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BY 1964 THE INTERNATIONAL LABOUR ORGANIZATION (ILO) TECHNICAL COOPERATION ACTIVITIES IN THE FIELD OF PRODUCTIVITY AND MANAGEMENT DEVELOPMENT INVOLVED ABOUT 130 EXPERT POSTS IN ABOUT 30 COUNTRIES. THE ILO SENDS CHIEFS OF PROJECTS TO WORK WITH LOCAL DIRECTORS OF CENTERS IN EACH COUNTRY TO INTRODUCE GOOD MANAGEMENT PRACTICES AND ENSURE THEIR IMPLEMENTATION IN ENTERPRISES. ACCOMMODATIONS, EQUIPMENT, AND FACILITIES FOR TRAINING THE NATIONAL STAFFS VARY, AS DO THE RELATIONSHIPS OF NATIONAL CENTERS WITH THEIR GOVERNMENTS AND THE TYPE OF CLIENTELE WHO ACCEPT THE TRAINING OFFERED BY THE NATIONAL STAFFS. A STUDY OF SOME OF THE PROJECTS WAS UNDERTAKEN TO EVALUATE THE EFFECTIVENESS OF THE MISSIONS AND TO PROVIDE A BASIS FOR DISCUSSION AT A TECHNICAL MEETING IN GENEVA IN LATE 1964 WHICH BROUGHT TOGETHER CHIEFS AND DIRECTORS OF THE CENTERS. THE REPORT DESCRIBES STRUCTURES AND PROCESSES, PERSONNEL ATTRIBUTES, PROJECT STRATEGY, AND PROBLEMS OBSERVED AND INCLUDES CASE STUDIES ON EFFECTIVENESS OF MANAGEMENT PRACTICES IMPLANTED IN ENTERPRISES. THE PARTICIPANTS, AGENDA, AND 162 CONCLUSIONS DRAWN AT THE MEETING ARE LISTED IN PART II. AN APPENDIX CONTAINS LISTS OF QUESTIONS ASKED AND PROJECTS VISITED BY THE REPORTER, STATISTICS ABOUT THE PROJECTS, AND A DESIGN FOR A SMALL MANAGEMENT DEVELOPMENT AND PRODUCTIVITY CENTER. (RT)

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CENTRE



## INTRODUCTION

I.L.O. technical co-operation activities in the field of productivity and of management development started early in 1952 with a one-man mission to Israel. This was followed towards the end of the year with a five-man mission to India, three of the members being on a short-term basis. From these small beginnings the operation developed over the years, at first slowly and later at an ever increasing rate until, by mid-1964 - 12 years later - projects involving about 130 expert posts were operating in, or approved for, over 30 countries and many others were in various stages of negotiation. The annual expenditure involved in the programme, if the salaries of headquarter staff servicing these projects and the cost of equipment and fellowships be taken into account, was of the order of \$3,000,000.

It had already become evident some time earlier that the programme was destined to increase and to be maintained at a high level for a long time to come and it was felt that, after 12 years of operation and with the prospect of operation on an even larger scale in the years ahead that the time had come to take stock of what had been achieved with a view to consolidating what had proved successful and of rectifying what had proved defective. Provision of \$30,000 was therefore included in the Regular Budget of the I.L.O. for 1964 for a Technical Meeting which would bring together a selection of Directors of management development and productivity centres to which the I.L.O. had been providing technical co-operation, together with the Chiefs of the I.L.O. projects associated with them, in order to discuss all aspects of operation and to attempt to draw conclusions which would lead to improvement of performance all round. A list of those participating is given in Appendix 1.

As a basis for the discussions it was decided that a study should be made of certain projects - generally those in which co-operation had already extended over several years. For this purpose an outside consultant was engaged for a period of one year to visit the projects and to prepare a report. The basis on which this consultant was selected, the methodology employed and other details of the study are described in Chapter 1 of the Report below.

The consultant chosen was Drs. C.E. Sanders, a psychologist with substantial experience of social research in industry as well as experience in management development in a very well known company operating on a worldwide scale.

The Meeting was held in Geneva for two weeks from 23 November to 4 December 1964. The Report of the consultant in substantially the same form in which it is presented below (it has been edited and somewhat rearranged to make it more readable and to bring the chapters into the same order as the Conclusions of the Meeting), was presented to the participants in English, French and Spanish versions and was discussed in great detail, simultaneous interpretation facilities in the three languages being provided. Participation in the Meeting was representative of the principal regions of the world in which operations are being carried out.

The Chairman of the Meeting, elected unanimously by the participants, was Mr. T.M. Jacob, Director (Training), Central Labour Institute, Ministry of Labour and Employment, Government of India, whose experience of collaboration with the I.L.O. in the field of management development extends over more than ten years, thus making him the senior Director in this respect.

During the first six days discussion centred on the Report. This was carried out on the basis of an Agenda in two groups which came together in the late afternoon of each day with their respective sets of conclusions which were presented by the Chairmen or Secretaries. In each case the Chairmen were Directors of Centres while the Secretaries were I.L.O. Chiefs of Project.

Group conclusions were consolidated by the Secretariat into Draft Conclusions which were discussed one by one until agreement was reached and the Conclusions were finally approved unanimously in the form in which they are presented below.

The discussions, both in the Groups and in the plenary sessions were lively, everyone participating, and were marked by a frankness on the part of all concerned which is reflected in the Conclusions. There was a great deal of give and take, all of it marked by good humour and a real willingness to face up to difficult questions. This in itself is felt to be not the least important feature of the Meeting, since it showed a high degree of maturity in the relations between national directors on the one hand and the I.L.O. chiefs associated with them on the other. It may truly be said that technical co-operation activities in this field have "come of age".

A study of the Conclusions will show the reader that they are far reaching and down to earth and cover most of the key questions relating to management development and productivity projects. It is not too much to say that they represent for the first time a statement which can form the basis of a philosophy of technical co-operation in this field. Their value to all those taking part in this operation, whether Directors or members of staffs of national centres, Chiefs and members of I.L.O. missions or members of the I.L.O. Headquarters staff concerned with policy making and administration of the projects, is indisputable. They represent guidelines which will determine policy, action and behaviour for a long time to come.

In making the Report and Conclusions in consolidated form available to a wider public it is felt that they may not only be of interest, especially to the ever growing body of people engaged in management development everywhere, but also of assistance to those engaged in technical co-operation activities of all kinds, whether giving or receiving aid. As far as is known, this is the first exercise of its type to have been carried out in the field of management development and one of the first to have been carried out in any technical co-operation field. Although there are certainly features peculiar to the particular field, there are many which are common to all technical co-operation activities, especially those concerning people and the relationships between them. At the same time it is recognised that the whole project seen as an exercise in evaluation, is in many places deficient. The limitations and the reasons for them are discussed briefly in Chapter 1 below. However, even if there may be somewhat superficial treatment of certain aspects of operation and of the problems encountered, most have been at least noted and others may wish to pursue the study of specific points in greater depth.

It would be ungracious not to thank those principally concerned in making this project a success. First of all, it must be acknowledged that Drs. Sanders was called upon to carry out the study under pressure of time which forced on him the need to work very intensively while in the field and to travel and live in circumstances which imposed considerable physical strain as well as continuous mental adjustment to new environments and the intense concentration necessitated by long hours of discussion with literally hundreds of people. On top of this he was required to produce his Report in a very few weeks in order that it should reach the participants in three languages before they set out for Geneva. That the Report contains so much valuable material is a tribute both to his capacity for work and his professional competence.

Secondly, thanks must be given to the Directors of the management development and productivity centres and their I.L.O. counterparts who worked hard and earnestly and faced up so honestly to the technical and personal problems involved in their operations at the Meeting itself. Special thanks are due to the Chairman of the Meeting, Mr. T.M. Jacob and to the Chairmen and Secretaries of the two discussion groups.

Finally, a word of thanks to all those, who contributed time and thought to providing Drs. Sanders with the information which formed the basis of his report, without whose collaboration this Meeting could not have been held.

That part of the Report dealing with the work in the field is the work of Drs. Sanders. All that has been done to it has been some editing and rearrangement to make it more easily readable and the addition of a few comments, either in the text or in the form of footnotes to correct errors of fact and to amplify certain points which were dealt with rather summarily. Drs. Sanders himself re-edited the version originally presented to the Meeting and added certain material which he felt was relevant. Chapter 4 on "The Management Development Branch at Geneva" and the first section of Chapter 1 have been contributed by the Management Development Branch. They are intended to be factual and not critical appraisals.

Drs. Sanders is a psychologist and management educator. He has approached this study with the eye of a social scientist. This is evident from the Report itself. This may have led him to neglect or gloss over certain political, organisational or technical aspects of the work of the missions and to lay what some people may consider to be too much emphasis on personality factors and relationships. This is not the view of the I.L.O. The success or failure of our missions depends very largely on these two sets of factors. If they are right, success will follow, given the necessary technical competence. If they are wrong, then great technical ability on the part of the mission staffs will not achieve more than a partial success. The research worker has expressed certain personal opinions - which he is entitled to do - and added some material which he has felt to be relevant. These have been allowed to stand because it is felt that they make a valuable contribution, even though they may not be unanimously accepted.

This has been a first effort at evaluation. It is recognised that it has many defects and omissions. Nevertheless, all concerned are unanimous in their opinion that it has been valuable from many points of view and participants in the Meeting expressed the hope that such meetings to review progress might be held at suitable intervals, perhaps every two or three years. Whether or not this will be possible remains to be seen, but it is certain that many factors and problems connected with technical co-operation in this field and with the organisation and operation of national centres remain unexplored. With projects tending to become more comprehensive and more complex, new problems will certainly arise. It may be that such meetings should be considered as an integral part of the whole process of operation and budgetted for as such. Whatever action may be taken in the future, it is certain that all concerned are convinced of the value of the present exercise.



## I. THE REPORT

### CHAPTER 1

#### THE ROLE OF THE I.L.O. IN MANAGEMENT DEVELOPMENT AND THE PURPOSE OF THE PRESENT SURVEY

##### The Role of the I.L.O. in Management Development

The programme of the International Labour Organisation in the field of management development started in 1952 as part of the Expanded Programme of Technical Assistance of the United Nations, which had come into being shortly before this date. The specialised agencies of the United Nations divided among themselves the total number of projects of the technical assistance programme according to their specialised fields, the United Nations Technical Assistance Organisation taking on a wide range of economic and technological projects as well as certain residual areas which did not fall directly within the competence of any particular specialised agency. The I.L.O. clearly had competence in all matters affecting labour and the utilisation of labour, its conditions of work and employment and the improvement of its skills. In the beginning, the role of the I.L.O. in relation to management was seen only in the restricted field of labour productivity, and specifically in the application of the techniques of industrial engineering at shop floor level. The reason for this was clear: the application of these techniques directly affects the remuneration and working conditions of workers. Productivity questions also provide an opportunity for the participation of workers' representatives, in co-operation with management, in programmes for improvement. It would also be true to say that at this time there was comparatively little interest in management training in the developing countries of the world. The emphasis of technical assistance, whether international or bilateral, was specifically oriented to capital investment and to training in the technical field. The role of management in raising productivity and in general economic development was as yet little appreciated.

The first projects of this type were in Israel and India. In Israel, one and subsequently two I.L.O. experts were attached to the Israel Institute of Productivity, which had been established a year or so previously. These experts set up courses for the "productivity technicians", people at middle management level who were trained in the field of work study, production planning and control and associated techniques. An early success was the association of the mission with the organisation of citrus fruit picking, which provided substantial economies in the cost of picking and packing citrus fruit. This work also involved the training of gang leaders and workers on a very large scale.

The productivity mission in India, which initially went out for a period of six months to undertake demonstration projects in order to show that productivity could be raised by the application of industrial engineering techniques, undertook extensive demonstrations in the engineering and textile industries in addition to carrying out lectures to bodies all over the country. This mission was composed of experts of an exceptionally high calibre, made possible by the fact that it was a short-term mission and that its terms of reference were purely to demonstrate. The report subsequently issued by this mission led to the setting up of the Productivity Centre of the Ministry of Labour and Employment (now a Division of the Central Labour Institute) which is today perhaps the most

effective institution of its kind in India and one of the most effective in the world.<sup>1</sup> Continuous I.L.O. assistance was provided to the Productivity Centre for a number of years and it has thereafter received specialised assistance at intervals up to the present time. Although the setting up of the Productivity Centre was an immediate result of the issue of the report, the action of the Centre was limited and the report did not have much impact on Indian industry as a whole until some years later when it was rediscovered, widely disseminated and discussed. It was unquestionably one of the important influences which led to the setting up of the National Productivity Council and to a more general interest in productivity matters. By this time, a better understanding of the relationship between management and productivity was becoming more widespread in India, no doubt in part due to an increasing number of Indian managers who were receiving managerial training abroad.

In the main, I.L.O. activity in the field of management remained at the level of industrial engineering, and occasionally of cost accounting for a number of years, although assistance in the general management field was given to the Federal Management and Supervisory Training Centre at Zagreb from 1955 to 1958. While I.L.O. assistance in the setting up of this Centre is acknowledged to have been of considerable value, the absence at that time of any unit at I.L.O. Headquarters to develop a philosophy of assistance in the general management field led to the mission being less effective and less integrated than it might have been, and in retrospect many defects in the concept of the carrying out of this project can be seen. Projects in the field of productivity improvement were established in a certain number of other countries in the years between 1954 and 1959 under the E.P.T.A. programme. A mission of five experts was attached in 1954 to the Egyptian Productivity Centre, which was subsequently disbanded and the work incorporated in the Department of Productivity and Vocational Training of the U.A.R. This project is still in being and is the largest E.P.T.A. project in this field. In 1955 a project was established to assist in the raising of productivity in the textile industry in Pakistan, which consisted of two experts over a total period of three years. Although a great deal of useful work was done in individual enterprises, its value was largely nullified because no permanent organisation was set up to maintain and develop it. Projects of longer or shorter duration were carried out in Bolivia, Greece, Sudan, and Central America, and towards the end of the period a demonstration project travelled through a certain number of countries in the Far East from Burma to Indonesia, spending three months in each country and giving courses and demonstrations in productivity improvement. All of these projects were limited in scope and in the number of experts, as much as anything by the non-elastic nature of the E.P.T.A. programme which rarely made it possible to put more than one or two experts in any one country and thus precluded really balanced teams in the field of management development. Nevertheless, these early projects should not be written off as ineffective. Although in many cases comparatively little residual effect was to be found in industry, even after substantial in-plant projects had been carried out, a very large number of people were touched by the teaching and propaganda which was carried out and became aware for the first time of the need for higher productivity and the nature of management action which could be carried out to produce it. In practically every case these projects led to longer and more complete projects in later years.

From the very beginning members of the I.L.O. Headquarters staff and the experts involved in these projects were fully aware that action at shop floor level, while useful in awakening the interest of industry and governments in the possibilities of improved productivity and efficiency, was quite insufficient to produce lasting effects, since the total productivity of an enterprise is affected by many factors outside the production or operational field, and particularly by top management policies and decisions relating to products and markets. It was also clear from the beginning, and this was recognised very early in Israel, that it was not enough to train middle management specialists, or even to give orientation programmes in specialised techniques for their

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<sup>1</sup> I.L.O. Report to the Government of India on a Productivity Mission (December 1952 - May 1954), Geneva 1955, ILO/TAP/INDIA/R2.



employers, since the latter can rarely see the relationship of these techniques to the total operation of their enterprises. This is especially so when, as often happens, the employers are men with commercial or financial backgrounds whose knowledge of production management, or indeed of industrial management, is very limited. It was unquestionably necessary to set up programmes which would provide those in a position to make over-all policy and to take policy decisions with an appreciation of the interdependence of all aspects of the operation of an enterprise and of its management before they would be able to use their specialists to the best advantage.

The break-through came in 1958 with a resolution of the International Labour Conference, supported by a huge majority of government, employers' and workers' delegates, that the International Labour Office should enter fully into the field of management development.<sup>1</sup> This decision, confirmed by the Governing Body at its 140th Session in November 1958, gave the Director-General the authority he needed to establish a unit at I.L.O. Headquarters to deal with the matter and thus to pave the way for more comprehensive action.

The second event of importance in the same year was the setting up of the United Nations Special Fund which provided finance for complete projects over a predetermined period of years on a much larger scale than had been possible under the E.P.T.A. programme and also required governments to contribute counterpart facilities in the form of institutions with buildings, staff and other facilities paid for in national currency at a level of expenditure at, or near, that of the international funds involved. The first Special Fund project to be undertaken in the field of management development was in Poland and the second in Argentina. Since then as many as 21 Special Fund projects in the field of management development (some of them associated with vocational training) have been set in operation or approved in 19 countries. Several other projects are currently under active negotiation (March 1965). From a handful of projects under the E.P.T.A. programme in 1959, employing some 15 experts, projects currently in operation or about to become operative will have risen to some 38 by the beginning of March 1965 in 36 countries and involving over 150 expert posts. This figure may well reach 200 in 1966.

During this period the number of professional staff at Headquarters concerned full time with management development and productivity has risen from one at the beginning of 1960 to 12 by March 1965, in addition to three who are engaged in special research projects. Of these, nine are engaged full time on the supervision and administration of the field projects including recruitment and briefing of experts and missions connected with supervision, negotiation and preparation of projects. All members of Headquarters staff are professionals in some field of management.

From the beginning it was envisaged that the Headquarters unit should undertake a certain amount of research into factors affecting management development in developing countries and should attempt the development of teaching materials, the trying out of new methods and the preparation of new programmes for the use of people in the field. Further discussion of this aspect of the work of the Branch will be undertaken in Chapter 4.

Although the I.L.O. is today the largest institution in the world supplying technical co-operation in the field of management development in developing countries, it is not by any means the only one. Extensive work in Asia, and to some extent in Latin America, has been carried out by the U.S. A.I.D. programme, although in recent years this has considerably diminished. The Ford Foundation has been active in a number of countries, particularly in the setting up of institutions for business administration and management training on an academic basis, and in the provision of short-term advanced management programmes in association with some major United States business schools. In Latin America, particularly, assistance has been given by the United States to certain countries

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<sup>1</sup> I.L.O.: 42nd Session of the International Labour Conference, Geneva, 1958.

using teams from North American business schools to set up institutions for management development. Some action has been taken by the French in their former colonies in Africa and by the British Government in certain Commonwealth countries. In the latter case, this has consisted rather more in the setting up of management associations and institutions of management, both general and specialised, modelled on the lines of those in the United Kingdom. Assistance has also been provided in certain countries, notably in India and Pakistan, in the setting up of administrative staff colleges modelled on that of Henley, England. In the less developed countries of Europe substantial aid in the management field has been given by O.E.C.D., but this also is tending to taper off.

Where does the I.L.O. stand in this field? What has it to contribute in management development to the developing countries which is not being contributed by other organisations? In the first place, the International Labour Organisation enjoys one very special qualification among international organisations, namely, that the representation of Member countries is tripartite, that is representation by governments, employers and workers. Thus the I.L.O. and its missions have direct contact with Employers' and Workers' organisations and the possibility of enlisting their support in their activities in the various countries in which they are working. Since management is a matter of very direct concern to employers and managers in both the private and public sectors, and is of hardly less concern to workers, the direct participation of these two groups in the activities of the I.L.O. is of the greatest importance since it can be shown that where such contact is only through the intermediary of governments both sides of industry tend to be suspicious. This is perhaps the only unique qualification which the I.L.O. may have to carry out this work.

In practice, however, the philosophy behind the work has been shown to be of considerable importance, because this philosophy stems from the aims of the International Labour Organisation itself. It may be summarised as being that assistance to industry, public or private, to improve its performance through better management is only justified if the better management benefits the community as a whole.

From the operational point of view the philosophy behind the conduct of the programmes is that the objective is to ensure that good management practices are introduced into and implemented in enterprises. The programmes are, therefore, oriented to this end by providing a minimum of theory and a maximum of practice. Even where it is not possible to undertake practical work in plants every effort is made to make classroom teaching as practical as possible. All activity is directed towards persons practising in industry whether managers, potential managers or specialists in management techniques; the setting up of institutes of business education at the undergraduate or postgraduate level has been left to other bodies. To say that the performance has often fallen short of the theory and the aims does not alter the fact that across the years adherence to this philosophy has enabled the I.L.O. to carve out for itself a clearly defined field of action in which its competence is becoming increasingly recognised. Although no special efforts have been made in this direction, recognition of the I.L.O.'s role by management education bodies in Europe is growing. The European Liaison Committee for Management Education, which is composed of organisations concerned with this field in Europe, such as the International University Contact for Management Education, the Organisation of European Management Consultants, the Comité international d'Organisation scientifique (C.I.O.S.), the O.E.C.D. and the Committee of Directors of European Productivity Centres (of which the I.L.O. is a full member), has accepted the I.L.O. as an effective and authoritative body in the management development field. There is now some pressure on the I.L.O. to set up a centre for information and for co-ordinating action in the management field, particularly in relation to developing countries.

#### How this Research Project came into Being

Twelve years of experience of technical co-operation in the field of productivity and management development now lie behind the work of the I.L.O. in this field. To judge by projects coming forward and projected, and a certain new orientation of activities of the Management Development Branch, many years



of work lie ahead. It was felt that, with a number of national institutions now having had several years of experience in collaboration with the I.L.O. in the field of management development, the time was ripe for an examination of the effectiveness of the work, in order to measure some of the factors responsible for successes and failures, and particularly to identify weaknesses, both in I.L.O. activities and in those of the institutions with which they are associated, so that these weaknesses could be corrected and the general effectiveness of the whole operation improved. Management development, even in the industrially more advanced countries is still a comparatively new activity. The development of practising managers on any scale is little more than 20 years old in the United States, while in Europe it is even more recent. It is still largely in the experimental stage, although a number of principles for effective management development are beginning to emerge. If this is true of the advanced countries, it is far more true of those now in the course of industrialisation, particularly since most of them differ in their social structures, customs, traditions and general culture from the countries in which management itself has been developed and in which the techniques of management development have been evolved. Industry demands, for its effective operation in the long term, certain attitudes of mind and a certain mental outlook which is not so necessary in a non-industrial society, and the introduction of industry into countries whose social structure and outlook has largely been based on agriculture, and in some cases even feudal societies, demands not only education in techniques and practices but considerable changes in attitude. In the words of the Director-General of the I.L.O.:

"Successful industrialisation, however, implies a social revolution. To set up industry and introduce new technology is not only a matter of acquiring capital and a knowledge of techniques. Modern industry calls into being its own kind of society. It requires attitudes towards work different from those of traditional rural communities; it functions at a different pace, and makes people organise their lives in a different way; it challenges old values; it creates new values. This social transformation which must accompany industrialisation affects, indeed, a man's whole view of the meaning and purpose of life and of his relations to his fellow man."<sup>1</sup>

In view of the substantial expenditure of international and national funds and the resources in terms of highly skilled and qualified personnel, both international and national, involved in an operation which is still in the experimental stage, it seems only prudent to take a close and critical look at the operation from time to time in order to ensure that it is proceeding effectively, or if it is not to seek ways of correcting weaknesses. This study is the second of such critical appraisals. The first was carried out in a somewhat summary fashion in 1957 by an official of the Office and resulted in an article in the International Labour Review which was subsequently published as a booklet and very widely distributed throughout the world.<sup>2</sup>

#### The Objectives of the Study and the Utilisation of its Findings

The effectiveness of the work of management development and productivity improvement programmes can only be measured in the final analysis by the extent to which they have caused good management practices to be introduced into industry (using the term in its broadest sense) and to be maintained and developed there on a permanent basis, so that the management of the enterprise as a whole is effectively and permanently improved. The 1957 study noted that management techniques introduced by in-plant training which had appeared to be firmly rooted immediately after their introduction had been discontinued sometimes within a year, and in a few cases all trace of any application had disappeared. One of the purposes of this study was to assess the extent to which management practices had been introduced into industry on a lasting basis. Associated with this, however, was the idea that an examination should be made in a selected number of

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<sup>1</sup> I.L.O.: The I.L.O. and Asia, Geneva, 1962.

<sup>2</sup> I.L.O.: I.L.O. Productivity Missions to Underdeveloped Countries, Geneva, 1957, (now out of print).

countries in which I.L.O. management development projects have been operating for a substantial time of all the factors relating to those projects which could affect them for better or for worse. In particular, this entailed an evaluation of the work in terms of its impact upon the "customers", that is, employers and managers, through the use of the services of the centres to which I.L.O. missions are attached. It is hoped that the exercise may lead to the development of a number of key indicators for the measurement of success or failure, strength or weakness.

The second purpose of the study was to prepare a report of the findings for use as the basic document at a Meeting of Directors of Management Development and Productivity Centres and Associated I.L.O. Chiefs of Project, to be held in Geneva from 23 November to 5 December 1964. By preparing an agenda covering the principal headings of the report for free and frank discussion by those attending the meeting, it was hoped that both those Directors attending and the I.L.O. staff would learn even more of the problems of operation and might arrive at some constructive solutions.

### The Choice of the Research Worker

In planning the study, a decision had to be taken at an early stage as to what sort of research worker was needed to undertake it. The first reaction was to propose someone with extensive experience of these operations in the field, but this solution was rejected because it was felt that any of the experts with the professional qualifications to undertake the study, who had had substantial experience, would already have developed certain definite ideas about management development in developing countries which would lead to a built-in bias which could affect the study unfavourably.

The next proposal was to find an outsider who was an established authority in the field of social research and of management development. This was rejected on the grounds that it might create a "halo" atmosphere, inviting people to be interviewed and studied to show predominantly the more glamorous side of their work. If the research worker was an older man of established position, it might intimidate some of the people interviewed.

Finally, it was decided to select as research worker a man still relatively young but who had had substantial experience of social research with considerable experience in management development and teaching, and who had not yet acquired so much experience and authority that he was likely to have set ideas or to intimidate those whom he had to interview.

### The Methodology of the Study

The research worker was recruited at a relatively late date after a number of candidates had been interviewed and rejected for various reasons, and he could not take up his duties before the beginning of March 1964. He had slightly less than four weeks to prepare for his first trip to the Middle East and to Asia. Medical and administrative procedures took up some of this time and detracted somewhat from the thoroughness of the preparatory work. The research worker familiarised himself with the main features of the I.L.O. organisation and the policy in the matter of management development, as well as studying information on the projects which he was to visit. He was also able to acquire some information about the different countries he visited.

Before departure, a check list of points was drawn up as a general framework for the information to be gained (see Appendix I). This check list was discussed with a number of members of the Management Development Branch and with one senior field expert. The check list was somewhat modified in the course of the study and is shown in its final form. The methodology of the study consisted mainly of interviews based on this check list of questions. The research worker adopted a highly developed listening attitude whereby he tried to listen not only to what was said but also to what was not said or could not be said without help and stimulation. This listening capacity with the "third ear"<sup>1</sup> is a major feature of psychologically trained social scientists. The research worker met a cross section of all those involved in the operations or affected by them. He also had the opportunity of meeting many of the wives of I.L.O. experts at home and was able to learn their views and obtain an impression of the living conditions.

<sup>1</sup> Theodor Reik: Listening with the Third Ear, New York, Grove, 1956.



The Chief of the Management Development Branch informed Chiefs of Project and Directors of Field Offices and certain independent experts about the study in a letter in which he explained the objectives at some length and requested co-operation with the research worker. In addition, the research worker himself usually wrote to the Chiefs of Project or individual experts indicating the sort of contacts he wished to have and explaining the purpose of his visit in rather more detail. It is felt that this approach worked well on the whole and speeded up the study, as in most cases appointments were made on the arrival of the research worker and an agenda for meetings during his stay was drawn up.

The projects to be studied were selected by the Chief of the Branch, the criteria for selection being a proper mixture of long-term projects operated under the E.P.T.A. programme and a number of more recent projects developed with the assistance of the United Nations Special Fund. The selection of projects resulted in an itinerary covering nine projects in eight countries. The projects selected are shown in Appendix 2.

In addition to what has already been said it must be underlined that the present study is nothing more than a conscientiously executed interviewing programme. Although scientific evaluation studies of management training programmes are rare and implementation of findings even rarer, there is no doubt that a more systematic and sophisticated approach to the present study would have harvested more reliable results.<sup>1</sup> A more thoroughly prepared approach would also have avoided some confusion in the minds of I.L.O. staff in the field who tended, perhaps inevitably and in spite of the elaborate explanations in the introductory letter and by the research worker himself, to see him in an ambiguous role. On the one hand he was seen as a research worker carrying out an important study. On the other, he could not always escape the "halo" a representative of Headquarters carries with him. In some cases he met with considerable resistance and was perceived as a "spy". Fortunately, in by far the majority of interviews a pleasant and co-operative attitude was met with and "rapport" was quickly established.

#### The Limiting Factors of the Present Study

The limited time available for the study resulted in an unusually heavy itinerary and a very short time for preparation and reporting. In addition to the nine projects visited, the research worker visited three I.L.O. Field Offices and stopped off in the United States to meet officials of the International Division of the M.I.T. School of Industrial Management, Cambridge, Massachusetts. Of a total of 123 days of travelling, 111 days were available for work on the project. The total number of people interviewed in connection with the study amounted to 389, an average of 42 per project.

The average stay per project was 12.3 days. Actual length of stay depended first on the nature of the project - whether it was an old one so that more interviews were required, or a relatively new one with a smaller sample of people to be met - secondly on the scope and size of the project, and thirdly on the conditions of the country, particularly its size.

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<sup>1</sup> For example, Edwin A. Fleishman, Edwin H. Harris and Harold Burt "Leadership and Supervision in Industry", Columbus, Bureau of Educational Research, The Ohio State University, 1955; Kenneth R. Andrews "Is Management Training Effective?", "I, II Measurement, Objectives and Policy", Harvard Business Review, 1957, January-February, March-April. An approach is suggested by the O.E.C.D., Paris "Evaluation of Supervisory and Management Training Methods", 1961. A very careful evaluation study from a methodological point of view is at present in preparation by the United Nations Research Institute for Social Development, Geneva. This study is entitled "The Motivation to Change" but has, however, a different focus.

A very large amount of material was acquired and this has been summarised into working notes, but it is clear from this summary that the research worker was unable to cover all the ground or to examine in depth all the material available.

Another limiting factor in the study was the little time available for writing up the findings in view of the fact that the report had to be edited and translated into French and Spanish for the purposes of the Meeting.

From all that has been said it will be clear that both the study and the Report have definite shortcomings. However, the study is only one activity of a continuous evaluation effort which will be worked out in the years to come and the Report should be looked upon for what it is, namely, a basis for discussion and exchange of thought during the first Technical Meeting of Directors of Management Development and Productivity Centres and Associated I.L.O. Chiefs of Project. As such it proved extremely valuable.

CHAPTER 2

NATIONAL MANAGEMENT DEVELOPMENT  
AND PRODUCTIVITY CENTRES

The centres visited vary very much in their purpose and scope and are therefore difficult to evaluate in general terms as far as their "effectiveness" is concerned. Of the seven examined<sup>1</sup>, four have been set up with the support of the United Nations Special Fund and are designed to be national management development and productivity centres according to the terms of the Plans of Operation. One of the centres was established a long time ago with I.L.O. assistance, under the E.P.T.A. programme, as a national productivity centre but has never been further developed and today is one institution among several others in the country with similar objectives; it is carrying on its work in a limited field. Another of the centres is a national centre in the full sense of the word, but assistance from the I.L.O. has hitherto been modest and limited to a single expert. This centre has, however, moved ahead rapidly and is strongly supported by the government and by local managements. Due to expanding business and the acquisition of a central role in the productivity drive in the country concerned, it is about to receive much more extensive support through the Special Fund. Finally, one centre was originally conceived as a national centre, but has lost its central position and is at present embodied in the framework of an institution with objectives broader than industrial productivity and management development. Although the institution as a whole is now supported by a Special Fund project, the productivity section, which started in 1954 with assistance from the I.L.O. under the E.P.T.A. programme has not expanded, in spite of the excellent work which it is doing. It plays a vital role in management training and in-plant work locally. It is thus evident that the origins and present roles of the various centres differ considerably and that in the course of evolution, original goals and intentions have in certain cases been substantially modified.

For this reason, the effectiveness of the centres will be discussed rather in terms of their impact on managements in the countries concerned as recorded from the opinions of managements with whom their work was discussed than in terms of the details of their operation. Political factors, sociological changes, personal considerations and initiatives taken by other organisations have been largely responsible for the changes in the roles of centres, where these have occurred.

All the centres visited have contributed substantially to creating an awareness of the need for productivity among local managements and, in spite of criticisms, the efforts of the staffs of the centres and of the international experts have been highly appreciated. The fact that the "growth curve" of some centres has not been a steady one and has not been continuously rising does not necessarily mean that the centres concerned have been unsuccessful. Most centres have had their ups and downs and at present, with the possible exception of three, they are far from having achieved maturity. In examining the work of the centres, stress is given to the opinions of the "customers" in the first place, while those of the staffs and I.L.O. officials are given equal weight. Some observations are also given by the research worker, where appropriate.

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<sup>1</sup> In addition to the seven principal centres mentioned, three centres in the Central American region were visited (Appendix 2, Nos. 8-9). The situation in these was different, although nothing was seen to alter substantially the findings relating to the seven which form the main object of discussion in this paper.



### Relationships of National Centres with their Governments

Although many of the managers interviewed did not have a very clear picture of the specific organisational position and structure of the centres, the opinion was generally expressed that they are too dependent on the governments concerned and should have more autonomy.

This opinion has a number of facets. On the one hand, there is evidence of a strong desire on the part of managements to obtain assistance. They want to enroll as many of their subordinate managers as possible in courses and are particularly eager for in-plant assistance. They find that a limited number of courses are given, that the quality varies greatly and that follow-up and in-plant training are often impossible. They notice that in some cases, the difference in level and ability between the national staff and the international experts is considerable, they observe that the centres lack staff and that turnover is regular and they learn "through the grapevine" or from their own impressions that employment conditions in the centres are far from ideal and below the standards of industry. They attribute many of these short-comings to government bureaucracy which they often experience in other fields. They assume that a centre with greater autonomy could act differently, could attract better men or offer better pay to good men already available and could expand services in line with market needs.

On the other hand, certain centres have known periods when managements gave verbal support to their activities but were reluctant to send employees from their firms to courses. Successful demonstration projects carried out within enterprises lacked consistent follow-up by the managements concerned and what had been accomplished was lost. Directors of most centres seriously doubted whether greater autonomy would result in full financial support from industry and a willingness to pay economic fees for courses and services. They were inclined to blame managements for giving only lip service to management development.

All the centres visited were, in fact, government run, all but one attached to the Ministry of Industry of the country concerned. In only one case, however, was a centre visited which charges substantial fees for services and pays its staff salaries comparable to those which can be earned in industry.

The consequences of being part of the government machine are both positive and negative. On the positive side are:

- (a) continuous financial support (by contractual agreement in the case of Special Fund projects), accommodation, local administrative staff and eventually some equipment are supplied by the government;
- (b) employment security for staff, although good men can usually get jobs in industry easily when they have proved their abilities over a couple of years and have made industrial contacts.

There is little doubt that status guaranteed by the government is a great advantage in enabling a centre to get on its feet independent of financial contributions from industry in its early years.

The disadvantages, however, are many. In the first place, where there is political instability and a turnover of high government officials, governments may fail to honour their obligations under the Plan of Operation. Accommodation may be inadequate, administrative assistance below standard and salaries paid to technical staffs fixed according to government salary scales. The rigid adherence to inflexible government scales of pay, coupled with the scarcity of well qualified people, especially for middle management and specialist positions, in all the countries visited makes it understandable why most of the centres seen were understaffed. In one case, at the time of the visit of the research worker, six international experts had only one national "counterpart" who was, in fact, not a citizen of the country concerned. This same factor makes for a high turnover of national staff which is detrimental to the effectiveness of the centre, particularly in view of the fact that all projects are geared to make the international experts superfluous as quickly as possible and to make the centre a going concern, fully qualified to undertake its tasks. Out of the centres visited, only two had more or less sufficient local staff of reasonably high quality to act as counterparts to the international team, although a third centre has recently brought its staff up to the level required in terms of numbers and quality.

In the view of the research worker, the above points, although valid, have to be seen in perspective. It is certainly true that lack of support for the work of centres does result in this situation. It must be borne in mind that most government departments in developing countries themselves suffer from a serious lack of high calibre personnel and a few men of high quality are heavily overburdened. In general, government officials met showed a genuine interest in and desire to further the work of the centres with which they were concerned.

One of the problems encountered was inter-departmental friction due to factors of prestige and status. In certain cases where centres had been successful and had achieved spectacular results, and sometimes because working conditions were somewhat better than in ordinary government departments, jealousies resulted and delaying tactics were practised by key officials in matters relating to the centres. This opinion was expressed regarding four out of the seven principal centres visited.

Another phenomenon observed in countries with socialistic political philosophies was that of differing perceptions of the role of the centre as between the private enterprise managers or employers on the one side and the government officials on the other. Employers tended to see the centre not only as an institution endowed with management know-how, but also as a stronghold of free enterprise, while the government officials concerned saw it as an institution for indoctrinating managements with a proper outlook. The result has been that these centres are forced into a "buffer role" and find it very difficult to maintain a neutral, objective and strictly knowledge-oriented position.

Lastly, it appeared that the composition of the governing bodies or advisory councils of certain centres did not always reflect to the full extent the objectives of the centres. Insufficient representation from management and labour and a predominance of government officials leads to certain problems. One of the problems is that many officials have a great variety of duties and the affairs of the centre do not receive adequate study. Board meetings are not as productive as they should be or are too infrequent - holding up vital decisions. It is clear that a well balanced and highly motivated governing body giving full public support to the affairs of the centre is essential to solve some of the problems which have been and will be described.

Summing up, it may be observed that the problem is one of institutional efficiency and administrative vitality in government and in the public sector. This is what appears to interfere most with the effective operation of centres and the I.L.O. missions attached to them. At the same time, it appears to be a neglected area of study. The research worker noted that in the countries visited - in spite of certain political problems - there is everywhere a need and a genuine desire to develop efficient and management-oriented public administrators. The present minority of high quality men is hopelessly overburdened. Although some assistance is available for the training of administrators and civil servants through international organisations, the consensus of opinion of managers was that this training lacks a healthy dose of management, is too formal and modelled along the lines of civil service practices in the economically advanced countries of the West. The opinion was regularly expressed that the management development centres and the I.L.O. missions, provided they could be given greater autonomy, could make an essential contribution to this much needed area of management training, the area of the management of public resources.

#### The Organisational Structure of Centres

One of the important subjects which, it is recognised, did not receive as much attention during the study as would have been justified, due to pressure of time, is the organisational structure of the centres visited. This includes the formal relationship of the centre to the ministry responsible for it and the place of the Director in the hierarchy of the Ministry, where this applies, the composition of the governing or advisory council, its powers and the relationship of the Director to it, and the internal structure of the centre. It is clear that all these factors will have a considerable bearing on the efficiency of a centre's operation. It is sufficient to say here that the centres visited showed considerable diversity in their organisation, the effects of which should certainly be examined. There would certainly seem to be a case for a research project to study the organisation and operation of management development and



productivity centres on a comparative basis in relation to the conditions pertaining in the respective countries concerned. Some guidelines were formulated by the Meeting and are embodied in the Conclusions. (Conclusions 15 and 16). Included as Appendix 4 is a paper prepared some years ago by the I.L.O. embodying a design for a small management development and productivity centre which was distributed to the Meeting and used as an additional basis for discussion. The contents are based on the Conclusions of a Technical Meeting of Experts held at Bangalore, India, in 1959<sup>1</sup>, amplified in the light of subsequent I.L.O. experience. Although the organisational structure proposed is designed around a more restricted range of activities than those which it has since been found necessary to undertake in national centres, most of the recommendations contained therein remain valid and experience has shown that the design is basically sound. For this reason it was felt that its inclusion as an Appendix to this Report was justified.

One aspect of the organisation of centres did, however, strike the research worker and may be worth brief discussion here. This was that there was little provision in the organisation of those visited for:

- (a) the systematic evaluation of the content, methodology and impact of their training programmes; and
- (b) the establishment of economic and management research departments or sections to explore systematically the management development "market" and establish priorities for training and practical projects.

In nearly all the centres visited some attempts are made to take some action in both these areas, but in all but one both the national and the I.L.O. staffs were so heavily engaged in training activities and practical project work that they had little time to attack these questions systematically. It would appear as if results will continue to be incidental and unreliable unless some such activities are formally provided for.

It was suggested by some of the I.L.O. staff interviewed that, with respect of item (a), it would only become feasible if the staff of a centre were to include someone expert in management training methods and management education, preferably with a background in behavioural and/or social sciences. This man, they felt, could help with the integration of programmes and teaching materials. He could also be responsible for systematic analysis and recording of what is going on in courses and programmes and for following up with managements and former participants the long term effectiveness of the training. It might be necessary to add a short term member to each I.L.O. mission to undertake the initial training of such a man, preferably near the beginning of each project. This training could be supplemented by a fellowship.

Both items (a) and (b) are to some extent handled currently by the Directors of centres in collaboration with their counterparts, the I.L.O. Chiefs of Project. However, in practice, time is lacking for systematic studies and up to now the job has never been formalised in any of the centres visited.<sup>2</sup> It would appear that any systematic evaluation of the type envisaged under item (a) should encompass an analysis of the work of both national and international staffs in such a way that the contacts and projects are seen not only in terms of working relationships but also as means of obtaining feed-backs of information and material for research. One of the centres visited managed to do this job well, but in this the concept of management development differed from that of other centres. This centre had, in fact, reached Phase 3 of its development. (See below.)

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<sup>1</sup> I.L.O. Raising Productivity (Conclusions of Three International Meetings of Experts), Geneva, 1959.

<sup>2</sup> It is understood that the Korean Productivity Centre, which was not visited, has a management training research section.

An important help for carrying out continuous economic and management research would be to start a project in management development and productivity at the outset with a very thorough survey of all the factors related to the ineffectiveness of industrial and economic development of an emerging nation in order to find an adequate strategy for management development activities and to set priorities for demonstration and productivity projects. This, according to some of the I.L.O. staff, was lacking and a basic shortcoming of many of the present projects.

The importance of both points was stressed in another context by the suggestions that one of the objectives of a management development and productivity centre should be to act as a "listening post". Since most centres conduct a great variety of courses and enroll many hundreds of managers and specialists of all levels as participants, probably there is nowhere else a better opportunity to learn about the existing problems of industrial growth and managerial development. In fact the centres have their hands to a large extent on the pulse of the managerial stratum of society. Particularly the managers, the employers' representatives and senior officials expressed the need to utilise the accumulating amount of information at centres. However, to capitalise on this information it was recognised that a systematic job in information retrieval was required. It must be doubted whether a centre can fulfill this important listening post function - so familiar to well organised training departments of big enterprises - when no proper organisational framework is provided. (See also Appendix 4, page ix.)

#### The Stages of Development of a Centre

The professional qualifications of 17 out of 31 international staff encountered are in the field of industrial engineering and production management. This is reflected in the output of work of the centres concerned. However, the period in which the I.L.O. productivity missions gained their reputation by application of industrial engineering techniques, particularly work study demonstration projects at shop-floor level, has by now passed and the centres are everywhere recognised as management development centres covering the entire range of management subjects. The research worker found an interesting example of a change in the market image of one centre. In the early phases of its existence, the major emphasis was on production management techniques, and particularly work study projects. Gradually a broader range of subjects was covered: cost accounting, management accounting, supervisory training, personnel management, leadership and human relations. The first advanced management residential two-week seminar early in 1964 accomplished a definite change in the "market image". As the managers who attended this Seminar explained "We always thought of the Centre as the Productivity Boys and the Measurement Guys - now we realise that we have got access to an institution with a fully-fledged knowledge of all our management problems, which is tremendously helpful".

It is obvious that this change in perception was not exclusively due to the successful seminar but was the result of carefully prepared strategy over a long period of time. Certainly, the composition of the Advisory Council, the support of this body from employers' representatives, the gradual change of course programmes and an improved sense of public relations have contributed to this new look. Similar examples could be mentioned from elsewhere.

According to impressions gained by the research worker the development of the work of the centre can be divided into three phases:

- Phase 1 Spreading the gospel of productivity - basic courses and demonstrations.
- Phase 2 A greater variety of courses and a more selective approach to course participants. More careful selection of demonstration projects and follow-up work.
- Phase 3 An integrated approach to management development related to course subjects and course participants. A change from courses with an instructional approach to courses characterised by an educational approach. A better balance between courses and project work within plants and institutions is achieved. Follow-up and follow-through of course and seminar work to full project assistance, with a forceful approach towards implementation until change occurs. Contacts of a more continuous nature with enterprises or institutions to supervise what has been changed and to reinforce the need of the change as such.



The conceptual background to Phase 3, as seen through I.L.O. eyes, is put forward in a paper entitled Some notes on the Development of Integrated Management Development, Specialist and Supervisory Training Centres, which is in the possession of all Chiefs of Project and other experts. It is an attempt to define the range of training and development facilities for management and supervision which has to be established in any industrialised country or a country which intends to industrialise on any scale. It is regarded as essential that such a range of programmes for different levels of the management hierarchy and in different functions of management should exist (not necessarily in a single institution), if industry is to be able to achieve a high level of performance. This is illustrated in the chart attached. The chart is not intended to be exhaustive or exclusive, but illustrative.

The need to make provision for the establishment and effective conduct of such an extensive range of facilities in management development and productivity centres, which can only be done within a reasonable time (almost certainly more than the five years allotted under Special Fund projects), if balanced international and adequate national staff are available, is the main reason for the emphasis which has been laid by I.L.O. Headquarters on training activities in the early stages of projects rather than on the undertaking of consultancy activities which have a much smaller multiplying effect.

The impression exists that at present most centres hang on to Phase 2. Of the major centres studied four are in Phase 2, two centres in Phase 1 and only one centre is more or less in Phase 3.

The research worker, as well as local management and many experts, believes that Phase 3 should be the objective for further development. He would characterise Phase 3 as an approach whereby a centre:

- (a) has succeeded in developing a balanced and integrated programme of courses for all categories of management;
- (b) has developed a keen sense of its role as change-agent focusing on an organic, multi-disciplinary approach towards problems of organisational change whereby course work and project work inside enterprises arrived at an even balance;
- (c) has based its work on the continuous research of the existing training needs to establish the right priorities.

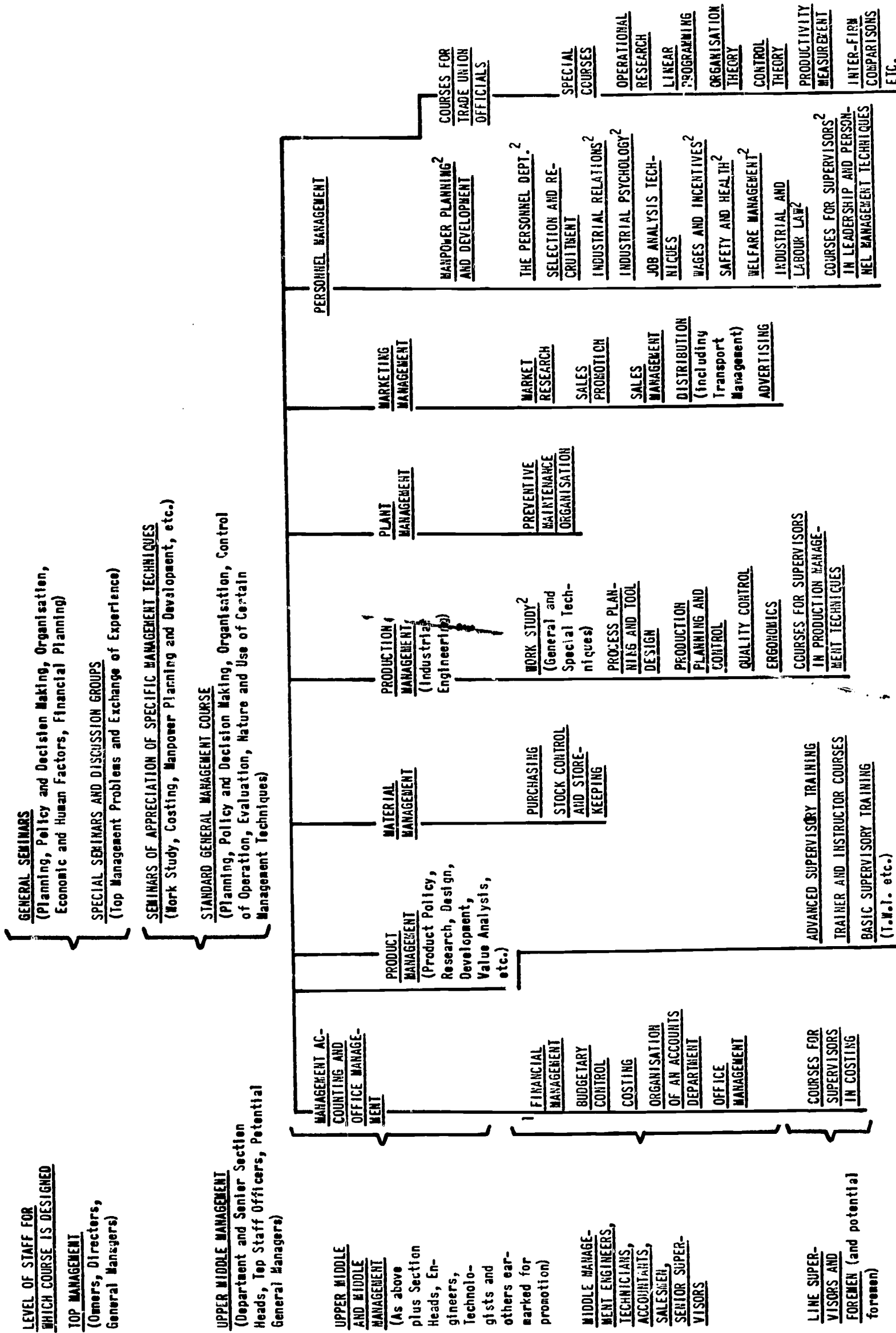
Related to the problem of the developmental phases of a centre is the question of determining training needs.<sup>1</sup> In Phase 1 the strategy is usually to ensure an emotional appeal by showing practical results. In Phase 2 there is already a more rational approach by a more careful selection of participants and firms according to needs and follow-up. However, in Phase 3 a more systematic empirical approach is used, for example:

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<sup>1</sup> See "Methodological aspects of Management Education in Developing Countries" - Report of the meeting of a preparatory study group, July 8 - 10, The Hague, published by International University Contact for Management Education, Kruisplein 7, Rotterdam, Netherlands. The following issues are referred to (p. 20):

- a more precise assessment of the role which management education can and does play in socio-economic development, both in developing and developed countries;
- problems of approach and planning of introducing management education programmes;
- the formulation and dissemination of the objectives of training;
- the relation between socio-cultural patterns and motivation in education;
- methods of assessing training needs;
- project and programme design and effectiveness of teaching methods;
- evaluation of the results of education;
- recruitment, selection and training of teachers; the organisational structure of the teachers corps; and the role and effectiveness of foreign teachers;
- role and training of behavioural scientists as consultants in management education.

**SCHEME FOR A FULLY INTEGRATED MANAGEMENT DEVELOPMENT, PRODUCTIVITY AND SUPERVISORY TRAINING PROGRAMME**



<sup>1</sup> Any of the courses in these groups can, of course, be taken separately or in various combinations and at different times.

<sup>2</sup> Courses suited for participation by workers' representatives and trade union officials.

- (a) organisational analysis related to business policies, production objectives, product diversification, marketing, financial resources, manpower (plus management and specialist) analysis, etc.;
- (b) performance evaluation of management groups; and
- (c) function, and job analysis, etc.

The introduction of changes, the snowball effect of know-how and new ideas and the over-all motivation for productivity improvement are particularly successful when understood and promoted at the top. This translation process at the top into attitudes and approaches - to mention one important psychological facet of this process<sup>1</sup> - is very difficult and is at present perhaps still insufficiently understood. It is clear that this side of the work has gradually gained in importance in many centres. However, the impression exists that regular top management seminars of shorter and longer duration should be more emphasised, for the following reasons:

- (1) to ensure a greater continuity of practical results;
- (2) to be more in line with the I.L.O. theory of fully integrated management programmes;
- (3) to support and to improve the market image of management development and productivity centres; and
- (4) to avoid a vacuum of training efforts readily picked up by other organisations, and at times introducing confusion and an unfortunate element of competition.

One of the important problems encountered by every centre is the selection of projects and participants. The opinion was expressed that centres focus too exclusively on industrial management in the private sector, mainly covering manufacturing operations, and tend to neglect management of all other sectors, including public sector enterprises. The estimated ratio of participants in courses and practical projects of all the centres visited is roughly four to one, representing the private, industrial and manufacturing sector and all other sectors, including public sector enterprises. Manufacturing establishments are the main focus of the centres. In most of the countries visited, priority is given to the development of small and medium-sized manufacturing operations. However, in principle the scope of a centre's activities is unlimited and conflicting opinions were expressed as to what proportion of the ground should be covered by the centre, as for example in harbours, transport undertakings and other public utilities, the mining industry, agricultural enterprises such as rubber, coffee, cotton and other plantations, and so on.

Very often, for reasons of public relations, sometimes on special requests, sometimes to gain special support from very influential groups, projects are undertaken in fields where full-time employment of the staff could result, as for example on coffee and cotton plantations in the Central American Region or on rubber estates in the Malaysian Federation. Because of incidental spectacular results and visions of enormous results, international staff are tempted to make such projects "pet" projects thereby running the risk of arousing considerable interest and becoming involved in an amount of work which will prove to be impossible to assimilate with the staff and experts available.

It is quite clear that each centre is confronted with an extremely difficult selection problem of priorities, and is "threatened" by forces in its environment which bring it continuously to crossroads where decisions have to be made. It might be of interest to discuss this problem in relation to the developmental phases of a centre and to try to establish the kind of "developmental model" most desirable for gradual and balanced growth.

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<sup>1</sup> For example, the predisposition to delegate decision-making and to invest confidence in capable employees, as well as to establish a climate whereby training and education become an integral part of all management gestures.



Another important factor for creating the appropriate market image is the selection of course participants. The impression exists that in most countries visited course participants are, in the majority, recruited from the bigger firms who, in many cases, are linked with, or subsidiaries of, foreign-owned companies. A rough estimate would be that 70 per cent. come from the bigger firms (often foreign-owned) and 30 per cent. from local small or medium-sized firms. This, however, seems to be a direct result of the fact that the managements of larger, and particularly of foreign-owned firms, are the first to appreciate the value of the services offered by a centre and the need for management training. The latter group of firms is often under pressure to introduce nationals of the country concerned into the management hierarchy as quickly as possible - a further stimulant. A second reason is that small firms are large in number and difficult to reach by propaganda and publicity. Further, the economic importance of the individual small firm to the country as a whole is normally less than that of the larger one, an important point in trying to make a rapid impact on the national economy. Finally, small firms tend to find it difficult to release staff members to attend long courses because they are so few.

In this context a useful suggestion was frequently made. The idea is that a Centre from developmental stage 2 onwards should start a section exclusively devoted to small-scale industry, with the primary objective of training trainers and consultants for the small-scale enterprise. This approach would also be very useful to improve training opportunities for national staff members already at an early phase of their career with the Centre.

The research worker would call attention to the extremely successful "Small Business Advisory Service" in the Netherlands and would suggest that the organisation and practices of this and similar services in European countries be studied. In the light of the reorganisation of the I.L.O. Headquarters whereby the Management Development Division is now incorporated as the Management Development Branch of the Human Resources Department, and has taken over the responsibility for the small-scale industry programme of the I.L.O., there appear to be considerable possibilities for a new approach to the organisation and development of centres.

The impression exists that relationships with trade unions are somewhat unsatisfactory. Although in four out of seven centres relations with trade union representatives are well established, course participation from the union side is below what it probably should and could be. Shortcomings in this matter can be partly explained by political factors, but there is also the other side that management development and productivity centres, by the nature of their work, and due to the professional background of their staff, are primarily oriented to management and management techniques and that the labour relations side threatens to become the stepchild of the programmes. It seems also that training efforts to stress the social responsibility and community function of business management and the function and role of trade unions are at present insufficient. In view of the I.L.O. objectives in technical aid, these subjects deserve more attention. During his trip the research worker met a total of six labour representatives, which compared poorly with 16 employers and 117 management representatives. Although special reasons sometimes prevailed which accounted for this state of affairs, the general picture is also a reflection of the point just mentioned. There were often no meetings scheduled with the labour side and it was frequently impossible to correct this shortcoming on the spot due to the very heavy programme and earlier commitments.

Another point raised and one which seems to have some relevance to the creation of the correct market image is the "project nomenclature". The impression exists that the titles of some projects communicate the wrong impression at first sight. For example, "National Productivity Centre" may be taken to mean "Production Management Centre" as has been illustrated above. "Productivity and Vocational Training Department" may be even worse, when it is the management development side which needs to be stressed. "National Institute in Industrial Engineering" is another name that does not particularly cover the scope of work of this Institute, which is strongly oriented towards a curriculum of all-in management development courses and which only has part of its courses directly focused on production management and industrial engineering techniques.

### The Role of the Director

The role of the Director of a national management development and productivity centre as envisaged by the I.L.O. is described as:

The Director should be .....

"Responsible for the over-all operation of the centre and for carrying out the policies laid down by the Council, for the engagement of suitable staff, determination of programmes of work and co-ordination of the work of the various divisions. Where a productivity mission was attached to the centre the Chief of Mission would be the adviser to the Director both in day-to-day running of the centre and in planning further development. Much of the Director's early work would be in the field of public relations in industry, the trade unions and government.

The Director should be a person of high standing in the country respected by both sides of industry, with good administrative experience. The smaller the centre the greater would need to be his technical knowledge and experience of industry, so that in a very small centre he might be required to participate actively in the design and giving of courses while carrying on his administrative and public relations work. It is highly desirable, if not essential, that he should be employed full time and at an adequate salary, for experience has shown that in the first years of a productivity centre the Director's job is a very heavy one, often demanding long working hours and concentrated thought. It cannot be over-emphasised that the success of a productivity centre is in direct proportion to the energy, ability and imagination of its Director and his capacity to make himself accepted and trusted by those in the country who have the responsibility for running industry whether public or private."<sup>1</sup>

Many of the men at the top in the centres visited have acquired a high reputation in the eyes of local management, national staff, course participants and officials. This does not mean to say that no critical opinions were ventured. One of these was, that directors seem to lack time for the internal administration of the centre and that they are insufficiently accessible to their staff members for consultation and discussions. Due to their important official position they - as expressed by some people - "wear too many hats at the same time", which results in a heavily booked-up weekly programme with too little time available for quiet thought and internal management. According to opinions expressed by a number of I.L.O. Chiefs of Project, this situation also has a serious bearing on their own working relationship with the Directors.

The research worker is of the opinion that this state of affairs is often exactly the same in business, where top managers are confronted with the same problem of conflicting loyalties. The Meeting might discuss this matter in terms of "how to find the right balance". As indicated in the quotation above, it is essential for the Director to spend a great deal of his time in promotional activities. However, there is an easy temptation to become involved in so many things that the "outside role" becomes second nature and the "inside role" is sacrificed, as case-studies of business management have demonstrated.<sup>2</sup>

Another important factor is the reporting level of the Director, in other words his communication upwards. As indicated below in principle the Director should have, in the same way as the Chief of Project, direct access to the highest authority in the country responsible for industrialisation. In certain cases, the Director of a centre reports to officials who are two or three levels below the highest authority in the country. This tends to result in poor and slow problem-solving and decision-making in matters related to the organisation of a centre and to its plans and activities. It is obvious that sometimes these communication problems become more severe when there are inter-departmental and/or inter-personal jealousies and frictions.

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<sup>1</sup> I.L.O.: D.30.1963 "Design for a Small Productivity and Management Development Centre" included in this Report as Appendix 4.

<sup>2</sup> "What Went Wrong with Underwood" - Fortune, December 1960.



The relationship between the Director of a centre and the Chief of Project is a very subtle one. Officially, the Chief of Project is considered to be the adviser of the Director. He should help him to see the complexities of industrial organisation and train him sufficiently in modern techniques so that he is able to understand these matters well enough to communicate intelligently and convincingly. The role of the Chief of Project is also to help the Director in an advisory capacity, where requested, in matters connected with the organisation of the centre. In the Plans of Operation of most Special Fund projects, the Chief of Project is represented as the adviser of the government, which means that if he so chooses he has the right of direct access to the responsible Minister. The latter is specifically spelled out in at least one Plan of Operation, and has been used on one or two occasions, but clearly direct consultation of the Minister over the head of the Director is a last resort only to be used where Director and Chief differ on a matter of vital importance to the success of a project. Nevertheless, the possession of this right by the Chief of Project, as representing the Director-General of the I.L.O., is important.

As has already been highlighted, the Director has a complex of roles to play - his attention is also directed to political factors. He has to be in close touch with government officials; he needs to be a public personality well-informed about the affairs of his country in general. All this is time-consuming and demands a flexible mind. The impression exists that this subtle relationship between Director and Chief of Project can also be readily disturbed when there is insufficient give-and-take and a lack of clarity about common objectives. As will be explained later, but can be omitted here, the Chief of Project also has conflicting roles and loyalties. On the one hand he wants to make the centre his special concern; he knows that his appraisal by I.L.O. Headquarters is to a large extent based on the progress of the project. On the other hand, he is expected to play it safe, to help and assist, to collaborate with men whom he has not selected himself, to establish a productive relationship with the Director - his counterpart - with whom he may not be in complete sympathy. He may see the Director as an obstacle to moving ahead, as someone constantly involved in politics, which he - the Chief of Project - might not sufficiently understand, as someone who refrains from decision-making for reasons which may be valid, but which are not explained, or who may be absent at critical times. It was noted that sometimes this relationship fails to work effectively. In this case, either the Chief of Project gives up and moves ahead more or less without the Director; or the Director gives up and becomes primarily occupied with his own business giving priority to the other jobs he often has. Another variant observed is the Chief of Project who subordinated himself to the Director and was ordered around like an assistant instead of acting as an expensive high-ranking international adviser. According to impressions received from interviews it is judged that out of seven main centres visited, only in two cases was there an optimal productive relationship between the Chief of Project and his opposite number, the Director.

These observations and opinions are given for what they are: indications of the extremely difficult role a Director has to play. As he is often under scrutiny by the government and therefore has to think continuously about his moves and gestures, it is fair to say that his position involves a number of controversial and sometimes conflicting roles. The Meeting might undertake to discuss openly and frankly the position of the Director, as well as his relationship with the Chief of Project, his own staff and the international experts. It would be most important to learn about the Director's own problems. Ideally, the Meeting should arrive at certain standards and conclusions which might be helpful for a more productive relationship between the Director and the Chief of Project in relation to the objectives and operations of a centre.

#### The National Technical Staff

Of the centres visited, two out of seven had more or less sufficient technical and professional staff of reasonably high quality available to serve as counterparts to the international team.<sup>1</sup> This is not intended to convey the idea that in other centres the local staff is of inferior quality. The contrary is true. In every centre, there are staff members who are of very good quality and who are highly thought of by their international colleagues, course participants and local management. For a variety of reasons, however, few

<sup>1</sup> Since the visit of the research worker a third centre has been able to complete its staffing requirements with high quality personnel.

centres have sufficient staff to ensure that all international staff have counterparts. The reasons are many and were treated in some degree before. Summarising it may be said that:

- (a) staff is generally hired under government regulations and procedures which tend to make the process of recruitment an exceedingly long affair;
- (b) Staff is paid according to government salary scales, which means in many cases a remuneration of only half or one-third of what men with these qualifications could earn in industry. The result is that in certain cases young graduates are recruited. While these may have a good theoretical knowledge they often have no experience and maturity and need to be trained for a number of years before they are productive and can work independently. Industry is naturally unwilling to accept them as expert advisers;
- (c) staff was found to earn - depending on the country - between 5 and 15 times less than their international counterparts, which creates a difficult situation;
- (d) recruitment of local staff may be made even more difficult due to the wrong concept of the objectives of the productivity centre. In one case, the members of the governing body wanted to make the centre into a business administration school and were not prepared to allow recruitment of more experienced and senior men as local staff;
- (e) due to internal prestige fights and lack of support from key men in official positions, local staff cannot be recruited;
- (f) local staff in one case earns less than the much less-experienced counterpart staff of another productivity project in the same region. The reason is that the latter project reports to a different ministry and that the staff have been engaged under special conditions, while the staff of the former are permanent civil servants; and
- (g) staff usually welcome the opportunity to work with a management development or productivity centre in spite of the shortcomings. They feel they can gain a great deal of experience, upgrade their market value and earn a fellowship to study or travel abroad. However, as the employment conditions are often poor or below the standards in industry, and since career planning is lacking almost everywhere, there is no incentive to stay with the centre. Employment with the centre in general is perceived as a temporary affair to acquire as much know-how as possible from the international experts, to gain experience in a variety of industrial firms and to leave as soon as attractive offers are made by industry. There may be some hope of becoming I.L.O. experts themselves.

One of the most fundamental concepts underlying technical co-operation work in this, as in many other fields, is the achievement of a multiplying effect through the transfer of the know-how of each member of the international team to a number of national staff members, each of whom shall, in turn, pass on his knowledge, through courses and practical work, to many other people. The idea of training local men of good calibre to act as quickly as possible as independent management teachers and advisers is fundamental to this work. This philosophy, of course, implies two commitments. One is that the I.L.O. supplies the best possible people to materialise the philosophy into the most effective teaching and coaching process for local staff. The other implication is that the country concerned produces the right kind of men to be taught. In spite of excellent work done in most centres, the general picture is depressing and the question arises as to what can be done to improve the supply of high grade staff. This would appear to be a major subject for discussion by the Meeting.

There is, however, still another important reason why national staff are vitally important for the success of a project. This is a psychological one. The international staff are making considerable professional sacrifices by going to developing countries for project work. Although their remuneration in most cases is satisfactory and their living conditions in a material sense are sometimes better than in their home countries, they are cut off from their



professional ties and lose contact with organisations and persons important for their careers at home. They therefore have to find a substitute for their sense of achievement and professional pride. A productive relationship with their counterparts of the national staff - it could be often observed, is a very rewarding experience for most experts as they feel that they are achieving results. From the purely human angle, these relationships may develop into a feeling of sympathy and love for the country and the people. It is therefore a psychological incentive to collaborate with national colleagues. It was particularly interesting to observe that in one country where only one counterpart was available during the visit of the research worker, the morale of the I.L.O. group was far below what was observed elsewhere, where counterparts - although sometimes only a few - were available at the centre.

What can be accomplished when the professional staff problem is solved satisfactorily was clearly demonstrated at one centre. Here the same group worked together for four or five years with I.L.O. assistance. The men were all of the same age and gradually developed into an unusually competent, hard working, independent team of consultants and management teachers. In 1959 this centre had no outside expert help and was a completely self-sufficient unit. In 1960 an evaluation study of their accomplishments by an I.L.O. expert familiar with the country for eight years and in a fair position to judge the work brought into the open the following comments:

#### Programmes

The programme of the current course offered in "Production Planning and Control" and earlier courses of the same sort, including the "Productivity Project in the Building Industry", was reviewed. The writing of these programmes and the integration of the subject matter from period to period is of a high standard.

The centre is to be congratulated on its programme, which would be of equal interest to participants from the most highly industrialised countries. This subject is pedagogically difficult to organise. The centre did a capable job.

#### Course Material

The material used in the courses is of a very worthwhile standard and the development of case studies by members of the staff was excellent. An appraisal was made of how much of this work has been done with I.L.O. help and how much after that help had been withdrawn. The number of individuals contributing to this aspect of the centre's work was examined. The analysis revealed that there is plenty of useful material, that the centre is capable of developing its own resources and is, in fact, beyond the stage when it needs to rely on the kind of help provided in the past by I.L.O. experts. It is particularly gratifying that this work is distributed amongst the seven members of the centre and that all are contributing in their respective fields.

#### Contacts with Industry

Results show that the work is developing well and that the centre is establishing through its contacts and projects a worthwhile reputation. The contacts result in an increasing volume of practical help by the centre to industry and commerce.

#### Reporting and Filing

An appraisal of some six major reports led to the conclusion that the quality of the work had substantially improved since 1958 and that the reports are interesting to read and useful. The filing system works well and there is a free float of information.

#### Administration of the Work

The centre has now seven national experts and it is important to note that they work as a team without the tendency to develop into primadonnas. They work on projects in teams of two or three and the impression is that

there is an over-all team spirit. Very great importance indeed is attached to this point because the field of knowledge and the range of skills required to be applied in productivity work are so great that a team approach is far more successful than the work of a group of individuals, however brilliantly endowed.

#### Academic Status

The work done is of good academic quality and they are now quite capable of developing the techniques of operational research and management science. In fact much of the work they are doing is appropriate to these fields although the labels are not used. The intellectual calibre of the group is such that it is not unrealistic to expect them considerably to expand their present scope. Their training abroad has paid off.

The writer was frankly surprised at the progress made and believes that those responsible for it should be congratulated on the achievement they have secured during a period in which, it should be particularly noted, they have been without outside expert help.

The research worker had an opportunity to check the projects and the progress of the centre concerned and was equally impressed with its accomplishments and reputation in industry. It proves that a well selected team of national staff, of relatively equal experience and age, well coached by qualified and humble international staff and made to come to grips with highly complicated matters can produce impressive results over a number of years.

It was particularly interesting to observe the enthusiasm of this team and their motivation for top-class work. They were highly critical of I.L.O. staff and rejected the majority of them with whom they collaborated or had met as below standard or "humanly impossible". The research worker felt that their professional pride in doing a good job may have accounted for their need to prove their expertise and for their over-critical attitude towards their I.L.O. colleagues.

The achievements of this team are the more impressive because they are fully-fledged civil servants and paid at current civil service rates, which are below those for industry. This situation has now become intolerable to certain staff members and, since the government is not prepared to take any action to improve salaries and conditions (although in an institution recently created in the same city, salaries for similar work are much higher) a number of the staff are leaving to take up appointments in industry and the team is breaking up.

CHAPTER 3

I.L.O. MANAGEMENT DEVELOPMENT  
AND PRODUCTIVITY MISSIONS

The Management Development Philosophy of the I.L.O.

In Chapter 1 of this Report it is stated that "In the beginning, the role of the I.L.O. in relation to management was seen only in the restricted field of labour productivity, and specifically in the application of the techniques of industrial engineering at shop floor level."<sup>1</sup> A gradual development is sketched and the philosophy of I.L.O.'s work in management development is summarised as follows: "that the philosophy behind the conduct of the programmes is to ensure that good management practices are introduced and implemented in enterprises and that the programmes are, therefore, oriented to this end and to providing a minimum of theory and a maximum of practice."<sup>2</sup> In order to live up to this philosophy courses in work study, production management, management accounting, supervisory training etc. are in principle designed around practical projects to be carried out by course participants under supervision of the international and/or national staff.

As is indicated later this approach has harvested remarkable results. On the other hand it was obvious that, due to limited staff, whether national or international, and the many participants attending a great number of different courses, only a minority of practical projects can be carried out with satisfactory results. The majority of the international staff have a practical, often a consultancy, background and are not primarily trained to teach and to educate the mind. A major barrier seems to be to get across a basic set of principles and concepts sufficiently clear to enable course participants to act by themselves and to make them want to do so. The research worker was continuously exposed to complaints by the I.L.O. staff that too often course participants are eager to learn but not highly motivated to act.

Another obstacle encountered was the working environment of the majority of participants. A lack of understanding on the part of colleagues and superiors for proposed changes often results in a very limited opportunity for innovation. As international experts often explained, the organisation of the enterprise is often different from that of similar enterprises in Western Europe and North America and particularly the authority relationships are of a different nature.<sup>3</sup>

The international staff sometimes referred to the I.L.O. as being interested in the socio-economic development of a country as a whole, which would result in greater social justice and minimise the gap between the high and low income groups. One of the arguments was that to obtain this sort of development a certain amount of industrial democracy is a conditio sine qua non. A fundamental issue in this respect is the acceptance of professional management. It was made

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<sup>1</sup> p. 4.

<sup>2</sup> p. 7.

<sup>3</sup> cf. A.K. Rice, Productivity and Social Organization: The Ahmedabad Experiment, London, The Tavistock Institute of Human Relations, 1958.



clear that professional management, that is to say management accepted exclusively on the basis of qualified performance and achievement, was definitely gaining ground but was still often rejected by those who hold control of key positions due to class and family traditions. This then is another serious obstacle encountered by the experts.<sup>1</sup>

Members of I.L.O. missions feel that because of these factors a more outspoken management development philosophy for developing countries should be worked out by the I.L.O. They believe that particularly the I.L.O. is in the best possible position to produce a consistent set of principles and guidelines for management development work in industrially emerging societies, because of its unique tripartite composition and the accumulated experience over many years in a great variety of projects of all sorts in developing countries around the globe. They feel that the pragmatic approach at present, although important as an action-oriented contribution to the gigantic task, has some serious short-comings, particularly as the managers and employers who support a management development and productivity centre in the first instance belong to the more enlightened circles, often interested not only in better management of enterprises but also in "better management of society at large". Discussions with many senior managers and employers' representatives show that they have a great interest in newer theories of motivation and productivity, of organisational change and the planning of change.<sup>2</sup>

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<sup>1</sup> See Ph. E. Slater and W.G. Bennis "Democracy is inevitable", Harvard Business Review, March-April, 1964. "Essays on unbalanced growth. A century of disparity and convergence", Publication of the Institute of Social Studies, Vol. X, The Hague, Mouton and Co., 1962. One author, Mr. J.P. Thijssen, writes about the century-long experience of large-scale hydraulic schemes in the Netherlands and makes it abundantly clear that the utilisation of technology is a social process and that technological achievements cannot be separated from the social and economic dynamics of the achieving society. An interesting example of the failure of an experiment in industrial democracy in Puerto Rico is reported by Alfred J. Marrow in The Journal of Social Issues, July 1964, p. 16. "Where workers have been conditioned to blind obedience, where they have been ruled with a heavy hand for long periods, they may interpret any sudden change in the emphasis on authority as a sign of weakness in the management. This became quite apparent at a new Harwood plant in Puerto Rico. The manager, who was not Puerto Rican, had actively begun to encourage employees to participate in problem-solving meetings. Soon after the personnel manager noticed a sharp increase in employee turnover. His inquiry into the reasons revealed that the workers had decided that if management was so ignorant of the answers to its problems that it had to consult its employees, the company was badly managed and would soon fail. So they quit to look for jobs with well managed companies that did not consult their employees but told them what to do." (From a Kurt Lewin Memorial Award Address, 1964, "Risks and Uncertainties in Action Research".)

<sup>2</sup> S.W. Gellerman, Motivation and Productivity - a McKinsey Award Winning best-seller of the American Management Association 1963. The subject of organisational and socio-technical change has been made the primary objective of the Tavistock Institute of Human Relations, 3 Devonshire Street, London W.1., the National Training Laboratories of the National Education Association, Washington 6, D.C., and similar organisations. The following publications indicate the trend: E. Jaques, The changing culture of a factory, London, Tavistock, 1953; E.L. Trist, G.W. Higgin, etc., Organizational Choice, New York, Humanitis, 1963; T. Burns and G.M. Stalker, The Management of Innovation, Chicago, Quadrangle, 1962; C. Sofer, The Organization from within, Chicago, Quadrangle, 1961; W.G. Bennis, etc., The Planning of Change, New York, Holt, Rinehart and Winston, 1961; "Effecting Organizational Change: a new role for the Behavioral Scientist", Administrative Quarterly, September 1963.

The research worker believes more than ever, after exposure, what the main focus of technical aid in the last analysis is the human factor.<sup>1</sup> If the lessons of the past of achieving change in developing countries are to be learned and there is to be some hope of avoiding in developing countries the expensive failures of development in the Western industrial society, technical aid must be focussed primarily on capable men who are prepared to build a new society.<sup>2</sup> This - as is obvious from this study - should by no means ignore sound training in techniques wherever possible - but should be supplemented by training in what has now recently emerged as the theory and practice of social architecture and institution building.<sup>3</sup>

One Centre has apparently clearly found its own philosophy in management development, defined as "training related to organizational needs". This Centre is according to the research worker in what has been described as developmental phase no. 3. Their philosophy is in brief to work with companies from the inside, to remove internal barriers that block innovation. Training courses are designed in line with the organisational requirements as clarified by the working relationships. Stress was laid on the importance of integrating management training with policy-making inside the firm in order to achieve remaining results. It must be added, however, that this is only possible in a strictly limited number of companies. It therefore has to be confined to enterprises of real economic importance to the country. This is generally speaking only justifiable from the national standpoint after the earlier phases of development of a centre have been attained. (See following section.) It has to be borne in mind that the aim of the I.L.O. in aiding in the establishment of management development centres is to set up a sufficient range of training programmes to provide for the management training needs of the country as a whole, or at least to complete this range where some facilities already exist. Given the inevitably limited number of international and national staff, concentration on the needs of any one enterprise in the earlier stages is bound to mean that the needs of industry as a whole are neglected. As in most fields of technical co-operation, there is a perpetual conflict between reaching the maximum number of people in the minimum time and the depth of impact which it is possible to make.

It thus seems to the research worker that there is a need to design and develop a rather elaborate, consistent and flexible management development philosophy for different stages of evolution of a Centre, in addition to the earlier mentioned more general philosophy. It would appear that the integration of training, organisation and policy is the fundamental question in management development.<sup>4</sup> This question is, however, inseparably connected with the larger problem of organisational change, as understood and initiated by top management. It is by now accepted that the primary objective of management development should focus on the introduction of change; change interpreted as socio-technical change of an institution as a whole. This in fact includes the training of top and senior management in the skills, techniques and attitudes of institution building.<sup>5</sup>

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<sup>1</sup> Richard S. Roberts, Economic Development, Human Skills and Technical Assistance - a study of I.L.O. Technical Assistance in the field of Productivity and Management Development, p. 142 (1962), arrives at the same conclusion.

<sup>2</sup> Jan Tinbergen, Lessons from the past, Amsterdam, Elsevier Publ. Co., 1963.

<sup>3</sup> Howard V. Perlmutter "Towards a Theory and Practice of Social Architecture" - unpublished manuscript, Yale University, 1961.

<sup>4</sup> "The Integration of Training, Organisation and Policy" in New Developments in Training, edited by Frank A. Heller, Department of Management Studies, The Polytechnic, Regent Street, London W.1.

<sup>5</sup> Warren G. Bennis "A new role for the behavioral sciences: effecting organizational change" - Administrative Science Quarterly, September 1963, Prof. Perlmutter, op.cit., experimented with this new model of training at the IMEDE Management School for Senior Management, Lausanne, Switzerland, and in a number of business organisations in Europe.



The research worker discussed these matters particularly with the I.L.O. Chiefs of Project and felt that they are wrestling with these problems. They are vitally interested in developing a clearer and more appropriate I.L.O. management development philosophy.

### The Composition of Missions

As already indicated, 17 out of 31 members of I.L.O. missions met have professional industrial engineering and/or production management qualifications. This is reflected in the trends and actual output of work. In the light of the earlier mentioned theory of a fully integrated management development programme, it is clear that at present the composition of missions sometimes interferes with the realisation of this training model. Special Fund projects in particular provide for a balanced team composition and for the staffing of missions within the limits of recruitment opportunities, with experts covering a full scope of management subjects. Nevertheless, the impression remains that marketing, personnel management and labour relations are at present insufficiently represented. This is the direct result of the historical development of the I.L.O. management development programme described in Chapter 1. It is, however, also connected with the requests made by governments, and also with the fact that work in the field of production management, especially the practical work, demands a great deal of expert hours spent in the plant. In fact, a study of the Plans of Operation of the four Special Fund projects visited in Asia does not show quite such a heavy bias, even in the case of the National Institute for Training in Industrial Engineering in Bombay.

The expert months allowed for industrial engineering in relation to the total expert months allocated to the project are:

Thailand - Total 276	Industrial Engineering	60
Malaysia - Total 270	" "	114
Iraq - Total 312	" "	96
N.I.T.I.E. - Total 336	" "	132

Later projects show an increasing trend towards a better balance.

Many I.L.O. and national staff members mentioned that a specialist in teaching methods and with experience in management development could be of great help in integrating programmes, helping with the proper design of curricula, assisting with the application and improvement of existing teaching methods, gathering local case studies and reviewing teaching material critically. At present there is lack of time, and to some extent specialised knowledge, to examine these matters properly.

The same holds true for audio-visual aids. Most film-strips and films are developed in Europe or the U.S.A. Certainly, many have a universal instructional value. However, more educational seminars and courses could, with greater benefit, star local people and local environments. Here, of course, a psychological factor plays an important role: too many management educational films (e.g. The Department Manager, The Engineering of Agreement, The Inner Man Steps Out, etc.) are situated in Western "glamour" settings and provoke resentment or uncomfortable feelings.

### Staffing the Missions: sources of recruitment and feeding-in to projects

As can be observed from the statistical breakdown (Appendix 3) out of 31 members of the I.L.O. staff seen, 16 are British, including New Zealanders, Australians and Canadians. The primary reason for this is that, of the total of nine projects visited (the Central American project embracing two centres, each with one international staff member and a regional Chief of Project), seven required English as the working language, and the sources of recruitment for specialists with a sufficient knowledge of English for teaching purposes are strictly limited. Well qualified people from the U.S.A. are almost impossible to recruit because of the high level of salaries earned in industry there in relation to those offered by the I.L.O. This strong representation of the Anglo-Saxon element is causing some resentment in the field among certain I.L.O. staff of other nationalities. British members of missions, or those of British origin, national members and course participants felt that the language

problem for many foreign experts is often a difficult one. Only in rare cases are they able to acquire a vocabulary and flexibility sufficient to communicate as clearly as those who have English as their native tongue. However, some national staff members, course participants and I.L.O. staff from non-English speaking countries observed that some British staff are sometimes in the habit of using colloquial or slang expressions which nobody outside the English-speaking world understands. Moreover, they noticed that some also have a tendency to speak softly and indistinctly, which makes it difficult to understand them. It was stressed that, particularly for teaching purposes, it is of the utmost importance that international staff learn to communicate clearly. The suggestion was made as to whether the application of modern English language tests at the selection stage should not be applied. It was also felt that some basic publications in public speaking and class-room teaching should be available, preferably to be supplied to international staff upon taking up their assignments.<sup>1</sup>

The feeding-in of international staff to projects was frequently criticised. According to the present Plans of Operation of Special Fund projects, international expertise is provided for a number of man-months and to some extent phased, with the result that one man arrives soon after the project starts and the next one six months or a year later, and so on. Although in certain projects the specialists arrived early and in quick succession or even started at the same time, in other projects this situation is different and the project has to be on its way for a couple of years before a full team is stationed at the centre. Although the present arrangements seem to make it difficult to change this situation, it is obvious that from a teaching and group point of view a simultaneous start of project team is most desirable. This view has been expressed by Chiefs of Project, experts and national staff alike.

The research worker feels that a number of problems within missions could be prevented by feeding in at the outset a personnel management and human relations specialist who could help to engineer the proper climate for co-operation, and thus possibly prevent initial antagonisms and conflicts. In one particular case, he feels, a member with this particular qualification could probably have solved a group situation which almost resulted in the total breakdown of the mission.

As experts in personnel management and human relations are often qualified in the fields of sociology, industrial psychology and/or cultural anthropology they might be also of some help to a chief of project and other experts to get a quicker grasp of cultural and sociological conditions in the country where a project is launched.

It might be useful to consider a combination of qualifications of the ones just mentioned and the ones earlier suggested under "The Organisational Structure of Centres".

#### The Problem of Project Strategy

Many projects are initiated upon request by a government of an I.L.O. member country. It is an open question whether it would be valid to establish certain criteria in order to have a reasonable margin of success. First of all, a survey in the country concerned may bring to the surface factors otherwise ignored. A thorough survey prior to the introduction of a project might encompass factors relating to:

- (a) economic indicators for the likelihood of an economic "take off";
- (b) the educational system;
- (c) the cultural setting and the structure of authority.

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<sup>1</sup> For example: Tips on Talking, British Association for Commercial and Industrial Education, 26a Buckingham Palace Road, London. (The missions are in possession of this booklet, but it would appear that it is not sufficiently studied.) How to lead discussions, Illinois - Adult Education Association of the U.S.A., 743 North Wabash Avenue, Chicago 11 (with many useful tips on how to evaluate your performance).

Galbraith distinguishes a number of factors of equal importance for the success of aid;<sup>1</sup>

- (a) capital resources;
- (b) a minimum of technicians who contribute towards creating new capital;
- (c) a minimum of literacy in the population having a highly educated minority;
- (d) a substantial measure of social justice;
- (e) a reliable apparatus of government and public administration;
- (f) a clear and purposeful view of what development involves.

It was found that the policy of I.L.O. Headquarters in supporting certain projects was not clear. Certain Chiefs of Project and members of missions in the field complained about the lack of support from Headquarters at crucial moments. It is realised that a major showdown with authorities is very difficult, but that the application of pressure, when justified, is essential to the project and to the morale of the mission. The men who work in the field and who are stationed in a particular country have mobilised their professional pride in order to make a success of their work. In some cases, the "frustration capacity" of experts has been surpassed because of the lack of response on the part of local authorities.

In various discussions, I.L.O. field staff pleaded for a more effective backing from Headquarters and said that they felt that too often this is denied because of the fear of political repercussions.

#### The Chief of Project: his role and personal attributes

According to the opinions of their collaborators, the team members, five out of eight Chiefs of Project met were highly thought of. One Chief was subject to controversial views and two Chiefs were rejected by the team members - in other words they have fallen short in their roles as team managers. Assuming that the missions visited are representative of the whole programme, this means that 62.5 per cent. of I.L.O. Chiefs of Project are successful in their roles in relation to the experts, 25 per cent. are unsuccessful and 12.5 per cent. are doubtful.

According to the opinions of their counterparts, the Directors of the centres (applicable in six out of eight cases), five out of six Chiefs are well thought of and appreciated for their work.

The Chief of Project has an extraordinarily difficult role to play; in fact, his role is multiple and sometimes conflicting. It is a human characteristic to have sympathies and antipathies and it was not surprising to find that in certain cases Chiefs of Project showed preference for one or two men out of their teams. This is indicated by the amount of communication, by the social relations and by the acceptance of the actions and proposals of those preferred. Only in one of these cases did such preferences seriously undermine the position of the Chief and contributed to his rejection. This phenomenon is mentioned to highlight the importance of the most productive group relationship of an expert team and the fact that this can quickly be undermined and disturbed by too obvious preferences.

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<sup>1</sup> J.K. Galbraith, "A positive Approach to Foreign Aid", Foreign Affairs, Vol. 39, No. 3, April 1961, page 444 (quoted from Adam Curle, Educational Strategy for Developing Societies - a study of educational and social factors in relation to economic growth, Tavistock Publications, 1963).



Certain Chiefs of Project held the opinion that they had no direct managerial authority over the members of their teams. This is, in fact, not the case. The authority and responsibility of the Chief of Project is comparable to that of a line manager in industry and is spelled out in his letter of appointment. The relationship between the mission member and his chief is given in the former's letter of appointment. The Chief of Project makes out the annual reports on the performance of the members of the mission. The fact that any Chief of Project should not be perfectly clear as to his position suggests faulty briefing and communication between himself and Headquarters, which clearly has to be rectified.

This having been said, the control of a group of men, usually of varied nationalities and well placed in their professions in their own countries, who are living and working together in what may be, in certain circumstances, comparative isolation, demands managerial and human skills of a high order, as well as great maturity. An added factor tending to make the task more difficult is that few members of missions see service with the I.L.O. in the field as a career.

The fact that the Chief of Project is expected to appraise the performance of his men and to advise whether an expert's contract shall be extended or terminated brings him into one of the most difficult and most resisted roles; the role of objective judge. It means that he has to be extremely well informed about the actual work output of his men and that he needs to make a sensitive personality appraisal in order to know whether an expert is in a position to mix his work with that essential ingredient for success which has been called "empathy". On the other hand, he needs to sit down with his men once or twice a year for an extensive appraisal and counselling discussion. It is this last activity which is most resisted for reasons of psychological insecurity.

The subject has had much attention in industry since, for management inventory and career planning, an objective appraisal of the strengths and weaknesses of personnel and a judgment of potential is of critical importance. Most major company training programmes devote a great deal of time to training sessions in appraisal and counselling. It is an important element of any supervisory training programme. The subject is certainly complex and deserves a well structured and carefully prepared design before any success can be accomplished.<sup>1</sup>

The research worker observed that ambitious chiefs with a background principally in management consultancy have greater problems with their men than those who have moved up through the line in a business organisation or have been project team leaders in consultant firms. Also, a research background and previous work with research teams seems to be the environment in which to develop a keen sense for human relations and group relationships. This observation is in line with experience in business where most managerial problems are caused by specialists who are despecialised and who acquire managerial responsibilities. A dissemination of opinions of Chiefs and mission members as to what criteria should be applied in the selection of Chiefs gives the following indices:

- (a) he should have a broad management experience, and preferably, a sound knowledge of general management matters;
- (b) he should have a sound administrative experience and a keen sense for human relations;

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<sup>1</sup> Douglas Mc.Gregor: The Human Side of Enterprise, New York, Mc.Graw Hill, 1960, chapter 6. Norman F. Maier: The Appraisal Interview, New York, Wiley, 1958. Douglas Mc.Gregor: "An Uneasy Look at Performance Appraisal", Harvard Business Review, March-April 1960.



- (c) he should be knowledgeable about problems of developing countries;
- (d) he should be accustomed to collaborate with a great variety of people, preferably of different nationalities;
- (e) he should have very good health, be vital, able to work hard, to set the pace and to give an example, and to produce results in spite of frustrating and imperfect circumstances.

The Meeting might undertake a discussion of the complexities of the role of a Chief of Project in order to define a clear man-and-job specification. The opinion was frequently expressed that "promotion from within" should be more often applied. In other words, that Chiefs of Project should be more frequently selected from among outstanding mission members in the field.<sup>1</sup>

It was observed that the success of two Special Fund projects was partly attributed to the fact that in both these projects the Chiefs were present at the beginning. These projects had the benefit of Chiefs who were present at the outset of the project and who drew up the Plans of Operation, countersigned them and have since been always present to be identified as "Mr. I.L.O.". In both cases, the people concerned were already in the country before as experts under the E.P.T.A. programme. Both projects have made remarkable progress and are on their way possibly to becoming "model-operations" for Special Fund projects. Of the other two projects under Special Fund arrangements, one has not been very successful until recently. This can probably be partly attributed to the fact that the original Chief of Project had to be dismissed and that the present Chief was not available at the outset of the project. The project had to work without a Chief for nearly a year, although the expert who was Acting-Chief did an outstanding job under extraordinarily difficult political circumstances.

Another important aspect of the role of the Chief can be perfectly illustrated by an excerpt from working notes:

One of the problems of this mission was caused by the previous history of technical co-operation. The Government had experience of assistance under the Colombo Plan. Colombo Plan experts are made available to governments and can be engaged to undertake specific duties within government departments. The official responsible for the supervision of the I.L.O. project was accustomed to collaborate with Colombo Plan experts and considered members of the I.L.O. team as available to do jobs wherever the Government wanted them to do jobs. It was repeatedly made obvious that the executive officers of the Government had not studied the Plan of Operation. It seems that visiting U.N. officials contributed on at least one occasion to confirm the concept of the mission held by the government officials by failing to have themselves properly briefed, thus making it even more difficult for the Chief of Project and the other members of the team to build up a correct image of their functions.

These initial problems are now solved and the correct perception of the role of the mission has gradually emerged. However, this experience reinforces a point observed on an earlier occasion, namely that national authorities do not usually accept the Plans of Operation or tend to interpret the contents to suit themselves and sometimes expect the Chief of Project to act as civil servant instead of an adviser. The subtle process of helping the authorities to realise the implications of the plans of operation to which their governments have agreed and to help them to understand the proper role of the experts is one of the most difficult tasks of a Chief of Project.

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<sup>1</sup> This is the policy, in as far as it can be applied. The pace of development of management development projects over the last two or three years, and certain rigidities in the whole system of operation, make the carrying out of the policy difficult in practice. There is also the fact that the number of people who may be technically sound and adequate as members of missions is far greater than those with potentialities as Chiefs of Project.

It was felt that action, or lack of action, from Headquarters or the Field Office at critical moments in the development of a mission has an important influence on the success or failure a Chief of Project might experience.

The point made here is familiar to anyone with consultancy experience. One of the most fundamental jobs of every bona fide consultant is to help his client to perceive reality as it is and not as he wishes it to be. The reasons for this are psychological. In the Dutch language there is an interesting expression for this phenomenon inside an enterprise. The term is "bedrijfsblindheid" which means literally "blindness inside the enterprise". An English author has invented an even more adequate description, namely, that we are all prisoners of our own mental pre-conceived schemata. He describes the human being as the "one-eyed, colour-blind on-looker".<sup>1</sup>

The same phenomenon has been described thus: "One way to think about the difficulties which may arise between a system and its environment is to consider the discrepancy between the environment as it actually exists and as it is perceived by the system or by the members of the system. Some of the conceptual notions which have been used to describe this discrepancy include projection, autism, and inappropriate frame of reference".<sup>2</sup>

The Meeting might undertake a discussion of this point. Many Chiefs and experts commented on the fact that it takes local authorities a long time to understand what the objectives of a productivity mission are and to perceive the role of the Chief and his staff as it is intended. The Meeting might try to find ways and means of speeding up this process and might be able to recommend some basic formulas for changing the present lay-out and formulation of Plans of Operation and for guiding the behaviour of Chiefs and members of projects in the early phases of a mission vis-à-vis national officials.

#### Members of the Mission: technical and personal attributes

Many people, not least the officials in the Headquarters of the United Nations and its specialised agencies, consider the word "expert" applied to officials of their field staffs as being a most unsuitable one. Most of these men and women are competent and experienced within their sometimes quite narrow fields, which may embrace very necessary activities at a comparatively low professional level. To label someone an "expert" tends to give him immediately the idea that he has very special qualifications and ability, whereas most people engaged in international technical co-operation are not outstanding in their own countries. There are exceptions - in the Management Development Branch the I.L.O. is fortunate in having a handful of people - growing slowly in number - who would be professionally outstanding in any company. These are true experts or in the process of becoming so. Nevertheless, problems arise from time to time within missions because of this appellation.

Unfortunately, no one has yet found a more convenient term, although the word used formally in the I.L.O. is "official" to avoid differentiating between those in the field and those at Headquarters. The word "expert" is practically the same in all the working languages of the U.N. and is so well understood generally that it is used throughout the U.N. family, in Special Fund plans of operation and requests for assistance from Governments.<sup>3</sup>

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<sup>1</sup> Ernst Lehrs: Man and Matter, New York, Harper, 1956, p. 8.

<sup>2</sup> Lippit, Watson, Westley: The Dynamics of Planned Change, New York, Harcourt, 1958, p. 52.

<sup>3</sup> As far as possible the term "expert" is avoided in internal communications of the Management Development Branch, such as Management and Productivity and in this report for a variety of reasons. Nevertheless it almost inevitably creeps in.



According to the opinions expressed by national centre staff, managers and course participants, some government officials and representatives of the governing bodies of centres, seven out of 31, that is to say nearly a quarter of the I.L.O. experts in the projects visited, are considered to be below the standards of competence expected of them. This figure includes Chiefs of Project. The impression gained from these discussions is that only in two cases is this due to lack of technical competence. The "below standard" label is bound up with human characteristics and personality factors leading up to inter-personal problems and an unfavourable personality image.<sup>1</sup>

Of 36 national centre staff with whom the question was discussed (including Directors of centres), 29 (80 per cent.) had a high opinion of the international staffs and were satisfied with their assistance and help. The comments from the remainder ranged from moderately critical to very critical.

Of 31 international staff, including Chiefs of Project, 21 or 66 per cent. were satisfied with the quality and personality of national centre staff counterpart to them. Ten felt that the level of the counterpart staff was below standard and that better men should be recruited, particularly older and more experienced men. It would appear from this that the relations between national and international staffs are satisfactory in the majority of cases.

The technical qualifications of members of missions have already been commented upon a number of times. Here their behaviour and personal attributes may be briefly examined.

First of all, it is important to observe that many have management consultant backgrounds. This means that the majority of those met with are strong, self-reliant, competitive personalities accustomed to working on their own. Their career path shows that they rejected at a relatively early date in their professional career employment opportunities in big private firms. As one of them said, they refused to become "organisation men".<sup>2</sup> This background means that they have become accustomed to an independent advisory role and to the thrill of receiving credit for tangible achievements, with supervision which, in the larger consulting firms, is firm but not continuous, visits by supervising consultants being generally on a weekly basis. Independent consultants are, of course, responsible only to themselves. Generally speaking, but by no means always true, the environment of management consultant firms gives better opportunities for personal achievements than big industrial enterprises. Often projects inside an enterprise are shared by a number of men and transferred after preparation to a different department for implementation. Achievements are often "group achievements" and the environment requires a highly developed sense for team work. This is, perhaps, an over-simplification of reality, as the same holds true in many consultant firms. If, however, there is some truth in what was observed, the conclusion seems valid that besides the positive character traits reinforced by this environment, negative

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<sup>1</sup> According to figures of certain U.S. enterprises, which indicate a casualty rate of around 25 per cent. of personnel on foreign assignments, the criteria being unsuccessful performance, health and family problems, I.L.O. Headquarters may have been reasonably successful in selecting the right men for these very difficult assignments.

<sup>2</sup> Needless to say, this does not mean that the research worker is of the same opinion as this expert that working for big, private firms automatically means becoming organisation men. The expert is apparently referring to the book by H. Qhyte Jr. "Organization Man", New York, Simon and Schuster, 1956.



traits also emerge, such as being over-sensitive about receiving credit for personal achievements, a disinclination to remain in the background and to give others a chance to receive the glory.<sup>1</sup> There is not enough evidence to conclude that our experts' behaviour is not always characterised by the last sentence of the proverb. The most important indication for this observation is the dissatisfaction of many national counterparts with the teaching-learning process. [See below]

The following summary is extracted from many talks. These observations and criticisms should be read bearing in mind that many experts do an outstanding job and are highly appreciated for their kind and constructive help. These points are therefore not generalisations but merely psychological indicators distilled from talks with mission members, Chiefs of Project, national counterparts, course participants and managers.

- Experts often have a tendency to do things themselves instead of assisting or just clarifying;
- Because of their professional development and background experts often have a highly developed, Western sense of urgency. What they sometimes lack is the capacity to build patiently, realising that, although they can see so much to do they cannot do it all at once;
- Experts are stimulated to make a great display of their talents in the environment of a developing society;
- Experts are often quite unconsciously tempted to use the local people to fulfil their own needs instead of realising that help should be defined by the recipient of the help;
- Experts act on the notion that giving help must have a happy ending - they expect gratitude or acknowledgement. Unfortunately the contrary may be true;<sup>2</sup>

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<sup>1</sup> There is an old Chinese proverb saying: "If you did a job and people hate you, you did a bad job; if you did a job and people praise you, you did a fairly good job; if you did a job and people think they did it, you did an excellent job". This is closely bound up with the whole aim and purpose of technical co-operation in general, and training projects in particular, which is to leave behind national staff competent to carry on and expand the work of the international experts. One of the principal tasks of any expert is to build up the reputation of the national staff with whom he is working, so that it is they, and not he, who receive the credit for achievements in the eyes of their countrymen. After all, the foreign expert is a passing phenomenon - the nationals concerned must do the job after he has left, without the prestige which the expert brings with him simply because he is a foreigner.

<sup>2</sup> This observation brings in a fairly complicated psychological notion. It is enough to say that a recipient of help usually develops ambivalent feelings towards the helper. This ambivalence may take the form of gratitude towards the helper on the one hand and rejection of the helper on the other. Being helped has a connotation of being dependent and conflicts with strong desires in the human mind to be independent and self-supporting. This point may be illustrated by a story quoted from Parkinson's last publication East and West, 1963. Here he tries to explain why Lord Curzon, Viceroy of India from 1897-1905, generally considered to be one of the most capable men ever in this position, well known for his modest and human behaviour, was nevertheless rejected and created antagonism, opposition and even hatred. According to Parkinson "... in the last analysis because he was so superb and masterly his very existence created opposition. To acknowledge his superiority meant actually to acknowledge one's own inferiority in doing a job." J. Northcote Parkinson: East and West, Boston, Houghton, 1963.

- Experts, generally speaking, are quite happy to give help. However, they find it difficult to understand that this presupposes reciprocity and that they themselves must be prepared to receive help. It is difficult for the average mission member to accept modifications of proposals by counterparts or changes suggested by course participants when these represent basic disagreements with his own ideas or experience. Critical feed-back of behaviour is very rarely taken for what it is intended to be - namely, constructive help;
- Experts do not realise sufficiently that being helpful involves being dependable, trustworthy and consistent in their relationships. Some are characterised by a certain moodiness, by ups and downs and by contrasting behaviours, sometimes resulting from temporary frustrations, either in their work or in their personal lives.

The above criticisms, which present only some of the negative characteristics, and not the many positive ones of which the research worker learned in the course of his discussions, suggest that some I.L.O. staff do not have a sufficiently clear concept of the expert-counterpart relationship.<sup>1</sup> Ideally this relationship should be one of complete equality, men of equal standing supplementing each other's knowledge.

In the early stages of the working relationship it is the international specialist who supplies specialised technical or managerial knowledge, his national counterpart supplies in the first instance knowledge about his country and people and assists him to adapt his specialised knowledge to the specific environment and needs. However, depending on the level of sophistication of the national staff member - he may have studied abroad or visited a top grade academic institution in his country, he may have had already some considerable experience in management or industry - this relationship will gradually be altered. The national counterpart may have specific ideas of his own how to teach a certain subject or how to approach a practical demonstration project. When this moment arrives a critical chapter in the working relationship is introduced.

The Meeting might discuss the role concept and behaviour of members of I.L.O. missions. Due to the time pressure inherent in all projects and the importance of building up institutional prestige quickly, it may well be true that too often the attitude is "don't put this in the hands of inexperienced counterpart staff". Modern concepts in training and consultancy spell out that the trainer's role is co-determined and co-defined by the trainee - or the recipient of consultancy help, that a successful teaching-learning relationship should be based on a continuous and mutual give-and-take. The trainer-trainee and consultancy-client relationship is a complex psychological, reciprocal relationship. It can only help bring about organisational and social change effectively when both parties realise from the outset the complexities of this relationship and the need for redefinition of the reciprocal role at different stages of the project development or the learning process.

A distillation of opinions of mission members regarding the personal attributes of the "ideal expert" gives the following list:

- mental maturity characterised by being self-reliant, by being a "self-starter" and by having a more than normal "frustration capacity"<sup>2</sup>;
- a highly developed sense of responsibility towards getting results;

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<sup>1</sup> This is carefully explained during briefing and is set down in certain documents with which all management development experts are provided - among others, the document "On being an Expert", which is the fruit of much collective experience.

<sup>2</sup> The capacity to take "frustrations" (psychological jargon). Frustration represents the strong emotional reactions when disappointments or irritations occur.

- a questioning attitude and a quick analytical mind;
- a great sensitivity towards differences of culture and people of other races combined with a keen interest to learn;
- a relaxed attitude and an ability to get on with other people;
- a profound knowledge of one's subject so as to be accepted as expert;
- enthusiasm for the job.

These attributes are not put in order of importance, but the research worker noted that the first and second were more frequently mentioned than any others. The impression gained was that many experts lack a "glorious dissatisfaction" with their professional knowledge and also lack a certain amount of intellectual curiosity. This is shown by the fact that they do relatively little studying of current material in their fields, or in the management field in general. Some hand-books and course-binders with standardised courses despatched to the field were not consulted and the opinion that this material was "useless" ("because here everything is different") was possibly an effort to hide the fact that this material had been put aside unread.<sup>1</sup> When a number of current publications which are very much "in vogue" in management development circles in Europe and the United States were mentioned there was rarely any response.

Doubtless most members of I.L.O. missions have a sound knowledge of their particular fields and are recruited because of their professional abilities. However, the research worker met many people - participants in courses and national centre staff alike - who had travelled extensively abroad and who sometimes had degrees from well-known schools and colleges of Europe or North America. They tend to have an over-critical sense of what I.L.O. experts teach and do. The fact that knowledge thus acquired is very often theoretical and that the possessors of it are virtually incapable of applying it in the practical situation is irrelevant. They are less likely to accept the counsels of the I.L.O. staff in this respect if they do not accept them in other respects. It would seem as if those who are active in a field which has been described as "the process of un-learning and re-learning" should give an example.

There seem to be four reasons why members of missions study little to improve their professional knowledge and standards:

- they are very busy with regular courses and project work and need more time for their families and personal matters than when they are in their own countries;
- they are free and relatively independent, lack the very strong competitive atmosphere of highly industrialised countries and are more liable to become complacent professionally;
- they often lack the incentive of staff meetings, regular exchange of thought and more business-like stringent reporting procedures;
- they lack the incentive of regular business practices whereby men are appraised and counselled for their progress and strengths and are rewarded accordingly both financially and in status.

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<sup>1</sup> This contrasts strangely with the complaint made by many members of missions that they did not receive sufficient help from I.L.O. Headquarters in the matter of teaching materials and teaching aids.



### The Dynamics of the I.L.O. Groups

The dynamics of the groups in I.L.O. teams in terms of sharing professional knowledge and in cross-fertilisation of ideas in many cases leaves much to be desired and is below the practices to be found in well managed enterprises, consultancy firms and management education institutions in industrially advanced countries. Regular staff meetings are sometimes lacking or not considered to be very fruitful. A number of mission members ventured the opinion that they did not feel well informed about the development of courses and practical work of their colleagues, certainly not to the extent where better programme integration or new ideas could be developed.

Staff meetings are often felt to be artificial; there is the feeling that colleagues meet each other regularly, and in any case, everyone is very busy with preparing his own programmes, working with his counterparts or within enterprises. However, a number of I.L.O. personnel remarked that regular staff meetings, based on agendas carefully thought out and circulated before hand, would:

- help them to be systematically informed about what their colleagues are doing and what their problems are. Since particular firms often send people to courses run by different experts and members of the national staff, systematic exchanges of information and ideas would help the development of consistent training policies and methods and would be valuable to experts and counterparts alike;
- help to integrate newly arrived members as quickly as possible into the team;
- provide an outlet for grievances and criticisms, assuming that the atmosphere is open, encouraging and receptive for constructive criticism;
- offer an internal training medium and enable the I.L.O. team to practice efficient communication (something that was commented upon as lacking in many cases);
- serve as an instrument for determining priorities and for re-defining objectives, and for the more detailed planning of activities broadly mapped out earlier in the year;
- combined I.L.O.-national staff meetings would be an aid to training national staff and would have the effect of broadening the training and supplementing the one expert-one counterpart relationship.

It has been mentioned above that a number of missions are characterised by preferential relationships which result in the isolation of certain members. Regular staff meetings including all the mission members and sometimes the counterparts were considered by the same persons interviewed to be helpful in counteracting a human situation which often leads to very unbalanced communications. The impression gained by the research worker was that relations between members of missions, including the Chief, are generally satisfactory, except in one case where a team had broken into two subgroups with hardly any communication between them.

The Meeting might wish to discuss the possible value of training for Chiefs of Project and Directors of Centres in the dynamics of groups and other modern methods of improving working relationships within small groups.<sup>1</sup>

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<sup>1</sup> For example, The National Training Laboratories for Senior Management, situated at Arden House, New York (see C.E. Sanders: "Group Behavior and Personal Reaction Patterns - A participant's view of processes of change at a Management Human Relations Course", The Hague, July 1963). Also the Tavistock Institute of Human Relations, 3 Devonshire Street, London W.1. Continental Europe offers many such courses in different languages.

### The Image of the I.L.O. Mission outside the Centre

After all that has been said it is difficult to put forward any general statement about the image of the missions. In one region, individual I.L.O. experts are stationed in each of the countries of the region and act as a team on their own. Their communication with the regional Chief of Project is mainly in written form (they may meet him two or three times a year) and they do not meet each other as team members. However, a recently organised itinerant seminar, starting in one of the countries and moving from one place to the next with a basic group of participants and a new input in every country, was a major success. This top management seminar was organised in such a way that central problems of economic integration were discussed; high authorities were invited as guest speakers, entrepreneurial contacts and plant visits were tactfully organised, "common market" problems discussed openly, fear of competition openly admitted and marketing problems faced. A press campaign, radio and television interviews and receptions at the offices or homes of the highest officials were engineered. The seminar therefore became a major success and the reputation of the I.L.O. became firmly established. The members of the mission became public personalities.

Surprisingly enough, none of the I.L.O. staff was invited to participate in another major event in the same region six months later, a five-week residential top management programme, organised by the Harvard Business School. According to a citizen of one of the countries of the region who participated in this programme as administrative assistant, the I.L.O. training efforts in this region were hardly mentioned.

Similar examples could be given from other countries and from other parts of the world. There is keen competition between organisations doing technical co-operation - short or long term - in the management development field, and it seems that these either do not know of or deliberately ignore the work of the I.L.O. missions, some of which have been in the respective countries for years. It is certain that the work of the I.L.O. missions and the national centres to which they are attached is in some cases not known outside a small circle of industrialists.

Nevertheless, the research worker gained the impression that I.L.O. management development missions have sometimes gained reputations which are out of proportion to the amount of money spent or the number of experts stationed in a country. In the opinion of managers, officials and "customers", where a good reputation has been gained, it may be largely attributed to the down-to-earth, practical approach of the experts in line with the basic philosophy of I.L.O. management development work.

There are times, however, when it seems that the image of a mission is too much "chief oriented". In other words it is felt that the individual members could and should take a greater part in the public relations side of the work, in representing the mission at official or semi-official gatherings, lunch meetings, discussions and lectures organised by professional bodies and so on. The impression was gained that at present most chiefs are overburdened in this respect. There is a practical side to this question - the expense. As U.N. Missions and Chiefs of Project have no representation allowance, there are many obligations on a chief which are expensive and which he has to pay for himself.

It was also felt that, partly due to lack of time and partly because it sometimes is expensive, members of missions are insufficiently active at the "community side" - undertaking the sort of activities mentioned in the previous paragraph.

A very important factor contributing to the image of a mission is whether experts who have been stationed for a number of years in a country have acquired some command of the local language. It was observed that those who succeeded in mastering the language to a reasonable extent gained considerably in reputation and established a more productive relationship with their national counterparts. Where the courses have to be translated into the local language, coaching a counterpart in his language becomes possible.

CHAPTER 4

THE MANAGEMENT DEVELOPMENT BRANCH  
AT GENEVA

When what is now the Management Development Branch of the Human Resources Department became a unit independent from the Economic Division in 1960, experience had already shown the need for systematic supervision of projects and backing up services. It was seen that in entering into the field of management development the I.L.O. was embarking on an operation of a more advanced kind than had previously been undertaken in the course of its training activities. In fact, it was entering the field of training at a postgraduate level - in the case of advanced management programmes, at a high postgraduate and post-experience level. At the same time, the strong practical bias of its management development programme led to the decision to employ experienced managers and specialists from industry, or from management consultancy, and attempt to turn them into teachers of management rather than to use management educationalists whose practical experience might in many cases be limited. Although this has given rise to many problems, some of which have been touched upon earlier, it is still seen as the right policy. Attempts in the case of Special Fund missions to integrate at least one experienced management educationalist with the team have not, on the whole, been very successful, although in certain cases this may have been due to the personalities of the people concerned, and possibly to a failure on the part of Chiefs of Project to utilise their special knowledge properly, rather than to a failure of principle.

This being the case, it was felt that as much as possible should be done to assist in the preparation of the programme of teaching materials and the development of teaching methods as an aid to the missions. At the same time, it was envisaged that it might be possible to provide short courses in modern teaching methods, particularly for those who had no previous experience of formal teaching. However, it has never been possible to put this latter programme into effect.<sup>1</sup>

At the same time, the coming into being of Special Fund projects, involving the covering of a certain amount of ground in a fixed period of time and the co-ordination of the work of a number of specialists, led to a clear perception of the need for more systematic supervision and administration than had been done in the past when experts were more or less pushed out to their assignments and left to sink or swim. It was with this in mind that the present structure of the Management Development Branch at Geneva was developed.<sup>2</sup>

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<sup>1</sup> The first of such courses is scheduled for May 1965.

<sup>2</sup> There may be some confusion over the nomenclature of the Branch. Since management development became the responsibility of a separate organisational unit of the I.L.O. in 1960, this unit has changed its name four times from Unit (1960), to Service (1961), to Division (1963). Finally, in the reorganisation of the Office which took effect in November 1964, there was a grouping of the former Divisions into a series of Departments; the former Management Development Division then became the Management Development Branch of the Human Resources Department, taking over at the same time staff and projects from the Co-operative and Small-Scale Industries Division.



The Branch is currently (March 1965) divided into three sections, the Operations Section, Development and Studies Section and Small Industries Unit. The last mentioned will only be touched upon here, since the Branch only took over the responsibility for the I.L.O. small industries programme at the time of the reorganisation in November 1964, and the operation of this programme was not examined by the research worker.

The Operations Section is composed of three regional desks covering respectively the Middle East and Africa, Asia east of Afghanistan and Latin America. The very limited number of projects in Europe is currently supervised from the Asian desk. Each desk is headed by a senior official of the Office. In the case of the Asian and the Middle East and African desks, two other officials share the work of each senior; in the case of the Latin American desk there is one other official. This takes no account of the officials who have been transferred from the former Co-operative and Small-Scale Industries Division and are attached to the operational desks to deal with small industries and handicrafts projects. The official in charge of the Section is the deputy to the Chief of the Branch.

The Development and Studies Section is currently the direct responsibility of the Chief of the Branch. A post for a senior official to head up this Section is provided for in the 1966 Budget of the I.L.O. The Section is composed of two senior officials on general development work and three engaged on specific research or study projects, including the research worker responsible for this Report. In addition, there is a designer-draughtsman responsible for the preparation of visual aids and, until recently, a documentation clerk responsible for the running of the library. This has now been merged into the departmental documentation unit.

#### The Operations Section

According to its formal terms of reference, the Operations Section is responsible for:

- (a) planning and phasing the implementation of technical co-operation projects and preparing draft Plans of Operation for Special Fund projects;
- (b) preparing from the technical standpoint the necessary job descriptions, examining, in co-operation with the Personnel Department, the qualifications of candidates for field assignments, making recommendations for the selection of such candidates and undertaking their technical briefing and debriefing;
- (c) analysing progress reports received from technical co-operation projects and providing technical guidance and supervision of the projects;
- (d) undertaking the technical selection of equipment and planning the technical aspects of fellowship programmes, including the selection, briefing and debriefing of fellows;
- (e) preparing reports and documents concerning the progress and results of projects, including the preparation of final reports;
- (f) participating in the evaluation of technical co-operation projects.

The Section is staffed at its senior level by officials who have themselves had substantial experience of management in developing countries - not always with the I.L.O. - and in theory they should be fully capable of preparing, supervising and administering the growing number of projects. From the beginning the policy was adopted that two supervisory visits per year by a headquarters official should be made to every mission. This was felt to be necessary both at Headquarters and by the people in the missions themselves, but, in fact, has never been consistently achieved due to staff shortages.

The nominal staff of the Section numbers nine (figure attained for the first time in October 1964), giving approximately one Headquarters official for every fifteen expert posts. However, the policy of supervisory visits to all projects by a regional desk official, supplemented, wherever possible, by visits of senior officials when going or returning from leave or from special missions, rarely leaves more than seven officials in post at Geneva at any one time.

The personal qualifications for members of the staff of this Section require to be high. In the first place, it is necessary that officials should have a sound knowledge and experience of at least one function of management and a good understanding of management in general. Secondly, they should have had substantial field experience, preferably in the region they are called upon to supervise. This is, in fact, the case, with one exception. Thirdly, they must be able to grasp - and grasp quickly - policies and the implications of policy, and to prepare letters in which every aspect of a subject is considered and treated - not an easy thing for someone without long civil service experience. They must be able to meet, talk with and listen to the wide variety of men who come for interview, briefing or debriefing, to judge their suitability for posts as field officials and, once these have been selected, to convey to them the essential knowledge they required before starting work in the field. Finally, they need a capacity for continuous and usually monotonous work of a very detailed kind carried out at high pressure and subject to a constant interruption and frustration. If the member of a mission is sometimes - although by no means always - subjected to living conditions which are difficult, isolation in a small group and severe frustrations due to obstacles, intentional and unintentional, which may be put in the way of his achieving all he would wish to achieve, he does as a rule have the satisfaction of seeing his work produce both concrete results and changes of attitude in the course of his service. He has the constant stimulation of being in direct contact with those whom he is training or trying to influence. The Headquarters official, who is also a professional man, does not have these satisfactions. He rarely has the opportunity to use his professional knowledge directly (except if he takes part in an occasional seminar) and may feel himself trapped in a never-ending flow of paper against which he seems to wage an unavailing struggle. Added to this, he is required to supervise officials who have higher grades and salaries than himself, because they are in the field, yet who may not have his qualifications and experience.

In a period when the operational activities of the Division are rapidly expanding, it is the preparation of new projects, often necessitating missions to the countries concerned, recruitment, briefing and debriefing which interfere continuously with the administration and servicing of missions in the field. The interviewing of prospective experts involves nearly a day's work per candidate for each regional desk official and substantial periods by his associates and the Head of the Section. Briefing, although generally agreed to be still inadequate, imposes an even greater burden. It is to the credit of the officials of the Section that they often manage to develop quite close and friendly relationships with the experts with whom they have to deal. Internal meetings relating to technical co-operation work take up a certain amount of time and representation of the I.L.O. on certain international committees, as well as at conferences and other meetings, even when reduced to those regarded as absolutely essential, takes up still more of the limited staff time available.

Apart from the routine work of the Section, the Branch as a whole receives an increasing number of visits from persons not directly connected with I.L.O. operations, such as officials of national management organisations, professors of business administration from all over the world, representatives of governments and, particularly, employers' organisations, and others more or less concerned with management development in their own countries or internationally. These visits are often valuable as a means of providing contacts with the outside world, but they are time consuming.

Summarising this outline of the work and some of the current problems of the Operations Section, it would seem as if the general design of the Section as a supervisory and administrative unit is sound but that, in practice, it is still understaffed for the effective performance of its task. The situation is, however, steadily improving, it being borne in mind that it takes at least a year before a new official in this Section is able to master the complexities of administration in the context of the I.L.O. and the U.N. and to begin to take his full share of the work. A major weakness, which active steps are being taken to rectify, is that there is still insufficient guidance and control of over-all programmes of individual missions, which are left too much to local demand, resulting in serious gaps in certain programmes. More planning and control at Headquarters would certainly reinforce the Chiefs of Project vis-à-vis the governments with whom they have to work, as well as assisting them to develop their programmes.



### The Development and Studies Section

If the staffing and performance of the Technical Co-operation Section is still not wholly satisfactory, that of the Development and Studies Section is critical. The setting up of this Section, which is the main beneficiary of a special item in the I.L.O. Regular Budget, is in line with the theory that the missions would improve their performance and accelerate the development of their programmes if they could be fed teaching materials and if they are provided with information on teaching methods and programmes. In the previous pages of this paper, it has been noted that many experts and Chiefs of Project feel that far more could be done to help them in this way, although there is a school of thought which maintains that material prepared at Headquarters is of little value because of the special needs of individual countries. In the view of the senior officials at Geneva, who have had experience in a wide range of countries, the similarities between the needs of developing countries in the matter of management development are far greater than their differences and the preparation of materials centrally can contribute very substantially to speeding up the work of the missions - if it is specifically tailored to the needs of developing countries, which are now fairly well understood.

There is a tremendous shortage of simple handbooks and other teaching material in the management field which can provide the basic knowledge about management and its various functions and techniques and on which teachers and trainers can build their programmes. The phenomenal success of Introduction to Work Study - even in industrially advanced countries, in many of which it is a standard work - shows up the need very clearly. One of the major functions of the Development and Research Section of the Division is to fill this need.

Unfortunately, so far, very little has been achieved due to lack of staff. The first priority for staff in the Division must go to the operational side and the development work has constantly been sacrificed to this. The staff of the Section has never exceeded two officials for any length of time; there has been a notable lack of continuity and there is no immediate prospect of a significant improvement.

Various efforts have been made to have handbooks written by outside collaborators, but it has been found that these demand so much editing to simplify them and make them suitable for their purpose that this takes almost as long as writing them. The preparation of really simple and effective handbooks on management is still an almost unexplored field, and there are few people in the world with a sound knowledge of management who are capable of reducing it to its essentials and developing the necessary conceptual bases, so that these essentials will remain firmly in the minds of people whose experience of industry and management may be limited. It is for this reason that the divisional budget provisions for publications have never been effectively used to date, although the other items in the budget have generally been fully spent, and sometimes over-spent.

In spite of the problems, there has been some effective work done in the development field in the last three years, notably the production of one major filmstrip and a number of other slides. The publication in stencilled form of a number of manuals in different management fields for the use of missions, the viewing of nearly 100 films and the compilation of a critical catalogue, the building up of a small but quite well selected library of management literature in several languages and the establishment of a microfilm service of articles which it is thought might be of lasting interest in developing management programmes. This year will see the long delayed appearance of the first part of Introduction to Management, which is intended as the basic book for advanced management programmes, and it is to be hoped that Part II will appear before the end of 1965.

Of special interest in the field of teaching aids is the first "programmed book" - The Balance Sheet - which is being developed in association with a firm of specialist-consultants in this field. It has been tried out with success in a number of missions and is due for early publication. It is the opinion of the staff at Geneva that the programmed books, which are a development of programmed teaching using machines, represent a most significant aid to teaching management in developing countries - and possibly in industrially advanced countries as well. It seems likely that if The Balance Sheet is shown to be



successful in a variety of countries, the whole of the resources available to the Division for publication will be turned to this type of publication in the future, although it is extremely expensive to develop and demands highly specialised knowledge and preparation and the collaboration of a number of people. Finally, mention must be made of the "Analysis of Management" which has been carried out by the staff of this Section, primarily as an aid to controlling programmes in the field, but which shows every sign of becoming a major aid in the preparation of courses. A number of experts passing through Geneva have been enlisted to help prepare this in their specialised fields. As far as is known, no analysis of this depth has previously been carried out anywhere and it has evoked considerable interest in management education circles.

Last, but not least, mention may be made of the bulletin, Management and Productivity, whose primary purpose is to enable those in the field to know what is going on at Headquarters and in other parts of the world and to allow Headquarters to communicate ideas on this highly specialised field of work, generally presented in the form of leading articles which are offered for criticism and discussion by members of the missions. It is unfortunate that the feed-back in the field in relation to these articles - essential if Headquarters is to be kept aware of field conditions and opinions - is much less than it should be.

Some mention should be made of the research activities of the Division. It has always been envisaged that a certain amount of research or study should be carried out into factors affecting the operational work, with the general objective of making it more efficient. The first research into the possibilities of developing simplified incentive schemes for use in developing countries unfortunately proved abortive, but recent work has proved more successful. Extensive work was carried out in the field of earthmoving to investigate the possibilities of improving the productivity of earthmoving by manual means, with the objective of making it more competitive with machines and of increasing employment opportunities while reducing the expenditure of foreign exchange. This research, carried out in Mysore, India, Nigeria and Tanganyika, culminated in a set of papers presented at the Technical Meeting of Experts on Productivity and Employment in Public Works in African Countries, held in Lagos, Nigeria, from 9 to 21 December 1963. This meeting was attended by 22 representatives from African countries. The conclusions of the meeting outlined an extensive further programme of work for the I.L.O. in this field and emphasised the need for training.

Problems of management development in African countries have been the subject of extensive study throughout 1964. This study was considered essential before the I.L.O. embarked on missions of productivity and management development in Africa, in view of the many problems likely to be incurred and will be published shortly.

The research which culminated in the current paper may be expected, in combination with the debates at this Meeting of Directors of Productivity Centres, to offer important suggestions and guidance for the future conduct of management development and productivity projects. In 1965, a project is foreseen for a study of the social and cultural factors affecting management development which should contribute substantially to an understanding of the cultural background against which missions have to operate.

Finally, mention must be made of seminar and conference holding activities of the Division. Since 1961 the Division has held 5 major seminars, respectively:

1961 - Tokyo - Asian Productivity Seminar  
(13-25 March 1961)

1962 - Santiago - Technical Meeting on Problems of Productivity and Management Development in Latin America (15-26 October 1962)

1963 - Lagos - Technical Meeting of Experts on Productivity and Employment in Public Works in African Countries (9-21 December 1963)

1964 - Baghdad - Regional Seminar on Problems of Marketing, Employment and Management in Countries of the Near and Middle East and North Africa (13 September-3 October 1964)

1964 - Geneva - Technical Meeting of Directors of Management Development and Productivity Centres and Associated I.L.O. Experts (23 November-4 December 1964)

As an appendix to the Meeting of Directors of Management Development and Productivity Centres there was held subsequently a one-week meeting of the I.L.O. Chiefs of Project and other experts who were present at the main meeting. This provided an opportunity for extensive and frank discussions of problems of operation both from the side of the field staff and those at Geneva. A Record of Agreements on various points was compiled.

Apart from this, certain programmes have been developed initially by, or with the participation of, members of the Geneva staff before being passed out for general use in missions. Among these is the First Advanced Management Programme held at Bangalore, India, in October-November 1960, the forerunner of five subsequent programmes between that date and 1965 and the Central American Seminar held in early 1964. This latter programme is of special interest in that one of its main objectives was to introduce industrialists in the five countries of the Central American Common Market to the needs and opportunities of the market. For this reason the seminar moved through the five countries and Panama over the four weeks of its duration while at the same time a full management development programme was carried out. At the end of March 1965 a pilot programme to aid those wishing to start new enterprises was held in Malta and was very successful. It is currently being processed for dissemination to all missions.

These activities have served to spread an understanding of productivity and management development and to provide experience which has served to develop and modify I.L.O. policy in this field. However, they impose a heavy burden on Headquarters staff and cannot be increased without a substantial increase in personnel.

#### The Small Industries Section

The responsibility for the I.L.O. programme in the field of small industries and handicrafts was taken over by the Management Development Branch at the time of the reorganisation of the I.L.O. in November 1964. It involved the transfer of five professional and two general service posts, together with about 90 field posts. Projects transferred include five financed by the Special Fund with one further project due to be approved in June 1965. The majority of projects is under E.P.T.A. and consists of one or two experts only.

Early steps were taken to integrate the officials responsible for operational work into the respective regional desks. This integration will provide each desk with more personnel and, in spite of the increased workload, will make for greater flexibility of operation. In all the major small industries projects there is a substantial management element.

The Small Industries Section itself is primarily a research, development and policy-making unit concerned with improving and developing the small industries programme. It acts in an advisory capacity to the Chief of the Branch and to the regional desks.

There appears to be little doubt that the linking of the small industries programme with the management development programme will be beneficial to both. In the majority of developing countries small industries have an important economic role to play; in some virtually all the industries fall into this category. The needs of small enterprises differ from those of large and medium-sized ones in several respects, not least in that higher productivity can often be achieved rather by technological improvements than by managerial ones, since the technologies used are often very primitive and the managerial element in running them is relatively small. It seems likely that the effect of joining the two programmes will be the development of centres with a more comprehensive range of activities, better able to meet the over-all needs of industry in the countries concerned.

Conclusion

It is evident that this brief survey of the work of the Management Development Branch at Headquarters is extremely summary and attempts only to define what it is believed the work of this Branch should be and some of the problems which at the present time prevent it from being fully effective. The Meeting may wish to discuss in greater detail the work of the Branch and how it can more effectively help improve the quality and output of missions in the field, and in particular, what services it may be able to offer to productivity and management development centres when immediate I.L.O. assistance has ceased.



## CHAPTER 5

### THE EFFECTIVENESS OF CURRENT PROGRAMMES AND THE MEANS OF IMPROVING THEM

#### The Transfer of Knowledge

With the exception of a few countries which already have advanced some way in the knowledge and practice of modern management, the subject matter which the I.L.O. missions are trying to teach is relatively basic and represents sound modern practice, applicable to a wide variety of industries and enterprises, rather than advanced theories and techniques which may have relatively limited applications. As stated earlier in this Report, the objective of all the technical co-operation in this field is to assist in the setting up of well organised and stable institutions whose staffs will be capable of carrying on, multiplying and developing the work of the missions when they have left. In particular, members of national staffs have to be able to transfer their knowledge in such a way that the people from industry whom they train will be able to go back to their enterprises and put into practice what they have learned.

The major problem, therefore, lies not so much in what should be taught but in how to teach it so that the knowledge is transferred in a manner which will enable it to be effectively used.

The transfer of knowledge as it is currently practised by I.L.O. management development missions and the institutions to which they are attached involves the running of courses, most of which have a substantial practical content. These courses may be of a few days or several weeks; they may be full time or part time, continuous or intermittent and directed at any level of management from the top to the first line supervisor.

In the early stages of any project courses are usually run directly by the experts with limited participation of national staff, but the objective is always to bring the national staff to the point where they can take complete responsibility for running a given course as quickly as possible. The expert can then turn his attention to the development of new courses.

Because of the emphasis on the practical aspect of training, it is rarely enough merely to give a course, even one including substantial practical work within the participants' enterprises and then leave them to fend for themselves. Some kind of continuing guidance is generally necessary, often extending over a long time. This is the follow-up, one of the most acute problems facing all centres and missions.

Apart from being trained in the theoretical and practical aspects of running courses in specific subjects, the staffs of national centres need considerable personal tuition if they are to become really effective, if only because, in order to teach effectively, it is essential to know far more about a subject than one is required to transfer to others. Members of national staffs must be brought to the point where their knowledge of the principles and practices in the fields of management with which they are concerned are as good - or nearly as good - as those of their international counterparts. More than that, they need to acquire the confidence, which only comes with successful practice, that they can apply what they know in a wide range of practical conditions. This personal training of national staff is perhaps the most important task of the international experts.

The transfer of knowledge demands certain physical conditions and a certain amount of equipment in order to be fully effective. In this chapter the facilities available in the centres visited by the research worker will be discussed.

Finally, there will be a brief discussion of the effectiveness with which management practices have been implanted and a few illustrative examples given.

### The Courses

Of a total number of 110 course participants, drawn from a variety of courses (cost accounting, work study, production management, supervisory training, safety, advanced management seminars, etc.), met and interviewed 84, or 76 per cent., were satisfied with the course content and/or pattern, including practical project work. Opinions varied from highly appreciative to more modest statements indicating that former participants thought the course to have been beneficial. However 26, or 24 per cent., of the participants were not satisfied with the courses and seminars.

An example of responses of a typical group interview is given below:

- The courses have helped us to see more clearly the organisation and communication problems of the enterprise.
- The courses have helped us in defining our own job and in establishing priorities for action.
- The courses have helped us to see the implications of professional management and the requirements of an industrial pattern of life.
- The courses have helped us with new skills, know-how and practical knowledge. We have learned where to look for information, and to think and to act more systematically.
- We have learned to handle conflicts, disagreements and disputes by application of the modern principles of personnel management.
- We have acquired the courage to experiment with more democratic, participative methods of management.
- We have learned the principles of costing and have been able to apply them fruitfully.
- We have become convinced of the value of cost accounting and budgetary control and have hired a young economist to help us make further improvements.
- We have learned a great deal through the extensive discussions and interchange of ideas, and have acquired information on practices and mal-practices.

Some opinions were less favourable, and if rather more emphasis is laid on these in the following paragraphs, it is because of a desire to know and correct inadequacies. To keep the picture in perspective, the reader must remember that, according to the figures given above, real dissatisfaction was only felt by one quarter of the participants.

The main complaints are:

- The courses are too concise and lacking in depth and clarity.
- The courses are adequate but practical work is poor or non-existent.
- The courses are superficial and out of date compared with modern standards of management.
- The course participants have not been well selected, which results in very heterogeneous groups with differences in rates of learning.
- The courses have been badly planned.

The complaints relate to the teaching ability of the I.L.O. staff and/or national staff, the development of the course syllabus, the application of visual aids and practical exercises, the follow-up of the classroom teaching with practical exercises and on-the-job demonstrations, and finally, to the professional knowledge of the experts or national staff.

Specific comments relating to points on which particular persons interviewed were critical are given below:

- The application of what we have learned is most important - too often follow-up is lacking either because we are changed to a different position or we do not have assistance or the opportunity to do the laborious, consistent job which is required to fully apply the knowledge we have acquired.
- The courses are all right but often too condensed and too comprehensive. We are exposed to so much material in such a short time that we feel discouraged by the end and unable to try it out.
- The Centre should help us more on the job with application and implementation. The consultancy work of the Centre should be developed; we should be charged fees and the experts should be with us for a more extensive period than is possible in the framework of a course.
- Sometimes the examples used or the practical exercises given are out of date or not practical over here. We are now oriented towards the American bookkeeping and accounting systems; we are confused by being taught the European system.
- The work study course was too short to prepare us adequately to apply what we learned.
- There is a need for work study courses for lower levels of personnel who would be able to apply and implement what they learn.
- Experts should visit our operations more often.
- The role of the Centre should be to help us more frequently on the job.
- The Centre should organise more courses for top management.
- Some of the experts are not very effective in teaching because, although their material is usually good, their English is difficult to understand.

Although the satisfaction with what is offered appears to be generally high even the groups satisfied with the courses and the work of the centres had some criticisms. Some of the complaints related to the above mentioned points. Other points are that lack of local examples and case studies are to be regretted, that top management is too often unaware of the implications of the courses and that participants were given insufficient opportunities to try out what they had learned and to take initiative. The point was made that a newly arrived expert in a particular field sometimes had different views from those of his predecessor and introduced the same subject matter in a different way, causing confusion. The biggest single complaint of both the satisfied and dissatisfied groups had to do with the need for follow-up and follow-through on the job and the assistance needed to start or to carry on after successful demonstration projects.

The impression nevertheless exists that at all the centres the staff, both national and international, try to improve the course content and the programme integration by circulating course evaluation sheets requesting course participants to give suggestions. Some of the criticisms are distilled from these sheets.



Many members of the I.L.O. missions complained that they had to invest too much of their time in course preparation. They felt that there is a great need for assistance from Headquarters in supplying more visual aids and films, programmed books and standard manuals. Other experts did not believe that this would be very helpful, as adaptation to the local situation was usually so time-consuming that fresh preparation of material was preferred. There seem to be two schools of thought in this matter, which may be worth discussing.

Another frequent complaint was the lack of inter-project information. It was felt that certain projects, such as the preparation of advanced management seminars, could greatly benefit from experience elsewhere, provided the full material could be made available. The research worker came across two well drawn up conference manuals with complete syllabuses of advanced management seminars, proudly shown by the Chiefs of Project concerned. Could this duplication of work - in itself a useful and challenging intellectual effort - have been avoided by an adequate system of inter-project communication?<sup>1</sup>

The Meeting might wish to discuss the points raised above. As discussed earlier, the question of transference of knowledge and experience is not exclusively a matter of methodology but also of philosophy and policy. This theme recurred regularly and seems of great importance.

However, it would seem as if the methodology of teaching in many instances can be considerably improved. Recent studies in the teaching-learning process give considerable evidence that the so-called modern teaching methods are far superior to the orthodox "ex cathedra" methods - given the results and the independent absorption and digestion of new knowledge and ideas. This holds true particularly for educational courses and seminars.<sup>2</sup>

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<sup>1</sup> One of the principal purposes of the bulletin Management and Productivity is to provide information on what is going on in all projects and a list of project addresses is furnished annually so that missions can write direct to each other. The Management Development Branch at Geneva is willing to provide advice, information, syllabuses and course material for advanced management seminars on request, and has done so.

<sup>2</sup> Nath Cantor: The Learning Process for Managers, New York, Harper, 1958. Cantor makes an interesting distinction between the so-called basic assumptions of orthodox teaching and modern teaching:

#### I. BASIC ASSUMPTIONS OF ORTHODOX TEACHING

1. It is the teacher's responsibility to set out what has to be learned.
2. Knowledge taken on authority is educative in itself.
3. Fragmentation of experience: education can be obtained through disconnected subjects.
4. Facts are facts. The same for teacher and all pupils.
5. Preparation for future more important than present participation.
6. Responsibility for learning result: the teacher.
7. Knowledge more important than learning activity itself.
8. Motivation of learning by discipline.
9. Intellect and emotion: it is assumed that intellect is primarily an intellectual process.

METHODS: ex cathedra lecture and questions.

#### II. BASIC ASSUMPTIONS OF MODERN TEACHING

1. The needs of the students are central in the selection of subjects.
2. Knowledge is educative only in so far as it is related to the needs and problems of the students.
3. Integration of experience has to be striven for.
4. Many so-called facts become facts only after intensive study and discussion by a group.
5. Present participation in an active learning group is more important than memory drill and knowledge consumption. Social skills.
6. Responsibility for learning result: the student.
7. Learning activity itself more important than knowledge. Thinking and inner development. (Footnotes continued on page 51.)

Modern teaching methods encompass the following approaches:

- Socratic lecture approach (question, discussion, lecturette).
- Case Study method.
- Syndicate discussions.
- Group demonstrations and projects.
- Role playing.
- Panel discussions.
- Rehearsal exercises.
- Business games (total enterprise games, functional games, computer and non-computer games; "in-basket" or "in-tray" exercises).
- Sensitivity training sessions.
- Exercises in job instruction.
- Conference-leading techniques.
- Exercises in public speaking.
- Research assignments.
- Self instruction manuals.
- Programmed teaching.
- Audio-visual aids.
- Quick reading courses and concentration exercises.
- Self development plans.

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(footnotes continued from page 50.)

8. Motivation of learning: by genuine interest and self-discipline.

9. Intellect and emotion are inseparable and completely interdependent.

**METHODS:** A variety of approaches with the accent on group co-operation (case studies, discussion meetings, role playing, business games). The lecturing methods limited to a minimum.

Nath. Cantor: The Dynamics of Learning, Buffalo, N.Y., Stewart, 1950.

Nath. Cantor: The Teaching-Learning Process, New York, Holt Co., 1953.

"The Dynamics of Instructional Groups - Socio-psychological Aspects of Teaching and Learning", 59th Yearbook of the National Society for the Study of Education, University of Chicago Press, 1960.

Rudolf Steiner: Erziehungskunst. Methodisch-Didaktisches, Stuttgart, 1919.

Although application of all these methods is rare even today in the industrially advanced countries and is practised only in a minority of advanced management schools, it is worth discussing this subject to find out the most appropriate methodology for the purposes of management development in developing countries.

#### Follow-up and Follow-through

Follow-up may be defined as the guided activity of a course participant in the application of the principles or methods he has learned to problems in his own work environment.

Follow-through is the continuous process of change initiated by follow-up.

The problem of adequate follow-up is one which has beset the work of I.L.O. management development and productivity projects since the very beginning. In all but a small percentage of cases follow-through has not been attempted - at least as far as the I.L.O. and centre staffs are concerned. Once the course participants have done their supervised "projects" and reported back to the course, they are left to evolve as best they can.

It is not far to seek; they lie in the nature of the projects. As emphasised earlier in this paper that the purpose of most management development projects, especially the Special Fund projects, is the setting up of facilities for training and developing practising managers. The facilities required must cover a wide range of courses for different levels of management. I.L.O. management development missions are of average size - the largest is composed of ten members, the average is of six or seven at its peak. The members have to cover between the principal functions of management, as well as general management and supervisory training, which means that there is generally only one, rarely two experts in any given function.

The provision of national staff is, with one or two exceptions, rarely planned on a more generous scale. There is no reason why each expert should not operate with four national counterparts, but governments do not usually make available the money to provide for four counterparts of high quality for each international expert and, in practice, as noted above, many missions are happy if they are able to obtain one national staff member of the right calibre for every expert.

Faced with the need to set up and train their national counterparts to run without assistance a range of courses in their respective fields, within the three or four years of their presence in the country concerned, neither experts nor national staff can hope to maintain close contact with the ever-increasing number of course participants once the courses and their associated projects are completed. The problem of follow-up has been the subject of debate and discussion within the Management Development Branch of the I.L.O. for many years,<sup>1</sup> but no satisfactory solution has yet been found or is ever likely to be as long as the present policy is continued.

This is not something peculiar to developing countries or to the I.L.O. projects. No training institution providing management development programmes in the industrially advanced countries offers prolonged follow-up or follow-through. It is not the purpose of a training institution to do so. The difference between an industrially advanced country and one in the earlier stages of industrialisation is that the former has many facilities available to assist enterprises in the implementation of change, notably, firms of management consultants and in a few cases public organisations offering consultancy services whose technical staff are available to live in the undertakings for the periods necessary to ensure that the changes and new systems to be introduced are effectively implanted and that the personnel concerned

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<sup>1</sup> See Management and Productivity, No. 6, for an article on this subject.



are properly trained and able to carry on and develop the work. There can be little doubt that until such services are available in all countries in the process of industrialising, the training given by management development and productivity centres, especially in the field of management techniques, will fail to be fully effective in terms of implementation within the enterprise.<sup>1</sup>

How can management consultancy on the scale required best be introduced? It is a subject which is currently preoccupying the I.L.O. and in this connection it may be worth quoting a conclusion of the Seminar on Marketing, Employment and Management Problems of Industrialisation in Countries of the Near and Middle East and North Africa, held in Baghdad, Iraq, in September, 1964.

"85. It was recognised that the introduction of modern management practices into industry in industrially advanced countries has been mainly due to management consultants. While training programmes can provide the background knowledge necessary for managers to understand the application of management practices and techniques and, allied with practical demonstrations and supervised practical work in their own plants, can go some way to enabling them to apply these practices, such programmes are not a substitute for the day-to-day guidance which a competent management consultant can offer. It was considered that the development of management consultancy facilities operated by nationals of the countries represented would be an important aid to raising the efficiency and productivity of industry, public and private.

86. While management consultancy in most industrialised countries is in the hands of private firms or partnerships, it was recognised that for various reasons, it might be more suitable for most of the countries represented at the Seminar to introduce it as part of an official institution in the first years. This has already been done effectively in several countries. If management consultants were to be accepted by industrial employers and managers, it was necessary to ensure that they were of high standard, both professionally and ethically. The development of a cadre of independent management consultants presupposed some form of registration and possibly legislation which would define professional competence and a code of behaviour, so as to ensure the protection of clients' confidential information. Only in this way would industry maintain confidence in them and be prepared to use their services. At the same time competent and responsible consultants would be protected against incompetent newcomers."

Management consultancy in the generally accepted sense of the term is already being carried out in at least one centre to which an I.L.O. mission is attached and consultant training has been done in one other major project. Certain new Special Fund projects contain provision for the training of consultants. The promotion and use of management consultants is a subject which may be worth discussion in the course of the Meeting.

#### The Training of National Staff

Of the 36 members of the staff of national centres counterpart to the I.L.O. experts with whom discussions were held, 17 were not entirely satisfied with the teaching-learning process. They felt that they were sometimes kept busy for too long a time with particular courses without having opportunities to acquire a more thorough knowledge of specialist subjects. They felt a discrepancy between their desire to learn and the possibilities of satisfying their needs. They said that they felt they were forced to copy too much of what individual I.L.O. staff taught without having access to all the material used by the latter so as to be able to make up their own minds as to its value. They were usually very busy - partly as administrators for the courses - and could not sit in continuously and make notes of everything that happened during a course. It was usual for them to miss between 25-50 per cent. of each course and they therefore thought they should have the right to full access to the course binders and materials of the experts, which they frequently did not have. Only in rare cases had a member of an I.L.O. mission designed with his counterpart a self-instruction plan covering a definite period of time, so as to broaden his knowledge.

<sup>1</sup> See Management and Productivity, No. 14 for an article on this subject.

One of the most criticised situations was the inability of the centres to organise internal working conferences for the staff. Usually the output of courses is high and the desire to produce impressive statistics is felt to be a factor which dominates the policies of the centres. Follow-up and follow-through work takes up a lot of time and there is no time left for the systematic training of national staff. Exclusive annual internal staff training conferences were felt to be a need everywhere and it was considered that they would help national staff to become independent more quickly.<sup>1</sup> It was generally felt that the teaching-learning process could be considerably improved and that at present many experts have not yet found the best possible approach.

The process of transference of knowledge is easy compared with that of experience. As elaborately explained earlier in this paper, the status and position of the national staff with the centres is in most cases unsatisfactory. Only in rare cases there is the motivation and opportunity to work together as a group for a couple of years. The example was given of one centre where this was done, with very good results. The approach taken there was probably not essentially different from that used by many other centres although it is almost certainly much more systematic. It would appear to be important to develop an appropriate training philosophy and policy depending on the circumstances in which the centre has to operate.

The training policy should be explicit and should be written down. An example of such a training policy is the following:

"Experience over the past ten years is that startling results may be obtained if training is designed for an organisation rather than for individuals. The Institute seeks to assist industry itself to be more effective, and therefore the Institute is not restricted to training at any particular level or use of any special technique.

In planning training programmes senior management needs to decide policy and objectives of training and to assign appropriate resources for the purpose. Middle management should co-operate in training because they frequently need to train their juniors and almost invariably they must be provided with some of the resources for training arising from specialist activities, such as accounting, industrial engineering and personnel management. Junior levels need training in order to do their jobs more effectively. It is also wise to bring in union representatives so as to ensure that the workers understand directly from their own trustees the significance of the changes which it is hoped to secure through training."

The statement continues by stressing the importance of tailor-made training for each level and of quantitative targets and appropriate training material for every level. The Institute believes in the planning of training:

"Planning is necessary to prevent training becoming an end in itself rather than a means of benefit to industry and the nation and to ensure thorough training at a low cost of time and money. Training requires considerable use of factory resources to secure improvements and end results; if the work is planned these resources can usually be provided very easily without additional specialist activities.

Training material arises from investigations undertaken for industry by the sections of the Institute. All training is thus based on practical and scientific work in local enterprises."

The teaching-learning process has already been discussed at some length in relation to course participants. In this connection, readers are referred to two articles appearing in Management and Productivity and to a letter by Mr. R.L. Mitchell.<sup>2</sup>

The Meeting might wish to discuss these and similar points relating to the training of national counterparts when discussing the teaching-learning process in general.

<sup>1</sup> Since the visit of the research worker at least one centre is devoting a substantial amount of time to coaching sessions for members of the Centre staff.

<sup>2</sup> Management and Productivity, Nos. 9, August 1963, and 10, October 1963.



### Accommodation, Equipment and Facilities for Effective Teaching and Work

Of seven centres visited only three had adequate accommodation, up-to-date class room facilities, sufficient administrative staff of good or reasonable quality and effective equipment.

Although the quality of the national and international staff is the most important factor for successful work the material environment is an important ingredient. In certain centres classroom facilities were completely inadequate. Classrooms were small and noisy, furnished with uncomfortable seats, lacked blackboard space and flipcharts and had no possibilities for the application of visual aids. When national and I.L.O. staff have to teach groups of up to 30 people under these conditions, while the windows are open for ventilation so that all the noises of the street come in, the kind of learning process achieved can be imagined. I.L.O. staff have sometimes a relatively modest command of the English language, mixed with an unusual accent. It is obvious that this combination of factors makes it doubtful whether courses and classroom teaching can be effective under these conditions. Since many of the courses in centres are given late in the afternoon or in the evenings, which means that the participants have had a full day's work behind them, it is even more questionable whether the process of knowledge-transference is fully effective. It is now well-recognised that classroom teaching for managers should take place in a quiet environment, which is the reason why most of the training centres of big firms or management schools are situated in residential areas. Another important feature necessitating up-to-date accommodation is the application of modern teaching methods.<sup>1</sup>

For example, the case method of teaching requires first of all a spacious room in order to have a round-table seating arrangement for participants. Secondly, it is necessary to have a great deal of blackboard space to record answers and factors produced in a plenary classroom discussion. Thirdly, the audience usually breaks up into small groups for syndicate discussions, which necessitates the provision of additional smaller conference rooms and portable flipcharts, "magic ink" for putting conclusions and findings onto paper. Fourthly, the teaching process is usually interspersed with filmstrips, films or graphs, which means that apart from the proper projecting equipment facilities, there should be facilities for darkening the room quickly. Proper ventilation is also necessary to prevent a sticky atmosphere.

From these points of view, it is evident that accommodation is below the standard in too many cases and that the complaints of participants in courses and of the staffs of centres are justified.

The research worker feels that the authorities responsible for supplying accommodation are usually not informed about the requirements of adult and modern management education. It would be useful to establish a formula for minimum requirements, based on experience and a survey of some of the best existing training centres.

Another important and neglected area is that of proper reproduction equipment for neat and practical hand-out material. Systematic course binders with sufficient reference material are often lacking due to lack of reproduction facilities. Although Xerox and Thermofax are probably too expensive for most of the centres, a sufficient number of typewriters and duplicating machines, plus an efficient typing staff are the minimum requirements for any centre. In addition, the research worker noticed that in most centres the documentation and filing systems were inadequate and inefficient. Some centres lost valuable material because of this. The quality of the libraries varies greatly. The best and most up-to-date library, containing a complete set of all modern management magazines and periodicals, was found in the Productivity Centre of the Malaysian Federation.

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<sup>1</sup> The Harvard Business Administration School (see Kenneth Andrews, The Case Method - an Evaluation Survey, 1956, Harvard University Press), Massachusetts Institute of Technology, School of Industrial Management (see Pigors and Pigors, Case Method in Human Relations, New York, Mc.Graw Hill, 1962).



### How Effectively are Management Practices Implanted in Enterprises?

The question posed in the title to this section is, in American slang, "the sixty-four dollar question". It has been stated at different points in this paper - and a great many times elsewhere - that the aim of all I.L.O. productivity and management development projects is to ensure that sound management practices are solidly implanted - and then maintained and developed - in industrial enterprises throughout the countries concerned.

Hundreds of courses have been given by national centres to which I.L.O. missions are, or have been, attached in the course of the past twelve years. Thousands of managers, specialists in management techniques and supervisors at different levels and in the different functions of management have participated in theoretical programmes and in practical projects carried out within their own plants.

In the course of 1963 alone, in six Special Fund projects for which the Management Development Branch was wholly responsible and which were fully operational, a total of 4,027 managers and specialists participated in training programmes with which I.L.O. staff were directly associated. When there is added to this figure the participants in programmes of other Special Fund projects in which the Management Development Branch is participating, but which are the operational responsibility of another Branch, and those in the E.P.T.A. projects, this figure can almost certainly be doubled. It is not unreasonable to estimate that, over the last 12 years, at least 20,000 managers, specialists in management techniques and supervisors have received some measure of training, including a good deal of practical training, in courses which I.L.O. experts have been giving or in which they have been participating as members of the directing staff. These figures take no account of in-plant training unconnected with courses. To what extent has this participation resulted in permanent improvements in the performance of individual enterprises?

The I.L.O. official who visited selected projects in the Middle East and Asia in 1957 came to the reluctant conclusion that, with a few notable exceptions, the training and other assistance given, which included, in certain cases, months of in-plant work had left comparatively few effective results. Very often the people trained had been moved to positions where their specialised training was of little use to them. Sometimes continued application had been hindered by other factors.<sup>1</sup>

Has the situation changed today? The research worker was able to visit 41 enterprises and to talk with their managements and had the opportunity of talking to a number of people who participated in some of the earlier courses given in particular countries. The enterprises he visited tended to be those where successes had been scored. The seven firms whose results are described below should therefore not be considered as fully representative. They do serve to indicate that many enterprises, at any rate, have derived lasting benefit from their association with I.L.O. missions and/or the centres associated with them. However, as has been made sufficiently clear in previous paragraphs, one of the essential problems to be faced as a challenge of future work is to improve follow-up and follow-through of teachings and in-plant demonstration projects, in order to harvest more lasting results than is at present the case.

#### Case I - U.A.R. - Company A

This company enrolled staff in courses run with I.L.O. assistance at the Productivity Centre as long ago as 1955, and still continues to maintain close contacts with the centre (now the Department of Productivity and Vocational Training of the Ministry of Industry). A total of 24 members and specialists have attended courses. As a result of the practical project work, a gradual reorganisation of the firm has taken place and work study, production engineering, quality control, purchasing and materials control and management

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<sup>1</sup> I.L.O.: I.L.O. Productivity Missions to Underdeveloped Countries, Geneva, 1957. (Now out of print)

services departments have come into being. The company feels that it can now match in a number of respects the best management standards in industrially advanced countries and attributes its orientation towards, and adoption of, modern management practices largely to the help received from the Centre and from the I.L.O. It is felt, on the other hand, that the senior men of management benefit more from courses given by another institution specialised in advanced management training.

At the present time, the firm's main problem is plant maintenance, which is being tackled in collaboration with a member of the national staff of the Department and an I.L.O. expert. I.L.O. assistance is highly valued because of its practical nature.

#### Case 2 - U.A.R. - Company B

The management of this company had special praise for the earlier work study projects of the I.L.O., which enabled a work study department to be set up. This department has contributed in an important degree to the improvement of their over-all operations. Another project carried out with I.L.O. assistance in this company and which achieved great success was the safety programme. The safety department has succeeded in cutting down operating costs and in very substantially reducing absenteeism. No fatal accident has occurred in the last four years. The safety programme has aroused interest in many firms with similar problems.

#### Case 3 - India - Company C

This firm, originally family-owned, is now a public limited company manufacturing products under licence agreement with a foreign concern. It has in three years succeeded in raising its production from 24 to 36 units a day. The manager of the industrial engineering and planning department was a participant in the First Advanced Management Programme organised by the I.L.O. in 1960. After attending this programme, he was given the responsibility of building a new factory and the over-all responsibility of the management of production. In his own words, "I had to do the complete job of planning and building up the Industrial Engineering Department from scratch. I designed a production control system, proper time standards and succeeded in raising production in three years by 50 per cent. I attribute my success to two factors: one has been the support which I was given by the top management of my firm and the other has been what I learned from the Advanced Management Programme. This programme was excellent. It was full of relevant practical tips and lifted my morale to the extent that I became convinced I could do the job ahead of me, which up till then had worried me a good deal". The participants in this course still meet occasionally; many of them have risen to higher positions and many subordinates have benefitted from on-the-job instruction and teaching.

#### Case 4 - India - Company D

This organisation was responsible for the operation of public transport in a major city in India. It is one of the rare cases of a major consultancy job being carried out by the I.L.O. Some extensive practical work was carried out at operating level, and subsequently a report and recommendations concerning the over-all operation of the organisation was prepared by another I.L.O. expert in 1958. The manager said that this report may be considered to be a model. It was very practical and factual and was a real eye-opener for them. "We have since implemented the recommendations and improved the productivity of our operations by 200 per cent. The validity of the findings was reinforced when we were able to attend an advanced management programme specially designed by the I.L.O. for public transport undertakings. This programme was of the highest value to us as we could discuss our problems with colleagues in the same business. We all felt that programmes for specific industries based on the findings of research and study are probably the most valuable type of programme." The total contribution of the I.L.O. to the over-all efficiency of this branch of industry in the country has been considerable.

Case 5 - India - Company E

The experience of this company, treated at rather greater length than the others, gives an example of the sort of changes which have been effected inside a company as a result of participating, mainly in industrial engineering programmes offered by institutions to which the I.L.O. has at one time or another provided assistance.

The company first became formally interested in the means of raising productivity in 1955 when representatives of top management, middle management and workers participated in a comprehensive productivity project for engineering industries, conducted by the Productivity Centre with the assistance of I.L.O. experts. The programme included:

- (a) an eight-week full-time course in work study attended by one management and one workers' representative and including practical work in the plant;
- (b) a management seminar for top managers;
- (c) a refresher course in industrial engineering for middle management;
- (d) an introductory course in foremanship; and
- (e) a seminar for trade union officials.

The object of the programme was to increase productivity at the plant level through creating a favourable atmosphere for the introduction of techniques for productivity improvement by studies undertaken with the joint participation of management and workers.

The following members of the firm participated in the project:

- management seminar - the works manager;
- refresher course in industrial engineering - two senior technicians;
- introductory course in foremanship - three supervisors;
- labour seminar - two union representatives;
- full-time work study course - the work study engineer and the union secretary.

During the project, as many as ten individual studies were undertaken at this company to demonstrate the scope and value of work study. Subsequently, two members who were trained in work study were assigned to continue productivity studies on a full-time basis. These efforts to improve the existing methods and systems with the co-operation of workers and trade union leaders produced substantial results in the form of increased output.

Examples of improved productivity which may be briefly cited are:

- (a) in the use of hand tools through a series of improvements in tools starting with the provision of a holding fixture in November 1955 which increased output by 25 per cent. Further improvements achieved over eight years increased the output in this operation to five times the original output of a single operator;
- (b) in the spray painting of metal parts the productivity of the operator was eventually increased 700 per cent.

In the initial stages of the project improvements were made in certain other operations and in workplace layout, handling of cartons, product simplification, plant layout and working conditions.

Over the years, many more projects were undertaken resulting in a gradual expansion and re-organisation of the enterprise to reach modern standards, as follows:



- (a) in 1958 - introduction of time studies;
- (b) in 1958 - training and development;
- (c) in 1958 - the setting up of a productivity committee;
- (d) in 1962 - the introduction of production planning and control;
- (e) in 1962 - the simplification of office procedures;
- (f) in 1963 - the introduction of job evaluation.

It may be noted that I.L.O. assistance was given only in the early stages of the project in 1955. The excellent follow-up and follow-through were due to the national staff of the centre and the receptiveness of the management of this company. The company started as an enterprise with about 300 employees and now employs 687. Production in the period has increased to six times its level in 1955.

#### Case 6 - El Salvador - Company F

This company is a bakery with 34 employees. The management consists of two brothers - one being responsible for the production side and the other for sales. In 1962 the production manager participated in a six-week production management course by an I.L.O. expert in the country concerned. The sales manager enrolled for a marketing course, also led by an I.L.O. expert, but the re-organisation of the plant was put up as a team project with the participation by a number of sales managers.

Originally, the bakery was run along traditional lines. No bookkeeping system existed except for a few notes written down in an old notebook, no information was available about production results and no special efforts were made to determine which products were more profitable and to promote the sale of them. In fact, a very wide variety of breads and cakes was produced.

The practical projects associated with the course first of all resulted in the changing of the layout of the production line and in supplying the personnel of the bakery with better equipment to improve their output and hygienic standards. The application of work study resulted in 100 per cent. increase in production of certain fancy bakery products which could be sold very profitably. A better co-ordination between production and sales diminished waste and made it possible to be more accurate in purchasing raw materials. The inventory problem was solved to a large extent by a much better utilisation of the available floor space. The over-all sales went up by 35 per cent.

The relationship between the two brothers managing the business, which had been somewhat hostile - each blaming the other for inefficiency - improved to the extent that they established a good working relationship.

#### Case 7 - Nicaragua - Company G

This company has 107 workers, eight supervisors and two managing-directors. It produces shirts, pyjamas and slacks, certain products being made under licence agreements with foreign firms. One of the Managing Directors enrolled for the production management course given by the I.L.O. expert and subsequently for a personnel management course given by the same expert. The Managing Director had been dissatisfied with his production scheduling. The two main products - shirts and pyjamas - were very sensitive to market fluctuations and he sought a flow production in which it would be easy to switch from one product to another. Assisted by the I.L.O. expert and his national counterpart the whole production line was re-organised and the complete layout for a new plant was designed.

The project was divided into two phases: limited improvements in the old environment; a completely new production set-up in the new plant. The training of workers by their supervisors was considered from the outset as of great importance and the Managing Director enrolled in a T.W.I. programme

organised by the U.S. A.I.D. in which the I.L.O. expert acted as guest lecturer in a number of subjects. What the Managing Director learned from both sources enabled him to undertake the training of his eight supervisors single-handed. This on-the-job training, which was guided by the I.L.O. expert, yielded good results not only in actual production figures but in terms of relations between management and supervisors and workers and job satisfaction.

Finally, a more advanced marketing sales policy was developed by the Sales Manager, in collaboration with the I.L.O. expert. After he had followed a marketing course further substantial improvements in the performance of the business were effected.

In case the preceding examples should suggest that the I.L.O. is universally successful, the following excerpt from a letter written recently to the Chief of this Branch may act as a corrective:

"I am sorry to trouble you when you are busy but circumstances have compelled me to address this letter to you. Working of our weaving shed has recently deteriorated to a great extent. You will remember the condition of our weaving shed when you came to our mills. Due to your technical co-operation, it improved to a great extent. The present condition has been just the same. It is essential that our weaving shed should be surveyed by some experienced technical hand. You have experts working in productivity in nearly 40 countries. Would you kindly let me have the name and address of the expert here and would you please do me the favour of recommending us to him for his valued co-operation."

Examples 1-7 quoted above by the research worker represent to some extent a variety of methods of attack on the problem of improving management and raising productivity within the enterprise. In Case 1 the company had over a long period of time had a substantial number of managers and specialists trained in courses and had received a good deal of practical assistance, some of it evidently long term. The same is also true of the company in Case 2. In Case 3 the executive interviewed, who was also competent and well trained in the special field of industrial engineering, felt that participation in the advanced management programme had achieved its objective, had broadened his vision and given him a deeper understanding of the operation of his firm as a whole, but there is no indication that any work was carried out within his company either by an I.L.O. expert or by any productivity centre.

Case 4 represents a straight consultancy job on the part of I.L.O. staff without participation of any national staff from a productivity or management development centre. This work owes its success principally to the ability of one man; with the limited resources at the disposal of the I.L.O., or of any given centre, it is clearly impossible to undertake deep studies and consultancy of this kind, except in the case of very large organisations of real economic importance to the country or to the community. In this case, it was of importance to a large municipality.

Case 5, which is treated in somewhat more detail, offers the example of a company which has taken every advantage of its local productivity centre, both with and without I.L.O. participation, to train or inform management and trade union personnel at all levels of the enterprise and to carry out an integrated operation for the improvement of the company's performance. In many ways, this is an almost ideal utilisation of the resources of a productivity centre in which training at several levels goes along in parallel so that everyone concerned understands what is required and what is being done. The value of this method, which is evidenced in the very great increase in productivity achieved by this company over nine years, emphasises the need for management development and productivity centres to develop balanced programmes for the different levels of management as early as possible, and particularly to ensure that adequate programmes are developed for top management. It emphasises the need for programmes for workers' representatives.

Case 6 and Case 7 are both excellent examples of the combination of initial theoretical training in one or more functions of management, coupled with subsequent practical work. In Case 6, the company had the advantage of being the object of a team project in which a number of sales managers participated and

whose collective ideas, no doubt, were able to contribute substantially to achieving optimal solutions to the company's problems. One of the major problems encountered in developing countries is that executives do not always wish to participate in such projects in someone else's company but wish special attention to be paid to their own, a process which is quite clearly impossible in every case.

Evidence of the above cases which were selected from a number recorded by the research worker suggests that, when properly applied, the general method employed by the I.L.O. and by national management development and productivity centres is sound where the managements themselves are open-minded and receptive to the benefits of modern management. With the resources available, which are invariably limited, this may be the most economical way of achieving results in industry. Quite clearly, it can, in general, only be applied to medium or large industries since to attempt to cover the mass of small industries in this way would demand resources of qualified personnel far beyond those available to any productivity centre or I.L.O. mission. The Meeting may wish to discuss in particular the problems of getting at and improving the performance of small industries.

One other method used with considerable success by the Chief of the Branch in Japan in 1961 is worth mentioning. This was essentially an appreciation programme limited in this case to the field of work study, which involved two days of theoretical presentation of the subject to groups of fairly senior and experienced executives and engineers and then taking the groups, which numbered about 20 each, into small and medium-sized factories. They were then "let loose" in pairs on the operations in the shops during three days, under the guidance of the seminar leader. The extent to which a group of such men who were limited to work study training can unearth inefficiencies in production and can propose improvements is extraordinary. When, in addition, the findings and proposals of each pair are presented before a plenary meeting of the top management executives and supervisors of a company, the impact both on the participants themselves and on the management of the firm is staggering. It is indeed embarrassing since it suggests that the jobs are run most inefficiently, although, in fact, the plants in which the groups worked were all of them averagely well run.<sup>1</sup>

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<sup>1</sup> A report on this seminar is available in Management and Productivity, No. 1, p. 9, (in English only).



## CHAPTER 6

### SOME PRACTICAL PROBLEMS OF OPERATION

#### Certain Aspects of the Selection of Members of I.L.O. Missions

It is desirable at this point to consider opinions from the field relating to the quality of members of I.L.O. missions and the present selection methods.

There seems to be a fairly general opinion that the quality of I.L.O. staff has dropped over the years. It is a fact that in 1964 the situation in many of the developing societies is very different from that in 1952. An increasing number of talented young men have been studying abroad and have returned home with the latest knowledge in their particular fields, even though it may be somewhat theoretical. At the same time, an increasing number of top and senior executives have been travelling around and have followed business administration or general management courses, by and large in the U.S.A. and Europe. This is noticeable whenever talking to course participants, managers and staff members. I.L.O. experts are highly valued for their practical sense, for their strong emphasis of "doing" and for their application of know-how but they have lost the monopoly position of knowledge and practical know-how that they may have had in some countries in the past.

If this is considered in conjunction with what has been said above, the question arises as to whether the job specifications currently used for the recruitment of management development staff for field posts are the right ones and, if not, in what manner they should be modified.

First of all, it must be said that the various countries to which the I.L.O. is providing assistance in this field (some thirty-eight at present), are at very varying levels of industrial development and management sophistication. Even in individual countries - India or Argentina, for example - there is a very wide range of management knowledge and application in industry in general and even within specific industries. It is quite certain that there is no single job specification valid for each type of expert in all countries. In practice, this is taken into account when recruiting.

In the second place, the problem is linked with the aims and the philosophy of the I.L.O. programme of technical co-operation in the management development field. What is this programme really intended to achieve? The basic objective is to raise over-all national productivity through the application of better management practices, using the term "productivity" in the broadest sense. Over-all national productivity is, in fact, made up of the average level of productivity of all the enterprises, public or private, whether manufacturing or service, which make up the industry of the nation. It is not much use, from the national standpoint having a handful of enterprises which are as well managed as any in the world if the mass of industry and public utilities are very badly managed and have a very low level of productivity and waste of resources. One of the principal differences between the industrially advanced countries and the developing countries is that in the latter there are proportionately fewer enterprises in the "well managed" bracket and far more in the "badly managed" class and the range of management knowledge and efficiency between "best" and "average" is much wider. This has been and still is to a certain extent true as between the U.S.A. and most European countries.

It has been the view of the I.L.O. that the over-all national productivity is likely to be raised most rapidly and the greatest return for a given expenditure of money and effort obtained if the efficiency of the mass of the badly managed enterprises could be brought up to a reasonable level, leaving the better managed undertakings for later. In general, the techniques and management

knowledge required to do this are relatively simple; the important thing is that they shall be disseminated and applied as widely as possible. If this view is accepted, subject to certain reservations noted below, then the type of man best suited to be an I.L.O. expert in this field is the type of man who is currently sought and selected, namely, one with a sound practical experience in industry and in consultancy, but not necessarily with a knowledge of the most advanced management practices. In any case before these can be applied effectively, it is necessary to ensure that the management of an enterprise is soundly based in the well-proved practices. The teaching and application of the most modern techniques, many of which are still controversial even in the United States, can wait for the "second round".

The reservations to the total adoption of this policy may be three-fold. The first is that there are usually certain key enterprises, possibly quite well managed, which are of outstanding importance to the national economy and it may be necessary to supply these with management training at a higher level than the average.

The second is that if high quality staff are to be recruited as members of national productivity and management development centres, they need to be made to feel that they are advancing their professional knowledge (and hence their status) in line with modern management practice. A third reason may be that the I.L.O. should certainly explore the possibilities of adapting the most modern techniques to the needs - even some of the more simple needs - of industry in developing countries.<sup>1</sup>

Thus it is that some compromise has to be reached in the case of almost all missions between the massive "donkey work" which has to be carried out for the introduction of well-known and proved management practices and their implantation in the widest possible number of industrial enterprises in the shortest possible time, and the introduction, at key points and to key personnel, of more advanced management practices which may not be able to be widely used in practice for some time to come. It may be said, in passing, that the fact that many of the management practices to be introduced are relatively simple does not mean that their adaptation, teaching and introduction in a developing country is by any means simple. On the contrary, it is extremely difficult and demands the highest qualities of imagination and capacity for transmitting knowledge based on a very thorough knowledge of industrial operation - something which men who have been preoccupied with the day-to-day problems of running industry rarely have the time to achieve - a deep analysis of the practices to be introduced and a considerable understanding of the conditions, material and psychological, in the country concerned. It is quite clear that, even in relation to the introduction of the most elementary management techniques, most I.L.O. missions are far from having attained this level. The Headquarters unit of the Management Development Branch has been conceived as having a fundamental role to play in this process which was discussed earlier in this paper.

#### Towards Understanding Man and Culture: some problems in the choice of personnel for international service

The psychological challenge of living and working with nationals of other cultures is a universal one. The problem is that in the more superficial layers of personality the similarity may be quite striking and as long as discussions are focussed on specific subjects, e.g. management development or industrial productivity and specific technical subjects, a great difference in apprehension, perception and understanding does not seem to occur. It is, however, well recognised that culturally determined behavioural patterns are to a large extent unconscious and rooted in mental mechanisms which are formed in early childhood.

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<sup>1</sup> See Management and Productivity, No. 13, page 14, "Can we Skip a Stage in Management Development".



The question really is whether a person entering international service, in addition to having the technical skills necessary to perform his job effectively, also has the ability to adapt and adjust to new life and work situations - for example, a different climate, a different language, different concepts of time, a different value system. It is far easier to assess a man's technical competence than to assess those qualities which may or may not make him potentially adaptable to a wide range of living conditions. As has been observed earlier the experts are generally speaking considered to be up to standard and appreciated from a personality point of view. That is to say slightly more than 25 per cent. are marginal cases according to the views of their project counterparts and/or course participants, but nearly 75 per cent. is considered as reasonably successful professionally and personality-wise. This by no means suggests that the majority of experts recruited by the I.L.O. Management Development Branch is in the fortunate position to be able to make the best use of skills in a different environment. It simply means that the majority is flexible enough to adapt sufficiently to be appreciated for the work performed.

The study quoted earlier stressed the importance of sound technical skills for anybody to be recruited as an international expert. The importance of pre-assignment training is also very much underlined in this study and reference is made to the elaborate training procedures of companies of previous colonial powers and the United States. Compared to such practices the pre-mission training of the I.L.O. international experts is, apart from a very short briefing period and some good documentation, practically non-existent.

In addition the importance of the following skills may be stressed:

- (a) Organisational skills, defined as an institution-building orientation. "Some people find it very difficult to build an organization in such a way that it can function independently of themselves. Some derive a sense of their own importance from having others dependent upon them. Still others have no sense of organization and its importance. They may be concerned about getting a specific job done in the technical sense and prefer to do it themselves or entirely in their own way, rather than take the slower path of developing a lasting program in cooperation with others. Those who are oblivious of organization-building or who underestimate its importance are usually ineffective in the long run."<sup>1</sup>
- (b) Communication skills  
"..... a high premium should be placed on lucidity in communication." "Effective communication, however, requires more than mere lucidity of expression, essential as this element is. It demands also a knowledge of the society, its values and customs, and the capacity to translate an idea or process into the local equivalent."
- (c) Social skills  
A number of factors are to be considered under this heading:

Social Displacement. "There are striking data on the frequency of severe psychological stress arising from the individual's absence from his home society. There is some reason to believe that for people from many cultures, absence from home of more than 18 months may be disproportionately difficult to endure especially where a family has of necessity been left behind." "The adjustment to separation from the home society and the family may be greatly affected by the success of efforts made during the preparation for an overseas post as well as efforts made during the early months of the actual appointment. In this connection a 'socio-cultural adviser', particularly one who does not stand in a line-of-authority relationship to the newcomer may be of great help."<sup>1</sup> (It may be observed that in this respect in most projects visited the research worker noticed that the Chief of Project usually did excellent work.)

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<sup>1</sup> The Selection of Personnel for International Service, World Federation for Mental Health, 1 rue Gevray, Geneva, 1963. Reference is made particularly to Chapter 2 "Who succeeds" and 3 "Training and Selection". An important bibliography is added, and the suggested Personal History Forms, Reference Checking Forms and Psychological Tests in the opinion of the research worker deserve serious attention.



"In assessing probable adjustment to expatriation, it may be helpful to consider with a candidate his past experience of leaving home or family."<sup>1</sup>

Working Conditions. The study observes the entirely different working atmosphere from that to which the average expert is accustomed. Many of the factors highlighted in this report are mentioned.

The study continues to examine such factors as "interpersonal relationships" ("Living abroad often requires the type of person who can live in a small, closed community."), "housing", "food", "leisure time activities", etc.<sup>2</sup>

One of the common types of failure in service abroad is the ethnocentric and authoritarian personality. The study stresses that there is a considerable degree of authority of manner and approach stemming from successful technical or professional experience. "'All power tends to corrupt'; a man of outstanding competence from a technical or professional point of view may show tendencies toward dominance and inflexibility in social and professional relations with others - tendencies to be a 'technical autocrat'. This may greatly reduce his potential for cross-cultural service. There is more than enough experience in this kind of service to suggest that any unwillingness on the part of a candidate to accept the necessity, once more, to 'earn the right' to his technical or professional prestige in a new setting must be regarded with some disquiet."<sup>1</sup>

The research worker in quoting these pages goes back to the numerous talks with experts and their wives which evidenced the stress under which many international civil servants operate, even when on the surface their behaviour is quite adapted and relaxed. In a way he felt happy that often experts and their wives were able to let off steam and to verbalize their worries and/or anxieties. Those who are willing to admit that it is not easy to work outside their home society and that many frustrations are bound to occur are usually the ones who succeed in coping with the job and the foreign country. Ambivalent attitudes towards the job, the foreign country, its people etc. are normal and as long as people communicate about it freely among themselves there seems to be no danger for building up unhealthy tensions. However a number of people were met who tried to deny any problems but made nevertheless an extremely tense impression.

#### The Problem of Mental Health

Every person, in adapting to a changing environment, has developed devices to cope successfully with his personal emotions, worries and fears. The inner equilibrium may be somewhat disturbed under conditions different from the normal ones and in addition everybody has ups and downs which all fit in the picture of "normal behaviour". However, unusual stress sometimes provokes reactions of "the swing of the pendulum" out of proportion to the amount of stress to cope with - at that moment the devices of everyday living may be insufficient and malfunctioning may start. An example may be the following. A production engineer is put under heavy stress as major changes have to be introduced in the assembly of motor cars, due to the new model that has been accepted. After a heavy day of work he may find himself drinking at home more than his usual quantum. This drinking habit is perfectly normal as it fits in his habitual pattern of coping with everyday stress. However, after a fortnight of heavy work and little sleep he may drink much more than usual, and he may notice that he continues to drink much more than he did before, after the period of stress

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<sup>1</sup> op. cit. p. 64.

<sup>2</sup> A group of highly qualified psychologists could without any doubt produce a strikingly realistic personality profile and prediction of future behaviour when applying a whole range of tests as Rohrschach, TAT, Projective drawings, Prejudice Tests, Group situation or Field tests. However, the costs would be very high and the resistance to submitting to such elaborate testing procedures might be considerable. The "group tests" derived from the practices of the War Office Selection Board and modified for civil use (practiced for example by Unilever Ltd. for personnel of academic levels) could however be considered for practical use.

has passed. When in addition other symptoms show up such as insomnia, becoming quickly irritated, feeling rather low and depressed at the office or even at home, being restless and not interested in a change of pace, etc. it is for sure that the first level of disfunctioning has come into being and medical aid is required to restore his proper functioning.

The research worker has little clinical psychological experience and is therefore not in a position to make any comments on the subject of mental health of international field staff other than of his impressions. Out of 31 experts met he got the impression that 5 were functioning below the level of a mentally healthy equilibrium. As was mentioned earlier, social displacement in addition to interpersonal conflicts and stressful working conditions may place a burden on a man's ability to cope with life too severe to survive in a relatively healthy way.

Modern psychiatry is very much aware of the relativity of the concepts of health and illness. This has been described in a recent study.<sup>1</sup> However, the new knowledge about mental processes in relation to the environment has provoked a number of authors to apply basic principles of psychiatry and clinical psychology to management and the industrial enterprise.<sup>2</sup> Particularly in North American industry the interest in this subject has become very great. A number of big companies have psychiatrists on their staff and the annual seminar for Industrial Executives organised by the Menninger Foundation, Topeka, Kansas, and focussed on the practical application of psychiatric knowledge to management functions has attracted much attention.<sup>3</sup>

The research worker would suggest that the I.L.O. consider collaboration with the World Health Organization in order to develop better screening methods for personnel recruited for international service and secondly may engage a qualified person to undertake field studies in mental health of international personnel.

Finally, the research worker believes that in the future some training in the subject, sufficient to be more perceptive for the occurrence of psychological problems, should be incorporated in pre-station education and briefing programmes for Chiefs of Project. In a number of supervisory and executive training courses of companies this subject is now integrated.

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<sup>1</sup> Karl Menninger, The Vital Balance - Life Process in Mental Health and Illness, New York, Viking Press, 1964.

<sup>2</sup> Chris Argyris "A company: what makes it healthy?", Harvard Business Review, September 1958; Alan A. McLean, Mental Health in Industry, New York, McGraw Hill, 1958; Troubled people on the job, brochure prepared by the American Psychiatric Association, 1959, Washington 9, D.C.

<sup>3</sup> The absenteeism in American industry according to a 1954 survey was estimated to be costing industry \$9 billion each year. More than 50 per cent was attributed to emotional disturbances and psychological causes. Of the 15,000 deaths and 2 million disabling injuries caused by industrial accidents in the same year, 80-90 per cent were reported to be psychological in origin. The so-called "accident proneness" of people was further investigated in relation to traffic accidents with the exceptional result that "90 per cent of all the accidents are caused by 10 per cent of the drivers, repetitively". As for alcoholism - industry's billion dollar hangover - the study pointed out that the proportion of problem drinkers in the male population as a whole - 2 per cent - was likely to be found in any individual company as well.

### Co-operation with other Bodies

In many of the countries visited there exist a number of organisations concerned with management education. Generally speaking the productivity centres collaborate closely with management associations, business schools, technical colleges, workers education centres and training institutes for public administration, either by participating with guest speakers in programmes or as the sponsoring institute for local conferences. However, in some countries managements ventured the criticism that too little co-operation existed between institutions assisted by different international organisations or bilateral aid agencies. In one country there was obvious antagonism between the organisation concerned with productivity, assisted by the I.L.O., and an institute for higher management sponsored by the Ford Foundation and assisted by Harvard University. In another country no effort was made to contact with U.S. A.I.D. experts. In yet another case, the International Division of Harvard University organised a five-week residential top management seminar with the assistance of faculty members of the Advanced Management Programme of the Harvard Business School. This programme was thoroughly prepared by a survey team who spent three months in the region and prepared an outstanding report. No I.L.O. expert was invited as guest lecturer, although the I.L.O. is represented in this region by six management development experts. How little co-operation sometimes exists can be further illustrated by the fact that the research worker by chance picked up the very helpful and thorough survey report by the Harvard team in one of the countries of this region. It was made available by the local I.L.O. expert. There was no knowledge of it at I.L.O. Headquarters.

In most of the developing countries, the needs for management training are very large. Initiative from many sources is therefore welcome. Healthy competition as far as the quality of programmes and know-how is concerned seems stimulating and eminently desirable. However, ignorance of what others are doing, unfair competition and the belittling of the efforts of competing bodies is unquestionably destructive and may result in the duplication of effort or - worse - confusion. The research worker heard many remarks from representatives of management indicating annoyance and suspicion. This question is among the subjects worth discussing; it may be possible to suggest means to improve relationships and to develop a more systematic exchange of information of international and local activities.



CONCLUSION

This concludes the report on the findings of the research worker to which has been added a certain amount of complementary material. It is quite evident that there are many aspects of operation which have not been dealt with or which have only been touched upon, but which may be studied in greater detail in the course of the Meeting.

Nevertheless, it is felt that a sufficient number of points has been raised here to ensure prolonged and controversial discussion.

II. REPORT AND CONCLUSIONS  
OF THE MEETING

CONCLUSIONS OF THE TECHNICAL MEETING OF DIRECTORS  
OF MANAGEMENT DEVELOPMENT AND PRODUCTIVITY CENTRES  
AND ASSOCIATED I.L.O. CHIEFS OF PROJECT

Geneva, 23 November to 4 December 1964

INTRODUCTION

Conforming to the provision laid down in the 1964 budget of the Management Development Branch of the Human Resources Department (budget item 4.02) approved by the Governing Body of the International Labour Office at its 154th Session (Geneva, March 1963), a Technical Meeting of Directors of Management Development and Productivity Centres and Associated I.L.O. Chiefs of Project was held in Geneva from 23 November to 4 December 1964.

This Meeting was attended by the following participants:

Argentina	Mr. M. Uribe, Director, Centro de Productividad de la Argentina (Argentina Productivity Centre).  Mr. E. de Gennaro, I.L.O. Chief of Project.
Central America	Mr. R. Aguado-Jou, Chief of Project.
Chile	Mr. R.M. Caraccioli, Director-General, Servicio de Cooperacion Tecnica (Technical Co-operation Service).  Mr. F. Heller, I.L.O. Expert.
India	Mr. T.M. Jacob, Director (Training), Central Labour Institute, Ministry of Labour and Employment.  Mr. K. Shone, I.L.O. Chief of Project.
Iraq	Dr. Mahdi Hassan, Director, Management Development Centre.
Korea	Mr. Eun Bok Rhee, Director-General, Korea Productivity Centre.  Mr. W.H. Newton, I.L.O. Chief of Project.
Malaysia	Mr. Abu Kassim bin Haji Mohamed, Training and Investigation Officer, National Productivity Centre.  Mr. H. Whitaker, I.L.O. Chief of Project.

Nicaragua  
Mr. E. Baltodano,  
President,  
Chamber of Industrialists.  
  
Mr. R. Galla-More,  
I.L.O. Expert.

Thailand  
Mr. Udomsakdi Bhasavanich,  
Director,  
Thailand Management Development and Productivity Centre.  
  
Mr. W. Utting,  
I.L.O. ex-Chief of Project.  
  
Mr. R. Jenkins (Observer),  
Official-in-charge (ad interim).  
  
Mr. A.D. Granger,  
I.L.O. Chief of Project.

Tunisia  
Mr. A.F. Gahbiche,  
Director,  
Institut National de Formation Professionnelle et de  
Productivité  
(Tunisia National Vocational Training and Productivity  
Institute).  
  
Mr. T. Harcha (Alternate),  
Deputy Director,  
Institut National de Formation Professionnelle et de  
Productivité.  
  
Mr. C. Bignotti,  
I.L.O. Chief of Productivity Section.

U.A.R.  
Mr. M.Y. El Zeini,  
Director-General,  
Management Development and Vocational Training  
Department,  
Ministry of Industry.  
  
Mr. G. Stalker,  
I.L.O. Chief of Project.

Venezuela  
Mr. L. Márquez Gómez,  
Director,  
Instituto Venezolano de Productividad  
(Venezuelan Institute of Productivity).  
  
Mr. A. Maldonado Cruz,  
I.L.O. Expert.  
  
Mr. R.L. Mitchell,  
I.L.O. Chief of Project.  
  
Mr. A.J. Young,  
I.L.O. Expert.  
  
Mr. E.K.L. Rogowski,  
I.L.O. Chief of Project.

The Representative of the Director-General was Mr. C.R. Wynne-Roberts, Chief, Management Development Branch, Human Resources Department. The Secretary to the Meeting was Mr. C. Cordova, Management Development Branch. He was supported by Mr. E. Phillips, Management Development Branch.

The basic paper presented to the Meeting entitled "The Effectiveness of I.L.O. Management Development and Productivity Projects" was prepared by Drs. C.E. Sanders who acted as Co-ordinator at the Meeting.



The Meeting was opened by Dr. Abbas Ammar, Deputy Director-General of the International Labour Office, and closed by Mr. F. Blanchard, Assistant Director-General, Field Department. Mr. R.M. Lyman, Head of the Human Resources Department, outlined the new structure of the Human Resources Department and described the place of the Management Development Programme therein, emphasising the need to think in broad terms with respect to the overall Programme of Human Resources of the Office in order to ensure that each component is fully integrated. Mr. T.M. Jacob, Director (Training), Central Labour Institute, Ministry of Labour and Employment was elected Chairman of the Meeting.

For the purposes of discussion the Meeting divided into two groups whose chairmanship changed after the first week. Chairmen and Secretaries of these groups were:

Group A	- Chairmen:	Dr. Mahdi Hassan; Mr. El Zeini.
	Secretaries:	Mr. Stalker; Mr. Newton.
Group B	- Chairmen:	Mr. Márquez Gómez; Mr. Harcha.
	Secretaries:	Mr. Aguado Jou; Mr. de Gennaro.

AGENDA<sup>1</sup>

1. What has been, is, and should be, the role of the I.L.O. in management development? Is it possible to identify clearly a specific role for the I.L.O. in this field?
2. What are the elements for building the Centre as an institution that contributes more profoundly to the social as well as the technical development of enterprises?
  - (a) relationship of a Centre with the Government;
  - (b) organisational structure of the Centres;
  - (c) a Centre's programme and project strategy and tactics;
  - (d) developmental phases of a Centre's growth;
  - (e) role of the Director;
  - (f) role, conditions for selection and employment of national staff.
3. What should be the I.L.O.'s role in promoting the best possible conditions of a Centre's operation?
  - (a) strategy of projects;
  - (b) role, qualifications and activities of an I.L.O. Chief of Mission;
  - (c) role, qualifications, personal attributes and attitudes of international experts;
  - (d) group dynamics of the expert teams;
  - (e) image of the I.L.O. missions outside the Centres;
  - (f) role of the Headquarters Unit.
4. What is the effectiveness of the present programmes and teaching methods and by what means can improvement be achieved?
  - (a) courses, programmes and teaching methods;
  - (b) training of national counterparts;
  - (c) follow-up and follow-through;
  - (d) material requirements for an effective education;
5. What are some of the cross-cultural barriers interfering with productive work and relationships?
6. What are the ways and means to improve the co-operation with other bodies in the same or identical fields?

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<sup>1</sup>Document PROD-EC/I/1964/D.1

## CONCLUSIONS

### INTRODUCTION

1. No one class of people has more influence on the development of the economic and social life of a nation and the raising of its standard of living than its managers, whether in industry or commerce, in the public sector or the private, in public administration or managing their own small enterprises. They have control over the utilisation of the major part of the nation's wealth, including most of its assets in foreign exchange. On their knowledge of their jobs and the efficiency with which they perform them depends the productivity of the material and human resources of the country. They are directly responsible for a large part of the happiness and well-being of those, numbering from hundreds of thousands in some countries to many millions in others, who work under their direct control, and for that of millions more who are affected by the results of their activities.

2. It is therefore important that all those carrying out managerial functions, whatever their formal titles, should be well trained in their profession and conscious of their wide responsibilities. It is relatively easy to create enterprises; much more difficult to develop the men to manage them efficiently. It is incumbent upon governments to ensure that adequate facilities for the development and training of managers at all levels and of specialists in management techniques should be set up in their respective countries and should receive ample and continuing support. The meeting drew the attention of governments, employers' organisations and all those in a position to influence decisions on the establishment or extension of such facilities that investment in management development and training can offer returns out of all proportion to the relatively modest sums invested.

3. Participants in the Meeting were conscious that there were still many problems to be overcome and defects to be eliminated in the performance of their functions both by national management development and productivity centres and by the I.L.O. missions attached to them. They felt that the opportunity provided by this Meeting, the first of its kind to be held under I.L.O. auspices, to evaluate their performance to date and to examine means of improving it was of great value to all concerned.

### THE ROLE OF THE I.L.O. IN MANAGEMENT DEVELOPMENT

4. Technical co-operation aims at the economic and social betterment of the people as a whole in any country to which it is provided. In providing technical co-operation in the field of management development and in raising productivity through the application of modern management practices and techniques, the International Labour Organisation is endeavouring to assist countries to increase the total product obtained by the better utilisation of the resources available, whether material or human, of which the human resources are the most important.

5. The Meeting considered that the I.L.O. had a special role to play in this field by reason of the tripartite nature of the Organisation which provided possibilities of direct and continuous contact with employers' and workers' organisations as well as with governments both through the International Labour Conference and the Governing Body and in individual countries from day to day. All these groups could ensure that in the formulation of I.L.O. policies and programmes, their interests were taken into account.

6. It was recognised that the I.L.O. did not have and did not wish to have the monopoly of management training and development in developing countries. The need in most countries is so great that there is ample scope for action by a number of bodies provided their efforts are co-ordinated. The traditional activities of the I.L.O. have always been directed towards those employed in



industry, using the term in its broadest sense<sup>1</sup>, and it was felt that this provided an indication of where the main efforts of the I.L.O. should lie. Action should be directed primarily towards people currently employed in industry or commerce or about to be so employed who had completed their formal education, at whatever level. Such training and development might include the training of management consultants and of civil servants employed in positions where their decisions and actions could have an influence on industrial or commercial operation, whether directly, through their having some control over State enterprises or indirectly in the formulation and application of policies affecting industry and commerce as a whole. It would also include officials of workers' organisations and workers' representatives. Education in management at undergraduate or post-graduate level, when part of formal education, should not, at the present time, be a primary field for I.L.O. action. This did not preclude co-operation with universities or technical colleges in conducting courses for practising managers or others employed in industry, or in providing advice or assistance where specifically requested.

7. The I.L.O. should continue to lay emphasis on the practical element of all its programmes of training and development as a means of ensuring that modern management practices and techniques are effectively applied on as wide a scale as possible.

8. The Meeting concluded that conditions in developing countries differed so much that the precise role of the I.L.O. in the field of management training and development and the scope of its action would need to be defined in relation to the needs of each country in which it was working. The I.L.O. should develop a philosophy of management development in order to cope more easily with socio-economic conditions and cultural patterns in countries where projects are or may be established.

9. It was further concluded that the I.L.O. had a role to play with respect to managerial personnel as such which was more in line with its traditional activities. The profession of management whether exercised in the private or public sector, is developing increasingly everywhere. The I.L.O. should examine the conditions of employment of managerial personnel at all levels and should, if and when necessary, initiate action to safeguard their rights and health and to ensure them reasonable conditions of employment.

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<sup>1</sup>The following working definitions relating to the subject under discussion were adopted by the Meeting for the purpose of these Conclusions:

Industry, in the sense in which it is used in these Conclusions is intended to embrace all economic activities whose aims are the provision of goods or services including manufacturing industry, service industries, public utilities, transport, public works, extractive industries, commercial and distributive enterprises and agricultural enterprises run on an industrial scale.

Management Education is education in the basic principles and practices of management carried out in a school or university as a part of formal education. It is designed to provide the student with a general knowledge of management as a basis with which to start or in some cases continue his career in industry or commerce.

Management Training is training either in general management or specialised functions or techniques of management provided to those either already working in industry or commerce or who have completed their formal education and propose to do so. Management training may be considered, generally speaking, as initial action in this field of management development.

Management Development is an activity directed towards the further development of the knowledge and skills of managerial personnel once they have passed the initial stage of training or have acquired experience through practice. It covers all functions of management and all levels of managerial personnel up to and including top management, the latter group including any owner or employer who is engaged in managing his enterprise.

## THE NATIONAL MANAGEMENT DEVELOPMENT AND PRODUCTIVITY CENTRE

10. Management development and productivity centres have come into existence during the last ten years in many countries in the world. The Meeting recognised a distinction between management development centres and productivity centres in that the former concentrated their activities entirely in the field of management training and development, although there might be associated with this activity information centres and associations or clubs of managers. The latter, on the other hand, while laying emphasis on the achievement of higher productivity of existing resources through the improvement of management, might also include activities directed at improving technology or in technical and/or vocational training fields and would certainly include provision for the promotion of productivity consciousness in all sectors of the economically active population. Because the introduction of practices leading to higher productivity directly affects the conditions of work and, generally the remuneration of workers, workers' organisations should be represented on their councils and in their activities.

### The Relationship of the Centre with the Government

11. Conditions in different countries differ so much that it is impossible to lay down a hard and fast rule for the relations between a management development or productivity centre and the government of the country in which it is located. The Meeting agreed that, in the light of experience, government financial support, especially in the early stages of the life of a centre, was absolutely essential. This support might have to continue indefinitely in order that the centre should be able to carry out necessary activities such as aid to small industries, the training of civil servants and the like which could not be expected to pay their way.

12. Financial and other support from the government should not, however, entail complete integration in the civil service machine. Centres should aim at attaining the greatest possible measure of autonomy as early in their lives as possible. Governing councils composed of distinguished and influential persons from government, employers, workers, universities and other sectors with a direct interest in productivity and management development, should be set up with responsibility for policy-making and direction of the centres.

13. In determining the degree of autonomy to be attained at any particular stage of growth and development, consideration should be given to the following factors among others:

- degree of financial self-sufficiency;
- remuneration of staff;
- career possibilities for staff;
- rate of staff turnover to be expected under civil service conditions and under free conditions;
- influence of customer reaction on the growth of the centre (whether more favourable to government run or autonomous centre).

14. Whether government controlled or autonomous, a national management development or productivity centre had the duty to provide assistance to the government in its tasks of economic planning and in its programmes of development. The government had the right to expect advice and assistance from the centre in matters within its competence.

### The Organisational Structure of the Centres

15. The diversity of organisation structures, including the policy-making and directing machinery, appear to be determined by the local objectives of various centres. These in turn depend upon, inter alia:

- (a) the extent of direct government control over industry and other economic activities;



- (b) the nature of industries and other economic activities and the degree of their development;
- (c) the political structure of the country - single governmental unit or federal - and the location of economic activities throughout the country which determines whether or not there shall be branches of a central organisation and the degree of autonomy to be accorded to them;
- (d) facilities in the same and allied fields already in existence;
- (e) the organisation or organisations giving aid to the centre.

The Meeting agreed that, whatever the nature of the political system of the country concerned, it was desirable that there should be a Council composed of representatives of all interests concerned with management and productivity, such as ministries, employers' and workers' organisations, universities, and colleges of technology, banks and appropriate professional organisations so as to ensure that all these interests were taken into account when developing programmes of work.

16. The Meeting agreed that it was extremely difficult to lay down hard and fast rules for the internal structure of centres in general in view of the diversity of work and responsibilities which different centres are required to undertake. The contents of the I.L.O. paper on this subject were noted and approved as providing general guidelines in this matter.<sup>1</sup>

#### Stages of Development of a Centre

17. It was recognised that every centre undergoes a series of stages in its development from the initial stage at which it has to make its first impact on industry in the country concerned to the stage at which it is an institution, accepted and respected by industry and government and offering and co-ordinating the full range of activities required at the particular stage of the country's development. The Meeting accepted the three stages of development identified in the report of the research worker<sup>2</sup>, but felt the need to lay emphasis on the preparatory or pre-operational stage which, it was felt, was in many cases insufficiently thorough, especially in the case where centres were to receive the aid of large missions. It was felt that the practice of the I.L.O. in sending, wherever possible, an expert for at least a year to a country under the E.P.T.A. to lay the foundations for and to prepare a Special Fund project should be extended. The pre-operational stage is further discussed at a later stage in these Conclusions.

18. As far as the centre itself is concerned, the Meeting identified within Phase 1 two clear sets of activities, which would be run in parallel. The first of these is the promotional activity which consists in awakening consciousness in all economic sectors of the country of the need for higher productivity and better management. This promotional activity should be carried on as intensively as possible through practical demonstrations of the application of modern management techniques in selected enterprises which can be used as "cases" to awaken the interest of industry as a whole, and through courses and lectures to employers' and workers' organisations and professional bodies. Use should be made of all the media of publicity available, newspapers, journals, radio and television, to awaken interest on a national scale, but the promotional drive should not be too dispersed and the main effort should always be concentrated on the sectors where higher productivity and better management are of real importance to the well-being of the country. Experience has shown that industrialists in both private and public sectors will pay serious attention when active support is given by high-ranking personalities in the government. Continuing interest and support by such personalities including, if possible, the Head of State and all ministers having influence on economic activities, such as the Minister of Finance, Minister of

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<sup>1</sup> I.L.O. Design for a Small Productivity and Management Development Centre, 16 pages, Appendix 4.

<sup>2</sup> Page 28 (English version)



Industry and Commerce and Minister of Planning, is essential. The Head of the State and the Prime Minister lend powerful prestige to the centre; ministers concerned with economic activities can often play an important role in influencing industrialists. In countries where industry is largely nationalised, ministers of industry and their equivalents generally have mandatory powers over industrial establishments and can so ensure that managements in nationalised industries use the services of the centre. In these promotional activities, international experts can play an important role.

19. At the same time as this promotional activity is being carried on, the important task of recruitment and training of the technical staff of the centre should take place. The training takes place through the various methods mentioned later including the running of courses and the carrying out together of practical work. It is to be expected that at this stage, many of the courses given will be of an "ad hoc" nature, depending on the experience of the experts and the demands from customers, but it is important that during this period, extensive studies should be carried out to determine the real needs of different economic sectors of the country in the matter of management development. These studies should be carried out jointly between national and international staffs. Only in this way can a programme of real value to the country be developed, and proper priorities be established.

20. In Phase 2, the promotional activities although always continuing, begin to diminish and the international team increasingly withdraws from them. The first stage of the development of the national staff comes to an end. The substantive programme of courses, seminars and other activities, including direct assistance to the enterprises of economic importance, based on the results of the studies undertaken in Phase 1 is developed and implemented. International staff should be concentrating on the development of the full range of programmes required and on the transfer of full responsibility to national staff members as fast as the latter show themselves capable of undertaking complete charge of each programme.

21. At this stage the national centre should be developing a closer relationship with the national organisations responsible for planning the economic and social development in order that the activities of the centre may develop in line with the priorities established by these organisations.

22. By Phase 3 the centre should be firmly established financially, technically in all fields of activity hitherto developed and in prestige as the national body with competence and authority in productivity and management development. Depending on the size and degree of economic development of the country concerned, the centre should start to off-load certain activities, including, possibly, certain well-established programmes, to other organisations of persons who have shown themselves competent to undertake them. It should devote a major part of its resources to the study and development of new fields of activity in accordance with changing needs of the country. The role of the centre as a co-ordinating body for activities within its competence which are being carried out by other organisations emerges at this stage. International technical co-operation becomes limited to assisting the centre in the development of new fields of activity and is likely to be increasingly confined to the provision of experts specialised in specific fields of management or sectors of industry.

#### Programme and Project Strategy

23. The conclusion was reached that the strategy of a project might be explicit and short-term but that any long-term strategy could only be defined in fairly general terms. The pressure on governments in most developing countries to develop their economies and, in most cases, to increase the rate of industrialisation, is such that action in many fields has to be taken without sufficient studies in depth to ensure that a long-term programme really corresponding to the needs of the country in any given field can be developed. Lack of statistical information and other facilities often make it impossible to ensure that programmes for management development and raising productivity are based on much more than a general appreciation of the needs of developing countries at certain stages of development.

24. It was recognised that the I.L.O., in setting up management development projects, does its best to design the projects to suit the specific needs of individual countries, using as a basis its increasingly wide experience of these needs. At the same time it was felt that, in the preliminary planning, allowance had to be made for the fact that the first stage of any project would be to some

extent provisional and should represent a period in which studies could be made, on the basis of which the project could be modified and brought closer to the real needs of the country.

25. The development of a project would necessarily go hand in hand with the development of the centre with which it is linked. This, in turn, will depend upon the stage of development of the country. It will be influenced by a number of factors, such as:

- the general level of education;
- the degree of industrialisation;
- the rate of establishment of new industries;
- industries, including agricultural enterprises, of prime economic importance;
- the existing level of management knowledge and practice, especially in key industries;
- the number of other institutions in the field of management development, the areas of management in which they specialise and their effectiveness;
- other international or bilateral aid in management development.

When there are a number of institutions in the field of management development, whether public or private, already doing effective work, the centre may be expected to collaborate with them, and to concentrate its main efforts in areas not effectively covered by these institutions, as long as it does not become a purely co-ordinating body with only a marginal practical job to do.

26. Some emphasis was laid by the Meeting on the need to develop, in due course, comprehensive action in specific sectors of industry, selecting first those of key importance. It was recognised that there was sometimes a problem in determining which are the most important sectors, but it was felt safe to assume that in any country, activities forming part of the economic infrastructure such as public transport and other public utilities might be considered of high priority because of their influence on the effectiveness of all other economic activities and on the well-being of the general public.

#### The Role of the Director

27. The Meeting recognised that the director of a national management development or productivity centre is the key figure in the success or failure of the centre. However good his staff or the international staff lasting success cannot be achieved unless the director himself is really effective. It is a full-time job for a man of the highest calibre to establish a centre, build up its activities and maintain its performance and prestige over a long period of time to the point where it becomes an effective force in the development of the economy.

28. The participants agreed in principle with the definition and scope of the role of the director put forward in the Working Paper, with certain amplifications and amendments set forth below. It was considered that the functions of a director of a management development centre are in essence those of the head of an enterprise, with modifications deriving from the nature and work of such a centre.

29. Whether the centre is an integral part of the structure of a government department or whether it has a more autonomous position has a bearing on the director's role. In the former case, it appears that there are three main determinants:

- (a) the status of the centre;
- (b) the scope of the work of the centre or department;
- (c) the actual size (or establishment) of the centre.

30. The Meeting was strongly of the opinion that the director should be next to or near the competent minister in his position in the government hierarchy. This is

necessary for several reasons, among them the need to have:

- direct access to the minister for discussion of policy questions and decisions relating to the operation of the centre;
- a strong position in the competition for obtaining finance from public funds;
- status to enable the director to approach top managers and employers in industry, whether in the public or private sectors.

31. In either purely governmental or autonomous centres, the role of the director is likely to be influenced by the scope of the work of the centre, especially if it involves activities outside the field of management development. Technical and vocational training are as essential to higher productivity as management development, but the direction of each type of activity is a full-time job and over-all direction should be at a higher level.

32. A small centre within a ministry usually means a low status for the director. Weight should be given to the fact that the activities of a management development centre are generally at post-university level and that the economic impact of such activities, competently carried out by well qualified personnel, is out of all proportion to the size of the centre. For this reason the status of the director should not be directly linked with the size of the centre but with the level of the work it was required to perform.

33. In more autonomous centres, both the status of the centre and the kind of customer contact affect the role of the director. This derives in part from the prestige which the Governing Council may be able to impart to the centre through the prestige of its individual members. The importance of either an association of former participants in programmes given by the centre or a professional management association must be taken into account so that the director, by playing an important role in the development of such associations can reinforce his position as director of the centre.

34. In considering the role of the director, the Meeting came to the conclusion that there were two separate roles to be undertaken, namely:

- gaining and maintaining prestige through public relations and promotional activities;
- the long-term function of technical and executive direction of the centre.

35. It was felt that it might be asking too much of one man to fulfil both these functions<sup>1</sup> and that, in government centres, it was necessary to enlist the continuous support of the responsible minister. In the case of centres with a Governing Council, the Chairman and members of the Council would be expected to use their personal prestige in the fields from which they are drawn to further the progress of the centre. This had its implications on the composition of the Council.

36. With regard to the executive role of the director, it was recognised that in the early days of the centre he would have to spend much of his time attending to external matters and would have to lean heavily on his chief of project for technical development at this stage. At the same time, he has to bear in mind that he will be called upon to exercise more and more technical control as the centre gets going and take increasing responsibility for the control and development of his national staff. He will become the symbol for the success or failure of the centre.

37. There can be a number of obstacles in the way of a director fulfilling his task to the maximum. Lack of status in a government controlled centre is clearly

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<sup>1</sup> I.L.O. op. cit. See page 7 and Annex 1 where it is suggested that the Head of the Technical Department be appointed deputy director.



one, but, from the practical point of view, an inadequate salary is possibly more important, especially in an autonomous centre. High salary does not necessarily mean a high status, but, if the salary paid to a director is not commensurate with the mode of life which a man of directorial calibre might reasonably expect to maintain, then he will be forced to take on outside work to supplement his income and thus to divert his energies from the task of building up and running the centre. Under certain conditions, salary alone may be less important than total emoluments, including non-financial perquisites.

38. Practical experience of management and a deep understanding of industrial problems would appear to be necessary for a director since it will be his over-all technical<sup>1</sup> competence and, above all, his vision, which, in the long run, will give him and his staff success with industry. Lack of such experience may well be an obstacle.

39. Integration within the government machine may take up much of the director's time in having to conform to the normal routines of the civil service. The nature of the work of a management development or productivity centre is sufficiently different from that of a normal civil service department to warrant some relaxation being made in civil service procedures when applied to such centres.

40. The Meeting examined means of reducing or removing the obstacles to efficient performance by a director. One of these obstacles could be the limitations on the salary offered for this position. While it might be possible to increase his total emoluments within the government salary structure by allowing him to participate (together with members of the technical staff of the centre) in further sums of money for work done on behalf of the centre it was recognised that there was a danger of the development of the centre being distorted and that this type of solution would have to be approached with caution. Career planning for the director was considered to be another means of ensuring stability of good men. It is likely that, material considerations being taken care of, job satisfaction will be a major factor.

41. It was felt that some distinction should be made between the roles of public figure and executive and that this distinction should be included in project planning. The skills required of a director were likely to differ at different stages of the development of a centre. The question of the capacity of a director to develop his personality should be taken into account in the initial planning the staffing of the centre. A director should regard it as one of his functions to prepare for his eventual successor in due time, and should determine what sort of qualifications and personality would be necessary at a given stage of the centre's development.

42. A centre should be as free as possible from political pressures. The director should therefore have sufficient skill to be able to steer it through any political storms. Linked with this is the need for stability of tenure of the post of director. Since in most cases the image of the centre is the image of the director, constant changes in the directorship will not only lead to changes in policy and affect the operation but will blur the image of the centre in government, industry and among the public at large.

43. It was felt that the director of a centre with a general mandate should be a professional man with general rather than highly specialised qualifications. He should have a good experience of industry and a thorough understanding of the industrial, economic and social problems of his country and of their needs. He must be a good salesman of ideas, capable of promoting the centre in all sectors of the economy that it is to serve and so must have a flair for public relations. The development of his staff and, in particular, of his successor is one of the main duties of a director. Apart from the training in managerial skills given by foreign experts under international or bilateral aid, both the technical and administrative staff have to be developed to take responsibility and to gain a thorough grasp of the national problems which they have to tackle. Apart from the above qualifications, a director should be a good administrator (or be

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<sup>1</sup>The term "technical" is used in this context to mean "knowledge and understanding of the practice and techniques of management and the scope of their application in the economy".

capable of working with a good administrator as his deputy), have good social and political relations and have a strong sense of "vocacion".

#### National Technical Staff

44. The Meeting considered that the needs of a centre in terms of national technical staff must be regarded as flexible and dictated by the current needs of the country and its economic activities as they developed. In the selection of staff, attention has to be paid to the changing nature of relationships which will take place as they and the centre develop and the responsibilities they will be required to assume as time goes on. The relationships and responsibilities include those with I.L.O. or other foreign aid experts, those from industry and those within the centre itself.

45. Considerable emphasis was laid on the fact that a senior member of a national centre capable of being fully counterpart to a good international expert must be a mature man of the same stature and experience as the expert himself. The expert-counterpart relationship, if it is to give the best results, should be one of mutual development and mutual transfer of knowledge. The expert transfers to the counterpart his specialised knowledge of management and management development and develops his confidence in applying it; the national staff member gives to the expert an understanding of the economic, social and cultural conditions in which that knowledge has to be applied. Such a mutual action cannot take place if the national staff member is a great deal younger and much less experienced than the international expert. Furthermore, managers in industry, whether in the public or private sector, will not accept a very young man or one who is manifestly lacking in practical experience. It was, however, recognised that, in many countries, there is such a heavy demand for qualified and experienced people to fill key positions in government, industry and other sectors of economic life that it is not always possible to fill every position with men of the calibre desired. It becomes necessary to compromise by accepting young and less experienced men, but this compromise should be undertaken with the clear understanding that it is a compromise and immediate targets adjusted to meet the situation. It will almost certainly have some effect on the division of work among the staff. This imposes an additional pressure on the director and is yet another reason for ensuring that he is a man of high quality.

46. The personalities of the principal members of the staff of a centre are clearly of the greatest importance, as well as their intellectual abilities and technical qualifications and experience. A staff member who is not adaptable in his attitudes, especially to foreigners and who is not receptive to new ideas is as little use as an international expert who lacks these qualities. Imagination, the ability to extract the maximum of what his associated expert has to teach and the capacity to see readily the possibilities of applying what has been learned to the situations in his own country are among the most important personal attributes of national staff. In many countries staff are required to work in a language other than their own. Willingness and a capacity for learning foreign languages must clearly be a factor to be taken into account in such cases. Since technical staff will be required to write and teach, a capacity for self-expression both on paper and verbally, and especially the ability to do so simply and interestingly are essential. The ability to work as a member of a team is a most important quality in any staff member. He should also have a good understanding, and, as far as possible, objective appreciation of the conditions in his own country, its traditions, culture and way of life so as to be able to fulfil effectively his share of the expert-counterpart process of mutual education. Finally, his personality must be capable of development as time goes on so that, when the moment comes for him to take over completely from the expert he will have the personal authority and "presence" to ensure his being well accepted by industrialists and other persons with whom he may have to have dealings.

#### Conditions of Selection, Service and Qualifications of National Staff

47. Recruitment: For all national staff to be concerned with management, whether general or functional, industry is the best background. Failing a sufficient number of candidates with industrial experience men with good experience in government departments concerned with technical questions and from commerce might be expected to be preferable to people coming straight from university. An exception might be made in the case of men who had undergone university education or taken a higher degree in an industrially advanced country.



48. Regarding selection of staff, it was concluded that the director be given this responsibility. Where this was not possible, he should be consulted before appointments are made and could be given the right to veto acceptance of candidates regarded by him as being unqualified for the requirements of the centre.

49. Timing: Where a centre is to receive international aid, the timing of the appointment of national staff vis-à-vis that of the international experts is of great importance. The Meeting recognised that serious difficulties had arisen in many centres because of long gaps between the arrival of I.L.O. staff and the appointment of their national counterparts and vice versa. Active recruitment should start sufficiently early to ensure that there is no delay in the implementation of the project.

50. Remuneration: Strict attention should be paid to ensuring that remuneration of national centre staff is of the same level as for equivalent posts in industry. In certain government controlled centres, where basic salaries are tied to civil service salary structures and in other cases where there is a similar limitation every effort should be made, as in the case of directors, to increase the total emoluments.

51. Grading: Some form of staff grading should be adopted. This is connected with career planning but also with the problems of initial staffing and the kind of operations and courses the centre will be called upon to carry out.

52. Career Planning: The careers of national staff can and should be planned, but at various stages of the development of a centre there may be severe limitations on the time period for which a plan should be made. In the early stages this period should probably not exceed four or five years; in the later stages it may be possible to plan over a much longer period.

53. Job Security: The Meeting concluded that a certain job security was desirable; in this connection, it seemed that any centre may expect to have a steady turnover of technical staff once they have acquired knowledge and experience. This is in the long-term national interest, since it means a small but steady stream of trained persons into industry or consultancy and a greater number of people having the training which the centre can provide. Many who leave may be induced to continue service as trainers or consultants on a part-time basis. Every effort should, however, be made to see that staff do not leave until they have trained their successors to a satisfactory standard. To this end some contractual arrangement is recommended. The probability of such a turnover, which would be highest among the most efficient staff members and would tend to leave the centre saddled with the less effective people is a major reason against planning for too much job security.

54. Technical Establishment: In view of the probable wastage for one reason or another the technical establishment of a centre should be increased by a substantial percentage over the theoretical minimum.

55. General Staff of the Centre: The provision of supporting staff adequate in numbers and quality can greatly increase the productivity of the technical staff. Sufficient secretaries and typists, draughtsmen, filing clerks and persons capable of writing and editing texts, who are normally less highly paid, can take many routine and non-technical tasks off the hands of the technical staff so that the latter can concentrate their efforts to the maximum on the work for which they are qualified. Savings in staff in this category are generally false savings. The importance of good secretarial assistance for the I.L.O. staff, capable of working in their language, should not be overlooked.

#### THE ROLE AND OPERATION OF THE I.L.O. MISSION

56. The long-term objective of the technical co-operation provided by the I.L.O. in the field of management development and the raising of productivity through better management is to ensure that good management is introduced and practised in all enterprises and organisations undertaking economic activities of any kind in the country to which this co-operation is provided. All action, whether in



the field or at Geneva, should be aimed at achieving this as rapidly, effectively and economically as possible.

57. The shorter-term objectives involved in the actual implementation of the co-operation are:

- (1) to assist the appropriate authorities, whether governmental or private, to set up a stable and lasting institution which will provide training and development for managers and managers-to-be in industry and other sectors of economic activity and may undertake such other activities, such as promotional, consulting and research activities as may be needed at any particular time;
- (2) to train the staff of that institution in the practice of modern management with special emphasis on the practical application and in the methods involved in transferring their knowledge to others both in the lecture room and in the practical situation so as to achieve a continuing multiplying effective of the highest possible order;
- (3) to leave as soon as this task is successfully accomplished so that the funds available for technical co-operation may be used for further aid in other essential fields.

In the case of projects having limited or special objectives there may be some variation in the general objectives listed above.

#### The Strategy of Projects

58. The strategy of any given project should be explicit and should show in sufficient detail the factors which have been taken into account in its development. In addition, the development of the strategy of each project should be fully recorded.

59. Projects may be considered as divided into three types:

- (a) those aiming at the setting up of institutions for management training and development and for promoting higher productivity in all sectors of the economy in countries where no effective institution exists on the national scale;
- (b) those aiming at the further development of institutions of this type which are already in existence and have reached a certain level of activity;
- (c) those aiming at providing assistance in the management field to some specific sector of the economy or in some specific functions or techniques of management or directed towards limited groups of people.

Projects in the first two categories are generally long term (four years and upwards) and financed by the Special Fund, while those in the last category are generally, but not always, smaller in size, of shorter duration and financed under the Expanded Programme and occasionally Funds in Trust.

60. The strategy of any project must depend on:

- (a) which of the three categories listed above it falls into;
- (b) the stage of economic and social development of the country in which it is to be implemented;
- (c) the resources available for its implementation, both those available to the I.L.O. and in the country concerned.

61. In the planning stage a detailed specification of the objectives of the project will help to clarify the strategy. Any statement of these objectives should include one on the total contribution which the project is expected to make to the national economy, as far as possible in quantitative terms taking into account any other activities going on or planned in the same field. Any

strategic plan should recognise that changes are likely to occur in the conditions of operation or in the order of priorities during the lifetime of the project and there should be provision for period reviews and revision.

62. Considerable emphasis was laid by the Meeting on the importance of the preparatory phase of any project and it was considered that in many cases preparation had not been adequate and that much of what could be considered as preparatory work had to be done after the main mission had arrived and started work.

63. It was felt that preliminary studies should not be confined solely to the field of management-development needs, but should be directed to discovering all the factors limiting the productivity and efficiency of industry and other relevant economic activities. The methods of investigation used should be systematic and use should be made wherever necessary of advanced methods of research, including sociological methods. It is important that surveys should be made by competent persons with sound experience in the study of problems of economic development and of developing countries in sufficient depth to ensure that correct information is obtained and correct conclusions are drawn from it, otherwise there is a real risk that the project may be wrongly oriented at the start and its effectiveness impaired. At the same time it was recognised that many economic and social studies have now been done in most developing countries by the United Nations and other organisations and that the fullest use must be made of such studies which can materially ease the task of preparing the necessary information.

64. The Meeting also recognised that, in practice, many governments and other authorities in developing countries feel that they have had enough of "experts" preparing reports and that there is generally a strong pressure on the I.L.O. to cut the study period to a minimum and to launch into practical work at the earliest possible moment. The attention of governments was therefore drawn especially to the Conclusions of the Meeting on this point. Preparatory studies could be and, as far as possible, were being met by the I.L.O. by means of sending the future chief of project a year in advance under the Expanded Programme to undertake some preliminary technical and promotional work, to make studies leading to the preparation of a project and drawing up of a plan of operation and to assist in the establishment of a centre, where none existed, so that facilities would be available for starting work on a larger scale when the other members of the I.L.O. team arrived. This method had proved successful where it had been used and should be extended.

65. Any project which involves the starting up of a new national institution where no effective organisation has previously existed must necessarily begin with a promotional phase, to be followed by a gradual change of emphasis towards training, direct assistance where appropriate and finally, evaluation. Project strategy must plan the phases both as to content and on a basis of time, taking into account all the relevant conditions in the country concerned. Some changes from the original plan are almost inevitable as the project progresses, and the Meeting expressed the opinion that the termination date of projects, particularly Special Fund projects, should be subject to review as the projects proceed and, where necessary, should be extended, subject to the necessary financial arrangements being made by the governments concerned.

66. Among the most important parts of the planning of a project is the timing of the arrival of the experts. There is some conflict between the possibilities of assimilating too many experts at one time (and thus arranging for them to arrive at two or three month intervals after the project becomes operational) and the need to weld them, from the beginning, into a coherent team. The Meeting was of the opinion that, on the whole, it was better to have those who are due at the start of a project arrive together. Problems of settling-in may tend to become less as the I.L.O. programme progresses and an increasing number of experts with previous experience in the field becomes available. In connection with the arrival of experts, it was considered important that they should be given the opportunity to familiarise themselves with conditions in the country and should not be expected, either by I.L.O. Headquarters or by the government or centre authorities to start at once on their training activities.

67. From the tactical point of view, it was considered important that, during the promotional phase, all those concerned in the programme whether experts, staff of the centre or others in the country with a direct interest in it, including future beneficiaries in industry, should be made aware of the over-all aims and purposes



of the programme and the broad line of its implementation, so that they could direct their thinking and efforts to the furthering of the long-term as well as the more immediate objectives. Since at this stage the international team has to play an important part in educating opinion in the centre, in industry and in the country at large, experts should be selected who have experience of or who can be trained in the arts of mass communication.

68. Communication of objectives should be made at regular intervals between the centre and its "customers" in industry and other economic sectors on a two-way basis to and from the project and I.L.O. Headquarters in terms of criteria with which to measure progress. The Meeting was of the opinion that, while the reputation of the centre over the long-term certainly provided some criterion of success or lack of success in meeting the needs of industry, more accurate measures, if possible quantitative, should be developed and maintained.

69. The constitution of the team of experts is a function of the needs of the country at any given stage of the project. The initial balance of competences must be made in the light of the results of the preparatory studies. The Meeting felt that the inclusion of one member of the team having skills in the social sciences was desirable and that this member should be among the first to arrive after the chief of project, since he could materially assist the chief of project with problems internal to the mission during the settling-in period, apart from his work as an expert.

70. Many of the problems and actions to be taken at the principal phase of a project, that of training and direct assistance, have been dealt with in earlier Conclusions and need not be repeated. It is, however, important to note that any direct assistance given to industry or any other economic sector in the course of the project, whether in the form of consultancy or direct action on the part of the national centre staff or the experts, should always be associated with training action directed at the staff of the organisation concerned. If this is not done then the effect of the reforms initiated and implemented by the centre will gradually fade away, since the staff of the organisation itself will not have either the understanding of the principles or techniques involved to maintain and develop these reforms. As a guiding principle, the limited resources of centres and international teams should not be used for direct action in a single organisation in the early stages of a project unless the organisation is of very great importance to the national economy. Major public transport organisations, manufacturing or mining enterprises representing a substantial source of foreign exchange through their export potential and certain key agricultural enterprises such as rubber or tea plantations may come in this category in certain countries. Direct assistance on a more general scale becomes possible when a centre has developed a sufficient number of staff in management consultancy, normally only possible at a late stage in the project and with the assistance of experts experienced in this field.

71. In view of the limitations of any centre in terms of staff and international experts in relation to the needs of the country concerned, every effort should be made from the outset to enlist the aid of other organisations working in the field of productivity and management development, including management associations, chambers of industry, management consultants and individual industrialists and, where available, university professors. This should be provided for in the initial planning and the availability of such resources explored in the preparatory stage. All such external collaboration should be closely co-ordinated.

72. The need for periodic evaluation of all aspects of a project and its activities was constantly stressed throughout the Meeting. The major questions of the evaluation of the effects of training activities both of counterparts and of participants in programmes from outside is further dealt with below. Beyond this, means must be found of evaluating the impact of the project on the economy and on attitudes in all sectors of activity on which it impinges.

#### The Role and Qualifications of the I.L.O. Chief of Project

73. The Meeting agreed in general with the passages contained in the Report relating to the role and qualifications of the chief of project and concentrated discussion on certain aspects of his role which might assist the I.L.O. Headquarters to prepare him better for it.

74. Three areas in his relationships held special attention, namely:



- (a) his relations with the I.L.O. Headquarters and with his team of experts;
- (b) his relationship with the director and staff of the centre;
- (c) his relationship with the authorities, industrialists and members of other organisations in the country to which he is appointed.

75. The relationship of the chief of project with the experts in his team is specifically stated in plans of operation, in his letter of appointment and in the letters of appointment of the individual experts. It is a straightforward line relationship between a senior and his subordinates. He is responsible for their supervision and control, in terms of discipline and local administration (certain personnel and financial administration being carried out centrally by the respective branches at Geneva) and also for the technical aspects of their work. This does not mean that the chief of project has to be a specialist in every aspect of management or every technique of teaching, but he should have a sufficiently wide and deep knowledge and experience of management as a whole and understanding of the transfer of knowledge to be able to guide his staff in the development of their individual programmes and determine the place of those programmes within the framework of the total programme. His function and status in this respect is that of a general manager in industry who must co-ordinate and control the work of his heads of functional departments and find a balance of emphasis on each function according to the current needs of his enterprise. He must know enough about each function of management and its use to know when any specialist is going wrong and have the personal and technical authority to be able to correct him and have that correction accepted.

76. The formal position and scope of authority of the chief of project over the members of his team should not be in doubt. But the chief of an I.L.O. project working in a developing country is also the leader of a group of men of differing nationalities, different backgrounds and experience, sometimes differing social and cultural values, brought together in a land which is home to no single one of them. These men he must weld into a team having a common aim and a common outlook in relation to their work and common standards of achievement. He must come to know intimately the character, strengths and weaknesses of each and must use his strong qualities to the full, while endeavouring to strengthen or counteract his weak ones. He must see each in relation to the other members of the international team and to the members of the national staff, especially to his immediate counterparts. He must recognise and make allowances for the fact that people - and perhaps certain nationalities - differ in the extent to which and rate at which they can adapt themselves to unfamiliar conditions. He must show no favouritism nor have any bias against any nationality represented in his team. Above all, he has to remember that all members of the expert team, not least himself, live under a greater or less degree of continuous strain, not only in themselves but also and sometimes to a greater extent, through their wives and families. All this places upon the chief of project the responsibility of paying much more and deeper attention to the people in his team than would normally be necessary if he were working with a team of fellow countrymen in his own country.

77. The Meeting recognised that the chief of project must necessarily have the major role in representing the I.L.O. mission in the area of public relations outside the centre. Nevertheless, he should not monopolise the limelight and should ensure that each of the team is able to become known and respected for his achievements. This at once helps to satisfy the need for wide recognition of competent individuals and ensure that the I.L.O. mission as a whole gains a good reputation. However, publicity for the chief or any member of the I.L.O. mission must never be at the expense of publicity for the centre, its Director and staff and must be used in support of the latter with the object of building them up in preparation for the eventual fading out of the I.L.O. team.

78. The relationship between the chief of project and the Geneva Headquarters is, in the current state of the I.L.O. organisation, a line relationship between subordinate and superior in the hierarchy. A chief of a major project is recognised as a senior official endowed with substantial freedom of action within his terms of reference and subject to over-all control with respect to the effective carrying out of a previously agreed programme. He is the direct link between his staff of experts and the technical branch.

79. Of the three sets of relationships devolving on the chief of project, his relationship with the director of the centre to which his mission is attached is likely to be the most difficult and delicate. The formal relationship is clearly laid down in all Special Fund plans of operation; it is not so clearly spelled out in projects under the Expanded Programme, but is nevertheless substantially the same. The chief of project, while having ultimate responsibility on behalf of the I.L.O. to the government of the country to which he is accredited for the successful carrying out of the project, is in his day-to-day work the counterpart and adviser of the director of the centre. The Meeting felt it necessary to stress this advisory role. The chief of project has no authority over the director or any member of his staff, (unless, very exceptionally, he has been placed in temporary charge of a centre, a state of affairs which is not normally acceptable to the I.L.O. or the Special Fund). Conversely the director of a centre has no authority over the chief of project or any member of the international staff. All official communications including requests for action or information from the chief to members of the centre staff or from the director to members of the I.L.O. mission must come via director and chief respectively. Experience has shown that this is the only satisfactory way of working in the long term. This, of course, does not preclude the passing of information or technical instructions between members of national and international staffs in the course of their day-to-day work on approved projects.

80. Really effective working together of director and chief can only be achieved on a basis of mutual liking, mutual respect and general harmony of views on aims and the means of achieving them. Unless this is so, the advice of the chief of project will not be readily accepted or carried out. Friendly relations between them and their respective families outside work are to be encouraged, but not to the point where the chief of project identifies himself with the interests and views of the director (or vice-versa) to the possible detriment of the broader objectives of the project. Above all, the chief of project must not give his staff the impression that he has become a representative of the director's views and so become "more royalist than the king". If this situation occurs there will be a lowering of morale and breakdown of confidence within the I.L.O. team which can only be harmful to the project. The chief of project must find the point of balance between over-identification with the director and the centre on the one hand and over-aloofness on the other. Only in this way will a lasting and stable relationship between the chief of project and the director of the centre and between experts and centre staff be achieved, which will withstand the differences of opinion which inevitably will arise from time to time in the course of a project.

81. There should be a continued assessment of progress in the working relationship between a chief of project with the director of the centre. The Meeting felt that some form of reporting procedure should be devised which would clarify when the director and chief are jointly responsible and when they are individually accountable. This can result in a clearer perception of the jobs of each

82. In his relations with people in industry, government and other relevant sectors of the country in which he is working, the chief of project represents the image of the I.L.O. and of the mission, subject to the reservation regarding the other experts in this matter noted above. The more acceptable he can make himself personally and the more he can get his technical competence and authority accepted, the better the mission and the centre will be respected. This is always subject to the proviso that he is there to support and not to overshadow the director and other members of the centre staff. In addition to extending his relations as widely as possible with personalities of the country, he must establish good relations with members of other international and bilateral organisations working in the same and related fields and assure a co-ordination between their activities and those of the I.L.O. mission. He should take every opportunity to participate in their training activities and meetings and should invite their leading officials to take part where appropriate in activities sponsored by the I.L.O.

83. According to the stages of growth of the centre, the chief of project should be expected to exercise a strong function until the direction of growth of the centre is clearly known. He should watch not only the practical side of the centre's programme of work, but its feasibility of application. Sometimes it could be too easy for the chief of project to wait until the centre shows its needs - this should be avoided.



84. The Meeting did not seek further to define the qualities and attributes of an ideal chief of project. Nevertheless, certain attributes were stressed, among them, that he must have a sound understanding of the nature of productivity, be an initiator of activity, an interpreter of the country's needs seen objectively, be mature in outlook and interested in the country and its people. He should have a high frustration capacity and a sense of humour. It is desirable that he should remain in the country for at least three or four years.

The Role of the I.L.O. Experts: their technical and personal attributes

85. The Meeting found itself in general agreement with the statements made by the research worker in his report regarding the personal and technical attributes of members of the I.L.O. management development and productivity missions. It was felt that any member of a mission should have, though to a less degree, the same personal qualities as those demanded of a chief of project.

86. Criticisms of the behaviour, technical knowledge and personalities of experts voiced by persons with whom the research worker had discussions were seen as indicating that in a certain percentage of cases there was a discrepancy between what was expected of an expert and his actual performance. This might in some cases be due to expectations being too high or wrongly directed, but it was certainly due in specific cases to shortcomings on the part of the experts themselves.

87. The Meeting felt it necessary to stress - while admitting that it should hardly need stressing - that anyone sent out as a specialist member of an I.L.O. team should be adequately qualified and experienced in his technical field. It was also felt that experts should not be required to undertake work outside their nominal technical competence, but it was recognised that, in the case of very small or one-man missions, it might be necessary to use their services in fields which were outside their direct specialities but in which they had or could acquire adequate knowledge.

88. Most experts are drawn from industry and many have relatively little experience either of modern methods of teaching or of functions of management outside their own specialised fields. Furthermore, it has not been possible for all of them to develop the theoretical aspects of their knowledge and experience as fully as is necessary for teaching them. For this reason it was considered that chiefs of project should hold periodic team meetings for mutual development and instruction. Wherever these had been held, they had proved successful and popular, once a certain initial resistance had been overcome.

89. It was recognised that experts who had been working for a long time in developing countries were likely to become out-of-date in some of their professional knowledge in view of the rapid rate of development of management thought and practice in industrially advanced countries. It was concluded that the I.L.O. should establish means by which experts could return to their own or to other industrially advanced countries and undergo refresher courses, including, possibly, periods of practical work in well-managed industrial enterprises. This may be especially important where national staff have been sent on fellowships to institutes abroad and have returned with more up-to-date theoretical knowledge.

90. The rapid increase in the growth of the management development programme of the I.L.O. and the need to recruit persons who are technically competent but inexperienced in working in developing countries led to the conclusion that the Headquarters Unit of the Management Development Branch had an increasingly important role to play. In particular, it was necessary to develop a systematic approach to programmes and more standardised materials oriented to the needs of developing countries, which could be adapted by experts and national staff to meet local needs. This was expected by the field staff and the relative failure on the part of the Headquarters Unit to meet the expectations of experts in this respect was seen as a major source of frustration.



91. It was stressed that, as far as possible, chiefs of project and experts should learn the language of the country in which they are working, since failure to do so led to a marked reduction in the effectiveness of their work. In French-speaking and Spanish-speaking countries it was considered essential not only to know the language for conversational purposes, but to be able to lecture and work in it within a reasonable period of time, certainly not more than a year. Apart from this, a good knowledge of the language made it easier to understand the character and culture of the people with whom the experts had to work. It was felt that the I.L.O. should take steps to provide for accelerated means of learning the principal languages involved and should investigate modern means of language teaching, including programmed learning and the use of gramophone records to this end.

92. It was unanimously agreed that the briefing provided by the Headquarters Unit of the Management Development Branch was inadequate with respect especially to:

- (a) conditions of life and work in, and economic, social and cultural aspects of, the country to which an expert was assigned and developing countries generally;
- (b) modern methods of communicating information and the transfer of knowledge, including the development of programmes of management.

In respect of the first point, the briefing given was considerably less than that provided by commercial enterprises or governments providing bilateral aid. It was fully recognised that the Headquarters Unit had been and was still too short staffed to provide a fully satisfactory briefing and that there were problems in assembling a sufficient number of experts at one time to enable proper training courses in teaching methods to be arranged, but it was nevertheless stressed that every effort should be made to improve the present situation which was affecting the effectiveness of operation.

#### The Dynamics of Groups in Centres

93. The Meeting identified a number of different groups which form part of any project; for example, the director and chief of project, together form one group, the I.L.O. team forms a second, and the national staff a third. Each individual expert and his counterpart or counterparts forms yet another series of groups, and finally there is a group composed of the national staff and I.L.O. staff combined.

94. It was considered that attention should be paid to the dynamics of operation of all these groups. The formalising of relations within and between the groups by means of meetings deserves careful attention including the analysis of the precise functions that the different meetings are designed to perform and the degree of formality appropriate to each function.

95. Although it was felt that this type of analysis and planning should be left to the director and chief of project together, certain conclusions were reached, namely:

- (1) that it should be recognised that in the early stages of a project there may be a great need for the I.L.O. team to meet by itself as a part of its adjustment to the situation, to encourage the development of new knowledge through a process of mutual education and to aid in the development of a team approach towards the major problems confronting the progress of the centre;
- (2) that groups will have to be formed more by their subject matter than by their employers (I.L.O. or centre), as the programme develops;
- (3) that the group structure will depend on the total number of persons involved in, for example, the programming groups and the sub-groups to make a total joint position effective;
- (4) that the functions of the I.L.O. and those of the national staff will change in the course of time. In the beginning it may be seen that the I.L.O. staff propose and the national staff adjust. Later this can be changed so that it is the national staff who propose and the I.L.O. staff can exercise their more legitimate advisory roles.

96. The Meeting considered that certain skills of handling groups can, in fact, be taught, and that chiefs of project should be prepared in them for their tasks of leading a group composed of men of different nationalities, all of whom have their own problems of adjustment to the countries in which they have to work. Directors of centres could also be prepared for their tasks of leadership, and training could be given to them according to their new needs. It was, at the same time, emphasised that this subject should not be taught in too specialised a way but should be tackled in the framework of management development and the task of the I.L.O. in this field. Associated with this question is the question dealt with in an earlier Conclusion of the development of the expert while he is in the field.

#### The Image of the I.L.O. Mission outside the Centre

97. The Meeting felt that it was desirable that the I.L.O. mission as a whole and its individual members should be well considered in industry and the other circles in which they were required to work, as well as in the eyes of the public. The dangers of I.L.O. experts overshadowing the centre staff have already been stressed in previous conclusions. There was, however, a risk of over-selling by I.L.O. staff which could damage the reputation of the centre. A careful balance has to be maintained between statements of what can be achieved in the present and propaganda for future possibilities opened up by the raising of productivity on a wide scale through the adoption of better management practices. In this matter of balance the director has a key role to play. He has also to attend to the image of the I.L.O. vis-à-vis other organisations both international and national working in similar fields in his own country. He can make use of the reputation that the I.L.O. has gained elsewhere to help him in the initial stages of the project as long as both he and the chief of project remember that the proper use of I.L.O. image is to merge it with the reputation of the centre as this develops until it is finally superseded.

98. It was also recognised that, as foreigners living in a country where they often became quite well known figures in the industrial community as well as in foreign diplomatic and business circles, unsuitable behaviour by a single member of a mission in his social life might well reflect badly on the whole mission and cause it to gain a reputation which might take a long time to live down.

#### The Role of the Management Development Branch at Geneva

99. The Meeting expressed the view that the role of the Headquarters Unit of the Management Development Branch seemed ambiguous to the extent that there was not a clear and agreed perception of its activities by either the field staff or by some members of the Headquarters unit itself. Some clarification was needed which should include a statement of the activities that the unit should be expected to carry out. The expectation of Headquarters in its servicing (as opposed to its administrative and supervisory) role might be expressed in three ways:

- (1) the view expressed by chiefs of project that a senior member of the Headquarters staff should be available regularly and for longer periods of time than at present to work with and assist in the progress of each project;
- (2) the views expressed by the Meeting that the Headquarters should provide specialist help to meet additional and unforeseen expert needs throughout the duration of a project;
- (3) a more general view of the role of Headquarters as a service to both experts and national staff to provide them with teaching materials developed to meet the needs of developing countries and find methods whereby they may be kept up-to-date in their specialist and general knowledge of management and management development.



100. It was considered that Headquarters could assist in the periodic review of present experience and various ways of doing this were suggested. For example, a member of the Development and Studies Section could combine with two experienced chiefs of project to examine a number of different countries, co-opting a member of the national centre staff in each to assist them. Alternatively, a member of the Development and Studies Section might combine with a member of the Operations Section and a chief of project in looking closely at one country, co-opting members of the national centre staff as necessary to aid them in their task. It was recognised that many of the possible duties and services which would be rendered by the Headquarters unit had been discussed in Management and Productivity and elsewhere, but it was felt strongly that these ideas should now be translated into action.

101. It is clear that the services required of Headquarters by the centres will differ according to the stage which they have reached in their development. For example, the needs of a centre at the stage identified as stage 1 in the Report are likely to be very different from those of a centre at stage 3. Few centres have yet reached stage 3, but attention should be given to the types of service that may be needed in the future when centres begin to reach this stage. It was felt that this kind of service should not cease when projects terminated, but should become part of the total role of the Headquarters unit and should include the more academic and forward-looking components of its services which it was felt should be more strongly developed. It was indeed concluded that the Headquarters unit of the Branch could become in relation to the national centres a kind of university exercising a continuous function on behalf of its international faculties providing technical information, research, including field research, publicising results achieved and informing on new developments. In this capacity its position as one of a number of organisations in the field of management development and productivity should be examined and its relations with regional organisations such as the Asian Productivity Organisation and the Organisation of American States should be consolidated if this is felt to be of help to the Centres concerned.<sup>1</sup>

102. It was felt that such a development could begin from the starting point of improving the perception of Headquarters of current and future requirements in the field and the development of assistance, information and reporting whereby these requirements can be classified, understood and met. Within this framework direct contacts between centres could be very much more fruitful than they are at present and it was concluded that if these are to be developed a headquarters framework is a necessary overriding complement.

103. Finally, it was felt that meetings of the present type were very valuable to all concerned and should be organised by the Headquarters Unit at two-yearly intervals. It was recognised, however, that the implementation of the services outlined in the foregoing conclusions was largely a matter of additional finance being made available, and it was felt that, in this respect the concept of technical co-operation operations as something involving a tight technical collaboration between Headquarters and field had not yet been fully assimilated. Although thinking in the U.N. and its specialised agencies about the conduct of technical co-operation had evolved over the years, there was some evidence to suggest that it was behind in accepting the implications of the explosion of international technical co-operation which has occurred in recent years under the influence of the Special Fund. If this new concept were accepted and the Headquarters units of the technical branches were seen as extensions of the operational field units, much greater sums would have to be allocated for their staffing and servicing activities. It was the opinion of the Meeting that money expended in this way would offer a higher over-all return than the same sum spread out over a number of projects.

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<sup>1</sup> The I.L.O. has for some time had a formal agreement for collaboration with the O.A.S. in this and other fields and has recently entered into an agreement with the A.P.O. Practical collaboration in courses and other activities has been going on between I.L.O. and A.P.O. since the latter organisation was founded.



THE EFFECTIVENESS OF CURRENT PROGRAMMES AND  
TEACHING METHODS AND THE MEANS OF IMPROVING THEM

104. It was the opinion of the Meeting that, while the programmes being developed in most Centres were effective, much could be done to improve their effectiveness.

Courses, Programmes and Teaching Methods

105. The Meeting concluded that programmes of training and development could only be effective if based on a thorough analysis of the needs of the country, but that in all countries which had developed a range of industries and analogous economic activities it was necessary to develop and establish a range of courses and similar training activities for all levels of management from the top downwards and in the various functions and techniques of management. Special programmes should be developed as necessary for economically important sectors.

106. The success of any programme of management development measured in terms of subsequent application of knowledge in the enterprise depends on the extent of goodwill and understanding of the employers and top managers.

107. At the beginning of a national programme of management development in any country special efforts have to be made to gain the interest of top managers and to convince them of the need for the development and training of their managerial staffs. It is not enough to provide simple programmes of appreciation; activities designed for top managers should be capable of convincing them that modern management practices can be of real aid to them in the running of their enterprises and the solution of their problems and that they themselves can benefit by learning more of the nature and use of modern management. Once top management is convinced of the task of developing programmes for managers at lower levels it becomes virtually assured that there will be sufficient supply of participants for courses.

108. It was considered that in determining the courses to be developed in any centre a number of factors had to be taken into account including:

- (a) the objectives of each course - whether intended to be informative or to provide training. The former are generally directed to top management and are designed to make them want to adopt modern management practices. The latter are then the logical sequel to the former for the different levels of management that are designed both to provide knowledge and change of attitudes;
- (b) the level to which it is desired the participants should be raised;
- (c) the design of courses for impact in a specific area;
- (d) the development phase of the centre and the maturity of managements in the country concerned with respect to management knowledge and practices;
- (e) whether the course is to be a basic course or a specialised course;
- (f) the balance to be obtained between formal, theoretical instruction and guided practical work;
- (g) the availability of participants, that is, whether it is possible to ensure their attendance full-time on a residential basis, full-time on a daily basis, part-time or in some other arrangement;
- (h) the duration of the course.

109. To achieve the best results based on the above approach it is necessary to make direct contact with enterprises, public or private, from which participants are to be drawn to ensure that management really feels the need for the training and development of its employees according to its present situation and to endeavour to ensure that participants after they have been trained will have an opportunity in their enterprises to make an immediate impact in bringing about change.

110. Some stress was laid on the question of selection of participants to ensure homogeneity in the composition of courses and thus that the maximum effect is obtained both through the association with the directing staff and between the participants themselves. This homogeneity would normally refer to the level and functions of participants but in specific cases may also refer to the industries or economic sectors from which they are drawn.

111. It was considered essential that centres undertake evaluation of their training programmes:

- (a) at the end of each course;
- (b) six months after the actual training;
- (c) after a longer period, possibly of two years.

It was felt that the evaluation could be directed at the management of companies as well as the participants themselves. The evaluation made at the end of courses would be valuable to obtain immediate reaction of participants to course contents, programmes, teaching methods, and so on and the later studies would assist in determining the more permanent effects of the training as related to work in the enterprises, the subsequent development of the participants and also to provide information on desirable changes in future training.

112. Summing up it was considered that there were four distinct phases in the provision of training programmes:

- (1) the publicity necessary before the establishment of the programme;
- (2) top management understanding of principles and practices of modern management and determining objectives in the design of wider training programmes combined with a top management commitment;
- (3) middle management understanding and commitment in the design of training programmes;
- (4) the development of the programme itself.

It is felt that I.L.O. Headquarters could assist centres in means of evaluating courses and particularly in the matter of principles to be followed upon which centres could build according to their own situations.

113. It was considered that in developing and implementing programmes as much use as possible should be made of experienced businessmen and managers working in the country concerned to participate as members of the teaching staff together with members of the centre staff and the international experts. Such participation would be valuable both from the point of view of the experience of such men and also to bring to participants the realities of management and its problems in their own country. It has however to be taken into consideration that many of these businessmen and managers do not have experience in teaching and public speaking and care must be taken by centre staff and international experts to aid them in the preparation of their material and methods. Maintenance by a centre of a roster of such collaborators would be very valuable.

114. The Meeting noted that the Headquarters unit of the Management Development Branch was preparing an analysis of management designed to assist in the development of programmes and heard with interest a brief exposition of the nature and function of the analysis. It was concluded that this analysis could be very valuable and that work on it should be pressed forward as fast as possible.

115. The Meeting noted that a variety of teaching methods was listed in the report. Emphasis was placed on the need to adapt as far as possible participative methods of teaching, adapting them to the needs of different countries and conditions with special emphasis on content and conduct of the practical part of the programmes. Considerable discussion took place within the Meeting on the development of programmes by the Headquarters unit in Geneva. The Meeting approved the fact that a pilot project was nearing completion for the production of a "Programmed Book" ("Understanding a Balance Sheet") and that its field tests in four projects were almost complete.<sup>1</sup> It was felt that this new technique of education offered great possibilities for use in developing countries and that the use of programmed books and the development of programmes using the analysis of management when completed would reduce the individualistic approaches of experts and assure some continuity of training throughout the life of the project and for subsequent use. Programmed books might also be extremely useful as a public relations medium. It was however considered that with the high cost of preparing such a programme necessitated by the employment of specialist consultants, it might necessitate application to the United Nations Special Fund or another such body to finance a long-term project for this purpose.

116. The Meeting discussed the use and development of case studies, problem-solving exercises and business games and concluded that especially in the first two or three years of project the I.L.O. team should include an expert in case development to assist the centre in the process of gathering and developing case studies and problems from industry and business games and evaluating training programmes. Experience showed that case studies not oriented to local conditions are only partly successful and that a major problem in preparing this type of material was the time consumed in doing so especially where an elaborate case was being prepared for a top management seminar. It was concluded that the I.L.O. should:

- (a) collect cases developed in the different centres;
- (b) develop cases which could be useful to specific regions;
- (c) ensure the distribution of these cases wherever they could be useful.

117. It was considered that the time was approaching when the present form of training should be re-examined if the I.L.O. was to achieve its objectives of social justice and a fuller appreciation of human values. Courses might be divided into two classes:

- (1) information courses;
- (2) development courses.

The former were concerned with teaching modern management techniques and the latter with emphasis on the behavioural pattern such as attitudes, the development of personality and the development of a favourable climate with clearer understanding of objectives within the enterprise.

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<sup>1</sup> Programmed books are a recent development in teaching which involve the student in reading short pieces of text, at the end of each of which there is a question to which he is required to supply an answer by filling in a blank space. The correct answer to this question is in a column to the side of the main text and is concealed by a strip of card which the reader moves after he has answered the question to check his answer. The effectiveness of this method lies in the stimulus of knowing immediately whether he is right or wrong.



### The Training of National Counterpart Staff

118. The Meeting considered that an individual programme of training should be developed for each member of the technical staff of a national centre. This should be laid down in writing, taking into account the detailed description of the duties and responsibilities of his post and should set out a schedule of activities necessary for his development together with provision for periodic evaluation of his progress. The counterpart should be required to adhere to this programme.

119. The training of national staff counterpart to I.L.O. experts should extend over a minimum period of development of three years. At any one time the staff of a centre should contain about one student counterpart to every three seniors to take care of eventual wastage. These would gradually be trained to take over the work of senior staff as these latter left the Centre. Recruitment should take account of the cultural pattern of each country, particularly regarding status, age and education.

120. In the matter of the transfer of knowledge, national staff should be able to obtain all the material and texts necessary for their development which their international counterparts have available. Centres should design systems which ensure that all material prepared is freely available to national staff. Lack of adequate processing equipment was considered to be a limiting factor to the achievement of this.

121. The development of a library for the use of national staff (and experts while they are present), may be considered as consisting of two stages:

Stage 1 - The building-up of a comprehensive collection of books on an international basis.

Stage 2 - The development of a management and technical library of magazines, digests, reports, course material and other types of material.

122. In the matter of training policy and methods it was felt that there were three stages:

Phase 1 - Developing an appreciation and understanding of the importance of good management and its influence on the productivity and efficiency of an enterprise and, through the collectivity of enterprises, to the nation.

Phase 2 - Emphasis on the practical application of theoretical knowledge.

Phase 3 - Training in the teaching techniques which differentiate a management training centre from a normal educational institution.

These phases do not represent a rigid time schedule - training in teaching techniques may begin parallel with phase 1.

123. In order to implement this programme, the national staff member should be closely associated with the various activities of the expert, whether in advising or teaching. Counterparts newly recruited should make an early contact with industry and continue for some time with only limited participation in classroom activities, the object being to give them experience and confidence. An integrated training programme should be established in stages of at least three months each.

124. National staff at all stages should participate in programmes outside their specialist fields so as to broaden their knowledge of management and to ensure that they see their own specialities in relation to management and the operation of an enterprise as a whole.

125. Where research and studies are carried out, counterparts should be given the opportunity to participate and, where possible, should participate in project teams in industry.

126. A programme should be prepared establishing a timetable for phasing the national counterpart into the training programmes and into training projects in industry. It is also important that the expert should himself have a systematic method of transferring knowledge and should train his counterpart in this method. The programme should envisage all stages of taking over responsibility for established programmes from the expert to the point of complete transfer.

127. Policy should be adopted which provides for the training of trainee staff by senior national staff so that the development of technical staff may be a continuing process after the withdrawal of the international experts. Senior staff may be nominated as heads of groups of junior or trainee staff with responsibility for ensuring their development in association with the respective experts.

128. All national staff under training should be required to write reports on their work after each course or project is completed or at least twice per month. These reports would be studied and commented on by the senior staff to whom they report (if any have been appointed) and/or the international staff members concerned with their training.

#### Fellowships

129. Fellowships should be sufficient in number to allow for at least one fellowship per national counterpart. They should not normally be undertaken until the prospective fellow has spent a substantial period of time at the centre in association with the international expert, normally not less than two years. It was the opinion of the Meeting that, while fellowships should not exceed six months' duration at any one time, two per counterpart should be taken with an appropriate interval in between. The first should be aimed at the personal development of the fellow and the second at acquiring knowledge which is necessary for the development of the centre.

130. The Meeting was of the opinion that fellows (other than Directors of Centres), should not use their fellowships for a large number of visits to different countries or institutions but should undertake long courses complemented by periods of practical work in industry. The pattern proposed for the International Training Centre at Turin appears to be of a very suitable type.

131. Fellows, especially those going abroad for the first time, should be very carefully prepared by the I.L.O. staff and briefed on conditions, customs and habits in the countries they are to visit. They should further be briefed on what to look for in industrial enterprises they may visit and practices in these enterprises compared for them with those in their own countries. It is essential that fellows should have a good command of the language of any country in which they may be required to work.

132. It is especially important that on their return from their fellowships they should be reoriented by the international staff so that they may learn to adapt their new knowledge to the conditions in the industry of their countries.

#### Follow-up and Follow-through

133. The Meeting had some problems in examining the real meaning of these two terms and it was considered that there was a need for clarification of I.L.O. thinking in this field.

134. The Meeting considered that using the definitions employed in the report which envisaged follow-up as being action by the staff of the Centre and I.L.O. staff to maintain contact and to endeavour to continue the development of former course participants after they had returned to their enterprises, the action of follow-up must be considered as a problem for the centre concerned.

135. It was recognised that as a centre grew and the number of courses increased, effective follow-up of all former participants became a major problem. Among the methods suggested to resolve these problems were:

- (a) inclusion in the programmes of a percentage of time reserved for direct help in the practical application of management techniques and methods given in the course within the enterprise and to introduce in the last period of such course presentation general discussion of such applications. This method had given good results in two countries;
- (b) to arrange periodic visits to former participants in their own enterprises with the agreement of the managements by a group of other participants under the direction of the centre. This formula had been applied by one centre during a period of a year and appeared to give excellent results;
- (c) to organise periodic meetings of former participants directed to the following activities:
  - the discussion of real cases previously prepared;
  - showing of films followed by discussions;
  - lectures given either by members of the centre or outside speakers or by former participants.

Such activities might take place within the framework of associations or clubs of former participants, or within national or local management associations offering a wider membership;

- (d) to hold once a year a full-scale general conference with authoritative speakers drawn from industry and government and, where appropriate, trade unions, inaugurated by an important minister. This has proved everywhere a most successful method both of bringing together managers who have previously participated in the activities of the centre and arousing the interest of others;
- (e) to offer membership of the centre in appropriate form to former participants with the right to receive information services, document publications at reduced rates on payment of a subscription;
- (f) the organisation of meetings at intervals of six months or a year designed to make known the experience and activities of the centre and to collect points of view of participants and other managerial personnel;
- (g) each centre should publish a periodic journal or bulletin, however simple, in order to maintain contact with former participants and all others interested.

136. The above-mentioned activities could not be carried out without maintenance of an index of participants which would include all relevant information.

137. Follow-through, on the other hand, that is the further action which former participants would take in use of their knowledge to implement what they had learnt and to develop that implementation, was considered to be a function of motivation both on the part of the participants themselves, but especially on the part of their employers or superiors with whom encouragement or discouragement for effective action must rest. Among the other possible means of maintaining interest in the application of modern management techniques, competitions between enterprises to attain higher productivity through better management were considered. It was also felt that centres should encourage the creation of associations of different types for follow-up and multiplication of the action initiated by the centre itself. These associations might have a horizontal character (professional associations of managers, and heads of personnel departments, heads of marketing managers, etc.), or a vertical character, (associations in industry, grouping enterprises in the same industry, or in the form of an active nucleus inside enterprises that were sufficiently large to admit it). The merit of this last form is that it makes it possible to systematise further action at all levels and might in time be converted into a permanent training department of the undertaking. Finally, in the division between follow-up and follow-through, it was felt that follow-up was the responsibility of the trainers to see that, after transfer of knowledge, there was effective and continuing application of knowledge, while managers, particularly top managers and employers, were responsible for taking action to encourage participants to apply their knowledge. The trainer was responsible for creating initially in an enterprise a climate favourable to the commencement of the application.



138. The use of the knowledge should be a continuing thing and there is a second stage of ensuring that continuity is maintained. The management is responsible for creating a climate for acceptance and implementation of change on a sound basis. This second stage, which was the development by the participant and his colleagues within the enterprises of action beyond what he had immediately learned but based upon the knowledge acquired, could be considered as follow-through.

139. It was considered that the I.L.O. had a responsibility to see that industry accepted new knowledge and that because of the direct links between the I.L.O. and employers' organisations, governments and workers' organisations, it was in a particularly favourable position to do this.

140. Apart from follow-up of participants by the centre and follow-through by participants in their own enterprises, it was recognised that no centre whose purpose was primarily training and development could expect by this action alone to make widespread and lasting changes in any organisation. It was felt that all centres should give consideration to the introduction of consultancy services within the country at an appropriate time. This might start by the establishment of a service of diagnostic surveys and developed with experience and time into a full consultancy service. Since comparatively few developing countries had any substantial or competent body of management consultants, there were likely to be a number of problems involved in setting up such services. It was felt that the I.L.O. should undertake such studies to assist formulating definite policies in this area. The Meeting was, however, convinced that:

- (a) consultancy must await the development of national staff and implementation of a substantial training programme;
- (b) under certain circumstances it might be desirable to establish a separate institution to train consultants working in close collaboration with the centre.

It was agreed that management consultancy was an activity with its own special practices and techniques and that training of the staff of the centre, of associated institutions, or of private persons entering in management consultancy should be done by experts who had themselves successful experience in management consultancy.

141. It was also felt that because of the confidential nature of much information which had to be disclosed to a management consultant if he were to be able to do his work effectively, employers and managements in industry had to be convinced of the integrity of the consultant as well as of his competence. They might be reluctant to disclose information regarding production and especially finance to consultants whom they knew to be members of the staff of a government organisation. Machinery had to be found, whether in the form of legislation or effective voluntary action, to ensure that only persons of integrity and adequate standard of professional competence could practise as management consultants and it was felt that some form of registration for independent consultants would be desirable.

#### Material Requirements for Effective Educational Programmes

142. The Meeting considered that, whenever new buildings were being constructed to house management development or productivity centres or when old buildings were being adapted or buildings selected, the advice of those directly concerned in operating the centres and in running courses should be sought by architects and others responsible.

143. In addition to specifying the number of classrooms and other facilities required, an examination should be made of how these facilities were going to be used. It was felt that in this way a number of expensive mistakes in designing and equipping centres could be avoided. More explicit specifications for the buildings and equipment of management development and productivity centres should be supplied by the I.L.O.

144. The possibility of standardising equipment used in projects should be carefully examined, but this should not be at the cost of providing equipment ill-adapted to the conditions of operation in specific countries in such matters as resistance to extreme conditions of climate, non-availability of servicing facilities and technicians for maintenance or the technical or linguistic standards of the country. At the preparatory stage of a project, the future Chief of Project should explore the local market to ascertain what equipment and what servicing facilities were available on the spot. The Meeting noted that insistence on the purchase of equipment from countries with currency available to the United Nations rather than the makes of equipment requested by chiefs of project or directors of centres had resulted in the supply of certain equipment which was inflexible and limited in its usefulness.

145. The I.L.O. should provide basic lists of books and other documents for the use of centres suitable for different regions and language groups. Centres should create and develop documentation services and visual aid libraries and particularly sets of diagrams and flip charts for use in courses which are given repeatedly.

146. At the time of establishment of a centre, closer attention should be paid to determining the service requirements such as filing, processing and reproduction of documents and shorthand and typing requirements, since these represented a serious bottleneck in many centres.

147. It was considered that the question of ownership, responsibility for repair, maintenance, insurance, etc. of equipment supplied under E.P.T.A. projects should be more clearly defined in the manner done in the case of Special Fund projects.

#### Cross Cultural Barriers to Effective Operation

148. The Meeting did not feel able to deal in any depth with barriers to understanding between I.L.O. experts and nationals of countries in which they were working, but recognised that they could be important. They could occur between:

- (a) members of national centre staffs and members of international missions associated with them;
- (b) members of international missions and participants in training programmes, employers, managers and workers in the enterprises in which they might have to work;
- (c) members of international missions and their families and nationals of the countries in which they are living in day-to-day associations outside working hours;
- (d) members of the staffs of national centres sent on fellowships abroad and people in the countries which they visited.

149. The effects which these barriers may have range from failure to gain understanding of subjects which are being taught to acute and mutual exasperation and, possibly, a breakdown in relations. The importance of these barriers will vary from country to country and will also vary with the country of origin of the expert. Experts drawn from countries having cultures generally similar to those of the countries where they are working are at a considerable advantage, other things being equal. Care has to be taken in the recruitment of experts for specific countries or regions not to select those likely to be too different in culture and in temperament.

150. Few members of international teams in the field of management development other than those in the personnel field have any training in sociology or comparative anthropology and do not normally have their thinking oriented towards cultural differences. The Meeting, while not considering that a standardised approach to this problem would be of any real value, felt that more effective briefing should be done at Geneva and possibly should start earlier. It was recognised that many experts were aware of the problems arising from this source and took pains to read books about the countries to which they were going as soon as they were appointed. Others did not, either because they did not have the time or were unaware of the importance of this factor.



151. Further briefing could be given by the Chief of Project when the expert arrived at his duty station. This presupposes that the Chief of Project himself has taken the trouble to study the question in relation to the country concerned and has himself been briefed in depth. Such briefing of experts by their chiefs of project was probably best done in a more or less informal manner and by word of mouth. Briefing on political matters and on the country's history might better be done by reading selected books. The national counterpart has an essential role to play in assisting the expert to understand his environment.

152. In order that all experts should be prepared to explore the problem of cultural differences, a short paper on the subject should be prepared by the I.L.O.

153. A second aspect of the problem relates to the subjects taught. Certain management methods and practices may only apply in the culture or country in which they originated. The Meeting has urged the preparation of standard manuals on management subjects. These should be prepared or at least carefully edited, by people with a wide experience of various developing countries to ensure that they have as wide a relevance as possible. At the same time the I.L.O. should undertake studies on the process of transferring knowledge and the factors likely to call for variations in method in different parts of the world. Studies on the introduction of change in a selection of different environments should also be undertaken.

154. It was also felt that the I.L.O. should prepare a study on cross cultural barriers as they affected the behaviour pattern of the project team and prepare an outline on the points relating to traditions, prejudices, social patterns, patterns of authority and other aspects of the question which might affect the performance of experts. The draft should be forwarded to chiefs of project for comments relating to their particular situations so that they may feed back information to Geneva which can be used in briefing.

155. In their enthusiasm and desire to make their project a success, experts sometimes tend to substitute their own direct action for that of their national counterparts on whom rests the responsibility of ensuring that practices and techniques introduced from abroad are properly adapted to their country's needs and conditions, material and psychological. The Meeting felt that both I.L.O. experts and members of the staffs of national centres should be briefed along lines which stressed the need for humility and understanding in approaching each other and the fact that one can only give as much as one is capable of receiving.

#### Co-operation with Other Organisations Working in the Same and Allied Fields

156. The Meeting felt that this question might be considered under two headings:

- (1) relations with national organisations within the country concerned;
- (2) relations with organisations operating in the country whose headquarters were outside it.

157. With regard to national organisations, it was considered that centres should prepare lists of organisations working in the management field and should ensure friendly relations through personal contacts with the directors and staffs of those organisations, exchanges of information, participation in each other's activities and consulting or providing each other with advice or assistance if requested.

158. The national centre has a role to play as co-ordinator of the activities of all organisations in the same field, but this must be done on a voluntary basis.

159. National centres should collaborate with those public bodies, where they exist, responsible for planning technical co-operation agreements for international or bilateral aid. These bodies have an important role to play in ensuring proper co-ordination and avoiding duplication and dispersal of effort.



160. The I.L.O. was requested to use its influence through its experts in its areas of activity in order to assist the centres in their co-ordinating function. This aid has been proved necessary in view of the difficulties which have arisen in certain countries between national bodies in the field of training benefiting from I.L.O. assistance. In order that the I.L.O. should have an effective influence in this respect, it was necessary that the public relations and information services of the I.L.O. be improved to increase public understanding of its role in developing countries. Chiefs of project should be informed of this aspect of their work during briefing and should ensure that members of their teams were also aware of it.

161. With regard to international or bilateral organisations, governmental or non-governmental, giving aid in management development and productivity and allied fields in any particular country or region, action should be co-ordinated in such a way that the activities of regional and other organisations offering fellowships and running occasional courses do not interfere with the systematic and long-term programmes of the I.L.O. and the Centres by uncontrolled withdrawal of national staff to take part in these other activities. Directors of Centres have a special responsibility in this.

162. I.L.O. chiefs of project should be kept better informed regarding the programmes of technical co-operation of the United Nations and its specialised agencies as a whole.

CONCLUSION

163. Technical co-operation between any agency providing aid and any organisation receiving it depends for its success upon the mutual comprehension, mutual respect and mutual goodwill of both parties. If any one of these elements is lacking the co-operation cannot be wholly fruitful.

164. Comprehension must exist at all stages and at all levels on which action may take place. The basic aims and objectives of the aid must be well understood by all concerned. The objectives of the specific project, both short and long term, must be understood and agreed upon by all and should be expressed in any Plan of Operation or equivalent document in terms which are not capable of misinterpretation. At the highest level, government authorities must understand clearly the nature and scope of the aid they are to receive and the responsibilities which they incur in accepting it, while the authorities of the agency or agencies concerned must understand precisely the nature and scope of the aid they have agreed to furnish and must ensure that their understanding is the same as that of the recipient government.

165. At the operating level, the head of the organisation receiving the aid and his staff must understand the nature and scope of that aid, their duties and responsibilities with respect to it and the precise nature of their relationship with the officials of the agency designated to carry out the programme of aid. The same is true of the officials of the agency concerned and it must be ensured from the outset that complete agreement is reached and is explicitly stated.

166. Beyond the formal aspects of the co-operation, there must be understanding between man and man. It is recognised that, given barriers of culture and language, of experience and, sometimes, of irrational prejudice, the achievement of such mutual understanding demands considerable efforts of imagination from all those involved.

167. With understanding must go mutual respect, accompanied by tolerance for ideas and ways of life which may seem strange to either side.

168. Neither mutual comprehension nor mutual respect will be achieved without goodwill. Goodwill embodies the determination that a project jointly embarked upon shall be brought to a successful conclusion and ensures that all obstacles will be overcome.

169. The participants in this Technical Meeting of Directors of Management Development and Productivity Centres and associated I.L.O. Chiefs of Project felt that the Meeting had contributed to better understanding of their respective tasks and problems and had furthered the development of mutual respect and goodwill. It was concluded that such meetings should be held by the I.L.O. at regular intervals to enable the problems of operation and co-operation in the field of management development and productivity to be further explored and to enable directors and chiefs of project from countries newly entering this field to gain the benefit of such exchanges of views.

## APPENDICES

### APPENDIX 1

#### CHECKLIST OF QUESTIONS

1. Present situation of the project: governmental, organisational, industrial
  - (a) Basic information about the project: results to date.
  - (b) Factors contributing towards the achievement of planned objectives and the promotion of progress, and adverse factors.  
For example:
    - How was the Plan of Operation engineered?
    - Was a thorough survey of the country undertaken before the project was initiated and the Plan of Operation drawn up?
    - Was the Chief of Project present from the outset of the project?
    - Did experts join the project regularly and according to plan?
    - Has the country concerned a national development planning organisation? (assessment of resources, local manpower, etc.)
    - What is the educational system and strategy of the country like? (promoting or inhibiting the idea of professional management and industrial development?)
    - Was the government in a position to adhere to the commitments, as laid down in the Plan of Operation? If not, why not? (In other words: are obligations met in terms of counterparts, equipment, accommodation, administrative staff, etc.?)
    - Does the government, or the officials assigned to carry out the project as laid down in the Plan of Operation, feel that the I.L.O. has met its obligations? (number, type and quality of experts, etc.) If not, why not?
    - What is the attitude in the country concerned to foreign aid?
    - Does the country prefer: (a) bilateral aid?  
(b) multilateral and U.N. aid?
    - What is the attitude to foreigners?
    - What is the attitude of industry towards the government? Is the economic climate inspired by the free enterprise concept, or is the trend towards nationalisation or socialisation of the means of production? (Brief history of the development of industry in the country if possible.)



2. Impact of culture on industrial productivity

(a) Brief statement of basic characteristics of the culture.

- Are there dominating social values? (Family-clan type of business? Religion? Socialism? etc.)
- Are traditional customs interfering with the industrial pattern of life?
- Are there climatological factors, physiological factors, nature and nurture factors (for example, absenteeism in industry caused by malnutrition and illness, the interference of frequent religious holidays with a regular production process, the family-village spirit alien to a motivation for production and money making, etc.)

3. The present situation in retrospect: the relationship between the Chief of Project and the Head of the Management Development Centre

(a) Background and career of the Director of the Centre?

(b) Collaboration and communication between the Chief of Project and the Director of the Centre, and vice-versa:

- Are their objectives the same?
- Is there a mutual understanding of the priorities?
- Is there mutual support, or are there competitions/antagonisms?
- Is there utilisation of all available resources?
- Inter-personal relationships: are they smooth or are there irritations?
- Is there prejudice or objectivity?

4. Relationships between the Chief of Project and other government officials, employers, union officials, workers' organisations (trade unions), representatives of other agencies, etc.

(a) Quality and quantity.

5. Relationships between the Chief of Project and project members.

(a) The work:

- coaching, support, priorities of activities, briefing, relations with "customers" (managers and participants), review of material, co-ordination of content of courses and advisory activities, counselling and appraisal of the performance of experts, etc.

(b) Inter-personal:

- between the Chief and team members, and vice-versa, and between team members themselves (social contacts, do they meet outside working hours?).

(c) Group dynamics - the team "market" image outside.

(d) The extent to which good relations are fostered/inhibited by Headquarters, Geneva/Field Office action or lack of action and policies.

6. Relationships between I.L.O. members and their national counterparts

(a) Selection of counterparts. How and when?

(b) Remuneration of counterparts - are there government salary scales or special scales? Is the gap between experts' income and counterparts' income very great? How great?

(c) Methods of instruction of counterparts:

- Is the educational process: two way/one way?
- Is there a translation process of theory and knowledge into action?
- What is the attitude towards counterparts' mistakes, failures, successes?

(d) Inter-personal factors:

- Are relationships smooth or distant? Are there social contacts?

7. Relationships between I.L.O. team members and Headquarters, Geneva/Field Office

(a) The extent to which progress and relations are fostered/hampered by Headquarters action/lack of action and policies.

(b) Is there satisfaction or dissatisfaction with briefing/training before being sent out?

- If satisfied, what are the strong points?
- If dissatisfied, what are the weak points?

(c) Communication with Headquarters: material, family matters, financial matters:

- what is good, what is lacking, what is irritating?
- suggestions for improvement.

(d) What support, help, type of management do field officials expect from Headquarters?

(e) What is the role and assistance of the Field Office at present?

- Are there any suggestions for what the role of the Field Office should be?

8. Role behaviour of experts

(a) What do you consider to be the essential features of your role as an international United Nations expert?

(b) Have you joined any local clubs, associations or societies to be in touch with local management and officials outside working hours?

(c) Do you have any contacts with members of other I.L.O. or U.N. missions?

(d) What in your opinion would be the best approach for achieving our goals?

- What mixture of professional expertise is necessary?
- What should be the philosophy of work?

(e) Do you basically subscribe to the present prevalent philosophy of I.L.O./Management Development Branch that "we are first of all in the teaching business, not in the consultancy business"? If not, what are your views, and what would be your project design?

(f) What personal qualities and characteristics do you feel are needed to succeed as an international I.L.O./Management Development and Productivity Expert operating in the field?

9. The programmes, teaching materials and methods

- (a) Subject matter, breakdown of content, time allocated to each subject.
- (b) Is there an integrated approach? What is, in fact, the approach?
- (c) What is the duration of courses?
- (d) What kind of supporting material is there: binders, visual aids, literature, instruction guides, etc.?
- (e) Follow-up and follow-through of seminars and courses: how, when and to what extent?
- (f) Evaluation and measurement of source effectiveness. How are teaching effects measured?
- (g) What is the most useful sort of course: part-time or residential?
- (h) How much is there for what level? Is top management firmly in the picture?
- (i) Methodology:
  - Are modern training devices used? (Business games, syndicate discussions, role-playing, group demonstrations, experiments, panel discussions, programmed instruction methods, group assignments, project assignments, tutorial systems, rehearsal exercises in public speaking, exercises in job instruction, conference-leading techniques, case discussions, group dynamic exercises, etc.)
  - To what extent are these devices used?
- (j) What role do local employers/officials play in the courses? Are they regularly invited as guest speakers?
- (k) Is the general educational system conducive to the success of the system of courses organised by the centre, or contrary to it? (For example, is there enough fertile ground to plough, is there enough secondary and high school education, technical schools, etc.?)
- (l) What follow-up is there of courses and seminars? Are there any "alumni associations"? Weekend meetings? Brief seminars by local management associations?
- (m) Did the centre develop any self-instruction manuals for managers?
- (n) How many fellowships have there been?
- (o) What is the equipment like? Are there visual aids, periodicals, magazines, a library?
- (p) What, in your opinion, are the strengths and weaknesses of this particular subject?

10. Participants

- (a) Number and background of participants over the last year:
  - Distribution, private and public sector.
  - Were there any participants from trade unions?
  - Were there any participants from government departments, institutions or ministries?
- (b) Calibre and managerial position/selection criteria:
  - What efforts are made to select the right level of participant? (i.e., those who are qualified and in a position to act afterwards)



(c) Language fluency of participants:

- Are any courses given in the local language by counterparts?

(d) Which firms regularly sent participants?

(e) What proof is there that the needs of participants and firms are being met?

(f) What possibilities do participants have for implementation of the know-how acquired?

11. Employers

(a) What is their attitude to the Management Development Centre?

(b) Do they feel that the Centre meets their needs for training and education?

(c) How many of the employers of medium-sized and larger firms know of the Centre's existence and how many of them utilise its services?

(d) Are they invited to take part as guest speakers? Do they enroll themselves in advanced management courses?

(e) How does the Centre's activity compare in perception with other similar bodies? Are there any other bodies? (Ford Foundation, etc.)

(f) How useful do they find it to have their subordinates attend courses given by the Centre? Is this support real or is it just lip service?

(g) What kind of subordinates do they send to the Centre? How do they select them?

(h) Are I.L.O. experts and counterparts frequent visitors to their enterprises? Is there any consultancy work? What are their real needs?

(i) To what extent do they preach and practice delegation?

(j) To what extent are they motivated to obtain action for improvement?

12. Extent to which the work of the mission/Centre is known

(a) What reputation does the Centre enjoy?

(b) What are some of the outstanding successes and failures of local enterprise?

(c) How important to success is I.L.O. prestige?

APPENDIX 2

PROJECTS VISITED

- (1) The E.P.T.A. Project, Cairo, United Arab Republic.  
Name of Institution: Department for Productivity and Vocational Training  
of the Ministry of Industry
- (2) The Special Fund Project, Baghdad, Iraq.  
Name of Institution: Management Development and Supervisory Training  
Centre of the Ministry of Industry
- (3) The Special Fund Project, Powai, Bombay, India.  
Name of Institution: National Institute for Training in Industrial  
Engineering (NITIE)
- (4) The E.P.T.A. Management Development and Productivity Project, Bombay, India.  
Name of Institution: No institution
- (5) The Special Fund Project, Bombay, India.  
Name of Institution: The Productivity Centre of the Central Labour  
Institute
- (6) The Special Fund Project, Kuala Lumpur, Malaysia.  
Name of Institution: National Productivity Centre of the Ministry of  
Commerce and Industry
- (7) The Special Fund Project, Bangkok, Thailand.  
Name of Institution: Thailand Management Development and Productivity  
Centre of the Ministry of Industry
- (8) The E.P.T.A. Central American Regional Project.  
Locations visited: San Salvador, El Salvador and Managua, Nicaragua  
Name of Institution: Instituto Salvadoreno de Fomento Industrial  
... San Salvador (National Institution for Industrial Development)  
... Managua INFONAC (National Development Institute)
- (9) The E.P.T.A. Project, Caracas, Venezuela.  
Name of Institution: Instituto Venezolano de Productividad  
(Venezuelan Institute of Productivity)

APPENDIX 3

STATISTICS RELATING TO THE STUDY

(1) Number of projects visited:	9
(2) Type of projects:	
- E.P.T.A.	4
- S.F.	5
(3) Number of experts met:	31 (including Chiefs of Project)
(4) Nationality of experts:	
- British (including Canada, New Zealand, Australia)	16
- Norwegian	5
- Mexican and Spanish	4 (two each)
- Indian, Swedish, Finnish, German, U.S., French	6 (one each)
(5) Expertise related to field assignments <sup>1</sup> :	
- Industrial engineering/production management experts	17
- Management accountancy experts	5
- Supervisory training experts	2
- General management and management development experts	5
- Office management and organisation experts	1
- Personnel management experts	0
- Audio-visual aids experts	1

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<sup>1</sup> It should be noted that some marketing experts are represented in missions, but that at the time of the visit of the research worker they were on leave and are therefore not counted here. The experts in supervisory training are usually also experts in personnel management and labour relations. The same holds true for two experts categorised under general management and management development. However, specific assignments in personnel management, including human relations and labour relations - in fact the management of human resources in all its aspects - were not filled, although there were two vacancies for this type of post at the time.



(6) Average stay in the field by experts interviewed: (longest nine years, shortest six months)	2 3/4 years approx.
(7) Average age: (The youngest expert met by the research worker was 33, the oldest 64)	42 years approx.
(8) Number of experts married	26
(9) Average size of family and number of families with young children:	
- Average size of family	2.6 children
- Number of experts with young children	19
(10) Number of counterparts met (including Directors of centres)	36
(11) Number of participants in courses met	110
(12) Number of national officials met	11
(13) Number of U.N. officials met	21
(14) Number of workers' representatives met	6
(15) Number of employers' representatives met	16
(16) Number of enterprises visited	41
(17) Number of Directors, General Managers, Production Managers met	117

## APPENDIX 4

### INTERNATIONAL LABOUR OFFICE

#### DESIGN FOR A SMALL MANAGEMENT DEVELOPMENT AND PRODUCTIVITY CENTRE<sup>1</sup>

##### 1. INTRODUCTION

It is being taken for granted in this paper that the need for higher productivity is accepted by all concerned. The discussion will, therefore, be confined to the functions of a national productivity centre, its organisation, staffing and equipment. While it is hoped that the ideas contained in this paper may be found helpful by governments and others interested in this question, it should be emphasised that the characteristic features and functions of national productivity centres vary greatly according to differences in national conditions and requirements. What is suggested here is not a standard design to be adopted without modification in all countries, but a design to be adapted to the requirements of each country.

##### 2. THE FUNCTIONS OF A NATIONAL MANAGEMENT DEVELOPMENT AND PRODUCTIVITY CENTRE

Many countries, desiring to achieve higher productivity, have found it useful to establish a national institution (often with regional branches, which may be more or less autonomous) supported at the very highest levels by representatives of all the interests affected. Such a centre, or equivalent body, becomes practically essential when the country concerned is receiving technical assistance in the field of productivity and management development from the I.L.O. because, unless such a central body does exist with a staff who can be trained as counterparts to the I.L.O. experts to carry on the work of training when the I.L.O. mission has been withdrawn, the work of the mission is likely to be largely ineffective except in the case of those isolated individuals who have been trained directly by the mission.

In a small or relatively unindustrialised country which does not have a number of professional institutions or university department working in the fields of productivity and management development which can provide a training staff for different aspects of an over-all programme, it is recommended that a central institution should be set up in the first instance. This makes for economy in staff buildings and equipment and also enables the earlier stages of development of a national programme to be more effectively co-ordinated. It also avoids a dispersal of any mission working in this field. In the case of the I.L.O. these are usually quite small (rarely more than two or three members) and their work is more effective if they are kept together as a team.

The functions of the national productivity centre may be broadly defined as follows:

1. General education in the nature of productivity, and propaganda and publicity on the need for increased productivity.
2. Education and training in all aspects of management and supervision and in the techniques of raising productivity through courses, seminars, demonstrations, and other projects. This education and training may be carried out directly by the productivity centre or the centre may be used to stimulate other bodies in the field to provide such training (e.g. universities, professional organisations, and government training schools).
3. Advisory, consultative and information services including the setting up and maintenance of a reference library of books on management and productivity.

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<sup>1</sup> This paper, which was supplied to participants in the Meeting, was originally written in 1960 and has been distributed extensively to governments and interested organisations in the past five years. Developments in management development projects have made parts of it a little out of date but it is still valid and useful in its general concepts.

4. Studies and investigations in selected enterprises or sectors of industry on means of improving productivity.
5. Publication of a regular periodical providing articles on management and productivity, original booklets dealing with management techniques in a simple fashion and translation of foreign works in the same field.
6. The co-ordination of activities in the field of productivity improvement and management training throughout the country to avoid duplication of effort and training resources.
7. Relations with international and foreign organisations for the exchange of information and for technical assistance. Normally the centre would be the national body to which international or foreign experts in this field would be attached.

It should perhaps be noted in passing that such a centre should not attempt to swallow up existing organisations where there are any, especially where these are voluntary associations since the formation of such associations in itself argues the existence of some individual initiative and enthusiasm which should be encouraged.

### 3. HOW A NATIONAL PRODUCTIVITY CENTRE MAY OPERATE

A national productivity centre has a number of means by which it may stimulate the improvement of productivity through better management and organisation. In the first instance, it is necessary to arouse the interest of employers, workers' organisations, and of the government as well as to a lesser degree the general public, in improved productivity and in the benefits which improved productivity can bring to the national economy. It is probably best that in the first stages such propaganda and publicity should be done on a narrow front directed to those persons and organisations who are in the best position to influence productivity, that is, employers public and private, trade unionists and people directly concerned with the economic direction of the country. This may be done through the organisation of lectures, short courses accompanied by films or demonstrations, and by short projects within selected factories designed to demonstrate quickly and effectively how productivity can be raised without further capital investment. For this purpose I.L.O. experience in several countries has shown that work study is a most effective means. It is important that the maximum publicity should be given to the results of these demonstrations and their economic significance made clear.

The next stage is the organisation of more extensive courses in different management and productivity techniques. In general, experience has shown that the best courses to start with are in the techniques of "industrial engineering" such as work study, production control, quality control, and costing. These are techniques which operate at the level of the factory and almost invariably lead to the disclosure of problems elsewhere in the organisation. Their application thus leads logically to the demand for further courses or seminars for higher levels of management. Such courses may be given for groups of factories in a particular industry (such as the metallurgical industry or textile industry) or for mixed firms in a given area. This latter type of project is possible because the techniques of management are generally independent of any particular technology and apply to industry of all types.

A type of project which has proved particularly effective in the case of a large private or state-owned enterprise such as municipal and state bus transport or railway workshops is the single in-plant project where theoretical training is given to a number of engineers and workers' representatives in the plant, accompanied by intensive practical training over a period of about six months. This enables a deeper training to be given than is possible with multi-enterprise projects and the teachers act in a large measure as consultants and frequently undertake some reorganisation within the plants concerned.



Experience has shown that training of the type mentioned above which is normally carried out at the middle management level is not usually enough since the effectiveness of the personnel trained depends largely on the understanding which top management or employer has of their functions and how they should be employed and in consequence, seminars, discussion groups and other means of making top management aware of the possibilities of modern techniques for raising productivity and lowering costs are among the most important activities of a productivity centre and among the most difficult to carry out. It is here that the value of international experts is especially great since it is often possible for an international expert, who has a certain prestige independent of his personal merits, to undertake such courses successfully where a national of the country concerned might fail. Top management courses usually result in demands from the top managers themselves for further specialist training for their subordinates.

When considering the range of training required to make the industry of the country effective, two other groups must not be forgotten. The first of these is the supervisor and foreman group, sometimes regarded as the lowest echelon of management, which is in direct and constant contact with the operative at the shop floor level. A comprehensive productivity centre should certainly include the training facilities for this group, initially of a fairly elementary kind which could give an introductory training to the greatest possible number in the shortest time and later more advanced courses which will deepen and widen the supervisor's knowledge and understanding of his job.

The second group, by far the largest, is that of the manual workers. In most newly industrialising countries the number of skilled and semi-skilled workers is hopelessly insufficient to meet the demands of industry, and many of those so-called skilled workers are in fact inadequately trained and experienced for their work. Since a balanced and adequately trained labour force forms the foundation of industry, facilities for vocational training for the different industries of the country must be set up at least at the same time as facilities for managerial training and training of productivity specialists. This will normally be too big a task to be handled as one of the activities of a productivity centre. Most countries already have institutions concerned with vocational training. It is desirable, however, that the work of a productivity centre should be co-ordinated with that of vocational training institutions. Technical assistance may be provided by a mission containing specialists in both management development and productivity improvement techniques on the one hand and vocational training for workers on the other. The advantage of this is that work in each of these two fields creates conditions in which work in the other can be more effective. It is for this reason that a number of governments have requested technical assistance from the I.L.O. in both these fields, and have received such assistance in the form of combined productivity and vocational training missions.

The national productivity centre should be built up to serve as a focal point for all activities. The information service and the establishment of a library are among the most important activities which can be developed. The library may serve both as a reference library for outside persons and as a means of providing the staff of the centre with material for their lectures and courses. Information may at first be somewhat superficial on the technical side but the ability to provide simple information to industrialists and others which will place them in contact with persons or organisations who can supply their needs, is an excellent means of building up confidence in the value of the centre. It is worth remembering that the immediate satisfaction of quite a trivial request may do more to "sell" the services of the centre than many more ambitious activities.

In the same way the publication at the earliest possible date of a series of simple pamphlets on various aspects of management is a good means of getting the centre known throughout industry. In this matter the simplest way is to obtain translation rights where necessary, for pamphlets published by foreign organisations such as the British Institute of Management, the French Comité Général d'Organisation Scientifique (C.E.G.O.S.), the American Management Association, etc. These organisations will generally give translation rights for their excellent pamphlets quite freely and the I.L.O. is always prepared to make available translation rights for its works where these are not already published in the language of the country concerned.

If the centre is to be considered as a co-ordinating body for activities in the field of productivity improvement within the country, one of the first tasks is to find out what other facilities for training, consultation, and similar activities exist and to ensure that the maximum use is made of these. The problem of disseminating information and training in productivity improvement is always far greater in any country than the resources available and any attempt to monopolise the field on the part of the centre is likely to diminish rather than increase the training facilities as well as alienating valuable people who have given their services in existing organisations. It is therefore important that means of co-operation should be established early in the most important fields of activities, e.g. training, research and consultation in which representatives of all existing organisations may be able to play their parts. The fact that the national centre is seen to be supporting the existing organisations will bring to it goodwill and a valuable source of increased interest in its work.

#### 4. ORGANISATION OF THE NATIONAL PRODUCTIVITY CENTRE

In order to carry out its functions properly the centre requires to be systematically organised.

Sample organisations for management development and productivity centres at the first phase and at more advanced phases of development respectively are shown in Figures I and II. The organisation of the first phase shows a minimum set up designed to provide counterparts for a small Special Fund financed management development mission. It is in fact rather larger than the basic minimum for such a centre which may be put into effect with only a Director, two technical officials and a librarian in the Technical Division (the working core of the centre) and one official in each of the supporting divisions (Information and Administrative) with proportionate supporting clerical and general staff. In many countries the staff of the productivity centres are members of one of the ministries, usually either the Ministry of Industry or the Ministry of Labour, and are ranked as civil servants, but this is not always the case. Many countries have found it useful to set up a body on which are represented the interests concerned with improving industrial management and productivity. These interests would normally be Ministries of Industry (or of Economy), Labour and Education, employers, representatives of publicly owned industry, trade unions, universities and technological institutions and professional associations of technologists, engineers or economists. This Council may be either executive or merely advisory to the responsible Minister, but it is valuable to have the Council as widely representative as possible. For easier day-to-day working, especially where the Council has direct control, it may be desirable for the Council to delegate control to an executive committee of three or five members who will assist the director with guidance in executive work and who can also share with him, especially in the formative years, the task of formulating policies for the approval of the Council.

#### 5. THE DIVISIONS OF THE CENTRE, THEIR FUNCTIONS AND STAFFING

It will be seen that the Chief Executive is the Director. His function is approximately as follows:

##### Director

Responsible for the over-all operation of the centre and for carrying out the policies laid down by the Council, for the engagement of suitable staff, determination of programmes of work and co-ordination of the work of the various divisions. Where a management development mission was attached to the centre, the Chief of Mission would be the adviser to the Director both in day-to-day running of the centre and in planning further development. Much of the Director's early work would be in the field of public relations in industry, the trade unions and government.



The Director should be a person of high standing in the country respected by both sides of industry, with good administrative experience. The smaller the centre the greater would need to be his technical knowledge and experience of industry, so that in a very small centre he might be required to participate actively in the design and giving of courses while carrying on his administrative and public relations work. It is highly desirable, if not essential, that he should be employed full time and at an adequate salary, for experience has shown that in the first years of a productivity centre the Director's job is a very heavy one, often demanding long working hours and concentrated thought. It cannot be over-emphasised that the success of a productivity centre is in direct proportion to the energy, ability and imagination of its Director and his capacity to make himself accepted and trusted by those in the country who have the responsibility for running industry whether public or private.

In Figure I the head of the Technical Division is shown as Deputy Director. This would normally be the case since he is likely to be the most highly qualified of the three divisional heads. The work of these divisions and the staffing necessary in a small centre would be broadly as follows:

#### Information Division

This would normally divide itself into two sections, as shown in Figure I. The Public Relations Section would be concerned with publicising the aims and later the work of the centre by all appropriate means, such as press, radio, productivity exhibitions, articles and technical journals, pamphlets, etc. It would arrange for the Director and members of the technical staff to make speeches or give lectures to public and professional bodies, educational institutions and so on, and ensure that the centre is kept fully in the public eye and that its work is generally understood by all concerned.

The Editorial Section would be concerned with the preparation for publication of the centre's periodical when it came into being (which might be simply a few duplicated sheets in the first instance), drawing material from the members of the technical staff, experts on the mission and from foreign services. The editing and/or translation of technical booklets and pamphlets and the arrangement for all printing of technical and publicity material emanating from the centre falls to this section.

The staffing of the division shown in Figure I for a small centre is:

One head of division who may at the earliest stage also be the official in charge of public relations and publicity.

One publications officer who should have a thorough knowledge of editing and printing and should be able to write well in the language of his country.

These two or three officials will almost certainly need their own shorthand-typists since the volume of correspondence and drafting in this division is likely to be high.

#### Technical Division

This division will be staffed by nationals of the country with basic qualifications in engineering or other applied sciences, possibly economics. In view of the fact that they are likely to have to do much practical work in industry and to supervise the work of trainees, it is important that they should have had good industrial experience in technical and managerial positions.



The task of the division is to develop management and productivity improvement through courses, seminars, lectures, conferences, consultative and advisory work and in-plant demonstrations.

Centres usually start their training activities in a general way, that is not directed towards specific industries, and at this stage it is not usual to have the Technical Division sectionalised by industry. This can come later (Figure II) where it may be seen that the former Technical Division is split up into a Training Division and an Operations Division, the Operations Division being designed to provide consultancy or carry out special projects in individual industries and enterprises. As may be seen the other divisions have simply grown with the growth of the centre and the original single sections have split up into specialised sections.

The Research and Information Section may be expected to develop out of the centre's advisory activities. It should provide the background information which will lead to the building of more and more effective courses and a better advisory service based on an increasingly intimate knowledge and understanding of the problems of the country's industry and it is very important that all consultative or practical administration work in undertakings should be very carefully and systematically written up for future reference. As time goes on it may be necessary to take on junior officers who can sort out and classify the information so acquired, and possibly produce studies of specific national problems.

The head of the division would be expected to spend most of his time actively engaged in teaching, in the advisory service and other work of the division. Figure I shows a staff of four qualified engineers or economists covering the technical side of the work. Such a staff together with the head of the division could probably be adequately serviced by a small I.L.O. mission of two experts, but three would be preferable. It will be noted that only the head of the division has a secretary, typing facilities for the remaining staff being in the form of a small pool under the charge of the librarian. In the earlier stages of the work there will be a great deal of typing and probably duplicating work in preparing course material. An artist-draughtsman for preparing charts and diagrams for teaching purposes is also highly desirable.

#### Administrative Division

The Administrative Division will carry out the normal duties of administering the centre. In the first instance it may be handled almost entirely by a single administrative officer who should be either a qualified accountant or have considerable practical experience of accountancy. It will be seen that the Administrative Division contains the duplicating services and the general services such as cleaners, porters, messengers, etc. A section is also shown for course and conference organisation. It will be found that almost from the first it will be necessary to allot at least one subordinate official to this work and if large-scale conferences are arranged, other officials will have to be allotted either temporarily or permanently, depending on the scale of the work. The effective organisation of conferences involves a great deal of work and if this is not done well the effect on the participants is likely to be so adverse that the centre may well acquire a bad name, even if the technical content of such conferences is good. Residential courses will also involve a great deal of organisation and care, especially those held for top management.

#### General Note

As the work of the Centre develops it may be considered desirable further to subdivide the Technical Division into industry sections concerned with the principal industries of the country, e.g. metal working, textiles, agriculture, etc., staffed by technologists who are specialists in these fields and who can receive training in management and productivity techniques for adaptation to their special fields. A country with one or two dominant industries would certainly need to orient its technical activities to those industries.

## 6. PHYSICAL FACILITIES FOR A PRODUCTIVITY CENTRE

It is difficult to lay down exactly the physical facilities required in any particular centre, but the following may be regarded as a minimum for the size of centre envisaged in this paper<sup>1</sup>:

- (a) at least one lecture room and one room for small discussions, each equipped with adequate blackboards, stands for diagrams or flannel boards and a small screen for projecting slides;
- (b) one room equipped with facilities for the projection of motion pictures and slides, including sound facilities (which may be one of the rooms noted under (a));
- (c) adequate space for the centre's reference and lending library including space for visitors wishing to use the library for reference purposes (chairs and tables at which visitors can sit, etc.).

Office accommodation should be provided on the scale:

- (a) Director - an office large enough and suitably furnished for the holding of small meetings;
- (b) separate offices for the heads of each division; other technical staff may be put two in an office. It is not desirable that the secretaries and typists should share offices with divisional heads or members of the technical staff since this is likely to interfere with their work;
- (c) where an I.L.O. mission is to be attached to the centre, the chief of the mission should be provided with an office to himself with sufficient space and furniture for small meetings. Other members of the mission would normally be expected to share offices with their national counterparts. The attachment of a mission will also necessitate additional secretarial staff including, if necessary, two typists able to work in the language of the experts where this is other than the language used for technical purposes in the country;
- (d) sufficient further accommodation should be allowed to house secretarial and typing staff, the duplicating section, the accountant, the conference organiser, and there should be facilities for the reception and registering of letters, sorting of files and the dispatch of letters and parcels. As the work of the centre becomes greater and more widely known, the handling of correspondence in and out and the packing of parcels of books and leaflets, etc. may become a major job necessitating the formation of a small separate section within the Administrative Division. Provision should also be made for a small room for messengers and drivers, peons and other auxiliary staff.

## 7. EQUIPMENT

The centre would need to be furnished with normal office furniture. Executive desks should be provided for all heads of division and technical staff, librarian, accountant, course organiser and other officers of similar grades, while typing and secretarial staff should be furnished with the best available typists' desks. Provision should be made for adequate storing facilities in the form of filing cabinets for files and other records, and cupboards for stationery. These should be provided with locks, and all confidential records, especially personnel records, should be kept under lock and key. The head of the Administrative Division or the accountant should be provided with a small safe.

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<sup>1</sup> See also I.L.O.: Raising Productivity, Conclusions of Three International Meetings of Experts, Geneva, 1959, pp. 13 and 14.

The library should be provided with adequate shelves for books; adjustable shelves are probably most convenient but may not be readily obtainable. Card indexes recording titles and authors of books will need to be provided from the start. Display stands for technical journals, reference books or new books are an asset, and as time goes on it may be desirable to build special display stands for publications of the centre. At least one large table and a reasonable number of chairs should be provided in the library or in a reading room adjacent to it for visitors from outside.

Equipment of the main lecture room(s) may take two forms: either (1) the provision of a series of tables each capable of seating two people side by side which can be arranged either in a series of desks facing the lecturer, or arranged to form one very large table for discussion or conference purposes, or (2) separate chairs with one arm designed to hold a notebook etc. The first probably gives greater flexibility and less of the atmosphere of the school room. If there is a likelihood of many lectures in a foreign language for which interpretation will be required, the purchase of head-sets and equipment for simultaneous interpretation may be considered, but experience tends to show that consecutive interpretation by an interpreter standing beside the lecturer and interpreting every few sentences is at least as effective and may be less exhausting to the listeners.

#### Teaching Equipment

The charts and diagrams used in lectures can be drawn by an artist-draughtsman attached to the centre or can be subcontracted outside. The diagrams for use with the flannel boards, and indeed the flannel boards themselves, can be made in the centre or arrangements can be made for them. Slides will generally have to be made in the centre.

#### Office Equipment

A photocopying machine, which is not a very expensive item, is invaluable for reproducing documents or particular pages of textbooks which it is desired to distribute or to use for preparing lectures. Small quantities of documents can be reproduced satisfactorily on a spirit duplicating machine, but large quantities required to be done. This type of equipment is expensive, and at almost all times it is possible to have it done outside.

#### Work Study Laboratory and Associated Facilities

As the centre develops it may be considered desirable to set up a small laboratory where experiments in new methods may be made and students on work study courses given some practical work before returning to their undertakings for doing the main practical work of the course. If this is the case there will need to be a small workshop attached which will have woodworking facilities and some facilities for light sheet metal work, including a small power drill and some simple sheet metal working tools. It may be necessary to have a full-time carpenter-general handyman attached.

#### Books and Films

The centre will no doubt wish to build up a small library of films on productivity for repeated showings, but for short periods such films can be obtained on loan from the U.S. Information Service, the British Council, and similar national bodies, which have a very wide selection, particularly those made by the British Productivity Council. The films of the Society for the Advancement of Management, which are designed to train time study practitioners in rating, are extremely useful although not essential; there are other means for training.

A basic library of books will be required, and provision should be made for subscriptions to a certain number of management and technical periodicals. The sum of \$1,000 should provide an adequate basic library for teaching purposes which can be added to as funds become available. The I.L.O. has lists of books forming such libraries which it is willing to provide on request.



## 8. FINANCING A NATIONAL PRODUCTIVITY CENTRE

Financing a national productivity centre always represents a major problem, although the economic return to the country as a whole to be expected from such a centre, if it is really effective, is likely to be many times its annual cost.

In general, a government subsidy will be necessary in the first instance, and the staff may be paid as members of a government department. Experience has shown that this can also be a disadvantage, since the salaries necessary to attract staff (including the Director), of a calibre high enough to do really effective work are likely to be out of line with the salary scales in the government service, and would cause considerable jealousy among civil servants in other departments of the ministry concerned. This is a strong argument for governmental support being in a lump sum paid over to the centre annually, to be used as determined by the Council.

Industry should be expected to support the centre from the beginning. In the first instance "ex gratia" contributions may be sought from larger and more public spirited enterprises, but as the courses and other services of the centre develop - in other words, when the centre begins to be able to offer value for money - regular subscriptions may be introduced. The sum subscribed would vary, perhaps, with the numbers employed by the subscribing company.

Courses should prove one of the main sources of income. Appreciation or publicity courses may, perhaps, be given free in the first stages of development, but fees should be charged for all training courses. It is generally found that quite high fees can be charged for good courses, and industry is much more likely to put the training acquired by their staff to good use if they have had to pay for it than if it has been given free.

A third source of income is the sale of publications, including the centre's periodical, which may be made to pay for itself with advertising revenue if it is well produced. (If it is not well produced, it is better not to run one!)

It is in connection with the financing of the centre in its early days that a very heavy load of work may fall on the shoulders of the director, but in this connection he may reasonably enlist the aid of members of his council to use their personal influence with industry, public and private, to obtain financial and moral support, as well as their active interest as participants and lecturers.

## 9. CONCLUSION

This paper presents an outline for a small productivity centre suitable for a country in the process of industrialisation. The organisational structure suggested would enable it to grow to quite a considerable size without having to be modified. It allows for expansion into the field of specific industries if required.

It should perhaps be said that no productivity centre is likely to succeed unless it has forceful backing from the government at the highest level. In addition, the active support of both employers and the trade unions will be of the greatest importance. It is further important to its success that it should be staffed by men of the best quality available from the Director downwards, and that they should be paid salaries at least comparable to those which they would be capable of earning in industry. If these conditions are not adhered to, then the centre is unlikely to be able to appeal to industrialists, is likely to meet with resistance from the workers, and will certainly attract either second-rate staff or will lose the effective members of its staff to industrial enterprises very quickly.

The productivity centre with the necessary backing is in a position to do immense work for its country and to become a powerful agent for improved productivity and efficiency, not only in industry, but in public administration, agriculture and, indeed, other sectors of the country's life.

**FIGURE I**  
**PRODUCTIVITY CENTRE**  
**A TYPICAL SETUP**  
**FIRST PHASE**

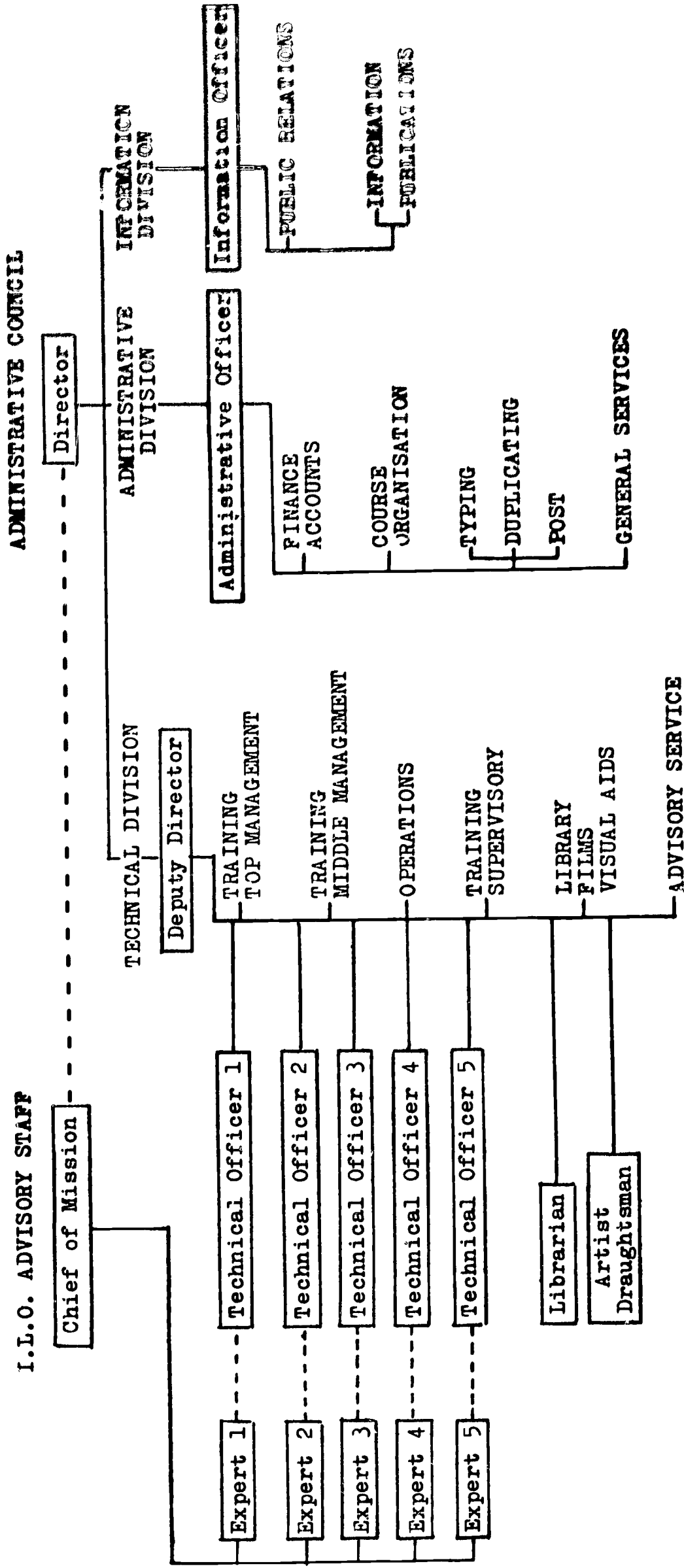
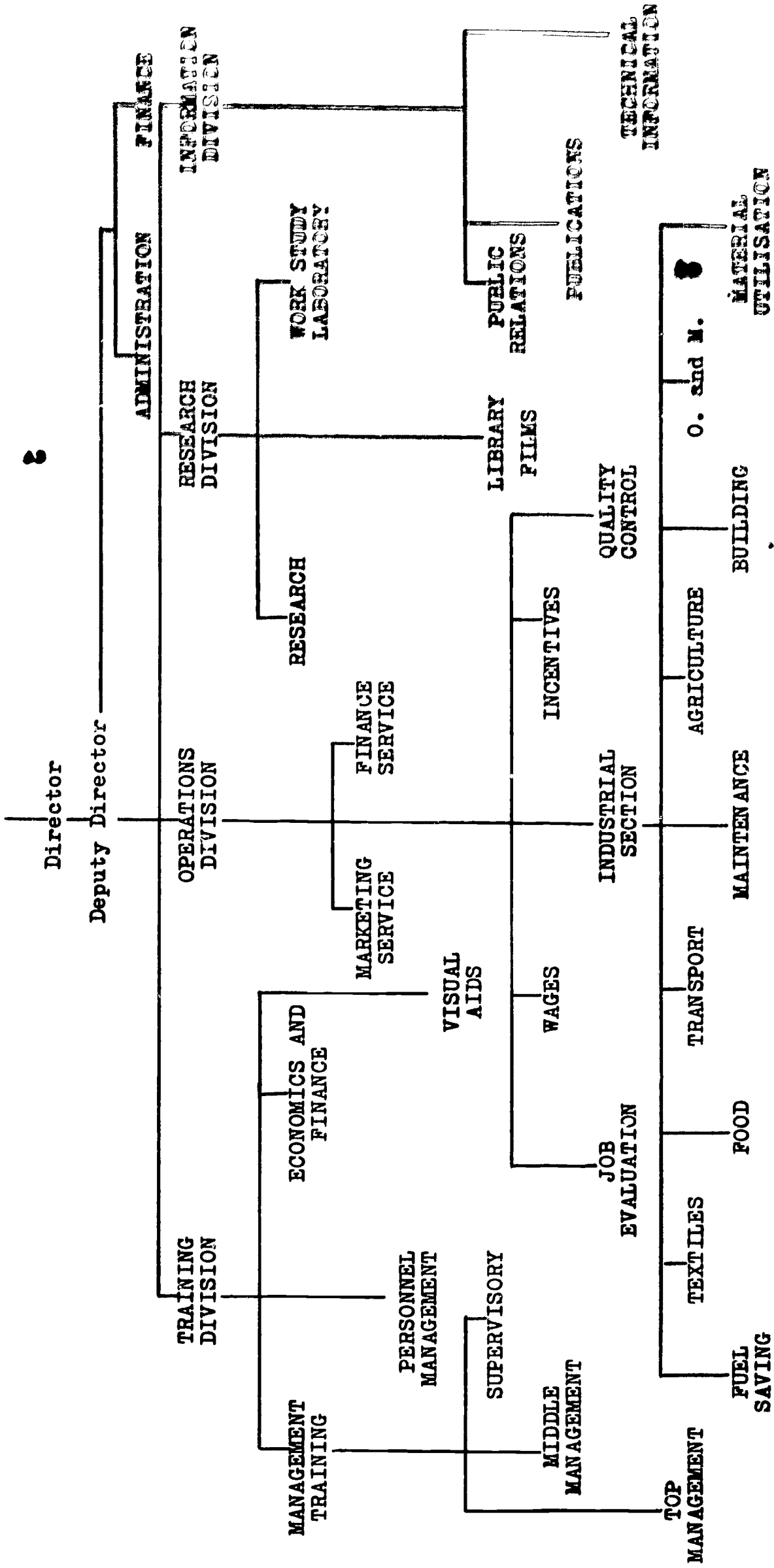


FIGURE II

PRODUCTIVITY CENTRE

A TYPICAL STAGE OF DEVELOPMENT

ADMINISTRATIVE COUNCIL





Other Issues in the Management Development Series

- No. 1 Conclusions and Papers of the Technical Meeting on Productivity and Employment in Public Works in African Countries (Lagos, 10 - 21 December 1963)
- No. 2 Conclusions and Papers of the Regional Seminar on Marketing, Employment and Management Problems of Industrialisation in the Countries of the Near and Middle East and North Africa (Baghdad, 13 September - 3 October 1964)