these two groups.

Divisional data were divided into those which *had* carried out MEC and those which *had not*. Both groups were tested separately to see if any underlying differences in reported stress or inability to separate work and private life, was evident. For the group which *had* carried out the MEC 'can separate work from private life' correlated with 'can cope with the stress level in my job' at the .05 significance level. This tells us that an ability to cope with stress levels is related to separating off work and social spheres, at least in divisions that had carried out a check (whether this result is connected to the having carried out a check is unsure). When examining the data for the divisions which *had not* carried out MEC's, it was evident that far more of the stress and 'separate work from private life' variables correlated with each other. Job stress having increased over the last 18 months correlated negatively with being able to cope with stress levels - this is not an unexpected finding. Also, stress having no negative effects on managers health was associated with an ability to cope with stress levels, again not an unusual result. When managers are able to cope with stress, stress is not being allowed to become a stressor affecting their health. The variable can separate work from private life also correlated with an ability to cope with stress, again this would suggest managers who can cope with stress are able to detach home from work successfully. Conversely, stressed experienced in managers' private lives is not carried over into their working lives, *when* those managers have adequate coping mechanisms. Another interesting result to come from the data, was that jobs having no negative effects on managers health was negatively correlated with 'job stress has increased over the last 18 months', indicating when job stress had increased, managers health was affected by it. Finally, an ability to separate work from private life correlated with jobs having no negative effects on managers health - this was the highest of all correlation's. Again this indicates that adequate coping mechanisms is at least associated with a job having no adverse reactions on health, according to this manager group self-reports. We see here then, that divisions which *have not* carried out ME checks have many more stress variables that are correlating with one another, than divisions which have carried out checks - what could be the reason for this? It is suggested that divisions which have carried out checks have gained in at least one work-related factor and that is the ability to *recognise* stress for what it is - this may somehow become transmitted through the carrying out of a check i.e. individuals learn to recognise stress and how to deal with it. Therefore, it may be that 'recognition' is as a moderator for stress in divisions which have carried out checks i.e. ME checks initiate recognition of stress and trigger subsequent coping behaviours. On the basis of these results we are unable to accept the prediction and must accept the Null hypothesis.

13.1.6 Hypothesis 6

The next main hypotheses deal with cross-cultural differences and possible effects on quality performance.

Hypothesis 6a:

French and Mexican managers will have above-average QPS co-worker ratings compared to their German counterparts:

Variable QPS mean data revealed that German staff rated managers the worst on quality performance out of the three participating countries. The highest QPS rating was also found amongst the German group and was given by the German peer group.

Data were then divided into two separate groups, a German and a French/Mexican group. When examining the average QPS scores for the three countries in this investigation, the following results were observed. Of all co-worker ratings the lowest observed co-worker rating was received by the German manager, this was given by the German peer group. When totalling each countries average co-worker QPS ratings, indeed Germany had the highest (worst) overall QPS ratings, followed by France and finally, Mexico. The highest QPS (i.e. the worst) average was also given by the German staff group however, managers were given the highest (thus worst) QPS ratings by staff across all three countries. This may indicate a relatively well developed sense of criticism developed on the part of staff working with managers - again staff are subject to more contact and a closer working relationship with managers than any other co-worker group and thus more critical evaluation may be expected of them. Pearson correlation showed interesting results. The only QPS ratings to correlate with one another staff QPS ratings and peer QPS ratings in the French/Mexican group. Thus despite, the lack of co-worker correlation, we can accept the prediction as it stands and say that German managers received higher (worse) co-worker ratings than the French/Mexican managers. The reason for this result is unclear, but one explanation may be that the German co-worker group may be more critical [*it may be that part of the German management culture involves a highly developed sense of criticism when it comes to feedback and evaluation systems*] of their managers performance than either their French or Mexican counterparts - which actually, when dealing with the mechanisms underlying change management and improvement in employee performance, can be seen as a positive attribute. There may be fundamental cultural differences in how managers appraise each others behaviour which need to be recognised by the organisation undergoing change (a possible solution to this is found in the recommendations see section 13.3 of this chapter).

Hypothesis 6b:

Managers with above-average Egotism scores, both self-rated and co-worker rated will be found amongst the German manager group:

This hypothesis looks at managers self-reported Ego scores i.e. how egocentric they perceive themselves to be, as well as their co-workers ratings of them on Ego. Looking at the average for each country's Ego scores we see that when all countries are included, the peer group have given the lowest i.e. best, Ego rating. When separating each country out we find that the lowest (best) Ego score for German managers is 'awarded' by peers, for the French managers the lowest Ego is given also by the peers, but for the Mexican managers the lowest Ego rating is given by the Superior. Conversely, the highest (worst) Ego ratings given by the Germans comes from the managers self-reporting, for the French, the superior gives the worst Ego scores and the Mexican, like their German counterparts, give themselves the worst Ego ratings. Interesting here, is to see that the French superior gave the worst of all superior Ego scores. Indeed, managers rating themselves worst in terms of egocentric behaviour can be seen as either positive, in that managers who are self-critical are in a stronger position to better or improve themselves, or one can interpret these results as being 'socially desirable', in other words, managers rate themselves worst, because it is more socially desirable to be seen to be doing so. There is no way of telling from this data which version is the correct one. Another result worth mentioning here is that the absolute highest (worst) Ego score came from the French superiors, the reason for this result is unclear, accept to say that again perhaps a cultural effect is at work here. Perhaps in French organisations, the most criticism is expected from managers superiors i.e. from the manager in the highest hierarchical position [*there is also a school of thought which says that French management structures are extremely hierarchy-based*], as indeed it is they who set the development targets and goals for managers - the relationship between superior and subordinate (manager) may be more hierarchical for the French than either German or Mexican organisations, where criticism starts with the self? In total, the results showed that in two out of four

cases, German managers indeed received the highest (worst) Ego ratings, namely from their subordinate staff and self-reported. Interestingly, superior German ratings also only just missed being the highest (only 0.04 behind France). On the basis of these results we are able to confirm that the highest self-reported Ego scores did come from Germany, as did the highest staff (subordinate) ratings, this allows us to accept the prediction as stated.

Hypothesis 6c:

Mexican and French participants will show above-average job satisfaction and motivation ratings in comparison to their German counterparts:

This prediction examines inter-country differences in employee job satisfaction and motivation ratings. It is predicted that German employees will experience lower levels of both satisfaction and motivation. The summed sub-scale motivation/satisfaction/vision was used in this analysis, with data being divided first into a German group and a French/Mexican group. Observing the summed sub-scale averages, the results showed that German managers, peers and superiors all reported higher levels of motivation and satisfaction than the French/Mexican group. However, the French/Mexican group reported higher motivation and satisfaction levels for staff, than the German group. Thus one must ask why motivation/satisfaction ratings are high for the German peer/subordinate/ superior group and low for their subordinate groups. This is certainly a factor that the organisation should be looking into. One explanation may be that the two variables included in the summed sub-scale referring to 'vision' and 'performance-related-pay' (which was only asked initially of the German group) may have confounded the results, as neither were rated as important by staff. Vision and performance -related-pay relates more to manager job status level, than it does to staff/subordinate job status levels. The next important issue being that French/Mexican staff feel more motivated than German staff, but why? The reason is unclear, however, it *may* be that the German staff/subordinates feel less motivated because the Merck Excellence process is rated by 'some' as being more a process that is directed towards 'senior management' and not necessarily at the levels below that (this point is discussed elsewhere in this text). Based on the results we cannot fully accept the prediction, but can also not reject the Null Hypothesis, as French/Mexican participants did indeed have higher staff motivation ratings.

Hypothesis 6d:

German managers will have lower co-worker ratings of flexibility than either French or Mexican managers will:

This prediction looks at inter-country co-worker flexibility ratings of their managers - in short, it is about how flexible managers are perceived to be. Data were sub-divided into a French/Mexican group and a German group for analysis. The two flexibility ratings included in the analysis were 'shows flexibility during unexpected environmental changes' (as might be expected during short-term change), and 'high flexibility levels through decision-making, are important for this job'. Examining the averages of both flexibility ratings, we see some fairly mixed results. Out of a total of six possible co-worker flexibility ratings, three German co-worker flexibility ratings i.e. half, were higher than the French/Mexican equivalent ratings. Interestingly, *both* flexibility ratings for staff were found in the French/Mexican co-worker group, that is to say these co-workers are rating their managers as being more flexible than German staff reported their managers to be. German peers rated flexibility under environmental change to be higher, than French or Mexican - one explanation for this may be that German peers feel that managers have had more experience of changing environments than their French/Mexican counterparts. However, French/Mexican peers rated their managers as showing greater 'flexibility through decision-making' than German peers did. This result may reflect possible cultural differences in decision-making attitudes between 'Latin' and 'European' groups - this theme has been discussed by Brodbeck et al (2000). It may be the case that German managers are less willing to delegate decisions than for example, French or Mexican managers and this may further be a reflection on the distribution of power within different cultures. German superiors gave managers higher (better) ratings for flexibility under environmental change, than

French/Mexican superiors did - again, perhaps German superiors have witnessed more flexibility along this line in their managers, which is plausible when considering the fact that a greater number of environmental changes have probably taken place here i.e. within the company headquarters. In all the results are very mixed, except for the staff ratings which appear to be fairly clear cut in the message that they are delivering. Once again the results suggest neither acceptance of the prediction in full, nor rejection of the Null Hypothesis.

Hypothesis 6e:

German managers will rate themselves significantly higher on the QPS than their Mexican or French counterparts:

Here it is predicted that German managers perceive quality of their work performance as being that much better than either their French or Mexican colleagues perceive the quality of their performance to be - i.e. the latter being more *modest* in their evaluations. Data were divided into a German and a French/Mexican group, for both Time1 and Time2. Examining average scores for German and French/Mexican QPS scores for both Time1 and Time2, it is observed that indeed as predicted, the German group of managers have rated themselves as having a better quality performance than their French/Mexican counterparts, this result remains constant across time. Why this should be is unclear. It may be that German managers are really, less modest about self-evaluations or it may also be that Latin evaluations are more given to social desirability in terms of self-ratings. On the basis of these results, the prediction is accepted in full and the Null Hypothesis rejected.

Hypothesis 6f:

Mexican managers will spend significantly more time (measured as hours per week) with their co-workers, than either their French or German counterparts:

It is predicted that Mexican managers have more time, or *make more time*, for their co-workers than either French or German managers do. This prediction tries to uncover a suspected cultural difference that may exist between Latin and European management styles ². Data were separated into constituent German, French and Mexican groups for analysis. The results showing average time spent per week in contact with staff showed clearly that for all co-worker ratings, Mexicans spent more time on average with their co-workers, than either French or German managers. Mexicans tended to spend between 5-10 hours in contact with colleagues, whereas Germans and French spent up to 5 hours per week in contact with colleagues. What could be the reason? Either the underlying cultural difference is confirmed, or other confounding factors or external variables such as heavier workloads etc. may be involved. Of all German co-workers, superiors rated managers as spending more time with them - the reason may be that German managers consider time spent with their superiors as being 'worth it' in terms of possibilities for career advancement, or they may simply have to report more to their superiors, thus indicating that German superiors may hold a tighter control on decision-making and issues of responsibility, than either French or Mexican superiors. Mexican and French spent most time with their subordinates, German managers in contrast, the least- this reflects the results previously discussed. One has to question why this result should be? One possible explanation might be that German managers either don't feel it worth their time having so much contact with their subordinates as with their superiors - or alternatively, they may give subordinates more flexibility to carry out tasks themselves or unaided. German managers may have a greater level of trust in their subordinates and therefore, feel it better to 'let them get on with it' by giving them more decision latitude. French and Mexican managers may, for the same reason, spend more time in contact with subordinates, not out of any sociability reasons, but simply to control or monitor *indirectly* what their staff are doing. Of great interest in these findings were the inter-country gender differences that

² French managers are rather unique in 'cultural' terms, in that, according to which article one reads in the scientific literature, one will find them classed either as belonging to 'European management prototypes' or as belonging to 'Latin management prototypes' - Brodbeck et al (2000), have classed the French participants, probably for this reason, on their own.

were found. When examining all job status levels in all three countries, *in each case* female managers were found to spend more time with their co-workers, than were male managers - an astonishing result, even more so because it stretches across *all* co-workers levels, despite the very small number of female cases involved in the analysis. An explanation for this fits in with the conventional differences observed between male and female management behaviour, namely that male management styles tend to incorporate more 'tough-mindedness', whereas female behavioural approaches include what are called more *soft* issues such as, increased levels of emotionality and increased levels of contact and communication. On the basis of these results, the hypothesis as predicted is accepted.

Hypothesis 6g:

Willingness to work on a performance-related-pay basis, will be associated with (below average) Egotism scores and job satisfaction scores (German sample only):

This prediction concerns only the German manager participants in this study, as only they were asked whether they were willing to participate in performance-related-pay. Firstly, managers who *were* willing to try performance-related-pay (WPRPB) were separated out for further analysis. Secondly, WPRPB below and above average scorers were selected out for separate analysis. Correlation analysis showed an association between high willingness work on a performance-related pay basis and below average ego scores (.05 level), whereas managers who were less willing to work on a performance-related-pay basis did not correlate with below average ego scores. This means that willingness to try out performance-related pay is associated with lower ego scores i.e. reduced egocentric behaviour is conducive with willingness to take *risk*, if risk is associated with performance-related-pay. Managers may be fairly sure that they would not suffer negative consequences if their pay structures were changed in this way - this may be one explanation of the results. Alternatively, below average ego scorers may also be more aligned to try out new systems and structures associated with their work, or they may also see that such pay structures involve more 'equity' than perhaps traditional pay structures, and are therefore, on these grounds, willing to try out performance-related pay. On the grounds of these results, the hypothesis can be fully accepted as it stands and the Null Hypothesis rejected. One further result of interest in connection with this hypothesis, was that both above and below average WPRPB managers had lower than average Ego *and* Job satisfaction scores, when compared with the general population ego and job satisfaction scores - the reason for this is unclear, however, one reason may have been the much small number of cases involved in the high and low WPRPB cases analysis.

13.1.7 Hypothesis 7

The next main hypotheses deal with the issue of managers performing under stress and looks at whether or not perceived stress levels are affected by level of job experience.

Hypothesis 7a:

Managers who have been longer in their jobs (i.e. have more experience) will not have above average QPS scores (self and co-worker-rated) than those managers who have not been so long in their jobs (i.e. have less job experience).

This hypothesis predicts that managers who have more experience in their jobs (i.e. have served a longer term of service in their organisation), will not necessarily predict better (below average) QPS scores, than managers with a shorter term of service in the company - this will be evident in both QPS self-ratings and QPS co-workers ratings. Results revealed that on average, managers had spent 173 months, or 14.41 years in the company, a high length of service average. As part of the analysis for this hypothesis, managers were divided into 'highly' and 'less experienced' manager groups, indicating either longer or shorter periods of service within the company. Results showed that the 'highly experienced' manager group were given the worst QPS scores by staff (subordinates) and the best QPS scores by their superiors. Perhaps one explanation being that, as we saw in a previous hypothesis (6f), managers spent more time with their

superiors, and perhaps this allows their superiors to understand their behaviour better, and thus may lead to 'inflated' QPS scores. German managers, spend, as we have seen, less time with their subordinates, and therefore, it might be reasonable to accept the premise that their staff are rating them less well on performance, simply because they spend less time with them. Alternatively, *because* staff spend less time with their bosses, they may not have as much chance to observe their leadership behaviour, thus QPS ratings may be less accurate. Results showed that when averages were calculated for high experienced and less experienced managers that for all four job status levels, as predicted, higher for the less experienced managers i.e. meaning that in this case, experience has not affected managers QPS score, both self-rated and co-worker rated. A further result of interest was that for higher and low experience managers, the best QPS averages were given by superiors. In contrast to this the worst QPS scores given to highly experienced managers were given by staff, and the worst QPS scores for less experience managers were also given by staff - the explanation for this may be again connected with the reduced amount of time spent with staff by their managers. The results as shown mean that there is sufficient evidence to be able to reject the Null Hypothesis.

Hypothesis 7b:

Manager stress ratings are not affected by job experience levels.

This final hypothesis looks at whether job experience affects how managers cope with job-induced stress. The stress variable here is 'Job stress has increased in the last 18 months'. Data revealed that less experienced managers had a slightly higher average stress scores than did managers with more experience. This might account for it that the longer managers are in the organisation, the more settled they feel, and the less 'stressed' they feel. Alternatively, as those less experienced managers tend to be younger in age, there is a fair change that they may have more responsibility in their job, than highly experienced managers - or it may simply be that the less experienced managers are less able to cope with stress than their older (perhaps *more knowledgeable*) counterparts. Finally, correlations between the less and highly experienced manager groups revealed interesting results. Whilst highly experienced managers showed no association between length of service, QPS score and job stress as increasing over the last 18 months, less experienced managers did. They showed correlations between QPS and length of service in the company. One explanation for this result is that perhaps the longer one is in an organisation, the more important the quality of performance becomes over time. Instead of diminishing, the need for better performance may increase due to a possible increase in level of responsibility, which may come with an increased length of service. On the basis of these results we cannot fully accept the hypothesis, but we can neither accept the Null hypothesis. The prediction stated that managers stress ratings are not affected by job experience level, and results show that at least the more experienced managers had lower (better) stress scores than less experienced managers i.e. therefore, experience may have played a role here - however, neither experienced managers nor less experienced managers showed *any* association between length of service and reports of increased stress.

13.1.8 Leniency Effects and Co-worker Ratings

When asking co-workers to rate managers behaviour in some way, for each question and every issue asked about, there will be 'leniency effects', that is, the subordinate, peer, superior or indeed the customer (*if* the multi-rater feedback system extends to customers) will become lenient external raters i.e. some will give more favourable ratings of managers, than others. This subject, already well documented in the scientific literature (Fletcher and Baldry, 2000) is also of importance in this investigation as a multi-rater feedback system has been used. What we are interested in here, is finding out a) *if* patterns of leniency have emerged from this investigation and b) what those leniency patterns actually are, what they may look like and thirdly c) as this was a longitudinal investigation, we can examine whether leniency effect has changed over time. If the leniency effects in this research are compared to, for example, Fletcher and Baldry (2000), who reported that in their sample 'bosses' i.e. superiors, were the least lenient, that is they gave the worst or toughest ratings of managers, then we are able to see a difference. In this investigation

several interesting patterns of leniency have emerged. When looking at inter-country (i.e. French, German and Mexican together) quality performance scores (QPS) in every case STAFF gave the worst ratings, this remained constant from Time1 to Time2, the best scores showed a slight leniency effect for the PEER group. When separating out each individual country quality performance scores, leniency had somewhat shifted. As expected in two out of three cases STAFF gave the worst ratings (not for the French), whilst a leniency effect for PEERS was seen in giving favourable ratings. On measuring managers Ego level again STAFF gave the worst (highest) ratings, best rating were given by SUPERIOR or PEER. On motivation ratings, again STAFF gave the worst (highest) scores, while managers gave themselves, SELF the best scores. Further ratings of satisfaction revealed again that STAFF gave the worst ratings, whilst managers SELF gave themselves the best ratings. Inter-country (countries separated out into German and French/Mexican) flexibility ratings showed again STAFF rating managers the lowest (worst) and PEER ratings managers the highest for the German group, whilst the French/Mexican showed a double-leniency effect in that PEERS gave both the worst and the best ratings to managers. A final, but interesting result from this investigation showed that where managers have been rated on the amount of time spent with their co-workers in all cases across all three countries and across time, FEMALE managers spent more time with co-workers than male managers.

So when we examine these findings more closely we are able to divide them into a 'Country Effect' and a 'Job Status Effect'. Results revealed a 'Job Status Effect' which showed that in most cases (five out of seven ratings) PEER raters gave managers the best/highest most favourable ratings. A 'Job Status Effect' is also seen with STAFF (six out of seven ratings), who gave managers the worst/lowest ratings - although the STAFF leniency effect goes above and beyond the job Status Effect (STAFF gave worst ratings for two out of three countries too, with the exception of France) into the 'Country' effect. JOB STATUS leniency effects showed that STAFF in most cases gave managers the toughest ratings. Therefore, these findings do not reflect those of Fletcher and Baldry (2000), whose study showed Superiors to have given the worst ratings - in this study it was the Staff.

There certainly are cultural or 'Country Effects' to be observed in this study too, with German managers often scoring lower, for example, of all QPS ratings, German managers scored the worst (again by Staff), or rather were rated the worst by their co-workers, BUT the Germans were *also* rated the highest (by Peers). Infact in this case, German managers showed the greatest distribution of scores, much wider than either French or Mexicans scores. German managers were also given the worst Ego scores out of all three nations (by themselves) and again, they received the best of all nations, Ego scores (again by Peers). Germans featured again in co-worker flexibility ratings, receiving the best (once again from the Peers) flexibility ratings, whereas, the Mexicans received the worst flexibility ratings (also from Peers). Perhaps one of the most interesting leniency rating concerns gender and showed that in all cases female managers spent more time in contact with their co-workers than their male counterparts - this has been discussed (see Hypothesis 6f).

Implications of Leniency

When it becomes evident, as it has done in this investigation, that managers consistently give themselves higher scores on the quality of their performance, than their co-workers do, somewhere there is a mismatch or a misalignment of views. If managers inflate their performance scores, this tends to indicate that they are not fully aware of the effects that certain aspects of their workplace behaviour may be having on the colleagues with whom they work. As has been discussed previously in this text, being accurate about self-awareness, is fundamental to not only 'good performance' but also to effective leadership. When co-workers consistently rate managers lower than managers rate themselves, they are sending a *signal* which says that managers behaviour may not be coming across as they might think. Ones self-perception about how one is received or interpreted by others is not only a sign of awareness but, as some have shown, is probably a sign of general intelligence, concerning the ability or inability to read social cues in the environment. When co-workers emit signals, they are more than likely unhappy with one or more aspects of their managers behaviour, which will certainly be having a knock-on effect, seen

either in their dissatisfaction with work, or in increased absenteeism and turnover rates in general. Managers need to be aware of how they affect their co-workers in both the long and the short term - organisations should regularly carry out climate reports which can uncover such anomalies. But perhaps more importantly, organisations must recognise training and development needs of their managers, by offering support in the development of self-awareness through training etc. Then, at least mismatches between manager and co-worker perception can be worked on and eventually corrected.

13.2 Limitations to this Research and Future Research

As with all research, this investigation also endured certain limitations or confounding elements, factors which either prevented a course of action, or perhaps changed results that were expected. Much thought and planning were put into creating a research design that would not be subject to *interference* from extraneous variables or other uncontrollable factors (refer to chapter ten, section 10.2.3), however, some restrictions were nevertheless apparent.

One major drawback was the lack of data produced by the LCMQ at Time2. Although, data were available, they were fairly minimal and included too few complete 360° evaluation cases. This paucity of data, will, with certainty, have affected some of the results, and is indeed probably the reason for the rejection of some of the sub-hypotheses. For example, in hypothesis 5b there was a lack of data concerned with measurements taken from different sized organisational divisions - due to a lack of data, only STAFF measurements were available, which naturally limited the number of statements or interpretations that could be drawn using that data. Future leadership research using such multi-rater feedback methods, would ensure a better more complete co-worker return rate (although at Time1 the return rate was above 50%, which is normally considered acceptable). It must also be said that the lack of LCMQ returns at Time2 were indirectly due to a drop in the popularity of the company's change management process, Merck Excellence (one possible reason for this was a change in the company's CEO between Time1 and Time2) - evidence for this was found when looking at Manager Diary data (refer to chapter five, 5.2.5). As this investigation was researching in the main issues concerning the change management program, it too, may have suffered a related lack of popularity.

A second limitation was also noticed concerning the implications of leniency, previously discussed. It was noted that STAFF had consistently rated their managers lower than all other co-workers and withholding any judgements about whether their evaluations were right or wrong, it is believed that the influence of power and indeed of, 'power relationships' between employees, will have played a fairly large role these results. Despite efforts made at the design stage (refer to Instruction and Guidelines for LCMQ completion, Appendix 5e) of this investigation which aimed to steer managers when choosing the co-workers to rate them, it may be the case that 'power' still had too much influence on results. Future research might include an analysis of the power/ influence relationship that exists amongst employees, before allowing them to be chosen to rate in multi-rater feedback methods, but even when such power elements had been eliminated, there would still be no guarantee that other factors might effect ratings, such as 'personal liking'.

A third and final possible drawback to this investigation concerned two aspects of design of the LCMQ. The LCMQ is a very long questionnaire, in fact, its length is probably not ideal. Managers are busy people and often literally have little time to spare for such organisational questionnaires, which tend anyway, to be a regular occurrence, thus when receiving such lengthy, detailed questionnaires such as the LCMQ, managers may have been 'put off' completing them, simply due to a lack of time (although, this was not evident when looking at the Time1 return rates). Certainly the questionnaire could have been shorter, but would then, not have included all the important issues concerned with evaluating behaviour in a changing environment. A second point concerning the LCMQ concerns the final section in Part B (refer to Appendix 5a), the Business Results section. It is recognised that financial performance measurement as 'hard facts' is also an important factor that should be considered when measuring performance. Measurement of profit, product-to-market times and complaint-handling times are important

measurements used to assess an organisations or divisions strategic performance, and thus also belong in a questionnaire measuring leadership behaviour and performance as much as non-financial performance measures such as those examining quality or organisational effectiveness (Yamin and Gunasekaran, 1999). The structure of the Business Results section meant managers needed to carry out a little research to provide certain information, this meant, again they would have needed to take even more time to complete the questionnaire - thus many managers neglected to complete this final section, which meant that due to a lack of data, there were barely any financial measurement data that could be used. Future leadership behavioural research needs to take the limitations observed in this investigation into account.

13.3 Main Findings and Recommendations to the Organisation

This section lays out the main findings of this investigation - each finding is discussed and where appropriate, in conclusion, a 'recommendation' and a direction for training is made to the organisation.

Managers' self-awareness and accuracy of behavioural ratings:

There is sufficient evidence in this investigation to show that certain patterns of behaviour concerning leadership perception, do exist. It is not possible to conclude that managers own perceptions of their behaviour in the workplace reflects that of their co-workers, because it does not. That is not to say, however, that in every case manager and co-worker perceptions did not match, because that would also be a fallacy. There was some degree of agreement about performance between managers and employees of a similar hierarchical level, but this may simply have served as a social function or support. There was, however a very strong pattern of rating from managers subordinates/staff. Managers were continuously rated throughout the investigation, mostly irrespective of *what* was being evaluated, negatively by their subordinates - as shown in the previous sections, the least favourable ratings almost always came from staff. This indicates a mismatch between manager and subordinate perceptions, and shows that subordinates are probably quite unhappy with the way in which their managers are behaving and with certain aspects of their leadership. Of particular concern to managers should be low ratings on satisfaction and motivation given by subordinates, because this indicates a need for change in behaviour. Where staff are dissatisfied or demotivated, their work suffers and superior performance cannot be achieved under such conditions. It is, and should be of interest to managers, to hear what co-workers say about them and their workplace behaviour, especially their subordinates. Managers tend to spend more time with staff, and thus staff are subject more often to managers' behavioural inadequacies.

In all three countries involved in this research managers gave themselves high quality performance ratings (QPS) than their co-workers, and this indicates that such *inflation* is a common problem throughout the organisation.

Recommendation: Managers should be talking to their staff/subordinates and asking them, and indeed all co-workers, to evaluate their leadership behaviour and performance in the workplace. This can either be carried out through 'climate surveys', or in direct contact with employees. An open approach to such matters is always preferable, and great care needs to be taken to not allow such opportunities to turn into 'slanging matches'. Managers should also learn to read behavioural cues from co-workers and listen to the informal communication and information networks that exist within the organisation. Appropriate action may include undergoing training's to help tackle this issue such as, Self-awareness Training and 'Open Communication' training's.

Egoism is affecting motivation:

April (1999), was one amongst several authors to comment on managers and egocentric behaviour. He believed that the 'ideal' manager should have a ..."mission to serve by liberating...", and that when individuals were less concerned with ego, that such *liberation* was possible. April also believed that people who are less egoistic in their behaviour tend also to be more actualised individuals. The question of managers' egoistic behaviour recurs through these hypotheses (Hypotheses 1b, 3b, 4a) and is thus an

issue of importance for this investigation. Several results obtained have indicated that Egotism levels of managers are too high. Everybody must think about their own needs and requirements in terms of career and job at some stage, but when these needs and requirements override the general organisational quest, or become more important than the needs of others, it is time to act. Staff rated on many occasions their 'bosses' too high on the Egotism scale and this is something that needs to be discussed between managers and their staff. One more serious finding of this study actually revealed that Egotism in managers was reducing subordinate motivation rates - this is an indication for action. Superiors or supervisor of managers should also be aware of how *their* subordinates interact with other employees in the environment, and act accordingly.

Recommendation: Managers need to learn to balance more skilfully their own professional needs and requirements with the professional and developmental needs of their subordinates. One way to achieve this is through open, regular discussion and two-way evaluation of behaviour in the workplace, but it recognised that not all cultures support such communication networks - and if they do not, it may be time to introduce them. Managers need to regularly re-align their own goals and objectives and this can either be carried out on an individual basis or at regular performance appraisals with their own supervisors. Appropriate training's may involve again Self-awareness training.

Managers are finding 'open-feedback systems' of great value:

Brown and Eisenhardt (1997), believe that managers who are able to 'successfully implement change' have three characteristics in common, these include the ability to provide clear responsibility and priorities (for self and others), freedom to improvise (often bestowed upon them from higher management levels) and finally, extensive communication. Extensive and exceptional communication not only helps manager *manage* better, but becomes essential during conflict situations (Rüttinger, 1988) and during times of transition. This investigation has also showed that managers place great value on communication and specifically in working in and with open feedback systems. Maintaining and developing such feedback systems is integral to support effective organisational communication. Where open feedback systems do not exist, perhaps they may be introduced into units or divisions, at least on a trial basis at first. The effective functioning of such communication systems would, for instance, highlight employees problems such as the one discussed in the previous finding. managers need to be aware that their are different communication types, people interact differently, they also need to recognise that different communication 'types' will cause difference in how people cope with stress, for example. Moving over to open feedback systems requires the help of professionals and certainly managers need training to help develop the necessary skills needed to successfully implement such systems. Appropriate training would include communication and open-feedback systems training.

Role model function is pivotal to successful leadership and excellence:

This investigation confirmed that employees find the role model function in leadership and therefore, in their managers, to be probably the most important factor for success in achieving 'excellence'. Repeatedly, results indicated that desired behaviour is achieved when managers demonstrate that behaviour themselves - this infers literally the practising of what one preaches. Role model seems to function as a form of 'credibility' that allows employees either to take something seriously or not. It does seem, that managers are already aware of the power of role modelling in the organisation, but should still pay more attention to putting it into practice - when they want their employees and staff to do something, they will often have to do it first themselves, they will need to 'lead the way'. Role model ability is not something that can be necessarily taught perhaps because it develops with experience, but certainly some of the skills used in good role modelling can be trained, such as learning how to listen and how to communicate effectively.

Recommendation: There is evidence that effective role modelling is taking place and that staff recognise respond well to it therefore, management are advised to maintain role modelling wherever possible.

Communication is becoming more and more important:

Evidence was found amongst co-workers that the importance of 'communication' had increased across time - this meant that communication at Time1, hadn't received such high rating, but by Time2 all three co-workers (peer/subordinate/superior) had rated the great importance of communication as being a vital part of performance improvement. It *may* be the case that this increase in importance of communication has taken place through implementation of the Merck Excellence Process. Managers curiously, didn't list communication as being especially important at either point in time, but should recognise the needs of their co-workers and seek to improve communication structures and systems in their workplaces.

Recommendation: The organisation should provide more opportunities for organisation-wide communication, such as introducing an 'employee comments' section in the company newspaper, *Merck Informiert*. This would provide a discussion platform for employee of all levels, from all divisions and on all organisation-relevant topics.

Staff associate a lower Ego score with an increase in time spent in contact with them:

Subordinates showed evidence in this study, that managers who they rated as being less egocentric in their behaviour, had in fact, spent more time in contact with them. This is telling managers that they should spend more time with their subordinates and fits in with the previous point that the importance of communication seems to be increasing within the organisation. Managers should recognise this fact and take action by allotting more time for colleagues, especially for their subordinate staff. In too many cases managers were rated as spending the most time of all, with their own supervisors, which may also be of importance to them, however, they should listen to what their staff are asking of them.

Cultural differences exist in how managers are being perceived and in how performance in general is being rated:

Cultural differences were evident from the results of this study for example; German managers often received the most favourable ratings on certain items, but conversely, were often given the least favourite ratings too; Mexican managers of all managers seemed to spend the most time in contact with their co-workers; French managers often received the most and least favourable ratings from their superiors etc. These issues mean tell us about the very nature of cultural differences that can be found amongst managers, they tell us that cultural diversity exists in the organisation. It is not that an organisations culture would wish to somehow 'flatten' these diversities by it means that the organisation can perhaps learn from these differences. The organisation must learn to interpret such cultural diversities.

Recommendation: Managers need to become more aware of 'cultural diversity' in their organisation, and also appreciate that they can learn from differences amongst the different cultures of their employees - managers need also to learn how to interpret cultural differences. An appropriate training would include 'Cultural Diversity' training's either for employees in general and/or managers.

Female managers are spending more time with their co-workers than their male counterparts:

One extremely interesting finding to come from this investigation was that female managers are spending more time with their colleagues than male managers. This was evident for Germany, France and Mexico and its effect remained constant across time. This may lead us to say that females are the better communicators, which seem s to be the case here. Certainly a need for greater communication has been voiced throughout the organisation, and it is not to say that female managers should spend less time now with colleagues. The point emphasises that *all* managers should be spending more time with their colleagues, but especially that male managers should be increasing the amount of time spent either formally or informally with their colleagues. It may be that due to the change process going on within the organisation that more communication and an opportunity to voice opinion. is required.

Quality has been rated as an important part of superior performance:

'Quality' is an issue that managers and the organisation as a whole should not be allowed to forget and indeed, this study did show strong evidence that excellent/superior performance was associated with quality. The recognition that quality is important for improvement may well have come with or as part of the company's change management program, Merck Excellence. If this is the case, the organisation should be pleased to recognise that at least, the quality message seems to be registering with many employees.

Recommendation:

A final recommendation to the organisation comes independent of any of the above points, and concerns the importance of introducing an adaptive training for new incumbents into the organisation - this is of special relevance to organisations undergoing change management. It has been recognised, not only in the scientific literature, but also by co-workers high ratings of management support in this investigation, that at the organisational entry phase, an 'adaptive training' should be offered, over and above the traditional induction Program that organisations usually offer. This adaptive training seeks to 'climatise' new employees into the changing organisation, which can offer be more turbulent, than the organisation not undergoing change. Programmes need not be long or expensive and can indeed be delivered in one day - but the importance they have in helping newcomers adapt not only to the new organisational culture, but to the change of culture is invaluable.

13.4 Final Conclusion and Summary

This longitudinal study has investigated the main issues of change management, effective leadership behaviour and corporate success in an international chemo-pharmaceutical company. It has taken a systematic approach to these issues by measuring the behaviour of key change agents in change, namely managers, and has presented how leader behaviour can and does have effect on both individual processes such as employee satisfaction and motivation as well as macro processes such as those involved in organisational climate, communication and commitment to the change management process. The type of 'change method' used by the host organisation fits in with 'continual change', and includes a freeze-rebalance-unfreeze process which has been discussed previously in chapter seven (7.1.2). Despite the rather *inconsistent* way in which the change method i.e. Merck Excellence, has been introduced into the organisation, it seems to have enjoyed some successes to date, which are partially reflected in the results and therefore, as part of an organisational diagnosis, the author recommends the continuing use of this change method.

In chapter one, the general research areas were laid out for the reader, whilst chapter two highlighted the relevance of European management structures and business models as a starting point. The third chapter dealt with the theme of quality, a basic tenet to process improvement, which has proven for many organisations, to be a passing 'phase', but one which, employees in this organisation have found to be critical for superior performance. In chapter four the host organisation was discussed, placing its unique history and the relevance of that history for its current goals and objectives at the forefront of Merck's quest for continual improvement. Chapter five introduced the pilot study phase of this research, discussing all important findings uncovered by 'Manager Profiling'. The central theme of this investigation into change processes, that of leadership behaviour, was the subject of chapter six, which also highlighted the relevance of self-regulation and superior performance. Chapter nine dealt with the second central theme of change management, effective organisations and the effects of stress on the organisation. Employees' part in the change process and the relevance of change on job satisfaction were discussed in chapter eight. In chapter nine feedback mechanisms were emphasised, as were cross cultural differences, a relevant issues in this investigation considering the three nations directly involved in it, finally the 'meeting culture' of organisations was also discussed in this chapter. Chapter ten discussed in detail, the main instrument used to measure leader performance in this study, the LCMQ, and provided detail about its structure and usage in other organisational settings. The eleventh chapter in this text provided the reader with a description of the method used to gather managers' performance data, whilst

chapter twelve provided the evidence and results of the seven main hypotheses of this investigation. The final chapter, chapter 13 provided the interpretation of the results seen in the twelfth chapter, and presented all the main findings of this investigation together with recommendations for further action and improvement which were directed at the host organisation.

The joint efforts of all employees and managers involved in this investigation have been of great value to the researcher in carrying out this study. The individual effort and time given by participants has also helped enormously in uncovering the relevant issues and the many points of learning that have emerged from this investigation and which, it is hoped, will aid employee, team and organisation alike in participating in and contributing towards, achieving lasting improvement through the process of continual change.

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Appendix 1 The EFQM Excellence Model Criteria

2b Policy and Strategy are based on information from performance measurement, research, learning and creativity related activities

- Identifying and understanding economic and demographic indicators
- Understanding the impact of new technologies
- Analysing and using stakeholder's ideas

2c Policy and Strategy are developed, reviewed and updated

- Identifying present and future competitive advantage
- Aligning the organisation's policy and strategy with partner's policy and strategy
- Reflecting the fundamental concepts of Excellence in policy and strategy
- Evaluating the relevance and effectiveness of policy and strategy
- Identifying critical success factors
- Reviewing and updating policy and strategy

4a External partnerships are managed

- Supporting mutual development
- Generating and supporting innovative and creative thinking through use of partnerships
- Creating synergy in working together to improve processes and add value to the customer/supplier chain

4b Finances are managed

- Using financial mechanisms and parameters to ensure an efficient and effective resourcing structure
- Managing risks to financial resources

4c Buildings, equipment and materials are managed

- Optimising material inventories
- Optimising consumption of utilities
- Reducing and recycling waste
- Conserving global non-renewable resources
- Reducing any adverse global impact of products and services

4d Technology is managed

- Harnessing technology to support improvement
- Identifying and replacing 'old' technologies

4e Information and knowledge are managed

- Cultivating, developing and protecting unique intellectual property in order to maximise customer value
- Seeking to acquire, increase and use knowledge effectively
- Generating innovative and creative thinking within the organisation through the use of relevant information and knowledge resources

5a Processes are systematically designed and managed

- Resolving interface issues inside the organisation and with external partners for the effective management of end-to-end processes

5b Processes are improved, as needed, using innovation in order to fully satisfy and generate increasing value for customers and other stakeholders

- Discovering and using new process designs, operating philosophies and enabling technology
- Establishing appropriate methods for implementing change
- Piloting and controlling the implementation of new or changed processes
- Communicating process changes to all appropriate stakeholders
- Ensuring people are trained to operate new or changed processes prior to implementation
- Ensure process changes achieve predicted results

5c Products and Services are designed and developed based on customers needs and expectations

- Using creativity and innovation to develop competitive products and services
- Generating new products with partners

5e Customer relationships are managed and enhanced

- Seeking to maintain creativity and innovation in the customer sales and servicing relationship
- Using regular surveys, other forms of structured data gathering and data gathered during day to day customer contacts in order to determine and enhance customer relationship satisfaction levels

8a Perception Measures

- Activities to reduce and prevent nuisance and harm from its operations and/or throughout the lifecycle of its products:
 - health risks
 - noise and odour
 - hazards (safety)
 - pollution and toxic emission
- Reporting on activities to assist in the preservation and sustainability of resources:
 - choice of transport
 - ecological impact
 - reduction and elimination of waste and packaging
 - substitution of raw materials or other inputs
 - usage of utilities e.g. gases, water, electricity, new and recycled matter

8b Performance Indicators

- planning
- product release
- Accolades and awards received

Appendix 2 Radar Scoring Matrix (an example)¹

ENABLERS

Elements	Attributes	Score	0%	25%	50%	75%	100%																
Assessment & Review	Measurement: <ul style="list-style-type: none"> Regular measurement of the effective-ness of the approach and deployment is carried out. Learning: <ul style="list-style-type: none"> Learning activities are used to identify and share best practice and improvement opportunities. Improvement: <ul style="list-style-type: none"> Output from measurement and learning is analysed and used to identify, prioritise, plan and implement improvements. 	Score	No evidence or Anecdotal	Some evidence	Evidence	Clear Evidence	Comprehensive Evidence																
			No evidence or anecdotal	Some evidence	Evidence	Clear Evidence	Comprehensive Evidence																
			No evidence or anecdotal	Some evidence	Evidence	Clear Evidence	Comprehensive Evidence																
			0	5	10	15	20	25	30	35	40	45	50	55	60	65	70	75	80	85	90	95	100
Total			0	5	10	15	20	25	30	35	40	45	50	55	60	65	70	75	80	85	90	95	100
Overall Total			0	5	10	15	20	25	30	35	40	45	50	55	60	65	70	75	80	85	90	95	100

¹ Source, Radar Scoring Matrix, The EFQM Excellence Model, published 1999, by the EFQM, Brussels.

Appendix 3 Deming Prize Criteria

1. Policies

1. Quality and quality control policies and their place in overall business management
2. Clarity of policies (targets and priority measures)
3. Methods and processes for establishing policies
4. Relationship of policies to long - and short - term plans
5. Communication (deployment) of policies, grasp and management of achieving policies
6. Executives and managers leadership

2. Organization

1. Appropriateness of the organizational structure for quality control of achieving policies
2. Clarity of authority and responsibility
3. Status of interdepartmental co-ordination
4. Status of committee and project team activities
5. Status of staff activities
6. Relationships with associated companies (group companies, vendors, contractors, sales companies etc.)

3. Information

1. Appropriateness of collecting and communicating external information
2. Appropriateness of collecting and communicating internal information
3. Status of applying statistical techniques to data analysis
4. Appropriateness of information retention
5. Status of utilizing information
6. Status of utilizing computers for data processing

4. Standardization

1. Appropriateness of the system of standards
2. Procedures for establishing, revising and abolishing standards
3. Actual performance in establishing, revising and abolishing standards
4. Contents of standards
5. Status of utilizing and adhering to standards
6. Status of systematically developing, accumulating, handing down and utilizing technologies

5. Human Resources

1. Education and training plans and their development and results utilization
2. Status of quality consciousness, consciousness of managing jobs, and understanding of quality control
3. Status of supporting and motivating self-development and self-realization
4. Status of understanding and utilizing statistical concepts and methods
5. Status of quality circle development and improvement suggestions
6. Status of supporting the development of human resources in associated companies

6. Quality Assurance

1. Status of managing the quality assurance activities system
2. Status of quality control diagnosis
3. Status of new product and technology development (including quality analysis, quality deployment and design review activities)
4. Status of process control
5. Status of process analysis and process improvement (including process capability studies)
6. Status of inspection, quality, evaluation and quality audit
7. Status of managing production equipment, measuring instruments and vendors
8. Status of packaging, storage, transportation, sales and service activities
9. Grasping and responding to product usage, disposal, recovery and re-cycling
10. Status of quality assurance
11. Grasping of the status of customer satisfaction
12. Status of assuring reliability, safety, product liability and environmental protection

7. Maintenance

1. Rotation of management (PDCA) cycle control activities
2. Methods for determining control items and their levels
3. In-control situations (status of utilizing control charts and other tools)
4. Status of taking temporary and permanent measures
5. Status of operating management systems for cost, quantity, delivery etc.
6. Relationship of quality assurance system to other operating management systems

8. Improvement

1. Methods of selecting themes (important activities problems and priority issues)
2. Linkage of analytical methods and intrinsic technology
3. Status of utilizing statistical methods for analysis
4. Utilization of analysis results
5. Status of confirming improvement results and transferring them to maintenance/control activities
6. Contribution of QC circle activities

9. Effects

1. Tangible effects (such as quality, delivery, cost, profit, safety and environment)
2. Intangible effects
3. Methods for measuring and grasping effects
4. Customer satisfaction and employee satisfaction
5. Influence on associated companies
6. Influence on local and international communities

10. Future Plans

1. Status of grasping current situations
2. Future plans for improving problems
3. Projection of changes in social environment and customer requirements and future plans based on these projected changes
4. Relationships among management philosophy, vision and long-term plans
5. Continuity of quality control activities
6. Concreteness of future plans

Appendix 4a Questions For Manager Sample Group on the theme 'Excellence' (English)

n = 21

These questions are designed to find out the participants personal view on excellence as i) a general, daily term and ii) an attribute of specific relevance to the Merck Excellence Process.

GENERAL

- 1] What does the general term 'excellence' mean for you personally? Describe -

- 2] What factors or attributes of behaviour, need to be present for you to evaluate something or somebody as being some way *excellent*?

- 3] Is the general form of excellence, for you, a long-term concept? Expand...

SPECIFIC

- 1] What does Merck Excellence mean for you personally?

- 2] What differentiates 'excellence behaviour' at Merck from *normal* behaviour at Merck?

Excellent

Normal

- 3] Do you equate Merck Excellence with the transformation and conversion of processes?

- 4] What three things could you do personally better to achieve excellence?
i) -----
ii) -----
iii) -----
- 5] Do you see the importance and relevance of:
a) taking on self-responsibility for excellence? Yes No
b) ensuring the customer sees the excellence? Yes No
c) excellence for success? Yes No
- 6] Do you have any other comments regarding either of the following;
General excellence?

Merck Excellence?

Appendix 4b

Questions for Manager Sample Group on the theme 'Excellence' (German)

Fragen an eine ausgewählte Manager-Gruppe über vorzügliche Leistungen

n = 21

Diese Fragen sind so erstellt, um die persönliche Sicht der Teilnehmer zu Excellence/Vorzüglichkeit a) im Allgemeinen (täglichen Leben) und b) als entscheidendes Fundament zum Merck Excellence Prozesses herauszufinden.

ALLGEMEIN

1] Was bedeutet für Sie *persönlich* Excellence / Vorzüglichkeit im Allgemeinen?

2] Welches Verhalten oder Faktoren sollten gegeben sein, damit Sie Etwas oder Jemanden als exzellent / vorzüglich bezeichnen?

3] Ist die allgemeine (tägliche) Form von Excellence / Vorzüglichkeit auf lange Sicht erreichbar?

SPEZIFISCH

1] Was bedeutet Merck Excellence für Sie *persönlich*?

2] Worin unterscheidet sich bei Merck das exzellente / vorzügliche Verhalten vom normalen Verhalten? Nennen Sie Beispiele?

Exzellenterhalten

Normalverhalten

3] Setzen Sie Merck Excellence gleich mit der Umwandlung, Optimierung und Verbesserung von Prozessen?

4] Welche drei Dinge können Sie *persönlich* für Merck Excellence tun?

i) ----- ii) ----- iii) -----

5] Sehen Sie die Wichtigkeit und Notwendigkeit von folgendes:

a) Selbstverantwortlichkeit für Excellence?

Ja Nein

b) Sichtbarkeit für den Kunden?

Ja Nein

c) Excellence für den Erfolg?

Ja Nein

6] Haben Sie weitere Kommentare zu:

Excellence im Allgemeinen? -----

Merck Excellence im Speziellen? -----

Appendix 4c Manager Profile (an example, German)

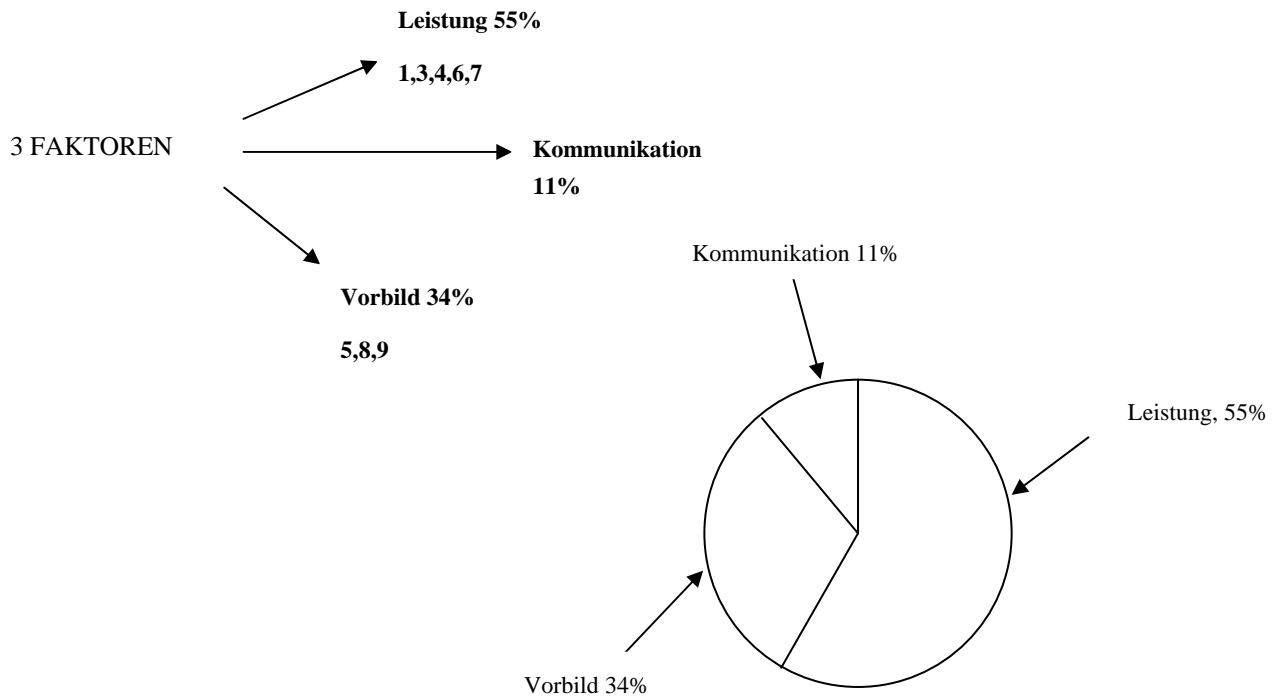
PID3

Analysis of Factors

Excellenz Verhalten =

1. Besser als Durchschnittsleistung
2. Der Umgang mit MA, Freunden etc., wie man sich selber in die Gesellschaft stellt, Umgang mit Leuten
3. Excellenz ist kontinuierlich und hat verschiedene Plateaus
4. Ziele persönlich versuchen zu erreichen, daß ein Arbeitsoptimum erreicht ist (Leistung) Zusammenarbeit (Team)
5. Als Vorbild da zu sein und sein Bestes zu geben
6. Normal = Durchschnitt
7. Excellenz ist, einfach besser zu sein
8. Excellenz, sich persönlich in dem Prozess als Vorbild zu engagieren und die MA zu motivieren
9. ME Prozess - als Vorbild

Von diese Antworten:



Appendix 5a

TECHNICAL UNIVERSITY DARMSTADT

MERCK EXCELLENCE CHANGE MANAGEMENT AND LEADERSHIP QUESTIONNAIRE

Biographical Details

Research Nr.: M-Se

Male Female Age: Years: _____
 Full-Time Part-Time Job-Share

Your Job Status:

Executive Manager Regional Manager Divisional Manager
 Head of Department Departmental Manager Team Leader/ Supervisor

Average number of hours worked per week: Hours: _____

No. of years/months **in this job**: Years: _____ Months: _____

No. of years/months **with Merck**: Years: _____ Months: _____

Notes on completion of the questionnaire

The questionnaire is 7 pages long and includes some questions that will require you to gain information that may not be immediately at hand - therefore it is recommended that you spend *at least* one week on its detailed completion. Please answer ALL QUESTIONS, leaving yourself adequate time for reflection before giving your answers. Research shows that the *initial response* to a question is usually the most accurate representation of your opinion, so once you have decided upon your answer try not to go back later and change it. As it is your own personal opinions and beliefs that interest us, please **do not discuss individual questions or responses to questions with your work colleagues**. Your responses to the questions should be the result of your own personal opinion, and should not be influenced by the opinions of others. Please give one clear response only to each question i.e. place one clear cross on each answer rating-scale provided e.g.

Agree/-----/---**X**---/-----/-----/-----/-----/Disagree N/A

N/A Option

Please **DO cross the N/A option** when a question does not apply to you, or if you genuinely do not know the answer to a question. **DO NOT cross the N/A option** because you can't decide where on the scale to place your cross. If you cannot immediately decide where on the scale to place your cross, this is a sign that *you need more time to decide*, therefore give yourself more time by returning to that particular question later on. If the question is relevant to you, you must place a cross on the scale (do not leave any questions unanswered!).

If you are unclear about *exactly* what is being asked in some questions, please do not hesitate to contact me - I will answer any queries that you may have. Thank you in advance for taking part in this research project. Follow-up details and feedback information regarding the results of this research project will be made available for *all* research participants. Feedback will include, a presentation of research results, and a short summary of results - participants will be informed about the date and venue of the presentation in due course. Once again many thanks for your help and co-operation.

Telephone: Work:- +49 (0) 6151 72 **8134**

Private:- +49 0172 889 5151 (24 hours)

PART A: General Job Management Issues

Below are a series of question-statements. Please consider how much each statement applies to you. When you have decided on the extent to which you agree or disagree with each statement, place a cross on the scale provided.

Thinking, Problem-Solving, Innovation

- "This job requires me to think creatively" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "I make efforts to present new ideas in a non-threatening way"
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "I believe innovation is an important part of my job"
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "Being a *global thinker* is important for this job"
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "In this job strategic thinking is a prerequisite"
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "Finding innovative ways to solve problems is important for me in my job"
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

Power, Influence

- "I am in favour of power sharing" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "Abuse of power is sometimes required in this job"
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "I have no problems of authority with staff who were once my peers"
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "When it comes to dismissing staff, I do not experience any problems"
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "Influencing other members of staff is not a problem for me"
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "Getting staff to implement solutions does not present a problem for me"
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "I am able to handle and work well with staff over whom I have no authority"
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "I have no problems when it comes to enforcing unpopular measures"
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "Decision making is not a problem for me" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

Commitment, Political System, The Business

- "I really feel as if this organization's problems are my own"
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "I am able to personally identify with the organizational mission"
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "I have a good knowledge and understanding of how this business works"
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "I understand the political system (the competition and conflict) within this organization"
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "I understand the reasons behind the constraints and demands that are sometimes required in this job"
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "It is important to me to continually communicate to others the corporate mission and targets"
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "I make a constant effort to pursue the corporate mission and targets"
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "In my opinion the organization should have a more flattened hierarchy"
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

"I am fully committed to the Merck Excellence Process"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

Performance, Flexibility, Stress

"I generally regard myself as a high level performer"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

"I always manage to achieve the job performance that I expect to achieve"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

"I maintain a high level of professional and technical skills"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

"I have no problems in confronting and dealing with worker performance problems"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

"I regard quality as a part of my daily work routine"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

"I am able to remain flexible when the working environment changes unpredictably"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

"To me, large scale change within the organization is an intrusion on my daily work routine"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

"A changing work environment provides me with more opportunity for gaining information"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

"I am able to deal easily with tense political situations"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

"I am able to cope with situations outside of my control"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

"To me, managerial activity means expanding the range of choices"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

"Working towards *excellence* means for me being competent at my job and in what I do"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

"I can cope well with the level of stress experienced in my job"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

"The level of stress experienced in my job has considerably increased during the last 18 months"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

"I feel that my job stress level has no negative effects upon my state of health"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

"Having a high level of flexibility through decision-making is very important to me in my job"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

"I believe my overall efforts towards, and personal achievement of *Merck Excellence*, to be high"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

Information, Communication, Opportunity

"Advanced networking e.g. diverse information exchange, is a basic requirement in my job"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

"I regard myself as an excellent communicator"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

"I place great value on giving open feedback whenever possible"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

"I am able to work well with senior executives in the organization"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

"Being an effective communicator at the individual level, is fundamental in the organizational strive towards *excellence*"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

"Understanding other peoples perspectives is not a problem for me"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

"I take pride in being able to handle conflict"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

- "I place great worth on building relationships with staff"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "Use of information means for me the recognition and seizing of opportunities"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "When job stress is high, additional sources of information help me to cope with the added strain"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

Motivation, Satisfaction, Vision

- "I am highly motivated by my job" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "Motivating others is an important part of my job"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "Developing staff and creating opportunities for them to grow in their job is an integral part of my job"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "Providing staff with vision through clear goals and objectives is an important part of this job"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "Rewarding good performance is a very important part of my job"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "I believe in empowering my staff" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "I help my staff to take charge of their own development"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "I am very proud at having a high level of personal job satisfaction"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "Being a good role model for my staff contributes towards *excellence* within the organization"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

The Self

- "I believe self-criticism to be a necessary part of my job"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "I welcome others constructively criticising my work as it provides me with a learning opportunity"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "I regard myself as having enough self confidence"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "I am able to separate my work from my personal life"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "I know myself and am aware of my own limits"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "Personal development and need for achievement are more important for me than the needs
 and goals of the organization as a whole"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "I am able to take care of my own career needs without any problems"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "I believe I am a prime candidate for promotion"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "I have a clear picture of what it is that I want to achieve in my job"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "I place great value on being a good role model for my staff"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- "I wish that my job was more self-regulatory"
 Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

PART B: Merck Excellence Job Management Issues

Below are a series of question-statements. Please consider how much each statement applies to you. When you have decided how much you agree or disagree with each statement, place your cross on the scale provided.

Leadership

”As a manager, I visibly demonstrate my commitment to Merck Excellence (ME) by..

- developing clear values and expectations for the organization”
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- acting as role model for the values and expectations of Merck Excellence, and leading by example”
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- making myself accessible, listening and responding to my staff’s proposals”
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- being active and personally involved in improvement activities”
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- showing my personal commitment to Merck Excellence”
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- reviewing and improving the effectiveness of my own leadership”
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

”As a manager, I support improvement and involvement in ME by providing resources and assistance towards..

- defining priorities”
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- fund learning, facilitation, and improvement activities in Merck Excellence”
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- enabling my staff to participate in improvement activities”
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- developing systems designed to support improvement and create involvement”
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

”As a manager, I make sure that I am involved with customers, suppliers, and other external organizations by..

- understanding and responding to the needs of clients, suppliers, and other external organizations”
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- establishing and participating in partnerships”
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- establishing and participating in joint improvement activities”
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- actively participating in professional bodies, conferences, seminars ”
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- promoting and supporting Total Quality Management outside Merck”
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

”As a manager, I recognize and appreciate people’s efforts and achievements by..

- recognizing individuals and teams at all levels within organizations”
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- recognizing individuals and teams outside the organization (e.g. customers, suppliers, external organizations etc.”
Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

People Management

How people resources are planned and improved. "As a manager, I ensure that the organization..

- aligns the human resources plan with Policy and Strategy" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- develops and uses people surveys" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- is fair in terms of employment policies" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- aligns remuneration, redeployment, redundancy, and other terms of employment with the organizations' s Policy and Strategy" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- uses innovative work organization strategies and methods to improve the way of working" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

How people capabilities are sustained and developed. "As a manager, I ensure that the organization..

- identifies, classifies, and matches peoples' s competences with the organization' s needs" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- uses the job profile and other procedures to manage recruitment" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- uses the managerial interview and the job profile for career development" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- establishes and implements career plans" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- reviews the effectiveness of training" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- develops team skills" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- promotes continuous learning" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

How people agree targets and continuously review performance. "As a manager I ensure that the organization...

- aligns individual and team objectives with its Policy and Strategy" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- reviews and updates individual and team objectives" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- encourages and supports people to help them reach and even improve upon their targets" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- appraises people on the basis of their success in achieving their targets" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

How people are involved, empowered and recognized. "As a manager I ensure that the organization..

- encourages and supports individual and team participation in continuous improvement" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- involves and empowers people actively to participate in ceremonies and in-house conferences" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- empowers people to take action and evaluates the results of their actions" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- designs the recognition systems to sustain involvement and empowerment" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

How people and the organization have an effective dialogue. "As a manager I ensure that the organization..

- identifies communication needs" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- shares information and dialog with its people at all levels" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- evaluates and improves communication effectiveness" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- structures top down, bottom up, and lateral communications" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

How the organization cares for its people. "As a manager I ensure that the organization..

- promotes the awareness of and involvement in health, safety, and environmental issues" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- sets the level of benefits (e.g. pension plan, health care, child care etc.)" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- promotes social and cultural amenities" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A
- provides facilities and services (flexible hours, transport etc.) Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

Customer Satisfaction

The customer's perception of the organization's products, services, and customer relationships. "As a manager I ensure the..

- direct measurement of performance relating to customer satisfaction (surveys, discussion groups, vendor ratings etc.)" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

Additional measurements of performance relating to the satisfaction of the organization's customers. "As a manager I ensure the..

- indirect measurement of performance relating to customer satisfaction e.g. handling of complaints" Agree/-----/-----/-----/-----/-----/-----/Disagree N/A

People Satisfaction

The people's perception of the organization. "As a manager, I ensure that I acknowledge the people's perception of the following motivation-related factors..

- career development" yes No N/A
- communication" yes No N/A
- empowerment" yes No N/A
- equality of opportunity" yes No N/A
- how the organization involves people" yes No N/A
- leadership" yes No N/A
- opportunity to learn and achieve" yes No N/A
- recognition" yes No N/A
- target setting and appraisal" yes No N/A
- the organization's values, mission, vision, Policy and Strategy" yes No N/A
- training and education" yes No N/A

”As a manager, I ensure that I acknowledge the people’s perception of the following satisfaction-related factors..

company administration (establishment plan, procedures etc.)”	yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
employment conditions”	yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
facilities and services”	yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
health and safety conditions”	yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
job security”	yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
pay and benefits”	yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
peer relationships”	yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
the management of change for continuous improvement”	yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
the organization’s environmental policy and impact”	yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
the organization’s role in the community and society”	yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
working environment”	yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

Additional measurements relating to people satisfaction. ”As a manager I monitor the measurements used by the organization to understand, predict and improve;

motivation and involvement issues including:

involvement in improvement teams”	yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
involvement in suggestion schemes”	yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
levels of training and development”	yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
measurable benefits and teamwork”	yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
recognition of individuals and teams”	yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
response rates to people surveys”	yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

satisfaction issues including:

absenteeism and sickness”	yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
accident levels”	yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
grievances”	yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
recruitment trends (possibility of contracts, basic recruitment etc.)”	yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
staff turnover”	yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
use of organization provided facilities (e.g. recreational, crèche etc.)”	yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

services provided for the organization’s people including:

effectiveness of personnel administration”	yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
effectiveness of communication”	yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
speed of response to inquiries”	yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
training evaluation”	yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

Business Results

Measurements of financial performance that reflect business success. ”As a manager, I monitor..

i) profit-and-loss account items (e.g. sales, DB1, BE1)”	yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Sales at --/--/98 were: DM _____ Were your expectations met?	yes <input type="checkbox"/>	No <input type="checkbox"/>	
Sales at --/--/99 are: DM _____ Were your expectations met?	yes <input type="checkbox"/>	No <input type="checkbox"/>	

ii) information from the balance sheet”	yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
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Additional measurements of the organization’s performance. ”As a manager, I monitor..

i) overall performance

e.g. development of market shares” yes No N/A
 market shares at --/--/98 were: _____ %. Were your expectations met? yes No

market shares at --/--/99 are: _____ %. Were your expectations met? yes No

ii) key indicators

e.g. complaint handling times” yes No N/A

handling times at --/--/98 were: _____ days. Were your expectations met? yes No

handling times at --/--/99 are: _____ days. Were your expectations met? yes No

e.g. product to market times” yes No N/A

prod-to-mark. at --/--/98 were: _____ days. Were your expectations met? yes No

prod-to-mark. at --/--/99 are: _____ days. Were your expectations met? yes No

iii) information

e.g. accessibility” yes No N/A

e.g. timeliness” yes No N/A

Has the department or area in which you are working, carried out a Merck Excellence Check?

Yes

No

I don't know

☺ **THANK YOU!** You have now reached the end of the questionnaire. Please note that you are requested to return the completed questionnaire in the addressed envelope provided by --/--/1999. Thank you very much for taking the time and making the effort to complete this questionnaire. Don't forget that *your* support in this project is greatly appreciated, because *your* opinion counts.

PARTIE A : Questions générales sur la gestion de poste

Merci d'étudier *soigneusement* chaque affirmation avant de répondre. Votre réponse doit refléter dans quelle mesure cette affirmation s'applique à votre chef de groupe/directeur/supérieur.

Manière de penser, aptitude à résoudre les problèmes, esprit d'innovation

"Pour autant que je puisse dire..."

- mon supérieur fait preuve d'un esprit créatif " D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- mon supérieur s'efforce de présenter les idées nouvelles de façon rassurante " D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- mon supérieur met un point d'honneur à innover dans son travail " D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- mon supérieur démontre qu'il a une vision internationale des choses " D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- mon supérieur fait preuve d'un esprit stratégique " D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- mon supérieur a recours à des solutions innovatrices pour résoudre les problèmes " D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O

Puissance, influence

" Pour autant que je puisse dire..."

- mon supérieur est favorable au partage des pouvoirs " D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- la fonction de mon supérieur l'oblige parfois à abuser de son pouvoir " D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- mon supérieur ne rencontre aucun problème d'autorité avec les personnes de son équipe qui étaient autrefois ses collègues " D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- le licenciement de personnel ne pose pas de problème particulier à mon supérieur " D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- mon supérieur parvient sans problème particulier à influencer les autres membres du personnel " D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- mon supérieur n'a pas de difficulté à inciter son équipe à mettre des solutions en pratique " D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- mon supérieur est capable d'avoir de bons rapports et de travailler avec les personnes qui ne sont pas sous ses ordres " D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- mon supérieur ne rencontre pas de problème particulier à faire appliquer des mesures impopulaires " D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- pour mon supérieur, la prise de décisions ne pose aucun problème " D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O

Engagement, politique et enjeux de l'entreprise

"Pour autant que je puisse dire..."

- mon supérieur soutient réellement cette entreprise et s'y implique " D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- mon supérieur a fait siens les enjeux à long terme et les visions de l'entreprise. " D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- mon supérieur connaît et comprend parfaitement la marche des affaires " D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- mon supérieur comprend le système politique qui régit cette entreprise (les relations concurrentielles et conflictuelles liées à l'exercice du pouvoir) " D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- mon supérieur comprend pourquoi certaines contraintes et exigences lui sont parfois imposées à son poste " D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O

- pour mon supérieur, il est important de discuter en permanence avec les autres de la mission et des enjeux de l'entreprise ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur s'efforce en permanence de participer personnellement à la réalisation de la mission et des enjeux de l'entreprise ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O

Performances, flexibilité, stress

” Pour autant que je puisse dire...

- mon supérieur est capable de réaliser de très bonnes performances, d'obtenir de très bons résultats ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur parvient toujours à réaliser la tâche et les objectifs qu'il s'est fixés ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur maintient ses connaissances professionnelles et techniques à un haut niveau ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur n'éprouve aucune difficulté lorsqu'il est confronté ou qu'il doit gérer des problèmes liés aux performances de membres de son équipe ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur considère que la qualité fait partie intégrante de son travail quotidien ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur est capable de faire preuve de souplesse, même lorsque des changements imprévisibles interviennent dans son environnement professionnel ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur considère que les changements importants qui interviennent au sein de l'entreprise sont une entrave, une gêne dans son travail quotidien ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- pour mon supérieur, un changement dans son environnement professionnel constitue une chance supplémentaire d'obtenir de nouvelles informations ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur maîtrise aisément les tensions politiques ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur est capable de maîtriser les situations qui ne dépendent pas de lui. ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur estime que manager signifie agrandir le champ des possibilités ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- travailler en ayant en vue l'excellence signifie pour mon supérieur faire preuve de compétence dans son travail ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur supporte très bien le stress auquel il est confronté dans son travail ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- le niveau de stress lié au travail de mon supérieur a considérablement augmenté durant les 18 derniers mois ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- le niveau de stress auquel est soumis mon supérieur ne nuit pas à sa santé ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur considère qu'il est nécessaire de disposer d'une grande marge de souplesse et de liberté pour prendre une décision ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O

Informations, communication, opportunités

” Pour autant que je puisse dire...

- mon supérieur considère que le travail en réseau avancé (reposant sur différents réseaux d'échange d'informations) est une nécessité fondamentale pour son travail ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur est un excellent communicant ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur considère qu'il est primordial de donner un feed-back sincère et honnête chaque fois que cela est possible ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur est capable de travailler convenablement avec les membres de la direction ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O

- dans le cadre de son action organisationnelle visant à atteindre l'*excellence*, mon supérieur estime qu'il communique efficacement avec ses collègues, et qu'il s'agit d'un critère fondamental ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur n'a pas de mal à comprendre le point de vue des autres ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur est capable de gérer les conflits ” D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur attache beaucoup d'importance aux relations qu'il entretient avec les membres de son équipe ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- pour mon supérieur, utiliser une information signifie reconnaître et saisir une occasion favorable ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- si mon supérieur est très sollicité, la multiplication de ses sources d'information semble l'aider à maîtriser son stress ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur saisit toutes les occasions de communiquer avec les membres de son équipe. Il lui arrive par exemple d'aller déjeuner avec eux ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O

Motivation, satisfaction, vision

” *Pour autant que je puisse dire...*

- mon supérieur est extrêmement motivé par son travail ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur considère qu'une part importante de son travail doit être consacrée à la motivation de son équipe ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur développe le potentiel de ses collaborateurs et leur offre des occasions d'évoluer dans leur emploi ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur met un point d'honneur à transmettre une vision de l'avenir aux membres de son équipe, en leur expliquant les enjeux et en leur fixant des objectifs ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur récompense volontiers les bons résultats ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur incite les membres de son équipe à agir pour leur propre évolution ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur croit en la délégation des pouvoirs ” D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur tire une grande satisfaction de son travail ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur pense que son exemple peut aider les membres de son équipe à atteindre l'*excellence* ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O

L'ego

” *Pour autant que je puisse dire...*

- mon supérieur accepte les critiques et sait en exprimer à l'égard de ses collaborateurs ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur est constructif avec les membres de son équipe, il exprime ses critiques de manière à leur donner l'occasion d'apprendre quelque chose ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur fait suffisamment preuve d'assurance ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur est capable de faire la part des choses entre sa vie professionnelle et sa vie privée ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur se connaît bien, il est conscient de ses limites ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur attache davantage d'importance à son ambition personnelle et à son besoin d'atteindre de bons résultats qu'aux enjeux et aux exigences de l'entreprise ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur n'a pas de difficulté à reconnaître les intérêts de sa carrière personnelle et à œuvrer en leur faveur ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O

- mon supérieur sait très exactement ce à quoi il aspire dans sa vie professionnelle ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mon supérieur met un point d'honneur à servir de modèle aux membres de son équipe ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O

PARTIE B : Aspects de la gestion de poste relatifs au processus Merck Excellence

Merci d'étudier *soigneusement* chaque affirmation avant de répondre. Votre réponse doit refléter dans quelle mesure cette affirmation s'applique à votre chef de groupe/directeur/supérieur.

Direction ” Pour autant que je puisse dire...

..mon supérieur démontre son implication dans le processus Merck Excellence (ME). Il...

- fixe des objectifs et des attentes clairs, en adéquation avec ceux de l'entreprise ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- sert d'exemple pour les valeurs et les enjeux de Merck Excellence, et agit en conséquence ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- est disponible pour tous, il écoute les suggestions de ses collaborateurs et réagit en conséquence ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- s'implique activement dans les activités visant à apporter des améliorations ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- montre qu'il s'implique personnellement dans le processus ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- se remet en question et tente d'améliorer l'efficacité de sa fonction de responsable ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O

.. mon supérieur encourage les améliorations et l'engagement dans le processus ME. Il apporte son soutien et des ressources financières afin de...

- définir des priorités ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- mettre en place des mesures de formation ou toute autre activité visant à faciliter ou à améliorer les méthodes de travail et à faire avancer le processus Merck Excellence ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- permettre à ses collaborateurs de prendre une part active dans toute activité visant à apporter une amélioration ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- développer des systèmes destinés à encourager toute amélioration et à inciter l'engagement personnel ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O

.. mon supérieur s'engage personnellement vis-à-vis des clients, des fournisseurs et autres entités externes. Il

- comprend leurs attentes dans un souci de réactivité ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- crée et entretient des relations de partenariat avec ses interlocuteurs ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- définit ou participe à des activités d'amélioration impliquant plusieurs intervenants ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- participe à des conférences, des séminaires, à la vie d'organismes professionnels ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- encourage et soutient la gestion de la Qualité Totale à l'extérieur de Merck ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O

.. mon supérieur reconnaît et apprécie les efforts et les performances des autres. Il...

- reconnaît le travail des individus et des équipes à tous les niveaux de l'entreprise ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- reconnaît le travail des individus et des équipes à l'extérieur de l'entreprise (clients, fournisseurs, etc.) ”
D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O

Encadrement des collaborateurs

Comment les ressources humaines sont planifiées et améliorées.

” Pour autant que je puisse dire, mon supérieur veille à...

- ajuster la planification des ressources humaines à la politique et à la stratégie de l'entreprise ”
D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- mener des enquêtes auprès du personnel et à les utiliser ”
D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- être équitable dans sa politique en matière d'emploi ”
D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- ajuster les rémunérations, les reconversions, les licenciements et autres opérations relatives à l'emploi à la politique et la stratégie de l'entreprise ”
D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- mettre en œuvre des stratégies et des méthodes innovatrices afin d'optimiser l'organisation du travail ”
D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O

Comment les compétences du personnel sont maintenues et développées.

” Pour autant que je puisse dire, mon supérieur veille à...

- reconnaître et à répertorier les compétences du personnel, et à les faire coïncider avec les besoins de l'entreprise ”
D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- définir un profil de poste, ou recourt à d'autres procédés de ce type lors d'un recrutement ”
D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- utiliser les entretiens d'appréciation et les profils de poste pour les développements de carrière ”
D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- élaborer des plans de carrière et à les mettre en pratique ”
D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- contrôler l'efficacité des mesures de formation ”
D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- développer des aptitudes au travail d'équipe chez ses collaborateurs ”
D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- promouvoir la formation continue ”
D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O

Comment le personnel accepte les objectifs et contrôle continuellement ses résultats.

” Pour autant que je puisse dire, mon supérieur veille à...

- ajuster les objectifs individuels et de groupe à la politique et à la stratégie de l'entreprise ”
D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- revoir et à réévaluer les objectifs individuels et de groupe ”
D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- encourager ses collaborateurs et à les épauler afin qu'ils atteignent, voire qu'ils dépassent leurs objectifs ”
D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- évaluer les membres de son équipe en fonction de la manière dont ils ont atteint leurs objectifs ”
D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O

Comment le supérieur implique ses collaborateurs, délègue les pouvoirs et exprime son jugement.

” Pour autant que je puisse dire, mon supérieur veille à...

- encourager et à soutenir la participation de ses collaborateurs ou de son équipe au processus continu d'amélioration ”
D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- encourager vivement les membres de son équipe et à les mandater pour participer à des manifestations et des conférences organisées en interne ”
D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- donner à ses collaborateurs le pouvoir d'agir et d'évaluer le résultat de leur action ”
D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O
- concevoir un système d'évaluation destiné à soutenir la motivation de ses collaborateurs et à favoriser la délégation des pouvoirs ”
D'accord /-----/-----/-----/-----/-----/-----/ Pas d'accord S/O

Comment le personnel et l'entreprise dialoguent efficacement.

" Pour autant que je puisse dire, mon supérieur veille à...

- déceler les besoins en matière de communication "D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- partager ses informations et à dialoguer avec le personnel à tous les niveaux de l'entreprise "
- D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- évaluer et à améliorer l'efficacité de la communication "
- D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- structurer la communication verticale (de haut en bas et de bas en haut) et horizontale "
- D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O

Comment l'entreprise prend soin de son personnel. " Pour autant que je puisse dire, mon supérieur...

- sensibilise ses collaborateurs et les encourage à prendre part aux enjeux de santé, de sécurité et d'environnement "
- D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- veille à ce que le personnel bénéficie d'avantages sociaux adéquats (plan de retraite, allocations maladie, allocations familiales, etc.) "
- D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- veille à ce que les aménagements sociaux et culturels soient disponibles pour le personnel "
- D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O
- propose des aménagements et des services à ses collaborateurs pour les aider à mieux gérer leur emploi du temps (horaires aménagés, transports, etc.) "
- D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O

Satisfaction des clients**Comment le client perçoit les produits et les services de l'entreprise. Les relations de mon supérieur avec la clientèle. " Pour autant que je puisse dire, mon supérieur veille à...**

- évaluer directement les performances de ses collaborateurs en ce qui concerne la satisfaction des clients, au moyen d'enquêtes, de groupes de discussion, en évaluant les commerciaux, etc. "
- D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O

Autres méthodes d'évaluation. " Pour autant que je puisse dire, mon supérieur veille à...

- évaluer indirectement les performances de ses collaborateurs en ce qui concerne la satisfaction des clients, en étudiant de quelle manière les réclamations sont traitées, par exemple "
- D'accord /----/----/----/----/----/----/----/ Pas d'accord S/O

Satisfaction des collaborateurs**Comment le personnel perçoit l'entreprise.**

"Pour autant que je puisse dire, mon supérieur tient compte de la manière dont son personnel perçoit les facteurs de motivation suivants...

- | | | | |
|------------------------------------------------------------------------|------------------------------|------------------------------|------------------------------|
| le développement de carrière " | Oui <input type="checkbox"/> | Non <input type="checkbox"/> | S/O <input type="checkbox"/> |
| la communication " | Oui <input type="checkbox"/> | Non <input type="checkbox"/> | S/O <input type="checkbox"/> |
| la délégation des pouvoirs " | Oui <input type="checkbox"/> | Non <input type="checkbox"/> | S/O <input type="checkbox"/> |
| l'égalité des chances " | Oui <input type="checkbox"/> | Non <input type="checkbox"/> | S/O <input type="checkbox"/> |
| la manière dont l'entreprise implique le personnel " | Oui <input type="checkbox"/> | Non <input type="checkbox"/> | S/O <input type="checkbox"/> |
| les méthodes de management " | Oui <input type="checkbox"/> | Non <input type="checkbox"/> | S/O <input type="checkbox"/> |
| les possibilités de se former et de se réaliser dans son emploi " | Oui <input type="checkbox"/> | Non <input type="checkbox"/> | S/O <input type="checkbox"/> |
| la considération, la reconnaissance " | Oui <input type="checkbox"/> | Non <input type="checkbox"/> | S/O <input type="checkbox"/> |
| la définition des objectifs et l'évaluation des résultats " | Oui <input type="checkbox"/> | Non <input type="checkbox"/> | S/O <input type="checkbox"/> |
| les valeurs, mission, vision, politique et stratégie de l'entreprise " | Oui <input type="checkbox"/> | Non <input type="checkbox"/> | S/O <input type="checkbox"/> |
| la formation professionnelle et la formation continue " | Oui <input type="checkbox"/> | Non <input type="checkbox"/> | S/O <input type="checkbox"/> |

”Pour autant que je puisse dire, mon supérieur tient compte de la manière dont son personnel perçoit les facteurs de satisfaction suivants...”

l'organisation de la société (structures hiérarchiques, procédures, etc.) ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>
les conditions d'embauche ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>
les aménagements et les services ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>
les conditions de santé et de sécurité ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>
la sécurité de l'emploi ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>
le salaire et les avantages sociaux ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>
les relations avec les collègues ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>
la gestion des changements visant à une amélioration continue ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>
la politique environnementale de l'entreprise et son impact ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>
le rôle de l'entreprise dans la société ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>
l'environnement professionnel ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>

Autres méthodes d'évaluation. *” Pour autant que je puisse dire, mon supérieur contrôle les méthodes d'évaluation utilisées par l'entreprise afin de comprendre, d'anticiper et de renforcer...”*

... les facteurs de motivation et d'engagement, et particulièrement :

l'implication de ses collaborateurs au sein de groupes chargés de concevoir des processus d'amélioration ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>
la possibilité donnée à ses collaborateurs d'exprimer des suggestions ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>
les niveaux de formation et de perfectionnement des membres de son équipe ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>
les retombées quantifiables et le travail d'équipe ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>
la considération des individus et des équipes et la reconnaissance de leur travail ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>
le taux de réponses aux enquêtes menées auprès du personnel ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>

... les facteurs de satisfaction, et particulièrement :

l'absentéisme et la maladie ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>
le taux d'accidents ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>
les conflits ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>
les tendances en matière de recrutement (types de contrats, méthodes de recrutement, etc.) ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>
les fluctuations du personnel ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>
les aménagements et les services offerts par l'entreprise (aménagement de pauses, crèche) ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>

... les services offerts au personnel, et particulièrement :

l'efficacité de la gestion des ressources humaines ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>
l'efficacité de la communication ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>
la promptitude à répondre aux demandes de renseignements ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>
l'évaluation de la formation professionnelle ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>

Résultats commerciaux

Mesure des résultats financiers, reflets de la réussite commerciale.

” Pour autant que je puisse dire, mon supérieur contrôle...”

i) les différents postes du compte de résultat (chiffre d'affaires, DB1, BE1, par exemple) ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>
ii) les renseignements portés au bilan ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>

Autres méthodes. *” Pour autant que je puisse dire, mon supérieur contrôle...”*

i) les performances générales comme l'évolution des parts de marché par exemple ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>
ii) les indicateurs clés comme le temps de traitement des réclamations par exemple ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>
- comme le temps nécessaire au lancement d'un produit sur le marché ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>
iii) l'information le fait qu'elle soit accessible à tous par exemple ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>
- le fait qu'elle soit opportune ”	Oui <input type="checkbox"/>	Non <input type="checkbox"/>	S/O <input type="checkbox"/>

Un Merck Excellence Check a-t-il déjà été mené dans le service ou le département dans lequel vous travaillez ?

Oui

Non

Je ne sais pas



MERCI ! Vous avez atteint la fin du questionnaire et nous vous remercions par avance de bien vouloir nous le retourner, dûment rempli, dans l'enveloppe ci-jointe, au plus tard le _____ .
Merci d'avoir consacré du temps à cette enquête et d'avoir fait l'effort de répondre à toutes nos questions.

Appendix 5c

TECHNISCHE UNIVERSITÄT DARMSTADT

FRAGEBOGEN ZU CHANGE MANAGEMENT UND FÜHRUNGSSTIL

Ihre persönlichen Angaben

Research Nr.: Pe-M

Männlich
Vollzeit Weiblich
Teilzeit Alter in Jahren: _____
Job-Sharing

Berufliche Stellung Ihres/Ihrer gleichrangigen Kollegen/in: Geschäftsleiter Regionalleiter
Spartenleiter Hauptabteilungsleiter Abteilungsleiter Gruppenleiter

Durchschnittliche Arbeitszeit, die Sie wöchentlich in direktem Kontakt mit Ihrem/Ihrer gleichrangigen Kollegen/in verbringen (einschl. Meetings, Beurteilungen, informelle Gespräche etc.)

Keine <5 Stunden 5-10 Stunden >10 Stunde

War Ihr/e gleichrangige/r Kollege/in *immer* auf der gleichen Hierarchiestufe/level wie Sie?
Ja Nein Ich weiß es nicht

Wenn nein, war seine/ihre vorherige Stelle höher oder niedriger als Ihre?

Höher Niedriger
Hinweise zum Ausfüllen des Fragebogens

Beantworten Sie bitte **ALLE FRAGEN** und nehmen Sie sich angemessene Bedenkzeit, bevor Sie Ihre Antwort geben. Nachdem Sie sich einmal für eine Antwort entschieden haben, versuchen Sie deshalb nicht, sie nachträglich zu ändern. Da wir an Ihren eigenen, persönlichen Meinungen und Überzeugungen interessiert sind, **diskutieren Sie bitte nicht mit Arbeitskollegen über einzelne Fragen oder Antworten auf Fragen**. Bitte geben Sie nur eine klare Antwort auf jede Frage, d.h., machen Sie ein deutliches Kreuz auf der jeweiligen vorbereiteten Antwortskala, z. B.

Stimme zu/-----/x-----/-----/-----/-----/-----/Stimme nicht zu N/A
N/A Option

Kreuzen Sie die Nicht Anwendbar Option an, wenn Sie die Antwort auf eine Frage wirklich nicht wissen. Kreuzen Sie die N/A Option *nicht* an, weil Sie nicht wissen, an welcher Stelle der Skala Sie das Kreuz machen sollen. Wenn Sie sich nicht sofort entscheiden können, an welcher Stelle der Skala Sie das Kreuz machen sollen, ist das ein Zeichen dafür, daß *Sie mehr Bedenkzeit brauchen*. Lassen Sie sich also mehr Zeit, indem Sie sich mit der betreffenden Frage zu einem späteren Zeitpunkt noch einmal beschäftigen. Wenn die Frage auf Sie anwendbar ist, müssen Sie ein Kreuz auf der Skala machen (lassen Sie bitte keine Frage unbeantwortet!).

Noch einmal vielen Dank für Ihre Hilfe und Kooperation - Caroline Schuster-Cotterell.

Telefon: Arbeit:- +49 (0)6151 24780 E-Mail: caroline_cotterell@yahoo.de

Teil A: Allgemeine Job Management Themen

Bitte lesen Sie sich jede Aussage *sorgfältig* durch, bevor Sie Ihre Antwort geben. Bedenken Sie bei Ihren Antworten, wie sehr die jeweilige Aussage auf Ihre/n Kollegen/in zutrifft.

Überlegung, Problemlösung, Innovation "Soweit ich es beurteilen kann,..."

- zeigt mein/e Kollege/in, daß er/sie kreativ denkt"

Stimme zu/-----/-----/-----/-----/-----/-----/-----/	Stimme nicht zu	N/A <input type="checkbox"/>
------------------------------------------------------	-----------------	------------------------------
- bemüht sich mein/e Kollege/in, neue Ideen auf eine nicht-bedrohliche Art und Weise darzustellen"

Stimme zu/-----/-----/-----/-----/-----/-----/-----/	Stimme nicht zu	N/A <input type="checkbox"/>
------------------------------------------------------	-----------------	------------------------------
- legt mein/e Kollege/in großen Wert darauf, in seiner/ihrer Tätigkeit innovativ zu sein"

Stimme zu/-----/-----/-----/-----/-----/-----/-----/	Stimme nicht zu	N/A <input type="checkbox"/>
------------------------------------------------------	-----------------	------------------------------
- zeigt mein/e Kollege/in, daß er/sie eine gesamtheitliche Betrachtungsweise (*Global Thinker*) hat"

Stimme zu/-----/-----/-----/-----/-----/-----/-----/	Stimme nicht zu	N/A <input type="checkbox"/>
------------------------------------------------------	-----------------	------------------------------
- zeigt mein/e Kollege/in, daß er/sie strategisch denkt"

Stimme zu/-----/-----/-----/-----/-----/-----/-----/	Stimme nicht zu	N/A <input type="checkbox"/>
------------------------------------------------------	-----------------	------------------------------
- beschreibt mein/e Kollege/in innovative Wege bei der Problemlösung"

Stimme zu/-----/-----/-----/-----/-----/-----/-----/	Stimme nicht zu	N/A <input type="checkbox"/>
------------------------------------------------------	-----------------	------------------------------

Macht, Einfluß "Soweit ich es beurteilen kann,..."

- befürwortet mein/e Kollege/in das Delegieren von Entscheidungsgewalt"

Stimme zu/-----/-----/-----/-----/-----/-----/-----/	Stimme nicht zu	N/A <input type="checkbox"/>
------------------------------------------------------	-----------------	------------------------------
- ist Machtmißbrauch in der Tätigkeit meines/meiner Kollegen/in manchmal erforderlich"

Stimme zu/-----/-----/-----/-----/-----/-----/-----/	Stimme nicht zu	N/A <input type="checkbox"/>
------------------------------------------------------	-----------------	------------------------------
- hat mein/e Kollege/in keine Autoritätsprobleme mit Mitarbeitern, mit denen er/sie früher auf der gleichen Hierarchiestufe stand"

Stimme zu/-----/-----/-----/-----/-----/-----/-----/	Stimme nicht zu	N/A <input type="checkbox"/>
------------------------------------------------------	-----------------	------------------------------
- bereitet es meinem/meiner Kollegen/in keine Probleme, Mitarbeiter zu entlassen"

Stimme zu/-----/-----/-----/-----/-----/-----/-----/	Stimme nicht zu	N/A <input type="checkbox"/>
------------------------------------------------------	-----------------	------------------------------
- bereitet es meinem/meiner Kollegen/in keine Probleme, Mitarbeiter zu beeinflussen"

Stimme zu/-----/-----/-----/-----/-----/-----/-----/	Stimme nicht zu	N/A <input type="checkbox"/>
------------------------------------------------------	-----------------	------------------------------
- bereitet es meinem/meiner Kollegen/in keine Probleme, Mitarbeiter zum Umsetzen von Lösungen zu veranlassen"

Stimme zu/-----/-----/-----/-----/-----/-----/-----/	Stimme nicht zu	N/A <input type="checkbox"/>
------------------------------------------------------	-----------------	------------------------------
- kann mein/e Kollege/in gut mit Mitarbeitern umgehen und zusammenarbeiten, über die er/sie keine Autorität hat"

Stimme zu/-----/-----/-----/-----/-----/-----/-----/	Stimme nicht zu	N/A <input type="checkbox"/>
------------------------------------------------------	-----------------	------------------------------
- bereitet es meinem/meiner Kollegen/in keine Probleme, unpopuläre Maßnahmen durchzusetzen"

Stimme zu/-----/-----/-----/-----/-----/-----/-----/	Stimme nicht zu	N/A <input type="checkbox"/>
------------------------------------------------------	-----------------	------------------------------
- bereitet es meinem/meiner Kollegen/in keine Probleme, Entscheidungen zu treffen"

Stimme zu/-----/-----/-----/-----/-----/-----/-----/	Stimme nicht zu	N/A <input type="checkbox"/>
------------------------------------------------------	-----------------	------------------------------

Engagement, Firmenpolitik, Das Geschäft "Soweit ich es beurteilen kann,..."

- fühlt sich mein/e Kollege/in der Organisation wirklich verbunden"

Stimme zu/-----/-----/-----/-----/-----/-----/-----/	Stimme nicht zu	N/A <input type="checkbox"/>
------------------------------------------------------	-----------------	------------------------------
- identifiziert sich mein/e Kollege/in persönlich mit der Organisationsmission"

Stimme zu/-----/-----/-----/-----/-----/-----/-----/	Stimme nicht zu	N/A <input type="checkbox"/>
------------------------------------------------------	-----------------	------------------------------
- hat mein/e Kollege/in eine gute Kenntnis und ein gutes Verständnis davon, wie das Geschäft läuft"

Stimme zu/-----/-----/-----/-----/-----/-----/-----/	Stimme nicht zu	N/A <input type="checkbox"/>
------------------------------------------------------	-----------------	------------------------------
- versteht mein/e Kollege/in die Machverhältnisse (den Wettbewerb und Konflikt) innerhalb dieser Organisation"

Stimme zu/-----/-----/-----/-----/-----/-----/-----/	Stimme nicht zu	N/A <input type="checkbox"/>
------------------------------------------------------	-----------------	------------------------------
- versteht mein/e Kollege/in die Beschränkungen, die bisweilen in seiner/ihrer Tätigkeit gefordert werden"

Stimme zu/-----/-----/-----/-----/-----/-----/-----/	Stimme nicht zu	N/A <input type="checkbox"/>
------------------------------------------------------	-----------------	------------------------------
- ist es für meinen/meine Kollegen/in wichtige, anderen die Organisationsmission und -ziele kontinuierlich zu vermitteln"

Stimme zu/-----/-----/-----/-----/-----/-----/-----/	Stimme nicht zu	N/A <input type="checkbox"/>
------------------------------------------------------	-----------------	------------------------------

wie die Organisation Mitarbeiter einbezieht”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>
Führung”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>
Lern- und Erfolgsmöglichkeiten”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>
Anerkennung ”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>
Zielsetzung und Beurteilung”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>
Werte, Mission, Vision, Politik und Strategie der Organisation”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>
Aus- und Weiterbildung”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>

”Soweit ich es beurteilen kann, berücksichtigt mein/e Kollege/in die Wahrnehmung der Mitarbeiter zu folgenden, mit der Zufriedenheit zusammenhängenden Faktoren..

administrative Struktur (Organigramm, Verfahrensweisen usw.)”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>
Beschäftigungsbedingungen”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>
Einrichtungen und Dienstleistungen”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>
Gesundheitsschutz und Sicherheitsbedingungen”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>
Arbeitsplatzsicherheit”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>
Lohn- und Sozialleistungen”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>
Betriebsklima”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>
das Change Management für kontinuierliche Verbesserungen”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>
die Umweltpolitik der Organisation und ihre Auswirkungen”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>
die Rolle der Organisation in der Gemeinschaft und Gesellschaft”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>
Arbeitsumfeld”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>

Zusätzliche Meßgrößen zur Ermittlung der Mitarbeiterzufriedenheit. *”Soweit ich es beurteilen kann, beobachtet mein/e Kollege/in die von der Organisation eingesetzten Maßnahmen zum Verständnis, zur Vorhersage und Verbesserung von..*

Fragen der Motivation und Mitwirkung, etwa:

Teilnahme an Verbesserungsteams”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>
Teilnahme am Vorschlagswesen”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>
Niveau der Aus- und Weiterbildung”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>
meßbarer Nutzen von Teamarbeit”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>
Anerkennung von Einzelpersonen und Teams”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>
Rücklaufzeiten bei Mitarbeiterumfragen”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>

Fragen der Zufriedenheit, etwa:

Abwesenheitsstand und Arbeitsunfähigkeit”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>
Unfallhäufigkeit”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>
Beschwerden”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>
Einstellungstrends (Vertragsmöglichkeiten, Basisverträge usw.)”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>
Personalfuktuation”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>
Inanspruchnahme betrieblicher Einrichtungen (z.B. Erholungseinrichtungen, Kinderhort usw.)”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>

Dienstleistungen für Organisationsmitarbeiter, etwa:

Effektivität der Personalverwaltung”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>
Effektivität der Kommunikation”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>
Reaktionszeit auf Anfragen ”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>
Bewertung der Schulung”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>

Geschäftsergebnisse (für die eigene Geschäftseinheit)

Meßgrößen der finanziellen Leistung, die den Geschäftserfolg widerspiegeln.

”Soweit ich es beurteilen kann, beobachtet mein/e Kollege/in...

i) die Daten der Gewinn- und Verlustrechnung (z.B. Umsatz, DB1, BE1)”	Ja <input type="checkbox"/>	Nein <input type="checkbox"/>	N/A <input type="checkbox"/>
-----------------------------------------------------------------------	-----------------------------	-------------------------------	------------------------------

ii) die Daten aus der Bilanz” Ja Nein N/A

Zusätzliche Meßgrößen zur Ermittlung des unternehmerischen Erfolgs.

”Soweit ich es beurteilen kann, beobachtet mein/e Kollege/in..

i) die Gesamtleistung z.B. die Entwicklung des Marktanteils” Ja Nein N/A

ii) Schlüsselindikatoren z.B. Bearbeitungszeiten von Reklamationen”
- z.B. Entwicklungszeit für neue Produkte” Ja Nein N/A
Ja Nein N/A

iii) Information z.B. ist die Informationen für jeden zugänglich?”
- z.B. Rechtzeitige Verfügbarkeit?” Ja Nein N/A
Ja Nein N/A

Wurde in der Abteilung oder dem Bereich, in dem Sie arbeiten, bereits ein Merck Excellence Check durchgeführt?

Ja Nein

Ich weiß es nicht

😊 VIELEN DANK! Sie haben jetzt das Ende des Fragebogens erreicht. Bitte senden Sie den gesamten Fragebogen in dem beiliegenden Rückumschlag bis zum _____ zurück. Vielen Dank für ihre Zeit und Mühe bei der Beantwortung des Fragebogens.

Appendix 5d

UNIVERSIDAD TÉCNICA DE DARMSTADT

CUESTIONARIO SOBRE LA GESTIÓN DEL CAMBIO Y EL LIDERAZGO

Datos biográficos

Núm. de investigación: Su-M

Varón
 Tiempo completo

Mujer
 Tiempo parcial

Edad: años: _____
 Puesto de trabajo compartido (*job-share*)

Cargo de su subordinado: Director de empresa Director Regional
 Jefe de División Jefe de Departamento Jefe de Grupo

¿Cuánto tiempo lleva en este cargo? Años _____ Meses _____
 ¿Cuánto tiempo lleva como superior de su subordinado? Años _____ Meses _____

Número medio de horas por semana que pasa en contacto directo con su subordinado?

(p. ej. reuniones, evaluaciones, conversaciones informales, etc.)

Ninguna 5 horas 5-10 horas 10 + horas

¿Cuántas evaluaciones del trabajo ha tenido con su subordinado? Sírvase marcar abajo:

Ninguna 1 2-5 5 +

Notas sobre el llenado del cuestionario

Le rogamos que conteste TODAS LAS PREGUNTAS, tomándose el tiempo necesario para reflexionar antes de dar las respuestas. Dado que nos interesan sus opiniones y creencias personales, no debe discutir con sus compañeros de trabajo preguntas individuales o respuestas a las mismas. Sus respuestas a las preguntas deben ser el resultado de su opinión personal, no debiendo influir la opinión de otros. Sírvase dar una sola respuesta clara a cada pregunta, o sea, marque una cruz clara en cada escala de puntuación de respuesta, por ejemplo:

Conforme/-----/---X---/-----/-----/-----/-----/-----/No conforme N/A Opción

N/A

MARQUE la opción N/A cuando la pregunta no sea aplicable en su caso o si realmente no sabe contestar a una pregunta. NO MARQUE la opción N/A cuando le resulte difícil decidir dónde debe poner la cruz en la escala. El hecho de no poder decidir inmediatamente dónde marcar la cruz es una señal de que *Vd. necesita más tiempo para decidir*, por lo que debe darse más tiempo y volver a esa pregunta particular más tarde. Si la pregunta le parece relevante debe poner una cruz en la escala (¡no deje ninguna pregunta sin contestar!)

Gracias por adelantado por participar en este proyecto de investigación. Los detalles del seguimiento y la información feed-back respecto a los resultados de la investigación se pondrán a disposición de *todos* los participantes en el proyecto.

Le vuelvo a dar las gracias por su ayuda y cooperación - Caroline Schuster-Cotterell.

E-Mail. caroline_cotterell@yahoo.de Teléfono: Oficina: +49 (0) 6151 24780

PARTE A: Aspectos *generales* sobre la Gestión del Trabajo

Sírvase considerar *atentamente* cada declaración antes de dar su respuesta. Elija su respuesta según el grado en que cada declaración sea aplicable a su subordinado.

Reflexión, solución de problemas, innovación

”Por lo que yo puedo juzgar...”

- mi subordinado demuestra que tiene ideas creativas”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado se esfuerza en presentar ideas nuevas de una forma no amenazadora ”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado considera la innovación como parte importante de su trabajo”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado demuestra que piensa en *términos globales*”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado demuestra que piensa estratégicamente”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado emplea formas innovativas para resolver problemas”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A

Poder, influencia

”Por lo que yo puedo juzgar...”

- mi subordinado es partidario(a) de compartir el poder”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado no tiene problemas de autoridad con empleados que antes eran compañeros de la misma categoría”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado no encuentra problemático el tener que despedir a miembros de la empresa”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- el ejercer influencia sobre otros miembros de personal no es ningún problema para mi subordinado”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- no representa ningún problema para mi subordinado el conseguir que sus empleados implementen soluciones”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado es capaz de tratar y trabajar bien con personas sobre quienes no tiene autoridad”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado no tiene problemas para imponer medidas impopulares”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- en la posición de mi subordinado a veces es necesario abusar del poder”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- la toma de decisiones no es ningún problema para mi subordinado”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A

Entrega al la empresa, compromise, sistema político, el negocio

”Por lo que yo puedo juzgar...”

- mi subordinado se entrega totalmente a esta organización”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado se identifica personalmente con la misión de la empresa”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado comprende bien cómo funciona este negocio”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado entiende el sistema político (competencia y conflictos) dentro de esta organización”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado comprende los motivos que están detrás de las coacciones y exigencias que a veces se requieren en esta posición”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- para mi subordinado es importante comunicarles continuamente a otros la misión y los objetivos corporativos”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado se esfuerza constantemente por cumplir la misión y los objetivos corporativos”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A

- creo que mi subordinado se entrega totalmente al Proceso Merck Excellence”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A

Rendimiento, flexibilidad, estrés ”Por lo que yo puedo juzgar...

- considero que el rendimiento de mi subordinado es generalmente elevado”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado siempre llega a conseguir en el trabajo el rendimiento a que aspira”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado posee un alto nivel de habilidades profesionales y técnicas”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- a mi subordinado no le resulta difícil enfrentarse con problemas de rendimiento de personal”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado considera la calidad como parte de su rutina diaria en el trabajo”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado es capaz de mantenerse flexible cuando el entorno laboral cambia de forma imprevisible”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado considera los cambios importantes dentro de la organización como molestia en la rutina de su trabajo diario”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado cree que un cambio del entorno laboral le ofrece más oportunidad para obtener información”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado tiene facilidad para enfrentarse con situaciones políticas difíciles en la empresa”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado es capaz de superar situaciones que están fuera de su control”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- para mi subordinado, la actividad ejecutiva significa ampliar alternativas de decisión”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- aspirar a la *excelencia* significa para mi subordinado ser competente en su trabajo”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado puede bien con el nivel de estrés experimentado en su trabajo”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- el nivel de estrés que mi subordinado experimenta en su trabajo ha aumentado considerablemente durante los últimos 18 meses”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- diría que el nivel de estrés en el trabajo de mi subordinado no tiene efectos negativos sobre su salud”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- el tener un alto nivel de flexibilidad para la toma de decisiones es muy importante para mi subordinado en su trabajo”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- creo que los esfuerzos generales de mi subordinado para lograr *Merck Excellence* y el éxito conseguido son elevados”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A

Información, comunicación, oportunidades ”Por lo que yo puedo juzgar...

- mi subordinado considera el trabajo en red, p. ej. el intercambio de informaciones muy diversas, como requisito básico en su posición”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- considero que mi subordinado es un comunicador excelente”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado cree que el dar feed-back abierto – siempre que sea posible – tiene gran valor”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado es capaz de trabajar bien con los ejecutivos *direction* en la organización”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado cree que ser un comunicador efectivo a nivel individual es fundamental en el esfuerzo organizacional hacia la *excelencia*”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- para mi subordinado no es problema comprender las perspectivas de otras personas”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado es capaz de manejar conflictos”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- para mi subordinado tiene gran valor el crear relaciones con los empleados”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A

- el empleo de información significa para mi subordinado reconocer y aprovechar oportunidades”
Conforme/-----/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- cuando hay un alto nivel de estrés en el trabajo, las fuentes de información adicionales le ayudan a mi subordinado a superarlo”
Conforme/-----/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado aprovecha oportunidades adicionales para comunicar con sus colaboradores, por ejemplo, almorzando con ellos de vez en cuando”
Conforme/-----/-----/-----/-----/-----/-----/-----/-----/No conforme N/A

Motivación, satisfacción, visión*”Por lo que yo puedo juzgar...”*

- mi subordinado está sumamente motivado a su trabajo”
Conforme/-----/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado considera que el motivar a otros es una parte importante de su trabajo”
Conforme/-----/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado trata de desarrollar a sus empleados y crea oportunidades para que crezcan en su trabajo”
Conforme/-----/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- para mi subordinado es importante proporcionarles visión a sus colaboradores a través de metas y objetivos claros”
Conforme/-----/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado es partidario(a) de recompensar a personas de buen rendimiento”
Conforme/-----/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado es partidario(a) de potenciar a sus empleados”
Conforme/-----/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado tiene un alto nivel de satisfacción personal en su trabajo”
Conforme/-----/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado cree que el ser un buen modelo para sus subordinados contribuye a lograr *excelencia* en la organización”
Conforme/-----/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado ayuda a sus empleados a encargarse de su propio desarrollo”
Conforme/-----/-----/-----/-----/-----/-----/-----/-----/No conforme N/A

Él(Ella) mismo(a)*”Por lo que yo puedo juzgar...”*

- mi subordinado es capaz de *aceptar* críticas tanto como hacerlas”
Conforme/-----/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado considera la crítica constructiva de otros respecto a su trabajo como oportunidad para aprender”
Conforme/-----/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado demuestra tener suficiente confianza en sí mismo(a)”
Conforme/-----/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado es capaz de separar su trabajo de su vida personal”
Conforme/-----/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado se conoce a sí mismo(a) y se da cuenta de sus propios límites”
Conforme/-----/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- su desarrollo personal y la necesidad de tener éxito son más importantes para mi subordinado que las necesidades
Conforme/-----/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- y metas de la organización”
Conforme/-----/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado es perfectamente capaz de cuidar de su propia carrera”
Conforme/-----/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- diría que mi subordinado es muy apto(a) para su posición”
Conforme/-----/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado tiene una idea clara de lo que quiere conseguir en su trabajo”
Conforme/-----/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado cree que es muy importante ser un buen modelo para su equipo”
Conforme/-----/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mi subordinado es un candidato excelente para la promoción”
Conforme/-----/-----/-----/-----/-----/-----/-----/-----/No conforme N/A

PARTE B: Aspectos especiales de Gestión del Trabajo: Merck Excellence

Sírvase considerar *atentamente* cada declaración antes de dar su respuesta. Elija su respuesta según el grado en que cada declaración sea aplicable a su subordinado.

Liderazgo

"Por lo que yo puedo juzgar.."

..mi subordinado demuestra su compromiso con Merck Excellence (ME) ..

- desarrollando expectativas y valores claros para la organización”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- actuando como modelo de los valores y expectativas de Merck Excellence y dando el ejemplo a seguir”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- manteniendo la puerta abierta para sus empleados, escuchando y respondiendo a sus propuestas”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- colaborando e involucrándose personalmente en las actividades de mejora”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- mostrando su compromiso personal con Merck Excellence”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- revisando y mejorando la efectividad de su propio liderazgo”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A

..mi subordinado apoya las mejoras y la implicación en ME proporcionando recursos y asistencia para..

- definir prioridades”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- facilitar la formación y el desarrollo de sus subordinados y fomentar las actividades de mejora en la línea de Merck Excellence”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- capacitar a sus empleados para participar en las actividades de mejora”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- desarrollar sistemas designados para apoyar mejoras y crear compromiso”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A

..mi subordinado hace lo necesario para implicarse con los clientes, proveedores y otras entidades externas..

- comprendiendo y respondiendo a las necesidades de los clientes, proveedores y otras entidades externas”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- estableciendo y participando en alianzas”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- estableciendo y participando en actividades de mejora comunes”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- colaborando activamente en asociaciones del ramo, conferencias y seminarios”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- promoviendo y apoyando la Gestión de Calidad Total fuera de Merck”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A

..mi subordinado reconoce y aprecia los esfuerzos y logros del personal..

- reconociendo a individuos y equipos a todos los niveles de la empresa”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- reconociendo a individuos y equipos fuera de la empresa (por ejemplo a clientes, proveedores, organizaciones externas, etc.)”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A

Gestión del Personal

Cómo se planifican y mejoran los recursos humanos.

"Por lo que yo puedo juzgar, mi subordinado asegura que.."

- concuerda la planeación de los recursos humanos con la política y estrategia organizacional”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A

- desarrolla y utiliza las encuestas al personal” Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- lleva una política de empleo imparcial y transparente”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- concuerda las remuneraciones y los traslados, despidos y otros aspectos de las relaciones laborales con la política y estrategia de la organización”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- emplea estrategias y métodos innovativos de organización laboral para mejorar la forma de trabajo”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A

Cómo se sostienen y desarrollan las capacidades de las personas. ”Por lo que yo puedo juzgar, mi subordinado asegura que..

- identifica, clasifica y casa las habilidades de los trabajadores con las necesidades de la organización”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- utiliza el perfil de puesto y otros procedimientos para gestionar el reclutamiento”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- utiliza la entrevista gerencial y el perfil de puesto para el desarrollo de la carrera”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- establece e implementa planes de carrera para los trabajadores”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- evalúa la eficacia de la formación”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- desarrolla las habilidades del personal para el trabajo en equipo”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- promueve el aprendizaje continuo”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A

Cómo los empleados conciertan metas y van revisando el rendimiento continuamente.

”Por lo que yo puedo juzgar, mi subordinado asegura que..

- concuerda los objetivos individuales y de equipo con la política y estrategia corporativa”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- revisa y actualiza los objetivos individuales y de equipo”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- estimula y apoya a los empleados para que logren o incluso superen sus objetivos”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- evalúa a los trabajadores con base en el logro de sus objetivos”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A

Cómo se involucra, faculta y reconoce a los empleados.

”Por lo que yo puedo juzgar, mi subordinado asegura que..

- estimula y apoya la participación individual y de equipo hacia la mejora continua”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- involucra y faculta al personal para participar activamente en eventos y conferencias internas”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- faculta al personal para actuar y evalúa los resultados de sus acciones”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- diseña sistemas de reconocimiento para mantener la implicación y el facultamiento del personal”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A

Cómo el personal y la empresa tienen un diálogo activo. ”Por lo que yo puedo juzgar, mi subordinado asegura que..

- identifica las necesidades de comunicación” Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- comparte la información y dialoga con empleados a todos los niveles”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- evalúa y mejora la efectividad de la comunicación”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- estructura la comunicación de arriba abajo, de abajo arriba y lateral”
Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A

Cómo la empresa cuida de su personal. "Por lo que yo puedo juzgar, mi subordinado asegura que..

- promueve la toma de conciencia en cuestiones de salud, seguridad y protección del medio ambiente y la implicación en ellas Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- establece el nivel de beneficios (como p. ej. plan de pensiones, asistencia médica, guarderías, etc., etc.)" Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- fomenta las actividades sociales y culturales" Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A
- otorga al personal facilidades y servicios adecuados (horarios flexibles, transporte, etc.)" Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A

Satisfacción del Cliente

Cómo percibe el cliente nuestros productos y servicios y la relación entre la organización y sus clientes. "Por lo que yo puedo juzgar, mi subordinado asegura ..

- la medición directa del desempeño respecto a la satisfacción del cliente (encuestas, grupos de discusión, evaluaciones de vendedores, etc.)" Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A

Medidores adicionales del desempeño respecto a la satisfacción del cliente. "Por lo que yo puedo juzgar, mi subordinado asegura ..

- la medición indirecta del desempeño respecto a la satisfacción del cliente, p. ej., forma de responder a las quejas" Conforme/-----/-----/-----/-----/-----/-----/-----/No conforme N/A

Satisfacción del Personal

Cómo perciben los trabajadores a la organización. "Por lo que yo puedo juzgar, mi subordinado tiene en cuenta la percepción por parte de sus empleados de los siguientes factores relacionados con la motivación..

- | | | | |
|---------------------------------------------------------------|-----------------------------|-----------------------------|------------------------------|
| desarrollo de la carrera" | Sí <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| comunicación" | Sí <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| delegación de poder" | Sí <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| igualdad de oportunidades" | Sí <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| forma de involucrar al personal" | Sí <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| liderazgo" | Sí <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| oportunidad de aprender y lograr objetivos" | Sí <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| reconocimiento" | Sí <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| definición de objetivos y evaluación del logro" | Sí <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| valores, misión, visión, política y estrategia de la empresa" | Sí <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| formación y educación" | Sí <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |

"Por lo que yo puedo juzgar, mi subordinado tiene en cuenta la percepción por parte de sus empleados de los siguientes factores relacionados con la satisfacción..

- | | | | |
|------------------------------------------------------------------------------|-----------------------------|-----------------------------|------------------------------|
| estructura administrativa de la empresa (organigrama, procedimientos, etc.)" | Sí <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| condiciones del empleo" | Sí <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| facilidades y servicios" | Sí <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| condiciones de higiene y seguridad laborales" | Sí <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| seguridad del puesto de trabajo" | Sí <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| remuneración y beneficios" | Sí <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| relaciones con los colegas" | Sí <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| gestión del cambio hacia la mejora continua" | Sí <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| política medioambiental de la empresa y su impacto" | Sí <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| función de la organización en la comunidad y en la sociedad" | Sí <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| ambiente laboral" | Sí <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |

Medidores de desempeño adicionales relacionados con la satisfacción del personal. "Por lo que yo puedo juzgar, mi subordinado sigue de cerca los medidores utilizados por la empresa para comprender, presagiar y mejorar..

..aspectos de motivación e implicación tales como:

implicación en equipos de mejora"	Sí <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
implicación en programas de sugerencias"	Sí <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
niveles de formación y desarrollo"	Sí <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
beneficios medibles y trabajo en equipo"	Sí <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
reconocimiento de individuos y equipos"	Sí <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
índices de respuesta de las encuestas realizadas al personal"	Sí <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

..aspectos de satisfacción tales como:

ausentismo y enfermedades"	Sí <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
frecuencia de accidentes"	Sí <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
quejas"	Sí <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
tendencias en el reclutamiento (tipos de contratos, métodos de reclutamiento, etc.)"	Sí <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
fluctuación del personal"	Sí <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
utilización de las facilidades que ofrece la organización (de recreo, guarderías, etc.)"	Sí <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

..servicios ofrecidos al personal de la empresa tales como:

efectividad de la administración de personal"	Sí <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
efectividad de comunicación"	Sí <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
velocidad de respuesta a consultas por parte del personal"	Sí <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
evaluación de la formación"	Sí <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

Resultados del Negocio

Medidores financieros que reflejan el éxito empresarial. "Por lo que yo puedo juzgar, mi subordinado va observando..

i) el estado de pérdidas y ganancias (p. ej. ventas, DB1, BE1)"	Sí <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
ii) la información facilitada por el balance	Sí <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

Medidores de desempeño adicionales del éxito empresarial. "Por lo que yo puedo juzgar, mi subordinado va observando..

i) el rendimiento general, p.ej. el desarrollo de la participación en el mercado"	Sí <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
ii) indicadores clave, p.ej. el tiempo necesario para tratar quejas"	Sí <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
p. ej. el tiempo necesario para introducir un producto en el mercado"	Sí <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
iii) información p. ej. accesible"	Sí <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
p. ej. a tiempo"	Sí <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

El departamento o sector en que Vd. trabaja ¿ha realizado un Merck Excellence Check?

Sí No No sé

☺

¡GRACIAS! Ha llegado al final del cuestionario. Sírvase tener presente que le pedimos devolver el cuestionario relleno en el sobre dirigido adjunto hasta el día _____ .
Muchas gracias por tomarse el tiempo y hacer el esfuerzo de cumplimentar este cuestionario.

Appendix 5e

Instructions and Guidelines for Distribution and Completion of the three additional Questionnaires

Completing the questionnaire

It is very important when you answer the question-statements asked in the questionnaire, to provide your honest, unbiased opinion. This is best achieved by *not conferring with other colleagues* about the questions-statements in the questionnaire!!

The questionnaire itself is long, containing in total approx.171 question-statements. As the questionnaire is lengthy, and you must distribute 3 other questionnaires to your work colleagues, you need to leave yourself with *plenty of time* to complete. We advise you to first distribute the additional questionnaires to the colleagues that you have chosen and then complete your own questionnaire. We recommend that you leave yourself at least two whole weeks to distribute the additional questionnaires and complete your own questionnaire (please note the return date at the end of the questionnaire). **A 5-week return date has been provided to allow for sickness, absence, foreign business trips or any other possible delay in the return of the questionnaire.**

- 1) You will find attached together with your own questionnaire 3 sealed brown envelopes each of which has a sticker on the front. One envelope has the sticker **SUPERIOR** on - this envelope must be given **unopened** to your superior manager or supervisor. One envelope has the sticker **EMPLOYEE** on the front - this envelope must be given **unopened** to one of your employees i.e. a member of staff who is a subordinate. One envelope has the sticker **PEER COLLEAGUE** on the front - this envelope must be given **unopened** to one of your peer colleagues!!!!
- 2) The 3 additional questionnaires that you have been asked to distribute contain mostly the same questions that appear on your own questionnaire i.e. each other research participant is asked to evaluate your performance. The grammatical formulation of the questions has of course been appropriately adjusted.
- 3) It is very important that you make clear to the superior, employee and peer colleague that you choose to complete the questionnaires, that their participation in this research is on a voluntary basis. Expressing thanks to the employee, peer and superior for agreeing to take part in this research, will also help maintain an atmosphere of trust.

The following points are tips or guidelines on exactly *who* you should ask to fill out the additional questionnaires:

Superior /Supervisor

If you have more than one immediate superior, give the SUPERIOR questionnaire to the superior or supervisor with whom you have the most professional contact - the superior who works closest with you will be able to give the *best*, or most objective and accurate evaluation of your work performance.

Peer Colleague

You will no doubt have several peer colleagues who you can ask to fill out this questionnaire. It is suggested that you *do not give the questionnaire* to a peer whom you regard as a personal friend. Similarly, *do not give the questionnaire* to a peer with whom you have had prolonged or recurring *negative* experiences. The peer colleague who will be *best able* to deliver the most objective evaluation of your work is one who works either continually or regularly with you, someone whom you regard as **neutral** i.e. choose a peer with whom you have *average* or *normal* professional relations.

Employee/Subordinate

Again, it is very important that you give thought to exactly which employee or subordinate you ask to complete the questionnaire. Firstly, you must make clear to the employee that **their evaluation will not be read by you**, and that it is strictly confidential and only to be read and scored by neutral researchers. Give them the feeling that their evaluation will not place them under any sort of threat. You may need to explain to them that it is not a test or a trick of any sort and that it is nothing to do with their regular company appraisal. If employees believe that this material will be read by a third party it will effect the answers that they give to the questions i.e. they are more likely to give what are called *socially desirable* answers - such answers are biased, do not represent respondents true opinions and lead to inaccurate and unrepresentative research results. Secondly, and for the same reasons as discussed above, your choice of employee is very critical - do not choose an employee with whom you have a highly positive or highly negative professional relationship, choose rather an employee with whom you have a steady, *average or normal* professional relationship.

- 4) After you have selected employee, superior and peer to help complete your work-evaluation-profile, provided them with the appropriate questionnaire and discussed the above mentioned points - **do not discuss any of the questions with them, at any time** - even if they ask you to!! It is vital that their answers to the questions remain unbiased.

After employee, superior and peer have completed their questionnaires, they will return them separately, using the provided pre-addressed envelopes, to the head of research for further analysis and evaluation.

Feedback and Thanks

The project research team wish to thank you in advance for your participation in this project.

Feedback information in the form of a research summary and presentation, will be available for all participants (date and venue to be announced). Further information is available under the telephone number shown on the front cover of the questionnaire.

We would also like to invite you to **take part a second time** in this research project, by completing the questionnaire and distributing the questionnaires to your chosen colleagues, in exactly one year from now. The second completion of the questionnaire will be *mostly* the same as the first questionnaire with just a few changes to the biographical data **!!!!**. A second questionnaire is necessary, as it provides us with a valuable comparison of data over time which will help supply us with a more complete view of the long term effects caused by changes going on within the individual workplace and the organization as a whole.

Appendix 6

Research Number: _____

MANAGER DIARY

From

-- / -- / 2001

to

-- / -- / 2001

A) MEETING CULTURE QUESTIONS

Meeting Nr. 1

Pre InformationWere you supplied with adequate information about this meeting, *before* it took place?

yes / no

Has this meeting been called, *in your opinion* either (select one answer only) :i) at too short a notice, Why ?

.....

ii) at the right time, iii) too far in advance Why?.....

.....

Meeting

Do you understand your role within this group/meeting?

yes / no

What is your role? Briefly describe it.....

.....

Would you describe this meeting as being a *typical* meeting (covers usual/average topics, has usual/normal aims and objectives and usual/common deadlines)?

yes / no

Does this group/meeting have a leader?

yes / no

Was the leader selected by the group, or did they select themselves as leader?

i) Group selected leader ii) Leader selected themselves iii) Other

Do you know what the goals of this meeting are?

yes / no

Do you know how *you* can contribute towards them?

yes / no

Post Meeting

Did you and the group achieve the goals set out to be achieved for this meeting?

yes / no

Do you think the goals of the meeting set were realistic?

yes / no

If unrealistic, why? Briefly describe here.....

.....

Were conflicts within the group/ meetings easily solved?

yes / no

Do you think this meeting was absolutely necessary?

yes / no

Describe *one* aspect of this meeting that you were satisfied with.....

.....

Describe *one* aspect of this meeting that you were dissatisfied with.....

.....

A) MEETING CULTURE QUESTIONS

Meeting Nr. 2

Pre InformationWere you supplied with adequate information about this meeting, *before* it took place?

yes / no

Has this meeting been called, *in your opinion* either (select one answer only) :i) at too short a notice, Why ?

.....

ii) at the right time, iii) too far in advance Why?.....

.....

Meeting

Do you understand your role within this group/meeting?

yes / no

What is your role? Briefly describe it.....

.....

Would you describe this meeting as being a *typical* meeting (covers usual/average topics, has usual/normal aims and objectives and usual/common deadlines)?

yes / no

Does this group/meeting have a leader?

yes / no

Was the leader selected by the group, or did they select themselves as leader?

i) Group selected leader ii) Leader selected themselves iii) Other

Do you know what the goals of this meeting are?

yes / no

Do you know how *you* can contribute towards them?

yes / no

Post Meeting

Did you and the group achieve the goals set out to be achieved for this meeting?

yes / no

Do you think the goals of the meeting set were realistic?

yes / no

If unrealistic, why? Briefly describe here.....

.....

Were conflicts within the group/ meetings easily solved?

yes / no

Do you think this meeting was absolutely necessary?

yes / no

Describe *one* aspect of this meeting that you were satisfied with.....

.....

Describe *one* aspect of this meeting that you were dissatisfied with.....

.....

B) OPEN QUESTIONS

Did you have the opportunity during this 2 week period to improve on your own work performance in some way? yes / no

Briefly describe here how.....

Were you able to facilitate an employee during this 2 week period, into improving their performance in some way? yes / no

Briefly describe here how.....

How would you rate the overall popularity of Merck Excellence within the company, i) 3 years ago (at the beginning of this research project i.e.start of 1998)-select **one** answer only-

- extremely popular
- popular
- unpopular
- extremely unpopular

How would you rate the overall popularity of Merck Excellence within the company, ii) right now (begin 2001)-select **one** answer only

- extremely popular
- popular
- unpopular
- extremely unpopular

Has Merck Excellence encouraged you to improve *your own performance*? yes / no
 Describe how.....

.....

Has Merck Excellence encouraged you to help *employee/s* improve their *performance*? yes / no Describe how.....

.....

Describe the main strengths and weaknesses that *in your opinion*, Merck Excellence has:

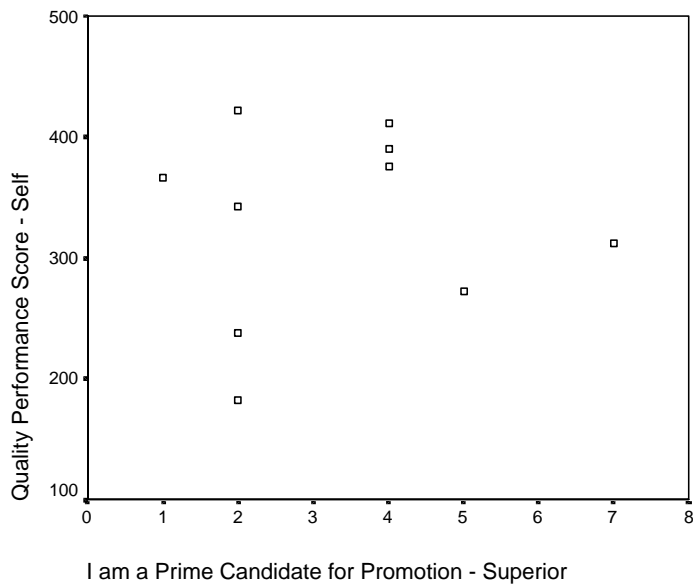
<u>Strengths</u>	<u>Weaknesses</u>
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.

Appendix 7

Additional Results

Appendix 7 presents an additional graph associated with the results of the statistical analyses carried out for Hypotheses 1c.

Table 16a. Scatterplot: Manager Self-evaluation QPS residuals against Supervisors suitability for promotion scores



Curriculum Vitæ

Caroline Schuster-Cotterell

Birthplace: Kensington, London

Date of Birth: 16.11.1966

School Education

[1971-1976] Primary School: Our Ladys Convent, Chesham Bois, UK

[1976-1979] Woodside Middle School, Amersham, UK

[1979-1983] Brudenell School for Girls, Amersham, UK

[1983-1985] Amersham College, Amersham, UK

Professional Training

[1986-1989] East Berkshire School of Nursing, Health Visiting & Midwifery, UK

[1989-1991] University College Hospital, London, UK

Academic Education

[1991-1994] University of Nottingham, BA(Hons) Psychology

[1994-1995] University of Hull, M.Sc. Industrial Psychology

[1995-1996] WiTec Placement, Sheffield Halam University: Germany

[1998-2001] Technische Universität Darmstadt, Institut für Psychologie

Business Experience

[1997-2000] Merck Darmstadt, Germany

[2002] Pearn Kandola Oxford, UK

[2002 - present] @hange Educational Consultancy, UK: Counselling, Training, Coaching

Erklärung gem. § 9 der Promotionsordnung der TU Darmstadt

Hiermit erkläre ich, dass ich die Arbeit - abgesehen von den in ihr ausdrücklich genannten Hilfen - selbständig verfasst habe.

gez. Caroline Schuster-Cotterell

Darmstadt, den 27. Mai 2002