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UNIVERSITY OF CAPE TOWN

FACULTY OF ENGINEERING AND THE BUILT
ENVIRONMENT

MASTERS PROGRAMME IN THE FIELD OF SYSTEMIC
MANAGEMENT DEVELOPMENT

MANAGING FOR PERFORMANCE

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ABSTRACT

This thesis addresses the problem: How can I manage in a company that is in Provisional Liquidation? The results depict a perspective of the utilisation of a performance management approach to managing people in a very uncertain environment as well as the learning that took place, and also provides a review of the context in which the research methodology, which in this case was Action Research, was firstly chosen and then utilised. The format of the work was done in an Action Research format due to the ongoing nature of the work that was being done as well as the involvement of the researcher as a participant in the work. The research took place through a number of learning cycles, which were mapped out relative to a model of management; to show the reflection and inquiry that took place. The chapters are designed to generate a greater understanding of the key concepts being used in the thesis. The *Introduction* paints the background to the thesis, the *Methodology* explains the philosophy behind the research project, *Systems Thinking* describes a few of the tools used in interpreting the situation, *Models of Performance Management* takes us through the established body of knowledge, *Action Research Learning* details some of the cycles of action followed by learning that takes place, *Creating a Model of Performance Management* attempts to synthesize the learning in such a way that the body of knowledge about Performance Management is enriched, and lastly the *Conclusion* summarises the paper and provides some implications.

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1. INTRODUCTION

I am very fortunate to live very near to Zandvlei, a natural inland tidal zone. In respect to this, the vlei has a diversity that is quite unique as it is not very common to areas around the greater Cape Town area. Another feature of the vlei is that it is managed for optimal exploitation by recreation users and also to maintain the ecologically sensitive environment that it supports. Notwithstanding of course the insult it has to endure having major incoming rivers passing through suburban areas (some of them lower socio-economic areas).

The reason for my brief description of Zandvlei is that I have been fortunate to utilise it as an area where I have been able to walk my dog for many years. He has been very energetic so there was need to take him for two walks per day. Hail, rain and fortunately not snow. Over the years I have built up knowledge of the vlei by attending presentations by the Zandvlei trust, observing the areas through the seasons, chatting to the locals and also venturing out in most unpleasant weather. One particular memory was seeing a pelican taking off and straining against a gale-force wind bearing wind in a most majestic fashion heaving those gigantic wings into the wind.

In the waning years of my dog's life he has required less active walks which has enabled me to utilise the vlei for another lifestyle activity, canoeing. I thought I knew the vlei from all the walks on the banks of it. However, the level of activity and life that I discovered when I started canoeing was truly amazing. Crossing to the other side of the dividing line from land to water opened up a world that while only being a few meters away was always unseen by myself. The discovery of the Fish Eagle's hunting ground being just out of sight from land being a particular highlight.

In this anecdotal account of a daily routine, which has been quite a satisfying discovery, briefly describes the journey one takes in stepping across to a world where one attempts to consciously study and understand the environment one finds oneself in.

The essence of the thesis describes how one's behaviour has always been on the sidelines of real value and how in adopting some sound behaviour enables one to come to conclusions with real scientific rigour. It also helps to acknowledge the roots one comes from and the impact one's actions have on the very environment one finds oneself in.

The scientific approach of conducting research has enabled one to be on the vlei and at the same time derive not only enjoyment out of the activity but also gain some greater understanding of the environment that one operates in.

1.1. RESEARCH PROBLEM

How do you manage a sales team while your company is in Provisional Liquidation? This research project concerns the management of a sales team in the company Intramed, a Critical Care Pharmaceutical supply company. It concerns the sales team under the management of the author, and geographically includes the areas of the

Western and Eastern Cape Provinces. Macmed was the holding company of Intramed when in September 1999 the company collapsed causing the largest corporate failure in South African business history. The company owed approximately R1 billion to its major creditors. Intramed was placed in provisional liquidation because the acquisition of the company, by Macmed, was fraught with complicated transactional problems. Now in this situation of great uncertainty it is a question of how do you manage to inspire and motivate a sales team to perform their roles.

Formulation of the problem can be generated from many perspectives. Ideally the problem needs to be taken from the perspective that is used in applied social science³⁴. The belief is that to quote Aristotle "Well begun is half done."¹⁶ To explain why it is recommended that this approach be taken is to answer the question of whether the research is being conducted with practical problems in the field. Another important perspective, as raised by Mitroff, is that the danger lies not only in picking the wrong problem, but far worse, is the creation of more serious problems as a result of attempting to solve the wrong problem. From an ontological perspective, Creswell⁵⁴ points out that the researcher holds a worldview that "reality is socially constructed through individual or collective definitions of the situation." This implies that the origin of the problem formulation needs itself to be questioned to help eliminate undue bias of deciding on the problem. Senge asks the question: "What is the problem you are trying to fix?" He then goes on to question whether the problem is indeed complex and attempts to check the reasoning behind adopting the 'problem' utilising a methodology of exploring (using the 5 why's) as well as generating the assumptions that are unarticulated in the researcher's mind of the situation. All these perspectives emphasise the point that spending time on developing the problem coherently and ascertaining that it is indeed the problem, that needs to be solved, is of utmost importance.

The major problem that then exists is how to get a sales team to perform in the situation of great uncertainty. The evolving development of this problem is; does one attempt to utilise the time of uncertainty for opportunistically performing to the best of one's ability? The status quo could be attempted in the hope that the time horizon is short and conclusion will be reached to the situation? Another alternative could be to consider that the future is non-existent and that the ship is indeed already sinking and that the 'abandon ship' call should be made and everyone to themselves? Probably a last option could be to become consumed with fear and anxiety and await doomsday with all the dread and foreboding of a convicted felon due for execution? These are options that then exist in attempting to progress from the problem as stated.

The major theme then that runs through the whole research project is about how to attempt to make the most out of the situation we find ourselves in. The development that is possible within the power of the unit to make decisions and to act according to what has been decided. How do you perform and how do you manage such performance is the major question that remains the focus of the story that unfolds.

There is an abundance of literature about times of uncertainty for organisations going through Mergers and Acquisitions. The major assumption of the situation is that there is some certainty as to where the organisation is going. The constraint that the major assumption of the merger or acquisition process is that the synergies between the two organisations should be unleashed to become even more powerful. The importance of

the employees in this process is well understood and researched. There is, however, little literature available to portray an environment where there is very little hope. Generally the support and understanding is written about where one is not expected to do much in such a situation from a Human Resources perspective. In the legal context it is very difficult to fire somebody from their post while the company is in liquidation. Performance Management models are well known and well documented and they all use the perspective that the company is assumed to be viable and that there is a strategy for the company. The area of concern that the problem is attempting to find and answer for in this research project is therefore relatively unexplored.

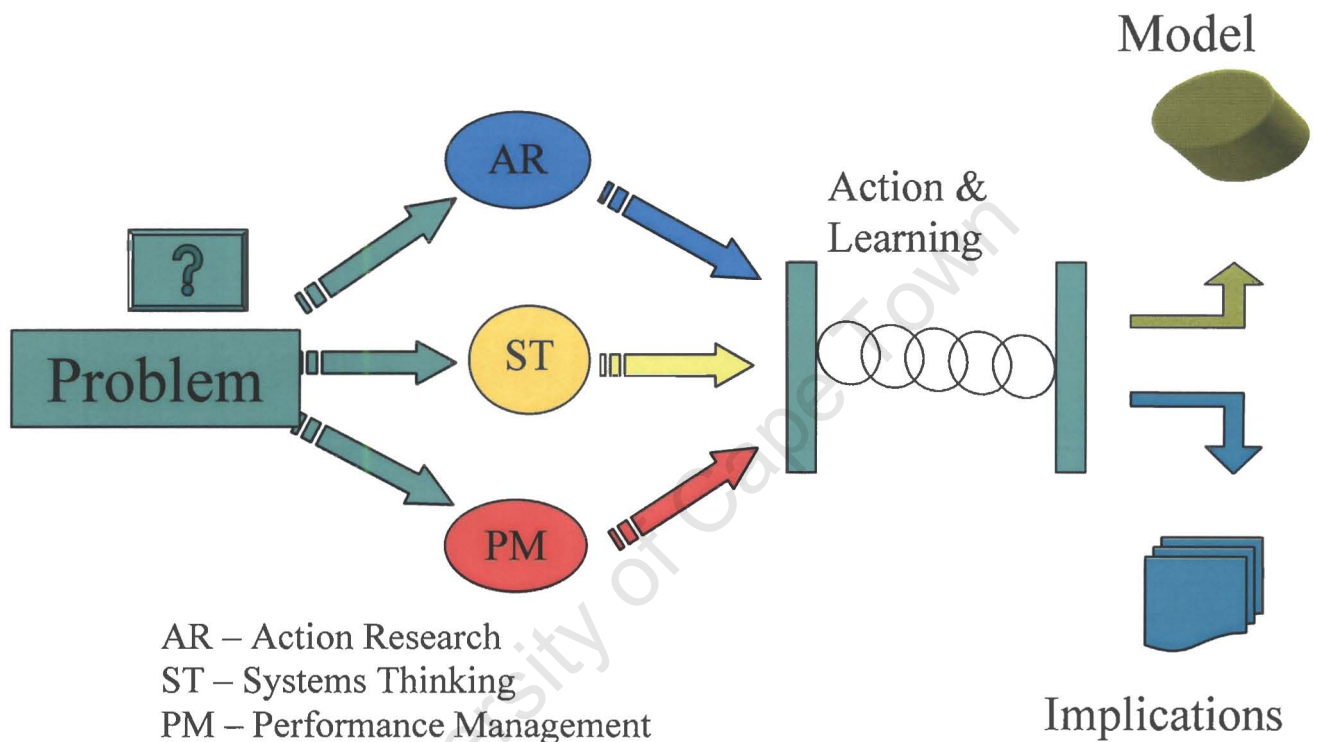


Figure 1.1 Model of Thesis

The purpose then of the research work is to attempt to address the problem that has presented itself. The development of a management competency will be developed using a methodology, which is well described in the literature to attempt to manage the performance. Acknowledgement that the researcher is also part of the problem, as well as attempting to validate the research findings, will be handled using well-known research paradigms designed to accommodate such research. The ability to provide some concept of the complexity of the situation will be addressed by using Systems Thinking. All these concepts will be explored in great detail throughout the structure of the research project. Synthesis of the learning that has taken place and the understanding of the situation and the developments that have taken place will also be explored. A model of the research project as has been discussed here is shown in Figure 1.1. In the model we see that the problem is presented. Utilising the three methodologies we gain greater insight into how to approach the problem. A period of cyclical learning and action occur from which emerges a model of understanding as well as implications from the work actually undertaken.

1.2. PROBLEM FORMULATION

The formulation of a problem requires that one gives serious consideration to the process of arriving at the problem statement. I here discuss some considerations that I have explored in formulating a problem. A case study is one example and for this purpose I have considered the story of Andrew Wiles and his attempt at overcoming a problem that has defied the greatest minds for generations and what can be learnt from the achievement. I have then considered numerous theoretical aspects of formulating a problem.

“Fermat’s last Theorem”³⁸ is the story of a riddle that confounded the greatest minds for 350 years as told by Simon Singh. The story describes how Andrew Wiles was first inspired about a riddle at the age of ten and devoted his life to attempting to solve it. Pierre de Fermat created one of the most profound riddles in the history of mathematics. Pythagoras’ theorem about the square of the hypotenuse is the direct ancestor of the Last Theorem. This story was one of the extraordinary intellectual journeys of the twentieth century.

If we look at how Wiles came to be inspired by the problem at the age of ten. It was a problem that was explained very simply but was highly complex. This presentation of the problem, that he could relate to, generated a passion to solve it that would become all consuming and inspire him to become a mathematician in order to attempt to solve it. The history of failure by many of history’s greatest mathematicians left him undaunted.

If we consider the process that he employed there are a number of major features. He totally immersed himself in the subject in which the problem had presented itself. There was though a process whereby he didn’t become fixated with the problem but attempted to arm himself with as many forms and styles of mathematics as he could, even being prepared to accept the direction offered by one of his professors.

He carefully became a student of all the previous attempts to solve the riddle and studied why they had failed. He then decided on the price he had to pay, which was one of intense secrecy, and whether he could do it, as this would eliminate him from the traditional checks and balances that is offered in a networked environment. The concept of mathematical proof was the overriding belief that he believed in. It is the search for knowledge, which is more absolute than the knowledge accumulated by any other discipline. He developed routines and a support structure that allowed him to work uninterrupted and able to reflect. He likened his innovative approach to entering a dark room and feeling around for a long time to accustom oneself to the room before venturing into the next room.

This devotion and generation of incredible energy later saw him indeed solve the riddle and prove Fermat’s Last Theorem. The success though is ascribed to him having been presented the problem in the first place that he could relate to and that was well presented. Another key aspect that he utilised was the relationship between different disciplines within the mathematics field to be able to solve the problem.

Trochim² argues that one of the most difficult aspects of research is how to develop the idea of the research project in the first place. He goes on to point out that methodology for formulating good research problems is also lacking. An outsider may consider many of the ideas for research problems to be not relevant or indeed a waste of time. The source of these ideas is invariably researchers who are directly engaged in programs or work with people who are experiencing certain problems that need to be better understood. Another way of developing problems is to attempt to answer questions that arise out of literature on a research area. Another motivator for establishing a research topic is for the financial incentive to actually pursue the research based on the research funding that is available.

Feasibility of the study may be determined by several major considerations. These generally involve making tradeoffs between rigor and practicality. The intervention of constructing controls for the study may well lead to disruption of the usual routines and flow of work or could lead to questions being asked that are not normally part of the discussion and this could affect the outcome of the study later. Practical constraints may involve the time available for the study, the required ethical constraints and co-operation required for the study to be carried out. The last major factor in deciding on the feasibility of the research is whether the costs of conducting the research are possible.

Senge¹⁵ approaches problem formulation by asking, "What is the problem you are really trying to fix?" He then proceeds to enquire whether it is a chronic problem that troubles the stakeholders repeatedly. He believes that long drawn out attempts to describe the problem are futile and should have limited scope that doesn't progress further than 2 sentences. He furthermore considers whether the problem is one whose history is known and described. He believes that the description of the problem should be as accurate as possible. One stipulation is that the problem mustn't include a solution. He likes to be non-judgemental about the problem while it is being defined with the only judgement call being whether the problem has been unresolved.

Once the problem has been described the methodology of the "5 Why's" is utilised. Here one must pick a symptom and ask; "Why is such and such taking place?" This process must lead to successive why's to drill down to the heart of the problem. One caution is that there must be a Fixation Warning, steer away from events and blame! In looking at the problem as formulated after this process there is one further aspect that can be considered and that is whether this problem is formulated as regards a well documented archetype that recurs in all manifestations.

The influence on the development of the problem is also tested with the consideration that the developer has a Mental Model of the problem already formulated that will influence the development process. Changes in short term everyday mental models accumulated over time, will gradually be reflected in changes in long term deep seated beliefs. In a group situation Mental Models will allow the group to individually be paying attention to different details and so enhance the development of the problem.

Mitroff⁷⁶ recommended the following four-step process in attempting to solve a problem. Firstly by acknowledging or recognising that there are signs of the existence of a problem. The next step is Formulating or Defining the problem, as it is perceived to be a problem. Thirdly Deriving a possible solution to the problem or if possible a few options of possible solutions. Lastly implementing the solution to the problem.

Five Strategies are recommended by Mitroff to arrive at defining a problem. Firstly stakeholder participation is important. Secondly options need to be developed. Thirdly the problem needs to be phrased correctly. Expand the problem boundaries is the fourth recommendation. Lastly he recommends that one must be prepared to manage paradox. The model of Mitroff's problem formulation approach is seen in Figure 1.2 below.

Regarding stakeholders he maintains that one must never make an important decision or take an important action without challenging at least one assumption about a stakeholder. Also, consider at least two stakeholders who can or will oppose the decision or actions.

In respect to developing options never accept a single definition of an important problem. It is vital to produce at least two very different formulations of any problem deemed important. In order to phrase the problem correctly never produce or examine formulations of important problems phrased solely in technical or human variables. One should always strive to produce at least one formulation phrased in technical variables and at least one phrased in human terms. Never draw the boundaries of an important problem too narrowly; broaden the scope of every important problem up to and just beyond your comfort zone.

Lastly never attempt to solve an important problem by fragmenting it into isolated and tiny parts. Always locate and examine the broader system in which every important problem is situated. In many cases, the interaction between important problems is more important than the problems themselves.

In forming a problem definition, stakeholder participation is extremely important from two perspectives. The involvement of the stakeholders allows for the problem statement to be reviewed and other opinions solicited. Implementation of solutions is very often hampered due to lack of buy-in.

The process of drawing in stakeholders to attempt to attract various opinions and also attain buy-in is known as generating multiple perspectives. The power of multiple perspectives lies in the fact that the perspective on the problem is widened. This can contribute towards minimising the possibilities of treating the wrong problem and concentrating on symptoms rather than causes of the problem.

Multiple perspectives also allow for assumptions to be tested. Mitroff argues that assumptions must be challenged in order to reach a problem definition. He suggests that when one begins the problem definition stage ones own assumptions about stakeholders should also be challenged. Further benefits of the use of multiple perspectives are that they may allow for boundaries to be stretched on the problem being defined. Basic questions on the purpose of the organisation may

help to challenge basic beliefs that individuals in an organisation hold about that organisation and its operating environment.

Mitroff⁷⁶ argues that all problems have significant aspects of four perspectives. These four perspectives are a scientific perspective, a social perspective, an existential perspective and a systemic perspective. A scientific perspective allows for the problem to be isolated from its environment and offers only technical details of the problem. The cultural and political dimensions of the problem are covered in the social perspective of the problem. Basic assumptions of the problem are questioned to elicit the philosophical and ethical aspects of the problem. The final perspective is a systemic one in that it involves the broader system in which the problem is found.

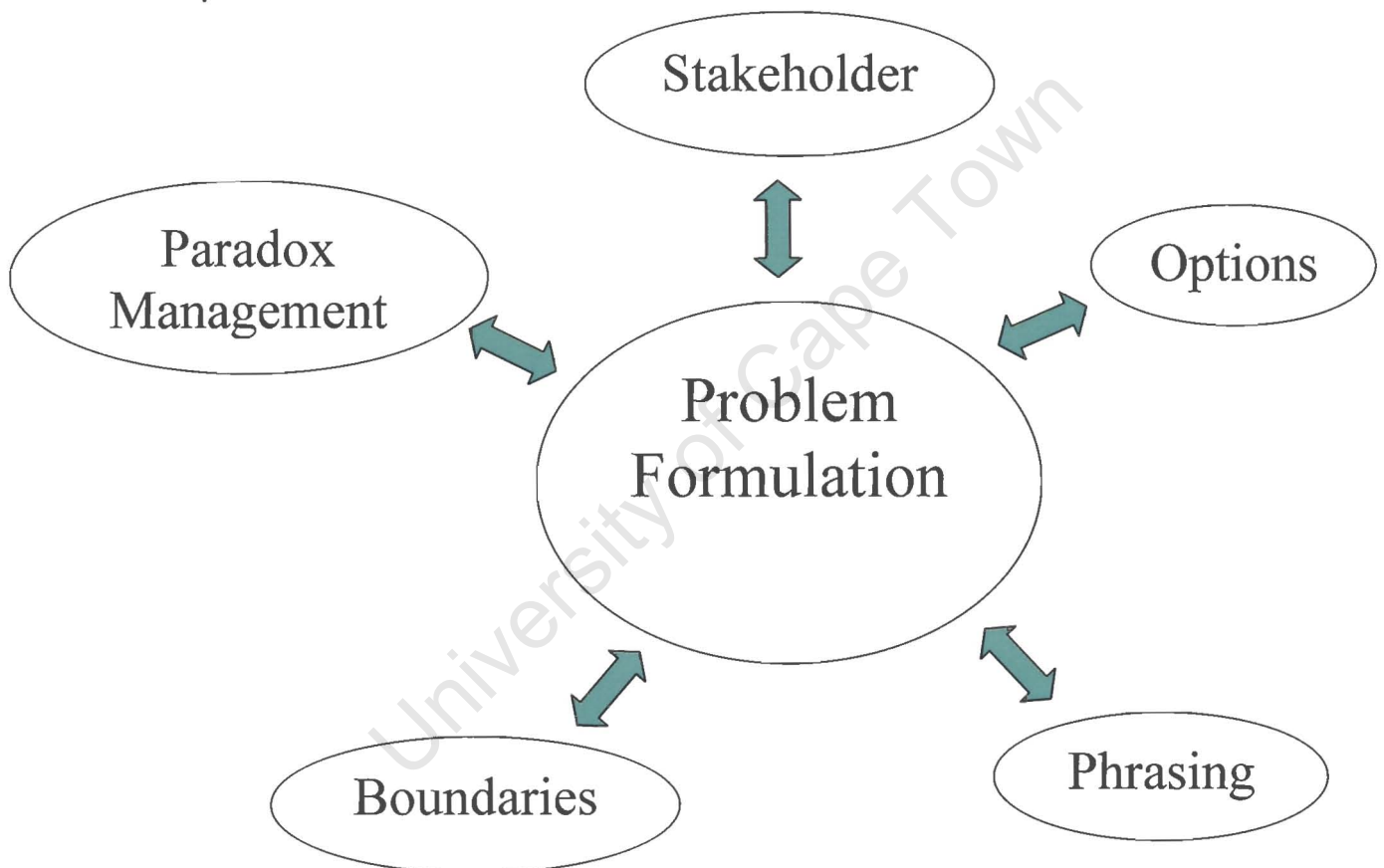


Figure 1.2 Mitroff Multiple Perspectives

Paradoxes may also occur when any set of beliefs generally accepted as true lead to self-contradictory conclusions. Paradox is a characteristic of many systems. The contradictions that are presented by a paradox may force one to reject some accepted belief or to find a way of dissolving the paradox, perhaps by re-interpreting the original beliefs, the conclusion, or the method of argument. Management of paradox requires an acceptance that beliefs and assumptions need to be challenged as part of the problem solving process. It also requires the ability to recognise and accept that paradox is often the norm and not the exception. Ackoff argues traditional problem solving focuses attention upon bits and pieces of organisations and thereby leads us to adopt

How do I manage a team for optimal performance in a Company placed in Liquidation? This has two sub branches in that I must implement a performance management process and secondly I must make it work in a period in the company where there is extreme uncertainty. The first aspect is how is the best way to implement the process and what is the best option in respect to a performance management tool that is available to implement.

While the theoretical merits of a methodology are most plausible, in a pragmatic fashion, the only use to anybody of the methodology is in the appropriate implementation of the methodology. Now not only does it stop at the implementation but there also needs to be some ability to have an inbuilt Quality Audit of the methodology so as to firstly measure whether it is appropriate, but also whether it has been implemented authentically. Only when it has been implemented appropriately, maintained with online checking to see that it is actually been implemented correctly and most importantly that it is actually considered in a reflective process as well, to see if there are improvements that can be brought about to the very process, that it has any use. The major exercise undertaken in approaching this research project has been to firstly experience using a specific research methodology, making sure that it has been implemented correctly and to actually learn something out of the whole exercise.

1.4. METHODOLOGY INTRODUCTION

Action Research is usually described as a collection of various research methodologies, which attempts to combine a process of action (or implementing change initiatives) with research around the situation (or otherwise also attempting to understand a situation)¹².

It does this normally by numerous iterative cycles, which alternates between action and critical reflection. The action that is undertaken is meticulously observed with as many diverse sources of data capturing as is possible. The attempt of the data capturing is to provide the researcher with greater clarity of the situation and also to be able to monitor whether the designed actions are actually being carried out. The actual methodology of capturing the data forms an integral part of the research.

The critical reflection that takes place is normally specific to the needs required by the data that is captured and then analysed to determine emerging trends and relationships. It attempts to pragmatically utilise a theoretical supposition in a practical situation. Not only is the situation continuously critically reviewed but the actual process of data capturing is also put under the microscope to attempt to improve the process methodology as well.

The research project is an emergent process, which takes shape as understanding increases and attempts to converge towards a better understanding of what happens and improve the situation. It is generally participative allowing among other things the implementation of a change initiative involving those affected by the change to be involved. At its heart it is generally considered to be Qualitative as it uses the research paradigm to enhance the richness of the research project.

In line with the philosophy of the development of management capabilities the course content attempts to be pragmatic. The focus of attaining this pragmatic approach is to actually utilise areas of study and improvement, which has direct relevance to the person being developed. The use of Action Research then is a most appropriate tool to become acquainted with in the attainment of this goal.

Action Research, while being a useful tool, is also required to be appropriate to the situation where it is being implemented. It is a process of progressing from an area of low understanding of a situation to a goal of understanding what the major leverage points within a system are. To affect actions more effectively is the goal of the research project. There is no off the shelf solution for the situation and thereby an approach where there are numerous iterations allowing an emergent design of how to perform is required. Action Research fits this type of profile.

1.5. STRUCTURE OF THESIS

This section provides a brief explanation of the content of the research project. It is intended to highlight the key aspects that each chapter covers. This briefly discusses the role each chapter has in the research project.

Chapter 1: Problem formulation is discussed in great depth in the first chapter. Issues concerning the research problem, how the formulation of the problem was attempted, and various perspectives of problem formulation are considered. A brief introduction into the methodology employed by the project is also presented. Lastly the delimitation, scope and key assumptions of the project are described.

Chapter 2: The methodology of the research work that is being undertaken is explored in some detail. The reason for this is to explain the research paradigm that has been used as well as the philosophy behind the methodology. Utilising a research paradigm outside of the traditional one so characteristically found in the sciences requires some justification.

Qualitative Research attempts to study the very words and actions that are done by the participants and then add the meaning by utilising the data that is meticulously captured. Action research attempts to have a built-in programme to ensure that the research is indeed useful for everyday use and not merely a theoretical construct.

Chapter 3: While the research methodology is strongly aligned to Action Research the author also utilises a Systems Thinking Paradigm in relation to managing the situation. The chapter explores the most important aspects of systems thinking as they relate to the art of management. The design of the system in focus is a method of being able to frame the problem being studied and then is able to utilise a very well developed science to support the management process.

Chapter 4: Established models of performance management are utilised around the world. The chapter looks at the functional aspect of human resources management and issues that need to be addressed in terms of this functional feature of a company. The models that are then explored are those generally considered to be of greatest use. Their usefulness is considered and also their shortcomings.

Chapter 5: Two Action and Learning cycles were undertaken as part of the research project. What is most pertinent to come out of the study is that while management books tell one to 'change your thinking' it is often the unsighted features of the thinking that is where the problem occurs and the results that are found support this notion.

Chapter 6: The body of work that was covered is synthesized and understanding that was gained by doing the action research project is discussed here. The importance of the behaviour of the individual unit or person in a performing organisation is found to be most important.

Chapter 7: The reflection of what has been learnt and how applicable it is to the situation is considered here. The research project is not considered as a single entity but also reflection is provided over a development period of 3 years, which is culminated in the presentation of this research project.

1.6. DELIMITATIONS, SCOPE AND KEY ASSUMPTIONS

1.6.1. Personal Link to the Project

The question of implementing a performance management system is in itself daunting. However, when one attempts it in a period of tremendous uncertainty it should prove to be almost impossible. If one considers that there is uncertainty about an employees continued employment, then it would be considered impossible to motivate them let alone get the employee to perform well. Just the notion that a company is in "Section 14 Final Liquidation" should mean that is perfectly obvious to anyone that it is unfair to expect a manager to want employees to perform. As a final consideration the whole science of performance management seems to demand that only once the policy of the company is well established, one could possibly constructively perform. Utilising a designed performance management tool, like for instance the Balanced Score Card, would not be advisable as the immediate policy is not well developed and understood.

The author has worked for the same company for a number of years in the sales division. The industry has been the Critical Care environment of the Pharmaceutical Industry, which has been part of the wider Healthcare Industry in South Africa. The role has also varied quite considerably through the years as the company has rearranged itself relative to various factors. The latest position has been one of being a regional sales manager in a company, which has undergone a merger with another company, and subsequently being placed in liquidation. The area of interest has been how to manage performance of sales staff reporting into myself in such a climate. The study also comes on the back of a technical report into managing staff about to embark on a Merger and Acquisition.

The motivation has also been to be able to gain experience in applying a performance management process to optimally manage resources that are

available. The situation is that one is in a company with a very uncertain future where there is in essence no formal performance management process implemented in the sales division.

1.6.2. Background of Company

INTRAMED - A CRITICAL CARE SUPPLY COMPANY

The critical care market is a sector of the pharmaceutical industry. To be more precise the company is a supplier of products to the sector of the market, which supplies the secondary and tertiary levels of healthcare delivery to the public. This sector of the market is both in the private sector, being represented by private hospitals as the vehicle of delivery and the public sector being those government hospitals rated as secondary and tertiary institutions.

The reason that the sector is termed the critical care market is due to the fact that the care that is given to patients is usually of an invasive nature and also because the patients medical condition is considered critical enough to warrant hospitalisation.

Intramed, by supplying this market, is a manufacturer and distributor of Intravenous products. These are generally separated into two main categories. The first being the Large Volume Parenterals, which are intravenous fluids, designed to replace fluid volume lost by the body. These are generally fluids containing water and electrolytes that are found in the body's plasma. The second category of products is also intravenous products but generally these are products that have a pharmaceutical nature. In other words they have a medicinal effect on the patients in a variety of different ways. They may be very potent painkillers or they may be antibiotics that can only be administered to a patient via the veins, as they cannot be absorbed through the alimentary canal. These products are called Small Volume Parenterals.

The significant aspect of these products is that they are all products that are administered to a patient intravenously. The importance of this is that the products must conform to the most stringent of sterility standards. In other words if the product has any pyrogens present they may kill the patient into whom they are administered. This is because as the products are administered intravenously they bypass the normal defence mechanisms of the body, namely the skin and the digestive system, and are delivered directly into the circulation system.

Furthermore these products are lifesaving products as without these products patients admitted to a hospital would not be in a position to be treated by the doctors and nurses who are employed at the institutions. These products are also always administered under the supervision of a trained pharmacist. This is to ensure that the product being administered is applicable for the condition of the patient. In this regard the products are all kept in the hospital's pharmacy and only dispensed to a ward in the hospital once the doctor has prescribed the product.

The critical care market has undergone a number of changes and is still going through continuous change. In the process of the democratisation of South Africa, the government delivery of healthcare has seen a major shift in priority of healthcare to the population. Previously there was a heavy emphasis on the provision of the highest standards of tertiary care equivalent to anywhere in the world. This is the academic medicine, which is led by research departments and teaching institutions, which are major referral units. The emphasis of the new government is to change this emphasis to the provision of primary healthcare to the population, especially the indigent and previously disenfranchised.

The major shift in emphasis of the government has meant that the amount of money available in the secondary and tertiary hospitals' budgets has been significantly decreased. This has seen a decrease in the standards of healthcare delivery, as well as a perceived decrease, of standards in government hospitals. So while the demand for this delivery is still large the sections of the population who can afford it have created a massive demand for the private hospital market.

The private hospital market has grown significantly in the last five years because of this major shift in policy. Increasing competition between the various hospitals has also intensified the increase in growth. This has been spurred on by a number of the previous academic practitioners leaving academic hospitals and now practicing in private hospitals. These prove to be major marketing points for the various hospitals that can now boast to having some of the world's best practitioners working for them. Not only is it the knowledge base that is active in the market but also because of the financial viability. As well as the perceived need to be technologically advanced, the private hospitals invariably have very modern technology, both diagnostic and therapeutic, which further increases the competition amongst the various private hospitals.

The limiting factor of the private hospital market is, though, the finances of the funders of the industry. This has seen a major shift from a few years back where the risk in the market was all carried by the funders in the market. In other words the private hospital or practitioner charged a rate that was not for further discussion. Now the funder has insisted on having value for money by putting ceilings on the pricing of services. This has led to a number of opportunities for companies to get more creative in how they operate in the market.

Government policy has also seen a limiting factor being put onto this sector, though, as they have prohibited the registration and building of anymore hospital beds in the private sector.

Intramed is an active participant in both market sectors. The government sector is a large unit sector, which though, puts restrictive pressure on margins. The private sector, while growing, has a smaller unit size but is a

more profitable market. The balance between the two though is imperative to ensure unit throughput for the factory to make it a financially viable plant.

The ability to supply the private market, which does not have any reserved purchasing agreements like the tender/government market, though, depends on aspects of ability to supply, reliability of supply and factors of a normal free market.

In brief summary of the normal free market factors the fact that patients are critically ill and needing lifesaving products is reason enough to require very reliable and efficient service and product of the highest quality standards. The personnel who work in these hospitals are also under severe pressure to deliver the best possible treatment and so they are also insistent on service excellence. The advanced nature of the products and the highly educated customers whom one deals with also calls for people with the caliber to be able to cope with these personalities and situations.

A CRITICAL CARE SALES REPRESENTATIVE

The overview of the company and the market, which it serves provides for a fairly good analysis of how a sales representative for the company would need to be focused. In this respect a sales representative would have to behave professionally relative to the market conditions in which they have to operate. The market as described would have to be well understood, the demands of the customers would have to be known and comprehended, and the very specialized products that the company sells would also have to be well known.

In terms of being able to behave professionally for example the representative would need to be schooled in the etiquette and access requirements of the customers. As an example of this the access to an operating theater is strictly controlled, as it is a reserved environment. Knowing the correct procedure to be granted permission to enter the operating theater environs and then also appropriate behavior once inside is very important.

The direction of the company is invariably well presented in terms of financial requirements and the contribution that the representatives clients are expected to contribute is a method of achieving this success.

The sales representative would furthermore need to be able to draw on information from a variety of different sources to be of service and to be able to behave professionally. These sources of information are relative to the type of information required. This could be relative to the market conditions and how they are changing, which would then be necessary to investigate legislative changes and also the strategic vision of the major role players in the market.

In respect to product information the regulatory affairs and scientific departments would be the source of the information. Today the Internet is proving to be a very valuable source of this information as well. The information of specifically who the major prescribers and users are of the

company's products within the individual hospitals can usually be found in prior representative's notes or more accurately from the pharmacist working in the hospital. This type of information can generally only be acquired from a customer if a relationship has been established with the pharmacist whereby they trust you not to abuse the information. Utilising this information though, one can provide a service to the pharmacist as if a number of doctors are encouraged to standardise their product requirements it makes stock management by the pharmacy easier and more cost effective. Another very important aspect of information that the representative needs to be well schooled in is the ability to obtain and detect opposition information. This can be obtained via the customer or by also creating good working relationships with other opposition personnel to obtain such information.

Important aspects of what the representative has to offer the customer - namely the hospital - are the price of the product and also the service levels that the company has been shown to supply the organisation. While these are factors that are not entirely the representative's responsibilities, as they are the personal face of the company to the customer, they have to deal with the issues. So they can use these issues to their advantage to improve service or pricing through being the coordinator of improving such situations.

The service that the hospital gets is one of the vital aspects to maintaining and growing an account. This is due to the conditions of service that the institution itself provides. As the products are of a lifesaving nature and the personnel take great pride in their efforts, they are very critical of a company not supplying them product or being renowned as an unreliable supplier of product. The implications for the user of the product might not only be the loss of the life of a patient but also of personal afflictions as well. These may include litigation by the surviving families of the individual practitioner, the loss of respect amongst the general public for the practitioner and more damning the loss of confidence by fellow colleagues.

If a referral specialist loses the confidence of his colleagues who refer their patients to him he will most certainly go out of business. This is also very valid for an institution as well. If their overall mortality rate is higher than the industry average it may have the same effects and dwindling bed occupancy would mean the death knell for the institution.

The identification and then most importantly the persuasion of the main prescribers or end users of the companies products to use the companies products is the greatest challenge facing the representative. In other words anyone with influence to use the product needs to have been convinced that the product of choice to use in the companies products. This relates in the case of a hospital to a whole "chain" of users to be seen and won over before a product is used. It is often referred to as "chain management." This is then usually transferred into quantifiable data in the form of sales to a specific customer. This is shown in figure 1.3 below which is the designed system, an employee working to be professional and then managing the chain of utilising the information that is gained to optimize the system to the benefit of everybody.

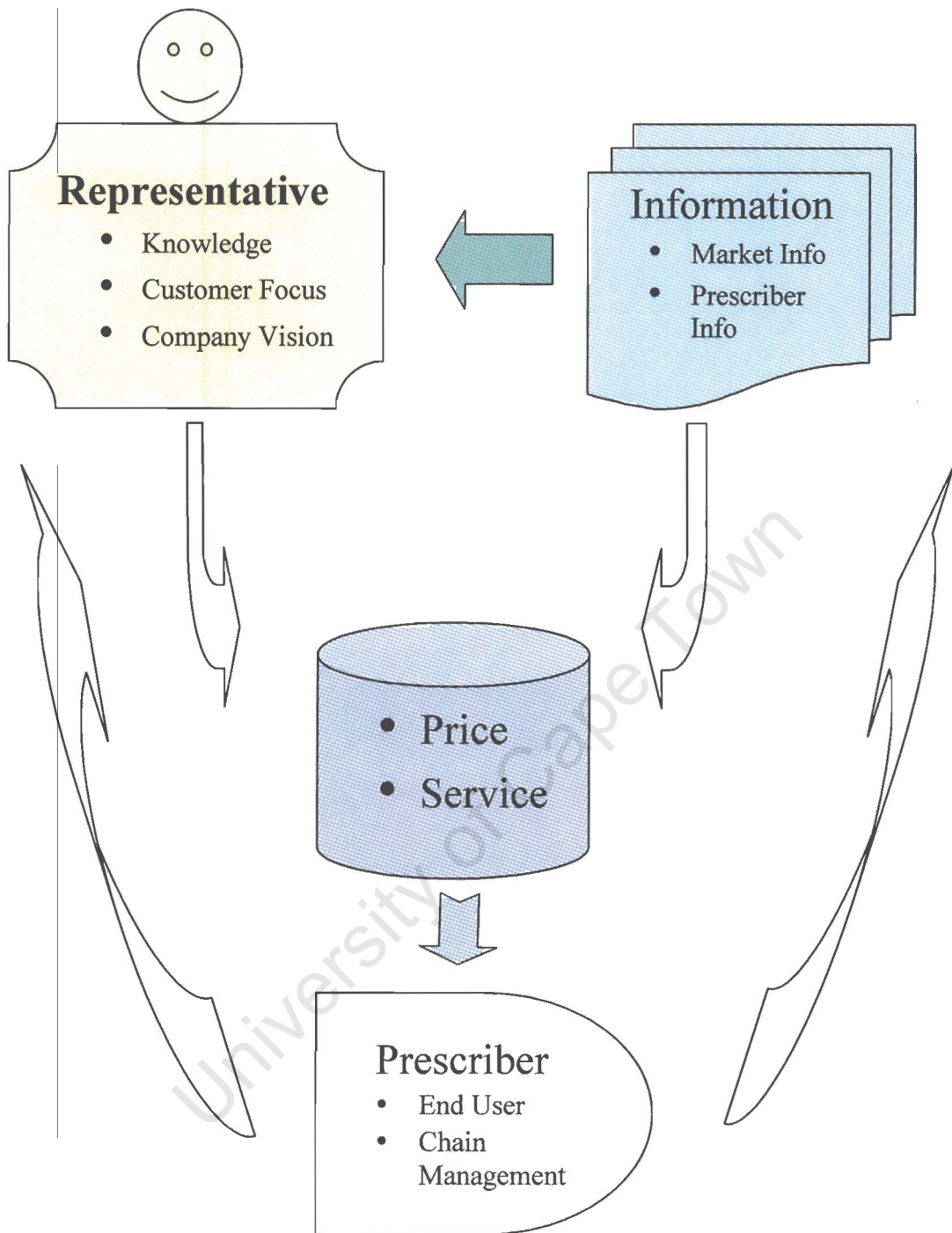


Figure 1.3: A Representative System

So what we have presented here in this chapter is a problem formulated out of the broad area of participation that the author finds himself in. The context of the environment that the research project is presented is also sketched. Boundaries have been drawn to clearly illustrate the scope of the problem. Formulation of the problem has been dealt with in depth. The theme for the research project is also outlined and demonstrated. On this foundation the research project can now be explained and detailed description of the processes can be explored. The following three chapters progresses now to explore the most important theoretical fields that are of importance in this research project. The methodology that is utilised is introduced and explored.

The overriding influence of a behaviour paradigm is discussed. Finally the parent discipline of Performance Management is discussed in aspects as they relate to the research project.

University of Cape Town

2. METHODOLOGY

We have in the introductory chapter seen the presentation of the problem and discussion about the problem that is being considered by the research project. The problem was justified and it was placed in context. In an attempt to proceed with a process of action or an attempt to bring about a change of the situation that has presented itself as a problem we now look at possible methodologies to approach the problem. The hope of the process of attempting to implement some type of change is that there is also learning that takes place. The following chapter will discuss the background to the methodology employed to attempt such an intervention. It will motivate the requirement that the paradigm of research is critically evaluated and selected to be appropriate. The concept of the research paradigm is then expanded and the choice of Action Research is discussed in depth. The motivation then to be using an alternative research paradigm is presented and justified especially in the context that the researcher is a role player in the research project as well.

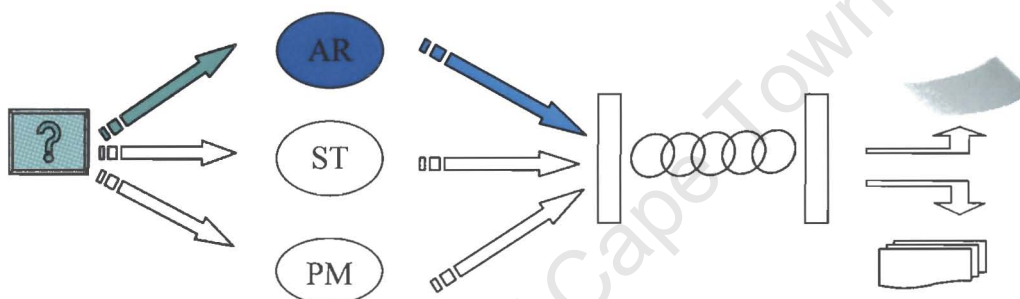


Figure 2.1 Research Project Progression in Chapter 2

The model of the research project as described in the introductory chapter is shown above in Figure 2.1 where the specific aspects to be covered in this chapter is highlighted. The objective of the model is to allow for the progression of the discussion of the research project to be highlighted. The coloured sections then show the focus of the specific body of work as well as the aspects already considered.

2.1. UNDERLYING PHYLOSOPHY

Philosophical Perspectives are looked at in context of their ideas. Many philosophers have shared similar views as often they have been influenced by those who have come before them or with whom they have collaborated and shared ideas. While there are numerous schools of thought, this section will concentrate on only three viewpoints, as these are most pertinent to the theoretical perspective under review.

Pragmatism is a practical view of Philosophy. Pragmatists view the truthfulness of an idea in terms of its usefulness in real life. James recognized that pragmatism was subjective in that the same idea could be useful to one person and not to another. Dewey went further to believe that the mind was a tool that continually adapts to the environment in the same way that creatures evolve different characteristics. He also insisted that all ideas were merely just ideas for future action. This was then taught by him as ideas being tools to solve problems in the environment¹⁶

Rationalists consider that truths about reality can only be revealed through reason, not by believing the sense telling us about the world. Descartes first had to find out what he knew for certain. This he did by questioning everything he had been taught. He was in no doubt that when he was awake or sleeping he was thinking. If he could think then indeed he existed. “I think, therefore I am” is how he answered his question and that reality was made up of two separate things - mind and body. As he was a scientist he had the desire to establish a deductive system of knowledge that would give him logically necessary truths about the universe.

Empiricists on the other hand were the complete opposite to rationalists. They believed that the true knowledge of the world is obtained through the senses, not by reason. They furthermore argue that we have ideas only because we have perceptions. All knowledge is based on experience. Locke believed that all knowledge begins with what comes to mind through the senses. He went on to explain that simple ideas are the building blocks of all knowledge. They are initially passively received but the mind becomes active when it combines them into “complex” ideas. Hume used the Hume’s “fork” for testing the truth about reality. On one prong are all the truths about the logical conclusion of reasoning. (like $3+2=5$) and self-evident truths. He argues that reason tells us little about the world. On the other prong of the “fork” are his ‘matters of fact.’ These are the things we learn about the world through direct experience. He felt that all useful knowledge about the world was what we experienced through the senses.

According to Kant, no one can say for certain what reality is, only what it appears to be to them. This is because the human mind moulds reality into a form that makes sense to it. Kant called time and space “irremovable goggles.” They were part of the minds structuring system. To this extent he said that a person’s view of reality is distorted by how the mind works.¹⁶

Kuhn went on to question whether there are any fixed truths in science. He argued that the truth the scientists uncover is only relative to the time they live in. He insisted that scientists couldn’t escape their historical conditioning. Their thinking is limited to the sum total of knowledge available to them. They therefore can’t help but view reality from a certain perspective. He called this the “paradigm” and every time there is a major discovery the perspective will change and he called this a “paradigm shift.” He insisted, though, that the goggles merely are replaced by a new set. This approach to thinking is considered to be **Post-Modernist**, as it is more a reaction to the belief that there can indeed be ‘absolute truths.’

The relevance of appreciating the forces of play in considering the various perspectives of schools of thought is most relevant to the research based form of study which is being undertaken. A form of knowledge acquisition that is purely by acquiring knowledge through experience is not sufficient to be able to manage in a very complex fast changing world.

The establishment of the Paradigm into which one is currently embedded is vital for the contextualisation of the research project. This will be explored through the potential of understanding how one thinks as being a major source of the historical

impact one's thinking style has had on the paradigm one works in. The use of Effective Intelligence contributing to identifying the pattern in which one thinks and thereby considering the impact the philosophers believe one's thinking affects how the person reasons and behaves has a major impact on establishing the paradigm one works in.

The other major impact is the philosophy of the type of research project being undertaken. To this extent the importance of correctly choosing the research modality is imperative. Thereby selecting the right tool out of a toolbox to be appropriate to fix the broken implement is of importance. A screwdriver is not going to have any impact on a nut and bolt. The various tools that a researcher has at their disposal are essentially of two main options. The one is the well-established school of research that relies on the acquisition of knowledge through formal channels of knowing the theory intimately and then practicing to perfect the behavior. The other is the ability to immerse oneself in the problem situation and then merging with the answer by utilizing an ability to put meaning and understanding to the situation and by participation of role players implementing interventions that change the situation.

2.2. PARADIGMS IN QUALITATIVE RESEARCH

2.2.1. Philosophic Underpinnings

In this section the reasons for developing an understanding of the philosophies underpinning Qualitative Research, as well as attempting to form a frame of reference about the nature of qualitative enquiry will be discussed. This is also most apparent because the dominant method of an approach to research, which we have all been exposed to, has been one of Quantitative Research. This has also then necessitated the need to develop a justification for the need to do qualitative research compared to quantitative research. It can also be argued that indeed there are two major research paradigms that are involved which further goes on to explain the difference between the two major styles of research. Lastly the main attempt of the need to be able to develop a sound philosophic base is for the necessity for there to be able to articulate the reasons for using qualitative methods, thereby enabling the researcher to be able to defend the research as rigorous and as a valued piece of academia.

The main attempt to compare the two research methods is based on the fact that Quantitative research has been the dominant accepted practice. This can be illustrated by the point that mainstream research is recognised by formal society as a formal research unit that produces masses of quantitative research but that a superb study of the major differences between male and female in heterogeneous relationships is presented as a major humorous production called 'Defending the Caveman' which plays to sell out audiences and is lauded as being hilarious but that the lessons learnt die out after the lights come back on.

Quantitative Research is based on observations that are converted into discrete units and can then be compared to other units by using statistical analysis. Qualitative research on the other hand, generally examines people's words and

The situation refers to the aspect which one wishes to look at in a project. This may be the job, department, problem or opportunity. You need a clear idea of what the situation is which may require consultation with other people.

Goals and Assumption, is dedicated to deciding what you really want to achieve from the research. The assumptions you need to make need to be well clarified before the task is done.

Data is a major aspect of the research project and it is required to be able to identify what the real problems are and what the opportunities may be. It can be collected in a number of ways and what is more important is that it may not only be collected one way as a single source of information may well hamper the usefulness of the research.

Generating Options is the backbone of action research as it is about generating useful, meaningful and valid action to improve performance. This is also where the key people need to be committed to the process.

Taking Action is about improving performance and also by being able to increase the body of knowledge. As the action is implemented from the most appropriate option generated the quality of the preceding step enhances the quality of the next step.

Group Feedback is one useful way of achieving success in an organisation by establishing a steering group so as to use as feedback and also to test data out on. Groups can take on different formats like a support group, a corresponding group, a network or even a working group.

Action Research is therefore an appropriate tool for change management but it certainly needs some factors in its favour. The approach would then to be to make sure that firstly the problem is identified and if possible all its causes and effects. All the thoughts and potential actions should be well researched and clearly marshal all ideas.

Politics is a very important aspect and The Big Boss should be sold on its potential. Advice from above may well establish buy in from the political players. Utilise the authority of the superior to activate a working group to implement the change. It is most important that there is open debate and that communication is kept open at all times. This is very important, as without communication there is almost certain to be a breakdown of implementation of a plan. It is also vital to have the Helicopter view from time to time to review and assess what is going on and whether it is operating according to effects that were expected. Lastly it is also very important to have sufficient controls in place to make sure that the plan is kept on track. As people are vitally important to the implementation of the plan they have to be kept on track as even the most motivated of people may well be distracted from the task.

Scoles¹⁸ describes naturalistic Inquiry as a form of looking back at events to be observed so as to be able to clearly describe them and then to look forward

and a changing workforce. It is imperative therefore that an organisation must undergo moderate change at regular intervals to accommodate these changes.

In approaching the change situation, managers make strategic choices regarding the speed of the effort, the amount of preplanning, the involvement of others and the relative emphasis they will give to different approaches. Successful change efforts seem to be those where these choices both are internally consistent and fit some key situational variables. The strategic options available to managers can be thought of as existing on a continuum. At one end of the continuum, the change strategy calls for a rapid implementation, a clear plan of action, and little involvement of others. This type of approach is designed to mow down any resistance and is a fait accompli. The other spectrum of approach is designed to reduce resistance to a minimum by having a much slower change process, less clear plan, and involvement by people involved in the process.

The situational factors that influence the change strategy are dependent on four factors. Firstly the amount and kind of resistance that is anticipated. The greater resistance expected would result in more inclusive approach. The position of the initiator, relevant to the resisters, in respect to the power balance is important. The initiator who holds the information and data regarding the exchange is very important. Gaining useful information sometimes involves gaining insights from other people. The last major situational factor is the risk involved. The greater the risk to the organisation and its survival decides how the change process is managed.

2.3.2. The Main Stages of Action Research

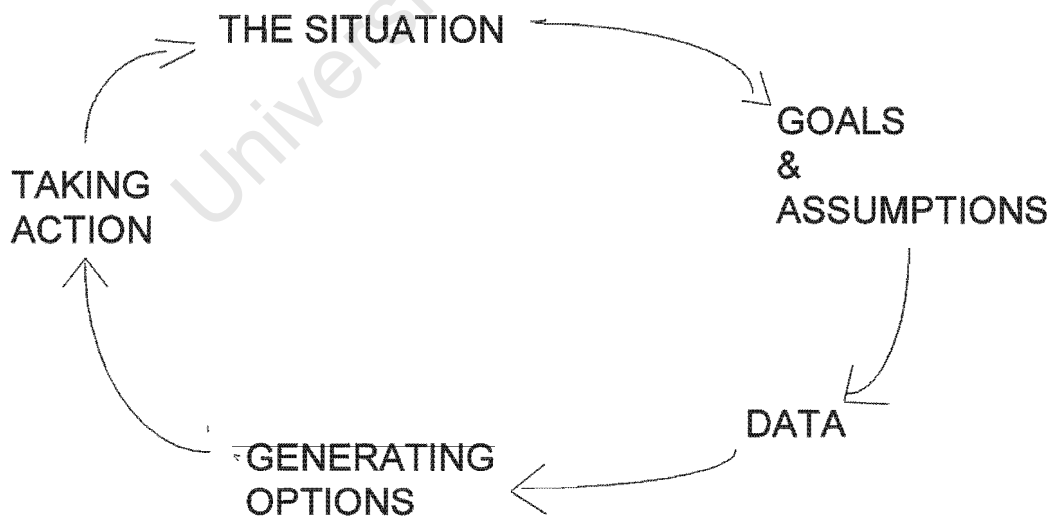


Figure 2.2 Stages of Action Research

While the depiction of action research as circular might imply that it is never ending it is more important to consider that there may well be numerous circles before the problem is resolved.⁷

Early and ongoing Inductive Data Analysis: It must be acknowledged that there is ongoing research activity. It is also a feature that the process is largely inductive which conspire to obtain the participants perspectives.

A Case Study approach to Reporting Research Outcomes: The report format is one of a case study report.

2.3. ACTION RESEARCH

2.3.1. Action Research Attributes

Effective learning is about knowledge, understanding and taking action. These programs need to be grounded in the reality of the individual's job and organisation. They look at real issues that are of concern to yourself and your organisation unit. This is not to say that elements of traditional research, like having a hypothesis, are to be ignored but will focus on what is going on in the situation. It seeks solutions based on data collected and conclusions relevant to the situation. The key difference to traditional research is that there is often the need to involve other people in the research process. The other difference may be that the conclusions, actions or solutions are agreed, if not designed by a group of people. Action Research is therefore much more involved with the situation rather than being detached from it. Therefore it is a problem-centered approach^{19,21}.

To expand on this Action research is concerned with the systematic data collection and research leading to action and change. It is also very importantly about involving "key Actors" with the intention of bringing about a commitment to action and change. It also has a developmental approach as skills and processes are developed and honed to a fine pitch. The attainment of high levels of performance is brought about by the rigour and relevance to the situation. It is important that the results of the actions are in line with key objectives.

Relevant and useful information is necessary for action to take place while information can only be gathered through research. This good quality information can only be collected in a systematic fashion for it to have relevance.

Fear of change is understandable but due to the environment changing the organisation cannot afford not to change. One major ask as a manager is then to implement change and that entails directly addressing the resistance to change. There is probably nothing more different difficult to carry out, nor more dangerous to handle than to initiate a new order in things.

Acceleration in the rate of change will result in an increasing need for reorganisation. It is usually feared because it disturbs the status quo, threatens vested interests in people's jobs and upsets established ways of doing things. Events that cause change that managers must deal with are new government regulations, new products, increased competition, technological developments

Discovery versus truth

The goal of qualitative research is to discover patterns that emerge after close observation, careful documentation and thoughtful analysis of the research topic.

2.2.4. Conducting Qualitative Research

The designing of qualitative research has important aspects. An important feature of qualitative research is the importance of realizing that the Research Question posed to a large degree determines the success of the Answer that is sought. Questions asked reflect the Goal of Discovery of understanding some topic.

In this respect the philosophy of working in an alternative paradigm is important to consider that the methodology incorporated must also reflect the shift in paradigm.

Chiefly there are eight characteristics of qualitative research.²

These 8 are briefly discussed below:

An exploratory and descriptive focus: which could be otherwise described as a study of people as phenomena. This is then a “Focus of Enquiry”. This is also paramount as people’s words and meanings are the data of analysis.

Emergent Design: Leads are identified early and then pursued by asking new Questions. (When working in the original paradigm of quantitative research it might be used as a process of collecting the data and then analysing it.)

A purposive Sample: This can be accomplished by carefully selecting the sample to be studied and then expand it if necessary to make sure that variability is ensured.

Data Collection in the Natural Setting: It must be acknowledged that in Qualitative research personal meaning that is gathered is tied to the context in which it is harvested. Indwelling is paramount to achieve this and can only be acquired through extended amounts of time in places so that explicit and tacit knowledge is acquired.

Emphasis on “Human as Instrument”: The researcher is both the collector of Data as well as the culler of meaning through the words and actions of the research subjects. Instrumentation in Data collection is a variety of methods and can be achieved through questionnaires or tests.

Qualitative Methods of Data Collection: Methods are required to be able to obtain words and action through observing language and behaviour. This can be done via Participative Observation, In depth Interviews, Group Interviews, and collection of relevant documents.

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science. It must be stated though that they are only self-evidential if there is no competing frame of reference. The postulate must comprise of a number of stipulates and which creates the status of acceptance.

The comparison of the postulates of the two competing paradigms is described below.

Question	Postulate of Positivist Approach	Postulate of the Phenomenological approach
I. How does the world work?	Reality is one. By segmenting and studying the parts, the whole can be understood.	Multiple realities. These form an interconnected whole.
II. What is relationship between knower and the known?	True objectivity is possible. The knower can stand outside of what is to be known.	Knower and Known are interdependent.
III. What role do values play in understanding the world?	Values can be suspended in order to understand.	Values mediate and shape what is understood.
IV. Are causal linkages possible?	One event comes before another.	Events shape each other. Multidirectional relationships can be discovered.
V. What is the possibility of generalisation?	Explanations can be generalised.	Only tentative explanations for one time and place are possible.
VI. What does research contribute to knowledge?	Positivist seeks proof of propositions.	Seeks to discover or uncover propositions.

Table 2.2 Postulate Comparisons

This leads to three major issues being manifested in the differences of research *standing similarities and differences between words and numbers in the two approaches*. To understand the world around them researchers must use the words and actions of the people around them.

A perspectival observer versus objective observer

To be objective is to be cold and distant. To be subjective is to be aware if the agency and the action. It is to 'tend' the subject.

The postulates are made up of a series of answers to the questions. The questions can be placed into four philosophic categories. The areas of concern are ontology, epistemology, logic and teleology. The questions and relevance to research are explained in the table above

To put the discussion of the vocabulary into perspective the relationship between the methods, traditions, postulates and paradigms can generally be explained. A paradigm is the largest framework in which research takes place. Postulates are the assumptions, which are stipulated to be true. A tradition is where like-minded researchers accept the postulates in a paradigm as working assumptions. The methods within a tradition may vary but they generally observe some specific commonality and are found either in one of the competing traditions, which in this case is either the positivist, or the phenomenological traditions.

2.2.3. A Philosophic Perspective

Why the need to justify Qualitative Research? Keller¹⁶ argued that the reason was because of a patriarchal view of the world. This is argued that any form of science has been marginalized if it does not fall under the ways of natural science. To put this into some African context one sees how traditional African medicine is marginalised by formal medicine because the research and knowledge base is acquired not according to the formal manners.⁹

Historically the research form has also been marginalised because of the participants and by the methodology. Participants were largely marginalised in society as the subjects had little or no relevance to mainstream decision makers. The method of reporting on the research was also by nature not one to demand any respect for its academic rigour. Freud would present his findings as case studies and not as formal research papers. This then left the impression that there was no rigorous ways of collecting and analysing qualitative data.

Paradigms and Research.

Kuhn introduced the concept of the paradigm. He further went on to explain two major periods of research. This he described as normal and revolutionary. Normal he described as one of solving a puzzle and forming a general pattern of events. If there were anomalies in supporting this pattern there would need to be a theory to support this and in support of this theory there would need to be Data supporting this theory.¹⁶

Lincoln and Guba went on to describe traditional research methods as being the positivist paradigm. They also argued that Qualitative Research uses a completely different set of axioms or postulates. This they described as the alternate paradigm.¹¹

Postulates and Paradigms

A research paradigm is built on the bedrock of having a number of solid postulates. These are described as being self-evident truths in times of normal

actions in, narrative or other descriptive ways more closely representing the situation as experienced by the participants. These differences are more importantly differentiated between the philosophic bases of these. Qualitative research is based on a phenomenological position while quantitative research is based on positivism.

2.2.2. Philosophic Vocabulary

Positivism has been described as being synonymous with science or with positive or observable facts. The hallmarks of positivism are explanation, prediction and proof. In other words it describes objective inquiry based on measurable variables and provable propositions.

The phenomenological approach is one where there is a focus on understanding the meaning events have for persons being studied. The view that is projected by the approach is that there is interdependency between the environment and the person and vice versa. In other words ones existence outside of the world is not possible and the world can't have an existence without the relevance to a person.

A paradigm has come to mean that there are interconnected assumptions about the nature of reality. The assumptions are most important, as they must be explained to be able to draw on some relevance for the research. As these assumptions may not be proved they may well be stipulated. These stipulations are called postulates. The definition of a postulate is an assumption stated positively. A paradigm is thereby explained as being made up by a set of postulates. The use of a paradigm is therefore to form the basis on which we build our verifiable knowledge.

Area of Philosophy	Relative to Research	Questions Posed
1. Ontology	Nature of Reality	What is nature of reality? What is real? What counts as evidence?
2. Epistemology	Origins and Nature of Knowing : The construction of Knowledge	What is relationship between knower and known? ; What role do values play in Knowing? Ethics?
3. Logic	Principles of Demonstration and Verification.	Are causal links between bits of Information Possible?
4. Teleology	Questions of Purpose	What is research for?

Table 2.1 Questions Posed Relative to Research

to find meaning in the lived experience. Tacit knowledge is thereby gained from the interaction between the observed situation and the meaning that is gained from the situation.

Polanyi³³ goes on to explain that meaning is not singular but that it is both joint and multiple. Joint means that it arises from relationships and multiple is that it is derived from discrete points in the relationship. He goes on to argue that the human as instrument is the most appropriate way to assess these meanings.

Covey²¹ believes that there are fundamentally two main types of paradigm. The first is how to think differently about yourself (intrapersonal paradigms) and the second how to think differently about working with others (interpersonal paradigms).

He argues that the way we see the problem is the problem. Applying his ideas, people learn that they have freedom to choose, they develop confidence in being proactive, they learn to begin 'with the end in mind' and hence create a future they have envisioned. People also learn the value of integrity in working with others and how to create 'win-win' strategies to improve co-operation. It is a powerful and empowering technology.

Consistent with Covey's approach, the key to change is to remove or modify aspects of the current operating culture and this has to start with 'inquiry' and 'unconcealing'. People don't give up their traditional ways of working unless two conditions are satisfied: They see how current methods produce sub-optimal results (customer dissatisfaction, inefficiency, lost opportunity), and they feel confident about doing things differently - they can see how a different approach will benefit the organisation and its customer.

Dicks⁸ believes that data capture must contain three principles. Firstly data collection must concentrate on the themes, which emerge from one or more participant. The next is that if there is agreement about the nature or the interpretation of a theme, in later data collection testing, and challenges that agreement by looking for exceptions. The last should be if there is disagreement about the nature or interpretation of a theme, in later data collection looks for explanations for the disagreement.

The next principle is focus. As distinct from much qualitative research, action research wishes for enough understanding to serve the purpose, whatever that purpose might be. The idea of action research is action and so obtain vast quantities of data might well be not needed at the end.

The next principle is of testing agreements. When agreement is found in the data there should be an attempt to challenge and test the agreement and so look to find what the boundaries of the agreeing data are.

In the last instance explaining disagreements is where challenging perceptions and assumptions can enrich the entire process by being able to explain why

there is disagreement and thereby enabling understanding. This is very similar grounded theory as it is data-driven and emergent nature.

The very purpose of obtaining all this data to generate debate leading to agreement and understanding is to prescribe to action which is to follow.

2.3.3. Rigour of Action Research

Participation can mean more informants and therefore richer data. Involving participants as interpreters and co-researchers allows the assumptions of the researcher to be challenged.

Qualitative data is to be found in conversation, in dialogue. Similar to Triangulation, which encourages three sources of overlapping data to guide one to the truth, Dicks¹⁰ advocates dialectic, which looks at sources of data that agree and disagree with one another.

In the sense that it has been said that, if you want to understand a system, try to change it. Action and research can simultaneously test plans immediately and also check assumptions..

As understanding grows, so action becomes better informed, and so does the methodology, which is being used. This can be described as being emergent action research.

2.3.4. Evaluation of the Data

The Snyder model⁹ demonstrates qualitative evaluation because it has three different varieties of evaluation, each serving a different purpose.

The model can be briefly described as:

Process evaluation seeks to understand the functioning of a program or unit or organisation. Outcome evaluation seeks to determine how effective a program is. Short cycle evaluation sets up the feedback loops, which can be used to enable a program to become self-improving.

The Snyder model can be used participatively, or by an independent evaluator. The participative approach is goal oriented and derived from general systems theory.

2.3.5. Participative Nature

Generally in qualitative research people take part as informants. Even with this most elementary form of participation it is possible to use multiple sources of information to increase understanding.

In the spirit of triangulation, increasing the variety of informants can further enhance the use of multiple data sources. This approach increases the diversity of information by increasing the diversity of informants. Along with other varieties of triangulation it is also available in action research. You may also

stress that participants are only allowed to be informants, as it is believed that participation increases commitment.

In this context the concept of stakeholders is useful. Who are the people who have any stake in the situation being researched? Deeper involvement of participants can further increase the diversity of data, and eventually therefore of understanding.

Dicks⁷¹ looks at when participants are involved as co-researchers. Participants are then still informants, but can also become interpreters and research designers. He argues that then the discussion between different participants, and between participants and researchers, can offer what he terms as a dialectic. This can challenge weak or inconsistent data or interpretations. Such dialectic is the purpose of the participant groups in action research's close cousin, action learning. Argyris in "action science" also seeks to create a climate in which participants can challenge each other and the researcher. In action learning it is possible to develop a climate of supportive critique through which only quality interpretations are allowed.

A basis of action research is that it is done with the acceptance that the researcher indeed influences the data. A very useful method of allowing the researcher then to improve the outcome for the research is to explore in depth the Mental Model that they are actually entering the research project with.

2.3.6. Mental Model

As the researcher is an integral part of both the research program and the problem situation a very useful tool to be used by a researcher is the articulation of the mental model being employed.

The architecture of our thinking is the very way we order our thoughts; construct our mental representations of reality around us, which is actually how we build our Mental Models²⁶

Mental Models are deeply held, often-subconscious sets of assumptions about how the world works. They affect our perception and evaluation of the situations we encounter.

Mental Models tend to follow three general rules: consistency, stability and simplification. Consistency is where we can't maintain contrary beliefs and situations might arise where there is cognitive dissonance. (Especially when experience is contrary to belief.) Stability and the resistance to change is seen where an event may be contrary to their beliefs people may refuse to accept that it happened before changing one's mindset. Simplification is seen as 'maps' of reality and can be over-simplified, or do not focus on all the relevant aspects of reality.⁷⁰

Mental Models represent our view of the world, and is the result of subconscious structuring of observed reality into a manageable form. They are

organised around four main elements of representation: background, experience, context and purpose.

Background shapes our 'opinions' as our upbringing, particularly with abstract matters where direct experience is impossible. Experience relates to the values with which we were brought up as well as memories of our own personal experience. Context is concerned with the environment at the time of the event. Purpose directly relates to the influence of current concerns as the hammer in your hand makes everything look like a nail.

Thinking follows the principle of least effort. When confronted by complexity the mind tends to fall back on information processing tricks to reduce cognitive effort. The three main 'short cuts' are: The use of stereotypes, Thinking via analogy or metaphor, or the Use of rule of thumb. Each of these short cut represents a 'point of view' on the situation. Effective thinking could be to use triangulation of short cuts on the same problem.

A simple approach of how our minds work is that they store information in the form of a mental model. We need mental models to think and our aim is to manage our own mental models.

Mental Models are usually 'tacit,' existing below the level of awareness, and are often untested and unexamined. Differences in Mental Models can explain why two people can observe the same event and describe it differently, as they are paying attention to different details. Experts are particularly susceptible to difficulties with Mental Models.

The Ladder of Inference can be used as a common mental pathway and as a means of articulating a mental model²⁶

- I start with OBSERVABLE DATA or experiences as a videotape might capture it.
(as a comment)
- I select DATA from what I observed.
(select some details about behaviour)
- I add MEANINGS based on cultural and personal.
(he wants me to go)
- I make ASSUMPTIONS based on meanings that I added
(he is bored)
- I DRAW conclusions
(he doesn't like me)
- I adopt BELIEFS about the world.
(I plot to behave around him)
- I take ACTIONS based on my beliefs.

In brief then the Mental Model and the articulation of it using a useful tool like the Ladder of Inference can be a major asset to the researcher in establishing some type of personal influence reference point from where to work. The elicitation of all the assumed and unexplored details of the Mental Model develops a greater understanding of the role being played in any intervention. It can be employed as a proactive tool as well as a very useful reflection mechanism to define what went on after an event has occurred.

2.4. SUMMARY

The development of justifying a research methodology has been approached with the question of “why is there a need to exercise outside of the established research paradigms?” The answer to this would need to be considered from a variety of perspectives. These perspectives are what actually drives the enquiry forward.

The need for a research programme that can accommodate variety outside of the established norms can be used if it can be shown that the quality of the research is of an acceptable standard. This brings the rigour of design into the equation. Only when it can be demonstrated that the approach being contemplated can withstand the rigour of critique. Another feature of a research programme is whether it is adaptable to being able to be appropriate. A programme that can be modified due to circumstances that have unfolded is a further requirement.

The use of Action Research can be utilised for numerous areas where the ability to define the problem is not an elementary procedure. So for general robustness and usefulness the applicability is well endorsed.

In brief, chapter 2 has introduced the underlying philosophy that has motivated this approach to research. It has also discussed the Paradigm of Qualitative Research. Lastly it has introduced Action Research and then discussed the research methodology in depth. This chapter then has introduced the research methodology used in this research project.

3. SYSTEM THINKING

The Chapters that have already been presented discussed the problem of the research issue and the methodology to be used to research the problem. In the continuation of the process of describing the approach to handling the problem the following chapter introduces and discusses Systems Thinking. It briefly introduces System Thinking and places the science in context. The tools that are utilised in a Systems Thinking environment are then described which are especially pertinent to the research project, which was undertaken. These tools were the Viable System Model and also a Model of Systemic Management Practice.

To clearly illustrate the area of the research project, which is now being discussed we see in figure 3.1 below the aspect that is considered.

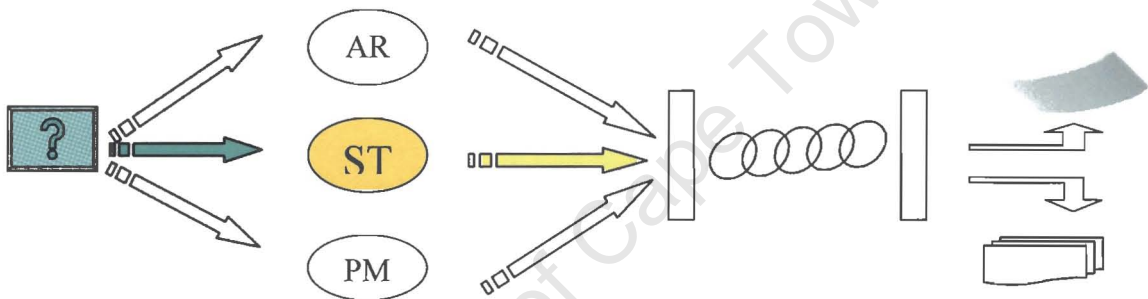


Figure 3.1 Research Project Progression in Chapter 3

3.1.MANAGING WITH SYSTEMS THINKING

The limits of Classical Rationality are a way of describing how Functional Managers do not speak the same language. The everyday operating realities of Sales, Manufacturing, Human Resources, Research and Development environments are very different. Each area has its own dialect and customs, judgements and values. As a consequence, a common language is needed to communicate across functions, and since everybody has to deal with budgets and is accountable for results, mostly in 'profit' terms, money is often chosen.

Classical Rationality has been increasingly contested¹⁵The most contested premise is that of perfect information. Classical decision theory shows that a perfectly rational decision needs perfect information. Now information has a cost, and although a 'perfect' decision is theoretically possible, the cost of it would be prohibitive. In the domain of social sciences rationality has been shown to be restricted over and over again. At this present stage, 'rationality' is still very close to the idea of measurement.

3.1.1. The Systemic Approach

Reason has to be logical. Logic itself is nothing more than consistency with explicit assumptions. Assumptions about how the world works can be

represented in pictures or stories and called mental models. They tend to be stable, consistent and over-simplified.

To understand things we take them apart and study the pieces. To improve them we then try to improve the individual parts individually. The systems approach focuses on the interrelationships, an organisation remains the same even after all individuals and machines have been changed, as long as the purpose, hierarchies and systems of reward are the same. The systems approach includes more elements than traditionally, and it accepts non-measurable elements, in its very nature it deals with dynamic behaviours and it's focus is not on individual parts but on the interrelationships between these parts⁵⁹

The history of Systems Thinking is also parallel to the discovery, by modeling the structure of company's decision making processes, that most problems were traceable to the way corporations did things than external circumstances. Since then systems thinking has developed models and methodologies to be a practical, rational approach to analysis²⁶

As systems thinking is by its very nature pragmatic, it in practice follows certain guidelines. Among these are:

- Focus on the Relationships rather than the parts.
- See patterns not events
- Use circular causality
- Structure drives behaviour

3.1.2. Systems Thinking Framework

Systems Thinking uses a number of conceptual tools to represent and describe system dynamics. Among these are:

- The concept of Feedback
- Linear Causality
- Delays
- Influences represent the actions on the system

Relationships can be represented by the influences the components will have on each other: influences can be reinforcing (+), balancing(-), or have lagged effects (delays)

Influence Diagrams enables a systems thinker to describe dynamic behaviour, and to describe the underlying structure of events.

It is a language to describe and predict the dynamic behaviour of complex systems.

It provides a vocabulary to describe organisation's in operational terms. This is compared to correlation where we try and predict events by correlating it to events not directly related.

The Components of Systems are generally Resources, which can be modeled as accumulations. Non-renewable resources represent the capital invested in the system. Renewable resources are those that flow into the system and represent income. Actions can be modelled as flow rates. Conditions can be represented as influences.

3.1.3. Model of Systemic Management Practise

The author and his colleagues have developed a Model of Systemic Management (MSM) practice. The purpose of the model is to actually manage a complex process within the boundaries of the model. It is an utilisation model of how Systems Thinking can become an integral part of the daily armoury of a manager. In this context the model has been used to attempt to help define the problem and also to use the model as a basis for understanding the effect of actions and implementations on the environment that the practitioner is attempting to improve.

The model that has been developed is demonstrated in the figure below. The three major aspects of the model are that it incorporates the useful Plan/Do/Check/Act (PDCA) cycle that is very familiar in engineering sciences. It then attempts to utilise the ability of being able to incorporate the practitioner's own influence upon the very management of the activity (the PDCA cycle). The last major process that the model attempts to incorporate is the various levels of appropriate learning that are important in order to effectively manage a situation.

The model attempts to incorporate the essentials of Systems Thinking. The boundary of the system that is required to be defined is incorporated in the Context/Environment. The parts of a system that make up the whole are incorporated in considering that there is either a collective Mental Model (as discussed in Chapter 2) that is already manifested itself or that there is an individual thinking preference that takes place. The interconnectedness of the system is incorporated in two different aspects. The overriding thinking that takes place on how the system is connected is governed by the paradigm, or 'group think' that is either implicit or explicit, and the other major feature of interconnectedness is the connectivity of the whole model. As well as being incorporated into the importance portrayed by realising that the actions that are taken in a system have an impact on the environment and need to be considered.

The model argues that there are essentially three types of learning that can take place. A lower level learning cycle, called single loop learning, where more of the same behaviour is reinforced by a positive feedback loop. Double loop learning may be implemented if there is enough dissonance to cause the thinking of the practitioner to have to change, which will result in the answer being adjusted and as a consequence altering the action. The last form of learning that may be possible, in the model, is triple loop learning. Here the evaluation and reflection of the attempted actions may be of a level that the very paradigm in which the practitioner is operating may well need to be tested and altered. Very briefly the paradigm may be explained as the

glasses through which the individual views the environment. The problem is then defined relative to the paradigm in question.

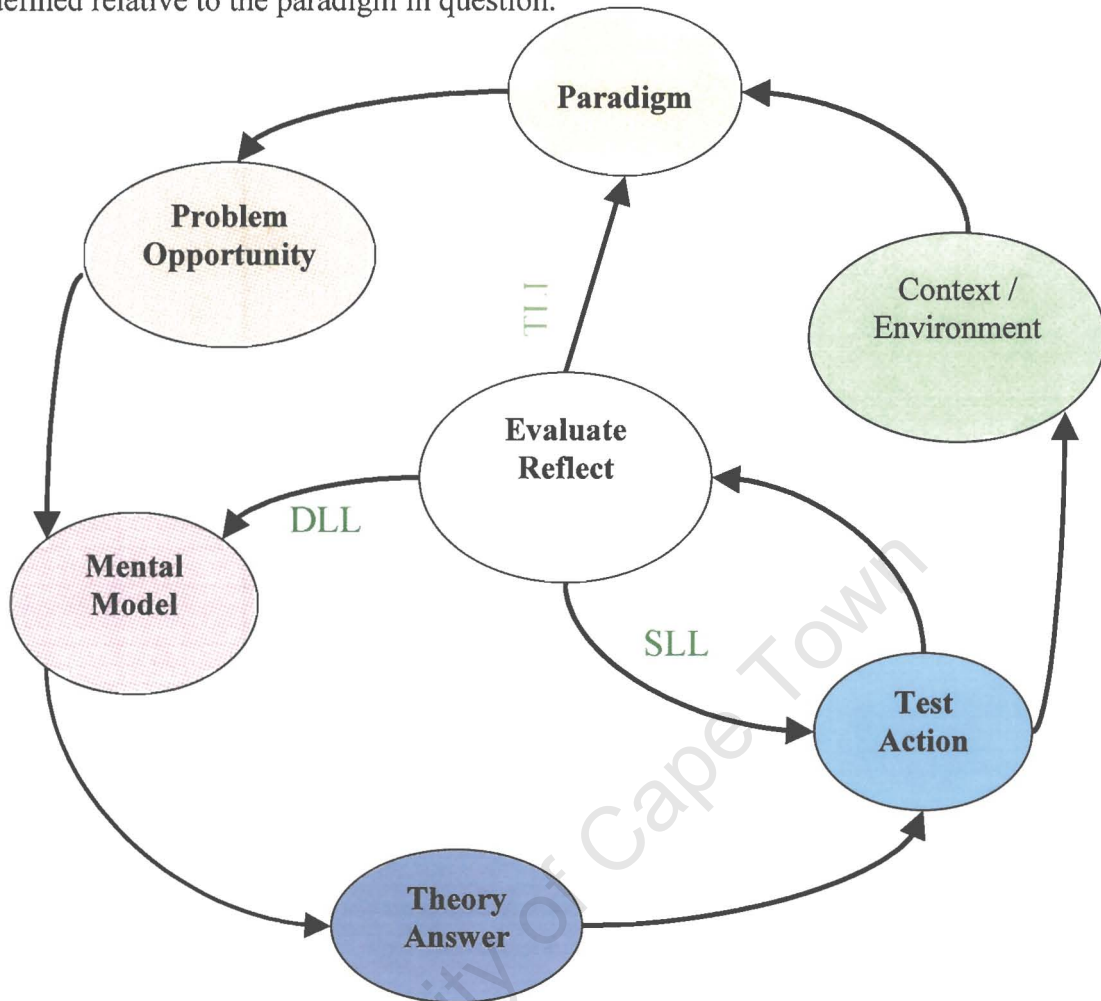


Figure 3.2 Model of Systemic Management Practice

3.2. THE VIABLE SYSTEM MODEL

While the presentation of a theoretical model should reflect the original work presented by the originator of the concept, this discussion on the Viable System Model is not as accurate. This is to reflect the learning cycle that took place during the research project. A formal model as portrayed by Stafford Beer, the originator of the Viable System Model, was sadly not well understood by the research subjects. After a number of attempts the model, as described by Espejo and Gill, was used to explain the concept of the ‘Viable System’ with far greater success. Thereby the departure from accepted approaches is done here to introduce the concept as was worked on by the research subjects. The representation of the Viable System Model is therefore an interpretation of the model, by Espejo and Gill¹³, which is considered thereby to be a more commercial version of the actual model. In the learning cycle that occurred I would be inclined to consider this version of the model to be one that has been updated in terms of terminology to become, if it may, a more understood model considering the current terminology and explanation used as well as the one which was most applicable for the audience.

The important aspect of the formal Viable System Model was the utilisation of the original model for the determination of a Viable System Diagnosis, which was conducted by the author. This was performed by utilising input from the subjects but being concluded by the author himself. In the development of the diagnosis this was one of the determinants of the development phase of the research project, which was adopted. So while this is a departure from the normal practices the motivation I have presented hopefully will be justified placing this departure in context.

3.2.1. Introducing the Model

The Viable System Model (VSM)⁶⁶ has been used extensively as a conceptual tool for understanding organizations, redesigning them (where appropriate) and supporting the management of change.

Organizations have been viewed traditionally as hierarchical institutions that operate according to a top-down command structure. Strategic plans are formulated at the top and implemented by a cascade of instructions through the tiered ranks. It is now widely acknowledged that this modus operandi is too slow and inflexible to cope with the increasing rate of change and complexity surrounding most organizations.

Technology developments have helped to usher in a new concept of a flatter, networked-type organization. Data is able to reach all those who actually perform the work in real time.

There is also confusion about the nature of this new-style organization. It is becoming increasingly apparent that it does not matter who reports to whom, as who needs to talk with whom and how all the pieces of a complex interrelated jigsaw fit together to form a synergistic whole. Yet it is precisely this sense of the whole that is so often missing.

The VSM provides a framework for designing flexible, adaptable organizations that balance external and internal perspectives as well as long and short-term thinking.

In a looser structure, overall cohesion and synergy may be lost in the attempt to respond to different market pressures and organizational support requirements. Knowledge and information then often become trapped in local networks reducing the chances of people working in co-operation with others across organizational boundaries. People working in different parts of the enterprise may become unaware of related issues and activities, which concern them, because the organization has lost its connecting tissue.

The VSM is a way of gaining both functional decentralisation and cohesion of the whole at the same time. It is underpinned by fundamental cybernetic principles of communication and control in complex organizations. These principles offer a way of providing true autonomy and empowerment within an integrated framework, together with the necessary supporting links between the individual parts.

3.2.2. Organizations as Recursive Systems

The idea of complexity is fundamental to cybernetic thinking. Put simply, we are all surrounded by a far greater complexity than we can deal with by a one-to-one response.

Organizations also have far less inner complexity than their environments. This can be handled by various leverage strategies that are used to bring the complexity within a response range that can be handled. Similarly a management team has far less complexity than the organization itself and it too must find ways of understanding without knowing all the details seen by others.⁷⁴

Another concept to understand, closely related to complexity, is that of recursivity. This is based on the premise that all living systems are composed of a series of sub-systems, each having self-organizing and self-regulatory characteristics. The sub-systems each contain further sub-systems all the way down to the level of the single cell.

These systems are autonomous as they have the capacity to adapt to change in their environment and to deal with the complexity that is relevant for them. Recursive structures by their very nature are both efficient creators and absorbers of complexity and highly adaptive to change.

They function in this because they consist of a devolving series of primary activities (those responsible for producing the goods or services of the organization) supported by sufficient regulatory and communication functions to enable them to operate effectively at every level.

Each primary activity, from the level of the elementary cell to the total organization, has its own value chain, that is, its own inbound and outbound logistics and related (support) services. The design of the recursive structure strengthens the operational complexity of the organization and makes it more cohesive.

The design of an organisation should be directed towards achieving viability for the organization at least cost in terms of financial, material and the people.

3.2.3. The Five Essential Functions for Viability

An autonomous unit, also considered a viable system, needs to have five key systems in place if it is to operate effectively in its environment. These are: Implementation, Co-ordination, Control, Intelligence and Policy.

The model is designed to assist the relationships between people and groups of people. It should not be used mechanistically as it is concerned here with 'soft' issues of management.

It is intended to be a thinking framework, which helps people to share a common language and model of the organization. In this way it is hoped that its complexity can be managed more effectively. This is also very pertinent to the discussion as it follows on from the experience of the combined SWOT (Strengths/Weakness/Opportunities/Threats)¹⁷ that was developed which assisted in creating a tool for communicating a shared strategy. Its effective use requires a common understanding of the philosophy and relational management approach behind the model.

1 Implementation

Primary activities, those responsible for producing the products or services implied by the organization's identity, are at the core of the recursive model. The organization's products and services are produced at different levels of aggregation by its embedded primary activities and the value chain of the organization as a whole implements its overall purpose. We generally stop unfolding the structure at the point where a small team of people is responsible for a complete work task (e.g. a manufacturing cell). Although in theory an individual person is also a viable system, we are dealing with a model of organization or co-operative work between individuals.

Therefore, we would expect to see most viable systems, at whatever structural level they occur, containing further sub-systems as a way to help them handle the complexity of their environments. These sub-systems are responsible for carrying out the value-adding tasks of the system-in-focus.

2 Co-ordination

Co-ordination is necessary between the value-adding functions as well as between the embedded primary activities. 'Co-ordination' is unfortunately all too often used as a substitute term for top-down direction and control almost to make the autocratic manager's actions somehow become more palatable. The function should actually be 'co-ordination by mutual adjustment' between support functions and autonomous units. IT systems can generally be helpful in avoiding more direct and intrusive human intervention, provided they are designed well.

Business process redesign must pay careful attention to this requirement for co-ordination between value-adding and support functions. The design of effective two-way communications and mechanisms for mutual adjustment need to allow two units to operate synergistically. They are usually connected in terms of their operations and also in terms of the external markets they serve. If the teams share common standards, approaches and values, the chances are great that spontaneous lateral communication will occur, resulting in more of a chance of synergy. The stronger that these lateral links are, the greater the sense of autonomy and empowerment will be experienced.

3 Control

Two-way communication between sub-unit and the higher meta-level unit remains a prerequisite for viability. This channel is where resources are negotiated, direct line management instructions are issued (on an exception-

only basis) and accountability reports flow upwards to keep the management in touch with events.

Reducing the use of direct commands is by designing good 'exception reporting' systems. 'Management by objectives' also plays its part in preventing too much direct interference by management in the running of operations.

The monitoring channel allows the control function to obtain an assurance that the accountability reports it receives are indeed an accurate reflection of the status of what is happening. This is also a way to corroborate the information received with an alternative source. A monitoring channel that runs directly between the higher-level management and the operations of the sub units is designed to do it. Simply put this is the 'management by walking about' principle. To be effective this monitoring must adhere to certain design rules. It must be sporadic and infrequent, so as not undermine the authority and trust of the management. It must also be an openly declared mechanism to demonstrate an interest in knowing what is going on at first hand. This behaviour should communicate a message of caring to those involved in the operations in question, without causing defensive behaviours from the intermediate level of management. It may lead to a complete breakdown of trust through a significant section of the organization if it is not curtailed to auditing the next layer of accountability information only.

4 Intelligence

The Intelligence function is the link between the system in focus and its external environment. Intelligence firstly provides the system in focus with continuous feedback on all external factors that are likely to be relevant to it in the future. It then also projects the identity and message of the organization into its environment. These loops should operate in balance, to avoid overloading the system with information it does not have the capacity to deal with.

The intelligence function is concerned with planning the way ahead in the light of external environmental changes and internal organizational capabilities (as opposed to being controlled by the environment). The design of the current organisation needs to be well known to the intelligence function so that it's work is done relevant to how the current organisation functions.

5 Policy

The last function is the policy-making function. This function is characterised by being one of low-variety (compared to the complexity of the rest of the organization as well as the even larger complexity of the surrounding environment). The activities and interactions of the Intelligence and Control functions allows this function to be highly selective in the information it receives

The main roles of Policy are to provide clarity about the overall direction, values and purpose of the organizational unit; and to design, at the highest

The Viable System Model

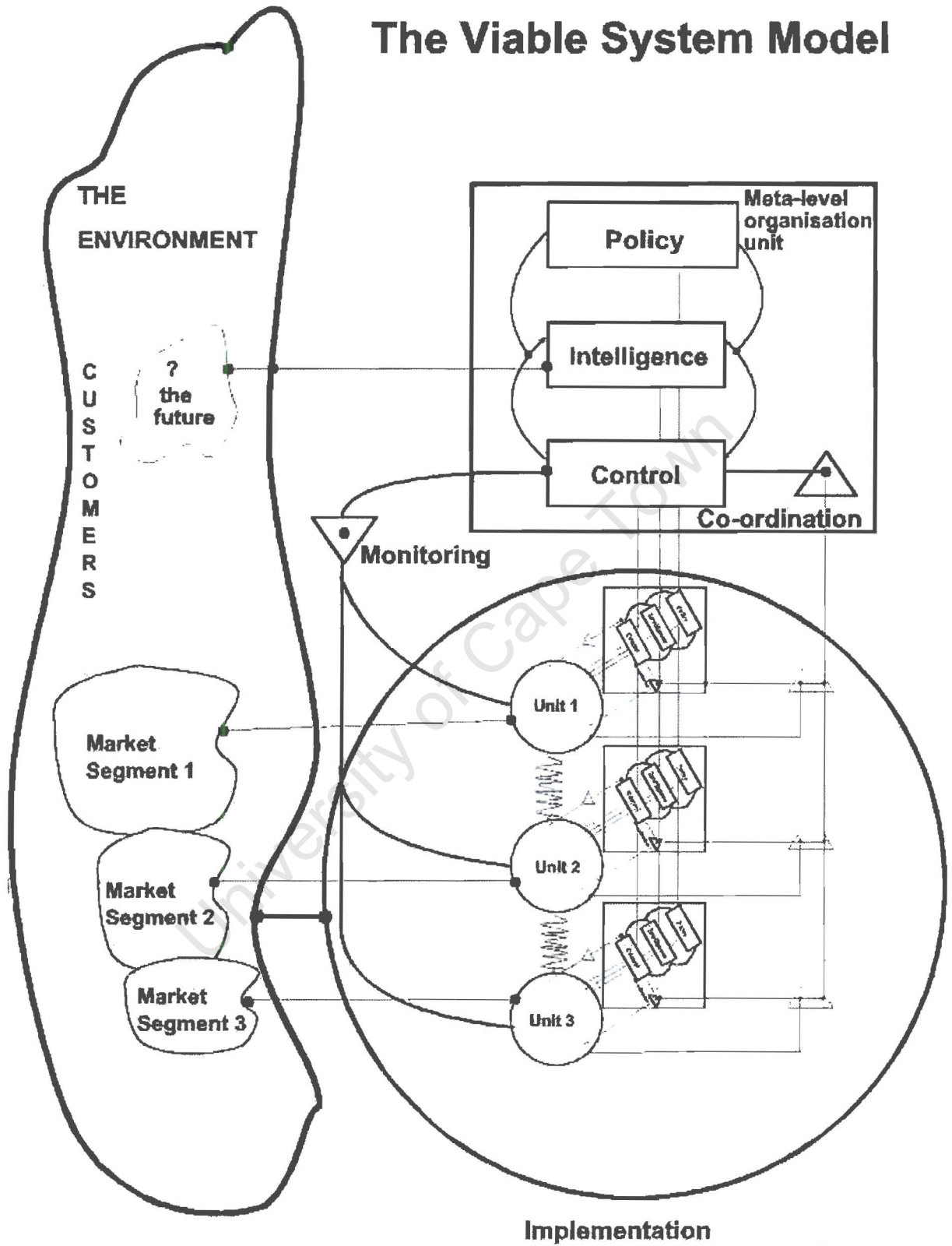


Figure 3.3 Viable System Model

level. The decisions that the Policy function makes are the conditions for organizational effectiveness and generally a final sanity check against direction, values and purpose after extensive analysis with and between the Intelligence and Control functions.

A key condition for organizational effectiveness is about how the Intelligence and Control functions are organized and interconnected. Intelligence and Control complement each other. Most of the emerging Intelligence and Control issues should be crosschecked before reaching the Policy function. The Policy function can only work effectively if multi-function workgroups reach critical decisions after careful debate and a sharing of perspectives.

3.2.4. The VSM in Summary

The model as shown in figure 3.3 above represents the full model, which should be able to be modelled through a few levels of recursion.

Each line represents a channel, which is two way and allows it to be a communication loop that is designed and managed with the idea of complexity management in mind. That is filtration from the high variety side, amplification from the low variety side.

The VSM is a useful tool in helping organizational members to take a systemic view of their communication processes. It also provides the ability to respect the relational and recursive nature of the organization, to nurture it into a healthy balance both internally and externally, making it intrinsically adaptable to change. Reinvention can become a continuous, spontaneous dynamic, rather than something that is imposed from some external source.

This chapter has discussed and explained the Key Concepts of Systems Thinking as is relevant and was utilised in the research project. The introduction to systems thinking placed the concept into context. The description of the two main features of the Research Project, namely the Viable System Model and the Model of Systemic Management Practice, were also introduced and discussed. One of the main aspects of Systems Thinking that has already been introduced is the defined System that was the area of the research project. This was discussed in the first chapter and helped clarify the area of focus for the research project. The integral nature of Systems Thinking then is shown in how the study manages to enable complexity to be understood.

4. MODELS OF PERFORMANCE MANAGEMENT

Chapter 4 describes the Parent Discipline of the area of the problem as has been described in Chapter 1. It considers the area of Performance Management from a few perspectives and also critically evaluates the models as they are presented. It covers the area of focus from a Human Resources perspective and considers established formal models that have been developed. The models that are considered have been presented from an implementation perspective as well as a retrospective model of how successful companies have performed. In chapter 2 we saw how the research was going to be conducted and in chapter 3 we explored the support structure of how we were going to create understanding of the situation we found ourselves in. This chapter now considers the final aspect that needs to be considered prior to us discussing the research project, which is the ability to manage performance.

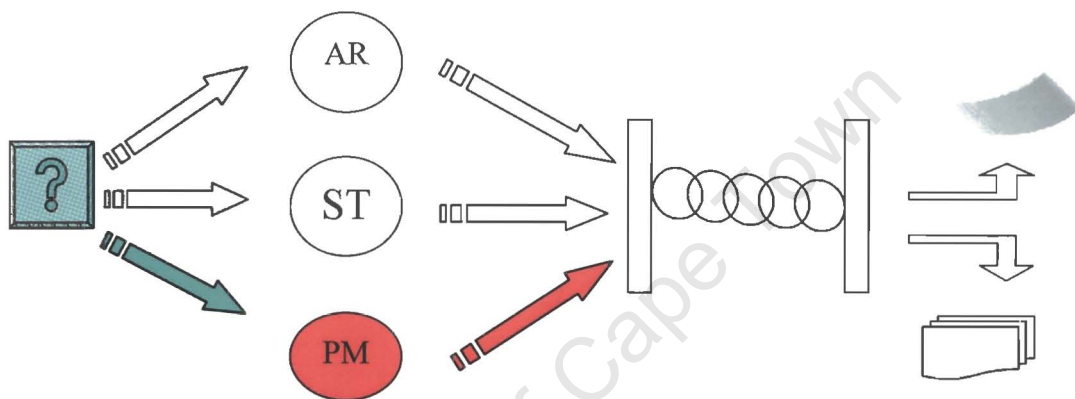


Figure 4.1 Research Project Progression in Chapter 4

Once more the model of explaining the research project is presented in Figure 4.1 to demonstrate the area of concentration for the following chapter as to be able to put into perspective the role of the chapter in the research project.

4.1. HUMAN RESOURCES MODEL

Management of people has always been a very hotly debated environment. It is far from a perfect science and what has become even more important is the ability of a manager to be able to justify any decisions and actions taken in respect to employees. This is from a point of view of knowing what has consciously been attempted and learning from events that transpire and the other major feature is that it has certain legal requirements.

4.1.1. The Philosophy of a Human Resources Policy

A policy is defined as a statement of objectives and a plan for their achievement. A policy is a set or system of principles by which we can consider the question as to what should be done in a certain set of circumstances. It reflects a system of principles which guides managerial interaction with employees and which communicates the organisation's values about its employees and behavioural standards expected from employees.⁵

A clearly defined company Human Resources policy is fundamental to the development and maintenance of an orderly Human Resources system and working environment in the Company. Its purpose is to provide management with a clear statement of the organisation's employee relations and goals. This promotes consistency in management and also ensures that employees and their representatives know where they stand in relation to the Company's intentions and objectives. It encourages orderly and fair conduct of Human Resources by ensuring that management is able to plan ahead, anticipate events and secure and retain an initiative in changing situations.

A company's Human Resources policy expresses the organisation's overall philosophy towards its employees and its conduct of Human Resources affairs. Specific policies (e.g. for sickness or absence) set out the objectives and approach, to be adopted by management, when confronted with the specified issue.

A procedure has been defined as an operational mechanism, which details and regulates the manner in which a specified issue is to be handled. It provides the means for the implementation of a policy as well as the achievement of the objectives contained within it. Procedures must be determined by management and may be moderated and supplemented by negotiations between management and staff. They therefore represent an important part of the system of joint regulation by providing a body of rules, which defines the extent and the manner in which management and trade union power is to be exercised within the organisation.

The goals of a Human Resources policy is there to:

- remove uncertainty from the minds of managers
- promote consistency in management approaches and decisions while still allowing differing approaches and decisions on various sets of facts or circumstances
- promote the continuity of Human Resources principles in the Company
- serve as a standard of performance in the monitoring of Human Resources in the Company
- clearly provide control guides for decision-making.

It is expected that written Human Resource policies attempt to promote:

- delegation of authority
- management by exception
- planning, teamwork, understanding
- training
- and good human relations.

The policy should be communicated to all employees so that they are aware of and able to assess management's intention. It is therefore advantageous that it should be set out in a formal written document as the discipline and precision required in producing such a document helps management to clarify its thoughts and intentions. A written document ensures that managers, supervisors, shop

steward and employees receive the same information. What is additionally important is that a written policy may be easier to change in the light of changed circumstances than one based solely on custom and practice.

A written Human Resources Policies and Procedures Manual cause management to be consistent and limits arbitrariness.

The Human Resources Policy Manual is not an instruction manual and will never be all embracing or provide the automatic solution to any situation.

The primary focus throughout the manual is on the issue of FAIRNESS. Fairness is related to the application of standard and acceptable procedures in one's dealing as a manager with any employee.

4.1.2. The Performance Management System

Perhaps the most critical of all tools is the Performance Management System. It will ensure a complete and concerted effort at fairness and standardisation of all aspects of Performance Management, from the establishment of Job Descriptions, the Management of Performance in terms of those descriptions, the legal requirement of Counselling for Performance Problems, and the eventual Disciplining for both Performance and Behavioural problems

Most of the components of the procedures: the Job Description, Performance Appraisal, Counselling and Discipline are all governed by one common thread, namely that they all belong to the system of Performance Management. This system is a simple pulling-together of all the pieces in a co-ordinated fashion. It should be made to apply to all employees, irrespective of their level of employment.

Proper application of the system is the best type of insurance policy that managers can have, to ensure that their decisions and actions cannot justifiably be second-guessed by any outside authority

4.1.3. Legal Issues

The Basic Conditions are guided but not restricted to by the Basic Conditions of Employment Act, 75 of 1997.

In this set of policies there are three categories of provisions:

- **PRESCRIPTIVE:** This is LEGALLY REQUIRED as the basic minimum Condition of Employment. The Company has no choice but to implement this policy. Failure to implement can lead to accusations of Unfair Labour Practice, and almost definitely lead to a severe sanction imposed either by the Department of Labour or the Labour Court.
- **DISCRETIONARY:** This is a LEGAL requirement established in the course of time through precedents set in Arbitration's and also by the previous Industrial Court, and the existing Commission for Conciliation, Mediation

and Arbitration. These requirements should be implemented at the discretion of the Company Management. It is suggested that for purposes of standardisation throughout the Company, such requirements be regarded as PRESCRIPTIVE.

- **OPTIONAL:** These procedures are recommended, as they are reasonably acceptable procedures, which will eventually become prescriptive through common practice.

In summary then the function of Human Resources effectively has two major roles. The first has been the role of recruiting and fulfilling regulatory requirements. The other has been in assisting and identifying where employee capabilities need to be developed. In the instance that has been discussed here it has been the regulatory function that has been covered.

4.2. BALANCED SCORE CARD

4.2.1. Origins

"What you measure is what you get."
(Kaplan and Norton, HBR 1992)²⁷

In the past performance measurement in private companies has focused primarily on indicators of operational performance, generally in the form of quantitative financial measures. These suffer from retrospectivity (they gauge the past and tell little about the future) and often do not point to important indicators of strategic improvement nor how the company may be creating or destroying future value.

The Balanced Scorecard approach to strategic evaluation was developed by Kaplan and Norton in the early 1990s to address these concerns

The belief is that there is a need to adopt a wider range of qualitative and quantitative measures to improve the manager's ability to assess the success of strategy and to accept necessary performance tradeoffs. With the Balanced Scorecard approach, Kaplan and Norton recommend development of indicators, which provide managers with feedback from a financial perspective, internal business perspective, innovation and learning perspective and customer perspective.

4.2.2. Focus and Scope

The Balanced Score Card is designed to assist with evaluation of strategy at all levels. Without a balanced set of indicators, performance improvements in one area may be at the expense of performance in other areas or short-term improvements may degrade long-term value. The Scorecard forms a framework for achieving agreement about strategy within the organisation, communicating that strategy to staff and assessing its validity and usefulness.

As the Scorecard reflects assumptions about cause and effect used in developing strategy it also assumes that factors of importance can be identified in advance and incorporated into the evaluation schema. This is not always achievable in a changing environment

The approach involves assessing performance in terms of four key perspectives:

- Financial perspective (How do we look to Shareholders?)
- Internal business perspective (What must we excel at?)
- Innovation and learning perspective (Can we continue to improve and create value?)
- Customer perspective (How do customers see us?)

The Scorecard is created to make explicit the perceived relationship and linkages between key performance outcomes in each of these areas and their related performance drivers.

The key to implementing the balanced scorecard, as with any other evaluation method, is to recognise that it is important to measure those things, which are of strategic importance to the company. There are many more things you can measure that are important. To avoid swamping managers with information, the trivial must be clearly distinguished from the consequential.

Strategy is based on an understanding of the company's unique position in the environment, including its competitive position, developmental history, competencies, structure and its aspirations.

Relevant performance indicators appropriate to that company will also tend to be unique. Meaningful indicators can only arrive at after working from a strategic framework.

To derive relevant indicators for each of the major stakeholders: ask the question: if our strategy was successful:

- what would stakeholder 'x' see and or say was happening?
- what evidence would we accept as indicating that these things were being achieved?
- what information sources and/or collection methods would need to be in place to collect this evidence?

These questions will tend to focus on outcomes. In order for outcomes to be achieved, core processes (performance drivers) must function effectively.

Having identified key outcomes ask:

- what processes must function effectively to achieve the things stakeholders regard as important? (use Porters value chain as a guide)
- what critical stages are there in this chain?
- how would we know if these were operating effectively?
- what information can we collect which would help us judge the degree to which they are operating effectively?

As implied by the name *Balanced Scorecard*, the intention is to identify a set of indicators which are balanced. Balance points to several properties. Firstly, it suggests that there is adequate coverage-all those things that are important are included.

Secondly, it implies that indicators are used which are complementary. This means that we include indicators that would show us how aspects of performance are related. If improvement in one indicator may be at the expense of another, it is important to include both, to avoid a distorted picture. If strategy is formulated on the basis of some assumed cause-effect relationship (for example, reduced price will increase market share) then indicators, which would tend to confirm or disconfirm this assumption, should be included. The latter can be explored by positing a set of 'If-then' statements-'if this is achieved/occurs then such and such should result'. The cause-effect being explored will possibly have effects in each area of the Scorecard. A change in customer satisfaction may lead to an increase in market share and improved profit for example. Indicators are included to reflect this. It is inclusion of these hypothesised causal links which gives the Scorecard its prospective focus rather than simply a retrospective focus. If we hypothesise correctly, reduced performance on a process indicator may give advance warning of a possible decline on a key strategic outcome. If customer satisfaction is dependent on staff product knowledge and we detect a decline in this product knowledge we can anticipate that there may soon be a decline in customer satisfaction and consequently in key financial indicators for example

4.2.3. Picking the Right Stakeholders

Mitroff⁷⁶ highlights errors related to the process of formulating the problem incorrectly and thereby going on to solve the wrong problem precisely. He goes on to highlight five categories of recurring errors. The table below explains the various types with a description of each.

Type	Description
1. Picking the Wrong Stakeholders	Involving only a small set of stakeholders in the formulation of the problem
2. Selecting too narrow a set of options	Selecting a limited set of problem-solving options
3. Phrasing a problem incorrectly	Using a narrow set of disciplines, business functions, or variables in which to express the basic nature of a problem
4. Setting the Boundaries/Scope of a problem too narrowly	Not being inclusive enough and setting the boundaries too narrowly
5. Failing to think systematically	Focussing on a part of the problem and not the whole system

Table 4.1 Stakeholder Analysis

In respect to the picking of the right stakeholders Mitroff goes on further to suggest a strategy to prevent the error. He asserts that one should not make an

important decision or take an important action without challenging at least one assumption about a critical stakeholder. He also goes further to suggest that one must consider at least two stakeholders who can and will oppose the decisions or actions.

A stakeholder is any individual, organisation, institution, or even whole society that can affect or be affected by the actions of any other stakeholder. A stakeholder is one who has a stake in the actions of other stakeholders.

Stakeholders are typically a combination of various types. There is also a tendency to ignore or misrepresent a stakeholder. Implicit, taken for granted, assumptions (conscious or unconscious) direct us to narrow the broad set of stakeholders available to us, into a set that we typically feel comfortable with.

Stakeholders can be identified by stance and by functional role. Those who are adept at including a wide variety of stakeholders in the formulation of important problems are constantly asking themselves the following uncomfortable question:

- Whom do we typically include as well as exclude in our discussions and formulations of important problems?
- Who is absolutely unthinkable to include or exclude?
- How can we break through the unthinkable to broaden our definition of important problems?

Two extremes exist in every field of human endeavour. These are two unwarranted assumptions. Firstly that others are fundamentally like us and will react as we do in a situation. Secondly, that others are so completely different from us that there is no basis for mutual understanding whatsoever. In both situations it is important to critique them rigorously as in both the fundamental error is to take the narcissistic self as the primary, and sometimes only, stakeholder in all situations.

4.2.4. Reason for Using the Balanced Score Card

The list below contains some of the reasons, which have been put forward to motivate why a format such as the Balanced Score Card²⁹ should be contemplated:

- Legal issues
- A performance measurement system helps align an agency's strategic activities to the strategic plan. It encourages deployment and implementation of the strategy on a continuous basis and allows for feedback as well.
- The visibility provides better and faster budget decisions and control processes in the organisation.
- Visibility provides accountability and incentives based on real data, not anecdotes and subjective judgements.
- Measurement of process efficiency provides a rational basis for selecting what business process improvements to make first.
- It allows managers to identify best practises and expand their use of best practices.

- Collection of process cost data for many past projects allows us to learn how to estimate costs more accurately for future projects.
- It improves bottom line by reducing process cost and improving productivity and mission effectiveness.

4.2.5. Deployment Steps for Balanced Score Card

There is a recommended approach to implementing the Balanced Score Card²⁸ as set out below:

- Examine strategic goals (what business are we in, who are our customers, etc.)
- Develop annual operating plans/business objectives
- Translate annual operating plans to a functional level
- Evaluate existing performance and performance objectives
- Develop BSC output and performance objectives
- Map Key processes
- Develop performance measures for key processes
- Perform collection and data measures analysis
- Establish organisational structures to support objectives (e.g. Process improvement.)
- Analyse performance data, then refine process.
- Approach a cyclical process by re-doing the steps.

4.2.6. Criticism of the Balanced Score Card

The Balanced Score Card (BSC) has become popular because it extends management reporting beyond a narrow, financial focus while avoiding the common pitfalls of an ad hoc measures approach.

Despite its appeal it does not go far enough to make it fully useful as a management tool⁴. Its approach involves a serious flaw that negates much of the promised benefit. It has no mechanism for maximising near and intermediate-term financial performance. In other words, while it does measure variables that are important in achieving a company's strategic objectives, it does not explicitly link them to each other or the company's financial measurement system.

As a managerial tool it has four serious limitations. First it is a 'scorecard' and not a decision tool. So while they measure across four critical aspects of business, it is not a tool to enhance performance. Focusing on scorecards can lead to a lack of focus on the underlying actions that produce a good score.

Second, scorecards reflect a top-down approach to the business. The trick should be to blend top-down and bottom-up perspectives, not focus one or the other.

Third, the BSC does not provide guidance on how a good a score is possible for any of the measures. It looks at external benchmarking as far as is necessary, but a scorecard should be relevant to achievable excellence.

Lastly, the lack of any direct and explicit links between financial and non-financial segments relegates the non-financial to the back of the bus whenever in conflict with financial considerations.⁴

To put the criticism in perspective let us look at the perspective of measurement. Measurement, while critically important, is not management. It is merely an element in a modern performance focussed management system. Effective management systems must meet four broad design tests:

- They must set fair 'stretch' targets. The targets must drive performance and it's credibility is to set targets that are achievable and fair.
- They must manage the 'drivers' and not the results. Here targets should be expressed as operational measures so that meaningful operational analysis can follow.
- Analysis should be focussed on the understanding of the root cause.
- Good decision-making must be rewarded and not only results. They must also facilitate multi-dimensional connectedness within companies.

To this extent the starting point should then be a new set of measures to connect business goals to each line manager's accountability. The process should include the following steps:

- Understand the true financial potential of the business in the near to intermediate term through rigorous modelling.
- Using the results of the modelling to set 'achievable excellence' targets that reflect substantial 'stretch' and yet are fully accepted by line management.
- Creating planning, budgeting, and reporting systems that reward the desired behaviours and facilitate a continuing stream of management decisions and actions geared to achieve aggressive (but attainable) goals.
- Tying accountability for achievement of the goals directly to tangible rewards.

The Balanced Score Card has been a most useful development in allowing a mechanism for management to align the corporate requirements with the appropriateness of operational activities. While it has shortcomings it allows a very useful base of reference and if worked within the constraints that it has there is room for accommodating it.

4.3. ITISA MODEL OF PERFORMANCE MANANGEMENT

The model³ has been nicknamed the Outputs model by the operatives that were introduced to it. This was because it was considered a major fundamental shift from activity-based measurement to concentrating on the Outputs delivered by units or individuals. It was also considered to be quite a liberating approach as the model for the first time allowed managers, the flexibility to be able to leverage optimal performance from an employee or group within corporate expectations. This was the initial impression of the potential benefits that could be derived from such a system.

The Performance Management Process that was designed has the following Objectives:

- Align the individual and the team within the Vision, Mission, Strategy and Values of the organisation. This was done with the acknowledgement of internal and external customer's expectations.
- To allow the individual manager to identify and plan his own team's contribution to achieving company goals by using routine and change contributions to provide value adding outputs.
- Empowerment of the individual manager and the team he works with to set, measure, recognise and reward their own contribution to achieving the company goals.

4.3.1. Performance Management Competency Development

The process is designed to develop the required knowledge and skills to:

- Understand the importance and role of a shared vision within the company.
- Develop the use of company values using measurable and observable behaviours.
- Incorporate internal and external customers expectations into the job one does.
- Translate the company strategy into the team strategy.
- Identify how one's job is aligned and supports the vision and strategy of the company.
- Design the routine outputs that a job is expected to produce.
- In the process of continuous improvement change objectives can be detailed.
- Provide and receive ongoing diagnostic and timeous performance feedback on all spheres of performance.
- Openly and constructively discuss performance problems, achievement of objectives, day-to-day performance issues, and knowledge and skills development with team members.
- Provide structure for a personal development plan to improve competencies and performance.
- Assist with team integration and performance.

The process was designed to encourage teamwork and participation by recognising the individuality of the team and it's individuals. This was ultimately to help create organisational effectiveness and success.

4.3.2. World Class Features

A company can develop world-class Manufacturing and service processes by really developing world-class leadership practises. The foundation on which this is built is on the Company's Values. This can only be achieved by developing a core belief system, supported by reciprocal rights and accountabilities.

In the establishment of fair values there has to be:

- Freedom of Information and empowerment
- Friendly relationships
- Focussed leadership
- Flat structures
- Fast performance
- Flexible Capacity.

Alignment and Objectives should be implemented. The objectives can be described as what a team will produce. These can be either routine like standards or best operating practises. Change objectives are the alternative, and these could be in supporting strategy, improving performance, special projects, and training and development.

The Vision and Mission of the Company basically provides the basis for where the company is going. The Strategies are to provide the What and the How questions and answers. The Values provide why we need to do the outputs to satisfy the Vision. The clarification of the Customers answer whom we need to produce outputs for.

4.3.3. The Performance Management Process

4.3.3.1. Organisational Performance Planning

Aligning individual and team performance and outputs with the Vision Mission and Strategies of the organisation, and recognising Customer's Expectations.

The vision contains an organisational dream that stretches the imagination and is an attempt to articulate what a desired future for the company would be. Its purpose is to influence and organise meaning for the members of the organisation. It is also to focus on what the organisation's basic purpose and general direction is.

The Customer's Expectations make demands, on each other and the company, of their own expectations of delivery or delight. The Wealth Creation Pipeline describes this. There are four basic sectors of the pipeline: Define, Do, Deliver, Delight. Define looks at who are our suppliers and what are our expectations of them. How can the relationship with them be improved? Do it consider which skills, equipment, and support we need to give and delight and then the performance criteria required to add value. Deliver is the vital logistics of improving usefulness through delivery. Delight defines who the customer is and what they are using our offering for and what they expect. It also expects a feedback loop in obtaining information about the offering.

Values should be built into the process of delivering and evaluating performance. They then can influence the way we do things and treat people. Examples of the behaviours that could align the measures of performance with values are the mutual trust, respect and honesty. They could also include

communication and development behaviours that have been accepted and many other behaviours.

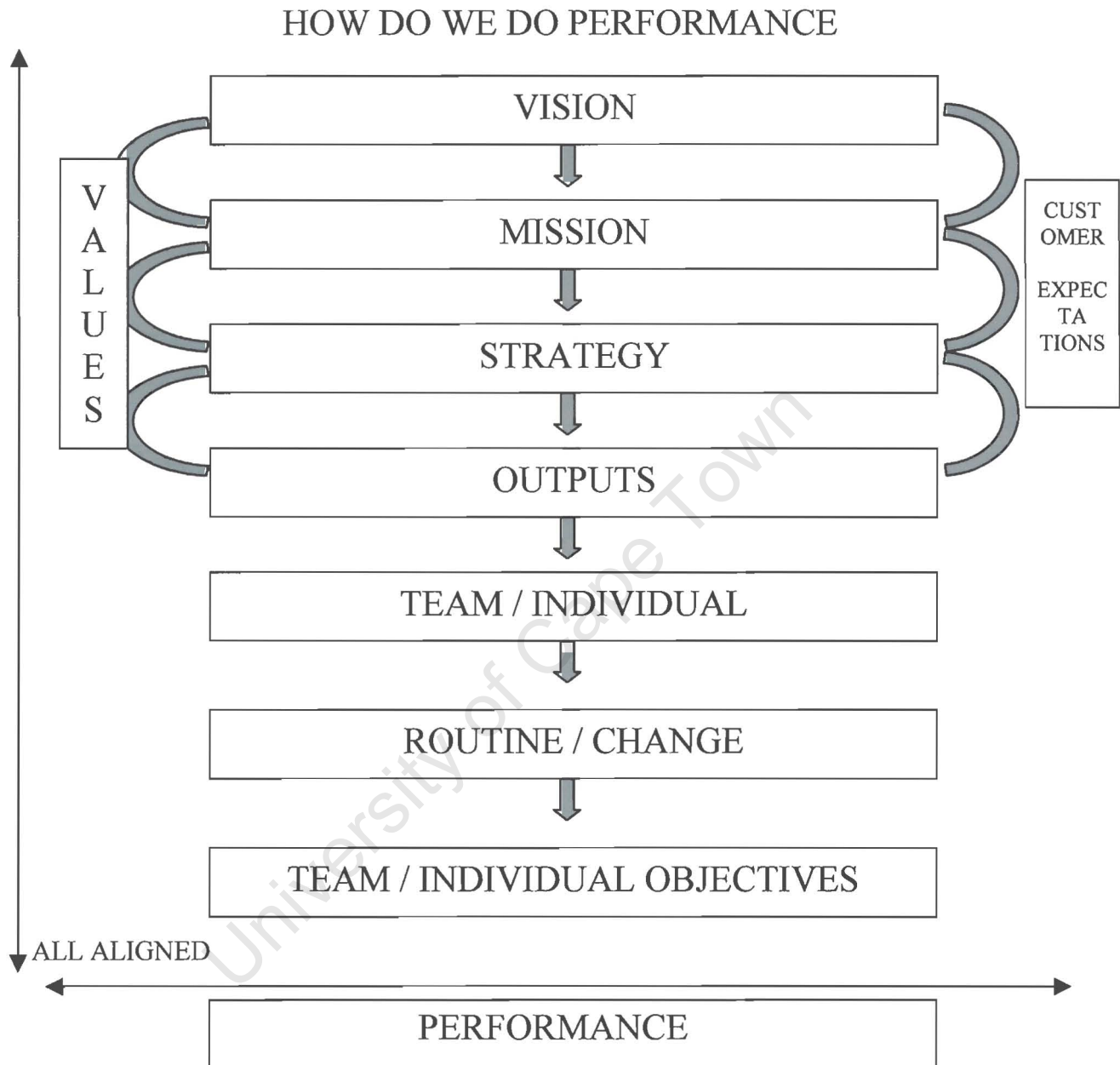


Figure 4.2: ITISA How We Do Performance Model

4.3.3.2. Objective Setting and Action planning

Individuals and teams are employed to deliver performance that leads to the success of the company. The contribution that adds to the success is called outputs, which are a result of productive effort.

Outputs:

- focus on what your customer wants;
- support the Vision, Mission, Strategy and Values;

- demonstrates how a job adds value;
- can be individualised or team based;
- can change;
- reflect routine standards or change objective;
- lastly can be measured.

The rules for developing the outputs are that there should be clarity of roles; agreed by members; horizontally and vertically integrated and developed participatory. The standards must be measurable and not vague or subjective. This does not mean that they cannot be binary.

4.3.3.3. Performance Review

In summary:

- Outputs are results of work, the value that is added, products or services that are produced. It is not what is done but the results of what is done.
- You know if you have met your outputs if you have standards by which the outputs are measured.
- Having change objectives, which improve skills, knowledge or performance or are help in overcoming performance problems, brings about continuous improvement.

The outputs, standards and objectives are a basis for ongoing diagnostic review and form the basis for performance reporting. This can then be incorporated into a performance review document that can then be the source document for performance review and performance discussion.

In the performance discussion process that is now integrated into the company Vision, Mission and Strategy⁷⁰ there is now an acceptable forum for agreement on objectives and acceptable standards that can lead to performance. It enables an ongoing process, which is unlike the old performance appraisal system of annually taking a rough guess at how the person has performed through the year. It enables self-management; it is reviewed mutually and enables action to address problems timorously. The focus of the review should be future orientated with a brief summary of performance review. The review should become a dialogue that is ongoing without discipline and complaining but nevertheless tackling of issues.

Problems that can occur with the review process are numerous but ultimately they stem from an improper application of the process. This is that they can become subjective and purely a post-mortem. They can become meaningless as they can become manipulated and have no influence on pay or if they become too mechanistic they may well result in not recognising differences.

4.3.4. Summary

The model developed by ITISA attempts to bridge the concerns of the formal Balanced Score Card with the need to shift the emphasis from purely measurement to a true aligned performance management process. It acknowledges that there is a potential for the implementation to be

unsuccessful for a number of reasons. A mechanism to critically review that the implementation is not flawed is not provided and might well be necessary. Pragmatically it seems to use the words of Norton and Kaplan that “what you measure is what you get”²⁷ to concentrate on the results of effort (Outputs) and not the specific steps required to perform a task.

4.4. Gallop Organisation Model of Management

The model is the reflection of the work presented in the book “First, Break All The Rules!”¹⁴

The authors have taken a massive quantity of interviews done by the Gallup organisation in the business environment and done qualitative and quantitative analysis and developed a series of questions that have evolved for them to be the most important in a hierarchical sense. Furthermore they have developed tools with which to implement their findings.

The book firstly provides a basis for which to measure the important feature of human capital. They have then gone and analysed the four basic roles of a great manager. In consequence they have then gone and assessed how a manager is supposed to perform in these roles.

4.4.1. The Measuring Stick

In attempting to answer the question of “What do we know to be important but are unable to measure?”

Here they sight the incident where Britain nearly lost their entire fleet of ships in 1707. What caused the disaster was not the admiral’s ignorance, but his inability to measure something the he already knew to be critically important – in this case longitude.

In many companies today they know their ability to find and keep talented employees is vital to their sustained success, but they have no way of knowing whether they are being effective at doing this.

“How can we measure Human Capital” is the question put to attempt to answer what a strong, vibrant workplace looks like. Through a process of cutting and culling the questions that had been asked over thousands of interviews and also separating those factors that separated truly engaged employees from the average and disastrous. They found that measuring the strength of a workplace could be simplified to twelve questions. These questions don’t answer everything you may need to know about the workplace. They Measure the core elements needed to attract, focus, and keep the most talented employees.

The twelve Questions:

1. Do I know what is expected of me at work?
2. Do I have the materials and equipment I need to do my work right?

3. At work, Do I have the opportunity to do what I do best every day?
4. In the last seven days, have I received recognition or praise for good work?
5. Does my supervisor, or someone at work, seem to care about me as a person?
6. Is there someone at work who encourages my development?
7. At work, do my opinions seem to count?
8. Does the mission/purpose of my company make me feel like my work is important?
9. Are my co-workers committed to doing quality work?
10. Do I have a best friend at work?
11. In the last six months, have I talked with someone about my progress?
12. At work, have I had opportunities to learn and grow?

After having hundreds of questions run through a 'prism' process these questions were revealed to be the most powerful. These questions all contain an extreme, which helps to discriminate a productive department from the rest. A question, which did not have the extreme language, lost much of its power to discriminate. So in essence a large part of the power of the measuring stick lies in the wording of the questions. Questions about remuneration, organisational structure, benefits or senior management are not included as they are considered to be issues which are like tickets to a rugby game – they get you in but can't help you win.

Putting the Twelve to the test:

The ultimate test would be to answer the question, "Does the measuring stick link to business outcomes?"

The first step was to have scores measuring four different kinds of business outcomes. These were Productivity, profitability, employees' retention, and customer satisfaction. The results were that employees who responded more positively to the twelve questions also worked in business units with higher levels of productivity, profit, retention, and customer satisfaction. This demonstrated a **link between employee opinion and business unit performance**. Another feature was that as the ratings were business unit specific and not company specific it was found that, for the most part, the twelve opinions were being formed by the employees' immediate manager rather than by the policies or procedures of the overall company. It was discovered that **the manager** – not pay, benefits, perks, or a charismatic corporate leader – **was the critical player in building a strong workplace**.

The links between the Employee Opinion and the Business Unit Performance:

- All the questions were linked to at least one of the four business outcomes: productivity, profitability, retention, and customer satisfaction. Most questions actually linked to two or more business outcomes.
- The most consistent (ten of the twelve) links were to the "productivity" measure.
- Eight of twelve questions related to the "profitability" measure.
- Only five of the questions relate to employee retention.
- There are six questions that are the most powerful as they are a combination of the strongest links to the most business outcomes. They are:
 1. Do I know what is expected of me at work?
 2. Do I have the materials and equipment I need to do my work right?

3. Do I have the opportunity to do what I do best every day?
4. In the last seven days, have I received recognition or praise for good work?
5. Does my supervisor, or someone at work, seem to care about me as a person?
6. Is there someone at work who encourages my development?

It is not that employee focussed initiatives by a company are unimportant. It's just that your immediate manager is more important. They define and pervade the work environment.

It may be assessed as such that in the model of a "Strongly Agree" Employee model the 3 major components are Benefits, Reputation and lastly the Immediate Manager as depicted in the model Figure 4.3 below.

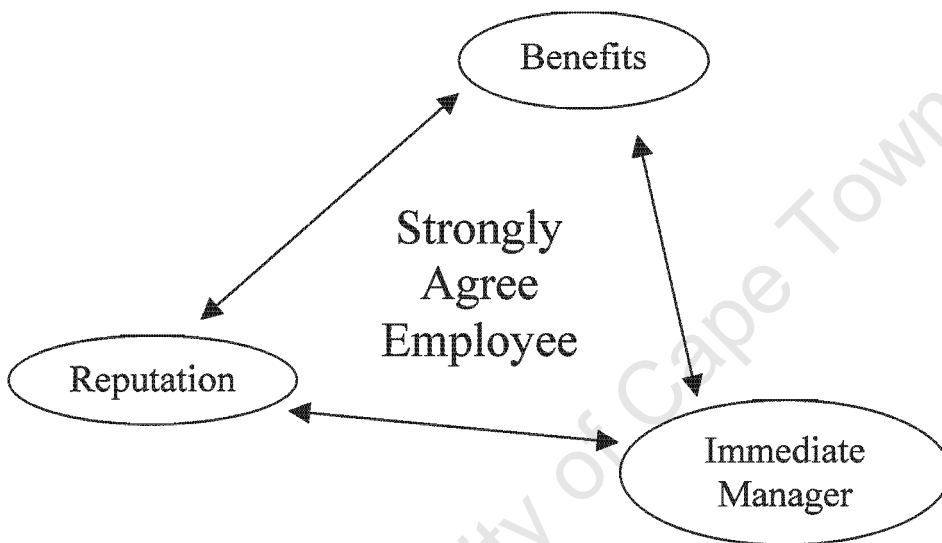


Figure 4.3 Employee Strongly Agree Model

There is also the model whereby there are "Myths" that are required.

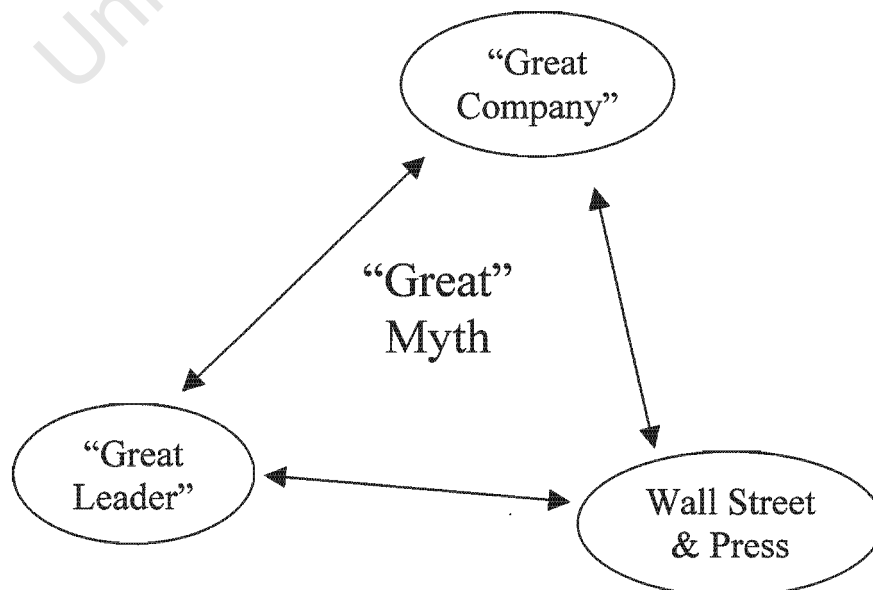


Figure 4.4 Great Myth Model.

I have always considered the “myth” as a ‘Golden Calf’ myth personally but it is one where there is a belief that there is a “Great Company” or that there are “Great Leaders” or that indeed the impression portrayed by the Business Media or on Wall Street is the reason for a “great” company. It is portrayed in Figure 4.4 above.

Mountain Climbing:

“Why is there an order to the Twelve Questions”

The order of the questions has been designed to be part of the process. An analogy of climbing a mountain has been used. In order to reach the summit one has to progress from Base Camp through Camps 1 to 3.

Base Camp considers the aspect of “What do I get?” The first two questions answer the Basic Needs that are necessary when you first start a new role. So having an idea of what is expected of one and what resources one has at the disposal is what is answered here.

Camp One explores the change in Perspective to answer, “What do I give?” You become focused on your individual contribution and other people’s perceptions of it. The following four Questions answer these issues of individual self-esteem and worth. They look at how you are doing on your role (Q3), how others value your individual performance (Q4), if they value you as a person (Q5), and if they are prepared to invest in your growth (Q6).

Camp Two looks at the issue of “Do I belong here?” Whatever one’s basic value system happens to be, at this stage of the climb you really want to know if you fit.

Camp Three asks the question of “How can we all grow?” The stage tells us that only after one has progressed through all the earlier stages can one innovate effectively. There is a difference between Invention and Innovation. Invention is mere novelty, while innovation is novelty that can be applied. The last two questions answered correctly will measure whether one is equipped to do so. Moreover it is practically impossible to master these last two steps if the previous ones have not been positively answered first.

On reaching the Summit the focus is clear. There is a recurring sense of achievement. Summits are invariably hostile and so the ground shifts beneath your feet and the wind causes disturbance that entails realignment.

To prevent Mountain Sickness the most important thing is that the key to building a strong, vibrant workplace lies in meeting employee’s needs at Base Camp and Camp One. This is where one should focus time and energy. Mountain sickness occurs when one aims too high and/or too fast. The importance of sticking to the basics is revealed here because if the employee doesn’t know what is expected of them as an individual, then you can’t get excited about them playing on a team. Likewise if they feel they are in the wrong role then one can’t expect to get the employee to provide innovative ideas.

4.4.2. The Wisdom of Great Managers

“What is the revolutionary insight shared by all great managers?”

Individuals are true to their unique individual nature. They recognise that each person is motivated differently, has their own way of thinking and each has their own style to relating to others. Great managers attempt to capitalize on these differences. I would call it the Red Hot Button of each individual.

RED HOT BUTTON

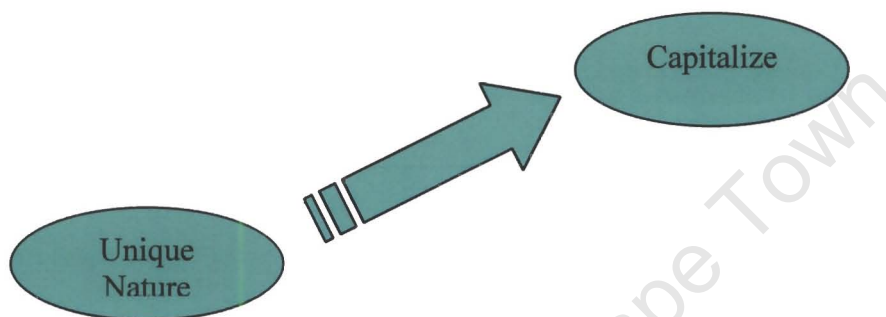


Figure 4.5 People Management Approach.

“What are the four basic roles of a great manager?”

A manager’s role is to reach inside each employee and release his unique talents into performance. In this respect the manager’s role is one of being a ‘catalyst.’ The first six questions of the ‘measuring stick’ provide the detail for the catalyst role. To obtain positive questions from these questions a manager must be able to do four activities extremely well. These most important activities are; select a person, set expectations, motivate the person, and develop the person.

To select a person one must be able to ask the right questions to cut through and reveal the candidates true talents.

It is not merely a matter of simple goal setting that is important but there must also be an emphasis on keeping the person focussed on performance.

The most important thing that a manager has to invest in his employees is time. Thereby the ability to motivate each employee is vital for the success of an employee feeling recognised and whether they are cared for.

The ability to develop a person is the last step of a manager being a catalyst. This is shown in figure 4.6.

“How do great managers play these roles?”

The catalyst role describes what great managers do. It tells us nothing about how they do it. Conventional wisdom encourages us to:

- A. select a person....based on his experience, intelligence, and determination.
- B. set expectations....by defining the right steps.
- C. motivate the person.....by helping him identify and overcome his weaknesses
- D. develop the person....by helping him learn and get promoted.

CATALYST

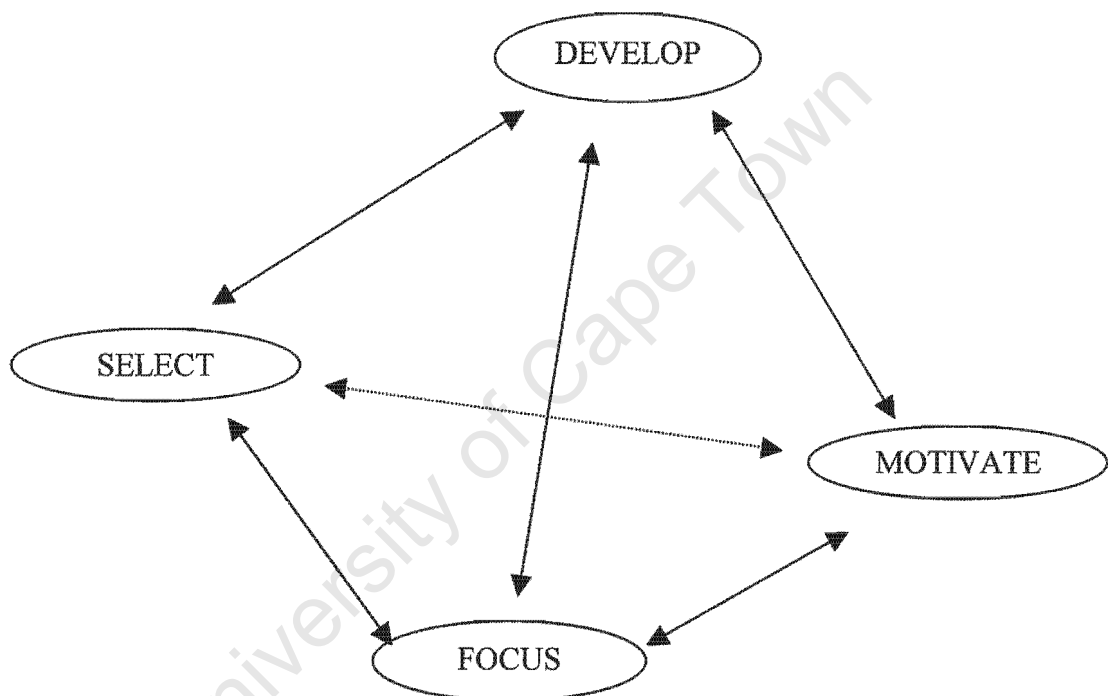


Figure 4.6 Manager Roles Model

The approach of the great managers has been labelled “the Four Keys.” The insight of the core activities is thereby transformed into being something tangible:

1. When selecting, select for **talent**... not simply all the rest.
2. When setting the expectations, they define the **right outcomes**....not the right steps.
3. When motivating someone, they focus on **strengths**....not on weaknesses.
4. When developing someone, they help him find the **right fit**...not simply the next rung on the ladder.

The super imposed impression of how the Four Keys are realised are shown in figure 4.7 below.

There is an overriding insight common to most great managers:

- A. *People don't change that much.*

- B. Don't waste time trying to put in what has been left out.
- C. Try to draw out what was left in.
- D. That is hard enough.

4.4.2.1. THE FIRST KEY: TALENT

“Why does every role, performed at excellence, require talent?”

The great managers define talent as “a recurring pattern of thought, feeling, or behaviour that can be productively applied.”

The emphasis is on the word “recurring.” They believe that talents are the behaviours you find yourself doing often. A filter, that sifts through your world that forces you to pay attention to some stimuli while ignoring others. Each filter is unique and explains why the same stimulus produces vastly different reactions in you from the person right next to you.

All truck drivers face the same situation but some drive twice as far with no accidents than their colleagues. Their filter is that they are constantly playing *what if...* They are constantly anticipating scenarios, planning evasive manoeuvres. So they have the same stimuli as their colleagues, very different reactions, with very different performance.

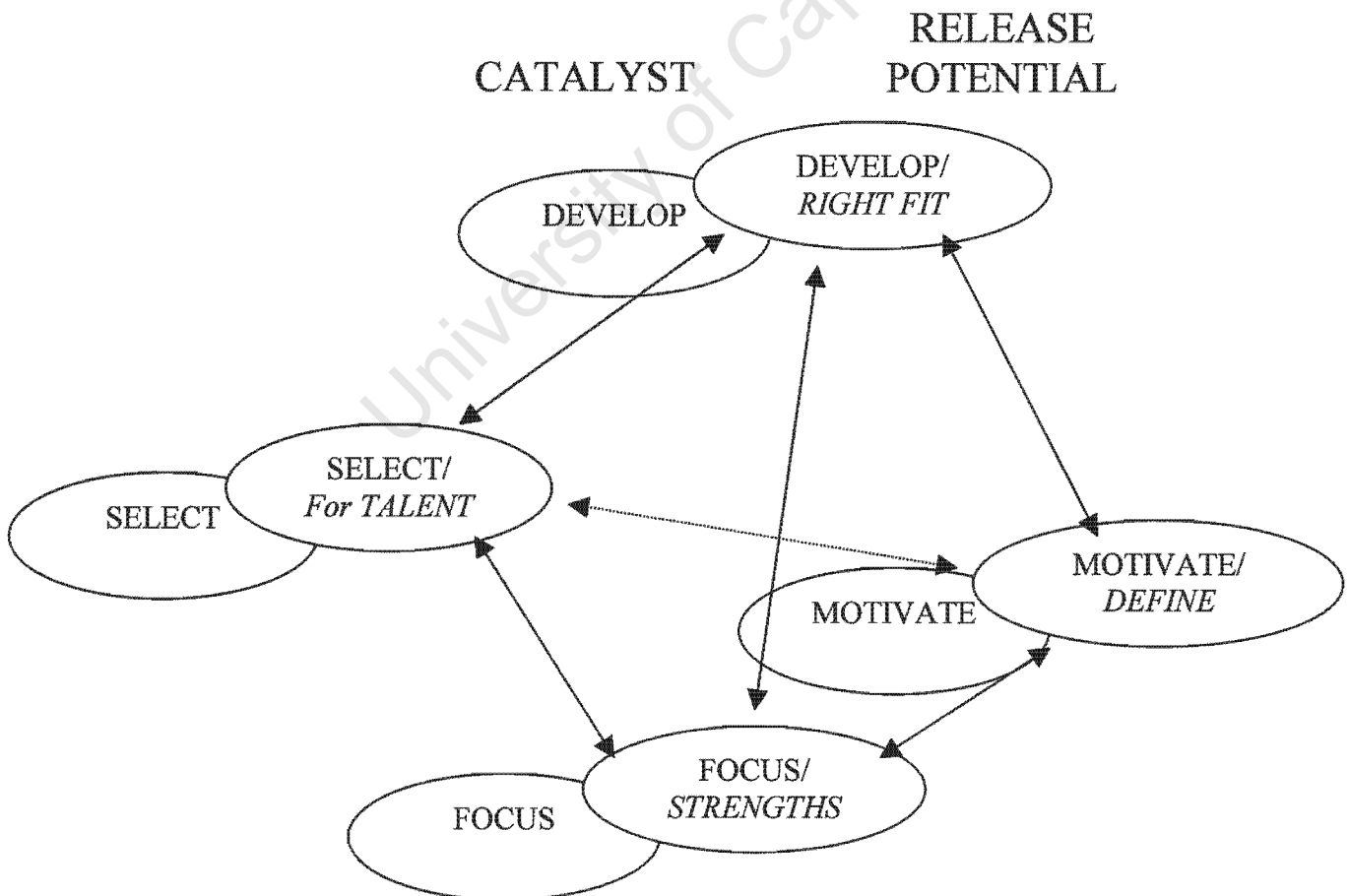


Figure 4.7 The Four Keys Releasing Potential Model.

Skills, Knowledge, and Talents; “What is the difference among the three?”

In an attempt to nurture individuality and channel it towards productive behaviour changes can be brought about in people.

Firstly one can help a person to develop hidden talents. This is a part of the ability of a great manager to be able to glimpse the talent in a person.

Secondly, a manager can teach their employees a new skill and new knowledge. Skills, knowledge, and talents are distinct elements of a person’s performance. The distinction though is that skills and knowledge can be taught but talent can’t. Skills are the how-to of a role. They are capabilities that can be transferred from one person to another. Knowledge is ‘what you are aware of.’ There are two types of knowledge: *Factual Knowledge* - things you know, and *Experiential Knowledge* – understandings you have picked up along the way. Factual knowledge can be taught, while Experiential knowledge is less tangible and requires reflection and recognition of patterns, which develops understanding.

There are three basic categories of Talents: Striving Talents, Thinking Talents, and Relating Talents.

Striving talents explain the *why of a person*.

Thinking Talents explain the *how of a person*.

Relating Talents explain the *who of a person*.

Talent: How great managers Find It; “Why are great managers so good at selecting for talent?”

While it is now known that it is important to select for talent, it is not easy to identify those who have it. There are some simple techniques to cut through the barriers to identify talent. A manager needs to know exactly which talents are needed. Here one must consider the culture of the company. The expectations that will be set are also relevant to the type of manager one is. The other people in the team and the total work environment are important. A way to simplify this is to identify one critical talent in each of the three talent categories, striving, thinking, and relating.

4.4.2.2. THE SECOND KEY: DEFINE THE RIGHT OUTCOMES

Managing by Remote Control; “Why is it so hard to manage people well?”

As a manager one actually has less control than the people who report to you. This is actually remote control. The predicament is actually worse because human beings are messy. A great manager has two fervent beliefs. They don’t believe that people change that much and they also believe that organisations exist for a purpose, which is performance. The point then is to focus people toward performance.

The dilemma then is that the manager must maintain control and focus people on performance. The solution to this is to define the right outcomes and then let each

person find his own route toward these outcomes. This allows the two dilemmas to be harmonised. Standardising the ends prevents one from having to standardise the means. The most efficient route is always the path of least resistance. The solution lastly encourages employees to take responsibility. Creating the right amount of tension to achieve is realised by defining the right outcomes.

Rules of Thumb; “When and how do great managers rely on steps?”

A manager’s challenge is to capitalize on each person’s uniqueness. They don’t dismiss steps but consider them as required steps to serve as a platform for performance. There are basically a few rules of thumb that guide using steps.

#1 “Don’t Break The Bank.”

Employees must follow certain required steps for all aspects of their role that deal with accuracy or safety.

#2 “Standards Rule.”

Employees must follow required steps when those are part of a company or industry standard.

#3 “Don’t Let The Creed Overshadow The Message.”

Required steps are useful only if they don’t obscure the desired outcome.

#4 “There Are NO Steps Leading To Customer Satisfaction.”

Required steps only prevent dissatisfaction. They cannot drive customer satisfaction.

Customers needs vary by industry but there are four expectations that are hierarchical.

1. At the lowest level they expect accuracy
2. This level is availability.

These two levels are quite easy to meet and no matter how unique, they quickly shrivel from a competitive advantage to a commodity. These are also normal hygiene for customer service.

3. Customers expect partnership.
4. The most advanced level of customer expectation is advice.

What Do You Get Paid To Do; “How do you know if the Outcomes are right?”

While focussed outcomes are one thing, knowing that the outcomes are right is something else entirely. Guidelines from some of the world’s great managers are:

#1. What Is Right For Your Customers?

#2. What Is Right For Your Company?

#3. What Is Right For The Individual?

4.4.2.3. THE THIRD KEY: FOCUS ON STRENGTHS.

Let them Become More of Who They Already Are; “How do great Managers release each persons potential?”

Focus on each person’s strengths and manage around his weaknesses. Don’t try to fix the weaknesses. Don’t try to perfect each person. Instead do everything you can to help each person cultivate his talents. Help each person become more of who they already are.

This approach is fuelled by one simple insight: Each person is different. Great managers are aggressive in trying to identify each person's talents and help him to cultivate those talents. They believe casting is everything. They manage by exception and they spend time with their best employees.

Casting is Everything; "How do great managers cultivate excellent performance so consistently?"

If you want to turn talent in to performance you have to cast each person in the right role. In the situation where you didn't select them a more deliberate approach needs to be taken. Here one has to assess all the strengths, weaknesses, goals, and dreams and the only way to do this is to take some time.

Manage by Exception; "Why do great managers break the Golden Rule?"

Each employee has their own unique filter and they breathe their own different psychological oxygen. Treat each person, as he would like to be treated himself. The only way you can find this out is to ask. Armed with the information you can now manage by exception.

Spend the Most time with Your Best People; "Why do great managers play favourites?"

The core of the role as manager is the catalyst role, turning talent in to performance. They carve out a unique set of expectations that will stretch and focus each individual. They Highlight and perfect each person's unique style. They plot how they can run interference for each employee. Talent is the multiplier in this situation.

No News kills the messenger; the less attention they pay to productive behaviours of the stars, the less of those behaviours they will get. Investing in your best is the fairest thing to do, it is the best way to learn, and it is the only way to stay focused on excellence.

How To Manage Around Weakness; "How do great managers turn a harmful weakness into an irrelevant nontalent?"

The great manager begins by asking two questions. Is the poor performance trainable? Does the manager, tripping the wrong trigger cause the non-performance? If you can genuinely answer no to both of these initial questions then by default the non-performance is probably a talent issue.

There is a distinct difference between a nontalent and a weakness. A nontalent is mental wasteland. A nontalent can mutate into a weakness. As soon as a weakness is causing the poor performance there are only three possible routes. Devise a support system, find a complimentary partner, or find an alternative role. If you are spending most of your time managing around weakness, then know that you have made a casting error. You have to fix the casting error and stop trying to fix the person.

4.4.2.4. THE FOURTH KEY: FIND THE RIGHT FIT

The Blind, Breathless Climb; “What’s wrong with the Old Career Path?”

There is no right answer to this question, but there is a right way. The way to do it is to help each person find the right fit. Help each person find roles where her unique combination of strengths – her skills, knowledge and talents – matches the distinct demands of the role.

Conventional wisdom is that a career path follows Rungs up a ladder. However, one rung doesn’t necessarily have to lead to another. Conflict can be resolved by making prestige more available. The hunt for marketable skills is not necessarily the driving force for a career but that there could be other drivers.

One Rung Doesn’t Necessarily Lead to another; “Why do we keep promoting people to their level of incompetence?”

Promotion should only be done when there has been scrutiny between the talents of the person and the talents required to excel in the role. While it may not be a perfect fit at least time has been taken to weigh the two up.

Create Heroes in Every Role; “How to solve the shortage of respect.”

Make every role, performed at excellence, a respected profession. If a company wants employees in every role to approach world-class performance, it must find ways to encourage them to stay focussed on developing their expertise.

While Pay signals are the major driver of creating the rung there are other ways of overcoming this. Broadbanding is one such method so that there can be broad bands that provide value to truly worldclass performance. The other format of this could be to have overlapping bands so that promotion isn’t the only way forward. In the context of company policies there may also be a need for a manager to revolt quietly and creatively to be able to allow for performance related improvement while working within the constraints of the policies.

A New Career; Self-discovery is the driving, guiding force for a healthy career. The energy for a healthy career is generated from discovering the talents that are already there. Self-discovery is a long process, never fully achieved. Nonetheless, great managers know that it is this search for a full understanding of your talents and nontalents that serves as the source of energy powering your career.

The way self-discovery is used is an important feature of great managers. Firstly it is given a central role. Secondly the point of self-discovery is to learn about yourself so that you can capitalise on who you are. The point being that one can take more control of your career and to make more informed decisions.

The Manager and the New Career; The manager can play significant roles in the new career. They level the playing field, they hold up the mirror, and they create a safety net.

- Creating new heroes, graded levels of achievement and Broadbanding pay plans allow prestige and money to be spread through the organisation.
- Managers excel at giving performance feedback which has three characteristics
 1. The feedback is constant
 2. Each session has a brief review of past performance, but the focus always shifts to the future and how the employee can be productive.
 3. The feedback is given in private, one on one.
- They promote active self-discovery by creating safety nets in the form of trial periods. The main focus is to drive performance by matching talent to the role.

All this is done in a mindset that reconciles an uncompromising focus on excellence with a genuine need to care. It is phrased 'Tough Love' by the authors. It is furthermore done in such a way that it allows managers to keep their relationship with the employee intact. This all springs from the concept of talent. This enables the manager to be free from blaming the employee. Regarding the concept of 'care' it means that the manager sets the person up for success.

If we look then at this chapter, Performance Management reminds us that being busy is not the same as producing results. In aligning performance it redirects efforts away from busyness toward effectiveness. This Chapter has largely then concentrated on how typically an organisation would benefit by utilising activities, which are done and make sure that they are contributing directly to the preferred results of the organisation. The model as proposed by ITISA defines the role of good leadership practises in attaining world-class status within an organisation as being crucial. The chapter then explored the convenience of s system like this to satisfy Human Resource concerns and at the same time offer a process whereby alignment of activities may benefit the organisation at the same time. In respect to aligning this chapter with the research project the utilisation of a Performance Management approach in addressing the problem is shown to be appropriate and also able to offer a unique perspective, as the problem described is more in isolation considering the circumstances that are prevalent.

5. ACTION RESEARCH LEARNINGS

The previous three chapters presented a body of knowledge about the research that was to be undertaken. This chapter elaborates on the action research project actually undertaken and is a presentation as well as an analysis of the collected data. There were two major cycles during the research project each one with duration of about 3 months. There were almost definite natural conclusions to each cycle as one concluded with the culmination of the implementation phase and the second cycle was concluded with the final termination of the company being formally announced.

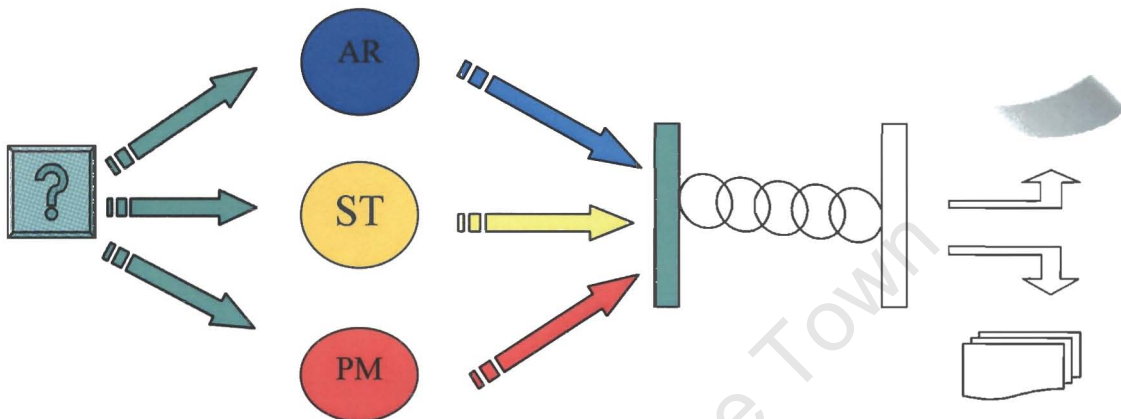


Figure 5.1 Research Project Progression in Chapter 5

This chapter will outline the research conducted and the analysis of the collected data. Figure 5.1 illustrates the stage of the research project that has been reached. The data that will be analysed will be most important to the following chapter, which discusses the synthesis of the findings of the research and represents those findings in the form of a model as well as discussing the implications of the research in the chapter thereafter.

Basically this research project is a report as presented by the author who was both the researcher as well as the initiator of the change implementation. Furthermore the area of concentration was in the sales environment of a pharmaceutical company. The significance of these two basic assumptions allows for the role of this type of research work to be conducted by a manager who is both actor and director of the production. The basic assumption that the performance management model is significant outside of the sales management environment though is disputable in the context of the research that is undertaken.

While the two cycles make up the body of work there were numerous smaller cycles generally of the single loop learning variety as well as some double loop learning that took place. The analysis of the work is shown in an attempt to provide some of the higher level issues involved in the project. This is though the data that was utilised from the greater context and so may well not describe the smaller cycles in detail. These have been incorporated into the discussion and comment about the bigger cycles.

The context of the research project has been discussed at length in the introductory chapter. The findings though of the two cycles can be considered as being truly

revealing in respect to actual expected outcome and has proved to be a major area of learning.

5.1. CYCLE ONE LEARNING

As has been discussed in Chapter 2 the methodology of the research project has been to provide a cycle of learning and action that is focussed on the situation. The details and background of the situation was presented in Chapter 1, which highlighted the problem and considered various options around it. While the details of the data collection are discussed below the process of setting out what data was going to be collected was decided in advance.

The management of a sales force, especially when there is a geographical divide, may be compared to managing by remote control as the individual employee is left to perform their duties for a large percentage of their time independently. The absence of direct observation then is a pertinent feature about details of the data collection as discussed in the above paragraph. Careful consideration had to be given to the interpretation bias of initially receiving and collecting data as it may well be distorted in the transmission thereof. This then was a feature of receiving data and storing it without attempting to interpret it too early.

5.1.1. Analysis of Data

The first Cycle of the Research Project was undertaken whereby the process of implementing a performance management system was undertaken. Careful attention was made of obtaining data to establish the results of implementing the system. The sources of Data were chiefly from a continuous diary of events at work done daily in the evening after the working day had come to an end. Notes and minutes of weekly meetings were also used, as were any notes and minutes from any other special meetings held as well as questionnaires that were filled out as part of the meeting agenda. Lastly, emails were carefully filed to be able to use as a very vital source of gathering data. Initially it was attempted to categorise the data being collected into the various categories of the MSM but this was soon changed. In an effort to be truly qualitative, a judgement of the merits of data falling into a specific category could not be undertaken without compromising the value of the data.

The data that was gathered was then broken down into sentence length 'features'. These were then clustered into groups that displayed an affinity for the same topic. This followed the process of normal Affinity Diagram activities as described in the Memory Jogger. The process of clustering actually went through two cycles so as to be able to bring a reflective process into the analysis of the data. The final process in the data filtering was to produce an Interrelationship Diagram (IRD) of the various key points to as to be able to put the various points into perspective.

The data as represented in the analysis of the presented data is shown below in table 5.1. The interesting analysis of the data was largely two fold in the cycle that was underway. I would categorise them into two main features. While this is a departure from the analysis as initially thought pertinent it is to attempt to demonstrate the shorter learning cycles that also occurred. Certain cycles I would

term invisible as they were only recognised at the end of the cycle when large-scale collection and analysis of the data was being done. The other cycle I would term the Activity Cycles, as there was an element of a few cycles being incorporated into the data that has emerged.

If we look at line 7 in the table below we see that there are daily sales management tasks that required a number of learning and action cycles. As these were represented in the 'Outputs' document that was established the author had developed a level of being comfortable with the data that was being collected as well as adapting certain aspects so that they were well understood. Line 8 was also a regularly utilised cycle as there was constant reinforcing and discussion about 'Outputs.' Line 11 shows how Attitude prevailing was a constant cycle of learning that was reflected in numerous interpersonal discussions and more importantly was also a source of strength. Similarly in monthly reviews the line 18 data was reviewed in the process of being especially concerned that the process was understood and if not regularly explained.

The second level of Data I would be inclined to reveal as "Invisible" Cycles. It is something of a euphemism to call it a cycle as indeed this was action, which was not perceived as being an issue. Line 16 and 17 are an example of this as these issues were only synthesized once the cycle was complete and the data was clustered and analysed.

The Second Pass developed the following:

1. Larger System in Focus being in Liquidation
2. Direct Management Behaviour as Observed
3. Leadership Issues Observed of Direct Management
4. Dispute Resolution by Direct Management as Observations
5. Impressions gained from working with fellow managers
6. Spirit of learning engendered by Direct management
7. Sales Management Daily Tasks
8. General Output Behaviours that provide Indicators of Reinforcement of Body of Knowledge
9. Management Conflict as Impressions and Assumptions
10. Output Behaviours as observations of the group
11. Attitude Prevailing in the Region
12. Higher level service issues
13. Management Conflict and Reactions experienced

14. Obstructive Reaction to Outputs as a Performance Measurement Review Process - Observed behaviour
15. Reaction to Comfort with the Outputs as a Performance Measurement Process
16. Individuals Disruptive Behaviour as an indicator of an underlying Problem
17. Pressure on Family Relationships by a disruptive Team Member
18. Meanings and Opinions of a Reaction to Outputs as a Review Process

Table 5.1 Cycle 1 Clustered Data

The data that has then been through a process of clustering is organized and summarized into natural groups to help to understand the essence of the situation. The main aim of an Affinity Diagram is to be able to succinctly organize the analysis of the data so as to enable natural emergence of the issues from an array of options. Typically there are 5 to 10 groupings of ideas in a typical Affinity Diagram.

This emergence of the data that then emerges out of the process is indeed an assistant to helping clarify issues. As seen in table 5.2 the key features of the cycle one data is aligned but also given some meaning by utilising this approach. The non-traditional connections that have emerged out of utilising this approach of analysis are shown in by the conflict that was being experienced between the author and the higher level of management in the sales department, this is shown in A and C of table 5.2. Clarification of the disruptive nature of the non-performing individual was only recognised through this process of data analysis as shown in E.

A: Management Conflict as a Methodology of Management

4. Dispute Resolution by Direct Management as Observations
9. Management Conflict as Impressions and Assumptions
13. Management Conflict and Reactions experienced

B: Positive attitude to daily tasks

5. Impressions gained from working with fellow managers
7. Sales Management Daily Tasks
11. Attitude Prevailing in the Region

C: Management Behaviour

2. Direct Management Behaviour as Observed
3. Leadership Issues Observed of Direct Management
6. Spirit of learning engendered by Direct Management

D: Larger System Difficulties

- 1. Larger System in Focus being in Liquidation
- 11. Higher level service issues

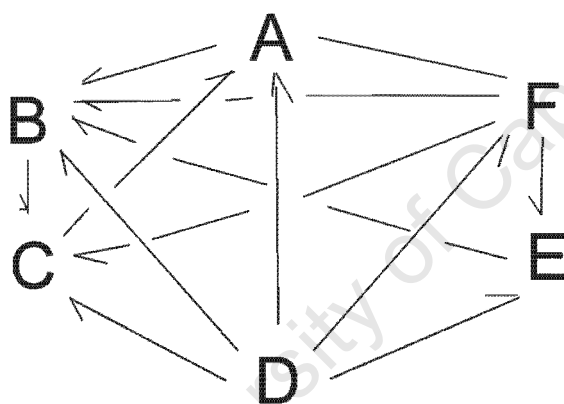
E: Threat by a Disruptive Member

- 14. Obstructive Reaction to Outputs as a Performance Measurement Review Process
- 16. Individuals Disruptive Behaviour as an indicator of an underlying Problem
- 17. Pressure on Family Relationships by a disruptive Team Member
- 18. Meanings and Opinions of a Reaction to Outputs as a Review Process

F: Outputs are Good

- 8. General Output Behaviours that provide Indicators of Reinforcement of Body of Knowledge
- 10. Output Behaviours as observations of the group
- 15. Reaction to Comfort with the Outputs as a Performance Measurement Process

Table 5.2 Affinity Diagram of the Cycle 1 Data



- A: 4 In and 1 Out
- B: 4 In and 1 Out
- C: 4 In and 1 Out
- D: 5 Out
- E: 3 Out and 2 In
- F: 1 In and 4 Out

Figure 5.2 Interrelationship Diagram of Cycle1 Data

As a final feature of the attempt to analyse the data that has been compiled and analysed the relationship between the various groups of data is constructed to indicate the relationship between these groupings. The process of utilising and interrelationship diagram is an attempt to enable the key drivers of a set of critical issues to be the key drivers can become the basis of an effective solution. It allows for multi dimensional relationships rather than looking purely linearly at Data. It is also an emergent process whereby key issues emerge rather than allow for assumed drivers to be become dominant.

Figure 5.2 shows the Interrelationship Diagram for the Data as collected in Cycle 1 of the research project. The major driver of the process is the **D: Larger System Difficulties** while this is also driven by **(F): Outputs are Good** and can be initially interpreted that the establishment of the Outputs has provided some structure in a time of uncertainty.

5.1.2 Conclusion of Discussion.

Analysis of this data is for the express purpose of applying the process as discussed in Chapter 2 regarding the methodology that is being implemented. In this context the situation needs to be assessed relative to the actions that have been taken to attempt to address the problem that has been formulated in Chapter 1. We will then discuss the brief analysis of the data as it pertains to the continuation of the research project into a second cycle. The main discussion of the implication of the research project is discussed in chapter 6. So the question which needs to be answered is whether there is justification for the research project to continue?

It would appear from the Data that the Higher Level Difficulties had a major impact on the style of behaviour of Direct Line Management superior to the area in Focus. This created a very hostile environment as suggested in an earlier pass of the analysis. I would argue that because there was no model of how to handle the difficulty being experienced was a major contributing factor.

This is supported by the position that while there was a lot of hostility and unpleasantness and even bordering on a major breakdown in relationship between the Direct Line Management and the Region, the positive attitude that was able to prevail was largely due to having a model whereby some form of performance relative to a non-emotive perspective was being utilised.

The argument is further supported by the evidence that while there was a major non-performer in the group who created serious disruption, the perspective given for the other members of agreed behaviour and standards of performance was a reason for there remaining a team in place which, might otherwise have degenerated into similar tension between members as there was between the Line Management and the region.

The evidence that seems also to be elicited is that in situations where there is tremendous instability of a major system then there is heightened conflict and a large measure of distrust. The Leadership through this phase is also most important for there to be success and it is most important that perspective is maintained that can only be done utilising the continuation of a positive attitude for daily tasks.

There are also three main reactions to the introduction and continued process of the performance measurement system. This is briefly described by the environment created where one individual is happy to develop in the environment, the other is one where a situation is created whereby the individual is reassured that their competencies are such that another challenge can now be undertaken. The third is where we see an individual know that they are not performing,

attempting disruptive techniques to the team that they are working in, and then finally breaking down as a last resort. This is a major surprise and in a way a disappointment as what was anticipated was that the process would be able to really get to develop a highly efficient system that is effectively designed and because the users had designed it there would be full acceptance.

The hope thereby would then be that an effective methodology that has been designed and well tried and tested would then be a universal approach. In this respect though what has transpired is that while it is an excellent approach to working in an environment where exact quantifiable work standards of efficiency are not always effective. I would still be able to hold a fairly convincing argument that indeed there is certainly merit in such a performance measurement approach. It certainly has a methodology of putting pressure on those whom are not performing while, concurrently, creating a space for others to develop at their own pace. It is unique to my experience that it also allows for any subjective attitudes among superiors to be nullified.

What was also a feature of this approach was that while it was introduced originally as a form of company strategy implementation at lower levels, it is robust enough to work in a very hostile environment where indeed there is still not clarity on what the strategy or direction of the company is.

The change in data capturing was also needed to be able to make the qualitative data capturing truly qualitative data that would not be panel-beated into shape by prevailing personal bias. This does not detract from the Model of Systemic Management, as its role is to clarify the process and then to also be able to further manage the process. Such failure to be able to justify the actions in a model of management would then beg the question if management had taken place and also whether any improvements in management had taken place.

The next step is to filter the actions and reactions through the Model of Systemic Management as illustrated in figure 5.3 below. The process is then done as a matter of reflection before the following cycle takes place.

ENVIRONMENT/CONTEXT:

The whole environment has remained largely unaltered in respect to the uncertainty prevailing in the long term. The actions though that were taken have had a profound response. The team has been shortened by one member as the individual has gone off to face other challenges, the remaining team has gone through quite an experience of seeing how non performance can really threaten teamwork. So the context that prevails is one where there appears to be some sanity in a mad situation.

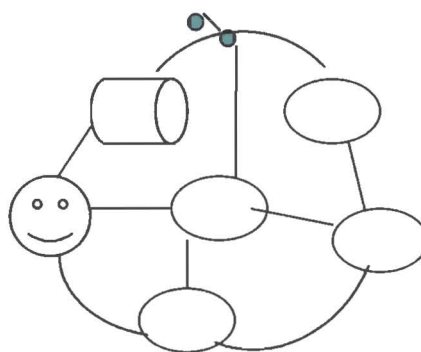


Figure 5.3 Schematic Model of Management (Fig.3.2)

PARADIGM:

The overriding paradigm has remained unaltered as it has been reinforced by the belief that in keeping with the scientific environment one finds oneself there needs to be an approach of utilising some scientific rigour to accomplishing something. The rigour here need not be the positivist research paradigm as it is appropriate to be using a research paradigm that acknowledges the uniqueness of individuals.

PROBLEM/OPPORTUNITY:

In respect to the problem as detailed in Chapter 1 this is still the overriding problem, which needs to be addressed. The opportunity that now presents itself is that the team members are indeed on the right course of action and are now in a situation to be developed. So the problem of buy in has been overcome but will be tweaked to allow for greater understanding of the methodology being used and the true opportunity is to develop the members into more complete 'Managers of their own Territory.' In respect to the paradigm in play the scientific approach to using Systems Thinking tools to assist this development will be able to be used.

MENTAL MODEL:

The Mental model that prevails is that the performance measurement system is a good one to use. It will be essentially more of the same with a few alterations like fostering more buy-in. The talents of the individuals are of a believed standard that they won't have any problem in developing new skills. The methodology utilised and the essence of the main problem area being addressed remains unaltered.

THEORY/PLAN:

The two aspects that are then going to be developed over the next few months is two fold. In order for them to become more strategic in their behaviour they need to develop an appreciation of the role of good information from their environment (along the classic lines of developing S4 in the VSM)

The other aspect to be developed is to explore the possibilities of developing the Outputs system. The objective is to bring in both quantifiable and well as qualitative measures and expand the scope of what the outputs incorporate. So the use of binary measurements can be reinforced if appropriate by efficiency indices in areas that are felt to be of importance.

ACTION:

The action is to be carefully monitored via data collection as in the first cycle.

REFLECTION:

Various levels of reflection will also take place depending on the situational responses.

In review of the reflection that took place during and at the end of cycle one it would be fair to say that both double as well as single loop learning had taken place. In respect to single loop learning that has already been discussed and the major feature of Double loop learning as explained in Chapter 4 is the change in thinking about how to implement review processes.

5.2. CYCLE TWO LEARNING

In progressing onto the second major cycle of the research project the methodology employed in conducting the research has remained unchanged. In fact there might well be a point of actually enjoying this type of research as it provides very pertinent emergent insight into the situation under review.

The cycle then progresses with plotting the overview of how the Performance Management review is done and feel that it might not be so intimidating to hold it in a regional forum. This is so that a colleague is also involved. It might make the whole presentation a learning experience as well and that there might well be acceptance of the whole process. In respect to the model of Systemic Management then one could argue that I have completed a loop of Double Loop Learning.

To this extent I am confident that the use of Outputs is indeed a very good tool of management. The format that it is used though needs some modification so that the ability to have an early warning sign of non-performance is easier to detect and highlight early and not at the expense of the group as a whole. So in respect of this I am adamant that the use of Outputs will continue but that it needs to be modified in two ways. Firstly it needs to be done as a group effort so that the review process does not overtly intimidate an individual. Also possible is the ability for shared learning to take place.

The second major aspect that must be worked on is the development of the individuals to be more strategically aware in line with the paradigm that they must manage their territory like it is their own business.

The problem as I see it is that there is a shortage of time before the whole direction of the company is changed and the major benefit to the individuals will be if they are able to manage their territories efficiently and effectively. So more development in this regard is important. This development may well also lead to them getting a feel of the importance of having efficiency ratings of themselves so that they are more marketable within the organisation.

5.2.1. Cycle Two Data Analysis

Once more the process that has been described in 5.1.1 regarding the analysis of the data is conducted. The second cycle data analysis is presented in table 5.3 as an affinity diagram. A key feature of the phase of this cycle was that there was a move of the distribution department of the company into new premises that enabled the establishment of offices for the sales staff. While this did not alter the nature of the uncertainty and the fact that the problem as established remained unaltered the ability to hold meetings in a reserved space and not to be constantly organising localities enabled the physical creation of a sales office.

If we look at the problem that was constructed in chapter 1 and look at how the data analysis of the second cycle attempts to answer the problem statement we can see some interesting results. The onus has shifted from not only getting the employees to perform through a period of uncertainty but also to perform

very efficiently. In fact the data supported the situation that the higher-level developments were even more strained as the level of suspicion and distrust developed.

There were numerous attempts to develop firstly understanding of the VSM using the Model as described by Espejo and Gill (Chapter 3). An inability to obtain successful outcome led to the point of developing an analogy with driving a car on the roads. These all proved quite futile in obtaining the end objective of developing the individuals to be able to provide and analyse important data they were receiving from the environment in order to be more strategic and to be more useful in strategy design.

Secondly the development of the outputs measurement system was also frustrated by a lack of acceptance on the part of the individuals to participate. The lack of ability to understand was carefully observed to make sure that the lack of buy in was not due to sabotage. Instead what came out was a lack of understanding for the need for the practise. I am referring to the improving of the system that was attempted by bringing in more quantifiable and also developmental aspects into the process.

This is not to be taken that the sales performance was not successful as this is quite the contrary. This is reflected in the daily Emergent Key Activities cluster in table 5.3 below. This is also reflected in the cluster of 'Performance Management in the Region' where the data that was received showed support for the utilisation of the system.

A. HIGHER LEVEL DEVELOPMENTS

1. Official Communiqué

There is a constant reactive stream of letters that proudly announce something contrary to what has been declared in Minutes of Meetings by the Management Meeting (Exco.).

5. Acknowledging Reality of Environment

The constant gathering of information took place about events that were happening around the company nationally from all sources.

9. Revelation of Source of Working Breakdown

Closely guarded opinions of people who had created adverse behaviour in the organisation were slowly sourced.

B. DISSAPPOINTING STRATEGY PROCESS DEVELOPMENT

2. Regional Strategic Development

The role of strategy is a function of the regional behaviour that has been continuous pursued by a positive reflective process that it is still good to proceed with for purposes of inclusion and also personal development.

4. Attempted VSD Utilisation

The development of utilisation of the VSM to help develop strategy as a unit was very disappointing as there was a very poor grasp of the concept. This was after it was introduced formally as the VSM and also as a analogy of driving a motor-car.

C. PERFORMRANCE MANAGEMENT IN REGION

6. Reflective Look at How Outputs Have Worked

There was a final outputs review process where each member presented there feedback on how Outputs had worked in their individual situation for the past quarter.

7. Rehabilitation of a Non-Performer

The Outputs was used as a framework for providing the return to productivity of a person who had had a breakdown.

11. A Champion Performer

In a climate of adverse conditions there are still people who are motivated to try their very best.

D. EMERGENT KEY ACTIVITIES

3. Operational Management Required

A key driver to maintaining business is that service can not be allowed to suffer for the customer and so issues must be kept running well.

8. Excellent relationship with Factory

Something that was developed as a strategy was to work very closely with the manufacturing unit, as they were able to provide an excellent source of technical expertise if and when required which was vital when dealing with life saving medication.

14. Important Sales Management Functions

Certain Basics of Sales Management processes around making sure the correct sales information was being captured daily and plotted against the expected graphs

E. CUSTOMER ORIENTED ACTION

10. A Higher Order of Association

The behaviour to a prescriber of a company product was a most interesting observation.

15. Customer Service Still Important

There is no need for the customer to suffer poor service because of the problems being experienced by the company.

F. LINE MANAGEMENT CONFLICT

12. Continuous Marketing Frustration

The direction provided and the quality of Backup from marketing is continuously inadequate and frustrating incompetent.

13. Personal Conflict With Line Management

There was no love lost at all between a hopelessly incompetent manager who had no grasp of the roe she was expected to perform.

Table 5.3 Cycle 2 Affinity Diagram

If we take the interrelationship diagram in figure 5.4 and consider that aspect not pertaining to the region (blocks A and F in the table) to be outside of the equation, then we see that the rest of the issues all pertain to the region. It may then be argued that the driver of the process is indeed Customer Orientated Action. Indeed

the fact that there is such 'disturbance' into the system makes it even more important that the customer-orientated action is concentrated upon.

In looking back now to the Model of Systemic Management that has been used as a major source of reference there comes into play the role of the double loop learning that was acknowledged to have taken place after the first cycle.

The Mental Model that was changed was that indeed the personnel in the region needed development to be able to contribute to an improved process of developing strategy. This has now been shown, in actual fact, to be slightly flawed, as the driver of improving strategy process development is indeed Customer Orientated action. The system that was designed to explain how the various stakeholders interact indeed shows that the main driver of the whole process is the Doctor or the person responsible for prescribing the product (Figure 1.3). This then leads one to believe that the paradigm that has been in play all this time might well be inaccurate.

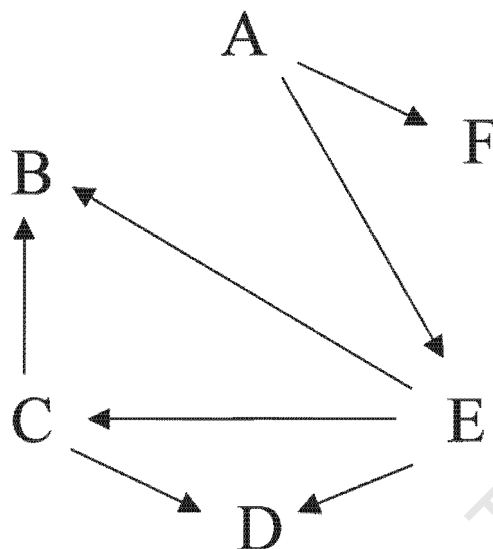
To explain the insight into the paradigm that was explained, it can be reflected upon, that the one in use acknowledged that it was scientific in nature. "Manage your territory like it is your own business" can be described as using the science of management to manage the territory. Is this the correct paradigm to be using? If we ask the question 'Who does the system Ultimately Submit to?' it is certainly not to the science of management. While the behaviours of the individuals are all scientific by nature being disciplined in the medical fraternity they are not aligned to be involved in the nature of business.

Looking at a Graduation ceremony, why do highly intelligent people in their own right all don strange looking hats and jackets and perform a ritual procession? It is because they all submit to the same driver that they find themselves in, the long established world of Academia, and thereby submit to the customs of that order.

Similarly, I would argue that the Paradigm that the actors in the case study were submitting to was that of the long established medical fraternity. I would further elaborate and individualise it to be considered as the MBCHB Subservience Paradigm (figure 5.5). The motivation for individualising the paradigm to the level of whether one is a Doctor or not can be seen in the behaviours of two of the main actors in the case study. Why would one person who had a long established relationship with a person become so subservient in the presence of their previous 'friend.'? The other subject had as her father a retired professor of Pathology. In her behaviour she quite naturally expected to get her customer's support by the fact that her father had taught the person and thereby owed her the support. When I questioned her to attempt to understand what her motivation behind her action she was actually unaware of it occurring. Another motivator for the individualisation of the paradigm is that the prescriber is the driver of the system. No other role player among the professional peers who we recognise as 'customers' has this same power.

The testing of this paradigm was also done through multiple perspectives being obtained. Two interviews were carried out. One interview was with a person who had left the industry but who was now a senior manager with a life assurance

company. The other interview was with a Director of a Private Hospital Company. The paradigm description, particularly the image of the paradigm, was considered to be most appropriate. In discussing the paradigm with the manager the first aspect that he questioned was how, in his experience, all the true experts in their own field that he had encountered were always so humble.



A: 2 Out
 B: 2 In
 C: 2 Out 1 In
 D: 2 In
 E: 3 Out 1 In
 F: 1 In

Figure 5.4 Interrelationship Diagram of Cycle 2

He then, though, elaborated to say that in a situation where there was debate about a medical topic they would become aggressive debaters. Allowing him to agree to the concept of the paradigm, as there was a 'pecking order' in it as well.

What is the impact of this assessment that the paradigm being employed is indeed requiring to be adjusted? Unfortunately the duration of the study could not be extended to be able to provide another cycle. This is then left to speculation but I believe in developing the pattern of thinking then through the Model of Systemic Management.

One would be able to continue with the Mental Model that the utilisation of Outputs was a very useful method of Performance Management. I would actually be bold enough to say that indeed the process was one of Performance Management and not exclusively one of performance measurement. This is due to the fact that the guiding principles of how the team were to perform was an inclusive approach that was shown to be useful. The system in which we were working had been clearly designed and it was used regularly as a reference point. The research also indicated that we were living up to the guiding principles

THE MBCHB SUBSERVIENCE PARADIGM

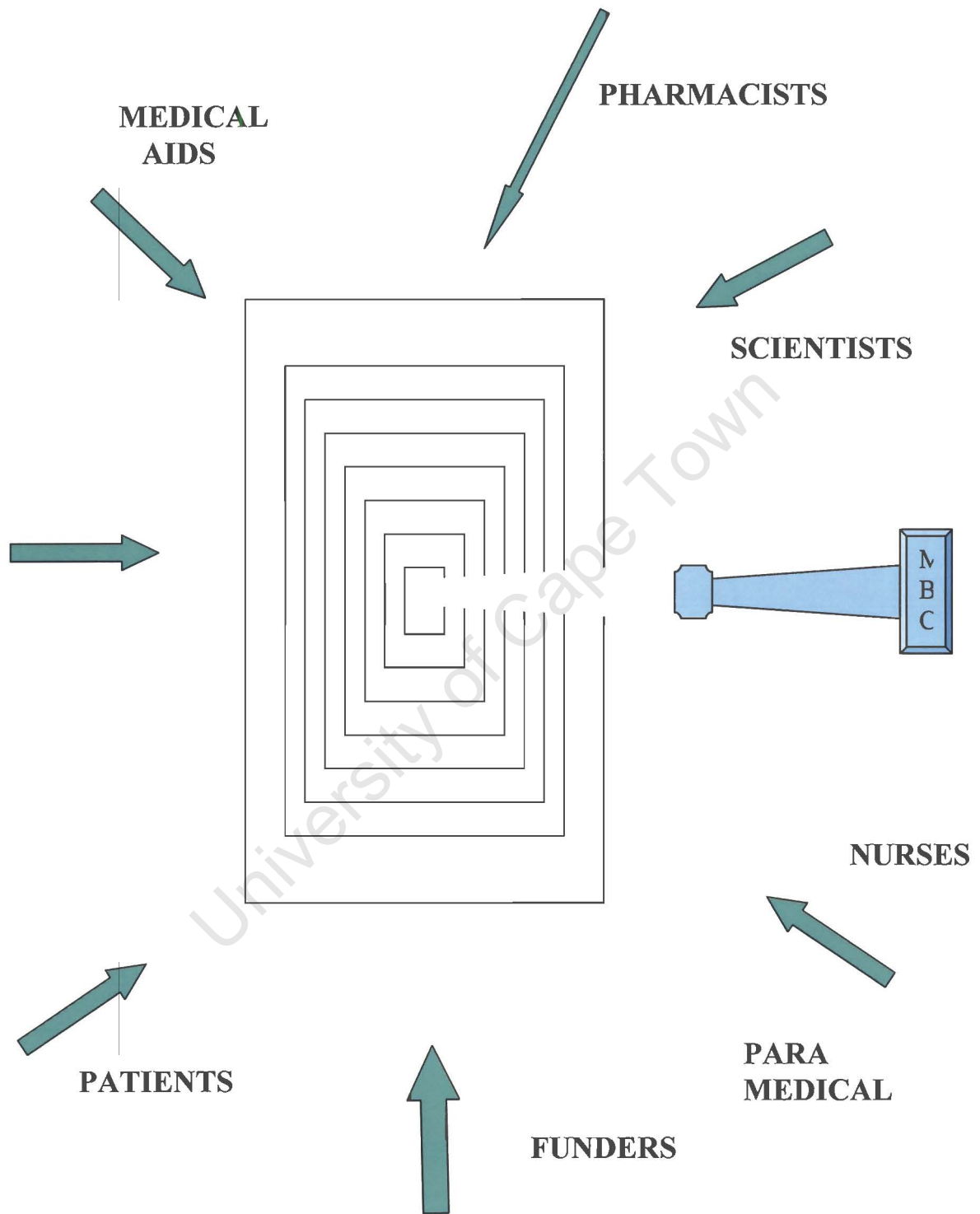


Figure 5.5 The Paradigm of the System in Focus

The opportunity, though, that is created by shifting the paradigm is opened up. It no longer is about developing personnel, utilising the science of business, but rather it is to do with the approach of satisfying and helping the Doctor or driver of the business develop better in their role as being a driver of the designed system. So an opportunity statement to the effect that one needs to be able to develop competencies, which are required by the doctor in their own environment, to be a resource to them (Dr's) is what is required. Vanguard Management Resources argues for change to occur the system needs to be changed. They go on to argue that indeed the very thinking in the system needs to change in order to achieve the change in the system. This then supports that I was not going to be successful in my management interventions because I was employing the wrong thinking for the task at hand. Only if I changed my thinking did I stand a chance of being successful.

It may be argued that indeed this is flawed thinking as Higher Level developments are actually driving the doctors decision-making process. This may be true to some extent but ultimately in an environment where a Doctor is medico-legally liable for providing an invasive product, they do have the ultimate say. It is their right to delegate the decision to another professional but the buck stops with them. It is their development and confidence in their colleagues that drives that process.

It may also be argued that higher-level decision-making processes are also impeding their freedom of choice but here one could look at the situation as checks and balances being brought into the system. The very checks being implemented by the funders of healthcare are though being designed and managed by Doctors. If we look at the establishment of Call Centres to authorise funding of treatment that a doctor was wishing to prescribe or perform initially these call centres were being staffed exclusively by nursing sisters. The funders though altered this concept drastically, when there was a major rejection of this by the doctors. They were not going to tolerate having to justify the treatment of a patient to a nursing sister. What developed was that these call centres then came under the direct supervision of a doctor who was present all the time. This further supports the paradigm design of being one of subservience to the doctor.

The key achievements of this chapter have been the presentation and analysis of the data as collected during the research project. We have seen two major cycles of learning that have taken place. The culmination has been the discovery of the realisation that the paradigm being utilised is indeed not the appropriate one for the situation at hand. Other learning's that have been significant is the benefit of the utilisation of a system of Performance Management, as well as the importance of having a customer orientated approach to performing. The benefits of using a Performance Management System has also been shown to be worthwhile in achieving desirable results from a team while allowing those performing to continue to do so while at the same time highlighting non-performers. A feature of non-performance is that inclusion in a process does not provide for buy-in of the process

6. CREATING A MODEL OF PERFORMANCE MANAGEMENT

Chapter 6 and 7 attempts to show the process whereby there is synthesis of understanding of the research that has been undertaken and that the research has contributed in some way to a body of knowledge. Chapter 6 will concentrate on explaining the synthesis of the understanding that has been achieved by undertaking this research project. Developing a model of Performance Management that has emerged out of the research project as well as utilising important aspects of the body of knowledge that was covered will reflect this synthesis. The chapter will consider the construction of the model and then reflect on the usefulness of such a model that is recommended.

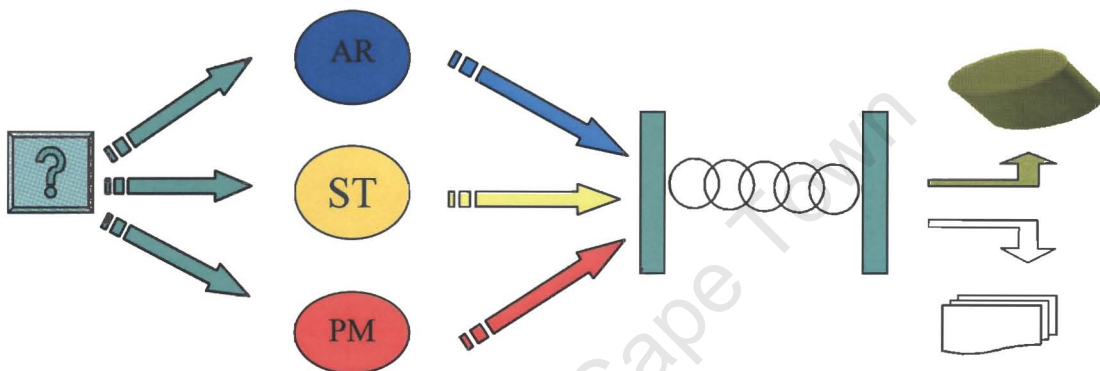


Figure 6.1 Research Project Progression in Chapter 6

The model that has been used throughout the presentation of the thesis to show the aspects covered once more shows the relevance of this chapter. The unique perspective that is presented to the area of performance management shows the identification of the contribution to knowledge.

6.1. CONSTRUCTING THE MODEL

The objective of action Research is to create a level of understanding. This understanding can be usefully demonstrated by modelling the synthesis of what has been understood. A presented model then represents what has been understood as well as to add to the body of knowledge that is already well developed if appropriate.

Shank et al insist that Measurement is not Management, but merely a component of performance-focussed management. They believe there are four critical elements of a performance-focussed management system.⁴

The first element is understanding the company's performance potential. This is structurally supported by having an explicit framework of the numerous factors that influence performance. Another feature of this understanding is Systematic, accurately collected supporting data that then tests the explicit framework that has been created. Rigorous testing of the framework is then needed; with one final feature to begin the continuous adaptation of the framework.

The second critical element is to harness the model based insights and to set goals and commitments. The ingredients needed to obtain these are: Up and down buy-in to make sure that expectations are from the same understanding; technical models converted to performance-assessment and opportunity-identification tools to be able to evaluate and how improve; a decision-driven planning process to use the performance models to focus planning on the most critical business issues; and lastly firm commitment from people to planned results.

The third element is the system that needs to be put into place to achieve plan goals and continuous improvement. The important features of this element are; decision support tools to help prioritise needs; utilisation of best practises; peer empowerment and pressure; focussed monitoring and feedback to assist in continuous adaptation and improvement; and lastly rapid self-correction.

The fourth element is rewarding performance. Here appropriate measures need to acknowledge where there is genuine influence. Discipline in application needs to show that measures are applied consistently. Tight linkage to reward and recognition systems, focussing on all types of recognition. Self-development opportunities based on the explicit performance feedback.

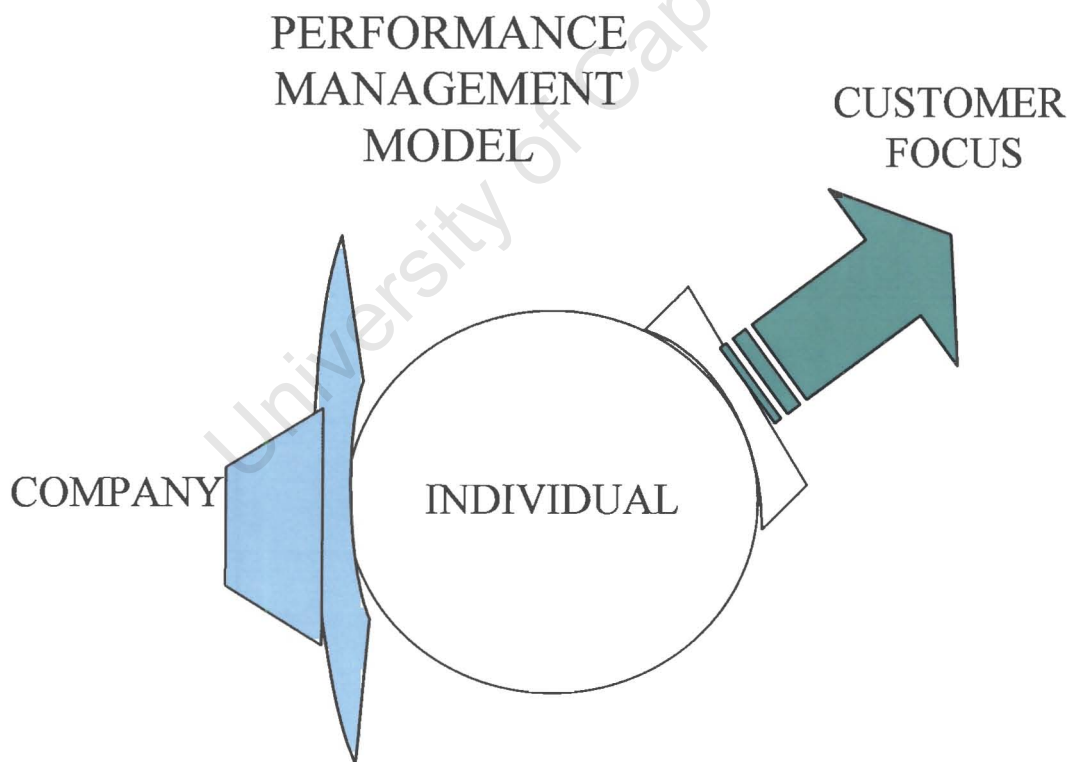


Figure 6.2 A Model of Performance Management

The model that has been developed through the construction of agreed outputs that were considered to be of importance has produced three major features. The most important part of the model is the individual that is expected to

perform. This individual can actually be the plural as it can be the collective individuals making up an individual work team. I maintain the term individual to specify the aspect that it is dealing with the people component of the performer and not some inanimate form. The other two components of the model are the Company module and the Customer Module.

The most important aspect of the performance management model is not the final features of the various components of the model but the way they are decided. The process must be inclusive and flexible by design. There may at times be a shift of emphasis between the three components but without the full participation of the individual component in the design it may well prove to be futile.

The individual design component has two branches. The first is the System Design, which has a very strong systems thinking flavour to it. The aspects of systems thinking that are considered to be important for the process are included. The second is the people management branch where the study and specific aspects of functions considered vital to optimise performance are covered.

The system design has four major components. First the system in focus needs to be designed. This is a process that is well documented but that is vital to be well defined so as to be the start point for any future development. The importance of an inclusive and comprehensively designed system in focus is imperative as any shortcomings in rigour here may lead to fundamental failure of any interventions attempted.

A model of Systemic Management Practise needs to be incorporated into the performance management design as it is imperative to have an online quality assurance system in place to not only review action but also to audit the thinking that is being employed.

While the development of the system in focus is important for helping to clarify the purpose of the system, the required outputs of the system are required to be developed. In considering the important law of recursiveness these outputs should be aligned with the system immediately superior to the system in focus. The methodology employed to develop these outputs in the research project was a SWOT analysis. Other methods of brainstorming and elicitation could though be used.

The last system design component that is important is the use of the Viable System Model. Design and development of the VSM should be used as a tool to develop the individual to be able to operate effectively to remain viable.

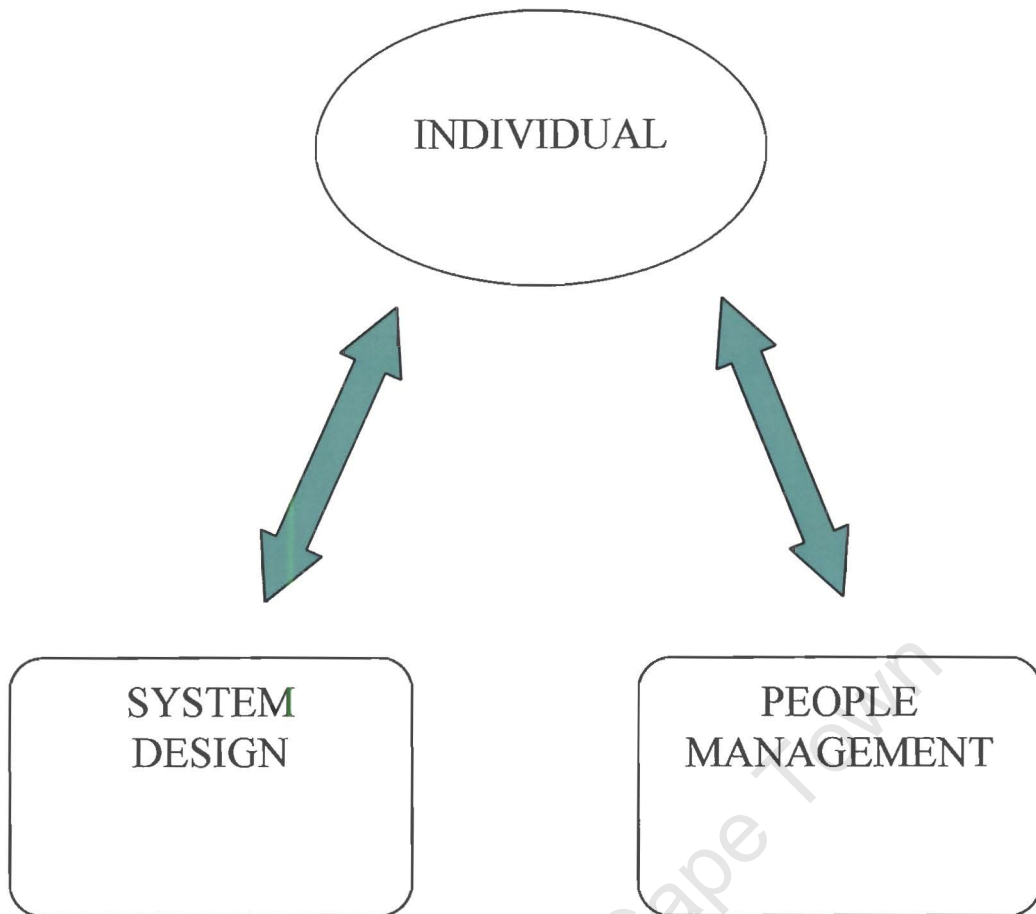


Figure 6.3 Individual Component of a Performance Management Model

The people management branch is the recognition that the influence of the actions and participation on achieving strategy is most important. The categorisation by the human resources manager into neat little 'boxes' is to me where the problem can take root. People management should be integrated and be an essential aspect of any manager's job. How the manager presses the individual's 'Hot Button' depends on numerous factors coming together.

The first feature of people management is the uniqueness of each individual. This uniqueness is where the appropriate use of Effective Intelligence may well be so powerful. Once more the condition of the 'individual' may be plural as well as a team also derives its own thinking style.

The next feature of managing people is the incorporation of the 'Four Keys' of the Gallop model. In this concept the insight of core activities that are necessary which is then transferred into something tangible.

The first of the keys is that of Talent. Talents are behaviours that you find yourself doing often and they are those intricate filters in each of one of us.

The second key is the ability to manage by remote control by making sure that the individual is well aware and capable of achieving the outcomes required of them.

The third key is where the manager focuses on the strengths of the employee. The manager must manage around the weaknesses, cast the appropriate person in the post, and also concentrate on the best performing employees.

The fourth key is where the manager needs to find the Right Fit. Providing respect and dignity for any person who is performing above their fellow peers performance levels does this. This has always been pertinent where quite often the best team member does not necessary make the best manager and so by using the upwards model of recognition is not always appropriate.

The last major function of People Management is that of having engaged employees. This might sound like it is logical but this is probably where the impact of the model might well be most pertinent. The two aspects that make engaged employees are the fact that time needs to be invested in people and the other aspect is the 'Mountain' needs to be climbed.

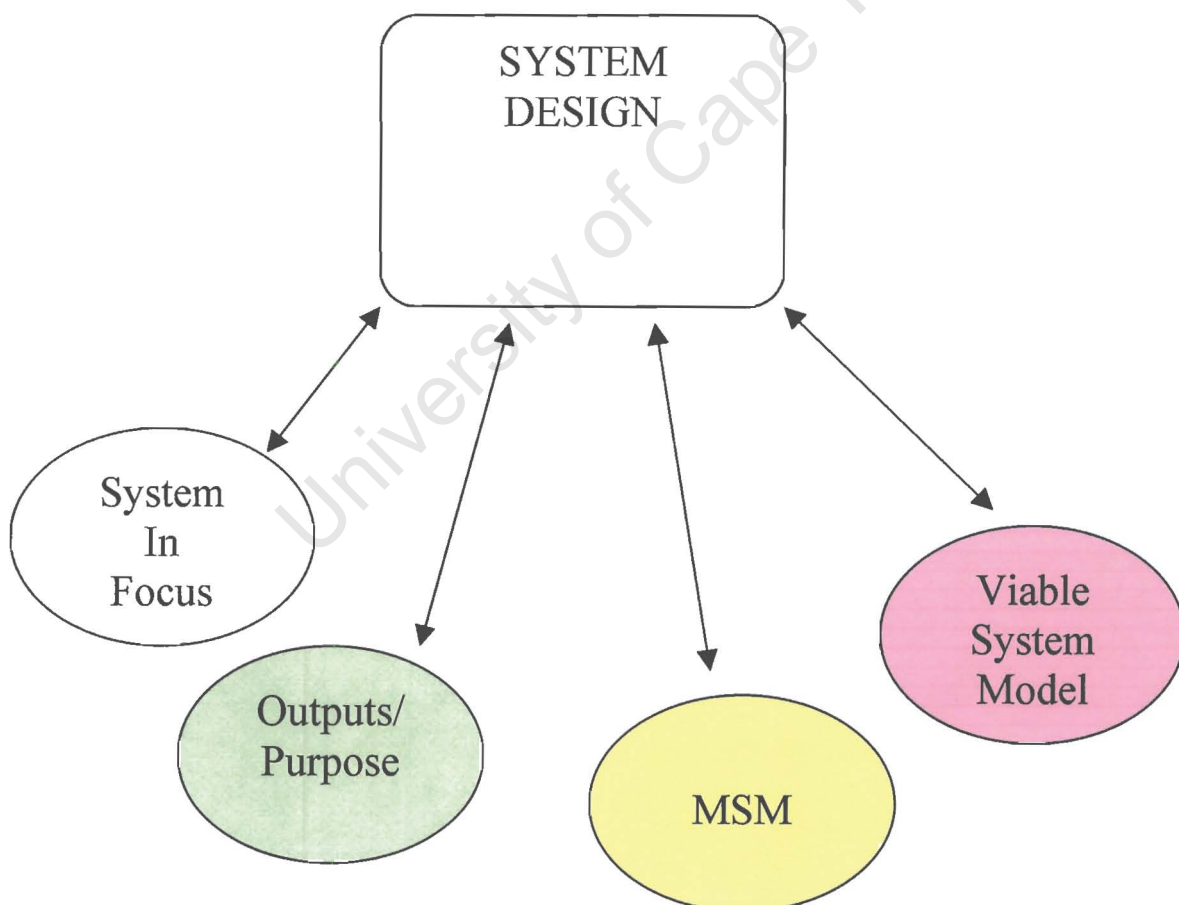


Figure 6.4 System Design as a Branch of Individual Management.

The base camp that needs to be established looks at the question of 'what do I get?' This gives the employee the knowledge required, what they have at their

disposal and what is expected of them. The Camp One that then needs to be established looks at ‘What do I give?’ The employee needs to be aware of how their peers view them and what they mean to their peers. The next camp that needs to get set up, Camp Two, looks at whether ‘I belong here?’ Camp Three, which is a sequential order of progress to get here, is all about now being in a position to innovate and influence the group positively. On reaching the summit the view is clear, and invariable the shifts that occur mean that a movement down to one of the lower camps is required.

While it is often touted that people are the most useful asset they are nevertheless an asset, which requires an investment. The only thing that a manager really has to give is time. This time is also precious so it needs to be invested wisely. The place where it will have the most effect should be the where it is invested.

The Customer focus of the Performance Management Model is designed to fit around the circle of the Individual so as to be like a hydraulic arm on a large ball. This is so that if there are major changes in the direction needed then it may be accomplished. The arm to the customer then has a base on which a concertina arm extends out to allow greater flexibility than the articulated arm on which it is attached to the individual ball. The last feature of the mechanical arm that portrays the link to the customer is a little gyrating head that is able to flex to meet the individual needs of a specific customer without having to redesign the whole customer arm.

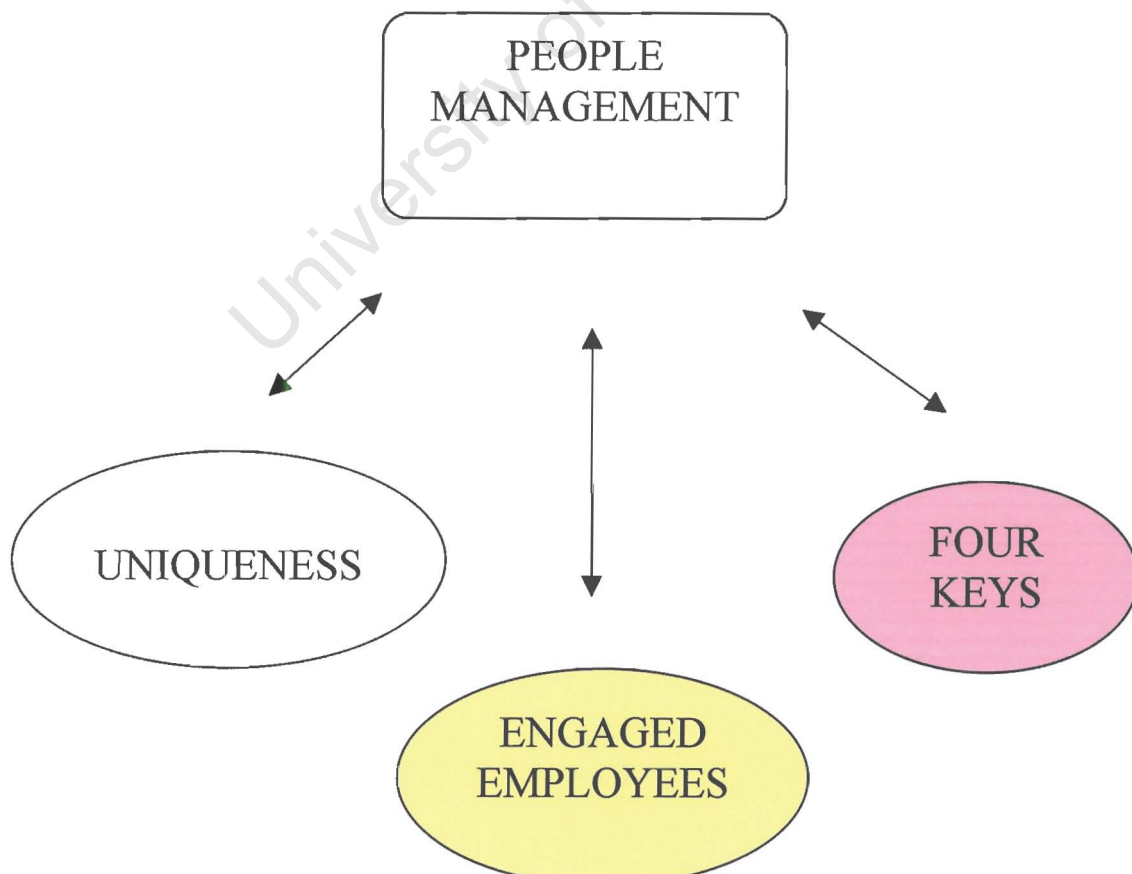


Figure 6.5 People Management Branch

There are three features, which should be incorporated into the design of the customer arm of the Performance Management Model. The first nodule that is to be designed is that of Variation. Knowing how variation will effect the demands of the customers and the ability to manage expectations of the potential of customers is a result of the study of Variation.

Defining who the customer is and establishing the interactions that are to be expected with the customers is the next nodule. It is important to recognise that the customer needs not only be the often-assumed external customers but may also well incorporate the internal customers that are vital for the individual to perform. The interactions that are established are very much related to the role of the System Four, or Intelligence as described in the VSM Model, and is a vital strategic role for the continued survival of the company.

The last nodule that is important in the Customer arm of the model is one where there is alignment between the customer and the Strategy of the Company. This is intended to create a bridge between creating the link between the customer being satisfied within the resources available to satisfy these needs.

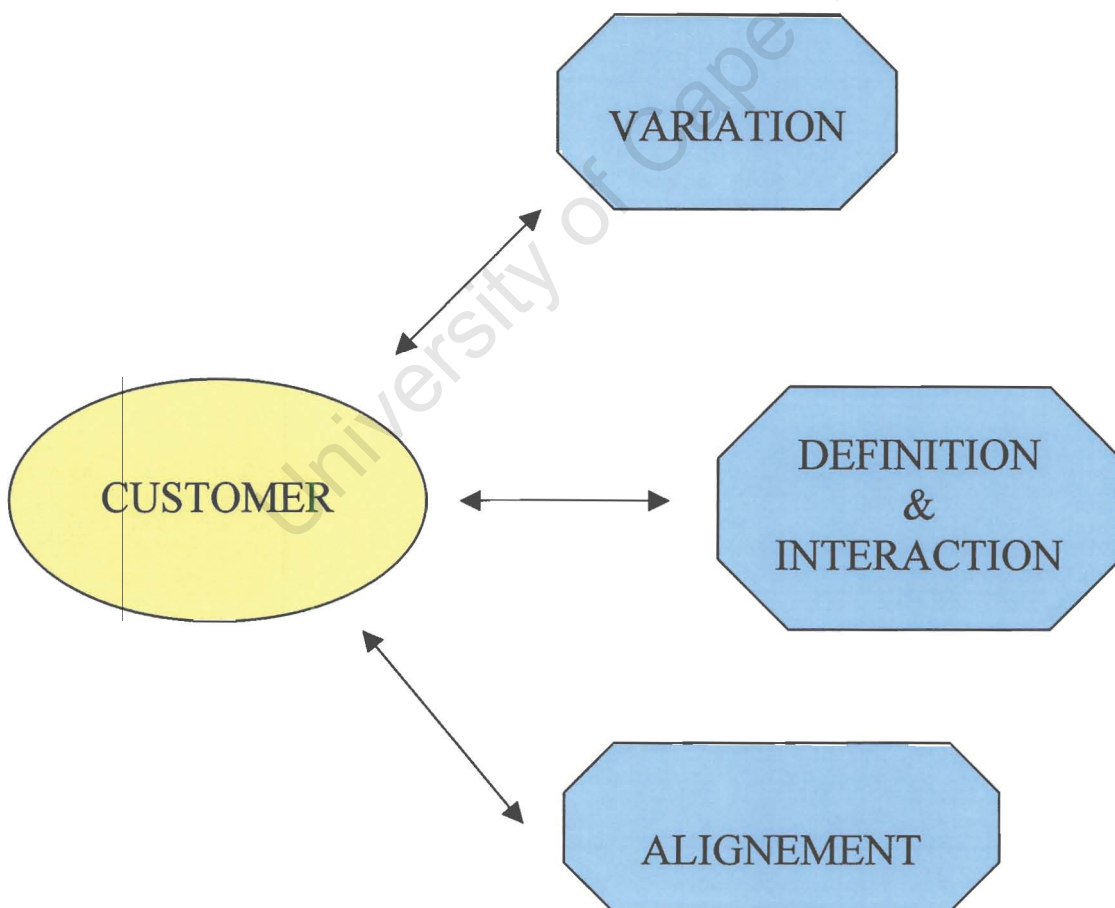


Figure 6.6 Customer Nodule of the Performance Management Model

The last section of the Performance Management Model is the important aspect of the company. Essentially the role of an individual is to maintain corporate governance. The first role of the Company portion of the model is to create the Vision, Mission and Strategy, which is aligned with the agreed Values (VSMV). The role of the Individual is to interpret the designed VSMV of the Company and then to implement them in a manner appropriate as well as constructively participate in the review of the VSMV.

The Company role that is next important is the Alignment of the purpose of the individual to the requirement placed upon it by the Company. This is an iterative process in terms of development and incorporates the Standards that are normally expected to be produced, as well as enabling Change Management to take place.

The last role of the Company portion of the model is to develop and maintain Functional Relationships. This is in line with systems thinking that maintains that the produce of a system is a result of the interactions among the parts of the system. While the functional units may not be part of the system in focus they nevertheless form an important feature of a higher (or lower level) system and functionality between the units is important.

6.2. REFLECTION OF MODEL

6.2.1. Differs from other models

The departure of this model of Performance Management from others viewed is that the model for the first time acknowledges the role of the individual in a performance-orientated organisation. The Gallop Model highlights this, as the way exceptional managers are able to be more productive than their colleagues.

In a departure from the Balanced Score Card this model does not believe that you get what you measure. The retrospective nature of a scoring system is changed to considering the scorecard like an orienteering expert would use the map and compass. Brief checks to make sure that the co-ordinates are indeed being followed but not becoming the reason for orienteering itself.

The final aspect where this model is different from others considered is that this one has evolved. It was not the design when the process was first begun to develop a model that differed quite substantially from the established norm. In contrast the model that was first implemented was the ITISA model as it resembled closest the model that was felt would address all the problems. It was indeed a model that had stood up well through a Merger and Acquisition process.

On reflecting on the Deming Model of Management the one divergence that is taken is that while it acknowledges the People Component as being vitally important I believe it encapsulates a new dimension to how to manage people. The belief that people should be entitled to life long employment or

guaranteed a job is dealt with very differently. This is as a result of the performance outputs that are a key ingredient to the model. The waning of specific outputs and the focus on talents for a new organisation are reason for counselling. This model then allows for a change process to be managed, especially from the people management perspective.

6.2.2. Usefulness

I suppose the usefulness of this model will only really be evident if it is indeed explored critically in a research project. The model certainly was very useful in managing in a situation where the textbook idea of how Performance Management should be practised was absent. The methodology of using Action Research was also unique to the implementation process as discussed by the literature. This then allows one to cynically ask the question if it is indeed necessary to have all the corporate alignment in place. In fact the rigour with which I approached the whole research project may well have been responsible for the tremendous amount of conflict that was experienced with the direct line management.

The usefulness of the model may well be answered if it addresses a few pertinent questions. Such questions could range from – ‘does the model have a built in Helicopter View?’ – to ‘Does the model manage the interactions?’ – to ‘Is there a mechanism to learn in the model?’ – to ‘Does the system pose conditions that hamper performance?’ – to the all important question of ‘Do the measurement criteria detract from the purpose of the system?’ McLagan argues that people need to be put in charge of themselves in an open arena, which puts performance management forward as a key business process and makes intrinsic motivators primary.

The question of whether the model helps to address the problem as discussed in Chapter 1 needs to be explored. If we look at the options that were available once the initial main question had been posed we can now reflect on whether this model is capable of helping an option to be chosen. In respect to the model allowing for the accommodation of the individual in a situation of tremendous uncertainty to still be in a position to perform is well documented. This must surely be the evidence that may justify the model being accepted as feasible. The limitations though are that it be utilised in a framework of being conducted using a research methodology similar to the one used in the research project.

This chapter then has been able to provide some contribution to the body of knowledge of performance management. It has highlighted the importance of the individual attempting to achieve performance. A model of performance management has been created to indicate the synthesis of what has been learnt and understood. As was discussed in the introduction to this chapter this chapter forms an integral part of the development that has taken place. The following chapter will discuss the implications of the research project.

7. CONCLUSION

Chapter 7 attempts to show that the research has contributed in some way to a body of knowledge. The synthesis of learning is demonstrated in the previous chapter and is expressed by the development of a model. The implications of the research project is now explored.

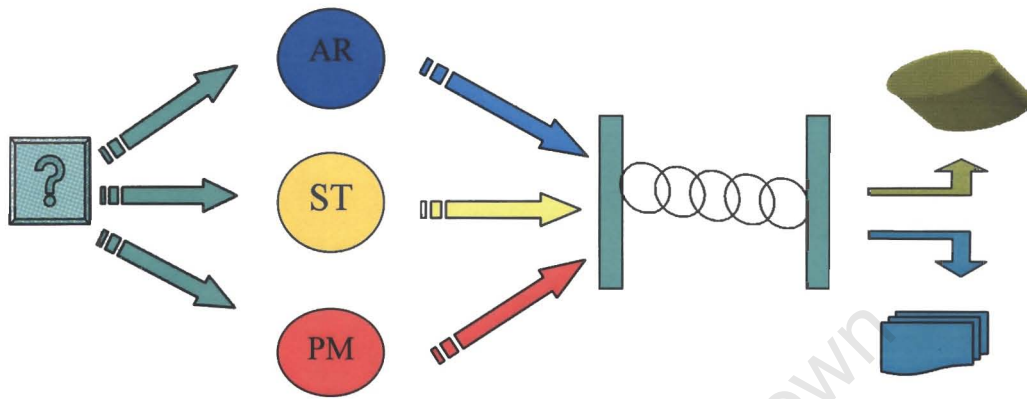


Figure 7.1 Research Project Progression in Chapter 7

The chapter considers the features that cause effective action to be carried out, how process is relevant to generating understanding and lastly a framework of reality is created to conclude on the research problem.

The research project is presented as a reflection of what was learnt. The value of this report was not really in the presentation of it but the actual development of it. The report was also a result of a process, which has taken three years to unfold and is seen in the context of bringing closure to a dedicated action to achieve personal growth and development. The research work has not been undertaken in isolation or in an academic environment exclusively. The reflection of the paper should be seen in this light considering that the environment was experiencing high turbulence and that the actual process of constructing the understanding was in itself a method of coping with the turbulence.

7.1. WAS ACTION MANAGED?

Here I believe there needs to be three fundamentals in place to be able to manage action.

- There needs to be an appropriate research question.
- There needs to be a model that creates the framework of how the action is going to be carried out.
- Lastly, there needs to be a well-practised methodology for managing the action, to be able to maintain some integrity in the process as well as being able to critically reflect on the work while in progress as well as after the event.

The appropriate question needs to be considered from a number of perspectives. In a Systems Thinking context the study of a question leads to the consideration of whether the problem is indeed complex. In other words has the problem been

around a long time and defied numerous attempts at solving it with off the shelf solutions. My experience is that there is an abundance of these complex problems out there. The importance of this study was that the application of formulating the problem was a method of understanding and restating the complexity that was present. The process of remoulding the problem into a problem statement allowed for development to take place. This can then be seen that in a situation as the author found himself a method of handling the uncertainty is to allow the process of problem formulation to unfold.

Another perspective that needs to be assessed is the stakeholder involvement in the problem. Is the problem indeed a problem when assessed from other stakeholders' perspectives? Once more the trap that is easy to fall into is to be negatively influenced by a stakeholder. This is in the context of a stakeholder having an off-pat solution to the problem and because of interpersonal relationship the 'solution' is taken as a given answer. This study has shown that the concern that the personal uncertainty could negatively influence the outcome of the research project was counteracted by the exo-skeleton that was created by using Acton Research. The reliance on emergence of the data to emerge was a reason for this occurring.

One further perspective that is most important in creating the appropriate question is the acknowledgement of the research paradigm that it is being constructed in. This could well lead to cross purposes being developed, which will ultimately cause the undeniable failure of establishing a worthwhile research question. The importance of this finding was the ultimate 'ah hah' moment in the research project. It was not possible to achieve this discovery without the triangulation that occurred by carrying out the research work.

The model that creates the framework of how the action is firstly designed and then carried out is also not an elementary process. In the light of there being numerous 'tools' in a 'toolbox' it is important that there is a wide variety of appropriate options available to the practitioner to be able to utilise the appropriate model. It is no use attempting to manage the design of an organisation without utilising the well-documented science of cybernetics to guide the discussion. One would of course use the language of cybernetics if the chosen paradigm was Systems Thinking. However, this should not be done exclusively as the use of a model outside of the research paradigm allows for enrichment of the model development to take place.

In extending the conclusion of the research problem there are a few points, which come to the fore. I am inclined to ask: is what was deduced here in this research project not merely a methodology for implementing a Performance Management Process effectively? That is that the implementation is appropriate and well implemented. In implementing a model of performance management the model allows for a number of things:

- Clarity of the end-product that is required is clearly articulated and in the case of this research model actually developed by the user. This provides for an excellent legal framework and reference point in the event of there needing to have to be some dispute resolution.

- The ability of such a model to highlight non-performers and more importantly to allow a non-performer to know that they are indeed not performing is a very powerful tool.
- One aspect that has been highlighted is that while the model allows for development by the user it does not automatically guarantee buy-in by the user. Clarity and mechanisms to understand this are required.
- The other extreme of this process though is that a good performer is able to excel in the environment that is created.
- Lastly in respect to utilising such a model it allows for a level of quality assurance of the understanding of the market that the practitioner is operating in. This is as a result of all the assumptions of the market actually being built into the required outputs and failure to understand these key issues may cause the failure of effective performance to occur.

The instance of an academic course requirement for a research methodology to be utilised should not underestimate the inherent development of the process to use a well-practised methodology. It is very easy to dismiss the years spent debating issues as being non-relevant to the development of a style of research. Therefore a base of knowledge about a methodology should be acknowledged as very necessary. I would term it a Glossary Relevance Index. In respect to a Glossary being the established ‘vocabulary’ of the area of study, or the methodology being employed to do the research, integrated into the accepted meanings that are attached to each unit in the ‘vocabulary.’ The indices would then be the ratio of the appropriateness of the glossary immersion over the time required to achieve required relevance of glossary immersion. The glossary immersion that has taken place has been a process of three years of gaining familiarity with the body of work. This is very important to be able to make sure that the ability to attempt a methodology is not discouraged by early problems faced with getting accustomed to the routines and procedures required to make it a success.

I would go further to suggest that the whole purpose of managing action in this research paper has been a learning curve that makes the author feel quite disappointed that the finished product doesn’t seem to convey the richness and enjoyment that has been derived out of this process.

This being said ‘to make meaning means to make sense of an experience.’⁶³ If we interpret the meaning and this then subsequently is used to guide action or make a decision we could say that meaning has become learning. Learning then can be differentiated between learning to perform and learning to understand what has been communicated to us. Reflection enables us to correct distortions in our beliefs or errors in our actions. Critical Reflection involves the critique of the presuppositions on which our beliefs have been built. Assumptions then structure the way we interpret our experiences.

Meaning can be differentiated into two dimensions. ‘Schemes’ are sets of related expectations largely governed by cause and effect type sequences. We walk to get from A to B but run to get there faster. They imply implicit rules for interpreting.

‘Perspectives’ are made up of the higher order theories or ‘networks of arguments’ such as role relationships. This guides us as to how we structure assumptions

within new experiences during the process of interpretation. These are the criteria we use for making value judgements and for belief systems. Perspectives provide the ground rules for interpreting. They also involve symbol selection to represent the qualities that 'best' describe the interpretation. Meaning, though, selectively orders and delimits what we learn. Experience then constructs a structure of meaning by reinforcing our expectations. This process is not only created by experience but also facilitated by reflection.

More important than elaborating established meaning schemes, though, is the process of reflecting back on prior learning to determine whether what we have learnt is justified under present circumstances. Dewey believed reflection was a process of rationally examining the assumptions by which we have been justifying our convictions. Most of what we learn is the result of attempting to solve a problem. Thereby the process by which we define and solve problems becomes the context for most learning. Reflection then becomes the assessment of how or why we perceived the problem. This may well be then that it is a situation where we decide how best to act or be a post-mortem once the action has been concluded. Reflecting on the presuppositions of a previous problem solving process is critical reflection.

If we consider then that Instrumental Learning is considered a task orientated problem-solving process there was certainly scope for this type of learning in the research project. Here we can see the implementation of the Performance Management System as being one such process. Communicative Learning relates to understanding the meaning of others interacting. Interpreting the unfamiliar is one way meanings are constructed. It may also be looked at as achieving coherence and not control over cause and effect relationships. Here we can specify the outcomes of the Action Research Loops, the utilisation of the Outputs model, the Paradigm Analysis process and the construction of the importance of Individualism of managing people as forms of this type of learning.

Validating Meaning can be considered as:

- An empirical demonstration validates instrumental learning
- A judgement of the situation and the circumstances helps validate communicative learning. Here we create an argument to attempt to justify whether the expressed idea has been judgement. These are though not made free of bias.

Ironically in a state of Liquidation as the context of the research project was embedded the premise does not really exist. Who can one trust for an unbiased opinion? Insiders are fearful of their situation and defensive and outsiders, like customers, perceive the situation as being hopeless so they either patronise one or state the biased opinion. The observation though of the inner state was considered as being one where there was a customer centric approach, open forum for discussing events and having participation by all players.

Critical Reflection addresses the question of the justification for the very premises on which problems are posed or defined in the first place. To question the validity of a long taken-for-granted meaning perspective predicated on a presupposition about oneself can involve the negation of values that have been very close to the

centre of one's self-concept. Transformation of perspective can be blocked by external or internal constraints, by situational factors, by inadequate information and skills to proceed. We become critically reflective by challenging the established definition of a problem being addressed.

To discuss the research project then we can apply some critical reflection.

- Will this research project open new and solve pre-existing problems?
- Will the feeling of inadequacy of the written report be answered by the greater understanding of process that has been created?
- One is critically reflective by challenging the established definition of a problem being addressed. Maybe by finding a new metaphor that re-orientates the problem solving efforts more effectively. As we encounter new meaning perspectives that help us account for disturbing anomalies in the way we understand our reality, paradigm shifts occur.

If I ask the question of the **why** of how I did the action research what would materialise?

- There is a fundamental belief by myself that there is connectedness and that one's actions have consequences not normally considered. Now to develop a richness of understanding of this connectedness has been explained using Action Research. Let me use the analogy of a swimming pool. When one enters the pool there are effects that occur. The generally easier effects to observe are the splashes and surface ripples. The rise in water level by the immersion is not noticeable. The little ripples or currents that are triggered below the surface are not detected. The decrease in surface temperature on the body is felt and the resultant increase in heart rate and maybe respiration is detected. One does not, however, notice or detect any other physiological changes. The hormonal system reacts, the Renal system reacts, the Urological system reacts. Even the pulse increases which indicates that the heart rate has increased but the heart rate increase is not directly detected.
- The design and use of Action research then allows for some of these parameters to be assessed and studied. Why I entered the pool though has not been answered. Was it that it appeared to be the appropriate response because of a situation to satisfy learning that had taken place previously and was considered an appropriate response for a situation to satisfy learning that had taken place via social-environmental mechanisms?
- Why did I choose to do research in the first place?
 - Was it merely to satisfy the requirements of an academic programme?
- Why did I select to enrol in a programme that is not socially 'prestigious'? Would it not guarantee me any normal 'open door' processes like certain other post-graduate business qualifications?
 - The approach of the course and the futuristic development that it espoused.
 - The promise that the answer would not be 'revealed' but the approach to explaining the right question was the captivator.
 - The appeal that this was something different and new and unknown was a stimulus.

- Was it an attempt to strategically position myself into an ever-increasing tough business environment?
- Was it an attempt to notch up another academic qualification?
- Was it a search for personal growth and understanding?
- Was it a personal challenge to be able to achieve a tough mental challenge?

Meaning schemes may be transformed through reflecting upon anomalies of one's expected 'normal' behaviour and responsibility. Similar to the feeling of being on the lip of an accretion disk of a black hole, that was described in an earlier chapter, perspective transformation also occurs in such a transformed meaning scheme. This then reaffirms the belief that Action Research was appropriate, as an action will develop new meaning perspectives that may have a profound effect on the situation. In the research project I had never anticipated the overriding paradigm at play and the question then of whether I truly submitted to the higher order or not brought into play my continued participation in the Pharmaceutical environment.

This transformation is also generally brought about by a disturbance of an externally disorientating dilemma. This has been well documented through the research project. In respect to the many transformations of utilising a Performance Management system there has been numerous experiences of having performance measures implemented that did not address the issues of aligning activity with obtaining objectives.

Distortions and meaning perspectives can be found through epistemic, socio-cultural, and psychic reasons by uncritical acceptance of another's values. Epistemic distortions have to do with the nature and use of knowledge. Such as the belief of classical rationality and the acknowledgement that there are other methods of arriving at an answer. This concept is most pertinent to the study of the research project 'environment' in that there is a very strong positivist paradigm at play in the context of the subservient paradigm.

Socio-cultural distortions are where belief systems relating to power and social relationships are taken for granted. The Role of distortion may well be seen in the approach of one of the research subjects who struggled to accept that there could be a notion of equality. With my role of a manager being one of mentor and colleague rather than a paternalistic controlling behaviour, which had been reinforced by her familial situation as well as the hierarchy paradigm we found ourselves in. This distortion also enabled one of my findings to be that while I had been operating in the 'false' paradigm I was not having any developmental success. Psychic distortions cause the presuppositions to generate unwarranted anxiety that impedes action. This impediment to action may well be seen in the environment that was described for the problem situation.

In summary then the cultural function of reflection is validating what is known. Reflection, in the context of the problem solving, focuses on procedures or methods but may also focus on premises. Reflection on premise involves a critical review of distorted presuppositions that may be epistemic, socio-cultural or psychic. Meaning schemes that were not visible are transformed through

reflection. Reflection of one's own premises may lead to transformational learning.

What has transpired in this research project can be seen as both communicative learning as well as transformational learning. The communicative learning that has been validated through critical discourse is the use of research modalities previously unexplored by the author and implemented using an Action Research Methodology. There has also been the use of system thinking frameworks to enable this learning to have occurred. The ideal conditions then were managing people in a largely unstructured environment so that human communicative study enabled validation of an idea.

Transformative learning occurred by reassessing presuppositions on which beliefs were based. This was experienced via instrumental learning in that an implementation of a Performance Management system was attempted and researched. It was also experienced via communicative learning by being able to appropriately utilise Action Research and then discover the overriding paradigm at play.

7.2. UNDERSTANDING OF PROCESS

The development of understanding the process is in a way actually mapping out the process as you wish it to occur, carefully recording it as it unfolds and then critiquing it to see if is valid. In this situation the understanding that has occurred has been that I have developed in the way I look upon a situation. The experiential learning has enabled understanding to occur.

The process of using a research methodology is indeed quite complicated. What is the purpose of this understanding of process? To gain understanding has enabled the author to put into context what would otherwise have been a big black hole with the author sitting on the kreation disk waiting to be hurtled out of control into an abyss. The first chapter highlighted some options available faced with the situation. The amount of uncertainty caused the situation to be considered, as is the philosophy of a cancer patient. A cancer sufferer takes one day at a time. The need then to embrace a process that has a longer time frame of say six-months seems to be light-years away. Would the option to manage the performance actually have been created had this process not been followed? The formulation of the problem generated options and perspectives that may well have been overlooked had the problem formulation not been as thorough.

Utilising a methodology of assessing the situation and then planning an intervention and carefully studying the effects on the situation after action has taken place was most appropriate. The methodology of using Action Research in a busy environment that has a lot of data but no explicit method of using this data has been shown to be most useful. It is furthermore a unique tool that can be used in many given situations that could improve the chances of actually improving an intervention.

Glaser³⁹ asserts that the purpose of most research is hypothesis testing. This is also most appropriate in that in elaborating on qualitative research it could be seen that

it is indeed testing a hypothesis. The hypothesis though is one of having a Mental Model of a situation, or even in the case of this research, the testing of the appropriateness of a style of thinking being employed. Glaser actually goes on to state the aim of grounded theory is that it must be explicitly emergent so as to discover the theory implicit in the data. This is indeed the richness of the process that has become evident in the research undertaken.

The contribution to knowledge that has then occurred in respect to process can be shown to be that in an environment where a change implementation strategy is being affected the use of a methodology like Action Research is justified. This has been actively debated in the previous section of managing action. The emphasis of the environment the author found oneself in that there has been a culture of disproving a hypothesis as is prevalent in a 'positivist' research and operating paradigm made this justification all the more important. The distortion that was possible can be seen as how the initial paradigm of management was initially constructed was caused by subconsciously using this distortion.

7.3. FRAMEWORK FOR REALITY

In had a humorous discussion with an educator about how my children love to play and then invariably the one starts to manipulate the score resulting in a loud fracas. The response was quite succinct. "It is amazing how the design of the scoring, or how you decide to keep score, defines the rules of the game" was the response. Is this not the essence of the whole research project that I have been undertaking? The rules of the game that were being played was actually not well understood by myself until nearly after the completion of the cycles of learning. In fact I was playing the game to a parallel set of rules that helped to mask my ignorance of these rules. This begs the question of whether all the development work prior to the start of this research project was indeed worthwhile. I had not developed the tools to be able to know what the rules of the game where I was playing. Yet I had espoused the vocabulary as knowing appropriate responses to the situation. It was only by constructing a carefully considered reference mechanism that there was any way of understanding the rules of the game I was playing. This implies that there was some assumption at play that indeed the effective behaviour was being attempted when indeed it was not.

So while measurement might well not be management the emphasis on how 'you keep score' will define the rules of the game. This emphasis on keeping the score is indeed interesting as if we look at the model presented by the Gallop Model¹⁴ it is espoused theories being closely aligned to theories in use that enable a very good manager to obtain optimum performance out of their units. No hiding behind figures or performance reviews will eliminate this need to be genuinely willing to be of service to your employees by pressing their 'red hot buttons.' Similarly the ITISA Model³ stressed alignment throughout the company or organisation with the design of the reporting criteria. At the same time making sure that without a sound set of agreed Values the success of the model would not succeed.

How applicable is this research project to being used generally? The generic structure of the model should be usable in any situation. The usefulness though would only be truly applicable if the model is used with a System Thinking

Paradigm and also if it is taken as a model that needs to be continuously tested such as in an Action Research project. The model is designed to be of use to an individual manager faced with the prospect of indeed knowing what is going on and wanting more than just relying on efficiency data that may well present a very false picture of what is happening. Having said that the model is reasonably robust, the position must be made that the research project was constructed around some specific boundaries and that the influence of the power over resources and policy did dictate the scope of the project. The model was also constructed with the acknowledgment that there was a very disjointed corporate governance aspect. The model of understanding acknowledges though, that the alignment with corporate or organisational requirements is actually preferred. Indeed the benefits of such an alignment could only possibly improve the chances of success. An interesting point should be made, though, that if there was a strong corporate responsibility factor involved in the project. Might the customer-orientated focus of the individual not have caused that the overriding paradigm at play been overlooked? This may imply that indeed the insistence that critical thinking be applied to make sure that the organisation is behaving effectively be well established prior to a sub-system aligning to the larger organisation.

The use of this research modality is that it has enabled deeper understanding of what is transpiring. Instead of sitting on the couch of life waiting for developments to decide what will happen and then react afterwards it creates understanding to behave more proactively and thereby give the impression of developing numerous alternatives to emerging situations. It goes on to create a framework whereby knowing that the data is being conscientiously gathered and then emerging with the conclusions (let the data be heard!) that the conclusions being created are reliable and not being influenced by personal bias. This is especially pertinent in the situation that was being experienced where there was tremendous uncertainty.

7.4. TESTING MODEL OF SYSTEMIC MANAGEMENT (MSM)

The usefulness of the MSM is not to be underestimated. It might, in reflection, be easy to point out that the improvement in thinking may well have occurred much sooner had the paradigm been elicited earlier. The very fact that the paradigm was considered important in the model actually led to the discovery that the paradigm was in actual fact inappropriate. The weakness of thought in arriving at the paradigm in the first place was where the shortcoming was.

The model allows for numerous iterative cycles of varying speed and time lag as one could argue that for Triple learning to occur should take much longer to occur than a simple Single Loop Learning insight to be rectified or reinforced.

In closing the system that was being studied might well have been non-viable but the purpose of the system was to make sure that the customers were not left without life-saving products. This I believe was achieved and when one considers the area under discussion showed sales growth of 10% over the same period of the previous year it was a notable achievement. When compared to other areas in the country this was double what any other territory could achieve. So not only was

the customer served but there was a smile attached as well. The importance of agreeing that a good attitude was “essential for success” was on many a day a valuable behaviour to fall back on.

The model of the structure of the thesis, which has been shown in the introduction of each chapter, clearly shows the progression of the research project. The overriding image of the thesis though is that in a period of great uncertainty there are mechanisms to cope and perform and at the same time enjoy oneself. It was a period where we just had to get on with the task that was expected of us.

7.5. CLOSURE

The final statement was an email sent to all employees and should be self-explanatory.

PLEASE TAKE URGENT NOTE OF THE FOLLOWING:

On Friday 28 July 2000, Intramed (PTY) Ltd stops trading. No Customer balances will be transferred across to Fresenius Kabi, which means that NO STOCK RETURNS or PRICING CREDITS can be done on the customer's current accounts after this date. PLEASE MAKE SURE THAT ANY OUTSTANDING STOCK RETURNS or PRICING CREDITS ARE PROCESSED AS SOON AS POSSIBLE - DO NOT WAIT UNTIL THURSDAY NEXT WEEK TO FORWARD THESE CLAIMS TO NICOLETTE BECAUSE SHE WILL OBVIOUSLY NOT BE ABLE TO COPE.

Please forward this message to any person I inadvertently left off the mailing list.

Thank you.

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APPENDIX

University of Cape Town

APPENDIX A

DIARY CYCLE 1

This action report diary is about a very unstructured process of working for a company in Provisional Liquidation. The points of departure are that there is no fixed time parameters for the winding up of the liquidation proceedings and the prospects are also totally unsure. This diary then is aimed at being able to provide insight into personal and managerial responsibilities.

Context / Environment	<ul style="list-style-type: none"> • 24/1 The company was placed in Provisional Liquidation as a form of protection against creditors due to numerous loans having been made by the Parent Company (Macmed) using Intramed as security. A credit line has been established by the company to continue operating by the creditor who had secured the company for the original M&A. • 25/1 Sales team flown to Jhb for Training and Sales meeting. On arrival at airport tickets had not been paid for & had to pay to go with expectations of being reimbursed.
CATWOE	<p>A statement that gives a Root Definition of the Situation</p> <ul style="list-style-type: none"> • (2) Customer (who suffers or benefits from this) • (3) Actors (no. of activities for Transformation to take place) • (1) Transformation Process • (6) World View - that makes sense (any definition needs a worldview - Checkland) • (4) Owners (can stop situation if they choose - Power ; resources, policy) • (5) Environment (those things that are NB but you have no control over)
Paradigm	<ul style="list-style-type: none"> • An environment that is unstructured and any eventuality could be around the next corner. (quite fun actually if you look at it) with no guarantees.
Problem / Opportunity	<ul style="list-style-type: none"> • 24/1 There is no security whatsoever in respect to working relationships / job security / vision for the company. There is very superficial talk as there is an undercurrent of suspicion. • 25/1 The presentation of the training course is very arbitrary. The presenter has not even read through the training notes (which are full of mistakes) and the form of presentation is not very inspiring. The output is a test for the next day. • 25/1 Test is not of a nature requiring understanding of the material and is down played by the KAM as not of importance.
Mental Model	
(Ladder of Inference)	<p>Observable 'Data' & Experiences // Select 'Data' from what I Observe / Add Meanings (based on culture around & personal) / Make Assumptions (based on meanings added) / Draw Conclusions / Adopt Beliefs about the world // Take Actions based on the Beliefs..</p>
	<ul style="list-style-type: none"> • 24/1 the observable data of how people behave in a past situation

	<p>determines how they will behave in future (Willem Kruger) sets a scene for distrust. (the sales director & mng team were at Macmed and based on how they behaved then is an indicator that they can't be trusted but to look after only themselves (team of 3). This has even been observed by clients who can't trust them now. So in taking actions it is a policy of wait and see and don't expose any thoughts or comments lest you are considered a danger to the 'team'.</p> <ul style="list-style-type: none"> • 25/1 All the excuses about the non payment of airtickets seemed to fall on deaf ears. Judging by the lack of wanting to learn how to improve and also the training course this is not a learning environment. • 26/1 Sales Meeting held with the same lacklustre approach. The targetted products are most strange by their choice as they aren't going to provide growth for sales - on challenging the products chosen are for an upcoming conference that they may be discussed at. The product mng responsible is resigning as she wants to persue personal interests - but in discussions she states that the role she has to Perform and what she thinks PM is are two different situations. An indication that the mng of PM is not quite desirable. FD & Production M attended the meeting and basically explained situation without elaborating much. The praising of the FD for the handling of the PL was not approved by the SD and looked most annoyed that he did not have the limelight & praise. • 27/1 The promoted products were extracted and the sales graphs were made to be able to track weekly how they were doing. Operational issues at the warehouse were also seen to as it is a starting point for finding events in the market place. AI are out of stock of Rehydration Solution - investigations into the impact will have to take place. The reps aren't proficient enough at sourcing that info just yet - prod and direct to find out. • 31/1 Very disorganised - having not had knowledge of spending capacity trips needed to be done have not been planned so final planning is mostly day by day. - an imperfect situation. Planning needs to be hastened so as to have greater direction. Reps also have not done final planning as they have also not been able to finalise travel arrangements for country trips. (virtual office has some down sides) • ½ Flu virus strikes but some nb meetings to attend just do what needs to be done. • 2/2 no work today - phone reps to check up on AI out of stock and
<p>Answer / Theory</p>	<ul style="list-style-type: none"> • 24/1 Not being confrontational is the way to go for now as there is no agreed behaviours in terms of conflict resolution & no strategic vision for the company. • 25/1 The system is such that arbitrary workers will be worked out of the system sooner or later - one PM is already going so just keep going • 26/1 • 27/1 The development of a representative to 'Manage their own Territory' is a long way off and might not be the only phylosophy that is correct. I need to individualise this as there are two contradicting responses to such a phylosophy. A solution will be sought in the next mnthly review by looking for what goals the individual hopes to attain.

- 31/1 Sales Analysis takes a long time to extract and is quite times consuming. The planning of a day is still not optimal and the level of planning might well be a key indicator of the level of motivation by a employee.
- 1/2 The day is spent ill but with some very important appointments lined up there is no way out. The impact of the meetings is probably less because of my illness.
- 2/2 Off ill - phone still rings with problems - good to be able to ly in bed and phone and get reps to help out. Feel bad about commanding people out of their routines and planned days to do some urgent tasks.
- 3/2 The only way to get some sleep is to switch the phone off from some time.
- 4/2 two days off have meant that I've got a lot to do in the day. Arrange for a special feature for sports science institute. What a pain to have to run around and bend the rules for a customer who will never by anything from us. Urgent delivery of samples for the new tender - marketing though have done nothing - they don't know their job and are useless. What is the use of fighting as suggested earlier. The monthly report that is requested is still not completed. The motivation to do it is not very high. The reason is apathy and the prospect of rework. Firstly NP doesn't really care about news of reps so it is a waste reporting on the outputs process of management that has been worked at. The other reason is that there is no format and the time spent on the previous report was not even discussed but just criticised. So why bother...maybe part of the objection procedure.
- 7/2 A full day of getting things done. Sorting out problems in service at the main tender depot. The design of the process of service delivery needs to be reviewed as the factory order clerk appears to be ignorant that her system is not what the customer wants and that they are not prepared to fill in for mistakes. This touches on the relationship with the factory that the outputs process highlighted - it is important that this is worked on and improved. A clerk working to a tight schedule is just no good when there is no improvement in place.
- Discussing the support ASH gave me from wynberg hospital we were discusiing how we must help each other. In going on I enquired about how a previous range of products that we distributed but now opened up in SA by themselves and have a terrible distribution system in place. ASH discribed how he called in the oposition rep & told her which units to go to and whom to see and the opposition product is now moving. (source of info to work more smartly)
- 8/2 Planning well and arranging my day more efficiently. Also able to turn a routine of fetching cheques into a fun event by working down through town enjoying the atmosphere to deposit the cheques
The day was also reinforced that the order man at the Family Planning store is happy to provide as best a service as possible and by having a good 'áttitude'and the world goes by easier.
Order clerk again tried to get cross with me about things i've done to correct service to cpa004.

Test / Action	<ul style="list-style-type: none"> • 24/1 Any contradicting statement is ridiculed as happened to P.A. Who dared to be confrontational and then it gets personal. • 7/2 Must design the changed service delivery for CPA004 and sell it to all concerned & play the politics right. Ash behaviour was what is explained by our definition of the system of how a rep works. □
Evaluate / Reflect	

Diary Amended

Diary from 2/7 to 18/4

- 7/2 Monthly review
- Did review with Liana at the Panorama tea room. She was quite distant and seemed to be quite anxious as if this was a major issue and she was being judged and being sentenced. She brought no info with her. Absolutely nowhere. The sales figures of customer performance was hollow as she had very little constructive comment on how the individual account had actually done. She hadn't completed the EI sheet and she was then very apprehensive to complete it. We analysed it and then discussed how her thinking profile indicated that indeed while she might appear lazy, she had indeed very underdeveloped blue thinking styles which would be an indicator as to why she hates paperwork. This seemed to relax her but she still appeared to be a scared cat. Somehow the outputs meant nothing to her and she couldn't seem to relate to it.

Colin to Greenacres - who to notify

Tammy at wynberg told us that clin was looking to go to Greenacres. This would be great as he is a big supporter of ours.

CPA Pethidine problem

Once again the sales office have lost a Schedule 7 order form. This is the bane of my life as the so called Quality system is designed to hide behind instead of improving customer service.

P/b photo's

It is funny how things repeat themselves. I have found the photo's I did of a specific objection Customers had to a product years ago and now it is an issue again. I had asked Liana to go to the one hospital (of which I have the photo's of) to do a learning cycle to get more knowledge. She said that she had but I knew that she hadn't as she didn't have a clue about the process. Such a pity as I thought that after her training programme went so well that she would be willing to try it again.

Day Hospital Invoices

The tender Customers are really becoming a problem as the clerk don't give a toss about processing invoices for payment. They blame there poor salary etc. - just do your job man.. The storemen are convinced that they are being bribed by some companies to process some companies accounts while others suffer.

- 8/2

Family planning clinic

The effort to get an order out for family planning is tremendous.

Dale visit - taxi

Dale is in town today. I don't give a hoot but I think it is quite petty just because he is sulking. I didn't get a booking for a conference party so he is 'punishing' me. Some punishment. It is just mud on his face as DD will ask why i'm not there.

No to factory visit

There has also been a big block to going to the factory once more for the reps. All it does is give them an impression that actually there is a reason why they shouldn't see the factory which is one of the world's most impressive.

PA to JK re dg & np

PA asked me if I hadn't objected to dg visiting customer without me. I told her that as far as I was concerned seeing as though we were in prov. Liquidation why fight him now when all the effort would be wasted as nobody could fire him.

- 9/2

Shirene pictures of p/b's

Sent the photo's to shireen. Not that she would actually be able to use them as she doesn't have too much of a clue about marketing. They will probably be put away in a draw. Nevertheless I have sent them and discussed with her that she could use them. She was employed because she is dg pet.

Albert G - NP

NP gave me the honour of working with her today. As far as i'm concerned i'll keep her as far away as possible from customers who count, as she can't provide any value. Took her to a tender cusotomer who is not well aligned with us and she can do her thing.

She was supposed to work the day but after the first call says buy she's going home now. Feelings mutual.

Vergelegen - Wessel G & BS

What a dissapointment about liquidation where there is such a shortage of money to develop customers. Here is a customer who could be developed but he has his reservations on us and he can't be worked.

MD phoned

Wanting to know whether I had seen DG. Told him not and then chatted. He is such a non-confrontational type he would't even ask me my opinion. He then rang off saying something about it's a challenging world we live in.

- 10/2

Monthly report. Done with much reluctance and frustration. The last all have been most violently rejected. What the hell all that will happen is that this one will also be rejected. All I'm going to do is waffle along about a lot of crap. One table of sales graphs and that is it. No need to analyse the various Product Classes and do a variance report as it isn't understood. I don't think she can read a spreadsheet.

- 11/2

Mrs Cartwright poor service history from us is her major gripe. Once more this is the formal quallity system iso9000 in place. With arrogant clerks who think they know it all because their boss told them it was.

Afternoon meeting in Rondebosch. Virtual meetings are fun because they are done in some nice surroundings. BS is really doing well and he could relate how he'd done relative to outputs what had transpired in the week. LDV sat there through the meeting nodding her head, all she could contribute was a question on when we were going to see the factory.

• 14/2

Co travel - LDV frustration sent off to do planning. She didn't have a clue today where she was going. She would say how about going here. And then when I asked her where we would go after that she looked at me and said "I don't know". At about 11am I asked her if she had planned the day and she said yes. But then we were off to the other side of Cape Town again. When I then asked to see her planner she said she had left it at home. When I asked to see her area planner she had left it at home. I then confronted her and said she didn't really have one and she replied affirmatively. We then had a discussion about what she didn't understand about planning. She seemed to know very well what needed to be done but hadn't done it. I then asked to be taken back to the warehouse as I had a lot of work to do and she was wasting my time. We set an action plan in place that by the end of the following day she would have all these in place. She then left to go home and do it.

• 15/2

NP pricing Mediclinic. Once more NP has seen a customer and promised a pricing structure and left and done nothing about it. All just big mouth and no action. The problem is they don't know the system and won't take advice from anybody as to how to get it done.

Anelda - doesn't know what she's doing. She is a very influential customer who was one of the big five decision makers on the country. Chose to go it with a small company and now is without a job.

• 16/2

NP - Mykonos. What a day. NP gets picked up at the airport. The trip out is all how bad my relationship is with her and that I must improve it as it is not acceptable. She says my performance is not acceptable. When I try and approach it from a point of view of being in line with the strategy of the company she retorts that we don't have strategy to implement because 'they' don't know the business yet. This is 10 months after they have taken over the business. She isn't able to align this at all to the fact that DG had discussed with me in November of the previous year that I must manage the territory and that Outputs was a brilliant way to manage performance and to take full responsibility for the East & West Cape. She also accused me of having not done Key account Mng well at Mediclinic but refused to accept that I had been expressly told that NP herself was the KAM and that I must leave it all to her. She also brought up that I was being punished because I hadn't organised the sponsoring of the party at Mykonos. She refused to accept that I had been told in December and early January not to spend any money as we were in liquidation and didn't have the money. This discussion went on till late in the evening and I was at first discussing this with a brick wall and then it was just a waste of time even trying to argue. When it came to discussing the presentation the next day we were giving to the group she was aghast that I had prepared a talk with overheads with graphs and that there was a theme running through the presentation. She wanted to know how I had done graphs - as I said that for me it was how I always did my presentations and monthly reports but that her and DG didn't like graphs. She replied that they loved graphs but didn't know how to do them. This knocked me flat as it is so basic and when I enquired why she hadn't asked she thought that I would never be able to.

Final Liquidation

14 March announcement - the story goes that because the Provisional Liquidation had been extended twice it was not legally possible to do it a third time.. The story goes that we will continue operating. Taking everything with a pinch of salt I think a contingency plan need not be in place. NP when asked doesn't even consider the effects of a final liquidation going wrong and the impact it will have on customers. Oblivious to this it is so frustrating. An immediate effect will be if we indeed don't obtain operating finance to continue manufacturing.

- 17/2

Mediclinic NP sulks today and isn't there for breakfast. Funny I had a most enjoyable hour with all the Customers as they had their breakfast. It is truly a pleasure to have such interest in you and your company and by such fresh people that you don't normally see even at work. This is truly one of the finds of small conference attending the value of a breakfast. The presentation by NP is absolutely boring. She surfaced at about 9am and claimed to be very nervous. She went on lamenting to the audience how nice to be to work at Macmed - and this to a group of people who led the boycott of Macmed trading as they had been lied to by Macmed management - what a bit of a blunder. She then went on to praise Adcock Ingram and what a good company they were and they had been trained by AI so they (the 3 trio I suppose) knew what they were doing. Big Blunder No2. She then announced that we were in Liquidation. But that there was nothing to worry about. This after giving 2 Big Blunders and getting the customers really behind you. She couldn't see their anxiousness on supporting us in the future as she then asked for as we were after all still trading. She had blundered on for so long that when it was my turn to speak all I did was put up a picture of a Jet flying through a cloud and without much ado invited them to have tea with us as my 15 minute presentation had been used up. This was a bit of humour as well to try and make light of the situation. At tea just after this I was praised as having saved their tea time and that they appreciated this. Also there was a lot of discussion as to how we were personally keeping on going as well as the effort it must need to motivate people to continue working. This was replied as such that each employee was actually truly great in doing their best in such a situation.

Afrox west coast. BS joined us afterwards to go to the Aprox West Coast Hospital in Vredenburg. This was arranged by myself as when I was doing KAM I liked the opportunity to see the remote customers in a specific hospital grouping. What was amusing as to see NP not know the systems that were in place in an Aprox Hospital. The computer system they have actually restricts the ordering of products not on the companies formulary. This really amazed me as I had been told by her so many times how she knew so much about Aprox nah. Nah, nah blah, blah. This to me was a basic she should know.

- 18/2

Kevin Reference - I sent off a reference letter for KG today. He had worked for us but because he dared to say that he had been promised something and then DG backed down from his promise and told him was no longer welcome in the company and that he might as well find alternative employment, which he subsequently did.

Heparin Complaint- Groote Schuur today again had a complaint on Heparin which they did 4 yrs ago about it not working properly. I tried to direct BS to be able to investigate without doing it myself as it would be a learning curve for him. It would also allow him to test run the Format that I had designed to help reps do product

complaints. He is also willing to do this. If I go he will sit back and let me do all the enquiring without doing it himself.

- Weekend - LDV phoned again to ask absolute trivial questions again.
- 21/2

Braun maybe - Ralph Hartmann is the man who has been the driver at Braun to look into buying Intramed. I haven't met him but hear that he is a very capable and able manager who people really respect and like.

HM don't know what's happening to them, as they are also looking to move on and become dedicated distributors.

QFD service is a format that I worked on today. It really is a good structure to be able to construct in a framework so that people can pick up what's going on fairly easily.

Tracy chat - TM phoned today to say that she had been offered a position with another company to open up the PE office. She left the discussion with me thinking that she wouldn't take the job as she enjoyed what she was doing at Intramed.

Jenny Business Unit Mng- Elaine phoned me today to enquire what was going on as JD had told her she was becoming a business unit mng in the company. Oh well who knows maybe pigs can fly.

- 22/2

Rawsonville prison - Asked today to get the prison to provide details as they want to open an account but haven't provided any payment details. They have no idea who pays or authorises new accounts. Scary trading conditions when one considers that procedures in place to prevent corruption.

NP m/c pour bottles.- she was going on again about it would be our problem if we lost the account. After sending an email to say that we can't afford sloppy service all of a sudden it is my fault. Get lost.

Co travel - Liana What a day- still nowhere near a useful person. Something must be wrong. She walks in with her diary and nothing else. When she is asked a question she looks at me as if I must know the answer when she has got all the details in a file and has just not come prepared. I let her in knowing she didn't have her file to see if something like this occurred. Absolutely not phased by it.

Prof wicht appointment once again doesn't have her product details with her. She just looks at me when I enquire why she hasn't got it. Didn't occur to her. She was asked a question and she just looked at the customer as if she hadn't heard anything. Is it nerves or something??

The call to her favourite Customers as well she starts talking and can't answer a question posed to her. - strange! When I ask her if she has a problem later she denies anything and starts discussing rugby. There seem to be periods when she is very lucid and other times when she is on another planet. In bridging her work to the outputs she is required she just nods and says it is going well and that she has no questions.

- 23/2

N1 City Mariette - Yesterday seemed to be far better with Ldv but today she phones to say a customer won't buy because of a product problem. This is apparently recent but on investigation the customer hasn't bought for 3 months. It is then that the customer has been ordered not to buy our product. We visit the customer and she won't commit to anything but says it is

Eerste River - We are once more in discussion with a Private hospital to use us.

DG in CT. Once more I must be the bad boy because I am not given an audience with the bossman.

- 24/2

Transkei depot-

Tracy talk - once more TM is toying with going. She also is a vital link in the Directors office as she is big mates with the FD. Everybody also chats to her about developments and she is very informed and also passes on a lot of the office talk.

Greg N1 City - a long chat with GB at N1 City about his business and where it is going. He generally makes the rules in the hospital unless a doctor objects and then he will make an allowance. So the role of the eDr is still very important but it must be done with co-operation with him. LDV just sits through the visit and nods all the time.

IHP Mr Blaauw we are told today that the hospital we are trying to get is going to a hostile group based in Durban.

Durbanville - special service adrenaline - we must today ship in a lot of adrenaline for a patient at the hospital. Sent LDV to find out more details so as to ensure continued service. She came back with a figure and it had to be checked whether it was boxes or eaches that were needed. Strange as she should be able to differentiate as she has been around long enough.

- 25/2

Learning cycle - paxical - A task that had been set was to learn about a product that we had on our catalogue but of which we sold very little. Strangely LDV couldn't recall how she had learnt her products when she initially joined us - the programme of accelerated learning. BS was not interested in the product at all as he didn't even know what questions to ask his Dr's to learn more about the product. With antibiotics he is fine but anaesthetics he isn't sharp.

- 28/2

Petrol Claim Form - Ldv presents her petrol claim with no reference to the petrol claim form she is supposed to do it on. Am I really such a terrible explainer that she doesn't know what to do?? BS as always presents his expenses very neatly and all accounted for.

Liana lapsed - today she went in for a lapsed - not a problem at all she says and will be back at work tomorrow.

Melomed Shiraaz - called in to see a new buyer for a small group of hospitals. Must treat this carefully as anything I do will be blamed on me - whether I get business or lose it it will be me defying orders. I don't really trust him so I promise nothing and agree that we must formalise this later and I then report back to NP everything that is said and done.

- 28/2

Sideline Uro surge - a meeting today with an ex-colleague of mine who has built up a nice business with an exclusive range of products. What would be great is if I could get a franchise where I manage the business here as he can't afford me.

Bayview - once more trying to get DG to agree to a pricing structure for a hospital which he hasn't had anything to do with is futile. All we need is to get the decision maker to the factory so that he will see we are not Mickey Mouse. He prohibits it. I believe it is because he won't be able to gain any credit out of it.

Meeting today NP is on the phone to me telling me what terrible relationships we have with our Customers and the customer in question is on the other line asking us to sponsor their strategic meeting. What a joke.

- 1/3

Namaqualand - Namibia!! All LDV can say on our business trip to Namaqualand is that she has told all her friends she is going to Namibia and they think she should fly. I explain to her we are going to Namaqualand. She repeats the story about Namibia over and over. Her other stories are about her troubled relationship with her brother and her father. Her step father is very much more her role model but even he lets her down as he is known to be a very sick depressant some times. She also brings up her mother and her leaving her father when she was 4 yrs old. This appears to be very unsettling for her. The bookings she has made for the hotel are a problem and there is no room for me.

- 2/3

Namaqualand - She is a bundle of nerves and looks rather green. Once more all she can talk about is Namibia and her family troubles. She is very quiet with Customers and doesn't even think to try and get orders or sales patterns from the Customers. The afternoon she claims to be feeling dizzy and sits in the car. It was great to be back in a territory which I made my own and with whom I know almost everybody. She can't eat supper and says she just needs to rest.

Eerste River - Mike Gibbons we get called in a frenzy to react to the hospital as they need to buy in stock to keep the hospital going as all the stock has been removed by the previous customer. BS is able to react for us and he is experienced and quite able to handle the crisis for the customer - nice to have him around, also NB to have somebody in the territory all the time.

- 3/3

Meningitis get woken at 4.30am by LDV claiming she has meningitis and she must go to CT. We leave at about 5.30 as I want her first to sit up a while and drink something. Yesterday she vomited after swallowing a handful of vitamins and I don't think she drank or ate anything else all day. She claims there is no ill effects from her lap scope and that it is definitely meningitis. Well you can't really try your luck with somebody's health but I still think she is talking nonsense. She can't get an urgent appointment with her dr which makes me suspicious as why would the Dr palm her off and tell her to come in the afternoon. Something is strange about this. BS gives me a lift from the warehouse home. He then tells me, after I say I don't know what to do with her anymore, that she has been pestering him at home and during the day all the time. His wife is convinced she is having an affair with him, or even madly infatuated with him. This is exactly the same pattern as has been done to me in the past weeks and which I have since put a stop to. BS says that he has also told her to stop it. I wonder who she has been calling then. This reminds me that she was complaining about a cell phone bill being in excess of R1,000 for a few months and that she should be allowed to claim more than R 550. I had told her that she must manage her resources accordingly and manage her bill, but she got that long look when I was discussing it with her.

Side Line business is certainly a tempting option.

- 4/3

Newlands - once more we trod off to a customer who you almost know will never support you. It is funny that I have tried for years with the customer but NP is insistent that they will swap because of her relationship with the ladies.

Sales figures the weekly update of figures by customer is given and it is seen that the LDV territory is not doing that well. LDV it turns out was suffering from dehydration as she had been in such a state about going away that she had not eaten for days. She is now really becoming a problem and it is certainly tempting to start an exit programme.

Qtr Requirements

- 6/3

Tracy Resign - Married - after getting married TM has decided that she wants to take on the new challenge and move on in her career. I'm worried that it is a decision forced on her by her new husband who is a bit obnoxious. But after discussing it with her and eliciting with her that she has made up her mind what can I do but wish her all the best of luck.

Liana - co travel - absolutely nowhere. We did a performance measurement review and I actually called it short as I saw that all that was being elicited was that she didn't know what was going on in her territory and that she was only too well aware that she was not performing. She claimed to be in perfect health and that she just needed a weekend to rest and recover and then she would be firing on all cylinders again. What is the problem as I am very tempted to work her out right now. The balancing forces are that she has an intelligent brain and also that she has shown on the past to be an able rep.

- 7/3

Petogen order lost - once more the famous quality system has let us down as another order has been lost for the tender customers

CPA - business has been very good as we are now well liked at the CPA headoffice and our service in the past year has been much improved and this is now acknowledged. I take credit for having been able to shake up a few mind sets and getting things done.

- 8/3

New recruit - PE - NP insists on seeing how I intend to recruit for PE. She was mind blown when I emailed the advert through and to her surprise I was able to put in competencies required. She had never thought of competencies before or how to work with them. What had she done before I wonder??

250ml Fluid Challenge Balsol - who to get to work, as this is a product improvement aspect. Going direct to the regulatory affairs will only land me in hot water and even copying them will be a problem. Oh well process it and cheers.

Mike Gibbons Eerste River - He is so grateful that we can help him.

- 9/3

Worcester - Liana no appts - Hennie only. LDV claims to be well known again and she is a fitting fit. So off we go to Worcester and her grand plan of getting big business. We get to see the pharmacist who she is convinced will decide to give us more business. Well true to form nothing of the sort as he is spineless and doesn't make decisions but only fills scripts that Dr's prescribe. So now what is her next step. I don't know she says. What have we done in understanding our business. She once more looks at me!!

When I explain the sales system she says yes she understands that and so?? Doesn't know that it now means she has to detail all the Dr's who practice at the hospital to increase business and that the way to go is to priorities those products which her intelligence source has highlighted are the one's easiest to get in. She doesn't understand the "intelligence source" she says. The pharmacist who gave us the products she should concentrate on and who were the main drivers of the products. So I walk around with her making appointments. She does it in a manner which is almost desperate and really is humble in the Dr's waiting room.

NP - JK accusations - phoned and asked why I had complained to JK about behaviour of DG. Seemed puzzled and told her that as far as I was concerned don't give a damn what DG does. Any dispute is done with a viciousness of a demented witch - shame.

- 10/3

CCMA - WC was dismissed and as I was the chairman of the appeal hearing I had to give a report into the CCMA.

Jooste 200ml AI we now discover that basic work like checking to see a tender customer buys our products on tender aren't even done by LDV

Newlands - PH still plays hard to get and even though NP goes along to get them walks away empty handed.

Eerste river Mess as LDV seems to be getting up to her old tricks of saying she has been to a customer and she hasn't

- 13/3

PE - it is weird having to take over a territory from somebody who has done it for so long. What a professional TM is as she hands over all her customers and is able to give a concise wrap up of what needs to be done. Years sometimes in the same post as a good thing.

- 14/3

Pe fresenius announced. News today is that we are being bought by Fresenius. It is good news for the company as it is needed that there is a big supporter and also that all this crap should stop and the pettiness should be stopped.

- 15/3

Garth - does his bit to impress and tell me what he can do for the company. Shady dealers are scary but you can't chase them away in case they do land a big supplier and then they can hurt your business quite badly.

- 16/3

Mr Kipping + DG - what a waste as we go and see a customer and unashamedly all DG wants to do is make sure that the person calls on the tender board favourably. It is also detected by the customer and he is quite put out about it that he can't have called on him before.

RT299 is the tender that is at stake. DG assures me that the start up company who can manufacture at much lower costs will not be tendering. Yet I've been told the opposite. Netcare Braai - Scenarios what a joke. Here is the bossman and he is too scared to say boo to ID who is probably one of 3 most influential buyers in the country. The two are around for a while and then duck.

- 17/3

Matron Brink we see and what a lovely lady she is. Nice to have good customers. Innus P/b and all the promises that are made to keep the business. I wonder how much of the promises will be carried over to action

City of Tygerberg LDV is not available and so have to go and get a product complaint from a customer.

Dg & NP leave for the next port and thank most profusely. Probably will just use the previous night to their own advantage as they had tried to prevent us from going it now transpires.

- 20/3

SASA ?? - what arrangements have been done nobody knows SE the organiser tells me we have tried to cancel our stand but they have refused. Oh well what do you expect. Pa tells me she has been fighting and that DG has said we can't spend a cent there. Doesn't surprise me as he is probably sulking again. That famous statement - I don't know the business and when I do urgh

Cheque City Park Am once more told that we were actually not really wanted by NP to be present. What a joke.

- 21/3

Zenith Neophedan the ability to expand business by regularly calling on Customers is once more shown.

- 22/3

Brian - George Mossel Bay What a pleasure to travel with somebody who knows what he is doing and gets on and does it.

23/3

George - Getting respect from all the customers is great and there really is reward after long term success.

- 24/3

Discussed with Pm how I saw the future panning out. If DG got his way and his strategy he was employing what would occur.

PA on the fight again as she tries to battle DG head on.

- 26/3

SASA - complaints are received and it is almost a waste of time as LL just has a few smug answers and that is it.

Cocktail Party the previous evening they behave as if they aren't going and then pitch.

- 27/3

SASA goes well and it is good to be involved in a group of Customers. Just such a pity that because of indifference we can't do good at this conference.

Invite to Jhb - we are told that we are going to Jhb to meet Frezenius next week.

- 28/3

SASA

NP & LL gone after telling us how hard they work. They just disappear.

Reg001 lost again

DrS tells us how there are big development plans in place for George. We discuss but realise that without DG being in on it we will not get any business there.

- 29/3

Told that the liquidators won't fly us up to Jhb for the visit. I don't trust this excuse and phone certain people and are told that there was no problem and that in fact DG has blocked anybody but LL, NP and Dg from having anything to do with Fz. What a joke.

- 31/3

Year End We finish and we finish well ahead of budget YTD

Telephoned JK - Future as I am worried that they are influencing the future of the company and they don't even know what is going on with the business.

- 2/4

Phoned by CDV who asks me if she is dreaming or if indeed DG is conspring against the factory for hos own good. I confirm that it is his strategy to protect himself at all cost and she relates how htey turned on the charm to impress tha bosses and that it was purely by chance she was present and got the invite to have some input.

- 3/4

LDV - Valium call at 8.30 am and it is LDV. Check on the other phone with her mother if It is safe to let her go to sleep on valium - she confirms. She says her life is no longer worth living and she resigns. Well it certainly had now come to a head and we'll investigate it shortly. Tell BB about the incident and she confirms that LDV has been plaguing her with calls recently so her behaviour hasn't really changed.

Integration Committee - it is announced today that there are integration commitees that are to be used to merge the two companies. A positive sign that there will be some constructive M&A as studied by myself.

- 5/4

Liana visit She accuses me and B of having let her perish on her own and that it was not to do woht anything else. Then she admits to having personal problems and the obvious route was to expect us to look after her private life. She promises to go to therapy and we might consider giving her a second chance. But she must first get well.

- 7/4

Anelda - B/day She tells me that live is great on the outside and that she is still positive about doing things

Balsol - test results we are told that there is a problem with our product. I break the theoretical route knowing that I am wasting my time and off I go straight tto the CA mng and we get working on th e problem right away. Of course I will get phoned to ask why I have excluded them

- 10/4

PE lunch M & PM what a great day it is to spend time with people who aren;t scared of there posts. Impressed at the ability of myself to get info and also to put it inot perspective and also to sum upi strategy and scenario plan.

Scary news that all the integration committee is about is an implementation committee and that YE can't be trusted at all in his battle with BM and JK. So it looks like DG is going to get his head above and survive. It means that I'm out of here in a voluntary seperation.

- 11/4

PE Customers are still not getting great service out of the quality system

- 12/4

Umtata what a day having an argument with her lady NP. She is just so thick it is hard to keep a sane mind and keep it in perspective.

- 13/4

PE customers are still doing ok but the EC depot is falling apart as the people just resign and htere work lies unattended.

Integration Committee - more sad news on the process as it looks like all the people on th ecommittee are being told how it will appen and the company will be split into two. Sales & Marketing and then a Manufacturing entity.

- 14/4

Call from C to put things into perspective.

- 17/4

Pension Fund decision we have to make a decision on our pension fund in 48hrs. What's more there are alternatives but the decision relies on openness and all of a sudden people have realised that it is to good.

- 18/4

PV Info system- eventhough it is not looking promising the fact that we must still continue in the hope that it turns out favourably is also important so that if it does we have not lost time. Called on a customer which is actually a KAM role but because nobody up there appreciates the impact a new computer stock control system will have on service delivery I am doing it. Technology has always been a big Threat on the horison and for me to look into it is also fro personal growth.

Alexander Folbes what a waste of time It is aslmost as bad as saying trust me i'm a dr. You have make a decision but you also ahve to look at implications.

LDV comes back t work only to tell me she is going home and has been booked off till May 1

Easter Weekend holiday

Two Oceans

Johanesburg till may 1

Plotted the overview of how the Performance Mng review is done and feel that it might not be so intimidating to hold it in a regional forum. This is so that a colleague is also involved. It might make the whole presentaion a learning experience as well and that there might well be acceptance of the whole process. This I feel is importatn after looking inot the phylosophy of the outputs and the balanced score card approach. It is nevertheless difficult to implement a system of mng practice while also being aware that there is a shocking strategy inplace and that the use of a balanced score card was intended to be able to help implement company strategy.

- 2/5

What a glorious holiday it is strange to think that after 3 months you need a holiday. LDV started again - looking better. Discussed what she is going to do and get her planning and organised.

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New warehouse is required. It is selected but it is being delt with by PE. What is of concern to me is that there mustn't be an interruption of service to customers. When it will take place is still to be decided.

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Having an office is a novelty. It is great that now LDV can have somewhere to feel at home. She will probably moan about the lack of furniture.

- 16/3

The EC is still going strong. BS has a few problems in Gearoge - we'll have to investigate as it is a chronic problem. LDV still in good spirits and is still organising the Action Cricket. Asking more intelligent questions too.

- 17/3

Service via the great quality system is still not great in East London. List of problems will be sorted out.

University of Cape Town

Appendix B

First pass analysis

CYCLE ONE QUALITATIVE DATA CLUSTERING AND ANALYSIS

Larger System in Focus being in Liquidation,	Direct Management Behaviour and Leadership	Impressions gained from working with other managers.
<ul style="list-style-type: none"> • Provisional Liquidation • airport tickets had not been paid • praising of the FD not approved • Very disorganised • shortage of money to develop customers. • Virtual meetings • Final Liquidation • doesn't even consider the effects of a final liquidation • chats to her about developments and she is very informed and also passes on a lot the office talk • bought by Frezenius • company as it is needed that there is a big supporter • how I saw the future panning out • integration committees • A positive sign 	<ul style="list-style-type: none"> • no security whatsoever • very superficial talk • behave in a past situation • look after only themselves (team of 3 • observed by clients • Sales Meeting lacklustre approach • aren't going to provide growth for sales • no strategic vision for the company • no agreed behaviours • marketing though have done nothing • contradicting statement is ridiculed as happened • dared to be confrontational and then it gets personal • Dale visit - taxi quite petty just because he is sulking big block to going to the factory once more for the reps why fight him now when all the effort • She was employed because she is dg pet promises will be carried over to action • bossman and he is too scared to say boo • to their own advantage • once more told that we were actually not really wanted by NP to be present a few smug answer and that is it strategy to protect himself at 	<ul style="list-style-type: none"> • presentation • full of mistakes • not very inspiring • output is a test • down played- down played • product mng responsible is resigning • she would actually be able to use them

	all cost □	
Spirit of learning engendered by Direct management	Sales Management Daily Tasks	General Output Behaviours
<ul style="list-style-type: none"> • lack of wanting to learn • also the training course • planning is mostly day by day □ 	<ul style="list-style-type: none"> • promoted products were extracted • sales graphs were made • track weekly • Sales Analysis 	<ul style="list-style-type: none"> • reps aren't proficient enough at sourcing that info • Planning needs to be hastened so as to have greater direction. • finalise travel arrangements for country trips. • Manage their own Territory' • planning might well be a key indicator of the level • bad about commanding people out of their routines • relationship with the factory that the outputs process highlighted • source of info to work more smartly • Planning well and arranging my day more efficiently • very underdeveloped blue thinking styles • outputs meant nothing to her • presents his expenses very neatly • able to give a concise wrap up of what needs to be done □
Attitude Prevailing	Higher level service issues	Management Conflict
<ul style="list-style-type: none"> • Flu virus strikes but some nb meetings • no work today - phone reps • routine of fetching cheques into a fun • having a good 'attitude' and the world goes by easier • a most enjoyable hour with all the Customers 	<ul style="list-style-type: none"> • bend the rules for a customer • problems in service • process of service delivery needs to be reviewed • how we must help each other • terrible distribution system in place <p>Order clerk again tried to get</p>	<ul style="list-style-type: none"> • monthly report • reason is apathy and the prospect of rework • doesn't really care about news of reps • no format and the time spent on the previous report was • as she can't provide any value <p>after the first call says buy</p>

<ul style="list-style-type: none"> • willing to do this • presents his expenses very neatly • What a pleasure to travel with somebody who • knows what he is doing and gets on and does it • still continue in the hope that it turns out favourably • <input type="checkbox"/> 	<p>cross with me</p> <ul style="list-style-type: none"> • service delivery for CPA004 and sell it to all concerned & play the politics right • so called Quality system lost a Schedule 7 order form • poor service history from us • test run the Format • email to say that we can't afford sloppy service • shake up a few mind sets and getting things done 	<p>she's going home</p> <ul style="list-style-type: none"> • Monthly report. Done with much reluctance and frustration do a variance report as it isn't understood • read a spreadsheet • don't trust this excuse could relate how he'd done relative to outputs what had transpired seen a customer and promised a pricing structure and left and done nothing about it in lone with the strategy of the company • don't have strategy to implement because 'they' don't know the business yet aghast that I had prepared a talk with overheads with graphs • they loved graphs but didn't know how to do them. • She had blundered on for so long • had never thought of competencies <input type="checkbox"/>
<p>Reaction to Outputs as a Performance Measurement Review Process</p>	<p>Reaction to Comfort with the Outputs as a Performance Measurement Process</p>	<p>Individuals Disruptive Behaviour as an indicator of a Bigger Problem.</p>
<ul style="list-style-type: none"> • review at the Panorama tea room • quite distant and seemed to be quite anxious • LDV sat there through the meeting nodding her head convinced will decide to give us more business • major issue and she was being judged and being sentenced • Absolutely nowhere little constructive comment • hadn't completed the EI sheet 	<ul style="list-style-type: none"> • things repeat themselves • offered a position with another company to open up the PE office take on the new challenge and move on in her career • <input type="checkbox"/> 	<p>went in for a lapscope</p> <p>repeats the story about namibia over and over</p> <p>troubled relationship with her brother</p> <p>bundle of nerves and looks rather green</p> <p>calms to be feeling dizzy and sits in the car.</p> <p>suspicious as why would the Dr palm her off</p> <p>does it in a manner which is almost desperate seems to be getting up to her old tricks</p> <p><input type="checkbox"/></p>

<ul style="list-style-type: none"> • learning cycle to get more knowledge didn;t have a clue about the process • sent off to do planning • planner she said she had left it at home <p>know very well what needed to be done</p> <ul style="list-style-type: none"> • in with her diary and nothing else • just not come prepared • doesn't have her product details with her <p>on another planet</p> <ul style="list-style-type: none"> • nods all the time • only too well aware that she was not performing. <p>tempted to work her out right now</p> <p>balancing forces are that she has an intelligent brain and also that she has shown on the past to be an able rep.</p> <ul style="list-style-type: none"> • • <input type="checkbox"/> 		
<p>Pressure of Family Relationships by a disruptive Team Member.</p>		
<p>pestering him at home and during the day all th etime havong an affair with him, or even madly infatuated with him</p> <ul style="list-style-type: none"> • She is now really becoming a problem and it is certainly tempting to start an exit programme • to sleep on valium <p><input type="checkbox"/></p>	<p><input type="checkbox"/></p>	

THE RESEARCH CLUSTERING AND ANALYSIS

The main clustering are therefore:

1. Larger System in Focus being in Liquidation
2. Direct Management Behaviour and Leadership
3. Impressions gained from working with other managers.
4. Spirit of learning engendered by Direct management

5. Sales Management Daily Tasks
6. General Output Behaviours
7. Attitude Prevailing
8. Higher level service issues
9. Management Conflict
10. Reaction to Outputs as a Performance Measurement Review Process
11. Reaction to Comfort with the Outputs as a Performance Measurement Process
12. Individuals Disruptive Behaviour as an indicator of a Bigger Problem
13. Pressure of Family Relationships by a disruptive Team Member.

INITIAL IMPRESSION FROM THE CLUSTERING PROCESS.

The environment that transpires is one where the larger system in focus is actually in Liquidation and faced with a very uncertain future. The management style being employed is also one that is very hostile and the system in focus then is one where there is an attempt to introduce a process of Performance Measurement.

There are also three main reactions to the introduction and continued process of the performance measurement system. This is briefly described by the environment created where one individual is capable to happy to develop in the environment, the other is one where a situation is created whereby the individual is reassured that their competencies are such that another challenge can now be undertaken, and the third is where we see an individual know that they are not performing, attempting disruptive techniques to the team that they are working in, and then finally breaking down as a last resort.

This is a major surprise and in a way a disappointment as what was anticipated was that the process would be able to really get to develop a highly efficient system that is effectively designed and because it had been designed by the users it would have full acceptance. The hope thereby would then be that an effective methodology that has been designed and well tried and tested would then be a universal approach. In this respect though what has transpired is that while it is an excellent approach to working in an environment where exact quantifiable work standards of efficiency are not always effective. I would still be able to hold a fairly convincing argument that indeed there is certainly merit in such a performance measurement approach. It certainly has a methodology of putting pressure on those whom are not performing while creating a space for those to develop at their own pace. It is unique to my experience that it also allows for any subjective attitudes among superiors to be nullified.

What was also a feature of this approach was that while it was introduced originally as a form of attempting to make sure that a companies strategy was indeed being carried out at lower levels it is robust enough to work in a very hostile environment where indeed there is still not clarity on what the strategy or direction of the company is.

The change in data capturing was also needed to be able to make the qualitative data capturing truly qualitative data that would not be panelbeated into shape by prevailing personal bias. This does not detract from the Model of Systemic Management as it's role is to clarify the process and then to also be able to further manage the process. Such failure to be able to justify the actions in a model of management would then beg

the question if management had take place and also whether any improvemetn in management had taken place. Therefore it is the next step to filter the actions and reactions through the Model of Systemic Management. I feel it is also imperative that the process be done as a matter of reflection before the following cycle can indeed take place.

DEVELOPMENT OF CLAIMS FROM THE DATA.

1. The issues from cluster 1,2,3,4, and 9 indicate that there was a very hostile environment in which the process was taking place.
2. Issues 5,6,7 all indicate that the basic actions that are important are necessary to be carried out and it is importatn that they are doen with a positive attitude.
3. Issue 8 seems to be indicative of have to operate in a long established constraint that has been created ineffectively but which is endeavoured to be doen efficiently.
4. Issues 10,11,12 and 13 are all aspects that seem to indicate the benefits of using Outputs as a performance management review process. It shows that there is indeed ability for individual and team aspects to be covered by the same review system.

CONCLUSION DEVELOPED FROM THE CLAIMS.

The conclusion that can be derived from the data is that indeed there is a place for the utilisation of Outputs as a Performance Measurement and Review process. It provides for a good form of management in a hostile environment on condition that it is done with a positive attitude and that the basic managment routines are also carried out.

APPENDIX C

Plotted the overview of how the Performance Mng review is done and feel that it might not be so intimidating to hold it in a regional forum. This is so that a colleague is also involved. It might make the whole presentaion a learning experience as well and that there might well be acceptance of the whole process. In respect to the model of Systemic Management then one could argue that I have completed a loop of Double Loop Learning. To this extent I am confidant that the use of Outputs is indeed a very good tool of management. The format that it is used though needs some modification so that the ability to have an early warning sign of non-performance is easier to detect and highlight early and not at the expense of the group as a whole. So in respect of this I am adamant that the use of Outputs will continue but that it needs to be modified in two ways. Firstly it needs to be done as a group effort so that an individual is not overtly intimidated by the process and also the ability for shared learning to take place. The second major aspect that must be worked on is the development of the individuals to be more strategically aware in line with the paradigm that they must manage their territory like it is their own business.

The problem as I see it is that there is a shortage of time before the whole direction of the company is changed and the major benefit to the individuals will be if they are able to manage their territories efficiently and effectively. So more development in this regard is important. This development may well also lead to them getting a feel of the importance of having efficiency ratings of themselves so that they are more marketable within the organisation.

This I feel is important after looking into the phylosophy of the outputs and the balanced score card approach. It is nevertheless difficult to implement a system of mng practice while also being aware that there is a shocking strategy in place and that the use of a balanced score card was intended to be able to help implement company strategy. This is then a unique feature of the Balanced Score Card approach in that it is rigorous and can actually be utilised at lower levels of recursion.

Need to display this thinking graphically

- 2/5

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First visit by AVM to start w/h project. Have been discussing the move with the guys and they all seem + about it. The extra travelling will be a bit of a bind.

First meeting this quarter and just briefly discussed move and importance to keeping service levels unaffected. Something I'm confident will happen.

Also got to have a meeting to discuss our Vision, Mission, and Values as a region. This done and clarity hopefully established.

- 8/5

Helped liase with new warehouse.

Got telkom in to do telephones in record time.

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Lecture on sales. NB to keep up to date and look at the basics again.

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The EC is still going strong. BS has a few problems in George - we'll have to investigate as it is a chronic problem. LDV still in good spirits and is still organising the Action Cricket. Asking more intelligent questions too. Funny having to fill shoes, basics like customers number and so on. Uitenhage told me variation of NP comment about Netcare, what is she wanting such crap.

- 17/5

Service via the great quality system is still not great in East London. List of problems will be sorted out. Major argument today with NP about budgets and the way to work them out. Cellphone battery ran flat. Couldn't even read my planner as she thinks I'm doing last week's work.

- 18/5

Ldv didn't know I was gone?? She wants to learn how to work on the Computer. IE very helpful in getting computer fixed and upgrading. Nice group of people to work with here at Factory. Helpful and we sort some problems out. PM still thinking he can solve world's problems himself. Has team but doesn't use them. Off to Germany seems to be the in thing that you have a job if you're off to Germany.

- 19/5

Zakira farewell, BS part of the customers and gets on well with them. Meeting today about Outputs and new presentation style. NP wants to be there too. Check to see level of understanding as they must present their own outputs. NP says that Fz bought company without staff. RW has confirmed that indeed this is nonsense. Went through Outputs and LD nodded her head again. BS was quite happy to do them. LD will come in a fortnight to say she hasn't been told.

- 22/5

Co-travel with BS. Organised and just saw the regular follow ups today. BS had training on Pnpoint and LD joined later. Anxious as she doesn't know what is going on.

- 23/5

Day spent doing a product catalogue for Zenith. We don't of course have something like this. Discover that it is easy to copy file and create a fun test of comparatives for reps Product Knowledge. Will do on Friday. Great to restimulate Outputs action on PK. Planning again difficult as time period to transfer not known.

- 24/5

Great day spent with customer learning about their business. Give the impression we are not really there. Prefer being with customers that with office politics. Action Cricket evening with Dr's. Strange how they play against one another and hospital against us.

- 25/5

Looking like I will be retrenched as nobody has spoken about future and SL has. Spoke to DP and he is upset and wants to sue them. Maybe he can but I think they will pay somehow later so why fight it. If your craft market is not doing well move on.

- 26/5

Spent morning with ZK discussing what's happening and trying to find out about NF for Sharon. Seems OK, gave him scenario of what's happening. Worked out should take leave in July so that I can't lose it I don't trust anybody. Meeting with full agenda. Introduced Vsm and VSD and also asked them to think about two Pub's doing business, one does better why? Discussed OP and how far they were with them. Present on June 13 to NP also.

Met to work on BI sideline, what a strange thing as business model man goes ape.

- 29/5

Co-travel with LD. Seems to have day planned. One area but then goes into another. What a change at customer, walks in, knows people, asks nicely for things. Walks into surgeons office, not bad a bit of a transformation. Met old friend at Jooste, good to see people still in the system.

- 30/5

Day spent doing admin. Letter to customer, trying to gypo some stock, visit MA and discuss importance of one employee to organisation. Work on SWOT, decide that an analogy of driving might work to stimulate strategic thinking. They both ride cars and like it.

- 31/5

See TM and discuss why test results are bad. Of course got crapped on about the shortcut but anyway at least there's now something being done. Long chat about NB of self employee skills. Fetched cheques and had a great walk through town. DG in town and he talked about possibilities of future. He wouldn't say anything don't trust a word he says. Looks stressed out. Same bull and then refuses to see reps after he had called a meeting to tell them something. Apologise to reps and say how dissapointed I am at him not pitching. BS seems concerned but LD isn't phased and looks like she has no idea of what can happen. I wonder if it is an impression that has been given or has she just forgotten.

- 1/6

Email off to BVB to give some data to a customer as I won't be able to get to it. Let's see if it works. Day spent with BS who was doing a routine day but he still has some fire and hangs on to get things done with such drive. Well known and liked by the Customers.

Get call from GG to say she still hasn't received my fax. So BVB hadn't doen it and of course didn't worry to phone me evethough I had asked her to do so if she couldn't help. Maybe I hadn't emphasised it enough. Maybe a message format should be designed to get maximum effect out of an email. Looked up on Net and found the item and emailed it to customer.

- 2/6

Morning spent in a most interesting meeting with BS about HIV, AIDS, STD and Contraception. We discussed the importance of Acquired Knowledge by a pharmaceutical company through patent protection and the time a company has to establish exclusive relationships with the Customers. The major complex problem about HIV sounds like it would be a brilliant SSM study. All the role players and the problem of power over resources and the politics. To have such an apparent hold on her topic is quite extraordinary. What is also amazing is the ability to handle ever increasing responsibility.

DG phoned to tell me about tender losses. Seems that when it is NB NP doesn't get given the job. Also coming to see ZK again next week not a problem.

Afternoon meeting now taking place regularly. Discussed quarter sales targets which carry heavy rewards. Daily sales graph introduced to show how we are doing daily in bigger picture. Discussed Outputs, and now getting lots of questions about how to

present and what to present. Gave VSD paper and asked to look through for next week. Notes from car discussion attached. Will do strategic link next week.

- 5/6

Phoned by customer to help out with rare product. Organise tomorrow as I will have to beg. Spoke to CB about new computer system and the reports I would need. He said he would look at it. Small chance as it was a bit of a put down. Will have to work with MK instead. Got Customer to buy product on sympathy ticket, hate doing it but they are nice to deal with.

- 6/6

Morning spent helping customer get rare product. What lengths I got to go to. And then they still say only time they see me is an emergency. Virus on computer. IT don't think so.

It is nb to be able to be connected to help out at crucial times as it is value adding.

- 7/6

Doing sales figures for EC and WC. Telephonics for EC. Customers will order and no problems. Looked up Genta for Uitenhage. Eventually it would be nice to have good admin backup to do it. Follow up with factory about samples for testing. No nothing and freak. Follow trail of packages and give everybody hell. Incompetence is very frustrating. NP on about Afrox and her crap. What strategy is there? Just reacting urch what a pain. We do it and then it backfires but then it is our fault.

- 8/6

Discussed Balsol results with ED today. He is helpful and gets down to business. Must organise day for NP next week. I suppose she wants to go to the same places. Enquired about Steff getting into Mediclinic golf day. CD cancelled her appt. Difficult to follow up on features that will effect service later on, with poor rep relationships with customers. Also actually a bit futile as I bet NP hasn't even read the report and won't even realise the impact on service such a development can cause. Sales account management will be made much harder which will effect customer relationships.

- 9/6

Morning Breakfast with doctors. Dr has taken a field of study and made it his own nationally. Wonder how they actually get to be filtered into the field of study. Is it all just interest in the study or are they selected as well. Do they show natural aptitude so naturally excell. Afternoon meeting brainstormed the car and functions involved in driving the car. Also did update of sales per category and per customer. Went through forecast for LVP's. BS new what his Customers could do. LD just nodded her head and agreed again with double targets. Questioned whether she would be able to get x rands out of GFJooste and then she stopped nodding and tried to apply her mind. Targets set and also strategy of sales - there is an uncertain future and they must buy in as there is an untested supplier who has got the business and the only loser will be the customer themselves as we won't be able to help. A three month order is what we want. Discussed retrenchment with DP today and what was being offered. LD wanted feedback on how she was doing and I told her the improvement was very good and

that she still had a lot to do. Chatted about her therapy and what she was doing to become more assertive.

- 12/6

Worm came back to visit today. Spent awhile cleaning up and restarting. Asked by Twinkle to follow up on Normasang and help in that the product costs a bomb. Discussed mannitol with factory today about crystallisation and whether to see if product is a problem. Left message to see if MN got hold of Dr Goldman. Phoned MN about Petogen and the correction of product for customer.

- 13/6

With NP today. Going out to customer was discussing LD and how she has improved dramatically. Got to Melomed and LD was waiting, what a relief as it was all working well. Meeting went OK with NP asking same old thing about getting figures, think she would have changed her approach by now. Onto Blaau and Eerst river, LD still with it and not dropping the ball. Came in her own car and took ages to get there. Hope she hadn't turned around, but then she doesn't try new routes and just goes where she knows. See Blaau and he is usual self and LD seems to be relaxed. Go into pharmacy and LD has nothing with her. Now appears in a daze and takes ages to respond with a blank look on her face. Can't explain why stock in hospital from opposition, has drugged look about her. Off to Inis, Dale there as well. They have been in town yesterday as well seeing one customer. Dg won't go and see inis as he hasn't done what was promised. Tell him he must as it is the only way we will keep the business. Goes in and bulldusts about the changes. Spends ages telling him nothing and a bit of chat. Afternoon spent doing the group output review (attached) LD seemed to have learnt off by heart as she spoke unemotionally and brought up nonsense from 6 months ago. BS was in charge of his report and spoke naturally and discussed the month in review. LD actually needs to be challenged but thought I would let it ride as she needed a bit of positives instead of breaking her down. Dg took control of understanding what I was doing. NP just sat and listened but didn't contribute much. DG asked questions and tried to show he was getting understanding of what we were doing. He expressed amazement at us being able to work in such difficult conditions. Responded that as outputs we had identified attitude as being very important and it was actually a resource we had to draw on. Discussed how this process was a bit of a bastardisation of the whole process but that it had helped us immensely in working in such ambiguity.

- 14/6

Sorted out the product complaint that the customer still doesn't have stock. Also demanded lost stock get sorted out. Saw CD today about the new computer ordering system. Seemed distracted and didn't manage to get any constructive info out of her. Maybe relationship isn't good enough to really get enough out of her. Thought about how to confey to LD the importance of impressing the management when you have the chance. It also makes me wonder if she isn't doing her victim act on purpose to make me look bad. Either that or she is trying to win sympathy by using it.

- 15/6

Spent day analysing sales figures in the two regions. Sales are going well and it could well mean a full house. LD is well off and won't make full. Don't mind as she doesn't really deserve it. BS is close but will have to do something amazing to get pour bottles hope he does. EC is worrying as the territory is just not ahead of sales like normal.

Phoned Mac and asked him what was wrong and said I wasn't doing my job - quite sharp he is and I enjoy that. JK still has not bothered to reply to me about a factory visit for BS

- 19/6

NP phoned to ask why city park hadn't ordered anything. You would expect her to ask that in a different way and not assume that they hadn't ordered. RB then phoned later to ask the code of cp much more pleasant. Organised trip to PE, trying going to EL first to see how that works out. Should be a bit better. We'll see.

- 20/6

A fairly good day as it worked out quite well instead of having to drive all the way to EL. Time to Umtata is still bottleneck. All Customers had now put in their orders. Sad that this is probably my last visit to the area. Nice people the customers, and to think that by just improving the service the sales have increased very well. They certainly work under difficult conditions. LD phoned and seemed surprised that I was away - does she never listen or just come out of her dreamworld from time to time.

- 21/6

Idea works well as the flight to pe is quite good. Got back to Uitenhage prov hosp about the genta. Wanted to know what metaanalysis was. Chatted to customers and we aren't in a position react as what info do we have. Any info that we get doesn't appear to get used at all let alone fed back to people. Supper with MN what a pleasure to discuss the business with an equally passionate person. He has also been kept in the loop and is great to see a person who has had his hotbuttons pushed. Interesting to hear that one of the major reasons there was always so much friction between marketing and manufacturing was that LS always thought that the factory was the centre of the universe. Interesting concession which i've never heard before. Discussed his future goals etc.

- 22/6

Pooped around to see customers then spent time chatting to everybody and coming together with all the latest news. A major project to integrate the two companies. Makes one think that obviously I'm not part of the picture when I have nothing to do. Out of the loop. All it means is that I must keep the reps going until after the month with the incentive as the main focussor. Factory tour as always impressive. It is a major feat and something one must be impressed with. BS is hopelessly unscientific and just wants to see the packing of boxes etc. He has a big smile on him and he is mightily impressed. The actual enormity of managing operations doesn't seem to have an impact as he gets that lost look. Dissapointed that he can't see an ampoule being seeled. Technology and stats scares him off. Chemical jargon also goes over his head. Happy that I could put that together and a long term wish of his has now been overcome.

- 23/6

Day spent in graduation. Sitting after receiving the diploma. Thought about the honorary doctorate given to the medical scientist. Also thought how tom could stay in all the pomp and ceremony of the academic world when he is such a free thinker. Great to see Simon and Barry graduate. Saw all the mba students gathering. It just screams out that there are 150 of them and they file past like sheep. What have they

really learnt. Yet they will probably have doors opened to them. Meeting today was spent looking at the sales figures and also working on the vsm car model. Blank look on their faces and nothing really registered. BS later realised that his driving style was a bit like his personality as he is a cautious driver. LD couldn't explain why she claims to drive like a maniac but when I drive with her she can't even know where she is going let alone drive fast. Maybe it suggests that she actually thinks she is somebody she isn't or it is that little 'victim' role she likes playing. Today's presentation was also interesting that Dugald asked me to differentiate between a paradigm and a mental model. That was an interesting question and it was answered briefly by saying that the paradigm is more contextual in forming.

- 26/6

Last week to stay focussed. Did sales figures and phoned all to keep them informed. Durbanville phoned to say how much normosang was. What a rip off. Now I'm caught up in the middle for doing a favour. Must sought out besafe. What a palava as all pricing is now centralised and a crap system is in place. NP had forgotten that I was on leave next week and then remembered. She can get on with LD and see maybe it is just me.

- 27/6

Did a few aspects of sales management to see if all the orders were processed and find missing stock. Daily updates to reps now on sales per category. Also holding back now on sales that are over

- 28/6

Just focussing on getting sales. Also chatted to DP about what was happening and tried to cheer him up.

- 29/6

Sorted out besafe with borrowed stock and also vetserve with their problem. Discussed with BVB some new replacements for the warehouse and potential positions.

- 30/6

As it draws near to the end it is amazing that the impression was always make sure that you produce the goods first and then you enable a footing to grow the relationship. But the conflict and intimidation and the insecurity of the people you grow with is incredible. It has not been a pleasure working under this amount of distrust and continuous uncertainty.

APPENDIX D

4.1 OUTPUTS MANUAL

INTRAMED

We are required to deliver performance so as to lead to the success of the business. The result of our productive efforts is called our OUTPUTS

Outputs are:

-VALUE ADDED

- Results rather than activities
- They can be specific or routine
- They can be objectively measured
- They contribute to wealth creation
- They clarify individual roles and responsibilities
- They form the basis for performance management
- They can change
- They focus on the Vission, Mission & Values of the Group.

Intramed Outputs Western Cape are about having a Professional Representative team, supporting the strategic direction of the company, by way of having "Ownership" of our Customers.

In this context the Major Output Areas are:

1. Professional Representatives.

The output that is most imperative is that the representative displays Professionalism in their work.

2. The Company Perspective.

The support of the company and the Strategic Direction that is required is important.

3. Customer Ownership.

The Customer requires what they want, when they want it and how they want the service or product.

The concept of Customer "Ownership" is to be the modality for delivery. The needs are to be Delivered with a smile.

INTRAMED - WESTER CAPE

PERFORMANCE REVIEW

NAME _____

DATE _____

OUTPUTS	REQUIREMENTS					COMMENTS
	MET NONE	MET SOME	MET ALL	EXCEED	EXC ALL	
REPRESENTATIVE						
Product Knowledge						
Opposition Awareness						
Sales Skills						
Key Product Focus						
COMPANY						
Marketing Back-up						
Product Complaints						
CUSTOMER						
Planning Bi Monthly						
Customer						
Forecast by Customer						
Relationship Methods						
Tea Rooms						
Detailing						
Access						
Openess						
Attitude						
Reliability						
Positive						
OVERALL RATING						

SPECIFIC ACTIONS TO IMPROVE RATINGS / SUPPORT STRATEGY

OUTPUT	ACTION STEPS	ACOUNTABILITY	DATE DUE

**INTRAMED - WESTERN CAPE
MONTHLY PERFORMANCE REVIEW**

NAME:

DATE:

PRIVATE MARKET

CUSTOMER:

Product	Planned	Actual	%		Planned	Actual	%		Planned	Actual	%		Planned	Actual	%		Planned	Actual	%	
B																				
Dob																				
Dy																				
Iz																				
KA																				

Customer Totals			Customer Totals			Customer Totals			Customer Totals			Customer Totals		
Forecast	1		Forecast	1		Forecast	1		Forecast	1		Forecast	1	
Actual	1		Actual	1		Actual	1		Actual	1		Actual	1	
% Attain	100%		% Attain	100%		% Attain	100%		% Attain	100%		% Attain	100%	

TOTAL

	Planned	Actual	%		Planned	Actual	%		Planned	Actual	%		Planned	Actual	%		Planned	Actual	%	

Customer Totals			Customer Totals			Customer Totals			Customer Totals			Customer Totals		
Forecast	1		Forecast	1		Forecast	1		Forecast	1		Forecast	1	
Actual	1		Actual	1		Actual	1		Actual	1		Actual	1	
% Attain	100%		% Attain	100%		% Attain	100%		% Attain	100%		% Attain	100%	

TENDER MARKET

PRODUCT CLASSES

Customer	Account	Forecast	Actual	%	Code	Description	Budget	Actual	%	Code	Description	Budget	Actual	%
					31	Standard Sol.	1	1	100%	60	Analgesics	1	1	100%
					32	LVP Nutrition	1	1	100%	61	Anaesthetics	1	1	100%
					33	Pour Bottles	1	1	100%	62	Antibiotics	1	1	100%
					34	Medibags	1	1	100%	63	Vitamins & Mins	1	1	100%
										64	Other	1	1	100%
										65	CNS	1	1	100%
										66	Autonomic	1	1	100%

COMMENTS & ACTIONS

YEAR PLANNER
1999/2000

Day	Date	Month April	Date	Month May	Date	Month June	Date	Month July	Date	Month August	Date	Month September	Date	Month October	Date	Month November	Date	Month December	Date	Month January	Date	Month February	Date	Month March
Mon															1									
Tue					1										2							1		
Wed					2						1				3		1					2		1
Thu	1				3		1				2				4		2					3		2
Fri	2				4		2				3		1		5		3					4		3
Sat	3	1	5	3	4	2	6	4	1	5	3	7	5	6	4	1	5	4	1	5	4	1	5	4
Sun	4	2	6	4	1	5	3	7	5	6	4	1	5	3	7	5	6	4	1	5	4	1	5	4
Mon	5	3	7	5	2	6	4	1	5	3	7	5	6	4	1	5	4	1	5	4	1	5	4	1
Tue	6	4	8	6	3	7	5	6	4	1	5	3	7	5	6	4	1	5	4	1	5	4	1	5
Wed	7	5	9	7	4	8	6	4	1	5	3	7	5	6	4	1	5	4	1	5	4	1	5	4
Thu	8	6	10	8	5	9	7	5	6	4	1	5	3	7	5	6	4	1	5	4	1	5	4	1
Fri	9	7	11	9	6	10	8	6	4	1	5	3	7	5	6	4	1	5	4	1	5	4	1	5
Sat	10	8	12	10	7	11	9	6	4	1	5	3	7	5	6	4	1	5	4	1	5	4	1	5
Sun	11	9	13	11	8	12	10	7	11	9	6	4	1	5	3	7	5	6	4	1	5	4	1	5
Mon	12	10	14	12	9	13	11	8	12	10	7	11	9	6	4	1	5	4	1	5	4	1	5	4
Tue	13	11	15	13	10	14	12	9	6	4	1	5	3	7	5	6	4	1	5	4	1	5	4	1
Wed	14	12	16	14	11	15	13	10	7	11	9	6	4	1	5	3	7	5	6	4	1	5	4	1
Thu	15	13	17	15	12	16	14	11	9	6	4	1	5	3	7	5	6	4	1	5	4	1	5	4
Fri	16	14	18	16	13	17	15	12	10	7	11	9	6	4	1	5	3	7	5	6	4	1	5	4
Sat	17	15	19	17	14	18	16	13	10	7	11	9	6	4	1	5	3	7	5	6	4	1	5	4
Sun	18	16	20	18	15	19	17	14	11	9	6	4	1	5	3	7	5	6	4	1	5	4	1	5
Mon	19	17	21	19	16	20	18	15	12	10	7	11	9	6	4	1	5	3	7	5	6	4	1	5
Tue	20	18	22	20	17	21	19	16	13	10	7	11	9	6	4	1	5	3	7	5	6	4	1	5
Wed	21	19	23	21	18	22	20	17	14	11	9	6	4	1	5	3	7	5	6	4	1	5	4	1
Thu	22	20	24	22	19	23	21	18	15	12	10	7	11	9	6	4	1	5	3	7	5	6	4	1
Fri	23	21	25	23	20	24	22	19	16	13	10	7	11	9	6	4	1	5	3	7	5	6	4	1
Sat	24	22	26	24	21	25	23	20	17	14	11	9	6	4	1	5	3	7	5	6	4	1	5	4
Sun	25	23	27	25	22	26	24	21	18	15	12	10	7	11	9	6	4	1	5	3	7	5	6	4
Mon	26	24	28	26	23	27	25	22	19	16	13	10	7	11	9	6	4	1	5	3	7	5	6	4
Tue	27	25	29	27	24	28	26	23	20	17	14	11	9	6	4	1	5	3	7	5	6	4	1	5
Wed	28	26	30	28	25	29	27	24	21	18	15	12	10	7	11	9	6	4	1	5	3	7	5	6
Thu	29	27		29	26	30	28	25	22	19	16	13	10	7	11	9	6	4	1	5	3	7	5	6
Fri	30	28		30	27		29	26	30	28	25	22	19	16	13	10	7	11	9	6	4	1	5	6
Sat		29		31	28		30	27		29	26	30	28	25	22	19	16	13	10	7	11	9	6	4
Sun		30			29		31	28		30	27		29	26	30	28	25	22	19	16	13	10	7	11
Mon		31			30			29		30	27		29	26	30	28	25	22	19	16	13	10	7	11
Tue					31																			
Wed																								
Thu																								
Fri																								
Sat																								
Sun																								

OUTPUTS QUESTIONNAIRE

NAME: _____

1. What do you understand by an OUTPUT ?
2. How does one acquire Product Knowledge ?
3. How do you describe being a "Professional Representative" ?
4. What importance do you ascribe to a Performance Review ?
5. Where do you keep a record of how you are performing relative to your Key Products ?
6. What Administration do you have and when are the required cut off dates ?
7. What Marketing requirements are there at the moment ?
8. How do you define Customer Ownership ?
9. What records of your customers do you keep and how do you maintain them ?
10. How do you measure your Relationship with your customers ?
11. Describe briefly how you would explain the chain of supply to somebody who hasn't sold anything to anybody before.

APPENDIX E

VIABLE SYSTEM DIAGNOSIS

The Viable System Model is a thorough working out of Ideas from the science of organisation or cybernetics. Here we only deal with the *qualitative aspects for social contexts*, and how these portray a powerful image of a well organised business. The main difference between the VSM and normal system dynamics models is that the VSM focuses on organisation rather than structure. It assumes that it is an evolutionary process by nature. This is especially pertinent when we try and model behaviour of less predictable 'systems' containing *human beings*. The manager can benefit from a qualitative realisation of cybernetic conceptions that has been put together to help us deal with social organisations.

The VSM can be used for diagnosing 'problems' in organisations, Viable System Diagnosis or VSD. This is especially valid where purposeful organised parts (a system) that are open to a changing environment (what is termed complex) and yet in which there is general or easily attainable agreement about the goals or objectives to be pursued.

This approach comes to the fore in business situations which are characterised by particular defects or to pathologies that are resistant to normal treatment. In such a situation that assumption is made that natural cybernetic laws are being violated and therefore the need to diagnose the problem and use cybernetic findings in reorganising.

PHILOSOPHY OF THE VSD

These are concerned with the changes we are experiencing and the associated difficulties that are arising. Briefly these are summarize below:

- Organisational or social problems are arising because of new *degrees of complexity* and are characterised by *interdependency* or the ignoring of these interdependencies.
- *Technological advances* can help a scientific based management model that is based on cybernetic principles. This also needs to encompass ideas from management science as well to deal with the modern complexities.
- Control is the main concern and the best approach is to replicate a well tried and tested '*control system*' such as the neurocybernetic control system.
- *Organisations are ideally ordered* so as to achieve efficient and effective realisation of set goals, which have to be *continually reconsidered* as the environment changes by self-questioning, learning and by assessing future scenarios.

PRINCIPLES OF VSD

When organisations do not perform well it is assumed that cybernetic principles are being violated, and all principles that underpin this approach are all cybernetic. Some principles are outlined below:

- Recommendations are concerned with the essentials of organisation and maintenance of identity and do not prescribe specific structure.

- Recursion means that the whole system is replicated in the parts so that the same viable system principles may be used to model a sub-system.
- A viable unit has horizontally interdependent subsystems which are integrated and guided by viable units.
- Sources of command and control are important and are spread throughout the architecture, which enhances self-organisation and localised management of problems.
- Emphasis is placed on the relationship between the viable unit and its environment. This is in terms of being influenced by it and the influence it has on the environment particularly in being able to learn from it.
- Other cybernetic principles are also important among them feedback and the law of requisite variety. (consider the principles of systems thinking.)

A diagnosis of the potential viability of a proposed system using the cybernetic principles as captured in the VSM is central to any VSM study.

THE VIABLE SYSTEM MODEL

The VSM is an arrangement of five functional elements (Systems 1-5) that are interconnected through a complex of information and control loops. The five functional elements are as follows:

System 1

- System 1 parts are directly concerned with implementation.
- Each part is autonomous in its own right.
- Each part must exhibit features of a viable system itself.
- Each part connects to its local environment and absorbs much of the overall environmental variety.

System 2

- Co-ordinates the parts that make up System 1 in a harmonious manner.
- Dampens uncontrolled oscillations between parts.

System 3

- A control function that maintains internal stability.
- Interprets policy decision of higher management.
- Allocates resources to parts of System 1.
- Ensures effective implementation of policy.
- Carries out audits using S3 auditing channel.

System 4

- An intelligence gathering/reporting function that captures all the relevant information about a system's total environment.
- Provides a model of the organisations environment.
- Distributes environmental information upwards or downwards according to its degree of importance.
- Brings together internal and external information in an 'operations room' - and creates an environment for decision.
- Rapidly transmits urgent information from system 1,2&3 to system 5 ('algedonic' signal).

System 5

- Is responsible for policy.
- Responds to significant signals that pass through the various 'filters' of systems 1,2,3,&4.
- Arbitrates between the sometimes antagonistic internal and external demands as represented by S4 & S3.

Important to the model is the appropriate information flows and communication links. The information flowing is information about how the different parts of the organisation, or the whole organisation, is performing relative to the respective goals.

Achievement in the business model is measured in terms of money; the criteria of success being the extent to which profits are maximised and costs minimised. The one fundamental feature that is neglected is how well the organisation is *preparing for the future*. The VSM advises adopting three levels of achievement. Actuality, Capability, and Potentiality.

Actuality refers to current achievement with existing resources and constraints. Capability refers to the possible achievement using existing resources within existing constraints. Potentiality is what could be achieved by developing resources and removing constraints.

These levels can be combined to give three indices: Productivity; Latency and Performance which can be used as comprehensive measures of performance in relation to all types of resources.

USING THE VIABLE SYSTEM MODEL

The procedure for using the model to diagnose faults can roughly be divided into two activities.

- System Identification (according to the 'organisation' of the VSM)
- System Diagnosis (reflecting the cybernetic principles that should be obeyed according to the VSM)

The tasks to be undertaken in each part are:

- System Identification
 - Identify the purpose to be pursued
 - Considering the purpose, determine the 'system in focus.' (The system 1 is the 'system in focus')
 - Specify the viable parts of the System 1 in focus.
 - Specify the viable system of which the system in focus is part (the 'wider' system, environment)

- System Diagnosis

In general draw upon cybernetic principles to do the following:

- Study the System 1 of the system in focus:
Detail its environment, operations and environment,

Study what constraints are placed upon each part of the S1 by higher management,
Ask how accountability is exercised for each part, and what indicators of performance are taken,

Model S1 according to the VSM diagram

- Study the System 2 in focus:

List possible sources of oscillation or conflict between the various parts of S1 and their environments and identify the elements of S2 that have a harmonising or dampening effect.

Ask how S2 is viewed in the organisation (threatening or facilitating)

- Study the System 3 of the system in focus:

List the S3 components of the system in focus,

Ask how S3 exercises authority,

Ask how resource bargaining with parts of S1 are carried out,

Determine who is responsible for the performance of parts of S1,

Clarify what 'audit' inquiries into aspects of S1, S3 conducts,

Understand the relationship between S3 and S1 elements (perceived to be autocratic or democratic) and find out how much freedom S1 elements possess,

- Study the System 4 of the System in focus:

List all the S4 activities of the system in focus,

Ask how far ahead these activities consider,

Question whether these activities guarantee adaptation to the future,

Determine if S4 is monitoring what is happening to the environment and assessing trends,

Assess in what ways S4 is open to novelty,

Does S4 provide a management 'operations room,' bringing together external and internal information and providing an 'environment for decision,'

Question whether S4 has facilities for alerting S5 to urgent developments.

- Study the System 5 of the system in focus:

Ask who is on 'the board' and how it acts,

Assess whether S5 provides a suitable identity for the system in focus,

Ask how the 'ethos' set by S5 affects the 'perception' of S4,

Determine how the 'ethos' set by S5 affects the S3-S4 homeostat,

Investigate whether S5 shares an identity with S1 or claims to be different,

- Check whether all information channels, transducers and control loops are properly designed.

Diagnosis often leads to the discovery of violations of cybernetic principles.

Frequent Faults

- Mistakes are made articulating different levels of recursion.

- The importance of certain parts of S1 are not appreciated.

- The existence of additional irrelevant features of structure which hamper viability.

- System 2,3,4, or 5 becomes autopoietic and seeks viability in its own right (they should not become bureaucratic)

- S2 is not fully established because of resentment.

- S4 is weak because it is considered part of a staff function.
- S5 collapses into S3 because S4 is weak.
- S3 managers interfere in S1 management processes.
- S5 is not creating an identity and not representing the essential qualities of the whole system.
- Communication channels in the organisation & between the organisation and the environment do not correspond to the information flows necessary in any viable system.
- Transmission of the indices of performance is not rapid enough.

REFLECTION OF LITERATURE OF THE VSM

Stafford Beer makes the observations that are pertinent and revealing. He argues that only management are entitled to prescribe what happens in their business. It is the quest of the cybernetician to be considered as a GPF - guide, philosopher and friend.

The Question of the problem made explicit is probably the key factor in designing the VSM. It is also noted that there is no functional activity in itself that can be a viable system. He suggests in determining the total recursive system before enjoying in much detailed work. In other word the Black Boxes always have to wait. He believes this a basic necessity. Measurement of variety is not an exact science.

It's time to stop reading the driving manual, and get out in the traffic.

Viable systems are highly resistant to change. (If they are to change then they must be viewed in the context of viability at a higher level of recursion.) The development of an effective S4 that is focussed can be viewed as an objective outsider. This can help create a common language. If we change something we must Identify where you start. If you have a long way to go you must be prepared to change the route somewhat when moving toward your goal.

How does one make people conscious of our organisations philosophy and get acceptance. How can we balance autonomy and controls. (the notion of subsidiarity). Always consider the approach unique in that it is probably the first time the members are experiencing it. The traditional way of describing the organisation is via the organisation chart. This way really says that the person at the bottom of the chart is less important and the manager may think that it allows him to give orders.

The experiences of the ASSI group of companies was;

- The business model is the acid test - if profits aren't made!!
- Confidence of 'message' and one must be conscious of the systematic information flow.
- There is a new autonomy learning cycle which could take two years to achieve from being reclusive initially to establishing an identity and then being ready to co-operate.
- There is a big threat to the model management power base.
- Extra effort needs to be made especially in synergising benefits and the benefit of networked groups.
- Skilled professional are proud professionals used to solving their own problems.

- Decentralisation does not mean independence, but that interdependence need to be fostered.
- Stress the nature and significance of the control system: Trust in people is all very well but some control mechanism is necessary.
- Managers don't need to wait for 'marching orders.'

MENTAL MODEL OF MANAGER

In respect to the Mental Model of the attending manager it is my opinion that the exploration of this initially may well be a unique starting point to work from. The foundation that can be laid can be used to firstly gain experience of working with Mental Models in an explicit way and then also help act in reflection to obtain a learning cycle.

The architecture of our thinking is the very way we order our thoughts, construct our mental representations of reality around us, which is actually how we build our Mental Models.

Mental Models are deeply held, often subconscious sets of assumptions about how the world works. They affect our perception and evaluation of the situations we encounter.

Mental Models tend to follow three general rules: consistency, stability and simplification.

Consistency is where we can't maintain contrary beliefs and situations might arise where there is cognitive dissonance. (Especially when experience is contrary to belief.)

Stability and the resistance to change is seen where an event may be contrary to their beliefs people may refuse to accept that it happened before changing one's mindset. Simplification is seen as 'maps' of reality and can be over-simplified, or do not focus on all the relevant aspects of reality.

Mental Models represent our view of the world, and is the result of subconscious structuring of observed reality into a manageable form. They are organised around four main elements of representation: background, experience, context and purpose. Background shapes our 'opinions' as our upbringing, particularly with abstract matters where direct experience is impossible.

Experience relates to the values with which we were brought up as well as memories of our own personal experience.

Context is concerned with the environment at the time of the event.

Purpose directly relates to the influence of current concerns as the hammer in your hand makes everything look like a nail.

Thinking follows the principle of least effort. When confronted by complexity the mind tends to fall back on information processing tricks to reduce cognitive effort. The three main 'short cuts' are: The use of stereotypes, Thinking via analogy or metaphor, or the Use of rule of thumb. Each of these short cut represents a 'point of view' on the situation. Effective thinking could be to use triangulation of short cuts on the same problem.

A simple approach of how our minds work is that they store information in the form of a mental model. We need mental models to think and our aim is to manage our own mental models.

Mental Models are usually 'tacit,' existing below the level of awareness, and are often untested and unexamined. Differences in Mental Models can explain why two people can observe the same event and describe it differently, as they are paying attention to different details. Experts are particularly susceptible to difficulties with Mental Models.

The OBSERVABLE data that is apparent to me in respect to the viability of the system in review is that while the unit was viable through a merger an acquisition has left it very exposed. I have always been managed and attempted to instill in my colleagues that a territory needs to be managed as if it were an own business. This philosophy has not been grasped with both hands by the representatives barring the east cape but who has now decided that she must move on. Therefore there is little intuitive S5 in place in the reps system. I take this as assumed as there is no continued learning being undertaken through own initiative and there is also little discussion about developments in the wider medical/healthcare provision between us. S4 is lacking which might well be due to a lack of development of this competence by myself and an element of sensitisation may well alter the effect. The level of S3 is weakly formed as there has been a concerted effort to make one accountable for decisions and these are largely been promoted. To an extent there has been an evolutionary development of S3 as one can see the concentration of resources in certain product categories that achieve the greater turnover for less effort. S2 is very poor if we consider the flow and appropriate directioning of important information.

Select DATA from what has been observed. If we look at specifics then S1 has been well developed in some aspects but in others it is treated very unprofessionally. So relationships with Customers is good on purely a service level in that the reputation is good when it encompasses making sure that customers get service even outside of normal ordering patterns.

Adding MEANINGS to this is that basically the reps are not able to be developed to manage their territories as if it was their own business. However the development of their performance management and the fact that it is imperative that they are left with a generic structure so that they are able to be able to cope in a new organisation and still produce the goods is my vision.

The ASSUMPTIONS that I make is that indeed there may be major hurdles to be faced but that with development there may well be hope for them. This is a process that can work. It is also my assumption that indeed there is well a recursive level that is a representative system.

The CONCLUSION that I draw is that the representatives are indeed resistant to change as the comfort zone that they operate in is too comfortable. They need to articulate their competitive advantages and be able to understand viability as it relates to them so as to prepare them for the future and also to be more productive.

The BELIEF that I hold is that indeed if a process is simplified and the relevance to their very lives are shown clearly they will be happy to participate.

The ACTIONS that I have therefore taken is to be able to explain the qualitative aspects of a business idea. To this extent I utilised the concept of two Pubs being almost exact replica's of each other. Why then if they adopt the same pricing, same physical attributes, and very similar geographic area that one does five fold more turnover and has the far greater patronage. This I refer to as the distinctive competencies that are unique to the one pub. In keeping with the qualitative nature of articulating a Business Idea where the reflection of the idea is a simple diagram. Reflecting the idea as a simple diagram is how the two pubs are shown to be two drawings side by side with two arrows indicating the difference patronage between the two pubs.

The mode then of introducing the model of the VSM is by utilising a metaphor that is commonly understood by all relinquishing the need to study a complicated model. The metaphor that I have chosen is that of a car. It is related to the neurocybernetic model by way of the driver being a key component of the car and it helps to bridge relevance to the representative by way of a company car being an integral part of the daily responsibilities and functions of a representative. As it is a metaphor of traveling it may also help to elicit understanding of the vision that we need to understand and embrace allowing the development of group mission and values as well.

The thermostat that can be developed is a sales forecast in graphical form. Qualitative factors need to be also created as an algedonic scale.

VIABLE SYSTEM DIAGNOSIS IN INTRAMED

1. System Identification

- The purpose to be persued is to carry out a VSD so as to evaluate whether the system is indeed viable.
- The system in focus is well described in previous work. It basically consists of Professional Representatives utilising information gathered from the environment and various role players. The utilisation of a number of transformation processes allows the chain management of the drivers of the business to generate more business.
- The viable parts of the system in focus is the representative as a source of knowledge of his products (technical efficiency), the ability to be have sales skills (interpersonal efficiencies), supply of products to Customers, organisational abilities of being able to handle a large geographical area. The target market of the system 1 is the hospitals within defined territories and allocated to responsible representatives.
- The viable system of which the system in focus is part is the Regional Sales Division of a geographic area of the territory. It is supported by various departments like distribution, finance.

2. System Diagnosis.

• System 1:

Environment is that the territory is defined by hopitals linked to active accounts, the key drivers are identified through various processes and the continuous education processes that are established are also utilised as a resource.

Operations are devided into service responsibilities and then also business generating activities. As the industry is a round the clock business within bounds, there are

service issues which have to be addressed at a local level. The other important aspect is the maintaining of business and generation of business which occurs in areas where there are key drivers of product.

Oscillations between S1 and environment are breakdown of service levels, change in ordering patterns and ordering outside of capacity to deliver, out of stock.

Managed by backorder list, six week levels monitoring weekly, meetings weekly, telephone calls.

- S2 is viewed as reliable and necessary. Generally paperwork is not constructively engaged.

- System 3 is done by territory design, Product Knowledge development, Strategy Design, Motivation, Resource utilisation, Outputs, reviews.
 - Persuasion, Commitment, proactively, regular discussion.
 - Stock rationing, borrowing – sorting, samples
 - Representatives
 - Co-travel, discuss issues, queries from field.
 - Democratic and open.

- System 4
 - Contact with Customers
 - Opposition Information
 - Trends occurring
 - New developments
 - System Design Model
 - Email and discussions
 - Cell phone calls

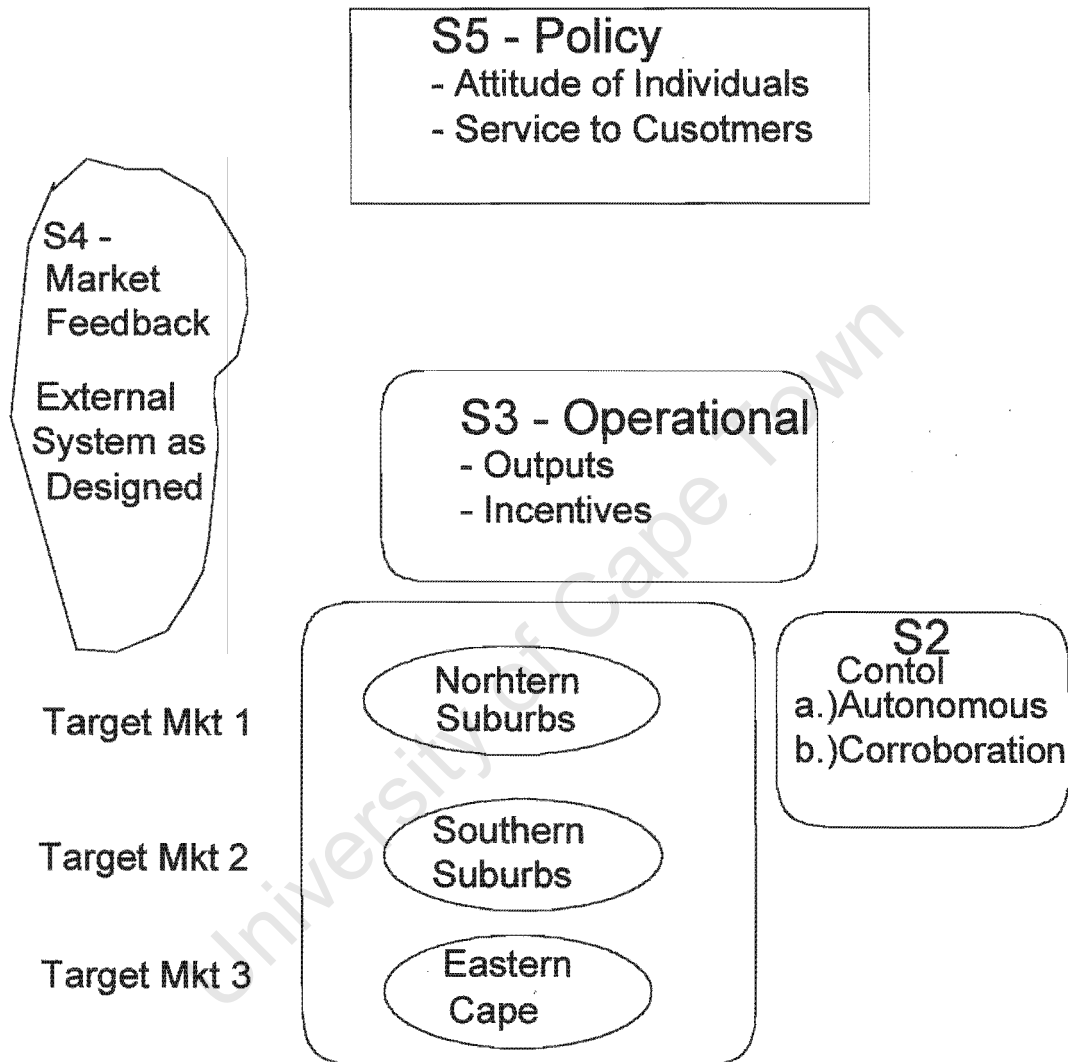
 - Time period is 6 months to 2 yrs

 - S4 is suboptimal: There is no trends being consciously tracked, No operations room for the environment, No facilities.

- System 5
 - Policy is to survive the Liquidation functioning as best one can.
 - It is poorly designed
 - A collaborative VSD should be done
 - Internal operations should be concentrated on first (S3) and the next step would then be external and concentrate on S4

APPENDIX F
VSD – PHRONTIS
Viable System Design.

This is a Diagnosis based on the VSM as portryed by Espejo in the Phrontis Webpage.



Western & Eastern Cape Intramed Team:

Target Market 1:

General Characteristics: Stellenbosch University (Tygerberg Hospital) academic orientation;

Relationship orientated approach.

Target Market 2:

General Characteristics: University of Cape Town (Groote Schuur) academic orientation;

Customer Very scientifically orientated; social status orientation.

• System 1:

Standard Environment:

The target market under review is the Hospital sector of the Health Care Industry. This would otherwise be classified as secondary and tertiary healthcare facilities. Roughly the tender sector (Public Healthcare) is categorised according to the grading but in the Private Hospitals there is a strong overlap between secondary and Tertiary as there are now a number of ex-academics practising in the Private Sector. Another major driver of the integration of the two factors is that as the Private Healthcare sector is more profitable the Technological advances in medical practise are being driven in the private sector and the academic institutions are having to play catch-up with restricted budgets and emphasis placed on the resources being reallocated to primary healthcare delivery.

The areas of interest to the company are areas where there is invasive therapy and which would include Trauma, Intensive Care, Surgery and Medical wards/departments where there are Antibiotic and Cardiac treatments requiring injectable agents.

The standard features of a hospital environment is that there is a patient requiring hospitalisation treatment, a Doctor responsible for the patients treatment, a nurse/s looking after the patient on a 24hr basis, and responsible for carrying out the doctors prescription requests and monitoring of the patient. In certain situations the nurse is also responsible for treatment on certain monitored indices. The pharmacist is generally responsible for the regulated control and dispensing of the drugs and surgical appliances needed for treatment. In some instances as a means of resource for the prescriber as to the correct drug to be used and also how it must be used. The more commodity/routine products that are used are normally left to be administered and distributed by a storeman based in the pharmacy of the hospital and generally under the control of the pharmacist. The Pharmacist is also generally responsible for the charging of the patients account for any drugs to be administered. Sometimes this function is passed on to the charge sister/ward manager.

A relationship between prescriber and pharmacist is normally characterised by being strong or formal. A formal relationship is where the pharmacist merely dispenses the product as prescribed by the prescriber with little or no relationship or interaction between the two. A strong relationship relates to the pharmacist being more dominant in decisions and working constructively with the prescriber in making prescribing decisions and having a greater say in products used on the patient.

Target Market 1:

Environment: The Northern Suburbs area has private hospitals mainly belonging to the Medi-Clinic Group of Hospitals. Netcare has 1 hospital and Melomed have 2 small hospitals (comparing bed size) and one independent.

The medical staff predominate from Tygerberg Academic Hospital and have a strong bent on Afrikaans. The decision making is still fairly hierarchical in that the Prescribers power is still largely held, formal relationships occur between medical staff/ professionals; The nature of the prescriber is that it is largely Relationship based with a mild emphasis on prescriber loyalty to a specific brand because of scientific/medical reasons. While there is an acknowledgement of their place of study there is not a strong link to the prescriber habits of the Alma Mater.

Market 2:

Very Strong Social Awareness and structure

Academic relationship with alma mater still strong

Prescriber habits are still strong on academic perspective protocols especially as there is the possibility of litigation.

The reputation of the supplier is strong as there must be a long period of time where the reputation has been shown.

Operations

Individuals are 'managers; of their own territory' but they are responsible for working the 'system.' The system is described in the system design as portrayed in the established customer system.

APPENDIX G
VSD MOTOR CAR

VSM Modelled to a Motor Car

DRIVING CAR	CLUSTERED	COMPANY RELEVANCE
Gears	Gears	Adaptability of behaviour to different customers
Steering	Steering	Priorities
Look in Front	Petrol	Self Confidence, Product Knowledge
Petrol	Roadworthiness	Preparation before a Call, Reliability established
Roadwothiness	Indicate	Planning and Organisation of the Day
Rules/Traffic	Speed	Time Management
Indicate	Organised	Organised
Communicate		
Anticipate Movements of Pedestrians	Look in Front	Goals, Sales vs Forecast Update
Anticipate Movement of other Cars	Rules / Traffic	Ettiquette in Hospitals, Professionalism
Look Ahead for Obstacles	Communicate	Appointments, Fixed Routines with Customers
Planning Route	Anticipate Movements	Descretion in knowing it is the wrong time
Vision Route	Look Ahead	Year Planniing/ Bi Monthly Planning
What Speed do you travel at	Conditions	Trading Conditions - Bed Occupancy
Conditions of the Road	Emergency Routines	Factory Back up - Support Services
Destination		
Saving Time	Planning Route	Route Area Management
Route Choice - Comfortable	Vision Route	Roll Plays
Familiar	Destination	Targets vs Budget
Music	Saving Time	Efficiency KDM optimising
Organised	Comfortable / Enjoyable	Behaviour, Aptitude
Style of Driving	Familiar	Routines
Emergency Rations	Music	Service to Customers
	Style of Driving	