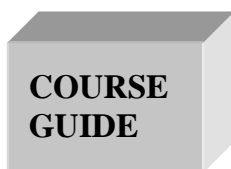# NATIONAL OPEN UNIVERSITY OF NIGERIA

COURSE CODE : MPA775

COURSE TITLE:
THE ROLES OF THE BOARD AND ITS
TRUSTEES/TOTAL QUALITY MANAGEMENT

**COURSE
GUIDE**

**MPA775
THE ROLES OF THE BOARD AND ITS
TRUSTEES/TOTAL QUALITY MANAGEMENT**

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Introduction

Health care organisations operate in an increasingly complex and demanding environment. Their survival is challenged by extensive changes in public policies, funding patterns, technological innovations, labour force characteristics, community attitudes and expectations. A basic function of a board-management partnership is to maintain focus on the institution's mission. Keeping the mission in view and formulating a well-delineated strategy for moving toward providing the entire organisation with a sense of direction. Policies emerge from the mission and vision, in turn guiding choices and organisation wide priorities.

Direct attention to board quality and effectiveness can be a challenging process as most trustees learned their roles simply by watching and listening to other trustees. As new comers, they hesitate to question or criticize what they observed and also come to accept customary practices as normal and beyond questioning. The inherent risk in this is, that new members come to accept long-standing practice patterns and in doing so, perpetuate outdated and out-of-touch board proceedings hence the need for educated, enlightened and experienced board members that are worth their salt to make the indelible prints in the operation of board management.

Working through the Course

To successfully complete this course MPA 775: The Roles of the Board and Its Trustees/Total Quality Management, you are requested to read the study units carefully, read the references/further reading books and any other materials provided for you by the National Open University of Nigeria (NOUN). Each unit also contains Tutor-Marked Assignments that will assist you greatly in your study.

Study Units

Module 1

Unit 1   Introduction
Unit 2   Step toward Change in Organisation
Unit 3   Building Instrumental Competencies
Unit 4   Building Social Competencies
Unit 5   Committee Organisation and Office Staff and Functions

Module 2

Unit 1   Meetings
Unit 2   Information Management
Unit 3   Records Management
Unit 4   Working Conditions, Safety, Welfare and Employees
            Health Services
Unit 5   Promotions, Transfers and Dismissals/Resignations

Module 3

Unit 1   Collective Bargaining in Hospitals
Unit 2   Discipline
Unit 3   Assessment of Performance and Identifying Targets for
            Change
Unit 4   Retreats for Board Development
Unit 5   Setting Goals for Action

Module 4

Unit 1   Examining Three Models of Governance
Unit 2   Sustaining Ongoing Improvement Initiatives
Unit 3   Total Quality Management I
Unit 4   Total Quality Management in Health

Textbooks and References

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Umbdenstock, R. J. (1992). *So, You're on the Hospital Board*, Chicago: American Hospital Publishing. Inc.

Assignment File

The University is expected to provide you assignment file which you should work on and submit to your facilitator for grading through your counselor. But kindly note that your performance in this assignment is crucial to your success in the course as it carries 30% of the total grade. So, this calls for your complete seriousness and commitment. Your not doing the assignment shows that you are not ready to graduate from the university.

Tutor-Marked Assignment

All the units in the course have tutor-marked assignment questions at the end of the units for your benefits. It is compulsory for you to attempt each tutor-marked assignment except otherwise directed by the University but it is essential that you practice the questions in the tutor-marked assignment as parts of the preparation for your final examination in the course. It is advisable that in an attempt to answer the tutor-marked assignments, there is the need to keep to the rules and regulations given by the University. It is also important that you read the course guide well and that you understand every aspect.

Final Examination and Grading

Every student is expected to attend the final examination in this course which is determined by the University. The examination is made up of

70% of the course and then added to the 30% assignment. It is important that for the learners to study all the units religiously as questions can be drawn from any aspect of the course.

The learners are advised to attend the facilitation classes for clarity and then do the tutor-marked assignment properly since all aspects of the course are important to the course evaluation.

Summary

Upon the completion of course MPA775: The Roles of the Board and Its Trustees/Total Quality Management, you will be equipped with relevant knowledge to discharge your responsibilities as hospital administrator effectively and efficiently.

Course Code   MPA775
Course Title   The Roles of Board and Its Trustees/Total Quality Management

Course Team   Dr. Joel Adeleke Afolayan RN (Developer/Writer) - NDC
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MODULE 1

UNIT 1   INTRODUCTION TO THE ROLE OF THE BOARD AND ITS TRUSTEES

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1.0   INTRODUCTION

This unit is exposing you to issues related to Board's effectiveness and their members' responsibilities for the smooth running of the organisation. It is expected that your understanding of these basics will assist you in the overall objective of this course.

2.0   OBJECTIVES

At the end of this unit, you should be able to:

- explain some issues related to Board's effectiveness like team development, partnership development and a focus on mission, linkage and philosophy, governance versus administration
- discuss the basic responsibilities of the Board.

3.0   MAIN CONTENT

3.1   Introduction

Health care organisations operate in an increasingly complex and demanding environment. Their survival is challenged by extensive changes in public policies, funding patterns, technological innovations, labour force characteristics, community attitudes and expectations, and competitor actions. Federal policy changes during the early Reagan years, and the established Diagnosis-Related Groups (DRGs) pushed health care organisations to learn the language of business. This led to a dramatic growth in for-profit health care corporations, which introduced competition with traditional nonprofit organisations ("nonprofits"). Tax code changes, limiting the related services that nonprofits could own, led to the establishment of the wholly owned subsidiary, a new corporate structure for the traditional hospital.

Concurrent with these public policy changes was the growing need among large corporations to control escalating costs for their employees' health benefits. Corporate demands for cost control pressured health care organisations to exercise tighter measures on the expansion and delivery of their services. Boards of nonprofit health care organisations began using strategies borrowed from the business sector – strategies such as mergers, consolidations, acquisitions, shared facilities and closures.

Extensive attention directed to health care services during the 1992 presidential campaign further fueled these changes. The national concern for reform was strong, though it did not result in the broad, single-payer system advocates, pushed for. Growth of health maintenance organisations has accelerated; many formerly nonprofit organisations, such as Blue Cross, have moved to become non-profit corporations.

Changes such as these have placed enormous burdens on nonprofit health care organisations. Responding effectively to these challenges requires every system component – including trustee boards – to operate at maximum strength and productivity. Although health care staff and management have implemented many practice changes geared toward performance betterment, their boards often have not kept pace with improvement efforts. Boards that have taken initiatives provide more effective governance and leadership, thereby guiding their organisations into positions of strength and situating them for future growth.

3.2   Understanding Issues Related to Board Effectiveness

Trustee boards must expedite work in new and different ways to meet the increasingly stringent legal mandates and social imperatives placed on them and the organisations they govern. Many new resources lend support to improvement initiatives; for example, a variety of conferences, such as the New England Healthcare Assembly and the Association of Governing Boards, Consultants and Publications (Bowen 1994, Carver 1991 and Houle 1989) offer guidance on how to improve the quality of board performance.

3.2.1 Team Development

Many resources emphasise the benefits of self-directed work teams and associated skills. Board members, who approach their work with a team mind-set, consistently report the following advantages:

-       Stronger sense of commitment to, and ownership of their final products
-       More frequent interactions with parties beyond boardroom colleagues
-       More informed decision making
-       Higher productivity
-       Deeper satisfaction with their contributions to the organisation

Most importantly, effective teams function as models throughout the organisation. They demonstrate by example how ongoing improvements in work quality can be effected.

Such results do not occur by accident. Meaningful team development takes time to implement, energy to support, and resources to maintain it. Education and orientation are essential prerequisites for effective board service. To build valuable teams, boards must cultivate specific skills:

-       Strategic planning
-       Full grasp of organisation mission and its content
-       Establishment and maintenance of critical linkages with the external community
-       Critical analysis of issues
-       Interpersonal and communication skills

3.2.2 Partnership Development and a Focus on Mission

Boards can help or hinder organisational management. If the governance team and each managing team forge strong and skilled partnerships for carrying out their duties, the organisation can achieve its potential. A

basic function of a board-management partnership is to maintain focus on the institution's mission. Central questions are "What is our purpose?" and "How should we carry it out in the years ahead?"

Keeping the mission in view and formulating a well-delineated strategy for moving toward it provide the entire organisation with a sense of direction. Policies emerge from the mission and vision, in turn guiding choices and organisation-wide priorities. Ultimately, because these choices and priorities become targets for resource allocation, budgets represent system priorities and system values. Identifying criteria for monitoring movement toward goals and applying these criteria to assess performance allow everyone to witness the organisation's (and the board's) resource accountability.

3.2.3 Linkage and Philosophy

Ensuring that the right governance skills and partnerships are in place is crucial to effective leadership. However, almost everyone who has served on a board occasionally has left a meeting wondering why he or she accepted the responsibility in the first place. Problems can seem complex; frustration can run high; meetings are almost palpably over-burdened with issues and distressingly meager in results. Ambiguous connection between problems, board energies, resource allocation and service outcomes often are due to few boards understanding how to educate members and prepare them to carry out their duties effectively. Merely attending meetings and voting on recommendations fall far from realistic requirements in today's health care environment.

Most trustees begin their service with high ideals about their roles and their organisation's purpose, only to become unmoored by conflicting philosophies. For example, while some trustees are content with old practices, others wonder what they can do to help the board dispatch its duties more productively. Their motivation is to add value to the organisation and maximize contributions to the accomplishment of organisation mission. Unfortunately, they do not know how to achieve that goal and, as a result, resort to the more familiar territory of operations management. The result is a philosophical gap that steers board attention away from the tougher questions surrounding the organisation's future.

3.2.4 Governance versus Administration

Direct attention to board quality and effectiveness can be a challenging, if ambiguous, process at the outset. For one thing, the majority of members may accept board practices and customs with little questioning. Also, as already indicated, many boards lapse into focusing

on administrative matters rather than governance issues. Despite advice to avoid trying to micro-manage the organisation, too many boards spend their time and energy second-guessing management decisions. Hard at work on the wrong things, they provide little real governance. Some wonder how, as part-time amateurs, they can be of any real help to full-time executive experts; nevertheless they keep seeking opportunities to contribute "something of value" to the proceedings.

Changing old habits and customs is difficult, but many boards have found a number of useful tools and procedures to assist their initiatives to govern more effectively. Likewise, helpful resources from national associations can further aid these steps.

3.3　Basic Board Responsibilities

Nonprofit hospitals and health care organisations are expressions of a distinctive western tradition, having grown from early charitable and religious refuge for the sick and suffering in our communities. They are driven by the mission to provide treatment for the ill and promote community health. Like other nonprofit organisations, many of the services they provide would be problematic in the for-profit marketplace. For one thing, people frequently distrust a profit motive behind caring for the sick; also, a number of health care program benefits are collective and therefore difficult to evaluate quantitatively. Nevertheless, these organisations must run efficiently while providing optimal service quality.

Further complicating this picture are differences in accountability. Whereas public organisations are accountable to taxpayers and private businesses to shareholders, nonprofits are governed by self-perpetuating trustee boards. The traditional assumption is that these boards represent the interests of their communities and constituencies; in recent years, however, numerous reports claiming neglect of duties have undermined this public trust. Even so, many boards continue to under scrutinise their performance, further jeopardising community trust.

The work of a nonprofit board has been described as carrying out "responsible community ownership" (Umbdenstock, 1992). Like their counterparts in other nonprofit organisations, hospital and health system boards are responsible for several basic functions.

- They select, support, advise and evaluate the CEO and, if necessary, replace this person.
- They review and adopt long-term strategic directions for the organisation and obtain or allocate financial resources to carry them out.

- They ensure that the necessary human and financial resources are available to pursue organisation goals and objectives related to providing essential community services.
- They monitor management's performance and seek to ensure that the organisation operates responsibly and effectively.
- They assume responsibility for selecting new members and establishing an effective system of governance. This includes regular evaluation of board performance and systematic education of members for carrying out their duties (Bowen, 1994).

Most hospital trustees are familiar with the CEO selection process and the nomination and approval process for new board members. These tasks are widely assumed by stakeholders to "belong to" the board rather than any other group. Of course, stakeholders in organizations, (such as the medical staff) attempt to influence trustee decisions, but final word generally rests with the board.

Most boards also review the organisation's strategic directions and ensure that the necessary financial and human resources are in place to carry them out. This review process varies among boards. For example, a Planning Committee and a Finance Committee may be charged with this responsibility. Usually, Planning Committees are involved in decisions to initiate or close services, whereas Finance Committees address capital, operating funds, cash flow and budget issues.

Even though these basic functions are vital to organisational well-being, many boards falter in exercising them. Usually they fail to:

- establish clear and specific organisational directions, relying instead on the administration to choose and implement appropriate goals.
- ensure that the necessary resources are available to carry out those directions.
- clarify board goals, expectations and assessment criteria for executive or organisation-wide performance, resulting in the board's inability to monitor performance or ensure responsible organisational operations.
- be prepared (or willing) to evaluate its own performance or identify ways to increase its value added to the organisation.

A number of symptoms signal when a board may be functioning below levels needed to provide effective governance. To identify these symptoms, each trustee should address at least three core questions:

1.   Does the board routinely accept committee and administrative recommendations, or does it vigorously analyse key issues facing the organisation? Effective boards actively engage in identifying relevant issues facing the organisation, analysing alternative responses and setting priorities for action. Listening passively to weighty reports and voting in foregone conclusions hardly add value to an organisation. Although reports can provide useful background information, trustees can read these outside the boardroom, leaving more time for discussing and analysing unresolved problems, examining alternative directions and identifying and exploring key issues and challenges the organisation faces.

2.   Are boards committees like separate fiefdoms digging into operational matters, or are they closely linked to and clearly based on an agreed-upon strategic plan? Standing committees that only mirror the organisation's administrative structure invite forays into operational details and second-guessing management decisions. To add value to the organisation, the board should design committees around key goals of the strategic plan, rather than following administrative divisions. Each committee or work group should be charged with a cluster of essential tasks needed to carry forward its part of the overall plan. Each group should keep the larger board informed of its actions and involved in problem solving along the way.

3.   Do newcomers sit passively, trying to discern the game rules and expectations of board service, or are they shown clearly and up front where and how their talents are to be directed? Many trustees report that they had to "learn by osmosis" what was expected of them – a practice that leaves newcomers to "figure out" how to participate productively in board work. Effective boards take the initiative to orient new members fully to board expectations, norms, and practices and they provide mentors to help newcomers learn the participation ropes.

New members bring an invaluable resource that many boards neglect. Because they are not immersed in the history and assumptions that other members share, newcomers can question old assumptions and offer ideas about optional approaches to board work. By "standing outside the box", they can introduce fresh perspectives to problem analysis. Integrating new members into the team early on and drawing on their pristine insights can help boards find creative approaches to challenges.

Aside from showing symptoms of underperformance, many boards suffer from uncertainty over how to create and sustain an effective

governance system for their organisation. Trustees who remain unclear about what specific value they add to the organisation cannot demonstrate accountability for their use of resources. Because expectations and performance assessment criteria are ambiguous, it is also unclear what can be done to develop members' skills and strengthen group performance. Individual members may have concerns about the board's effectiveness but are unsure what to do about them.

It is dangerous to allow these obscurities and discontents to go unaddressed. All nonprofit organisations depend on stakeholders' trust and support for survival. When communities had fewer health care provider choices and less information about performance standards or alternative source of care, a health care system could doubt its performance. Those days are gone forever. More consumer awareness of standards and health care choices (including comparison criteria), more demanding expectations, and stepped-up competition among providers leave little room for dissatisfaction or marginal performance. Indicators of health status have not kept pace with the fact that more money is being spent on health care. Reports of incompetent performance, conflicts of interest and excessive compensation further erode public trust. Put simply, consumer loyalty is more difficult to attain and sustain that it is to undermine.

We begin with some approaches that can help trustees initiate discussion about their performance, building on familiar events in the life of any organisation. We also examine tools and techniques boards have used to specify performance aspects that members can work as a team. After exploring procedures for carrying out this work and identifying important executive and board leadership tasks that promote effectiveness and performance improvement, we describe practices of high-performance boards and the ways, aspiring boards can self-assess performance in key governance skills. Finally, we consider strategic approaches to incorporating continuous effectiveness improvement as an element of everyday board work.

4.0   CONCLUSION

There is no doubt, many health care organisation boards, struggle with some challenges, others have addressed them and created very effective governance systems. Their experiences provide ideas and practices presented in subsequent units. Other boards can examine and adapt these practices to their own situations.

5.0   SUMMARY

You have gone through some basics in this unit that will guide you for better understanding of this course. It is hoped that you will enjoy this course and will add to your knowledge in your chosen field of life.

6.0   TUTOR-MARKED ASSIGNMENT

Discuss the relevance of the Board and its trustees in the management of an organisation.

7.0   REFERENCES/FURTHER READING

Bowen, W. G. (1994). *Inside the Boardroom.* New York City: John Wiley and Sons.

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UNIT 2   STEPS TOWARD CHANGE IN ORGANISATION

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1.0   INTRODUCTION

Most trustees learned their roles simply by watching and listening to other trustees. As newcomers, they hesitated to question or criticize what they observed and came to accept customary practices as "normal" and beyond question.

The inherent risk in this approach is that new members come to accept long-standing practice patterns and in doing so, perpetuate outmoded and out-of-touch board proceedings. This consequence, coupled with insufficient information about alternative practices, can deter change initiatives. It is awkward for anyone to step back from business as usual and identify aspects that might be improved – especially if the agenda is already full and the time is limited. Newcomers avoid asking "naïve or foolish" questions, or second-guessing what their more seasoned colleagues seem to take for granted. Furthermore, many are reluctant to question practices or conclusions without being prepared to offer a better alternative. As a result, many trustees are dissatisfied with board performance but at a loss for how to spotlight aspects that need improvement.

Several avenues offer ways for boards to begin strengthening performance levels.

-      Pausing after successful completion of a difficult task or identifying and discussing what led to success.
-      Taking advantage of natural breaks or events in routine business to examine the board's roles leading to the situation and how it might handle such events more effectively in the future.

- Expanding the organisation's accountability obligations and practices to the board.
- Translating members' expressions of discontent with board performance into group commitments for action.
- Responding to leadership initiatives to change and improve aspects of the board's work.

These approaches are not mutually exclusive; a board may use several of them simultaneously. Effective movement through any of these approaches rests on board leaders opening the discussions to the entire membership and supporting group efforts to identify specific targets for change. The following sections examine these avenues more closely.

2.0   OBJECTIVES

At the end of this unit, you should be able to:

- explain how board can examine its performance
- discuss the accountability of the board
- enumerate the changes ahead of the board and its trustees.

3.0   MAIN CONTENT

3.1   Taking Advantage of Natural Events

Certain events or turning points throughout an organisation's life invite opportunity to re-examine the board's role. For example, successful completion of a major campaign, emergence of a problem or challenge, a break in routine, or a situation that interrupts business as usual lends itself to reflection. By examining how the board contributed to successes, problems or missed opportunities, trustees can formulate ways to deal more effectively with similar situations in the future.

Retrospective study also can disclose advantageous (or disadvantageous) actions, steps or skills that led to success or further challenge. Learning from experience – celebrating victories and turning failure into opportunities – stirs trustee awareness of individual and collective performance.

The board also may be challenged by a discovery of changes in another organisation that provides competing services to the public or that gives that organisation access to an important resource (such as patient referrals or awards granted). Expressions of dissatisfaction or confrontations with key constituents (for example, staff unrest or contract disputes with outside organisations) also signal potential opportunities for the board to assess its role in the situation as well as

the administration's role. More extreme occurrences include transition under a new CEO or discovery of a violation of trust – for example, breach of ethics or law (such as embezzlement of funds) by an agent of the organisation. Less extreme breaks include turnover in board leadership or questions about board composition, membership or service.

In addition to addressing consequential issues accompanying these situations, the board should also reflect on contributory issues resulting from its own role in emergence of a problem. Members might make use of discussion questions such as these:

- How did we allow ourselves to get into this situation? What clues did we miss?
- What should we do to prevent such oversights in the future?
- What steps can we take to work together more effectively in the months ahead?

Newcomers can ask questions about practices taken for granted. "Why do we always do this? Why not try that?" Or, "What business should we really be in?" Or, "How should we approach this new market in the light of the organisation's mission?" Changes in availability of services from competitors or concerns about mergers or acquisitions may stimulate discussions of alternative trade-offs between mission and market, leading to further reflection on the board's role in addressing such issues.

Successes and challenges such as these occur in any organisation's experience and invite the board to consider its own actions and contributions to the larger organisation in ways that seem neither forced nor artificial. They offer opportunities to assess how the board performed during the period leading up to this point, how its actions (or inactions) may have contributed to the present situation and how it could change its practices to become more effective in dealing with such matters in the future. In addition to working directly on the problem itself, the board can take advantage of the situation to consider how it might dispatch its role more effectively to add greater value to the organisation.

A number of boards already use executive or board leadership transitions to consider the organisation's recent performance and the future challenges it is likely to face. Discussing these issues can lead to formulation of candidate assessment criteria. They also can help trustees define the board's work for the coming year.

A natural extension of such reflections is evaluation of board performance in recent years and its contributions to successes and problems of the outgoing leader. Often, such discussions reveal ambiguities in performance goals, expectations, or criteria. They may expose divergent perceptions of market or mission that gave mixed signals to the executive and even among trustees. This kind of assessment is vital if the board is to provide stronger leadership and a more effective partnership with the incoming executive.

By directing attention to the board's direct role in situations, trustees and directors can learn what to do (or do differently) to contribute more effectively to future success of new leaders.

Even without a major change in leadership, the board can periodically request the executive to talk candidly about challenges the organisation will face in the coming months and years. Then the group can explore ways to strengthen partnership with the executive so as to prepare for those challenges.

Current trustees can make thoughtful use of newcomers' questions about board practices, assumptions or priorities to reflect on its customary activities and alternatives. For example, they can take advantage of questions about competing priorities (such as market versus mission) or the feasibility of launching a capital campaign as occasions to examine how well the board has dealt with past challenges and how it could change its practices to become more effective in the future. In sum, the board can embrace any substantive turning point or organisational challenges as an opportunity to learn how to improve its own performance.

3.2   Extending Accountability to Include the Board

Many boards periodically review how the organisation and its managers deal with accountability issues. Such questions might arise during reviews of recent financial performance and discussions of proposed annual budgets. These occasions provide another natural avenue for evaluating board performance. Accountability discussions can be expanded to include the board by asking the following questions:

- How does this board add value to the organisation beyond that added by the administration?
- How does the board demonstrate accountability for its use of time and resources?
- What steps can the board take to improve its accountability and communicate that improvement to others?

Every board has a vital governance responsibility to ensure that the organisation is sustaining public trust and goodwill by demonstrating its responsible and efficient use of all resources. It is appropriate for boards to expect the executive to provide information by which trustees can monitor various aspects of organisational performance, finances and outcomes on a regular basis. After all, the board holds administration and staff accountable for their use of organisational resources. The auditor's annual "management letter" also may single out issues for the CEO and board to consider, such as record keeping, changes in standard accounting practices, separating financial matters from medical matters or financial reserves. It is a natural step to broaden these healthy expectations to include the board.

The trustee board can extend its familiar accountability practices by directing attention to the ways it is – or could be – demonstrating accountability for its own actions and resource utilization. Discussions might begin with identifying how and where the board adds value to the organisation, beyond that contributed by administration and staff. Then members can explore ways to use time, skills and other resources more effectively to strengthen the quality of its contributions. After selecting specific targets for improvement, the group can identify criteria for monitoring progress and delineate steps to obtain and use feedback in ways that ensure further improvement.

By engaging in these activities, a board goes beyond merely demanding that others be held accountable; it demonstrates commitment to its own accountability as well. Board actions for modeling accountability are powerful examples to others inside and outside the organisation, delivering the message that trustees take their public trust seriously and are committed to acting on the same principles they expect others to acknowledge. Such examples speak louder than words.

3.3   Channeling Discontent

Another avenue by which attention to board performance may proceed, builds directly upon trustee concerns or dissatisfactions with their board experiences or suggestions for improvement. Concerns may be voiced as complaints about board meetings (for example, members' frustration that their time or skills are being misused, or that the wrong issues are taking up time and attention). Or, certain trustees may comment on incongruity between agenda items and time (or other resources) allotted to them. Other concerns may centre on a particular individual who is blamed for a problem, or on whether the board needs new "stars".

It may be common for disgruntled trustees to complain during breaks or after a meeting closes, yet offer no constructive suggestion for

improving the situation they complained about. Aside from allowing "vent time", covert exchanges do little toward elevating board performance. Some boards have so many change recommendations on the table that members cannot focus on key shared concerns in order to move forward together. None of these ways of voicing discontent is constructive to improvement dialogue.

However they are expressed, complaints or dissatisfactions are telling signals that trustees should take time to direct attention to its practices. Self-assessment questions should not be avoided but welcomed and addressed directly, because they are doorways to valuable changes. Every member should ponder whether he or she is doing as much as possible for the organisation and if there are ways to do better. Then they should be prepared to discuss their concerns with the group and join in a mutual effort to find workable solutions.

If concerns are to advance into action for change, they must move from individual judgement to constructive whole group attention. Placing performance issues and change recommendations squarely on the table for thoughtful group scrutiny circumvents misunderstanding, clarifies resolve and broadens group investment in altering practice patterns in ways that enhance broad effectiveness.

It is essential to encourage dissatisfied trustees to engage in open dialogue so that other colleagues can join in diagnosing issues and searching for appropriate solutions. Rather than allowing blame and splits to fester ("us versus them"), leaders must keep individual member concerns accessible to group consideration. Conflicting views must be heard respectfully and attentively to arrive at consensus on issues diagnosis and prioritization. Only then will questions and concerns be owned by all and the work of creating a stronger board becomes a mutual enterprise.

For example, complaints about length of board meetings or time consuming digressions from agenda deliberations are cues for a board to step back and examine how well it is using its time and energy. Listed below are examples of productive questions that individual trustees have raised:

- Are we working on the most important issues facing this organisation? How should we prioritise those issues and keep our attention focused on them?
- Should more explicit criteria guide how our agenda items are selected and ordered and how our meeting time is used?
- Are charges to out committees sufficiently explicit and clearly linked to our strategic priorities?

- Are questions put before us clear and specific, with major alternative responses set forth?
- Is background information presented to us in sufficient time to be digested and in appropriate form to be readily understood?
- Do all members share a common commitment to the board's expectations, responsibilities and priorities?
- What appropriate steps can we take to improve these aspects of our work?

Conscientious work groups use members' assessment of meetings and procedures as a basis for launching discussions of possible improvement avenues. By bringing performance concerns into full group view, trustees can begin to build shared ownership of issues and mutual commitment to action. This crucial step allows them to come together around common concerns and develop more effective work patterns.

Building on difficult situations and celebrating successful ones, afford opportunities for boards to learn and cultivate broader service capabilities. Skilled managers have long recognised the importance of identifying and rewarding successful performance while changing unsuccessful practices. Boards should adapt this outlook and take the time not only to celebrate successes, but to listen when stakeholders point out shortcomings. Time spent acknowledging a committee or task force for excellent work – perhaps doing so in meeting minutes, reports and public announcements – further promote effective work patterns.

3.4   Creating a Learning Organisation: Leadership Roles

Board leaders, especially the chairperson and the CEO, play essential roles in the movement from individual concern to group responsibility. Often they are the first to hear members' concerns and instead of avoiding them or defending the status quo, should invite their expressions of desire to improve board performance.

Old habits may suggest avoiding discontent, questions or challenges to customary practice, but non-response can exacerbate divisiveness and create win – lose traps. Instead of repressing questions or allowing polarisations to develop, effective leaders solicit members' assessments of meetings and bring concerns to the full group for its attention and response.

Not every complaint will meet with group consensus, but it may be easier for the complainer to take a different stance if all members listen and respond respectfully to the concern. Sometimes, the initial issue or suggestion is reformulated by the group into a broader or more basic concern that all can join in addressing.

In most of the boards we examined, the earliest efforts to draw attention to performance and seek change originated with the executive. No longer content with cynical advice to "keep them in the dark so they'll leave you alone", savvy executives realise that their boards can be their best partners in creating stronger organisations. These executives invest extensive time in assessing group performance and educating members in order to maximise board contributions to the organisation. This seems especially true when major changes loom; for example, whether to join a network, consider a merger, or plan for a capital campaign.

Whether prompted by their own concerns or comments from others, the CEO must be committed to improving board performance and take the initiative to bring such matters up with the full board. Working with the board chairperson, the executive raises performance questions before the group to see if others share the concerns. Together, they raise aspirations about what the board could be achieving and suggest alternative approaches. On issues where there is group interest and shared concern, leaders then help the group sharpen the focus of attention to those aspects, members want to join in changing. The next step is to identify specific actions the group is ready to take. Throughout these processes, leaders raise group expectations and aspirations by initiating questions about group performance, suggesting alternative approaches to dealing with issues and offering new possibilities for improving group effectiveness.

By opening discussion about the board's performance, leaders show it is appropriate to direct attention to the quality of the board's own work and to explore ways to improve it. Thus, they shift concerns from back channels to the forefront of everyone's attention to foster discussions of ways the group can better expedite its work in the future. Leaders provide opportunities for others to join in problem analysis and form a constituency for mutual action in seeking solutions.

Leaders serve a number of other vital functions during such discussions. Rather than avoiding discontent or treating it as an occasion for blame throwing or fault finding, they redirect questions into group responsibilities; model the behaviour of respectful feedback; grasp the opportunity to improve performance quality; and invite others to join in similar efforts. In so doing, leaders confirm that they and the trustees are committed to doing their jobs more effectively, not just avoiding criticisms, blaming others, or settling for familiar ways and business as usual. This encourages dedication to improving the quality of group performance, even at the expense of traditional – and complacent – practices or assumptions.

Effective leaders expect and allow some anxiety over questioning old assumptions and giving up familiar for the unknown. Their persistence in seeking improvements, even when solutions may not yet be apparent, encourages experimentation with new ways of dealing with tasks. Members can be encouraged to try other alternatives without the fear of making mistakes. Leaders recognise and celebrate incremental steps toward goals of improved performance.

Visionary leaders apply Senge's (1994) advice about creating organisations that learn to work better as they move forward. Outstanding orchestras and winning sports teams exemplify groups that take time to reflect on each performance to assess how well they did and what changes might improve future efforts. Reflecting on experiences, identifying areas to change and then implementing the changes are all crucial steps to their success. Boards that follow this model by examining and reflecting on their own performance can learn useful lessons and reveal changes that can turn them into more effective leaders who set the learning curve throughout their organisation.

In conclusion, every organisation encounters numerous situations that not only invite board reflection on its role and contributions in each situation, but also identify opportunities to lead more effectively. Successful conclusion of major projects, changes in external circumstances, leadership transitions, assumption reassessments, accountability issues and trustee expressions of desire to do more for the organisation all serve to extend discussion to viable steps the board might take to improve its own performance. In drawing on "milestone situations", effective boards examine and fine-tune their performance, which establishes them as models throughout their organisation.

We next consider six sets of characteristics demonstrated by strong boards, showing how a trustee board can assess itself in those areas and describing practical steps for strengthening their governance systems.

4.0   CONCLUSION

The boards must afford itself several ways to strengthen their performance level so that the challenges faced can be faced squarely and the goals of the organisation achieved such as examining the roads to success in any programme or project or failure.

5.0   SUMMARY

I do hope you find this unit very interesting and insightful as we have been able to see the responsibilities of the Board. Now let us attempt the following questions:

6.0   TUTOR-MARKED ASSIGNMENT

(1)   List three basic responsibilities of the Board.
(2)   How can the Chief Executive Officer improve Board
       performance?

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UNIT 3   BUILDING INSTRUMENTAL COMPETENCIES

CONTENTS

1.0   INTRODUCTION

This unit will expose the learners to how the Board can be more effective in its daily performance of its tasks. In fact, for high-performance, there are skills the members must acquire which will assist the members in the pursuit of the aims and objectives of the organisation. You will agree with me that the relevance of any board is evaluated by meeting the purpose of the organisation.

2.0   OBJECTIVES

At the end of this unit, you should be able to:

- list the six distinctive skills that characterise Board's performance
- explain the strategic dimension of Board's competence
- discuss the contextual dimension of Board's competence
- identify the analytical dimension of Board's competence.

3.0   MAIN CONTENT

3.1   The Six Distinctive Dimensions of High Performance

"What makes for effective trusteeship?" "Why are some boards more effective than others?" "Can our board become a high-performance team?" These questions should preoccupy all trustees, whether their organisation is riding a wave of success or at the risk of losing accreditation. Being deemed effective during one phase of an organisation's life does not ensure that status at a later phase. However, trusteeship can be learned, strengthened and transmitted from

experienced members to newcomers; we can learn important lessons from boards that have excelled in their performance and maintained their level of effectiveness.

Recent studies of high-performance boards indicate that six distinctive skill sets characterize their performance (Chait, Holland and Taylor, 1993). These skill sets or dimensions of competency include the following:

- **Strategic:** The board focuses most of its attention on issues and priorities that are vital to enhancing the organisation's future.
- **Contextual:** The board's decision making is guided by a clear, shared understanding of the organisation's mission, culture and values.
- **Analytical:** The board examines all sides of issues and engages effectively in problem solving.
- **Political:** The board takes the necessary steps to build and maintain good relationships with all organisation stakeholders.
- **Educational:** The board is well informed about the organisation and about trustee roles and responsibilities.
- **Interpersonal:** The board functions well as a cohesive group and manage conflict appropriately.

These dimensions fall into two broad skill clusters: those that are instrumental or task oriented and those that are social or relational in nature. Instrumental competencies encompass the strategic, contextual and analytical dimensions. Social competencies include the political, educational and interpersonal areas. No single member needs to excel in all six areas, but as a cohesive work group, effective boards intentionally cultivate each area.

In this chapter, we examine the first three skill sets, define how a board can assess its performance in each one and describe practices used by effective health care organisation boards in exercising these skills.

3.2   The Strategic Dimension

Effective boards are strategically competent. They keep a sharp eye on the future, identify trends in the political and social environment and formulate responses that position their organisation for future success. Their active involvement in envisioning and shaping institutional direction ensures a strategic approach to the organisation's future position. Such boards cultivate and concentrate on processes that sharpen priorities and direct attention to a few key matters of symbolic magnitude to the organisation. In effect, strategically attuned boards

anticipate problems, acting before issues become urgent rather than merely putting out today's fires.

Strategic competency enables board members to see how today's decisions move the organisation toward desired future status. Exercising this skill requires that the group learns about emerging trends and changes in public policy, technology and community needs. The board uses this information to identify priorities, formulate goals and set directions for the future. These choices provide the framework for programme development or changes, policies and guidelines for implementation and plans for deploying financial and human resources.

Strategic planning skills enable a board to link its conclusions about the future with its understanding of the present organisational capacities and needs. Opportunities and threats in the external environment must be examined along with strengths and weaknesses within the organisation. Balancing such factors and setting clear priorities in the context of organisation mission are key strategic planning steps. The conclusions of these efforts provide the organisation with a sense of purpose and direction and guide its use of human and financial resources.

The strategic planning process begins with a comprehensive assessment of anticipated trends, with special attention given to emerging issues and projected changes in the external environment. Trustees should examine key directions in specific areas, such as:

* Public policy
* Social and community needs
* Expected changes in health care technology and labour force resources
* Trends in the business environment and among competitors

Many useful resources for carrying out such an assessment are readily available from national health care associations, such as the American Hospital Association.

While expediting a trend assessment, the board should also work closely with management to conduct rigorous internal organisational analyses that identify strengths and limitations in areas as those listed below:

* Training and staff reputation
* Indicators of service quality
* Management structures
* State of technical resources
* Match between services offered and patient needs

- Consumer satisfaction
- Service gaps and unmet needs

All performance indicators in these crucial areas should be identified and monitored regularly by the board.

These two analysis streams – external environment trends and internal strengths and limitations – should yield a picture of area where the organisation might consolidate its strengths and areas where it might expand or specialise to respond to opportunities for better performance. Analyses also may identify organisational aspects requiring change, or activities that could be eliminated so as to redeploy resources. Choices in these areas position the organisation for success in the coming years. More specifically, they guide board efforts to chart the organisation's course as well as staff efforts to implement policy decisions.

Many boards focus attention on day-to-day operations and neglect longer-term perspectives. Members' concerns for improving the quality of existing services and increasing patient satisfaction can become ends in themselves rather than means, a strategy that can ensure more effective organisational performance in the future. In this context, then, quality improvement efforts (such as reengineering) may not sufficiently address essential questions like "What business should this organisation be in?" and "What services should it carry out with optimal quality?" Therefore, questions about facility renovations, for example, can be addressed in terms of costs and feasibility of alternative approaches, or they can be grounded in the essential question of how the activity envisioned in this fits into the overall future plan for the whole institution. In all deliberations, it is imperative that the board remains focused on the future, rather than get fixed only on today's operational details.

One consequence of neglecting strategic planning and analysis may be seen in the experiences of hospitals that rushed into chemical dependency treatment programmes. Rather than carefully examining how drug abuse or alcoholism treatment programmes fit into their organisation's mission and values, certain boards and CEOs saw an opportunity to fill empty beds. Instead of carefully examining community needs, resources and trends, their short-range focus honed in on a new reimbursement stream, leading to the conversion of unused beds (many of them maternity beds) into chemical dependency beds. Unfortunately, they found themselves unprepared for the level of service demands; choruses of disappointment arose when they had to back out of these programmes. The moral is that effective strategic planning on the front end can help circumvent future disaster.

Another application of strategic competence is embodied in board members' complaints that "there just isn't time to get to the important issues". This signals a need for the board to reassess how it uses the precious and scarce resource – its own time and energy. Routine items and lengthy committee reports at the top of the agenda, for example, consume time that could be spent more wisely on targeted questions about the organisation's future.

When difficult but important questions fall at the end of the meeting, when energy is low and attention is shifting toward their next appointment, trustees risk addressing key issues only in a superficial manner. Planning meeting agendas more thoughtfully can result in concentrated attention to crucial organisational matters.

The number and length of formal board meetings may be specified in the by-laws and board rules. It is not unusual for these documents also to outline the order of meeting business. Changing constrictive rules is one step toward freeing a board's energy and creativity. Even without such rule changes, there are many ways to modify meetings to allow time for work on important issues. The consent agenda is one such strategic technique.

In planning the meeting agenda, officers can divide issues into two groups: one composed of routine items that require attention but do not warrant extensive discussion; the other made up of a few key matters requiring fuller discussion and analysis. Routine items (such as approval of the previous meeting's minutes, announcements of future events, dissemination of committee reports and the like) can be clustered into a consent agenda for a single vote. This dispenses with material that otherwise would have invited tangential, time-consuming discussions.

Any member can request that an item be taken off the consent agenda and put on the floor for discussion; most members welcome the additional time for work on the more important matters. Consent agendas succeed only if all members agree to the plan and all are conscientious about reading background material disseminated prior to the meeting. Consent agendas are counterproductive, if members distrust one another or read the material only during the meeting.

Another technique for helping trustees assess their performance in strategic competency is taken from descriptions of the behaviours of high-performance boards (Holland, 1991). After each person rates the board, asks where the board could improve and what work aspects provide possible avenues for improvement, they then compare ratings and improvement ideas to see where shared concerns meet. Often, differences in perceptions of a board come from members seeing aspects

of it that others may have missed. Exploring these views can enrich understanding of the board and yield creative improvement ideas.

When assessing board performance in this dimension, begin with the broad question "How well does this board help envision and shape organisational direction and ensure a strategic approach to its future?" Next, examine how accurately each of the following statements describes your experience with this board.

1. I have attended board meetings where discussion focused on identifying or overcoming specific weaknesses in the organisation.
2. This board is more involved in preparing for the future than in trying to put out today's fires.
3. This board does not delay action until an issue becomes urgent or critical.
4. This board has not evaded responsibility for an important issue facing the organisation.
5. Within the past year, this board has reviewed organisation strategies for attaining its long-term goals.
6. The board discusses events and trends in the larger environment that may present specific opportunities for the organisation.
7. The board sets clear priorities for the organisation to pursue in the coming year.
8. The board makes explicit use of the long-range organisation priorities in dealing with current issues.
9. Our board meetings tend to focus more on preparing for the future than on current concerns.
10. This board often discusses where the organisation should be in five or more years hence.
11. More than half of board time is spent discussing issues of importance to the organisation's long-range future.
12. At least once a year, the board asks the executive to articulate a vision for the organisation's future and strategies for realizing that vision.

In computing your board's score, allow a point for each item you agree with. A total score of 10-12 indicates considerable strength in this competency; 7-9 indicates a mixed picture – some strengths and some weaknesses; 6 or lower suggests that the board needs to give extensive attention to improving performance in this area.

Next, it is useful for trustees to compare their answers and identify alternative views of board performance and possible reasons. Discussing different views can result in valuable insights into a group's level of function. Members who give lower performance ratings may recognise

problems undetected by other members; conversely, higher ratings may indicate performance strengths overlooked by others. By discussing differences in perception, trustees can arrive at new insights about board performance and identify aspects on which there is shared concern for change.

The next step is to determine, as a group, what steps the board might take to improve its strategic competency. Listed here are some ways in which high-performance boards have worked to strengthen their skill in this area.

- Request that the CEO develop an annual Memorandum of Strategy for board review.
- Establish priorities, a detailed annual work plan and meeting agenda schedule for the board and its committees, based on the CEO's memorandum.
- Structure board meetings to concentrate on strategic priorities.
- Prioritise agenda items, listing the most important issues first.
- Invite the CEO to provide an overview of major topics and the linkages among committees' charges.
- Ask the appropriate senior staff officer to provide (prior to meetings) a brief preface to each major policy issue so as to place the issue in a larger context.
- Ask the appropriate senior officers to provide (prior to meetings) key questions for the board to discuss.
- Display prominently the board's priorities and its annual work plan.
- Reserve time at each meeting to discuss whatever is uppermost in the executive's mind.
- Operate with consent agenda.
- Develop an information system to keep the board abreast of movement toward its priorities.
- Monitor how the board spends its time.
- Be sure clinical staff leaders serve on appropriate board committees.

Not all of these practices may be appropriate for your board. They are offered as suggestions; discussing them can lead to identifying other ways to strengthen board strategic competency.

3.3   The Contextual Dimension

Trustees with strong contextual competency are conversant with issues facing the health care organisation and the larger society. They understand and take into account the culture and norms of the

organisation they govern. They intentionally rely on the organisation's mission, values and traditions to guide their decisions. Through trustee's actions, the board exemplifies and reinforces its core values.

Today's actions must be grounded in organisational values, traditions and missions and be aligned with external environmental changes. Trustees who fail to grasp the implications either of the mission and purpose or to external changes can compromise not only board decisions but organisational effectiveness.

Changes in public policies, technology and competitor programmes are pushing provider organisations to adapt quickly in order to survive. Such adaptation may steer an organisation into new markets or service areas, forcing leaders to question whether these new directions are congruent with the organisation's original mission. Effective boards address linkage between markets and mission, building on organisational traditions and values and adapting them to environmental changes.

For example, current public policies and insurance regulations call for fewer inpatient days, which leads to more acutely ill patients on admission. This results from increased emphasis on outpatient and ambulatory care, incentives to reduce hospitalisation rates and better home care. These alternative health care approaches may be consistent with the organisation's basic mission, but they jeopardize financial resources, for they require changes in service patterns as well as revenue sources. Finding ways to draw on the organisation's mission and values while ensuring survival is a complex board challenge that demands hard work and creative thinking.

Trustees can use the following exercise to assess their performance in contextual competency. Similar to the strategic competency skill set, the exercise is taken from descriptions of high-performance boards (Chait, Holland and Taylor, 1993). After each person rates the board, members should compare conclusions and then discuss where their board might improve and which rating suggests avenues for improvement. Compare ratings and improvement ideas to see where the members share concerns.

Begin by asking the broad question "To what extent are our decisions guided by a clear, shared understanding of the organisation's mission, culture and values?" Then examine how accurately each of the following statements describes your experience on this board.

1.   New trustee orientation programmes include a segment about the organisation's history and traditions.

2.   In discussing key issues, it is not unusual for someone on the board to talk about "what this organisation stands for" and how that is related to the matter at hand.

3.   Values are often discussed explicitly at board meetings.

4.   This board has not made a key decision that I believe to be inconsistent with organisation's mission.

5.   I have been present in board meetings where discussions of the organisation's history and mission were key factors in resolving a problem.

6.   It is apparent from trustees' comments that they understand the organisation's mission very well.

7.   The board's own actions are consistent with the organisation's deepest values.

8.   Upon joining the board, new members are provided a detailed explanation of the organisation's mission.

9.   The board reviews the organisation's mission at least once every five years.

10.   One reason I joined this board was a strong belief in the organisation's values.

11.   Our decision making is guided by a clear understanding of our mission, culture and values.

12.   Former board members have participated in special events designed to convey to new members the organisation's history and values.

13.   The board understands the norms of professions within this organisation.

In computing your board's score, add a point for each item you agree with. Again, a score of 10 or more indicates considerable strength in this aspect of performance; 7-9 indicates a mix of strengths and limitations; 6 or lower suggests that this board needs to give careful attention to making improvements in this area. It is useful for members to compare their responses and discuss differing perceptions of the board's performance.

Next, consider steps the board might take to improve its skill in contextual competency. Listed here are some ways in which high-performance boards have sought to strengthen their competency in this area:

•   Include in orientations an explicit introduction to organisational values, norms and traditions.

•   Invite retired staff, board members, administrators and "living legends" to relate the organisation's history.

•   Invite current stall leaders to discuss concepts of shared governance, collegiality and consensus.

- Review the organisation's hallmark characteristics and bedrock values that set it apart from competitors.
- Re-socialise trustees to the board's role and the organisation's values through a brief reading, pledge or anecdote.
- Be aware of actions and decisions as statements of value.
- Attend a joint luncheon or meeting with trustees from another facility.

As noted before, not all of these practices may be right for your board. They are suggestions for consideration. Your discussions of the topic may lead to ideas that work better to improve board performance in this area.

3.4   The Analytic Dimension

The analytical dimension of board performance focuses on group skill in examining the complex issues the board faces. Effective boards recognise complexities and subtleties in issues before the organisation and draw on multiple perspectives when dissecting problems and identifying appropriate responses. Because they recognize that important issues in governance involve ambiguities that rarely yield to perfect solutions, they search widely for relevant information and draw on multiple viewpoints from various constituencies.

No decision is made in a vacuum. All board actions are interrelated – decisions on one issue influence the manner in which the group approaches other issues. To understand underlying linkages across matters before them, effective boards draw on analytical and critical skills to identify "sub issues" and address them directly. Techniques may include one or more of the following: brainstorming, questioning group assumptions and habits, examining alternative approaches to problem solving, exploring possible implications of proposed actions, viewing options from the perspectives of various constituencies and considering the advantages and disadvantages of each alternative.

Possessing analytical skill does not mean that every trustee is an expert in every issue facing the organisation. Nor does it mean that every trustee must be conversant on current tax law, hazardous waste disposal regulations, occupational safety or other intricate topics. However, the board is responsible for ensuring that their deliberations draw on the knowledge of experts in the field relevant to the issue being discussed; this way, members understand the choices before them and the implications of alternative directions. Also, the board exercises strong, critical thinking while examining choices and reaching conclusions.

A key resource for analytical competency lies in the composition of the board itself. Diversity among trustees facilitates bringing multiple

viewpoints to bear on issues before the board. For example, in America, older (50s-70s), white males traditionally have dominated most hospital boards, whereas service recipients have been far more demographically diverse. Board composition should reflect the whole community being served and include individuals who will represent all constituent interests, as well as communicate board concerns and actions back to the service community. To accomplish this objective, trustees should seek balance of age, ethnicity, gender and interests as reflected throughout the organisation. Doing so ensures diversity of views, concerns and skills, which in turn enriches the quality of analysis. Otherwise, a self-perpetuating board will merely clone itself.

Boards should cultivate members' analytical skills. Otherwise, they risk passive acceptance of custom and habit in deliberations (automatically deferring to committee and management recommendations, for example). Members should be encouraged to raise critical questions about proposed solutions, challenge assumptions, brainstorm about alternative approaches to resolving problems, seek creative direction – in general, try innovative ways of addressing issues.

Complacent boards tend to discourage challenges to administration recommendations. These boards allow blind spots to limit their creativity. Only rigorous critical analysis of issues and recommendations can pave the way for more creative solutions that will better serve the organisation.

In examining your board's practices in this area, begin with the broad questions "To what extent does this board recognize complexities and subtleties in the issues it faces?" "Does this board draw on multiple perspectives to dissect complex problems and synthesize appropriate responses?" Then examine how accurately each of the following statements reflects your board's behavior.

1.   The board takes regular steps to stay informed about significant trends in the larger environment that might affect the organisation.
2.   I have attended board meetings where it was evident that subtleties surrounding issues we dealt with were well understood by all members.
3.   Our board explicitly examines the downside or possible pitfalls of an important decision under review.
4.   Many issues our board deals with seem to be interrelated.
5.   Our decisions on one issue tend to influence what we do about other issues that come before us.
6.   We are clear about the key issues this board faces.
7.   When faced with an important issue, the board often brainstorms to generate a list of creative approaches or solutions to a problem.

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8. When issues come before our board, they are framed in such a way that members see the connections between matters at hand and the organisation's overall strategy.

9. When dealing with a complex matter, the board often requests that a decision be postponed until further information can be obtained.

10. Administration's recommendations are subjected to careful questioning during board meetings.

11. The board does not avoid ambiguous and complicated issues.

12. The board takes on policy questions that do not have clear answers.

13. Our board seeks information and advice from leaders of other similar organisations.

To compute your board's score, add a point for each item you agree with. A total score of 10 or more indicates considerable strength in this competency; 7-9 indicates a mixed picture (some strengths, some weaknesses); 6 or lower suggests a need for extensive attention to improving your board's analytical competency. Compare ratings among members and discuss possible reasons for differing perceptions. Are there aspects of this competency that members want to work on as a team?

Next, identify ways to strengthen analytical skills. Some of the tactics that high-performance boards use to develop analytical skills are listed below (not all may be suited to our organisation).

- Foster "cognitive complexity" by using multiple viewpoints to analyse issues and events.

- Seek concrete, even contradictory, information on ambiguous matters.

- Ask a few members to serve as critical evaluators or devil's advocates by pointing out disadvantages of recommendations and worst case scenarios.

- Develop contingency plans.

- Ask members to assume the perspective of key constituencies by role playing.

- Brainstorm, silently or openly.

- Establish goals for revenues, expenses, investments, capital expenditures and other financial items.

- Consult outsiders and persons serving on other boards.

- Use group techniques such as nominal group or Delphi exercises (in which each member offers a suggestion or possible solution before evaluating any of them) to elicit all members' views and decision by consensus on a given issue.

- Reinforce and reward constructive criticism.

- Make sure each trustee/director reads the auditor's "management letter" from the most recent financial statement.
- Learn about the changing roles of health professionals – physicians, nurses, occupational therapists, social workers and others.
- Urge committees to give rationale for their recommendations and options not selected.

4.0   CONCLUSION

Strategic, contextual and analytical skills are vital for effective governance. Any group can examine its own performance in these areas and adapt some of the steps others have taken to strengthen board's effectiveness.

5.0   SUMMARY

In this unit, we looked at the skills for effectiveness of the board, we shall further discuss these skills in the next unit.

6.0   TUTOR-MARKED ASSIGNMENT

Discuss briefly strategic, contextual and analytical skills in the effectiveness of governance of the Board.

7.0   REFERENCES/FURTHER READING

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UNIT 4   BUILDING SOCIAL COMPETENCIES OF THE BOARD AND TRUSTEES

CONTENTS

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1.0   INTRODUCTION

In the last unit, we looked at strategic, contextual and analytical skills as being vital for effective governance of the board, we shall take up another three additional competencies in this unit that are more of social or relational in their emphasis.

2.0   OBJECTIVES

At the end of this unit, you should be able to:

• discuss the political dimension of the board's effectiveness
• explain the relevance of educational attainments of the board and its trustees
• discuss the interpersonal dimension of the board to their effectiveness.

3.0   MAIN CONTENT

3.1   The Social or Relational Competency in Effective Boards

Effective boards complement instrumental skills with competencies that are more social or relational in nature – the political, educational and interpersonal dimensions. Many trustees are more comfortable addressing the instrumental skills than they are in discussing the relational ones mainly because they value accomplishment of tasks over comfortable relationships. Nevertheless, relational skills are vital for effective teamwork because they allow a group to evaluate how well it

exercises responsibilities for clear communication, whether its learning is experiential and how it rates in terms of building team cohesion. In this unit, we review these areas, showing how a board can self-assess performance in each dimension. We also describe some ways effective health care organisation boards practise relational competencies.

3.2   The Political Dimension

A primary board responsibility is to develop and sustain healthy relationships and maintain open, two-way communication with all constituencies – staff, patients, sponsors, donors, suppliers and the community – all of whom have a stake in its success. Trustees must respect the integrity of the governance process and the legitimate roles and interests of stakeholders. When dealing with issues that may affect constituents, they must communicate with them regularly and directly, being certain that their interests are conveyed accurately. Board members should seek problem resolution and decision making without polarization among constituencies, or without win-lose outcomes. Finally, they should cultivate alliances with other community organisations and health care providers.

All of these imperatives rely on political skills, which are essential to effective governance. They enable a board to understand and balance multiple interests of diverse constituencies while arriving at solutions that sustain organisational goodwill toward all stakeholders. Differing or conflicting interests are inevitable, but to remain unaware of, or insensitive to varied interests, can lead a board to decisions that exacerbate friction and dilute loyalty to the organisation. Because board actions affect so many people, clearly delineated processes for open, two-way communication with all interest groups are essential to political competency.

In addition to communication channels with internal staff, suppliers, insurers, donors and sponsors, the board must ensure open access with the external community, whose leaders may have their own perceptions of the hospital, its actions and its problems. Understanding public perceptions, then, is vital to reaching decisions that enable the organisation to serve its community and sustain its trust.

In examining your board's political performance, begin with two questions: "To what extent does this board accept as one of its primary responsibilities the need to develop and maintain healthy relationships among key constituencies?" "How well does it carry out these responsibilities?" Then rate how accurately each of the following statements describes your board:

1. Our board has had or formed ad hoc committees or task forces co-chaired by or composed of a staff member(s) and a board member(s).
2. An annual report on board activities is prepared and distributed publicly.
3. The board communicates its decisions to everyone affected by them.
4. If our board thinks a key constituent group will disagree with a pending action, we investigate their feelings before making a final decision.
5. Specific board members are responsible for maintaining communication channels with specific key community leaders.
6. This board gives as much attention to how it reaches conclusions as it does to what is being decided.
7. I have attended meetings where explicit attention was given to concerns of the community or a population served by the organisation.
8. The board periodically requests and considers information on morale among the organisation's professional staff.
9. Before reaching a decision on important issues, the board usually requests input from persons and groups likely to be affected by that decision.
10. The board is keenly aware of what impact its decisions will have within our service.
11. The administration regularly reports to the board concerns from the organisation's service population.

In computing your board's score, add a point for each statement you agree with. A total score of 9 or more indicates considerable strength in this political competency; 6-8 indicates a mixed picture of strengths and weaknesses; 5 or lower suggests that the board needs to give extensive attention to improving its performance in this area. Compare ratings among board members and discuss possible reasons for differences in views.

Next, identify possible ways to strengthen the board's political skills performance. Suggestions drawn from the practices of high-performance boards are offered below.

- Distribute annually a profile of board members.
- Distribute publicly an annual board report and board agenda.
- Appoint staff and consumers to serve on board committees.
- Invite staff to address the board periodically.
- Monitor relationships and morale within the organisation.
- Keep options open and avoid win-lose situations.

- Remain sensitive to the legitimate roles and responsibilities of stakeholders and to the integrity of the governance process.
- Visit staff on their own turf – a "grand rounds" for trustees.
- Establish multiconstituency task forces

Your discussions of possible approaches to this area may identify more appropriate directions for your board.

3.3 The Educational Dimension

Effective boards ensure that all trustees are well informed about their organisation; the professions represented within it; the board's role(s), responsibilities and performance expectations; and health care trends and changes. Toward this end they carve out opportunities for trustees' education and development; seek feedback on their performance; reflect periodically on their work; assess their strengths and limitations; and examine mistakes or missed opportunities. In short, effective boards are intentional learners.

"Learning organisations" have become widely recognized as environments vital to survival in a world of rapid change (Senge, 1990). Taking time to learn from the group experience and to identify areas for improvement are essential to effective team development. Given the stringent demands on board members' time, trustees must endorse learning climates if their board and organisation are to thrive.

Both internal and external environmental changes affect the learning process. Internally, board membership changes over time and newcomers should learn as much as possible about the organisation, how trends in the external environment affect it and how the board operates. Externally, global shifts (in information technology and labour and population trends, for example) affect how provider organisations deliver health care. Understanding the implications of change in both environments is essential to effective governance.

Board seminars and workshops can keep trustees up-to-date on these crucial areas. Public officials, health care associations and medical societies (on state and local levels) are credible resources for board presentations. An education task force can survey trustees to identify issues or topics they would like to learn more about, work with the administration to identify appropriate speakers and then schedule times for educational sessions.

High-performance boards go even further by actively seeking performance feedback from one another, from senior staff and from outside observers. They take advantage of this information to identify

aspects of their work that need strengthening; reflect on past decisions that proved to be inappropriate (ill-informed or ill-timed); and use feedback on their efforts to fine-tune decisions and adjust their course of action.

An example of several approaches to performing board assessments is offered for purposes of our discussion here. A board might begin self-assessment in educational competency by inviting brief feedback from participants at the conclusion of meetings. It can expand these comments into more systematic evaluations from additional sources. Results can be examined at an annual retreat that focuses on strengths and limitations in the past year and sets improvement goals for the coming year.

Examining your board's educational skills also can begin with a broad question: "To what extent does our board take steps to ensure that members are well informed about the organisation, the professions within it, and the board's roles, responsibilities and performance?" Then assess how well each of the following statements describes your board experience.

1.   I have participated in board discussions about what we should do differently as a result of a mistake the board made or an opportunity it missed.
2.   At least once every two years, our board holds a retreat or special session to examine our performance.
3.   The board periodically sets aside time to learn more about important issues facing organisations similar to the one we govern.
4.   I can recall an occasion when the board acknowledged its responsibility for an ill-advised or ill-timed decision.
5.   Most of our trustees do not depend only on observation and informal discussions to learn about their role and duties.
6.   We make sure that someone serves as mentor to help newcomers learn the ropes.
7.   I have participated in board discussions about how effective the performance is.
8.   I have participated in discussions with new members about trustee roles and responsibilities.
9.   I have participated in board discussions about what we can learn from a mistake we made.
10.   I have received clear feedback on my performance as a board member.
11.   The board allocates organisation funds for member education and development.
12.   Our board has conducted an explicit examination of its roles and responsibilities.

In calculating your board's score, add a point for each statement you agree with. A total score of 10 or more indicates strong board performance in this area; 7-9 suggests a mixed picture of strengths and limitations; 6 or lower suggests that the board should give extensive consideration to making improvements in this area. Next, compare your answers with other trustees to identify areas where there is shared concern and interest for improvement. Then consider some of the ways that other boards have sought to strengthen their educational skills; see if some are adaptable to your board.

- Set aside time at each board meeting for a mini seminar to learn about an important matter or process, or to discuss a selected reading.
- Conduct 24- to 48-hour retreats every year or two for the same purpose and analyze feedback on board performance.
- Ask board members and senior staff to briefly report on the best idea they heard at a recent conference or meeting.
- Meet periodically with "role counterparts" from boards of comparable organisations.
- Rotate committee assignments.
- Review and compare compensation ratios and indicators of organisational performance in the local health care service area.
- Have an annual "pop quiz" about the board and its organisation
- Establish internal feedback mechanisms by requesting comments at the end of each meeting, either by going once around the room or submitting suggestions on an index card.
- Invite comments on board performance from senior staff through a third party.
- Review patient feedback results periodically.
- Discuss selected critical incidents at a retreat.
- Conduct an annual survey of board members on their individual performance and the board's collective performance.
- Expand the role of the Nominating Committee to include monitoring the board's performance and overall health.
- Invite an outsider to observe board meetings and provide feedback.
- Invite regional and national industry representatives to address the board about opportunities and pressures facing health care organisations.

3.4   The Interpersonal Dimension

Boards should nurture development of members as a group, beyond the occasional assembly of talented individuals. Attention should focus specifically on the board's collective well-being and foster a sense of

collegiality and cohesiveness among all participants. Interpersonal skills development enables the board to draw effectively on the talents of every member and to create a team where the whole is more than simply the sum of its parts.

The board – CEO relationship, critical to organisational success, is a linkage that is vital to effective teamwork and therefore must be cultivated conscientiously. Some CEOs, fearing that a strong board will diminish their power, avoid initiatives to strengthen the board. This win-lose approach leads to tension and underperformance of executive and board alike. Although board's involvement in operational matters is inappropriate, its movement in synthesising divergent views into coherent policies and identifying creative alternatives for future growth are critical factors for organisation success.

Some members complain that the CEO does not provide appropriate information in a timely manner that facilitates thoughtful board analysis. Consequently, they feel ill-informed, unprepared to deal with issues and condemned to operational trivia. On the other hand, some CEOs complain that their boards waste time on minor issues, pass inconsistent or useless policies, avoid conflict of interest issues and neglect attending to their own performance. These patterns can be changed through purposeful efforts. The board should identify what it considers relevant governance information (as distinct from management information) and focus on indicators such as changes in patient satisfaction, budget exceptions or trends in utilisation rates.

A number of boards have struggled with the dilemma of whether to make the CEO a voting member of the board. Debate has been extensive and we have seen strong boards on both sides of the issue. A recent report by the Independent Sector (a national association of nonprofit organisations) noted that nonprofit boards are split 50/50 on the matter of full board membership for the CEO. Many CEOs sit on the board in an ex officio capacity, upon termination of their job tenure. This allows the individual to continue as an integral part of the team.

However, potential conflicts of interest can arise for the CEO who is a full member of the board, given that that body is responsible for recruitment, retention, oversight and termination of the CEO. Likewise, a voting CEO risks conflict of interest when issues of compensation and performance appraisal arise. Similar problems may surface in dealing with questions of downsizing, reorganisation or investment decisions.

We recommend that the CEO be an active participant in issues before the board, but only those that do not create a conflict of interest. This is a full portfolio and does not need to be complicated by concerns of

voting or excluding oneself from decisions. Each board must find the practice that fits with its history, values and goals.

A more fundamental concern is the nature of the board-CEO interaction. Once, having hired this person, many boards revert to a passive role, relying on executive initiative in all matters and then watching for mistakes.

Successful boards take the reins in ensuring that they identify the most important issues facing the organisation and obtain the most relevant information to monitor movement on those issues. They cultivate a strong sense of partnership with the executive and with one another instead of acting only as watchdogs. Rather than assuming that the executive carries all burdens of responsibility for the organisation's success, they see themselves as partners in guiding the ship and fine-tuning the course as events unfold. All members share responsibility for concentrating on the most crucial issues facing the organisation in the coming years.

To nurture such partnerships, strong boards take time for members to become well acquainted with one another, both professionally and personally. Social events (dinners and trips) and recognition of individual accomplishments (boardroom or media announcements) are important activities toward this end. Interactions outside the boardroom facilitate members' acquaintances with one another as valuable team members, not just placeholders around the boardroom table. Savvy boards foster inclusiveness, making certain that no one is let out of the loop or ignored during deliberations. Expenditures for such events must be reasonably related to the tax-exempt purposes of the organisation.

Effective governing boards also direct explicit attention to developing leadership skills among members and ensuring that specific individuals are prepared to assume officer roles in the future. They make sure that expectations of membership are clearly understood by everyone and they rely on feedback, professional development plans or growth contracts to nurture leadership skills. Strong boards apply term limitations to provide graceful exits for underperformers or those whose contributions have ended.

Periodic self-assessment provides opportunities for members to decide whether they wish to continue their board service, what steps they want to take in order to strengthen their contributions and what suggestions they offer for overall board improvement. The Committee on Nomination and Board Development can oversee such assessments and apply findings to planning educational sessions (as well as farewell dinners). It can also identify skills to look for in nominees to the board.

Begin assessing your board's performance in this area with the broad question "How well does this board nurture development of its members as a group, attend to the board's collective welfare and foster a sense of cohesiveness?" Then examine how well each of the following statements describes your board experience.

1. I have had conversations with other members of the board regarding common interests we share outside our organisation.
2. Differences of opinion in board decisions are settled more often through further discussion than by vote.
3. I have disagreed openly with other members in board meetings.
4. At our board meetings, there is at least as much dialogue among members as there is between members and administrators.
5. Our board leadership typically goes out of its way to make sure that all members have the same information on important issues.
6. The board has adopted explicit goals for itself, distinct from goals it set for the total organisation.
7. The board cultivates future board leaders, rather than relying on natural emergence of leadership.
8. Seldom do other board members have important information that I lack on key issues.
9. I am able to speak my mind on key issues without fear of being ostracised by other trustees.
10. The board recognises special events in the lives of its members.
11. Our board provides biographical information that helps members get to know one another better.
12. Members attend most of the social events sponsored by our organisation.

In calculating your board's score, add a point for each statement you agree with. A total score of 10 or more indicates considerable strength in this competency; 7-9 suggests a mixed picture of strengths and weaknesses; 6 or lower suggests that the board needs to give extensive attention to improving its interpersonal skill performance.

Next, compare your answers with other board members, discussing reasons for differing perceptions. Then identify aspects of the board's interpersonal relationships on which there is shared concern and interest in change. You may be able to adapt some of the following steps other boards have used to strengthen their performance in this area.

- Organise events that enable board members to become better acquainted with one another socially and personally.
- Produce annually, a notebook with up-to-date biographical sketches of each member.

- Build some "slack time" into the schedule for informal interaction.
- Share information widely and communicate regularly with every member.
- Be sure that everyone understands the unwritten, tacit "rules of the game".
- Have trustees sign a formal conflict of interest statement annually.
- Pair each newcomer with a mentor or coach.
- Establish and publicise annual goals for the board.
- Systematically groom the board's future leaders.
- Develop a "farm system" for identifying, recruiting and cultivating new trustees.
- Use member growth contracts or professional development plans to improve individual performance.
- Be sure each trustee understands the board's by-laws, and rules and regulations.
- Develop an open, comprehensive CEO performance appraisal system.
- Link performance appraisal to goal setting.

4.0 CONCLUSION

Questions for assessing performance in each of the six competency dimensions described so far allow a board to self-examine and identify aspects members want to work on together for improvement. We turn now to other procedures and tools for assessing performance and identifying specific areas that may need attention.

5.0 SUMMARY

I hope you enjoyed your studies in this unit, as we looked at the other three competency dimensions for better performance of the Board and its trustees. Now, let us look at some questions.

6.0 TUTOR-MARKED ASSIGNMENT

(1) Why is the educational attainment of the board and its trustee relevant to their performance?
(2) Human relation of the board members can make or mar its performance. Discuss.

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UNIT 5   COMMITTEE IN AN ORGANISATION AND OFFICE STAFF

CONTENTS

1.0   INTRODUCTION

The previous units have exposed you to major functions of the board and its trustees; we also looked at six characteristics of an effective board. Now we shall look at the board going into various committees and the functions of major staff of the organisation for promptness in meeting the aims and objectives of the organisation.

2.0   OBJECTIVES

At the end of this unit, you should be able to:

- list the importance of committees within an organisation
- discuss how a committee is constituted
- enumerate advantages and disadvantages of a committee in an organisation
- state the types of committees in any organisation
- list the office staff and their functions.

3.0   MAIN CONTENT

3.1   Composition of a Committee

A committee formed in an organisation is a formally constituted group of persons representing many departments and or levels of the organisation. It is usually advisory in nature. It is meant to assist the management team. It provides co-ordination and interaction among employees. Joint decisions made by staff officers who are experts are more adequate and correct than when made by one person.

3.1.1 The Importance of a Committee

1.   It permits organisational members to exchange ideas.
2.   It generates suggestions and recommendations usable for the organisation.
3.   It develops new ideas to be used in solving organisational problems.
4.   It assists in developing policies for the organisation.
5.   It improves the quality of decision making.
6.   The committee members feel protected and feel free to give honest opinions.
7.   It helps participation of workers in an organisation's activities.
8.   It calls for representativeness of members

3.1.2 Organisation or Constitution of Committees

In constituting a committee, the following activities should be carried out:

- define committee's goals clearly in writing
- give terms of reference
- spell out the authority of the committee to investigate, advise or recommend

- determine a good size of the committee
- appoint a capable chairperson
- appoint a secretary for communication
- make meeting requirements available.

3.1.3 Advantages of Committee within an Organisation

1. Several individuals with varying intelligence, experience, skills and abilities jointly make decisions which are better than those of one person.
2. The involvement of many persons encourages teamwork and collective participation which will aid effective implementation of decisions made.
3. Decisions of a committee are better understood and better communicated.
4. Joint decisions mean joint responsibilities devoid of 'buck passing'. No one person can be held for the committee's failure.
5. When compared with board meetings, committee meetings take less time.

3.1.4 Disadvantages of Committee within an Organisation

1. The decision-making process of a group is very slow when compared with that of one person.
2. All the members of a committee may not agree to a decision and this may lead to confusion and conflict.
3. If the committee makes a wrong decision, it will not be possible to hold an individual responsible.
4. The committee is usually advisory. It still has to report to the top management which may or may not accept its recommendations.
5. It can be a waste of resources and time when decisions are not acceptable.
6. Top management may 'hide' behind committee for a worrisome decision.

3.1.5 Types of Committees

Committee may be constituted according to their duration and or functions.

1. **Executive committee.** An example of this is that of a Board of Directors. It has extensive power.
2. **Standing committee** is relatively permanent because it handles reoccurring matters of the company.
3. **Ad hoc committee** handles one task at a time after which it is disbanded.

4.   **Sub-committee** is part of a committee for a specific investigation.
5.   **Joint committee** exists where two or more committees are combined for one purpose.
6.   **Budget committee** handles budgetary matters.
7.   **Task forces** usually temporary, are meant for pressing or urgent problems.
8.   **Labour-management committee** is set up to see to the prevention of conflict or solutions to conflict between management and labour union.
9.   **Workers' committee** is formed by management and employees to handle primary functions of the organisation such as productivity and marketing issues.
10.   **Cost reduction committee** comprises workers at all levels.

3.2   Office Staff and Their Functions

3.2.1 Introduction

The office makes use of what we call the 4Ms which constitute the four major office resources, to wit: Man, Money, Machines and Materials. This aspect deals with the role of different categories of employees in the office. These employees have organisational and personal objectives to achieve.

3.2.2 The Office Manager

The office manager is a non-specialist, but a generalist to some extent. The office manager is given different nomenclatures and his role is equally different because of the complexity of the office and because organisations are different in respect of size, nature of service or product, work force, location and ownership. According to Mills and Standingford (1986), the Office Manager "…may be styled Accountant, Secretary or Chief Clerk or he may even be the General Manager…" Some organisations call him Administrative Officer, Administrative Office Manager, Chief Executive or Administrative Manager.

The service which the office provides to management is not limited to collecting, processing, storing, retrieving and distributing information. The office manager participates in decision making by providing information that is accurate, current and easily accessible.

The office manager should possess a deep knowledge of various motivation concepts which includes good use of communication, appropriate leadership styles and provision of suitable working environment. He is both a public and a human relations officer.

The office manager is expected to possess both technical and human skills. The technical skills will help his ability with regard to policy-making, decision-making, general planning, solving problems, setting and revising objectives. On the other hand, his human skills will show in his ability to motivate human beings in achieving organisational goals.

The office manager is in charge of organisation and methods (O&M). He organizes the office and determines the methods to be employed in carrying out office services. He determines the nature of furniture, machines, equipment and stationery to purchase. He also determines where to place these properties.

He has responsibility to his boss, colleagues and subordinates in respect of allocation of organisational property and achievement of organisational goals.

In conclusion, the office manager performs all clerical duties for the organisation. He performs such management functions of planning (making policies about records management, equipping the office with furniture and machines, communication systems and ensuring that the right employee, for the attainment of the office, is employed), organising (bringing workers and other resources together); leading (motivating and leading workers for attainment of organisational goals) and controlling (ensuring the achievement of the set objectives).

3.2.3 The Personnel Manager

The most important resource in any organisation is the staff. Where an organisation does not have a personnel manager, the office manager is responsible for staffing of the organisation especially if the organisation is a small one.

Betts (1975) listed the following main aspects of the personnel function:

i.   Personnel policy
ii.   Job specification and evaluation
iii.   Job grading
iv.   Salaries, merit rating and financial incentives
v.   Staff association
vi.   Suggestion schemes
vii.   Welfare and safety
viii.   Recruitment and interviewing
ix.   Induction and training
x.   Staff appraisal and records
xi.   Promotions and transfers
xii.   Disciplines

In summarising the above, Betts (1975) pointed out that the personnel function is "…involved with assessing all the jobs, locating suitable staff, providing them with sufficient information, developing them and arranging a safe and attractive working environment". The personnel manager carries out the following functions:

a. He should prepare objective criteria in selecting employees.
b. The personnel manager should be fair and just in dealing with his staff.
c. He should be able to motivate his staff in order to achieve organisational goals.
d. He should compensate them accurately in terms of salaries/wages and incentives.
e. He should provide good working environment (good furniture, fans, air conditioners, good lighting, and ventilation).
f. He should provide available opportunity for advancement and development.

3.2.4 The Secretary

In dealing with the above employee, her qualities and functions shall be treated. The secretary's qualities shall be divided into personal attributes and business attributes. The functions will come last.

According to Hanna et al (1968) a secretary is defined as "An assistant to an executive, possessing mastery of office skills and ability, assumes responsibility without direct supervision, who displays initiative, exercises judgment and makes decisions within the scope of her authority".

3.2.4.1 The Personal Attributes of a Secretary

According to Lauria (1972) the personal attributes of secretaries are: Adaptability, level-headedness, good observer, intuitiveness, flexibility, tact, good listener, a good telephone personality and a good appearance.

The above qualities are briefly explained below.

1. **Adaptability:** Since business organisations are different in many respects a good secretary must be able to work in any organisation by adapting to the situation he finds himself.

2. **Level-headedness:** Do not be hysterical or confused. Learn to be confident and objective. Let your thinking be logical. Be calm and poised always.

3.   **A good observer:** Be a good observer of people and things and you will be a good secretary.

4.   **Intuitiveness:** Intuition is part of everybody. It is the ability to develop one's mind to visualise and sense things. It requires immediate recognition of and sharp insight into things, you should be able to detect errors in your work and point them out to your boss.

5.   **Flexibility:** This is similar to adaptability. Regardless of your experience, you should be able to adjust to new situations.

6.   **Tact:** You need tact in what you do or say, so that you do not offend your boss, co-workers and customers.

7.   **Friendliness:** In order to show friendliness, you should be happy and observe all the codes of office courtesy such as "Good morning", "Good day", "and please"," Thank you".

8.   **Accuracy:** Accuracy means freedom from mistakes or errors. This is an important asset of a secretary in order to produce mail able document.

9.   **Thoroughness:** In order to be thorough, you should be able to pay attention to details. This requires concentration and carefulness.

10.   **Forethoughtfulness:** Forethoughtfulness can save the secretary and her boss from unnecessary embarrassment. The secretary should be able to plan ahead of some future events and to be able to take necessary prior action to forestall its happening.

11.   **Initiative:** A good secretary should not wait for the boss to tell her what to do always. She should be able to take some actions independent of the boss. She should always think of improving herself and her job.

12.   **Self-confidence:** Fear causes tension and affects our emotional stability negatively as well as our self-confidence. You should learn to control your emotions and develop your self-confidence.

13.   **A Good Listener:** Good listening requires conscious effort to hear what is being said. In order to be a good listener, you should learn to pay good attention to the speaker, concentrate on the speaker and do not cause distraction.

14. **A Good Telephone Personality:** Telephone communication requires good voice, pleasant manner and friendly attitude.

15. **Appearance:** The secretary should be neat. Neatness should be seen in her dressing, hair, nails etc.

3.2.4.2   The Business Attributes

Harrison (1979) gave the business attributes of the secretary as secretarial skills; organising skills; efficiency, reliability and responsibility; discretion and initiative; tact and diplomacy and punctuality.

These qualities are briefly explained below.

1. **Secretarial Skills:** A secretary is required to possess good shorthand typewriting skills, secretarial duties and communication skills.

2. **Organizing Skills:** These skills are required in order to achieve organisational objective.

3. **Efficiency, Reliability and Responsibility:** These qualities require the secretary to accept responsibility from her boss without complaint. The routine tasks should be done efficiently.

4. **Discretion and Initiative:** These qualities overlap with the personal qualities. They require the secretary to use her initiative and discretion in doing her job without waiting for the boss.

5. **Tact and Diplomacy:** These qualities require the secretary to handle the visitors or telephone callers with diplomacy. She should be able to communicate with all people and should be able to keep the organisation's secrets.

6. **Punctuality:** A good secretary should be regular and punctual at work.

3.2.4.3   The Secretary's Functions

Hanna et al (1968) gave the following activities of a secretary as contained in The Dictionary of Occupational Titles:

1. Performs general office work in relieving executives and other company officials of minor executive and clerical duties;
2. Taking dictation using shorthand or a stenotype machine;

3. Transcribes dictation or the recorded information or reproduced on a transcribing machine;
4. Makes appointments for the executive and reminds him of them;
5. Interviews people coming into the office, directing to other workers those who do not warrant seeing the executive.
6. Answers and makes telephone calls;
7. Handles personal and important mail, writing routine correspondence on her own initiative;
8. May supervise other clerical workers;
9. May keep personnel records.

The secretary does more than these. She is the memory of her boss, a public relations officer and she is an administrator. When the boss is away from the organisation, she takes decisions on matters to be treated immediately and those to wait for the boss.

Other functions she performs are:

1. She organises and attends meetings.
2. She provides information for the boss by consulting appropriate sources of information.
3. She prepares petty cash book for her imprest account.
4. She ensures prudent use of stationery and other office materials.
5. She may be involved in other activities as the boss may dictate.

3.2.5 The Receptionist

The importance of the receptionist in an organisation cannot be overstressed. Although, not all organisations employ receptionists, the job of a receptionist still has to be performed by somebody.

The receptionist is the first contact person in an organisation. The functions of a receptionist vary from one organisation to another. For example, every hotel must employ a receptionist and her functions will be different from the receptionist in a brewery. An educational institution may or may not employ a receptionist. It will be found that some of the functions of the receptionist may overlap with some of the functions of a secretary.

Azuka (1990) identified four types of receptionists which are telephone-operator receptionist, clerk receptionist, secretary receptionist and the general receptionist. He also classified callers at organisations as regular callers (mostly customers or clients); service callers (mostly technicians or repairers); casual callers (e.g. people on excursion) and enquirers (those who come for a piece of information or another.).

3.2.5.1 The Functions of the Receptionist

1. She controls the switchboard for incoming and outgoing telephone calls.
2. She handles visitors' book.
3. She takes down telephone messages.
4. She handles all mail, parcels and telegrams.
5. She receives visitors and gives answers to some of their enquiries (problem-solving activities).
6. She is a record keeper.
7. She may type.
8. She performs the public relations job because her behaviour towards the first visitor may "make or mar" the integrity of the organisation.

3.2.5.2 Qualities of a Receptionist

1. Smart and pleasant appearance.
2. Good voice.
3. Good knowledge of the organisation in all its ramifications (services, products, structure, names of key persons, etc.).
4. Friendliness, especially when attending to visitors.
5. Good communication skills.
6. Courteous and accommodating.

3.2.6 Public Relations Officer

It is imperative that every organisation should maintain good relations with the general public. This is important in order to achieve goodwill for the sale of its products and services.

Public relations, according to Miller et al (1983) means "the methods and activities employed by an individual, organisation, corporation or institution to promote a favourable relationship with the public.

Although not all organisations employ public relations officer (PRO), they however provide the services.

3.2.6.1 The Functions of a Public Relations Officer

1. He should welcome people to the organisation.
2. He should communicate with people who have one thing or the other to do with the organisation.
3. He should be able to interpret organisational policy, regulations and procedures appropriately.

4.   He should publish newsletter/bulletins for the reading of the general public in order to promote the business of the organisation.
5.   He should find ways of bringing the public and the organisational together occasionally.

3.2.6.2   The Qualities of a Public Relations Officer

1.   He should demonstrate courtesy, tact, diplomacy, cheerfulness and understanding.
2.   He should be a good communicator.
3.   He should be tolerant and accommodating.
4.   He should be honest.
5.   He should possess good academic and professional qualifications.
6.   He should be neat.

4.0   CONCLUSION

An organisation can be likened to a system which comprises of different parts which work together as one body for the attainment of its goals. An organisation has different types of structure such as committees to perform its functions. It also has some workers whose impact will be felt not only by the organisation but also by the general public.

5.0   SUMMARY

We have looked at how an organisation functions in a society in this unit and those personnel whose functions are indispensable in organisations even though the personnel may not be given the designation for such functions because of the organisation's size.

6.0   TUTOR-MARKED ASSIGNMENT

(1)   Enumerate the major office staff in any organisation.
(2)   Discuss the functions of any three mentioned above.

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MODULE 2

Unit 1   Meetings
Unit 2   Information Management
Unit 3   Records Management
Unit 4   Working Conditions, Safety, Welfare and Employees Health Services
Unit 5   Promotions, Transfers and Dismissals/Resignations

UNIT 1   MEETINGS IN THE ORGANISATIONS

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1.0   INTRODUCTION

This unit will start with meetings in the organisation since the organisation is run by collective responsibilities of all, as decision-making is by all for effective management. No doubt this unit will enrich your knowledge of meetings and you can then appraise the previous meetings you had attended, why those meetings were successful or unsuccessful and factors responsible for that.

2.0   OBJECTIVES

At the end of this unit, you should be able to:

- list the types of meeting
- explain why adequate notice of meeting is crucial
- describe how an agenda looks like
- discuss the components of a minute
- state the merits and demerits of meetings
- enumerate the functions of the chairman and secretary of any meeting.

3.0   MAIN CONTENT

3.1   Types of Meeting

Lawton et al (1987) divided meetings into two types, to wit; public meetings and private meetings.

a.   Public meetings are those which can be attended by all members of the public. Political rallies, religious conventions, academic convocations are a few examples of public meetings, which could be held either on public grounds like stadia or specific locations.

b.   Private meetings are those which can only be attended by those who have specific capacity to attend. Examples of private meetings are those of incorporated organisations, academic institutions, clubs, religious organisations, etc.

A private meeting can be further divided into:

i.   Informal and
ii.   Formal meetings.

i.   Informal meetings have flexible procedures. Informal meetings may not require any agenda, minutes, resolution, or motion of any type. An informal meeting may be held to determine when, where and how a formal meeting will be held.

ii.   Formal meetings follow specific procedures. A formal meeting must be conducted according to general rules and regulations governing the conduct of meetings.

3.2   Notice of Meeting

In convening the formal meetings, a written notice, which is jointly prepared by the secretary and the chairman, must be sent to those who should attend the meeting. The notice may also contain the agenda. The notice should contain the name of the organisation which is holding the meeting.

> Company's Name and Address
> A meeting of the Management will be held in the Board Room on Wednesday, August 14, 20- at 5.00 p.m.
>
> August 1, 2008
>
>   Secretary.

OR

> Company's Name and Address.
> A meeting of the Management will be held
> Date………………..
> Venue……………...
> Time……………….
>
> Secretarv.

Notice of Meeting

3.3   Agenda

An agenda may also be presented to members attending the meeting at the meeting. An agenda is a programme or a prioritised list of items to be followed at a meeting. Apart from this agenda, there is the chairman's agenda which is prepared specifically for the use of the chairman only. The chairman's agenda contains special notes under each item as a guide for the conduct of the meeting. A very wide right hand margin is left for the chairman's personal notes.

Company's Name and Address
MANAGEMENT MEETING
to be held at the Board Room on Wednesday, August 14, 20___ at
2.30p.m.
AGENDA
1.   Reading and adoption of the minutes of the meeting held on July
        10, 20--.
2.   Matters arising.
3.   New computers and printers.
4.   General welfare of the staff
5.   Remuneration of Directors.
6.   A. O. B.
7.   Motion for adjournment.
8.   Date of the next meeting.

Agenda for a meeting

Company's Name and Address
MANAGEMENT MEETING
to be held at the Board Room on Wednesday, August 14, 20___ at
2.30p.m.
AGENDA
1.   Reading and adoption of the minutes of the meeting held on July 10,
        20--
2.   Matters arising.
3.   The Chairman to address the house on
        a.   New computers and printers
        b.   General welfare of the staff
        c.   Remuneration of Directors.
4.   A. O .B.
5.   Motion for adjournment.
6.   Date of the next meeting.

Chairman's Agenda

3.4   Minutes

Minutes are taken at formal meetings. Minutes are the official record of
the proceedings or business that took place at a meeting. Minutes should
be brief, accurate, clear, and complete and must be written in past tense.

It is a good practice to give numbers to every five lines in the right-hand
margin of the minutes for easy reference. Minutes must also be given
continuous numbers from the beginning of the year to the end of the
year.

Name of the Company and Address
Minutes of the Management Meeting held at the Company's Board Room on Wednesday, August 14, 20-- at 2.30 p.m.

1.   Present
        _____ (Chairperson)
        _____
        _____
        _____
        _____ (Company Secretary)
2.   In attendance
        _____
        _____
3.   Apology
        _____
        _____
4.   Absent without apology
        _____
        _____
        _____
5.   Prayer
        _____ said the opening prayer before the commencement of the meeting at 3.05 p.m.
6.   Minutes
        The minutes of the last meeting were taken as read. _____ moved the adoption of the minutes which were seconded by _____.
7.   Staffing
        _____ observed that all the staff came late since the beginning of the month till this morning. She condemned this attitude because some customers came earlier than them. It was decided that a circular be sent to the staff with warning that any staff who comes late would be disciplined.

8.   Correspondence
        The staff's request for welfare package was discussed and approval was given by the chairperson.
9.   Adjournment
        _____ moved the adjournment, which was seconded by _____.
10. Closure
        _____ said the closing prayer. The meeting came to an end at 4.20 p.m. The next meeting was fixed for December 24, 20___.

Signature of the Secretary Signature of the Chairperson
Name: _____ Name: _____
Designation: Secretary Designation:
Chairperson
Date of signature. Date of signature.

Minutes of a meeting

3.5 Types of Formal Meetings

These types of meetings are often held by incorporated companies.

1. **Statutory Meeting:** This is a general meeting of a public company limited by shares which must be held not earlier than one month or later than three months from the date the company is expected to commence business. Fourteen days before the meeting, a statutory report by the directors containing, among other things, total number of shares allotted, amount collected on these shares, names and addresses of the directors should be sent to each shareholder.

2. **Annual General Meeting (AGM):** Every incorporated company whether public or private must hold this meeting every year with an interval of not more than 15 months.

3. **Extra-Ordinary General Meeting:** Holders of at least one-tenth of the paid-up capital of the company may ask the directors to convene a meeting for an important and urgent issue. The holders requiring must sign and lodge their request at the company's registered office. They are expected to state the reason for the meeting. If the directors do not comply, the requiring holders can hold the meeting and the directors shall be compelled to pay all the expenses they might have incurred.

4. **Class Meetings:** These are meetings of members holding a certain class of shares in the company.

5. **Directors' Board Meetings:** These are meetings of the Board of Directors for company policy, which cannot be delegated to any committee. The company policy for which the meeting may hold will include:

i. determination of additional capital needed and who to secure it.
ii. acquisition of another company which may require a preliminary meeting at board level.
iii. receiving and taking decisions about reports already submitted.

6.   **Committee Meetings:** The board may constitute committees for routine business matters such as:

i.   transfer of shares (approval or rejection)
ii   allotment of shares
iii.   personnel (appointments, resignations, salary increases up to certain levels).

There are three types of committees, which are Executive, Standing and Ad-hoc.

7.   **Department Meetings:** These are meetings held at departmental level of an organisation.

3.6   Types of Committee

i.   **Executive Committee:** These committees have great powers and authority. They deal with important and delicate issues.
ii.   **Standing Committees:** They are somehow permanent as they are in office to deal with routine matters for fairly long time.
iii.   **Ad-hoc Committees:** These committees are appointed or constituted for specific task only. They are dissolved or disbanded after the task has been completed.
iv.   **Advisory Committees:** These committees can only advise through their recommendations. Such recommendations are however, not binding on the management which constituted it.
v.   **Sub-Committees:** In order to be fast and efficient, a committee may be divided into sub-committees headed by specialists. Recommendations of sub-committees are collated together for report.
vi.   **Joint Committee:** The activities of two or more committees may be co-ordinated for the overall decision of the organisation.

3.7   Validity of Company Meetings

The validity of a meeting is very important to meet legal requirements. There are three major conditions for validity of a meeting.

a.   It must be properly convened. This means that adequate notice must be given to those who should attend except distance makes it impossible. The contents of the notice should include date of the meeting, place, time, the date it was sent and the signature of the sender.
b.   It must be properly constituted. The person convening the meeting must be duly appointed. There should be adequate quorum. A quorum is defined as the minimum number of persons

entitled to be present at a meeting (or their proxies, if permitted) which the regulations require.

c.   The purpose of the meeting must be legal. A valid meeting requires that meeting should be held for a valid issue. The rules and regulations guiding the convening and conduct of the meeting should be adhered to.

3.8   Merits of Meetings

Meetings serve many purposes. Some of the merits derived from calling and attending meetings are:

i.   The executive, who convenes a meeting, has the opportunity of listening and hearing his staff about the organisation. Their comments on the staff themselves, management, clients, products and services will lead to changes, improvement, etc.
ii.   The employees' egos become high, as they feel recognised when participating in decision-making process.
iii. The management, having assessed the contribution of his staff at the meeting, can select committee members among them.
iv.   There is improved communication between management and staff, among staff themselves and between the organisation and clients or customers.
v.   Any decision jointly taken will be understood and implemented easily.
vi.   The management will effect changes for improvement of products or services, human and public relations etc.

3.9   Shortcomings of Meetings

Everything in life has two sides like a coin. There are good and bad sides of life. Having dealt with the merits of meetings, some of the shortcomings are highlighted below:

i.   **Disorderliness:** If a meeting is not properly organised and security is taken for granted at some meetings, the meeting may cause disagreements leading to violence and wanton destruction of lives and property. Meetings can be "hijacked" by hoodlums or touts.
ii.   **Time factor:** Some meetings take very long time with little or no achievement and thus wasting time, energy and money.
iii. **Failure to reach a decision:** Sometimes meetings have to be postponed for lack of decision.
iv.   **Majority/Minority decision:** In some cases, majority decisions which may be wrong are binding on the minority. Due to lack of

consensus on the recommendations, there may be minority or independent report.

v.   Cost: Meetings are expensive in all its ramifications.

3.10   Qualities and Duties of the Chairman

A successful meeting will depend on the effective and efficient conduct of the meeting by the chairman to a large extent. Some of the qualities and duties of the chairman are highlighted below:

i.   Notice: The chairman has to ensure that, the procedures for convening the meeting according to the rules and regulations of the company pertaining to meetings are met.

ii.   Organisation: The chairman should ensure that the secretary organises the place of the meeting, provides stationery, snacks and ensures that there is adequate number of seats and ensures that there is electricity supply for fans or/and air conditioners.

iii.   Leadership: It is not easy to control and manage people. The chairman should ensure that there is quietness for all members to hear those who speak. Members should be encouraged to contribute meaningfully to all discussions and debates. He should be fair in calling on the members to talk. Every member should be recognised and respected and their views too.

iv.   Time management: Punctuality is the soul of business, so says an adage. Time is also money. Time is a scarce resource, which should not be wasted. The chairman should determine who should talk and should be able to stop him/her at the appropriate time.

v.   Money management: Meetings need money. The chairman should ensure prudent spending of the money earmarked for meetings.

vi.   Communication skill: The chairman should have a good command of the language spoken at the meeting. Lack of this will affect the decision and time of the meeting.

vii.   Decision-taking: The chairman should ensure that the meeting is conducted appropriately in order to reach a reasonable conclusion.

viii.   Orderliness/Security: A meeting is said to be orderly and successful if it is devoid of wrangle, unresolved conflicts and

violence. It is better to prevent chaos than solving it. The preparation and the conduct of a meeting will determine its success.

ix.   **Discipline:** Discipline should be maintained at the meeting and this depends on the chairman.

x.   **Sound judgment:** Members should be allowed to participate in debates, discussion, and motion and in taking final decisions. Decisions should be taken devoid of bias or prejudice with regard to sex, religion, colour, tribe or profession. In order to achieve this, the chairman should be a good listener and should respect other people's views.

3.11 The Responsibilities of the Secretary at a Meeting

The secretary's responsibilities at a meeting cannot be overstressed. The secretary has three stages of responsibilities – before the meeting, on the day of the meeting and after the meeting.

a.   **Activities before the meeting include:**

i.   Making sure that the room to be used is available on the date and time of the meeting.
ii.   Preparing the notice and agenda in consultation with the chairman. Make copies of the notice, agenda and minutes of previous meeting for members.
iii.   Ensuring that minutes of previous meeting have been distributed and if they have not been distributed, send them along with the notice and agenda. Send any other document that has to be studied before the meeting well in advance of the meeting, according to the rules and regulations governing the meeting.
iv.   Sending the notice of Annual General Meeting of a company to widely read national dailies for publication.
v.   Applying, in case of a meeting which requires press coverage, to the editors in case of print media and director of programmes of radio and televisions in case of electronic media.
vi.   Preparing folders in which you will place documents required by the participants.
vii.   Preparing name cards to be placed on the table in front of the members for ease of identification.

b.   **Activities on the day of the Meeting**

i.   Ensuring that the accommodation and furniture are dusted.
ii.   Switching on the A/C or and fans and the light.

iii.   Putting on a copy of the minutes of the previous meeting in the minute book for the chairman's signature.
iv.   Arranging papers in the order they will be required at the meeting.
v.   If there is a page in the file of your boss that is referred to in the agenda, flagging or tabbing such a page with a paper or a small piece of cardboard.
vi.   Providing sufficient stationery items.
vii.   Placing the name cards on the tables to let participants know where to sit.
viii.   Making the attendance book available and ensure that it is signed by members present.
ix.   Providing glasses, water and snacks.
x.   Placing a notice at conspicuous place for the location of the venue of the meeting.
xi.   A courteous gesture of ushering the participants into the boardroom is a sign of goodwill and public relations.
xii.   Minutes should be taken accordingly.
xiii.   Motions and amendments should be recorded verbatim.
xiv.   The secretary should note any action, which is to be taken by the participants in the right-hand margin by placing the name against the action recorded in the minutes.

c.   After the Meeting

i.   Draft the minutes and give to the chairman to edit and approve for typing.
ii.   Make appropriate number of copies to be circulated to those who attended and those who did not attend but qualified to attend.
iii.   Put a copy of the minutes in the Minutes Book.
iv.   Remind the boss of the action expected to be taken by him on an issue.

3.12 Meeting Terms

Addressing the chair: Address the chairperson first or speak through the chairperson.

Adjournment: This term refers to the need to continue a meeting at another time in order to finish the agenda of the meeting. Adjournment sine die means that there is no agreed date for the continuation of the meeting.

Agenda: List of the items to be discussed at a meeting.

Amendment: A proposal to revise an already submitted motion.

Ballot: A method used for secret voting.

Casting vote: The 'second vote' allowed the chairperson when there is equal number of votes.

Clear days: The number of days between the day of service of the notice and the day of the meeting. The 'clear days' must be exclusive of these two days.

Co-opted member: An individual who is invited to join a committee because of his specialised knowledge or experience.

Defamation: Any written or verbal statement, picture, etc. meant to ridicule a person in the public.

Ex-officio: A person who either by virtue of his past position in a society or his position according to the organisational policy is required to attend a meeting.

Form of proxy: A written document which permits a holder to attend and vote at a meeting.

In camera: Takes place in private excluding the public.

Intra vires: Within the power of the person or body.

Lie on the table: The agreement that there should not be any action on an issue without any reason.

Locus standi: This is the lawful or recognised right of a person to appear and to be heard.

Minutes: A written record of the activities at a meeting.

Motion: A proposal put before a meeting for discussion and decision.

Mutatis mutandis: With the necessary alterations.

Nem. con.: Means that no one is speaking against a motion or proposal without contradiction.

Open voting: No secrecy in voting as by show of hands.

Opposer: A person who opposes a motion.

Point of order: At a meeting a person may raise his hand and interrupt the meeting by saying 'point of order' when there is an irregularity in

the proceedings to which he wants to call the attention of the chairman and the house.

Postponement: Used to defer a meeting to a later date.

Prima facie: Highly probable on the face of it.

Proxy: May refer to a person or a document which permits one to attend and vote at a meeting.

Quorum: The minimum number of persons to attend a meeting in order to make the meeting valid.

Resolution: While a motion is a proposal, resolution is the acceptance of the motion. It is a decision made and passed at a meeting.

Rider: It is an addition of a relative fact or theory to a motion. It is a material fact and usually in form of recommendation. It is not an amendment to a motion. A rider may be out before or after a motion has been put to vote.

Right of reply: This is the right of a proposer to speak after a motion has been passed.

Seconder: He is the person who supports a motion or proposal at a meeting.

Sine die: Without an appointed day. A meeting which is adjourned sine die is adjourned indefinitely. A fresh notice has to be served to reconvene the meeting.

Status quo: To permit the existing state of affairs to remain.

Sub-committee: It is appointed by the parent committee to perform a particular purpose.

Substantive motion: This is an approved revised motion. When the original motion has been amended and the amendment has been approved by the meeting, a substantive motion is brought.

Ultra vires: Beyond the legal power or authority of the body.

Unan: Unanimously.

Unanimous: Everyone in favour.

Una voice: With one voice or unanimously.

Vice versa: The reverse.

4.0   CONCLUSION

Minutes are records of what takes place at a meeting. Minutes of a meeting should be clear and complete. Meetings have both advantages and disadvantages. A meeting can lead to taking good decision for the improvement of the organisation but when a meeting ends with violence, it can draw back the progress of the organisation. The chairman and the secretary have important roles for a successful meeting.

5.0   SUMMARY

I do hope you have acquired more knowledge in this unit. It is very important to have a firm grasp of what, how, when, who and where of meeting so that the organisation's meetings can be effective and result-oriented. With this understanding, let us go into some questions.

6.0   TUTOR-MARKED ASSIGNMENT

(1)   What is the relevance of meetings to the attainment of organisational objectives?
(2)   Informal meeting is important in any organisation. Discuss.

7.0   REFERENCES/FURTHER READING

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UNIT 2   INFORMATION MANAGEMENT IN THE ORGANISATION

CONTENTS

1.0   Introduction
2.0   Objectives
3.0   Main Content
    3.1   Definition of Information
    3.2   Characteristics of Information
    3.3   Why do we need to Manage Information?
    3.4   Sources of Information
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    3.9   Information Technology (IT)
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1.0   INTRODUCTION

Information is one of the intangible resources of an organisation. The importance of information in an organisation can not be over-emphasised because it is indispensable. No matter the nature of the organisation, information is needed. Its indispensability or importance warrants its effective and efficient management. Information is also very costly and can be very scarce. Information is derived from data. When data is subjected to quantitative analysis through compiling and manipulating, qualitative information is derived. This is used for decision making.

2.0   OBJECTIVES

At the end of this unit, you should be able to:

- define information
- state the characteristics of information
- discuss why we need to manage information
- state what Management Information System is
- describe the components of Information Technology.

3.0   MAIN CONTENT

3.1   Definition of Information

Information, like many other words, has many and varied meanings. Webster New World Dictionary (1980) defined information as "knowledge acquired in any manner, facts, data, learning, lore". Nwankwo (1985) said that information can

> "…mean interrelated or structured data, including collection, storage, processing and dissemination of news, data … facts, messages, opinions and comments required in order to react knowledgeably as well as to be in a position to take appropriate decisions".

3.2   Characteristics of Information

Sander (1983) pointed out that information has attributes of a physical resource like such resources as manpower, money and materials. He said that information:

1.   has value like money, raw materials or manpower.
2.   is measurable in terms of use, life and effects on other resources.
3.   can be valued in terms of collecting, sorting, retrieving.
4.   can be budgeted and controlled.
5.   can be related in terms of cost, use and value to management objectives.

3.3   Why Do We Need to Manage Information?

Sometimes ago, a state government in Nigeria sent a circular to her employees about the need to manage information. In the circular, the government expressed some worries and disappointments about the leakage of confidential and secret information contained in staff files. By information management, we mean an act of planning, organising, storing, retrieving, controlling data in an efficient way. We have information either verbally, in writing or on computer storage devices e.g. diskettes in large quantity. But what is important is to get the information processed so that it can be qualitative, appropriate, accurate, timely, concise, adequate or complete and inexpensive. Information must be managed in order to make it usable or relevant, understandable, clear, as frequently as possible, and provided in a suitable form. Unless information is managed, the manager may acquire and store unnecessary information and thus wasting his resources (efforts, time, money etc.). Information has to be managed so that required information is available when needed at the right time and place.

Another reason for information management by managers is because organisations are growing at an alarming rate, volume of the information received is very large, the information is received in many and varied forms, information is also sent out in different forms and above all organisations have become very complex and complicated.

There are different levels in organisations. In these organisations we have generalist and specialist managers. We also have top and middle level managers. Information required at the different levels may not be the same. The top level managers are the policy makers. They make long-range strategic decisions and therefore the information they will need will be different from the information needed by middle-level managers who are responsible for tactical decisions and for implementing the decisions of the top-level managers. The lower-level managers who are responsible for day to day operational decisions of the organisation will have different information from the top level and middle level managers.

Because of competitions in businesses the need to have accurate, timely, complete and concise information is essential.

3.4   Sources of Information

There are two major sources of information. They are internal and external.

3.4.1 Internal Sources of Information

These internal information come within the organisation. These information may be obtained from written reports of committees, minutes of meetings, catalogues, sales records, receipts, invoices, trading and profit and loss accounts, balance sheets, computers, mail registers, application forms, employment data forms, tax cards, salaries and wages vouchers or sheets, production records, personnel records, log books, diaries, etc.

3.4.2 External Sources of Information

These external sources of information include sources of information outside the organisation. These sources include the following: research organisations, banks, insurance and other financial institutions, trade unions, professional organisations, chambers of commerce, gazettes, journals, dailies, libraries, constitution, etc.

3.5   Types of Information within an Organisation

Information are contained in documents. Both the documents and their contents are classified as general or open, confidential, secret, top secret, restricted and urgent.

1.   **General or Open Information:** These pieces of information are contained in documents filed in general office or an open registry. As the title indicates, all the workers in the office, where these files are kept, can have access to them. However, they do not have any moral justification to disclose the contents of the documents to people outside the office without authority to do so.

2.   **Confidential Information:** There is usually confidential registry in some organisations where information about workers should remain confidential. For example, students' results, patient's illness, Annual Performance Evaluation Report (APER) forms and some disciplinary measures against staff are confidential matters which should not be divulged to anybody. Only specially trained workers are allowed to handle these documents. Any officer who leaks these pieces of information will not go unpunished.

3.   **Secret Information:** These information are very sensitive to the organisation rather than to the workers. They touch on policies, white papers, business strategies and very important decisions of the organisations. Only top level managers and very senior civil servants are allowed to have access to this type of information. Some organisations have 'secret registry' where the documents containing these information are kept. Especially trained workers are put in charge of these documents.

4.   **Top Secret Information:** These pieces of information are so important to the organisation that only the Directors of the organisation can handle and have access to them. The leakage of these pieces of information can destroy the organisation or government permanently.

5.   **Restricted Information:** These pieces of information can only be discussed in a designated office. The information should not be for public consumption. They should not be discussed at home, market place, etc. although they are kept in the general or open office.

6.   **Urgent Information:** Some pieces of information may be classified as urgent because any procrastination in their

implementation may be disastrous or very expensive. For example, a piece of information about the time a flight is to begin or about the life of a person should be regarded as urgent.

3.6 Communication or Flow of Information

In order to justify the amount of money expended on processing data (input) before obtaining information (output) the information must be communicated to those who need them.

Information may be disseminated or transmitted vertically or horizontally. The top level manager may pass information downwards in form of delegation, instruction or query. The subordinate communicates upward by replying to query, giving reports and providing suggestions.

There are two communication systems: one-way system and two-way system (which requires a feedback is better). Information flow or communication of information may be adversely affected by noise or lack of concentration. Noise, which is defined as "all influences which reduce accuracy", can occur at the stage when information is collected, communicated, received and interpreted. One practical case of how information can be distorted is presented below and I wish it is practised with a group. There was a class of 30 students. A phrase was whispered into the ear of one student in the front of the class. This student passed the phrase to the next student. This continued to the last student at the back of the class. When the last student was asked to write down what he was told, completely wrong information was produced. This finding also shows the disadvantage of oral communication.

3.7 Management Information System (MIS)

In order to manage information efficiently, a system has to be adopted. Because information differs from organisation to organisation there are therefore many and varied systems.

A system is defined in many ways. It is defined as a set or arrangement of things so related or connected as to form a unity or an organic whole. It is also defined as a set of facts, principles, rules classified or arranged in a regular, orderly form so as to show a logical plan linking the various parts. Another definition is that it is an established way of doing something, method or procedure, (Webster's New World Dictionary 1980).

Certo (1980) defined a system as a "number of interdependent parts functioning as a whole for some purpose".

There are two types of system: closed and open systems. A closed system is one that does not interact with its environment. A clock is a good example of a closed system because regardless of its environment it will continue to function; worse weather or climate cannot affect the working of a clock. An open system interacts with its environment constantly. This constant interaction with the environment determines its existence and its failure. An organisation can be regarded as an open system.

The management system is composed of organisational input, organisational process and organisational output, which interact interdependently to achieve one purpose e.g. profit.

The management system is an open one because it interacts with its environment. Information system involves the capture, transmission, processing, storage, communication and retrieval of data, message or symbols which interact interdependently to achieve an objective.

Management information system therefore can be defined as a method of processing data efficiently so that the information received can be used for decision making necessary for the organisation to attain its objective.

Sander (1983) defined management information system (MIS) as

> "a network of computer-based data processing procedures developed in an organisation and integrated as necessary with manual and other procedures for the purpose of providing timely and effective information to support decision making and other necessary management function".

3.8   Computer and Management Information System

A computer is used to generate information for organisations because of its advantages. A computer in generating information performs five functions which are: Input function, storage function, processing function, control function and output function. The output function is concerned with bringing out the results of the processing system from the computer for use in decision making.

3.9   Information Technology (IT)

The Oxford Dictionary of Business (2002) defined Information Technology (IT) as "The use of computers and other electronic means to process and distribute information".

Having looked at the traditional management of information in terms of equipment, stationery and personnel activities (filing, retrieval, etc.) we can now look at the Information Technology with regard to information management. Computer is used in modern offices to generate and process information for the organisation's decisions.

Gone were the days of adding and listing machines for calculation. Computer and electronic calculators are now used. Computer can be used for business. For example, we can use computer to buy and pay for goods and services through networks of connected computers. There are in modern business such terms as electronic transfer of funds, e-commerce or telecommerce, e-banking or telebanking and teleshopping. We all know that you can cash money anywhere in Nigeria from many commercial banks without banking with them.

Onifade (2001, p. 327) defined computer as "an electronic machine which receives and processes data in order to produce usable information required for decision making". The Oxford Dictionary of Business (2002) states that a computer is "an electronic tool that manipulates data in accordance with a predefined sequence of instructions". A computer can store, retrieve, edit and merge data or information.
The properties, ingredients or characteristics of good information are accuracy, timeliness, completeness, conciseness, cost-effectiveness, frequency and relevance.

I want to assume that we have all seen a computer. A computer has four major components such as the Central Processing Unit (CPU), Software, Monitor and Keyboard. The details of their working are beyond the scope of this unit. We can use the following soft wares for graphics, drawing and electronic messages: Windows, Page Maker, Corel Draw, MSDOS, Microsoft Pages and Network Systems e.g. Internet.

The Auxiliary Storage Device

The storage devices which computers use, their advantages and disadvantages are:

Diskettes

The Diskettes that are available today are 3 ½" diskettes and have capacity of 1.44MB (Megabytes) recall that is approximately 1000 Bytes=1KB and approximately 1000KB-1MB.

A diskette is inserted into the floppy drive of a system unit and therefore requires a floppy drive to function.

Advantages

1. Virtually all computers have floppy drives and that means diskettes can be used anywhere.
2. They are very cheap.

Disadvantages

1. It has low capacity.
2. It is unreliable – gets damaged easily.

Compact Disk (CD)

CDs usually have capacities between 250MB and 750MB. The CD is inserted into a CD drive in the system unit. All CD drives can read CDs but only CD Writer drives can write information into Writable and Rewritable CDs.

Writable CDs-you can only write into them but cannot erase or modify their contents.

Rewritable CDs-you can write, erase and modify their content/information.

Advantages

1. It has large storage capacity and can therefore contain large documents and programs.
2. It is reliable as it can last very long.

Disadvantages

1. Not all computers have CD drives and even many computers that have CD drives do not have CD Writers. So, you cannot readily use this storage accessory anywhere.
2. External CD Drives which can be carried about is expensive and big/heavy/not portable.

Popular Zips today can have capacity of 100MB or 250MB. They require a Zip drive to work.

Advantages

1. It has large capacity.
2. The External Zip drive is quite small.

Disadvantages

1.   Zip drives are not yet very popular.
2.   100MB Zip drive cannot work with 250MB Zip.

USB Flash Disk

This can have 64MB, 128MB and 256MB capacities. It requires a USB port at the back of the system unit to function.

Advantages

1.   It is very small and portable and does not require the use of a drive.
2.   Its capacity is large.

Disadvantages

1.   It is fragile.
2.   Old systems do not have USB ports.

Magnetic Tapes

This is one of the oldest backing storage devices. They are fast input and output media used as backing store devices.

It can record up to 10,000 employees' records. It can have between seven or nine tracks. In the way magnetic tape records sound on a standard tape recorder, it can equally record data.

Advantages

1.   It is a fast medium of storing data.
2.   Alterations can be made on it.
3.   You can update data on it.

Disadvantages

1.   It is a serial processing device which means that in order to make an alteration you have to make a new type and you have to read through the whole tape.
2.   It is old.

Magnetic Discs

Magnetic discs can be likened to gramophone records because information on magnetic discs is recorded on tracks.

Advantages

1.   Unlike magnetic tape, information does not have to be read sequentially. You can access any record randomly and directly.
2.   It is easy to access a disc from a cabinet because you can easily label a disc.

Disadvantages

1.   It is old
2.   The capacity is small compared with modern devices.

The Computer and Filing System

There are four files which can be employed in the computer. They are storage, reference, back-up and archive files.

1.   Storage files are used to store data on a daily basis. They can be used to create, update and maintain data and information.
2.   Reference files are used to provide information which may be used for the processing of storage files.
3.   Back-up files can use any of the auxiliary storage devices to store data or information as a means of protecting data information in case of any loss, damage or destruction of the original storage device of the information.
4.   Archive files are kept to comply with legal or government regulations. They are to protect data that should not be destroyed.

4.0   CONCLUSION

Information is an intangible resource. It is a processed data. Information is very valuable for organisational decisions. Information has been classified according to its importance.

5.0   SUMMARY

In this unit, we have looked at what information is, the characteristics of information, the need to manage information, sources of information, types of information within an organisation, management information system and information technology, all combine to form coherent

understanding of the topic. Now you can answer the following questions.

6.0   TUTOR-MARKED ASSIGNMENT

(1)   The importance of information in an organisation cannot be overstressed. Discuss.
(2)   Explain the different characteristics of information.

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UNIT 3   RECORDS MANAGEMENT IN AN ORGANISATION

CONTENTS

1.0   INTRODUCTION

This unit will expose the learners to various records maintained by the organisation for effective discharge of responsibilities and for future reference. Any organisation that is deficient of record keeping will not be able to preserve knowledge or events as evidence or testimony. What

is placed in your hands as a course of study is an evidence of records management.

2.0   OBJECTIVES

At the end of this unit, you should be able to:

- define a record
- list the forms of records
- state why staff record is necessary in an establishment
- enumerate the objectives of records management
- discuss the importance of filing
- explain what filing system is.

3.0   MAIN CONTENT

3.1   Definition of a Record

The American Heritage Dictionary (1980) defined record as "an account, as of information or facts, set down in writing as a means of preserving knowledge", or "an information or data on a particular subject collected and preserved", or "an account officially written and preserved as evidence or testimony".

We can have records pertaining to (1) organisation's personnel (age, place of birth, nationality; date of first appointment, retirement, dismissal, promotion, transfer; applications and employments, qualifications, experience, next-of-kin, etc.), (2) Sales, (3) Purchases, (4) Profit or Loss, (5) Salaries and Wages, (6) Stocks, (7) Assets and Liabilities, (8) Directors and Management; (9) Capital (shares, bank balance, cash), (10) Certificates of Incorporation, (11) Memorandum of Association, (12) Articles of Association, (13) Business Documents (receipts, invoices, cheques, bills of exchange, etc.), (14) Minutes of Meetings, (15) Insurance, (16) Auditor's Reports, and (17) Government Regulations of Companies.

3.2   Staff Records

Organisations keep records about their staff and inventory. Staff records constitute part of personnel management in an organisation. In order to manage personnel effectively, we should keep their records in terms of personal records (date and place of birth, age, address: postal and permanent, marital status: married or single, medical records, male or female, nationality, next-of-kin, number of children and their ages); educational records (qualifications, schools attended, dates of

certification, awards, scholarships); professional/career records (date of first appointment, years of experience on the job, training received, seminars and workshops attended, dates of promotion, dismissal, query, retirement, salaries and wages, leave periods, type of leave, performance appraisal, transfer, allowances, responsibilities, recommendations, test results, reference letters, etc).

These pieces of information are contained in such documents as: letter of appointment, employment bank, curriculum vitae, medical form, pay slips, certificates, query, APER forms, recommendation letters, reference letters, dismissal or retirement letters etc.

3.3   The Need for Staff Records

Staff records are very essential for the following reasons:
1.   Staff records are needed for employment or appointment.
2.   Staff records are needed for job analysis (job specification, job descriptions and job evaluation).
3.   Staff records are needed for determining wages, salaries and other remunerations.
4.   Staff records are used for staff placement.
5.   The staff may have to up-date his documents either because of additional experience, qualification, etc.
6.   It is important to keep and maintain up-to-date information for the staff.
7.   Staff records are used for appraisal which is needed for training, re-training, development and discipline.

All these documents require efficient and effective management in order to reduce cost, save space, save human energy, save time and so that when they are required for one reason or the other they are easily retrieved. Records management is required because some records are unnecessary, some are poorly processed and others are badly stored. Records can be kept for taking several decisions, for evidence, for reference and for meeting government regulations. Records management therefore starts from the time such record is created or generated and had passed through some processes till the time it is disposed off. It follows a cycle. Records management or records control is the way in which an organisation ensures availability of records for use. It includes:

(1)   creation,
(2)   storage,
(3)   retrieval,
(4)   retention, and
(5)   final disposition.

It should be pointed out at this point that the degree of complexity involved in records management varies from company to company with regard to company size, space, nature of business, whether records management is done manually, mechanically or electronically or automatically and of course the qualification and experience of the records management manager should be taken into consideration.

3.4   Forms of Records

The mode in which records exist can be classified into two:

1.   tangible, and
2.   intangible.

1.   Tangible Form of Records: These are documents which contain one type of information or the other. They are older and more common than the intangible form of records. These records take a lot of space, time, human energy, require furniture and plenty of stationery items for their management. They take about three fourths of organisational records. They contain information which is often required. They may be used internally and externally. Their management or control can be done centrally or departmentally. This depends on the nature of the business, policy and size. They are of course controlled manually.

2.   Intangible Form of Records: The paperless or automated office which uses computers with different programmes have their data stored in an intangible form with the aid of disks or diskettes, microform (such as microfilm and microfiche), video tapes, (tape drive); CD (CD drive), ZIP (ZIP drive) and Flash (USB Port).

The management of these intangible records is done electronically or automatically.

3.5   Clarifying Records Management, Management Information System and Filing Systems

These three concepts deserve clarification because many people misunderstand them. Some people take records management to mean management information system or filing system.

Records management is the broadest concept which encompasses the life cycle of records from their creation through storage, retrieval, retention and final disposition or destruction. Each phase of the records cycle requires planning, organizing and controlling the 4Ms (man, money, machines and materials).

Management Information System (MIS) on the other hand deals with collecting, editing, analysing, storing and retrieving information needed for making decisions.

Management Information System is more of organisation and control of information through the use of automated equipment like computers and fax machines. It does not involve itself with manual filing systems and filing equipment.

Filing system comprises only one part of the five parts of the records cycle and this is the records storage.

3.6   Objectives of Records Management

Records Management requires such management functions as planning, organising, communicating and controlling. Planning in management connotes objectives setting.

Records Management has the following objectives to accomplish:

1.   To produce accurate, complete and meaningful or usable information.
2.   To ensure efficient and effective records keeping taking into consideration time, space, cost (stationery, equipment, furniture, etc) and energy expended by employees.
3.   To develop and maintain company policy about creating, storing, retrieving, retaining and disposing organisation's records.
4.   To appraise or evaluate the policy, procedures or the systems when and where necessary for efficiency and effectiveness of records management.
5.   To educate office personnel in the efficient use of equipment, machine, stationery, space and furniture meant for records management.
6.   To create an awareness in the personnel with regard to the importance of records management for making decision.
7.   Each of the components of the life cycle of records has its own objective. The figure below shows these objectives:

RECORDS CREATION OBJECTIVES	RECORDS STORAGE OBJECTIVES	RECORDS RETRIEVAL OBJECTIVES	RECORDS RETENTION OBJECTIVES	RECORDS DISPOSITION OBJECTIVES
Eliminating needless records from present files.	Providing classification and coding systems for records storage.	Providing immediate access to the information requested.	Developing classification system for retaining records.	Setting up an inactive records centre (or storing records in a commercial center).
Controlling the creation of records.	Selecting proper storage equipment and supplies.	Developing efficient procedures for charging out records.	Surveying departments to determine type and amount of records kept.	Reducing records to microform wherever possible.
Designing records for efficient use.	Developing and Maintaining well-controlled file storage and protection procedures.	Controlling the return of records to the files.	Setting up a retention schedule.	Transferring outdated records from active to inactive.
Applying cost standards and controls to records creation.	Selecting and training files personnel.		Periodically purging files of inactive records.	Developing control procedures for inactive storage and for destruction of records.

Objectives of Records Management Programme

Source: Keeling   and   Kallaus   (1983),   Administrative   Office   Management   (P.   445)

3.7   Records Manager

The appointment of different managers as shown in the above figure to handle specialised units concerning records management depends on the size of the organisation. The above figure shows the specialised areas of records management. In a small establishment, one records manager may be employed to perform all the functions relating to records management.

In the case where one manager is employed, he should be a generalist who understands all the different sections of the organisation as well as a specialist in records management. He should know the information required by each section, the filing system to employ and the equipment to use. He should also be a manager of space and human resources.

Life Cycle of Records

The life cycle of records consisting of records creation, storage, retrieval, retention and disposition are further explained below.

I.   Records Creation

In the introduction to this Unit, different sources of information were listed. Every person in the organisation creates and uses information. Some records are created on forms. Form design therefore is an essential element of records creation. There is also the need to control such forms so that only required information is given a place in the form. In records creation, it is important to categorise records and to determine who creates such records, when and where they are created and means of creating them.

II.   Records Storage

Although office automation is reducing the quantity of paper being used in offices, manual filing systems constitute the greatest storage of records in organisations. Whitehead (1973) defined filing as "the storing of letters and documents in a systematic way so that they may be retrieved at a later date for reference purposes".

3.8   Importance of Filing

The volume of correspondence and documents which comes and leaves the office necessitates their filing. Filing is therefore important for:

1.   easy and fast retrieval of document.
2.   future reference when required for decision making.
3.   meeting legal requirement.
4.   protection or safe-keeping against damage, destruction or theft.
5.   evidence when argument arises.
6.   efficiency and effectiveness of organisational management (this will save cost, time and human effort).

3.10   Qualities of a Good Filing System

1.   **Cost:** The cost of procuring, installing and maintaining its equipment and cabinet should be low.
2.   **Adaptability:** It should be capable of being expanded or contracted as the need of the organisation dictates.
3.   **Safety:** Protection of documents against fire, water, dirt, theft and insects should be considered.

4.   **Simplicity:** This means that any person should be able to understand and operate it.
5.   **Compactness:** Floor space should be saved.
6.   **Accessibility:** It should be easy to insert and retrieve documents.
7.   **Confidentiality:** Keep confidential documents in a different place.
8.   **Retention:** Adequate storage facility should be provided for documents which have to be retained for many years.
9.   **Cross-referencing:** Provision should be made for easy retrieval of documents bearing several names. A cross-reference card or sheet using alphabetic system is necessary.
10. **Systematic "tracer" and "follow-up" system:** Where a file has been removed from the cabinet, it can only be traced if the "out" card tracer system is employed.

3.11 Filing Systems

The term filing system is defined by Keeling and Kallaus (1983) as "the procedures and methods used to classify, arrange or sort and store records for fast accessibility when needed".

Under filing systems we shall treat:

1.   Methods of classification of documents before filing.
2.   Methods of filing, and
3.   Types of files organisation

1.   Methods of Classification of Documents

Classification of documents has to do with selecting and grouping documents with common headings or features. Classification is done for ease of retrieval of document and for convenience.

There are six methods of classification of documents.

a.   Alphabetical
b.   Numerical
c.   Alpha-numerical
d.   Geographical
e.   Subject
f.   Chronological

a.   Alphabetical Classification

This system of filing is the commonest and most easily understood. It uses the letters or alphabets A-Z of the name of the document. The first

letter of the name of the correspondence is used in dictionaries. For example all documents belonging to "Boys" will be filed before those of "Girls". In case of bibliography, surnames are used for alphabetical filing.

<div align="center">Adesola</div>
<div align="center">Adebowale</div>
<div align="center">Adebola</div>

Advantages

1.   It is common and simple to understand and operate.
2.   It is self-indexed. This means that it does not require a separate index.
3.   It is flexible i.e. more files can be easily added.
4.   It is easy to detect mis-filing.
5.   Grouping documents by name is very convenient.
6.   Where there is fewness of documents, all these miscellaneous papers may go into one folder but an index will be required.

Disadvantages

1.   It can be expensive, time-wasting and energy-sapping when you cannot locate a file easily due to a large volume of files under similar names. This will happen as the business grows over the years.
2.   Regular re-organisation or re-arrangement may be required as the volume of files increases.
3.   It is possible to file documents under different headings and this may create difficulty in locating the documents in future.
4.   Large space will be required and this will also be increased as the volume of documents increases.
5.   While a very common alphabet creates many problems of locating files, there will be some with very scanty documents and yet space will still be created.
6.   Cross-referencing card or sheet may be required.

b.   Numerical Classification

This system of filing uses numbers which are assigned to folders consecutively. Groups of numbers may be used e.g. 1-10, 11-20, 21-39, etc. This system requires an index because direct filing as in the case of alphabetical filing is not possible.

<div align="center">057</div>
<div align="center">056</div>
<div align="center">055</div>

Advantages

1.   Filing and retrieving documents are easy.
2.   Filing of documents is very accurate.
3.   It is easy to add new files because numbers are not limited unlike the alphabets which consist of 26 letters.
4.   You can paginate documents as they are filed inside the folder.
5.   It is easy to detect misplaced folders or those that have been taken away from the cabinet.
6.   The use of index can extend to other uses.

Disadvantages

1.   The necessity of referring to index before finding a document creates extra time.
2.   Miscellaneous documents filed in a folder may be difficult to locate.
3.   It is possible to make mistake in using figures to label folders.
4.   It is easy to make mistake during filing.
5.   Preparation of index requires time, money and space.

c.   Alpha-Numerical Classification

This system of filing combines the alphabetical and numerical filing systems. Files are arranged alphabetically and the contents of each file are arranged numerically. Letters like numbers can be grouped e.g. A-D, E-H. A guide card may be necessary to show the beginning of the numbers in each group of letters. The guide card can also be upgraded. An example of Alpha-numerical is A52, A51, and A50; 'A' stands for accommodation on the ground floor while the figures show room numbers.

$$A53$$
$$A51$$
$$A50$$

Advantages

1.   Filing and finding documents are easy.
2.   Accuracy in filing and finding is certain.
3.   It is flexible and easy to expand.
4.   The use of guide card will show additions to the system.
5.   The use of numbers can serve as reference.
6.   A separate index may not be necessary because of the guide card.

Disadvantages

1.   It is a complex system which requires training of the users.
2.   Location of documents may be time-consuming.
3.   It is easy to make mistake in filing documents.
4.   It may require large floor space.
5.   Filing and finding miscellaneous documents are difficult.

d.   Geographical Classification

Some companies have branches in more than one place in cities, local government areas, states and countries. In order to make retrieval easy and simple, documents are filed according to the geographical location of the company. The size of the company will determine the spread of the business.

    Port Harcourt
  Lagos
 Kaduna

Advantages

1.   It is simple and easy to understand.
2.   Direct filing can be done.
3.   Reference can be easily made to it.
4.   It is useful for customers, imports, exports and marketing of goods and services.

Disadvantages

1.   It requires good knowledge of geographical locations of the business and customers.
2.   Index and cross-referencing are required and this involves time and money.
3.   It can cause mis-filing if there is a mistake in locating a branch.
4.   It is cumbersome and may require the use of additional filing systems.

e.   Subject Classification

An individual or organisation may assign title to a "matter" called "subject". Filing is now done according to the subject. A publisher may have file for manuscripts, authors, title of books, course disciplines, supplies etc. A school may have files for each subject e.g. English Language, Mathematics, Geography, History, etc. An organisation may have files for sales, purchases, bills, accounts, etc. Filing of documents in the appropriate file is done alphabetically or alpha-numerically.

Staff
Managers
Customers

Advantages

1. Expansion is easy.
2. It is easy to refer to it.
3. A separate index is not needed when alpha-numerical method is employed.
4. Complete information can be obtained in a subject file.

Disadvantages

1. A thorough information on the "subject" or "matter" is needed to prevent mis-filing.
2. An index is needed. This requires human effort, time and money.
3. Before an index can be prepared you need time and adequate knowledge of the organisation in order to be able to determine subject titles.
4. It requires cross-referencing and this in turn requires more money, time and personnel for duplication or photocopying of cross-referenced documents.
5. It takes a lot of time to plan and maintain.

f.   Chronological Classification

This filing system is based on date of receipt of the document. When a document arrives in the office, it is date-stamped and at times, the time is inserted.

1981
1980
1978

Advantages

1. It provides reference to the date and possibly the time.
2. It is simple and easy to understand.
3. It can be used for any correspondence since you provide the date of the receipt on it.
4. It serves as evidence for legal matters.

Disadvantages

1. It can be time-consuming, because it requires sorting.
2. It requires additional responsibility of dating by the clerk.
3. If there is a mistake in dating, it can bring confusion and argument.

3.12   Methods of Filing

The three methods of filing are: Horizontal, Vertical and Lateral. The method to use depends on the document and the filing equipment (metal or wooden cabinet).

1. **Horizontal Method:** Documents such as maps, plans, drawings which cannot be folded or punched for filing are placed flat or horizontally and chronologically. They are not easy to find. If a spine can be created on them the name will be written there.

2. **Vertical Method:** Because the horizontal method is time-consuming and wastes energy, this vertical method is preferred. A vertical rack is used but the paper inside the file must be secured with the use of plastic thong or pockets. Folders are placed upright side by side in a way that the spine can be read. Documents are kept together and can be easily reached.

3. **Lateral Method:** Instead of using drawers of filing cabinet, a tall cupboard-like cabinet without front or back doors is used. It saves floor space and physical effort of opening drawers. It is like the vertical one except for saving space and effort.

3.13   Types of Files Organisation

Organisation of files differs from office to office. The size of the office of the business, nature of the business which will determine the number of office staff will influence the type of files organisation. There are however two main types of files found in offices. These are centralised and decentralised (departmentalised) filing systems.

a.   Centralized Filing

This system permits all records in the establishment to be filed, controlled and maintained in one central location. The filing equipment and personnel are also placed in the central place.

Advantages

1. A specialist is responsible for the records management and thus promoting effectiveness and efficiency.
2. Economic use of equipment, personnel, supplies, space and time is possible as they will not be duplicated.
3. Since all related records are brought together, there will be no problem of missing records.

4. Accuracy and fast retrieval of documents are possible because it promotes uniformity of filing system and procedure.
5. Cost of maintenance of the system is minimised.
6. Staff control and supervision of personnel are improved.
7. It encourages team work.
8. A career in filing is realisable.
9. Highly sophisticated equipment can now be acquired.

Disadvantages

1. Since many departments are involved, a lot of time will be needed to retrieve departmental documents.
2. Due to lack of duplication of records, in cases of fire outbreak the company may lose its records.
3. Because of departmental peculiarities, uniform filing system may be difficult to practice.
4. Despite the employment of centralised filing system, there may still be a need to departmentalise filing.
5. A large floor space has to be reserved for expansion since the firm is expected to improve.
6. Unnecessary records may be kept.
7. Due to repetitiveness of work, boredom can set in easily.

b. Decentralised (Departmentalised) filing

This system enables each department to file its documents independently. In doing this, each department uses its method, personnel and equipment.

Advantages

1. It is good for confidential matters of employees; products and services of the organisation.
2. The user has easy access to the records.
3. The filed documents are not required by other departments.
4. Filing and finding documents are simple because the clerk has full knowledge of the department.
5. Since the clerk's work is simple, he could be assigned other responsibilities.

Disadvantages

1. It encourages needless duplication of space, equipment, time and supplies.
2. Since the clerk may be given other jobs to do, his filing job will be inefficient.

3. Filing is not done by a specialist.
4. There is inconsistent filing by all the departments and where there is transfer of one clerk from one place to another, there will be some difficulties.
5. There is under-utilisation of equipment.

3.14 Kind of Files

Files are given different names in order to help the office manager with his record management. Some of the files are described thus:

1. **New File:** A new file is opened for a new subject. One principle of filing is that there should not be two files for one subject although there are many several volumes for the subject. A volume is closed when it has exhausted its capacity. "Closed Volume" should be so designated.

2. **Main File:** There may be a main file out of which there will be sub-files. Main file and sub-files are opened for subject of related matters. This prevents you from opening an entirely new file.

3. **Sub-File:** A sub-file is opened if its subject is related to that of the main file. For example if a main file is opened for personnel with reference number MAP/P/99, a sub-file may be opened for personnel's discipline with reference number MAP/P/99/D.

4. **Case File:** A case file may be opened for a matter relating to the subject of the main file but which treatment is on a temporary basis. After the matter has been dealt with, the file should be kept for a short period of time after which any important document is merged with the main file and the rest destroyed or sent to the archives.

5. **Miscellaneous File:** It contains documents of different subjects. No separate file is opened for each subject because documents on the subject are not many and not so important.

6. **Dead File:** This is a file that is no more in use. It is either destroyed or sent to the archives.

7. **Lost File and temporary file:** A file that is missing from the cabinet is declared lost if all efforts to trace it were in vain. A temporary file is opened pending the time it re-surfaces or replaced entirely.

8.   **Foreign File:** This file which belongs to another department may be found in another department. Effort should be made in returning it to where it belongs.

9.   **B. U. File:** B. U. means "bring up". This is a file that is expected to be brought up for action on the date that is shown on the action sheet of the file. It is the duty of the clerk to place the file on the table of the executive on the date and to return it after the action has been taken on it.

10.   **P. A. File:** P. A. stands for "put away". P. A. is written on a file to enable the clerk to place it in the cabinet until it is needed again.

11.   **Classified Files:** Classified files are categorised as follows:

i.   **Secret File:** It contains information which should not be divulged to any person e.g. examination papers. Disclosure of the contents of the file may affect the security or integrity of the organisation adversely. An erring staff in this regard may be "fired".

ii   **Top Secret File:** It contains information which should not be revealed to a party outside those who took the decision. Staff members who reveal such secret can be summarily dismissed.

iii.   **Confidential File:** Matters pertaining to staff are usually confidential. Firms usually have two files for their staff-open file and confidential file. The open file contains information of general nature while the confidential file contains information of peculiar nature.

iv.   **Restricted File:** Contents of this file cannot be discussed outside a particular place. It is not meant for discussion at public places e.g. in public vehicles and public places like hotels, stadia, motor park, etc.

v.   **Active Files:** They are constantly referred to.
Follow-Up Systems: These serve as a reminder and keep track of the files and thus preventing misplacing or losing documents. These systems use the following files.

a.   **Pending Files:** Documents requiring urgent attention may be delayed for one reason or the other and will be put in a pending file or a "B.U." file.

b.   **"Tickler" System:** It consists of two sets of cards. One set is headed with the months of the year while the second set is headed

with the days of the month. It is used to ensure the return of files and to review progress made on a project at regular intervals. They also serve as guide cards.

3.15   Filing Procedures

a.   Index and Indexing

An index is a means of finding records in a filing system in a fast and easy manner. It is a reference list of the contents of a filing system or a file. It can also be called a guide or device or an aid to quick retrieval of documents. Indexing has to do with deciding the caption or heading under which the document will be filed. Arriving at a caption is not easy because you may have to read a good portion of the document in order to choose the appropriate word as caption. But if you understand the organisation very well, your selection of a caption will be easier. Other factors which will guide the choice of a caption are: the name on the letterhead, addressee, subject heading, nature of business etc.

Types of Indexes (Indices)

3.15   Paginating Documents Inside Files

1.   **Page Index:** It resembles the index at the end of a book. It uses both alphabetical and chronological order and the pages are numbered consecutively. As documents come they are inserted and the dead documents are deleted.

2.   **Card Index:** It is usually required when subject filing system is employed. Card index is commonly used in libraries. Index cards, when used in libraries; show the book title and its author. It is arranged alphabetically using the author's names as a guide and placed in a box. A library user for the first time is advised to use the index card box for reference or easy location of the book. The card also bears call numbers in addition to the author's name and subject title.

3.   **Wheel Index:** As the name suggests, a wheel with a hub in the middle is made to contain some cards through which they can rotate. When you rotate the wheel, you will be able to find required words quickly. This device allows removal and insertion of cards. It is economical in terms of space and flexibility.

4.   **Strip Index or Panel-Strip Index:** Required information is either written or typed on strips of papers cut to a certain shape. They can be inserted or slipped in into panels which form part of

a visual index desk or wall chart. The major advantage of this index is that it provides a visual record. The strip can be removed and replaced at will. Information like name, phone number can be written on the strip.

Cross-referencing

This is a way of indexing a document in order to be able to retrieve it under two or more names as quickly as possible. All you have to do is to place a cross-reference card in every place that the classification falls into. Each card or sheet will show the exact place you inserted the document or file.

Code and Coding

The American Heritage Dictionary (1980) defines code as a "system of signals used to represent letters or numbers in transmitting messages". A code is assigned to the index caption on the document. This code is written either on the spine of the file or on the top right-hand side of the document before or after it has been filed. Coding therefore is the process of assigning code to documents. Code aids quick retrieval of documents.

Sorting

When you sort documents, you are collecting or gathering documents that have one relationship either by name, place or title together.

Inspection

Inspection is done to ensure that all documents requiring date or registration are treated accordingly before filing takes place. Some documents may also require such notation as "Secret" or "Urgent" before filing for necessary action.

3.16 Paginating Documents Inside Files

There are two methods of paginating documents after filing. The first method is to assign the first or top document with number "1" and other subsequent documents are filed behind it and numbered accordingly.

The second method is to assign the first document from behind with number "1" and other following documents are filed on top and numbered accordingly. In this method, the current document will be on top bearing the highest number since the bottom document bears the first number. It is a reverse of the first method.

3.17   Action Sheets

Most files have ruled front cover containing some information regarding the movement of files such as the officer requesting a file, the date it is passed to him and the page containing requested document. In the absence of ruled front page of a file, a separate action sheet may be attached to the front cover of a file. The action to be taken on a matter after reading the document is "minuted" on the last page of the document. The "minute" is initialed and dated.

3.18   File Movement

As mentioned above, documents are filed so that necessary actions are taken on the contents. Since there may be one or more officers needing a file, it is important to record the movement of files in order to be able to trace them when needed by another officer. The different methods are explained below.

1.   **File Movement Register:** A register is kept by the filing clerk to show who has the file, the date it was sent out and the signature of the clerk who collected the file. It should also show the date of return.

2.   **Absent Card:** This card is placed where the file is removed. It should show the file number and who is in possession of the file. It remains until the file is returned.

3.   **Absent Wallet:** The particulars of an absent file are completed on a form which is placed in the file wallet. The file wallet is then placed in the position of the file being removed and remains until the file is returned.

3.19   Microfilming

This topic still comes under record storage. The main objective of microfilming is to save storage space. Microfilming is the process of transferring information in documents on films.

Microfilming process takes three stages and involves three major pieces of equipment to wit, camera, $4" \times 4"$ cartridge and reader and printer. The microfilm process is carried out first, by placing a roll of microfilm in a cartridge which is snapped into a camera. Second, document is fed into the machine and photographed automatically. The camera will show the portion of the document on the film.

Third, this portion or location on the film is indexed on the outside of the cartridge for retrieval and reading or printing. Microfilm is usually in a roll of 16mm, 35mm or 70mm. The printed copy can be read by the naked eye.

Microfilms can be stored in jackets. The microfilm can be labeled and classified for appropriate method of filing system.

Advantages of Microfilming

1. It saves a lot of floor space and paper space.
2. Microfilmed document can be duplicated for little cost.
3. Security is guaranteed as duplicated copies can be stored in many different locations.
4. It can be easily retrieved.
5. Cost of filing equipment is minimised.
6. Filing is accurate.
7. Microfilms cannot be easily damaged like paper.
8. Time of microfilming is very short.

Disadvantages of Microfilming

1. Cost of microfilming equipment is high.
2. It is not always acceptable as evidence in the law court.
3. When there is a deletion, correction or addition to an original document, it will not reflect in the microfilms. A new microfilm may have to be made.
4. Printed documents in multi-colours may not be microfilmed.
5. It can be very inconvenient to make frequent reference to microfilms.

3.20 Filing Equipment and Supplies

Although, it is necessary to have all the knowledge about filing, if you do not have the appropriate quality and quantity of filing equipment and supplies, your filing system will not be complete and you will not have an efficient filing system. The filing equipment will be needed for the storage of your files.

3.20.1 Filing Equipment

There are different types of filing equipment which are constructed or made by different companies. They also come in different sizes and their prices vary. The office manager has to take several decisions as regards choice of equipment. The factors to be considered in arriving at the appropriate decision of choice are:

1. The quality of the equipment which will determine its durability.
2. The types and sizes of the records or documents to be filed. Records can be on small cards, drawings and blue prints, architectural plans or technical drawings.
3. The cost of the equipment.
4. The available space for the equipment.
5. The possibility of saving the worker's time.
6. The flexibility of the equipment to adapt to changes.
7. The training required of the users.
8. The cost of maintenance.

Filing equipments are described below:

1. **Vertical Files:** The vertical files cabinet contains varying number of drawers from one to six drawers. The drawer is pulled out from the front of the cabinet to access the file. The contents of the file are secured either by the use of a plastic thong or put in the pockets. The file itself is supported by a plastic spine. The files are now suspended on metal runners or in a vertical rack. The spine contains the index for quick retrieval.

2. **Lateral or Side and Shelf Files:** Lateral and shelf files are used to save space. Some organisations use them as dividers or partitions in the office. They are like cupboards. They are tall and they do not have front and back doors. Files are accessible from both front and back sides. Space and time of opening doors are saved. It is much less expensive than other filing cabinets. Files are suspended on rails that are fitted across the cabinet. Individual records cannot be easily filed or as quickly retrieved as in the case of vertical files.

3. **Horizontal of Flat Files:** These files are used for storing such records as maps and drawings in a flat position.

4. **Box Files:** They are solid box-like construction made of thick cardboard. Documents are held down firmly by using a spring-loaded compression pad inside the box. When new document is to be inserted or old one is to be retrieved, the spring is released.

5. **Arch Lever Files:** These are like box files but their contents are more safely held than in the box files. They use arch-shaped wire loops when documents are to be retrieved or filed.

6. **Concertina Files:** They contain a succession of pockets joined together. They are useful for sorting similar documents together before filing takes place.

7.   **Visible Index Files:** They are useful for personnel records or attendance in schools.

8.   **Wallet Files:** They are used to hold documents which are awaiting filing. They may also be used as absent folder.

9.   **Ring Folders:** They contain metal rings in the centre of the file. Retrieval or insertion of document is done when the metal rings are made to open.

10. **Suspension Folders:** Each folder contains a metal ending at each edge with a hook used in suspending the folder on rails inside the filing cabinets.

Filing Cabinets

These are drawer steel cabinets, lateral filing steel cabinet, revolving or circular cabinets and fire-resisting cabinets.

3.20.2   Filing Supplies

There are two types of filing supplies which are required for each drawer. These supplies are guides and file folders. The guides in an alphabetical filing classification are used to divide the drawer into alphabetical compartments. On top of the guide is a tab containing a caption which shows the letter range.

They are meant for quick retrieval of document. The file folders are used to hold the files in an upright position in the drawer. The folders are made up of thick cardboard in order to be able to hold the papers firmly together.

3.21   Records Retrieval

A good record storage without efficient records retrieval is incomplete. Records retrieval is an aspect of records management or control which deals with the finding or locating information which has been filed.

The retrieval of information will depend on the equipment or machines used in storing such information. There are two methods of retrieving information. These are (1) Manual and (2) Computerised.

i.   **Manual Method of Retrieving Information:** The first step is to state the needed information. Having noted the information, the clerk begins the search using the methods of classification of filing systems, file name, code number, index, cross-referencing

where applicable, etc. When the file has been located, it is removed and the file movement register/card showing the destination, name of officer needing it, date of charge-out and the expected date of returns is completed.

ii.   Computerised Method of Retrieving Information: The computer can store information internally on magnetic cores which are contained in the primary storage section of the computer. The computer can also store information externally on magnetic disks, magnetic tapes, flash; zip CD, paper tape devices. It has also been stated in this unit that information can be stored on microfilms and microfiche.

All the devices used in the computer to store information are invisible and coded. Stored information can be retrieved easily on the computer. What is required is the file name or password of the document to be retrieved in order to show it on the screen. The file name is the name with which the file or document is stored. After retrieving the document, it will show on the terminal screen and printed out. The printed copy called 'printout' or 'hard copy' is given to the user of the information while the original information on the diskette or hard disk remains the same for future retrieval and use.

3.22   Records Retention

There is no individual who keeps all his records forever. So also there is no organisation which keeps its records forever. Since organisations have several different types of records, they are therefore faced with the problem of what records to retain and which ones to dispose off. When a decision has been taken as to which records to retain and which records to dispose off, there is another problem of how long to retain those to be retained. In order to solve these problems every organisation is expected to establish 'records retention schedule'. According to the National Records Management Council of the United States, about "95 percent of all corporate paper work over a year old is rarely, if ever, referred to again" (Pasework and Oliverio, 1978).

The policy on the approval of records retention schedule will be taken by top management, law departments and other heads of departments who keep such records. The records retention schedule's policy of an organisation depends on the following:

1.   Legal requirements
2.   Historical documents
3.   Microfilming of documents
4.   Transfer of documents to inactive storage

5. Records to be kept in files for daily use
6. Vital records
7. Protection of records
8. Destruction of records
9. Government policy on records' retention

This records retention programme should not be rigid. It should always be revised to meet the organisation's needs. The organisation's lawyer should always be consulted whenever the schedule is to be prepared or revised.

Classification of Records

Before developing records retention schedule, records must be classified into four types: vital, important, useful and necessary.

1. **Vital Records:** These are records which should be kept or stored indefinitely. Even when they become inactive they must be microfilmed and kept both in its original form and microfilmed form. Examples of these documents are those of landed property, academic certificates, certificate of incorporation, life assurance policy, etc. Documents relating to company's establishment and share certificates are vital records.

2. **Important Records:** These records are to be retained for a very long period of time. Although after some years they may not be as active and needed as events would have overtaken the contents. Examples are minutes of meetings, company reports, auditor's reports, receipts, tax receipts, vehicle documents, loan agreements, hire purchase documents, cheque stubs, payment vouchers, etc.

3. **Useful Records:** These documents have limited usefulness and they are not required for many years. Examples include receipts of consumable items, invoices, prospectus, promissory notes, etc.

4. **Unnecessary Records:** These documents are destroyed after serving its purpose e.g. invitation cards, notices and agenda of meetings, circulars and memos and letters for meetings.

3.23 Records Disposition

Records disposition or disposal takes two forms. Some records are not destroyed but transferred to a less expensive and inactive storage and those records that have to be destroyed completely.

1. **Transferring Inactive Records:** Inactive records may be transferred using periodic method or continuous or perpetual method. The inactive records are kept in a box before they are finally taken to the records centre or archives for storage. Another method is referred to as duplicate equipment method whereby once a document is received; a photocopy is made and kept in an inactive box while the original is made use of. This method is expensive.

2. **Destruction of Inactive Records:** There are organisations established for collection of inactive records for destruction by recycling such documents in order to manufacture toilet rolls. The commercial organisations pay for the inactive records. There are of course some documents which the organisations will like to destroy themselves. For example, the Central Bank of Nigeria will prefer to destroy the old currency notes itself rather than giving them to a company to destroy.

4.0 CONCLUSION

Every individual or organisation has records which should be kept for preservation purposes. A record, being a tangible or intangible thing has a life cycle from creation to disposition. The essence of record keeping is to make it readily available when it is needed by anyone or organisation.

5.0 SUMMARY

This unit highlighted forms of records kept by management of various organisations for preservation of evidence or testimony. The objectives of record keeping and the lifecycle of records were also discussed. It is hoped that you have enriched your knowledge through this unit.

6.0 TUTOR-MARKED ASSIGNMENT

(1) What is the importance of record keeping in the smooth management of an organisation?
(2) Record management has its inherent problems. Discuss what you consider to be these problems.

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UNIT 4 WORKING CONDITIONS, SAFETY, WELFARE AND EMPLOYEES' HEALTH SERVICES

CONTENTS

1.0 INTRODUCTION

This unit will explore some crucial areas in the roles of Board and its trustees as the success or failure of any organisation depends largely on the management of its staff. Hospital employees have to work constantly under conditions of great stress. It is therefore the responsibility of the hospital authorities to provide them good working conditions which meet accepted standards of cleanliness, ventilation, light, air etc so as to ensure their safety and welfare. Factories are governed by statutory provisions but it is a pity that there are no such provisions applicable to hospitals so there is a need for the government to make necessary provisions in this respect.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- discuss the necessity of good working conditions in hospitals
- explain why safety should be guaranteed for workers in the organisation
- list the causes of accidents in hospitals
- state the principle of a good welfare policy
- discuss the objectives of an employees' health clinic.

3.0   MAIN CONTENT

3.1   Working Conditions

The necessity of good working conditions in hospitals cannot be over-emphasised. Hospital employees are exposed to various diseases as they have to work with patients. Providing good working conditions in hospitals will go a long way in improving the efficiency of the hospital employees, which in turn will improve the level of patient care. The environment in hospitals should be made as congenial as possible by providing good lighting, using bright colours to lend cheer to the appearance of buildings, controlling the temperature, providing proper ventilation and hygienic conditions. In office buildings and wards, high physical standards can be ensured by providing good furniture, equipment and proper maintenance of the workplace.

The control of noise is another important consideration in improving working conditions. It is all the more necessary for the well-being of the patients. The prevention of noise depends largely on the proper maintenance of all movable equipment such as doors, ward screens, trolleys, coolers, oxygen cylinders, kitchen equipment, wheel chairs, stretchers, etc. in the hospitals. Continuous education and periodic reminders to employees about noise control are necessary to control noise.

Some jobs in hospitals have the problem of monotony and boredom associated with repetitive work being performed. A careful selection in the first place of the right type of employees for such work is the best safeguard. Ideally, they should be trained to perform several different tasks so that they can easily adjust to alternate jobs from time to time.

The anatomical aspect is very essential in hospitals. An obvious example is teaching a light-weight nurse how to lift heavy patients. Time and motion studies can help to evolve easier methods of work by devising mechanical aids to make the heavy jobs easier.

Working hours and shifts should be regularised in such a way so that the maximum work may be taken from the employees without causing fatigue and endangering their health. The aim of the hospital authorities should be to make the physical environment at work as congenial as possible.

Ergonomics studies are becoming more and more relevant with the introduction of highly sophisticated instruments in hospitals. Design engineers of these instruments have to take human limitations into

account and consult departmental supervisors and managers for their advice to know what causes strain to the users.

Dr. K.G. Desai in his book *Human Problems in Indian Industries* states:

> 'I believe that our workers are capable of doing the work at a much higher level of efficiency but our managements have failed to create the conditions whereby we get the best out of our workers. I believe that it is the responsibility of the management to create conditions so that the workers would give their best to the organisations'.

If the hospital authorities take note of the following points, they can certainly get the best out of their employees and the statement of Dr. Desai can be proved true.

1. The physical surroundings in which employees do their jobs must be as pleasant and comfortable as the circumstances of the work permit.
2. Adequate welfare services such as housing, transport, canteen, fair-price shop, counseling etc. should be provided.
3. The number of working hours should be restricted to 48 in a week, so that basic social needs at home and in the community can be taken care of.
4. Security of employment in all respects must be provided by the hospital authorities.
5. The employees' safety and their health should be ensured.

Policy and procedures dealing with most of these topics are not covered by the provisions of the Factories Act, 1948, the Shops and Establishment Act, 1954, the Payment of Wages Act, 1936, the Employees State Insurance Act, 1948, the Workmen Compensation Act, 1923, the Minimum Wages Act, 1948, and the Industrial Employment Standing Orders Act, 1946, as these Acts are not wholly applicable to hospitals. Some of the states in India have covered hospitals under the Minimum Wages Act, 1948. The Act empowers the government to fix the minimum rates of wages and overtime for employees. It also provides for the review of wages at intervals not exceeding 5 years. It is unfortunate that none of these Acts, except the Minimum Wages Act, 1948, is fully applicable to hospitals and it is entirely up to the hospital authorities to provide all the security and conditions which have been provided in these Acts. Recently some of the states have included hospitals under the Shops and Establishment Act, 1954.

India is an underdeveloped country. Through its Five Year Plans, it has aimed at achieving rapid economic growth, price stability, industrial peace, equitable distribution of income (including reduction in income disparity), enlargement of employment opportunities and a progressive raising of the standard of living of every Indian, especially the working class. In the light of these goals, state regulations of wages and security measures have become the principal characteristic of Indian wage policy and social security. Nigerian government in the post-independence period has always felt the need for the protection of large segments of the working population. This particular segment of the population is either living at the subsistence level or is working in the unorganised sectors. It has been realised that the wages of these workers cannot be left to be determined on the basis of market forces of supply and demand in the labour market. It is the realisation which found expression in Article 43 of the Constitution which enjoins on the government the responsibility to secure for all employees a living wage and good conditions for work resulting in a decent standard of living.

Administrators are generally concerned about working conditions of medical, paramedical and clerical employees; but there is one more category of employees consisting of skilled, semi-skilled and unskilled employees. They hardly pay attention to the working conditions of the last category of employees, who also work in hospitals, day and night. They also deserve to be provided good working conditions, as are provided to doctors, nurses, etc., like clean, comfortably cool, light and airy workplaces where physical fatigue is minimised. An alert supervisor can often relate observations of employees' behaviour and the sentiments they express about physical conditions of work, such as heat, noise, temperature, humidity, odour, posture required to do the job, working hours, rest interval etc. The supervisor can make slight modifications by changing the length of the cycle, by providing the opportunity for social relationships and so on.

It is unfortunate that the working conditions in India are poor compared to those in western countries. In the West, multifunctional mechanical instruments are used for lifting, conveying, depositing and storing raw or finished material. The use of such machines increases the efficiency of the workers, helps them do monotonous jobs cheerfully. Also, the workers do not fall sick again and again. In India, where the climate is warm and process of lifting, conveying, and depositing material is done mostly through manual labour, the provision and maintenance of proper working conditions become very important. Also, the provision of drinking water, canteen, toilets etc. needs much improvement. Very few hospitals maintain these in adequate number and in good condition. No doubt, it needs the co-operation of employees to maintain these amenities.

Good working conditions keep employees cheerful and thus contribute towards greater efficiency. They also have a psychological impact on employees, considerably influencing their attitudes towards their job. Thus, it has been alleged that as much as 30 percent of all absence from work is caused by illness stemming from anxiety neurosis which develops as a reaction to the type and conditions of work. This is the essence of the practice of occupational medicine – how far a patient's condition can be attributed to his or her work.

Comment [MSOffice1]:

3.2   Safety

Safety provisions in hospitals have not received due attention, perhaps, because the rate of accidents in hospitals is negligible. However, it is important to introduce a system of accident prevention rather than make safety provisions compulsory for hospitals because at any given time there are a large number of people inside the hospital and thus the number at risk in case of accident is higher. Also, hospital inmates are less capable of looking after themselves in case of accident than others are.

The hospital situation involves three groups of people: (a) hospital employees; (b) patients; and (c) visitors.

The natural resentment by any of the three groups of people towards restrictions and checks imposed to enforce safety must be dealt with tactfully. The best approach is to point out that the restrictions are for the protection of the individual as well as the institutions. It is essential that restrictions be complied with strictly. It has often been pointed out that accidents do not just happen, they are caused. Therefore, they can be prevented.

Causes of Accidents

Accidents may be caused by one or more of the following factors:

1.   fatigue;
2.   disturbed mental state;
3.   fFaulty building and equipment;
4.   pPoor lighting;
5.   uUnsafe practices associated with the job;
6.   lLack of concentration on work in hand;
7.   pPoor discipline among employees;
8.   lLack of rigid and continuous safety inspection;
9.   lLack of training of supervisors in the basic principles of safety;
10.   rRetention of accident-prone employees;

11.   eEmployment of retired persons in whom signs of infirmities have become evident and

12.   fFailure to keep a record of accidents and to eliminate their causes.

It is the considered view of industrial psychologists that most of the accidents can be easily prevented with some care on the part of the hospital authorities, particularly in respect of the maintenance of the equipment and the workplace.

As far as factories are concerned, the Factories Act has laid down detailed safety requirements for fencing all moving parts and prime movers, especially dangerous machines, hoists, revolving machinery, etc. In addition, it has laid down restrictions on the employment of young personspersons on certain machines, but no such law is applicable to hospitals. In such circumstances, the hospital management, on its own, should be concerned with providing safety measures to its employees at work. It should be the duty of the Security Officer or the Human Resource Manager to see that the provisions in this regard are properly observed. Compliance with such provisions is likely to check accidents and promote good employer-employee relations resulting in greater employee efficiency, higher morale and loyalty.

Some employees are more susceptible to accidents than others. They are called 'accident prone'. Such persons should be shifted to jobs of comparatively safe nature, because they pose a danger to others as well as to themselves. The really accident-prone employees are those whose reflexes are slow and whose limbs do not respond with sufficient speed to sense messages of danger. Others who are found to be constantly involved in minor accidents may be accident repeaters, who can be cured by providing training in the correct handling of equipment.

Civil defence needs have led us to realisze that disasters may come without warning. Employees must be trained on how to behave in the event of those disasters. There should be a manual of instructions which should be used as a basis for the training of the employees. This manual should cover the duties of the personnel not only in the case of fire but also in the event of a large-scale disaster either in the hospital or in the community. Planned fire drills may be organized at frequent intervals. These drills should be scheduled at varying hours in order to include personnel and to train employees for all emergencies under both the ideal and the most difficult conditions. This work can be assigned to a safety committee which will work in an advisory capacity to the hospital fire official who can probably be the security officer or human resource manager. This committee should maintain close liaison with the local fire department. Officials of the fire department can study the actual

situation and assess from personal observation, the needs and hazards of the situation.

It has been found that a common cause of accident is a disturbed mental state. It may be caused by a personal problem. While investigating accidents, it is not enough to simply classify an act as carelessness. The investigator must search for the cause of the carelessness. It may not be of much help to the injured employee to know the cause of the accident, but it can serve as a warning and a guide to supervisors. The supervisor can remove the fear of a new employee, can give a worried employee a chance to relieve himself or move the man to a place where he may be required to perform light jobs.

Requisites of a Good Safety Programme

A careful analysis of successful safety programmes in different institutions indicates that for the best results, the programme should include the following points:

(i)   **Personal involvement of top management in safety programmes:** The safety of the employees is an important responsibility and unless top management accepts that responsibility and becomes actively interested in the reduction of accidents, there is little chance of success of the safety programme. When the medical director or hospital administrator makes a round of the hospital, he should talk about safety matters as well as the concerned jobs of the department. If he comes across any case of carelessness, he should immediately bring the matter to the attention of the concerned supervisor.

(ii)   **Assign responsibility of implementing safety programme to one official only**: The responsibility of carrying out the safety programme should be assigned to one person only. He could be the human resource manager, security officer or maintenance engineer. If the hospital cannot afford to engage a full-time safety officer, this work can be assigned to any one person as suggested. The feasibility of employing one officer exclusively for the safety programme will depend upon the size of the hospital. Therefore, it is up to the hospital authorities to decide this issue.

(iii)   **Safety committee:** There should be a safety committee to ensure the following functions: (a) to demand from the hospital the maintenance of safe working conditions; (b) to formulate a manual of instruction; (c) to conduct fire drills; (d) to review all accident reports and make recommendations for the prevention of future accidents; (e) to train employees in safety maintenance; and (f) to inspect fire extinguishers/water hydrants.

(iv)   **Fire-safety training films:** A large number of fire-safety films for training supervisors and employees are available from the National Safety Council. It is a good practice to show the films to the supervisors in advance and ask their advice as to what points should be stressed in a talk given during or after the film show.

The aim of any safety programme should be to ensure built-in safety. It should be seen that employees take reasonable care while at work to avoid injuries, not only to themselves but also to others. The willing co-operation of all employees should be obtained in meeting statutory requirements in letter and spirit. Similarly, the hospital authorities must ensure the safety of the employees at work by providing safe systems of work, good working conditions and safe premises, and also by ensuring adequate training, instructions and supervision. In accident prevention, as in every other sphere of hospital human resource management, the active co-operation of each and every employee is essential.

3.3   Welfare

Any sincere attempt to give real service to patients can bear fruit, only if the employees are given the right type of work environment and are provided with those basic amenities of life which have direct bearing on their efficiency. Employee-welfare plans should form an integral part of the overall scheme for raising efficiency of the employees. Simply stated, welfare services are concerned with the improvement of working conditions and environment at the workplace. Some of the facilities and services which come within the purview of welfare plans and schemes are canteens, recreation rooms, rest rooms, transport, etc.

Principles of a Good Welfare Policy

Employee benefits and welfare services should be provided with good intention and in all sincerity. Employees very often feel that management is providing these welfare services with ulterior motives, i.e. to escape its responsibility for providing better working conditions and that such amenities provided unilaterally, could be withdrawn at any time without breach of agreement. Therefore, welfare policy must be based on sound principles.

1.   Management should never intrude into the private lives of employees through welfare schemes.
2.   Amenities should be provided only when desired by employees. The sincerity of this desire should be judged by their willingness to administer the activities.
3.   The amenities provided should be beneficial to both management and employees in the long run.

Amenities to be ~~Provided~~provided under Welfare Schemes

Administration of welfare facilities varies enormously from organisation to organisation, as also the extent to which the hospital human resource department directly involves itself in the administration of welfare services.

Broadly speaking, however, the following services and amenities are normally considered to be within the ambit of welfare plans:

(i) **Accommodation:** All hospitals, whether big or small, should provide accommodation for their employees. Those employees who are unmarried may be accommodated in hostels and those who are married should be provided staff quarters. As far as possible, housing facility should be provided on the hospital campus because the hospitals work round the clock. This facility helps the employees considerably in attending to their duties at odd hours. Those employees who are required to attend their duty in the day shift only should be assisted in finding accommodation in nearby colonies. The human resource department can help in many ways; for example, by maintaining lists of property dealers who provide to-let services, by maintaining contact with working-girls hostels and agencies dealing with advancing loans for building houses. The more smoothly this facility can be provided, the more favourable will be the impression on new recruits. However, the provision of such assistance needs the most careful control, especially as regards the legal position of employees who leave the hospital but continue to occupy hospital accommodation or accommodation occupied through hospital assistance in the nearby colonies.

(ii) **Serving of food during working hour:** Hospital authorities should provide catering facilities for employees – both resident and non-resident. It encourages team-spirit and fosters economy as well. To provide better food and to decide upon the menu to be served, it is advisable to form food-service committee to help the food service manager with constructive suggestions.

(iii) **Transport service:** The problem of transport from the employee's home to the hospital and vice versa can be eased by providing hospital transport or by maintaining close contact with the local transport authorities. Arrangements can also be made by hiring buses from private transport companies. If the hospital is situated at a far-off place, the employees may be given conveyance allowance or transport costs may be subsidi~~s~~zed.

(iv) Counselling service: Each and every one of us has personal problems. These problems cause inefficiency in job performance, particularly in hospitals where the employees deal with physically or mentally-ill patients. Their supervisors should be able to spot symptoms of personal problems and be willing to offer assistance, whether this is asked for or not by referring to the counsellor.

(v) Sports and social activities: The Indian Factories Act, 1948, makes it obligatory for a factory to provide certain welfare activities, but there is no such act for hospitals. The hospital authorities should not lag behind in providing recreational and welfare facilities to their employees. Such facilities provided by the hospital make the employees loyal to the institution and increases their efficiency. The extent to which management should organize and finance sports and social activities for employees depends upon many factors such as financial resources of the management and resident or non-resident status of the employees. If the employees express a genuine desire for sports and social activities, the hospital authorities should come forward to finance these activities. However, the hospital authorities must plan and supervise lunch-hour recreation. The right type of rest rooms and recreation facilities that are provided will certainly improve the efficiency of the employees.

Recreation facilities have the following advantages:

(a) tThe employees' efficiency is constantly improved
(b) tThe employees' identification with the organisation increases
(c) sStaff turnover and absenteeism rates decline
(d) tThey promote understanding among the employees and also between employees and management
(e) tThey help iron out anti-hospital attitudes of employees.

3.4 Health Services

Prevention is better than cure. Therefore, medical experts advise an annual check-up for every individual. A regular medical check-up helps detect a disease at an early stage. This is beneficial to the employee as well as to the employer. It is very surprising why hospital authorities have been slow to set up employee-health clinics, particularly when all the facilities are available at hand for organiszing adequate checks on the health and general physical condition of employees. (It is rather sad that some hospitals provide health services to the general public but not to their own employees). Enlightened industrialists have long ago established such health services for their employees by employing a

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part-time or full-time medical officer. Hospitals should not lag behind in this respect.

Absence due to illness of an employee affects hospital services to the patients and causes loss of pay to the individual employee. His illness lowers the morale of other employees who are required to cover his work. It is, therefore, suggested that there should be a separate health unit for employees and one physician should be made in charge of that unit. There should be a close liaison between the human resource department and the doctor in charge of the employees' health unit so that the health problems of the employees can be taken care of adequately and a clear understanding may be formed about requirements of each category of employees. The main objectives of an employees' health clinic should be:

1.   to see that new entrants are physically and mentally fit for the job they are engaged to do;
2.   to keep them physically and mentally fit during employment and to see that they are not harmed by the work they are required to do or by the environment in which they work;
3.   to provide immediate treatment to employees who are injured or fall sick;
4.   to ensure that they are referred for further treatment to an appropriate place; and
5.   to assist in their subsequent rehabilitation and to see that they are fit to return to the job.

The functions of an employees' health clinic are:

1.   to keep a check on the health and physical conditions of the employees in the hospital;
2.   to provide medical facilities to the employees and their departments;
3.   to carry out regular inspection of the working environment;
4.   to participate at the planning stages of new buildings to prevent known hazards; and
5.   to provide emergency service as and when required.

The successful accomplishment of these tasks is reflected in reduced expenditure on staff salaries, accommodation and equipment. There will be tangible gains in terms of time saved as a result of quick treatment and a thorough diagnosis of illness at an early stage. There will also be intangible benefits, such as preliminary screening of potential employees, the planned rehabilitation of those returning to work after long illness, employees' high morale because of their confidence in the employees' health clinic and the control exercise over the environment.

In carrying out these functions, the employees' health clinic should provide the following services:

1.   Pre-employment medical examination
2.   Conducting the employees' health clinic
3.   Annual medical examination and immunis~~z~~ation

The medical examination records of all the employees should be maintained in individual folders. The employee's health record should be kept confidential. However, the human resource department is entitled to know the answers to the following questions:

1.   Is the applicant who is under medical examination fit for the job?
2.   Is the employee eligible for continued employment?
3.   Are there any restrictions, due to physical conditions, with respect to the type of work that the employee performs generally?
4.   Does the employee fall sick quite often?

Any employee who wants to consult the employees' medical officer should obtain a signed slip from his departmental head, authoris~~z~~ing his visit to the employees' health clinic. If such control is not exercised, malingering and needless visits to the employees' health clinic may become a habit among the employees. It is also advisable that just one physician is assigned to attend to the employees' health clinic, instead of assigning it to different physicians ~~everyday~~every day. A record of each visit to the employees' health clinic should be also filed date-wise in the employees' health folder and any significant change in any individual's health affecting his employability should be sent to the human resource department immediately.

Thus, the employee's health clinic tries to prevent injuries and illness. It actively tries to promote good health as well as deals with illness when it occurs. Suggestions for reducing the risk of accidents and for improving working conditions are generally made by the employees' medical officer. His function is both curative and preventive. In his preventive work, he must work closely with the human resource department, just as the safety officer does.

4.0   CONCLUSION

Working conditions, safety, welfare and employees' health services determine the productivity of the workers in any organisation as these are all motivating factors that enhance better utilis~~z~~ation and response of its workforce. Every management board must be more generous and enlightened in this request in order to get the best out of the workers.

5.0   SUMMARY

This unit has explored some motivations for the workers. So, any organisation that wants the best of its workforce should pay a serious attention to these areas.

6.0   TUTOR-MARKED ASSIGNMENT

Why areis the organisational working conditions a determinant of its survival?

7.0   REFERENCES/FURTHER READING

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UNIT 5 PROMOTIONS, TRANSFERS, DISMISSALS AND RESIGNATIONS IN AN ORGANISATION

CONTENTS

1.0 Introduction
2.0 Objectives
3.0 Main Content
    3.1 Promotions
    3.2 Transfer
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7.0 References/Further Reading

1.0 INTRODUCTION

The selection and development of efficient personnel is one of the most important and rewarding activities of any hospital organisation. The hiring of individuals is a continuing process which merits the careful development of a procedure designed to reduce staff-turnover and improve efficiency. Next comes the development of the organisation as well as of its employees. This is possible only through a good promotion policy and an efficient training programme.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

• state the nature and scope of promotion
• list what promotion policy may be
• enumerate the types of transfer
• discuss ways of parting in an employment.

3.0 MAIN CONTENT

3.1 Promotions

The promotion policy is one of the most controversial issues in every organisation. The management usually favours promotion on the basis of merits, and the unions vehemently oppose it by saying that managements resort to favouritism. The unions generally favour promotions on the basis of seniority. It is hence essential to examine this issue and arrive at an amicable solution.

Nature and Scope of Promotion

Before this issue is taken up, it is advisable to understand the meaning of the term 'promotion'. A change for better prospects from one job to another job is deemed by the employee as a 'promotion'. The factors which are considered by employees as implying promotion are: (a) an increase in salary; (b) an increase in job prestige; (c) an upward movement in the hierarchy of jobs; (d) additional supervisory responsibility; and (e) a better future.

The presence of any or all of these factors is considered as promotion by the employees.

Seniority versus Merits

There has been a great deal of controversy over the relative values of seniority and merit in any system of promotion. One often hears people saying that while seniority is a fact, merit is only a surmise. It could easily be conceded that in an atmosphere where objective appraisal is not done, the criterion of merit could cause a great deal of damage and risk. If the organisation's expectations are to be fulfilled and if proper emphasis has to be given to initiative, dynamism and speedy action, the criterion of seniority (which relies on the quality of the employee at the time of his recruitment) will have to be given second place.

Seniority will always remain a factor to be considered, but there would be much greater opportunity for efficient personnel, irrespective of their seniority, to move up speedily if merit is used as the basis for promotions. It is often said that at least for the lower ranks, seniority alone should be the criterion for promotion. One cannot agree with this. The quality of work is as important in the lower ranks as in the higher. If that is so, there is no reason why, even in the lower ranks, greater emphasis should not be placed on the quality of work and the merit of performance rather than only on the number of years of service. The factor of seniority should come into play only when some employees are adjudged as equal on the basis of merit.

All over the world, people respect the aged. For them, grey hair is synonymous with wisdom and maturity. It is believed that there is no substitute for experience. Hence, several people support the plea for promoting individuals on the basis of seniority.

There are some who argue against this plea and advocate the merit policy for the following reasons:

1. They believe that mere length of service is evidenced only of continued service but is surely no indication of vast experience.
2. Promotion on the basis of seniority saps the initiative of the employees. Once they reali~~s~~ze that promotions in the organisation are on the basis of seniority alone, they ~~loose~~lose all enthusiasm for showing better performance. Therefore, in terms of getting the best out of employees, the merits of the individual employee will have to be considered.
3. There are individual differences amongst persons working on the same job, some of them are most efficient, some barely average and some below average. If their differences are not distinguished and they are uniformly rewarded, all individuals will gradually sink to the level of below-average employee.

Therefore, most of the authorities on human resource management as well as the lower and higher courts are of the opinion that promotion should be on the basis of merits and not on the basis of seniority. Whenever there is a vacancy in a higher position, sound personnel policy requires that it should be filled on merits, as far as possible within the organisation. If all such vacancies are filled either on seniority basis or from outside, there would not be any incentive for existing employees whose performances are consistently above average. The organisation that has not formulated a promotion policy is likely to accumulate frustrated and discontented employees because they see no prospects for themselves and the only outlet for them is to constantly demand higher salaries or more amenities.

Promotion Policy

Trade unions plead in favour of seniority and management, naturally, in terms of able employees. Trade unions think in terms of their members as a whole and are constantly suspicious of favouritism on the part of the management. They frequently argue that they should have some say in promotions, but the industrial courts have hitherto held that promotion is a management function. However, in practice, both seniority and ability criteria should be taken into consideration; but in order to allay the suspicions of the trade unions, there should be a written promotion policy which should be clearly understood by all. Promotion policy may include the following:

1. Charts and diagrams showing job relationships and a ladder of promotion should be prepared. These charts and diagrams clearly distinguish each job and connect various jobs by lines and arrows showing the channels to promotion. These lines and arrows are always based on an analysis of job duties. These charts do not

guarantee promotion but do point out various avenues which exist in an organisation.

2. There should be some definite system for making a waiting list after identification and selection of those candidates who are to be promoted as and when vacancies occur.

3. All vacancies within the organisation should be notified so that all potential candidates may compete.

4. The following eight factors must be the basis for promotion:

(i)   o~~O~~utstanding service in terms of quality as well as quantity
(ii)   a~~A~~bove-average achievement in patient care and/or public relations
(iii)   e~~E~~xperience
(iv)   s~~S~~eniority
(v)   i~~I~~nitiative
(vi)   r~~R~~ecognition by employees as a leader
(vii)   p~~P~~articular knowledge and experience necessary for a vacancy
(viii) r~~R~~ecord of loyalty and co-operation.

In some instances, it may be possible to use pre-employment tests to determine eligibility for the vacant position. Results of such tests, coupled with a review of the individual's employment record, provide a reasonably objective basis.

5. Though the department heads may initiate promotion of an employee, the final approval should lie with top management because a department head can think only of the repercussions of the promotion in his department while the top management looks at it from the point of view of the organisation as a whole. The human resource department can help at this stage by proposing the names of prospective candidates out of the existing employees in the organisation and also submit their performance appraisal records of the last few years to the departmental head.

6. All promotions should be for a trial period. In case the promoted person is not found capable of handling the job, he may be reverted to his original job. Normally, during this trial period, he draws salary at the higher pay-scale, but it should specially be made clear to him in writing that if his performance is not found up to the mark, he will be reverted to his former post at the former pay scale.

7. In cases of promotion, the human resource department should carefully follow the progress of the promoted employee. A responsible person of the human resource department should hold a brief interview with the promoted person and his department

head to determine whether or not everything is going on well. A fortnight before the completion of the trial period, a written report should be obtained from his department head. If the department head gives a satisfactory report, the promoted employee should be made permanent in the higher post.

Advantages of a Sound Promotion Policy

Every organisation should encourage the promotion of its existing employees to higher posts. Whenever any vacancy occurs in a department, it should, as far as possible, be filled by promoting a suitable employee according to the promotion policy of the organisation. From a scientific management viewpoint, a sound promotion policy has thesemany advantagesadvantages.:

1. It provides an incentive to work more and show more interest in their work. They put in their best and aim for promotion within the organisation.
2. It develops loyalty amongst the employees, because a sound promotion policy assures them of their promotion, if they are found fit.
3. It increases job satisfaction among the employees.
4. It generates greater motivation in competent employees, as they do not have to depend on mere seniority for their advancement.
5. A sound promotion policy retains competent employees and provides them ample opportunities to rise further.
6. It generally results in increased productivity as promotions will be based on an evaluation of the employee's performance.
7. Finally, it increases the effectiveness of an organisation.
    Thus, a sound promotion policy goes a long way in helping the employees, their unions and the management.

Solution to Promotion Problems

Difficult human relation problems can arise in promotion cases. These problems may be reduced to the minimum if extra care and the following principles are observed:

1. In promoting an employee to a higher post, his salary should be at least one step above his present salary.
2. Specific job qualifications will enable an employee to realisze whether or not his qualifications are equal to those called for.
3. There should be a well-defined plan for informing prospective employees of impending vacancies.

4.   The organisation chart and promotion charts should be made so that employees may know the various avenues for their promotion.
5.   The promotion policy should be made known to each and every employee in the organisation.
6.   Management should prepare and practice promotion policy .

3.2   Transfer

Like promotion, transfer is used to place employees in positions where they may get greater job satisfaction and contribute their best efforts to the organisation. Transfer involves some rather delicate issues which should be tackled gently. No department head wants to ~~loose~~lose a good employee. On the other hand, employees generally feel that the grass is greener on the other side of the fence.

In order to obviate possible clashes of departmental interests, some general policy on inter-departmental transfers should be established and publici~~s~~zed sufficiently to prevent any doubt which might arise in the minds of employees and their union leaders. A human resource manager should make recommendations for transfer and promotion policies and help line managers administer them effectively. It should be stated clearly in the transfer policy whenever an employee with a satisfactory record desires promotion, he shall be considered for promotion within his department. If no opportunity is available within his department, he shall be given consideration for vacancies in other departments provided his qualifications make him eligible. In such cases, the department head should refer the employee directly to the human resource manager. Department heads should be discouraged from recruiting employees directly from other departments. Such a procedure causes ill-will, resentment and confusion, which are not compatible with good hospital management. Inter-departmental contacts in such matters should be channeled through the human resource department.

Types of Transfer

A transfer implies a lateral movement of an employee in the hierarchy of positions of the same or similar status, from one department to another. Transfer may be initiated by the management or by the employees. The management may initiate a transfer to place an employee at such a place where he can be better utili~~s~~zed from its point of view. Similarly, an employee may request a transfer to a place where he can find more avenues for promotion or for some personal reasons, e.g. where his friends are working, where he thinks the working conditions are better, to get away from his boss with whom he may be finding it difficult to get along, etc.

There are several types of transfers:

Production transfers: These are made from one department where the personnel requirements are declining to another department where more personnel are required. This type of transfer is made to avoid lay-offs in one department and also to avoid employment of persons from outside in another department. The human resource department may act as a clearing house through which all lay-offs and ~~hirings~~hiring are funneled.

Replacement transfers: These are similar to production transfers. In replacement transfers, a long-service employee is transferred to a similar job in another department where he replaces an employee with shorter service. The object of these transfers is to retain, as far as possible, an efficient and trained employee and to discharge the junior-most employee.

Versatility transfers: These are made for the purpose of providing the management with a versatile group of employees. This type of transfer may be used as preparation for production or replacement transfers. Such transfers help the management in preparing an army of all-~~rounders~~rounder who can be conveniently transferred from one department to another at the time of need. This type of transfer helps in job enlargement and job enrichment.

Shift transfers: These are made in those organisations where there ~~are~~is more than one shift. Under this type of transfer, employees are transferred from one shift to the other on similar jobs involving the same type of work. This type of transfer is done to mitigate individual hardships or to remedy maladjustment at the time of initial or even subsequent posting.

Remedial transfers: These are made for various reasons primarily concerning the person on the job, e.g. faulty placement of an employee on a job at the time of his joining, incompatibility with his supervisor, illness, accident record, etc. Remedial transfers can particularly result in better placement of employees and improved morale.

Transfer Policy

A systematic transfer policy is needed to maintain harmonious relations between management and employees. The management should transfer an employee in the interest of the organisation and not to victimize him. Similarly, the employee should seek transfer for his betterment and not

to create problems for the management. A sound transfer policy is, therefore, needed to maintain reasonable consistency of treatment throughout the organisation. In formulating this policy, the following points should be incorporated:

1.   tThe circumstances under which transfers can be made
2.   rResponsibility for initiating and approving transfers
3.   Transfers within sections or between departments anywhere in the hospital
4.   bBasis for transfer
5.   tThe rate of pay.

The responsibility for transfers should be given to the top management, because some supervisors may recommend transfer to get rid of poor or inefficient employees rather than making any attempt to improve them. On the other hand, in most of the cases, employees and their unions suspect victimiszation by management. Therefore, the top management should issue orders of transfer in consultation with the human resource manager.

Advantages of transfer policy

Transfers are helpful in utiliszing human resources. They help in relating long-service employees and utiliszing them effectively. The following are some of the advantages of a good transfer policy:

1.   iIt increases the productivity and effectiveness of an organisation
2.   iIt improves employer-employee relations
3.   iIt motivates employees
4.   iIt provides a remedy for faulty placements
5.   iIt helps in tackling crisis situations.

3.3   Ways of Parting

The hospital administrator should be aware of the average length of service of the employees, just as he is aware of the average stay of patients. Parting may take place because of (a) retirement; (b) voluntary resignation; and (c) dismissal.

Parting should be accomplished in a manner which will:

1.   preserve maximum goodwill for the institution;
2.   enable the hospital to analysze and understand the employee's feeling about the job which he has held, its duties, salary and general conditions; and

3.   enable the hospital to remove the employee's name from the
       payroll at the proper time.

3.3.1 Retirement

When an employee is nearing the age of superannuation, it is not only the concerned employee who starts thinking about his after-retirement life but the human resource department must also start planning for his replacement either by promoting a deserving employee or by recruiting a person from outside. A retiring employee needs counseling to meet his social, psychological and financial requirements. Here, the human resource department has a big role to play, one which is generally not taken care of in most hospitals.

Two or three years before the retirement of an employee, a responsible officer of the human resource department should start having a dialogue with him relating to finance, housing, the use of leisure time, etc. Thus, with proper advance planning, retirement can be one of the most satisfying periods of one's life rather than a threat. It is necessary to plan for retirement systematically, to ensure a satisfying retired life.

The officer who counsels and guides retiring employees should include the following topics in pre-retirement sessions: (a) the art of adjustment with family members, neighbours and relatives; (b) housing; (c) financial and assets planning; (d) medical care; (e) leisure time activities and physical health; and (f) religious aspects, according to the religion of the retiring employee.

This is a significant phase in every individual's life and should not be left to chance. It is a major milestone in one's life, like the completion of education, one's first job, marriage, etc. Therefore the human resource department of the hospital should draw up some programmes, such as arranging a farewell party, giving a letter of appreciation, a memento and an offer for free medical care. For follow-up after retirement, the same officer of the human resource department should visit the retired employee at his home. He should be invited to annual functions of the hospital so that the retired employees of the hospital can meet and talk of some important incidents which took place during their employment in the hospital.

3.3.2 Voluntary Resignation

When an employee resigns, sincere efforts should be made to find out the real reasons as to why he is leaving. An employee who is leaving the hospital can be expected to speak frankly of any dissatisfaction he may have. The exit interview will help review hospital policies and practices on pay, training, promotion, working conditions, etc. Resignation of promising employees are a great loss to the hospital and should therefore

be reduced as far as possible by removing the problem areas thus revealed.

In cases of resignation, not only should the exit interview be conducted by an officer of the human resource department, but also the comments of his department head should be taken about his overall performance. These should be kept in the closed file of the employee so that as and when he applies for re-employment in ~~future,~~future: his closed file may be referred to before considering his case for re-appointment.

3.3.3 Dismissal

Dismissal is the most painful job of the human resource department. Dismissal is the extreme punishment that can be awarded to an employee after an internal enquiry. This should normally be awarded in cases of gross misconduct or of grave moral turpitude. It should not be awarded for minor misconduct. There should be adequate grounds to justify such drastic action being taken against an employee. However, there is no yardstick to measure the gravity of the offence justifying the penalty of dismissal. Each case involves a set of circumstances which should be the basis for determining the gravity of the offence committed. The grounds may be many and varied depending upon the circumstances under which the offence has been committed. The human resource department should see to it that no innocent employee is dismissed. Every effort should be made to see to the full and final settlement of account amicably after seeking clearance from the concerned departments. A dismissed employee is usually difficult to tackle. He is often inclined to make issues of small things such as return of hospital uniform, library books, identity cards etc. He should therefore be handled with care.

If the first function of the hospital human resource department is to procure personnel, it is logical to conclude that the last function is separation, may be by way of resignation, voluntary retirement or dismissal. This function should be discharged with skill and compassion because most of the employees who are leaving the hospital either due to retirement, voluntary resignation or dismissal are emotional. At that time they need a cordial exchange with their department head and an officer of the human resource department, to ensure that the parting is without any untoward incidence.

4.0   CONCLUSION

There are factors which are considered in this unit indicating that promotion are quite satisfying to the employees and anything short of these as considered in this unit always met with stiff resistance by the

workers. It is hence essential that both the management and staff members must come to amicable resolution of any conflict for the benefits of both parties and the smooth running of the organisation.

5.0   SUMMARY

We have looked at promotions being a pivot to a successful management. We also discussed the ways of parting in any organisation such as transfers, dismissals and resignations. Your knowledge must have been enhanced by this unit. Now, answer the question that follows.

6.0   TUTOR-MARKED ASSIGNMENT

Promotion policy is one of the most controversial issues in hospital organisation. Discuss.

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MODULE 3

UNIT 1   COLLECTIVE BARGAINING IN HOSPITALS

CONTENTS

1.0   INTRODUCTION

This unit is delving into the crucial function of the Board and its trustees i.e. collective bargaining. If collective bargaining is not properly managed, it can lead to impasse between the management and its workers whether represented by their union or by some of them on behalf of all of them.

2.0   OBJECTIVES

At the end of this unit, you should be able to:

- describe collective bargaining
- list the essential prerequisites of collective bargaining
- enumerate main functions of collective bargaining
- discuss the characteristics of collective bargaining
- state the principles of collective bargaining
- discuss the process of collective bargaining.

3.0   MAIN CONTENT

3.1   Some Definitions of Collective Bargaining

According to the Encyclopaedia of Social Sciences, collective bargaining is "a process of discussion and negotiation between two parties; one or both of whom are in a group of persons acting in concert. The resulting bargain is an understanding as to the terms and conditions under which a continuing service is to be performed. More specifically, collective bargaining is a procedure by which employers and a group of employees agree upon the conditions of work".

The National Association of Manufacturers is of the opinion that, in its simplest definition, the process of collective bargaining is a method by which management and labour may explore each other's problems and viewpoints and develop a framework of employment relations within which both may carry on their daily association in a spirit of co-operative goodwill and for their mutual benefit.

The ILO has defined collective bargaining as "negotiations about working conditions and terms of employment between an employer and a group of employees or one or more employees' organisations with a view to reaching an agreement wherein the terms serve as a code of defining the rights and obligations of each party in their employment relations with one another; fix a large number of detailed conditions of employment and derivatives validity, none of the matters it deals with which can in normal circumstances be given as a ground for a dispute concerning an industrial worker".

The Encyclopaedia of Social Sciences treats collective bargaining as:

> a process of discussion and negotiation between two parties, one or both of whom is a group of persons acting in concert…more specifically, it is the procedure by which an employer or employers and a group of employees agree upon the conditions of work.

> Tudwig Teller defines collective bargaining as an agreement between a single employer or an association of employers on the one hand and a labour union on the other, which regulates the terms and conditions of employment.

Collective bargaining may, therefore, be defined as an agreement under which the organisation of workers and employers collectively undertake

to resolve their existing or future differences with or without the assistance of a third party.

3.2   Essential Prerequisites for Collective Bargaining

An individual is free to bargain for himself and safeguard his own interest. If an individual workman seeks employment, his prospective employer, from his position of power, usually stands in better position to dictate his own terms. The individual often has to accept even a very poor offer when he is under pressure to feed his family. However, the position becomes different if a bargain is made by a body or association of workmen. They can negotiate and settle their terms with the employer more effectively and secure better wages, better terms of employment and greater security. The object of collective bargaining is to harmonize labour relations and promote industrial peace by creating equality of bargaining power between the labour and the management. Collective bargaining can exist only in an atmosphere of political freedom. Any conditions of service, for example wages, hours of employment, leave, gratuity, bonus, allowances and other similar privileges can be settled by consultation between the body of workmen and the employer. Thus, 'collective bargaining' is that arrangement whereby the wages and conditions of employment of workmen are settled through a bargain between the employer and the workmen collectively, whether represented through their union or by some of them on behalf of all of them.

In the present day, collective bargaining has become a common feature in all industries. Any agreement collectively arrived at, is generally observed by both the employers and workmen who are a party to it. Though the trade union movement in India has not been able to reach the standard which its counterparts in other developed countries have reached, yet it has done much. The object of any labour movement at all times is 'to seek an ever-rising standard of living, which means not only more money but more leisure and a richer cultural life'. Collective bargaining is not a means of seeking a voice in management. It is a method adopted by trade unions to champion the cause of their members.

The phrase 'collective bargaining' is said to have been coined by Sydney and Beatrice Webb and Great Britain is said to be the home of collective bargaining, which has its first systematic application in the 19th century. The idea of collective bargaining emerged as a result of industrial conflict and the growth of the trade union movement.

The phrase 'collective bargaining' consists of two words – 'collective' which implies group action through its representative and 'bargaining',

which suggests negotiating. The phrase, therefore, implies, 'collective negotiations of a contract between management's representatives on one side and those of the workers on the other'. It also implies an 'original yet flexible position from which one of the negotiating parties, or both, may retreat gracefully to a position of compromise'.

The theory of organised labour and its statutory recognition in industrial legislation is based upon the unequal balance of bargaining power that prevails between the capitalist employer and an individual or disunited workman. Collective bargaining is the foundation of this movement and it is in the interest of labour that statutory recognition has been accorded to trade unions and their capacity to represent workmen, who are members of such bodies. But, of course, there are limits to this doctrine, for otherwise, it may become a tyranny, stifling the freedom of an individual worker. It is not that every workman must necessarily be a member of the trade union, and that, outside its fold, he cannot exercise any volition or choice in matters affecting his welfare. The representative powers of organisation of labour, with regard to enactments, such as the Industrial Disputes Act, will have to be interpreted in the light of the individual freedoms guaranteed in the Constitution, and not as though such freedoms did not independently exist, as far as organised labour is concerned.

There are six prerequisites to collective bargaining:

1. existence of a truly representative and strong trade union
2. existence of a progressive management
3. absence of any external pressure either on the employer or on the worker to come to the kind of agreement desired by the authority exerting the pressure
4. existence of a measure of parity of strength or bargaining power between the trade union and the management
5. delegation of authority to an officer involved in negotiations
6. acceptance of a fact-finding approach by the management as well as the union.

3.3   Negotiating a Settlement

Before the management proceeds to negotiate a settlement with the union, it must analyse the basic factors and specific issues on which an agreement must be reached to avoid a conflict in future. The next step should be to draft a comprehensive document incorporating all the points such as: (a) purpose and scope of the settlement; (b) rights and responsibilities of the management and the union; (c) issues settled; (d) interpretation clause; and (e) termination clause.

Both the groups involved in arriving at the settlement should consist of persons who have job knowledge, negotiation skills and the full authority to negotiate. During negotiation, they must maintain continuity of the dialogue and should not reach a deadlock. Negotiations will be easier if the concerned parties develop a problem-solving attitude. At the same time, they should remember that nothing must be said or done which, instead of creating a congenial atmosphere, aggravates the situation. Careless words may lead to a violent explosion which would take the situation out of control.

3.4   Main Functions of Collective Bargaining

In the industrial world, collective bargaining serves a number of important functions.

1.   It is a rule-making or legislative process in the sense that it formulates terms and conditions under which labour and management will cooperate and work together over a certain stated period.
2.   It is also a judicial process, for in every collective agreement there is a provision or clause regarding the interpretation of the agreement and how any difference of opinion about the intention or scope of a particular clause is to be resolved. Such interpretation can be left to a joint committee of worker's and management's representatives or to the top level management or to a third party jointly selected by the trade union and the management.
3.   It is also an executive process, for both the management and the trade unions undertake to implement the agreement signed, each accepting a series of obligations under the agreement.

3.5   Main Characteristics of Collective Bargaining

Collective bargaining is a complex process. It involves psychology, politics and power. The main characteristics of collective bargaining are as follows:

1.   it is a group action as opposed to individual action and it is initiated through the representatives of workers
2.   it is flexible and dynamic and not fixed or static. It has fluidity and ample scope for compromise, for a mutual give and take, before the final agreement is reached or the final settlement is arrived at
3.   it is a two-party process. It is a mutual give and take rather than a 'take-it-or-leave-it' method of arriving at the settlement of a dispute. Both parties are involved in it

4. it is a continuous process which provides a mechanism for continuing an organised relationship between management and trade unions
5. it is dynamic and not static because it is a relatively new concept and is growing, expanding and changing. In the past, it used to be emotional, turbulent and sentimental; but now it is scientific, factual and systematic
6. it is industrial democracy at work; the government of labour with the consent of the governed – the workers.

3.6 Principles of Collective Bargaining

Several management experts have put forth more or less similar principles of collective bargaining.

For the management:

1. the management must develop and consistently follow a realistic labour policy, which should be accepted and carried out by its representatives
2. the management must grant recognition to the trade unions without any reservations and accept it as a constructive force in the organisation
3. the management should not assume that employee goodwill will always exist. It should periodically examine the rules and regulations to determine the attitudes and degree of comfort of its employees and gain their goodwill and co-operation
4. the management should extend fair treatment to the trade unions in order to make it a responsible and conservative body
5. the management should not wait for the trade union to bring employee grievances to its notice but should rather create the conditions in which employees can approach the management themselves, without involving the trade union
6. the management should deal only with one trade union in the organisation
7. while weighing the economic consequences of collective bargaining, the management should place greater emphasis on social considerations.

For the trade union:

1.   in view of the rights granted to organised labour, the trade union should eliminate racketeering and other undemocratic practices within their own organisation
2.   trade union leaders should appreciate the economic implications of collective bargaining, for their demands are generally met from the income and resources of the organisation in which their members are employed
3.   trade union leaders should not imagine that their only function is to secure higher wages, shorter hours of work and better working conditions for their members. They and their members have an obligation to assist the management in the elimination of waste and in improving the quality and quantity of production
4.   trade union leaders should assist in the removal of such restrictive rules and regulations that are likely to increase costs and prices and reduce the amount that can be paid out as wages
5.   trade union should resort to strikes only when all other methods of the settlement of a dispute have failed.

For Union and Management:

1.   collective bargaining should be made an education as well as a bargaining process. It should offer to trade union leaders an opportunity to present to the management the wants, desires, grievances and attitudes of its employees and make it possible for the management to explain to union leaders and through them, to its employees the economic problems which it is confronted with
2.   the management and trade union must look upon collective bargaining as a means of finding the best possible solution and not as a means of acquiring as much as one can while conceding the minimum. There must be an honest attempt at solving problems
3.   both parties to a dispute should command the respect of each other and should have enough bargaining power to enforce the terms of the agreement that they may arrive at
4.   there must be mutual confidence and good faith, and a desire to make collective bargaining effective in practice
5.   there should be an honest, able and responsible leadership, for only this kind of leadership will make collective bargaining effective and meaningful
6.   the two parties should meticulously observe and abide by all the national and state laws which are applicable to collective bargaining
7.   both parties must bear in mind the fact that collective bargaining is, in a sense, a form of price fixation and that the success of any

collective bargaining depends, in the final analysis, on whether the management and the trade union do a good job of ensuring that the price of labour is properly adjusted to other prices.

3.7   Collective Bargaining and Hospitals

Collective bargaining has a direct bearing on the Trade Union Act, 1926 and the Industrial Disputes Act, 1947. So far as the Trade Union Act, 1926 is concerned, there is a provision that any seven or more members of a trade union may apply for registration of the trade union. The Registrar will register the trade union if he is satisfied that the trade union has complied with the requirements of the Act. Thus, the employees of hotels, hospitals, and industry or business organisations can form trade unions. But the Industrial Disputes Act, 1947 does not clearly define the term 'industry'. Therefore, this act has been sometimes applicable to hospitals and sometimes not. When this Act was applicable, hospital trade unions worked for the welfare of workers and when it was not applicable, the management of the hospitals ignored the demands of the workers/trade unions because the hospital authorities knew that the trade unions could not drag them to the conciliation officer either for settlement of their demands or for getting the demands adjudicated by the Industrial Tribunal/Labour Court.

As and when the definition of 'industry' as given under Section 2(j) of the Industrial Disputes Act, 1947 included hospitals, the said Act was applicable to hospitals. Thus, the question whether a hospital is an industry or not has come for determination before the Supreme Court of India on a number of occasions and the uncertainty continued to persist because of conflicting judicial decisions right from the Hospital Mazdoor Sabha case to the Bangalore Water Supply and Sewerage Board case.

1.   In the State of Bombay v. Hospital Mazdoor Sabha case, the Hospital Mazdoor Sabha was a registered trade union of the employees of hospitals in the State of Bombay. The services of two of its members were terminated by way of retrenchment by the government and the union claimed their retrenchment compensation through a writ petition. It was urged by the state that the writ application was misconceived because hospitals did not constitute an industry but the Supreme Court held the State hospitals to be an industry as defined under Section 2(j) of the Industrial Disputes Act, 1947.

2.   The Hospital Mazdoor Sabha case was overruled by the Safdarjung Hospital case. In the case of Safdarjung Hospital v. Kuldeep Singh, hospitals were not held to be industries if they

were run by the government or by charitable agencies carrying on work of charities, training, research and treatment.

3.　　In the case of Bangalore Water Supply and Sewerage Disposal Board v. A. Rajappa, the Supreme Court laid down three tests: (i) systematic activity; (ii) cooperation between employer and employee; and (iii) production and/or distribution of goods and services calculated to satisfy human wants and wishes. If these tests are satisfied, it is an industry. Hence in this case, the Hon'ble Supreme Court overruled its own judgement given in the Safdarjung Hospital case and resorted and rehabilitated its earlier judgment given in the Hospital Mazdoor Sabha case. Thus, as per the judgment delivered by a bench of seven judges of the Supreme Court, hospitals are industries as defined under Section 2(j) of the Industrial Disputes Act, 1947.

A rise in collective bargaining in hospitals was noticed as long as hospitals were covered under the Industrial Disputes Act, 1947, but after the judgment in the case of Safdarjung Hospital v. Kuldeep Singh, there was a fall in collective bargaining. In 1978, in the case of Bangalore Water Supply and Sewerage Disposal Board v. A. Rajappa, the Supreme Court reversed its own judgment given in the case of Safdarjung Hospital v. Kuldeep Singh and restored its earlier judgment given in the case of State of Bombay v. Hospital Mazdoor Sabha. Since then, collective bargaining is on the increase in hospitals, but it is still not as popular as it is in industries/hotel/business organisations, etc. Hospital employees are not as union-minded as the industrial workers are because hospital employees see life and death from close quarters most of the time and also they tend to treat doctors as their gods; but this is not true any longer.

Employer's hostility has brought about labour unions. In an organisation, whether it is a hospital, hotel or business organisation, there is need for channels through which hostility may be expressed without fear. Labour unions have risen for venting the pent-up hostility. Each employee has an innate human desire for recognition which management may have a tendency to neglect. Labour unions are becoming the vehicle to accomplish this.

It is now being observed that labour unions, arbitration, negotiation, collective bargaining, strike, demonstration and picketing are becoming common in Indian hospitals as well. Many persons with expertise in labour relations believe that if more attention had been given to employees' welfare in hospitals in the past, present collective bargaining attempts by unions might have been prevented.

Hospital administrators must realise that professional and non-professional employees unite to achieve higher salaries and better working conditions. Perhaps, management's short-sightedness in achieving high-quality patient care at the expense of adequate administrative staff and service personnel cause the employees to look to the union. For these employees, union membership may mean better fringe benefits and higher salary.

Collective bargaining in hospitals is controversial. Hospital administrators and boards of trustees seem to resent unionism, though they do not admit this openly. They firmly believe that collective bargaining can have adverse effects on the skilled and unskilled employees, thereby endangering patients care. Some of them even argue that the high cost of medical care in hospitals can be attributed to the unions and their demands.

Collective bargaining can have a positive influence on the management-union relationship if the union's efforts can result in better service to the patients and in reducing costs for the hospital. At the time of signing an agreement between the management and the union in industries, a clause is generally inserted that the workmen will increase production; but no such clause has ever been written in agreements signed between management and unions in hospitals. Hence the statement made by some hospital experts, that the high cost of medical care in hospitals can be attributed to the unions and their demands, is correct.

There is no doubt that unionism has come to stay in hospitals. There is therefore an urgent need for a department in the organisational hierarchy to coordinate the interpretation of personnel policy and its application to the various situations and circumstances in which employees become involved. This essential advisory department should provide necessary information to the management. Such important staff services must be provided regardless of the size of the hospital, so that effective and equitable human resource management and labour relations management may bear good results.

For larger institutions, this responsibility should be assigned to a trained and experienced human resource manager with adequate facilities and staff. He would be responsible for the recruitment and selection of new employees with the assistance and involvement of the concerned department heads, personnel policy development and revision, establishment and maintenance of personnel transaction procedures and records, coordination of the employee-appraisal system, supplementary fringe benefits programmes, recreational programmes, employee and supervisor training, job analysis and job specification, wage and salary administration, budget preparation, etc.

Hospital employees represent a fairly large group of unorganised employees in India. The labour leaders of industries have now shifted their attention and are keen to form unions in hospitals, especially because of the low salaries being paid to the employees, the lack of recognition, absence of grievance procedure etc. These are some of the significant factors which induce hospital employees to join a union. In short, a key factor in the decision to join unions is the desire for better economic and working conditions. In big hospitals, union leaders are emerging from the employees of those hospitals and they get their union affiliated to the All India Trade Union Congress or the Hind Mazdoor Sabha or Communist Party of India, etc.

The author is of the opinion that unions have been successful in organising employees in hospitals because the employees are lowly paid, dissatisfied with working conditions, have little chance of promotion and the indifferent attitude of the management to employees' complaints about their working conditions, poor management information systems and the lack of recognition of employees.

The author is also of the opinion that wherever unions have been formed in hospitals, they have been able to get better pay, improved fringe benefits, more promotional avenues and setting up of grievance procedures. Recently, not only the government but unions themselves have become more concerned with broader managerial issues such as labour participation in management at the top, middle and lower levels. They want their 'say' in all the issues concerning the hospitals.

Generally, all hospital administrators, barring a few, are opposed to unions, especially militant ones, because the union may incite the employees to disrupt service, if their demands are not acceded to. Therefore, the hospital authorities feel that the recognition of a union is a direct invitation to strike. Strikes, demonstrations and picketing can endanger the lives of patients and lower the public image of the hospital, make the treatment costlier and create chaos in the community. Whatever their attitudes, some hospital administrators, with the help of human resource managers and legal advisers, have learned to live with the unions.

The administrators should remember that a fundamental basis of collective bargaining is acceptance by both parties of mutual rights and responsibilities. As it is the inherent right of the hospital authorities to manage the hospital, similarly it is inherent right of the union to organise workers and act as their representative in all matters concerning their terms of employment, fringe benefits and the safeguarding of their interest. Such rights should not be abused by either side in any circumstance.

4.0   CONCLUSION

If hospital authorities and union leaders want to ensure the operation of collective agreements in a true spirit, there should be a sharing of information and joint consultation with each other because such efforts will lead to full cooperation to provide better health services, reduce costs, maintain discipline and create a congenial atmosphere which are the prime concern of hospital administrators.

5.0   SUMMARY

I am sure you find this unit interesting like the previous units. In this unit we have explored collective bargaining in hospitals and the necessity of maintaining a minimum stress between the management and the employees.

6.0   TUTOR-MARKED ASSIGNMENT

Discuss the principles and process of collective bargaining in hospitals.

7.0   REFERENCES/FURTHER READING

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UNIT 2   DISCIPLINE AND DISCIPLINARY ACTION IN HOSPITALS

CONTENTS

1.0   INTRODUCTION

Discipline means orderliness; it is the primary responsibility of the management to maintain discipline. In doing so, it must make its standards known to its employees. If employees do not know what standards the management expects from them, their conduct is likely to be misdirected. The management should maintain discipline by applying standards in a consistent, fair and flexible manner.

This unit will expose learners to the procedure of discipline of workers in any organisation especially in the hospitals.

2.0   OBJECTIVES

At the end of this unit, you should be able to:

•   explain what discipline is
•   list the essentials of a good disciplinary procedure
•   discuss the procedure for disciplinary action
•   enumerate forms of punishment.

3.0   MAIN CONTENT

3.1   Complaint Procedure

All complaints arising out of employment, including those relating to unfair treatment or wrongful exacting of money on the part of the management, should preferably be referred to the head of the department in which the employee is working. In the event that the employee is not satisfied with the departmental head's decision, or if the latter so wishes, the complaint should be referred to the chief executive of the hospital. The chief executive may, at his discretion, appoint an officer or a committee to investigate the complaint; or after a formal enquiry by the human resource manager, communicate his decision to the employee through the head of the department.

Similarly, if a superior has any complaint against his subordinate for not carrying out his instructions, or if a patient has a complaint against any employee of the hospital, the management must obtain the complaint in writing and should avoid taking action on an oral complaint. Secondly, this sort of complaint should always be addressed to the chief executive of the hospital who has hiring and firing authority.

3.2   Preliminary Enquiry

In cases of misconduct, before the chief executive decides to issue a formal charge sheet and holds a regular enquiry, he should try to determine whether there is a prima facie case against the accused employee by ordering a preliminary enquiry. If it is found that the allegation against him is of a minor nature not warranting disciplinary action, he should be let off with a warning. But if the misconduct appears to be of grave nature, a regular enquiry should be initiated on the basis of the evidence available at the preliminary enquiry.

Holding of a preliminary enquiry is always desirable because holding a regular enquiry is a serious matter which can cause unrest or have other undesirable effects. But a preliminary enquiry has its limitations. An employee can be exonerated or punished only on the result of a regular enquiry.

3.3   Disciplinary Action

Discipline means orderliness. It is the primary responsibility of the management to maintain discipline. In doing so, it must make its standards known to its employees. If employees do not know what standards the management expects from them, their conduct is likely to

be misdirected. The management should maintain discipline by applying standards in a consistent, fair and flexible manner.

No matter how careful the selection, recruitment and training of employees had been, there will still be cases where reprimanding is necessary; almost every supervisor and executive has to take disciplinary action at one time or the other. High degree of discipline should be maintained in a constructive manner and not in a spirit of anger. The primary purpose of disciplinary measures is to influence the future behaviour of (a) the offending employee; and (b) other employees.

A favourable effect on future behaviour will be obtained only if the disciplinary action is regarded as fair. Fairness, in turn requires, that there is a full knowledge of the rules of conduct and penalties for breaking them. For example, smoking in an operation theatre may be sufficient basis for immediate strict disciplinary action, whereas smoking on the hospital lawns may be no violation at all. Full considerations should be given to the provocation for the undesirable action and also the attitude, previous conduct and personality of the individual concerned. This is particularly important to secure acceptance of the decision by fellow employees.

Often disciplinary action has widespread impact on other employees. Too harsh an action may make the man a martyr and cause discontentment throughout the department and hospital. If, on the other hand, the treatment is too lenient, the interpretation may be that the management considers the misconduct of minor consequence. The management should understand that it cannot turn a blind eye to violation of rules and then suddenly crack down on someone without warning. It should maintain discipline by applying standards in a consistent, fair and flexible manner.

Negative incentives provided through disciplinary action have, no doubt, a salutary effect. However, for better results, they must be combined with personal leadership, positive incentives and indirect motivation, if a hospital is to be really efficient and dynamic in its operation.

Positive incentives provided through motivational activities such as praise, promotion, special increments, incentives in cash or kind etc. are the best forms of maintaining discipline. This refers to an organisational atmosphere where employees willingly abide by the rules which they consider fair and they are likely to remain with the hospital because the hospital offers them the opportunities they desire. Thus, the hospital's image is consequently improved and enhanced.

As orderly behaviour is essential for attaining the organisation's objectives, all employees must be disciplined. Discipline should be administered by the management without favouritism and partiality. Successful executives direct discipline against an act of misconduct and not against any person.

Disciplinary action is generally confined to the punishment of the erring employee to prevent his undesirable behaviour in future. Though the majority of employees conform to orders, policies and rules and regulations, the erring minority does require disciplinary action. One of the most difficult tasks of an executive is the effective administration of disciplinary action.

3.4   Essential of a Good Disciplinary Procedure

Every effort should be made to ensure fair and impersonal application of disciplinary measures. A good disciplinary procedure must incorporate the following points.

1.   There should be a written statement of the policy of the organisation with regard to discipline and this statement should be a part and parcel of the personnel policies. If an employee's information booklet is provided, this statement should be published in it so that all employees know what constitutes misconduct.
2.   The rules and the reason for each rule should be clearly stated.
3.   The exact authority and responsibility for each step should be explicitly defined in unambiguous language so that it is understood by all concerned.
4.   All cases of misconducts must be dealt with promptly and firmly because delayed action in such cases would encourage indiscipline amongst the employees.
5.   All employees, whether holding high posts or lower ones, should receive equal punishment for the same misconduct. At the same time, disciplinary action should be handled in a constructive manner so that harmonious relations are not impaired.
6.   Disciplinary proceedings should be held in camera. In particular, supervisor should never be questioned in the presence of his immediate subordinates.
7.   There should always be a provision for appeal in all disciplinary cases.

3.5   Misconduct

Misconduct is an act of omission or commission mentioned in the personnel policies. The cases of misconduct that are most common in

hospitals are: tardiness, habitual late attendance, going off duty before scheduled time, unauthorised leave from work, absence from place of duty, use of bad language, discourtesy to patients or public intoxication, tampering with hospital records, deliberate damage to machines and materials, habitual negligence of any work or safety rules, habitual breach of any rule of the hospital, insubordination, sabotage, gambling, theft, fraud, dishonesty with employer's business, taking or giving bribes, riotous or disorderly behaviour, inciting others to strike.

Apart from these acts and the omissions which amount to misconduct, 'go slow policy' has also been regarded as misconduct according to the model standing orders appended to by the Industrial Employment (Standing Orders) Act, 1946, which requires the personnel policies of an organisation to be in conformity with the model standing orders.

3.6   Procedure for Disciplinary Action

The management starts the procedure of disciplinary action against an employee by issuing a charge-sheet. It gives an opportunity to an employee to explain his conduct. Therefore, it is sometimes called a 'show cause notice'. A model charge-sheet is provided (Form 12.1).

Name and address of the hospital

Date:……...................

Name of employee to be charge-sheeted:………………………..
Designation:………………
Department:………………
Through:……………… (Mention name of his Departmental Head)

You are hereby charged as under:

1.   Mention here the allegations, briefly stating time, date and place of incident and in whose presence the incident occurred. Use the exact words in English (with vernacular translation) which transpired at the time of the incident.
2.   You are hereby required to show cause within 72 hours of receipt of this notice as to why disciplinary action as may be deemed fit and proper in the circumstances of the case, be not taken against you. If you fail to submit your written explanation within the stipulated time, it will be presumed that you have no explanation to offer and accept the charges. The case will be disposed of without further reference to you.

(Name of Chief Executive)
Designation

If the charges are of a very serious nature, the employee should be suspended as well, so that he may not tamper with the records and mislead witnesses. A model suspension letter is given (Form 12.2)

<div align="center">Name and address of the hospital</div>

<div align="right">Date:……...................</div>

Name of employee:………………………..
Designation:………………
Department:………………
Through:……………… (Mention name of his Department Head)

Certain allegations amounting to serious misconduct have been leveled against you.
Since the allegations made against you are of a serious nature, you are hereby suspended with immediate effect pending further proceedings and final order in the matter. The charge-sheet will follow.

<div align="center">(Name of Chief Executive)
Designation</div>

Thus, a domestic enquiry first requires the framing of the charges with details of the offence in the form of a charge-sheet requiring the employee to show cause as to why appropriate action should not be taken against him. After the charge-sheeted employee has given his written explanation, it should be examined. In case the explanation given by the employee is not satisfactory, an enquiry letter should be issued, giving him reasonable time (say 72 hours) to prepare his case and to arrange his witnesses, if any. A model enquiry letter is given (Form 12.3).

Name and address of the hospital

Date:……...................

Name of charge-sheeted employee:………………………..
Designation:………………
Department:………………
Through:……………… (Name of his Department Head)

Your explanation dated ……………… has been considered and it has been decided to hold a written enquiry into the charges leveled against you. Accordingly, you are hereby advised to present yourself in ……………… (place) at ……………… (time) on ……………… (date) for the purpose of the enquiry to be held by Mr. ……………… .

You will be given full opportunity to produce your defence by examining your witnesses and cross-examining the witnesses as may be examined by the management of the hospital.

The enquiry will be conducted in (vernacular language) and you are allowed to bring any fellow employee of the hospital to assist you in the enquiry, if so desired.

Please note, should you fail to report on the aforesaid date and time for the purpose of enquiry, the same will be conducted ex parte.

(Name of Chief Executive)

Designation

c.c

1. Mr. ………………, enquiry officer, with the request to conduct the enquiry expeditiously. A copy of the charge-sheet is also enclosed for your ready reference. Please provide photocopies of enquiry proceedings to the charge-sheeted employee as well as the management representative after enquiry every day.
2. Mr. ………………, personnel officer, with the request to represent the management's case.

(Note: In case the charge-sheeted employee has been suspended, the enquiry letter may be sent by registered post to the address given by him.)

A person who conducts an enquiry is called an enquiry officer. He should be impartial and qualified to act in that capacity. An enquiry officer can be disqualified on any of the following grounds:

1.   If he is personally involved in the concerned incident which is being enquired into.
2.   If he has personal knowledge of the incident.
3.   If he has collected evidence on behalf of the management for the very enquiry being conducted by him.

When the enquiry officer commences enquiry, he should mark the presence of the management's representative and the charge-sheeted employee and his representative, if any. He should then read out the charges as contained in the charge-sheet. After that, he should ask the charge-sheeted employee to confess to the charges. The enquiry officer should record his statement, obtain the signatures of the charge-sheeted employee and the management's representative and submit his report to the chief executive of the hospital.

If the charge-sheeted employee denies the charges, the enquiry officer should direct the management's representative to present the case of the management. At this stage, the management's representative should file documents and examine all witnesses of the management, one by one to prove the charges. The enquiry officer should allow the charge-sheeted employee to cross-examine every witness of the management after recording the statement of each witness.

Once the management's representative has completed the presentation of the case on behalf of the management by filing documents and presenting all witnesses one by one, the enquiry officer should call upon the charge-sheeted employee to present his defence by filing documents, if any, by giving his own statement and producing his witnesses. After recording the statement of every witness produced by the charge-sheeted employee, he should ask the management's representative to cross-examine them.

On completion of the cross-examination, etc. of the witnesses of both sides, the enquiry officer hears argument and writes an enquiry report and submits it along with the enquiry proceedings to the chief executive of the institution. In his report, he concludes whether the charges are proved or disproved. The decision about the enquiry or penalty rests with the chief executive.

The human resource manager must give due attention to the likely repercussions on discipline and general relationships in the organisation while advising management whether to proceed or not with a

disciplinary case. Even where there is solid proof against an employee, it should be considered whether an enquiry is advisable or whether some other line of action may prove more effective in improving discipline for the future; such as consultation with the trade union or the works committee with the hope that social pressure may be brought upon the delinquent employee to apologise and not to repeat the misconduct. Departmental enquiry has now become so complicated that it may or may not be upheld by the labour courts. If disciplinary action is not taken, other employees are likely to make the allegation that the guilty employee is a favourite of the management or that the management is incapable of taking any action against him. However, before taking any disciplinary action, it is advisable to properly weigh the gravity of the misconduct and the result which the disciplinary action taken against an employee is likely to have on the morale of the employees. It would be better if social pressure is generated, so that the delinquent employee either leaves the institution or apologises in writing.

3.7 Forms of Punishments

Generally, the forms of punishment as lay down in the personnel policies are as follows:

Warning

This is a bad remark in the personnel file of an employee and is a sort of stigma in his service record.

Fine

In certain cases, an employee is fined for his misconduct. Fine should be imposed in the manner and to the extent laid down in the Payment of Wages Act, 1936.

Suspension

An employee may be suspended pending enquiry. He could also be suspended as a punishment. The personnel policies of every institution should specifically prescribe the number of days for which such punishment can be imposed.

Termination

Similarly, there can be a provision in the personnel policies for termination of service of an employee (not applicable to supervisory and managerial staff) by giving one month's notice or one month's pay in lieu thereof. Since the Supreme Court has held that every termination of

service of an employee should be treated as a case of retrenchment, the management should simultaneously offer service compensation at the rate of 15 years salary for every completed year of service to the terminated employee. However, if the services of an employee are terminated on account of continued ill-health or on attaining the age of superannuation or due to unauthorized absence without any sufficient cause or on account of non-renewal of contract or non-confirmation on completion of the probation period, then such termination will not amount to retrenchment and no retrenchment compensation will be payable in such cases.

Dismissal

Human resource policies generally provide that no order of dismissal will be made unless the employee concerned is informed in writing of the alleged misconduct, domestic enquiry is held, charges are proved, a copy of enquiry report is sent to the charge-sheeted employee and comments received from him.

This outline of disciplinary procedure and forms of punishment had been sketched very briefly as an indication of the application of the rules of natural justice. Sufficient literature is available on how to suspend, discharge and dismiss employees. This should be thoroughly studied before one resort to disciplinary action; because incorrect disciplinary procedure can become a cause of discontent amongst employees.

Grounds of dismissal

With the advent of machinery, and the establishment of industries employing a large number of employees to produce goods on a large scale, the law regulating the relations between master and servant was found to be inappropriate. The right of an employer to hire and fire an employee has been subject to statutory restrictions. Article 31 of the Constitution is based on principles of natural justice and these principles have actually been applied in all industrial disputes between employers and employees regarding termination of the service of employees. There are certain acts of misconduct which warrant dismissal. Some of them are:

(a)   wilful insubordination or disobedience,
(b)   theft, fraud or dishonesty in connection with the employer's business or property,
(c)   wilful damage or loss of employer's goods or property, (d) taking or giving bribes,
(e)   habitual unauthorised absence or late attendance,
(f)   habitual breach of any law,

(g)   riotous or disorderly behaviour during working hours, or any act subversive of discipline,

(h)   striking at work place or inciting others to strike at work place.

Whenever an employee commits any of the aforesaid acts of misconduct, he should be charge-sheeted, enquiry is held and dismissal order is passed if the charge is proved after inviting his comments on the enquiry report. A model dismissal letter is given (Form 12.4)

Name and address of the hospital

Date:…….....................

Name:………………………..
Designation:………………
Department:………………
       Through:……………… (Name of his Department Head)

Further to our letter of charges dated ………………, your explanation dated ……………… and the subsequent enquiry held into the charges leveled against you, I find from the proceedings of the enquiry that full opportunities were given to you for conducting your defence at the enquiry.

I have carefully gone through the records of the proceedings of the enquiry, the connected papers and findings of the enquiry officer and concur with his feelings.

The charges leveled against you and proved at the enquiry being grave and serious, the punishment warranted is that of dismissal. Accordingly, you are hereby dismissed from service with immediate effect.

Please collect your dues in full and final settlement of your account with us after handing over complete charge to your departmental head.

Please be informed accordingly.

                              (Name of Chief Executive)
                                  Designation

Some guiding principles in dismissal cases

(i)   No employer should dismiss an employee during the duration of his proceedings in any other matter before a Conciliation Officer, Labour Court or Industrial Tribunal without seeking express

permission of the concerned court under Section 33(1) of the Industrial Disputes Act, 1947.

(ii)   During the duration of any notice of general demands before a Conciliation Officer, Labour Court or Industrial Tribunal, an employer can dismiss an employee but should take approval of the concerned court, under Section 33(1) of the Industrial Disputes Act, 1947.

Grounds of Discharge

Both discharge and dismissal result in the termination of service of an employee, but there is a substantial difference between the two. Discharge is nothing more than a termination of services of an employee with full rights such as provident fund, gratuity, service compensation at the rate of 15 days' salary for every completed year of service under Section 25(f) of the Industrial Disputes Act, 1947 and one month's notice pay. Thus, the discharge of an employee is also known as discharge simpliciter.

Dismissal, on the other hand, is termination of the services of an employee by way of punishment which deprives him of a number of benefits. As a matter of fact, both kinds of termination of service are disciplinary actions for the misconduct of an employee, but dismissal is the most severe punishment which should be imposed upon an employee only in extreme circumstances.

In awarding punishment under the personnel policies, the chief executive should take into account the gravity of the misconduct, the previous record, if any, of the employee and any other extenuating circumstances that may exist. The reasons for the termination of service may be grave, but depending on consequences of the misconduct and the motive behind it, the management, at their discretion, may order discharge instead of dismissal. The services of an employee may be terminated in cases of habitual negligence of work, undue extension of leave, inefficiency, suspected loyalty, etc. A model discharge letter is given (Form 12.5).

Name and address of the hospital

Date:……...................

Name:………………………..
Designation:………………
Department:………………
   Through:……………… (Name of his Department Head)

Further to our letter of charges dated ………………, your explanation dated ……………… and the subsequent written enquiry held into the charges leveled against you, I find from the proceedings of the enquiry that full opportunities were given to you for conducting your defence at the enquiry.

I have carefully gone through the records of the proceedings of the enquiry, the connected papers and findings of the enquiry officer and concur with his feelings.

The charges leveled against you and proved at the enquiry being grave and serious, the punishment warranted is that of dismissal. However, the management has taken a lenient view in the matter and has decided to terminate your services with immediate effect.

You are being given one month's pay in lieu of one month's notice and service compensation at the rate of 15 days' salary for every completed year of service under Section 25(f) of the Industrial Disputes Act, 1947.

Please collect your dues in full and final settlement of your account with us after handing over complete charge to your department head.

Please be informed accordingly.

     (Name of Chief Executive)
      Designation

(Note): One month's notice pay and service compensation must be paid to the employee at the time of serving of the termination letter because this is a statutory obligation on the part of the employer. The remaining dues are up to the employee to collect as and when he wants to).

Grounds for Warning

For most cases, an oral warning is sufficient to achieve the desired result. The supervisor must know his subordinate and how to give a warning. If the misconduct is more serious, the reprimand may be put in writing. Since a written warning is more permanent than an oral one, it is considered a severe penalty. For such offences as tardiness, leaving the workplace without permission and smoking in wards, written warning can be given. If an employee has been consistently sincere throughout his service, he may be let off with a warning, even for a serious misconduct. He may also be let off with a warning if he confesses the charges and tenders an unconditional apology. A model warning letter is given (Form 12.6).

Name and address of the hospital

Date:……....................

Name:………………………..
Designation:………………
Department:………………
        Through:……………… (Name of his Department Head)

We are in receipt of your letter dated ……………… tendering apology and confessing your charges. This time the management has taken a lenient view because you have confessed the charges leveled against you and also tendered an unconditional apology for the same. Therefore, you are hereby let off with a warning.

It may please be noted that if you are found guilty of such or any other misconduct in future, we shall not hesitate to inflict upon you the extreme punishment of dismissal if so warranted by the facts and circumstances of the case.

Please be advised accordingly.
                (Name of Chief Executive)

                        Designation

4.0   CONCLUSION

After the disciplinary action, the supervisor should assume a normal attitude towards the employee treating the chapter as closed. If the supervisor continues to regard the employee with suspicion, the

employee will feel uneasy while working; distrust between the supervisor and employee should be avoided at all cost.

One thing to remember while taking disciplinary action is that the procedure for disciplinary action should be based on principles of natural justice: an opportunity must be given to the employee to show cause; no decision should be taken by someone who is biased; no decision impairing any person's rights should be based on inaccurate facts; and the employee is entitled to know the reason for any decision.

However, the attitude of the supervisor should be one of counselling and understanding rather than 'police and punish'. His goals should be to effect a change for greater consistency with the organisation's requirements. He should try to achieve this through counselling. When he fails to bring about the desired change in an employee, he should adopt disciplinary procedure as a last resort.

5.0   SUMMARY

We have been able to discuss what discipline is all about, essentials of a good disciplinary procedure, procedure for disciplinary action and forms of punishment in this unit, no doubt your knowledge has increased with the information in this unit.

6.0   TUTOR-MARKED ASSIGNMENT

Describe the procedure for disciplinary action in any hospital set-up.

7.0   REFERENCES/FURTHER READING

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Bennis, W. G. (1966). *Organisation Development: Its Nature, Origins and Prospects.* Readings: Addision-Wesley.

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UNIT 3   ASSESSMENT OF PERFORMANCE AND IDENTIFYING TARGETS FOR CHANGE

CONTENTS

1.0   INTRODUCTION

Moving concerns about the board from an individual angle to shared commitments and group action can be propelled by systematic assessment or evaluation of board strengths and weaknesses. Many boards have made productive use of an array of assessment tools to identify performance components they want to work on together. These tools include group and individual self-assessment forms, constituency surveys and outside expert reviews. Trustees should experiment with several approaches and identify the most useful and informative ones that meet their unique needs. We will begin with some simple tools and proceed to more extensive ones.

2.0   OBJECTIVES

At the end of this unit, you should be able to:

- discuss the end of meeting feedback of the Board
- describe formal self-evaluation tools
- explain who the outside assessors are.

3.0   MAIN CONTENT

3.1   End of Meeting Feedback

The easiest way to begin assessment is by taking a few minutes at the end of each meeting to solicit participants' views of how well the work went and what they might do to improve the next meeting. It is important to consider both areas – what was done and what could be

done. Leaders can invite attention to various aspects of the board's work. For example:

- Relative importance of agenda items
- Clarity of linkage between agenda items and strategic priorities
- Relevance and helpfulness of materials or resources presented
- Specificity of questions before the group
- Adequacy of opportunities for individual members' input
- Overuse or underuse of "air time" by individual participants
- Clarity of conclusions
- Feasibility of next steps
- Meeting structure or processes
- Leadership roles
- Recommendations for subsequent sessions

Leaders then can summarize key points and apply them in planning and carrying out the next meeting.

For groups whose members may be reluctant to voice concerns or criticisms openly, comments or suggestions can be written anonymously on 3" × 5" index cards or note paper. Questions as ("How appropriate was each item of the agenda for this group?" and "Were thoughtful and realistic alternatives presented and examined?") may be designed to be as general or as specific as necessary.

Once all feedbacks are collected, leaders identify major themes or patterns, report conclusion at the next meeting, then integrate them into subsequent meetings. Alternatively, a task group might be chartered to collect, summarise and report assessment findings back to the larger group. This should minimise a leader or a member bias.

This approach to self-assessment is easily introduced, non-threatening and productive of valuable feedback. Other benefits are that participants get to express concerns and suggestions while they are fresh in mind and leaders learn what changes might increase meeting productivity as well as participants' satisfaction. Ultimately, everyone benefits from a sense of group ownership and responsibility for the quality of meetings – all with only a few minutes' time investment. Positive outcomes from evaluating meetings have encouraged many boards to proceed with more extensive and systematic evaluation methods. An example of one board's meeting evaluation form is shown in figure 13-1.

Please rate each agenda item on each criterion, using high/medium/low or other scale						
Criteria	**Agenda Item 1**	**Agenda Item 2**	**Agenda Item 3**	**Agenda Item 4**	**Agenda Item 5**	**Agenda Item 6**
Appropriateness for board?						
Adequate background information?						
Issue focused on strategic priority?						
Question for board made clear?						
Alternatives presented and examined?						
Discussion focused?						
Appropriate time spent on issue?						
Specific decision reached?						
Implementation steps specified?						
Adequate resources allocated?						
Suggestions for improving future meetings:						

3.2   Formal Self-Evaluation Tools

A more extensive assessment approach builds upon member evaluations to create formal questionnaires that systematically address a wide range of board responsibilities. For each area of responsibility, an assessment scale rates answers to questions about specific aspects of board work. These questions invite respondents to judge each aspect along a spectrum (from "excellent" to "needs improvement"; or "strong", "moderate" and "weak"). Some instruments also include open-ended questions for trustee comments ("How can we improve our performance in this area?"). These tools allow a board to evaluate its performance

systematically in a number of important areas and draw conclusions about specific issues or work components that may need attention.

The Joint Commission on Accreditation of Healthcare Organisations (JCAHO) publishes standards for governance boards, with scoring instructions for each standard. JCAHO standards address the following performance dimensions:

- Documentation of board governance responsibilities and structures
- Explicit governance functions in areas including patient care, performance improvement, risk management, credentialing and financial management
- How by-laws address organisational purposes, legal accountabilities, responsibilities to patient population served, membership selection and conflicts of interest
- Provisions for medical staff participation in governance
- Criteria and procedures for selection of the chief executive officer
- Compliance with applicable laws and regulations
- Processes for developing, reviewing and revising policies
- System for conflict resolution

Health care organisation boards should be familiar with these standards and use them judiciously in periodic performance self-assessment. Identified weak areas should be addressed in an improvement plan.

An excellent tool for self-assessment by hospital boards has been developed by The Governance Institute (Pointer and Ewell, 1994). This questionnaire, designed specifically to address JCAHO requirements, includes forms for hospital boards and for system boards. Each one guides the respondent through sets of questions about how board work is perceived in certain areas:

- Mission and planning
- Quality of staff
- Financial health of the organisation
- Support and evaluation of management
- Effectiveness of the boards own performance
- Individual trustee self-ratings of performance

The instrument concludes with several open-ended questions regarding members' suggestions for steps the board should take to improve each performance area.

Several other national associations have also developed tools for self-assessment by local boards. For example, the National Center for Non-profit Boards publishes a workbook, *Self-Assessment for Nonprofit Boards* (Sleisinger, 1991), which includes questions on various dimensions of board performance. For example:

- Clarity of mission and purpose
- Evaluation and support of the executive
- How well the board monitors organisation programmes and services
- Performance in raising funds and managing financial resources
- Involvement in strategic planning
- New member orientations
- Board-staff relationships
- Public relations and communications with constituencies
- Risk management
- Board operators

Another useful instrument is the *Board Self-Assessment Questionnaire* which is based on the six key competencies that distinguish highly effective boards (Chait, Holland and Taylor, 1993). The developers translated those dimensions into a self-administered questionnaire that members fill out and return for scoring and analysis (Holland, 1991). Results allow a board to identify aspects of its performance that warrant further work. Comparisons can be made between a given board's profile of scores in the six competencies and averages based on a large national sample of boards that have completed the questionnaire. This method allows a board to observe how its own performance compares with that of other boards. Benchmark findings can suggest areas the group may want to address.

A variety of board self-assessment tools are readily available and adaptable to local needs and circumstances. A board also can design its own self-assessment questionnaire, drawing on existing tools and its statement of goals and expectations of members. Begin this process with group discussion of key expectations of trustees, goals and purposes the board seeks to fulfill and the ways it wants to exercise its responsibilities. Then use the list of expectation statements to create a simple questionnaire: Write each expectation as a statement and then provide space for respondents to evaluate board performance in that area over the past year. Allow a range of response options ("high, medium, low"; or "strong, moderate, weak"). Specific suggestions for improvement may be invited. A sample annual evaluation form is shown in figure 14-2.

Please respond to the following questions about your views of the board of ABC Health Care. We encourage your written comments on each item. This is a confidential evaluation and results will be reviewed by the Chairpersons of the Executive Committee and the Trusteeship Committee

A.   Board Composition and Function
1.   Do the qualifications and expertise of current members of the   board provide it with   the balance and range of skills needed?
2.   During the past year, have members been well informed about   important aspects of board and hospital affairs?
3.   Does the board's decision-making structure work well?
4.   Is there full and open consideration of all issues at the board and committee meetings?
5.   In what ways could the board's composition and functioning be   improved?

B.   Attitudes and Roles of Members
1.   Have you had adequate opportunities to understand your obligations and responsibilities?
2.   Do you have adequate opportunity to know the executive and the medical staff?
3.   Do board members consistently respect the difference between policy and administration?
4.   Are members supportive of the hospital and appropriately discreet about internal matters in the public?
5.   Is the board following its by-laws? If not, in what ways is it deviating?
6.   Is the orientation of new members sufficient?
7.   In what ways could the board improve the attitudes and roles of its members?

C.   Board Meetings and Committees
1.   Are the board committees operating effectively? Are appropriate decisions being made at the committee and full board levels?
2.   Were your concerns addressed by the appropriate committee?
3.   Did the committee you served in function effectively with regard to
         a.   Goal setting?
         b.   Goal accomplishment?
         c.   Conduct of meetings?
4.   Was there enough continuity (in membership and programme) for your committee to be effective?
5.   Were there projects that should have been addressed by your committee but did not receive adequate attention? If so, please note those projects.
6.   Were the presentations by the administration and staff informative?
7.   Are these factors in the appropriate balance for you?
         a.   Your own input of time and effort.
         b.   The board's impacts on the hospital and its strength in   carrying out its mission.
          c.   Your personal satisfaction in your association with the hospital.
8.   In what ways could the board and the committee meetings be improved?

Other comments, suggestions, recommendations:

Some boards also add questions about how the respondent would like to contribute to improving performance in any area rated low or unsatisfactory. Others focus on expectations of individual performance, asking each member to assess his or her work in each area and then to set personal goals for improvement in the coming year. The individual fills out the form and then may discuss the conclusions with others. Results serve to guide that person's efforts to become a more productive team member in the year ahead. Members may agree to discuss their conclusions openly or with a broad committee charged with the responsibility for trustee evaluation and development. A sample member performance assessment is shown in figure 14-3

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1. Please rate your service on this board over the past year in each   of these areas (high/medium/low)
    a. Attend the annual board retreat and each board meeting.
    b. Make an individual contribution every year.
    c. Be actively involved in at least one committee of the board.
    d. Make three or more development contacts on behalf of the organisation with corporations, foundations, planned giving programmes or individuals each year.
    e. Participate actively in at least one fund-raising event for   the organisation each year.
    f. Call or write two state and three federal legislators each year on behalf of the organisation and its members.
    g. Attend three or more organisation functions each year.
    h. Attend at least one state, regional or national association meeting each year.
    i. Make referrals of potential donors, volunteers, board members, committee members and service providers.
2. In any area(s) you rated yourself low, what steps do you plan to take to   improve?
3. How can the board assist you with this plan?

Please bring your plan to the meeting with the Committee on Board Development

---

A few boards extend this procedure even further to include individual growth contracts. In addition to respondent assessments of performance in each area of board expectations, there are questions such as the following:

- Do you have talents or skills in this area that the board could better utilise? If so, how?
- What specific actions can the board expect from you in this area in the coming year?

- What can the board members or staff members do to help you become more effective in this area?

Some boards charge a Committee on Board Development with conducting evaluative surveys every year or two. The survey committee meets with members to discuss their conclusions, needs and plans for becoming more skilled team members. Growth contracts, then, guide a member in developing knowledge or expanding skills in order to become a more effective contributor.

Here are some other ways individuals can strengthen their performance:

- Attend governance and leadership conferences, seminars or workshops.
- Sit in on meetings of outside similar boards.
- Rotate committee assignments.
- Serve as an understudy for a new board role for next year.
- Read the body of literature on governance and leadership development.
- Pursue other educational activities (continuing education workshops on governance, for example)

A survey committee can be instrumental in identifying ways the board can guide members in these efforts. The following examples of individual trustee growth contracts are drawn from several boards:

- Move from chairing the Programme Committee to serving on the Finance Committee to learn about that area.
- Interview trustees on three system boards about their policies guiding mergers and acquisitions and bring back recommendations on these issues to your board.
- Work with your CEO on negotiations with neighbouring hospitals regarding policies for shared facilities.
- Volunteer for four or five public speaking engagements on behalf of your organisation in the coming year.
- Understudy the current board chairperson as a preparation for assuming that role next year.
- Consult with three auditors and bring recommendations to the board for improving financial management performance during the next year.
- Develop a plan for expanding new trustee orientation and providing mentors for the committee.
- Visit three other health care boards and report on the best practices in fund-raising and financial management.
- Interview trustees and identify topics for board education sessions; then identify speakers and make arrangements for three such sessions next year.

- Draft and present to the board a proposed plan for evaluating board performance (include criteria, tools and steps).
- Meet with four other healthcare providers in your region and draft a proposal for improving relations between them and your board.
- Identify and evaluate potential outside resources for your next campaign and bring recommendations to the board.

3.3 Outside Assessors

Yet another approach to diagnosing board performance makes use of outside experts or consultants who collect information on the board and its work. These persons are selected for their expertise in board governance. Somewhat similar to the auditor's role, they check key aspects and effects of performance, relying on interviews, focus groups and questionnaires to collect a range of information from trustees, senior staff and other key leaders. Assessors may contact staff, patients, sponsors, donors, community leaders and representatives of accrediting bodies (among other sources). They may observe board and committee meetings, review reports and other documents and interview representatives of key constituencies.

Findings and conclusions are summarized in a written report that identifies strengths and weaknesses and recommends action steps for improvement. Outside assessors often include suggestions about how other boards have dealt with a particular issue. The consultant also may give an oral presentation to the board on findings and conclusions, followed by discussion of action steps and resources for further work. Boards may engage either this or another consultant to assist with implementing recommendations.

There are several advantages to contracting an outside assessor to evaluate board's performance. The consultant does the assessment work, thus saving members' time. His or her familiarity with the best practices of other health care boards provides a basis for comparisons that members may not have access to. This person is less likely to miss or avoid problems that members may be reluctant to address. There is a greater likelihood of candor when members talk with a neutral outsider who can probe beneath responses for further information. A consultant can raise difficult or provocative questions more easily than insiders might dare and can separate ideas or proposals from the source, thus avoiding the impediments of old disagreements. This person can offer suggestions of ways to deal with difficult issues based on the knowledge of other boards' best practices and may also assist the group in adjusting to and working on changes.

4.0   CONCLUSION

All the tools and approaches to board self-assessment discussed here allow a group to examine its performance in a range of areas, identify aspects that concern members and specify targets for improvement. Many national associations have prepared board assessment packages that can be readily adapted for local use. Boards have used them effectively to move forward in efforts to strengthen their performance. We turn now to consider some ways to apply assessment findings and implement actions for change.

5.0   SUMMARY

We have explored tools and approaches to board self-assessment of its performance in order to move forward in efforts to strengthen their performance.

6.0   TUTOR-MARKED ASSIGNMENT

Explain how a board can assess its performance in the organisation.

7.0   REFERENCES/FURTHER READING

Chait, R. P.; Holland, T. P. and Taylor, B. E. (1993). *The Effective Board of Trustees.* Phoenix, AR: Oryx Press.

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UNIT 4   RETREATS FOR BOARD DEVELOPMENT

CONTENTS

1.0   INTRODUCTION

Once performance improvement targets have been agreed on, board members can begin working on them. One widely used and productive means of focusing on ways to make changes that strengthen performance is a retreat.

Retreats typically are one-to-two-day work sessions held away from where board meetings usually take place. Off-site retreat centers offer virtual freedom from interruptions (including telephone calls) so that sustained attention can be devoted to working on mutually identified issues. Numerous organisations hold retreats to pursue activities such as developing strategic plans, preparing for a capital campaign, addressing changes in the organisation or its environment, examining challenges to mission or markets, or other organisational concerns. Here we consider the utility of retreats for helping to foster ways of enhancing board governance.

2.0   OBJECTIVES

At the end of this unit, you should be able to:

- discuss the purpose of Board Development retreats
- explain how board plans a retreat
- describe how board conducts its retreat.

3.0 MAIN CONTENT

3.1 Purpose of Board Development Retreats

Governance development retreats represent not only an investment in a board's future but that of the organisation it serves. Retreats provide occasions for trustees to step back from their routine business climate for a deeper look at how their board exercises its responsibilities and how it might operate more meaningfully. For many board members, retreats have produced positive, substantial changes in performance and enabled them to use their time, energy and resources more effectively on their organisation's behalf.

Individual boards have benefited from the retreat environment to accomplish the following objectives:

- Review governance philosophies and processes.
- Rethink board roles and responsibilities.
- Reevaluate alignment of board-organisational priorities.
- Sharpen member sensibilities to their organisation's mission and vision.
- Assess board contributions to the organisation in the context of the latter's commitment to its surrounding community.
- Identify ways to broaden value-added board guidance.

Setting aside time to establish (or reestablish) priorities, develop strategies and action plans and evaluate (or reevaluate) time frames for expediting them reminds trustees of why they agreed to serve. A fresh look, outside the boardroom, at their function also reinforces trustee awareness of environmental changes and implications, public laws and policies, demographic and technological trends and other factors that influence informed governance.

Retreats enhance collegiality and improve working relationships among board members and between board and staff. They have been used by many boards to explore ways the group can strengthen its own effectiveness, identify targets for change and decide what steps to take toward achieving goals. Among the most useful guide for productive board retreats is Savage's book, *Seven Steps to a More Effective Board* (1995).

Outside facilitators have helped a number of health care boards plan and conduct retreats. By drawing on their expertise and familiarity with

board dynamics, these resource persons bring new ideas, comparisons and perspectives to the unique issues a board may face. A neutral outside consultant can raise difficult questions and separate ideas or suggestions from individuals (thus avoiding conflicts and disagreements among members). This person can ask provocative questions, draw attention to areas participants may have overlooked or avoided, suggest alternative approaches or solutions, push for concrete action steps and commitments and reinforce conclusions.

3.2   Planning the Retreat

Preparation for a board retreat should be coordinated by a work group that includes the executive, board chair and senior board members, and the retreat facilitator. This group is responsible for meeting with trustees to discern their concerns and perspectives about the board and its needs. Discussion should guide identification of purposes and objectives of the retreat, approaches to realizing them, time allocation for deliberations and responsibilities for action plans (including time frames).

The work group may conduct an assessment of recent board performance or use already-completed assessments, to pin-point issues to examine during the retreat. It should seek members' views on the following areas:

- The organisation's present and future needs and the board's readiness to meet them.
- How well the board provides guidance to the administration.
- How effectively the board addresses the organisation's financial needs.
- How well members understand the organisation's mission and environmental trends that affect it.
- Board leadership, committee structure and meeting framework.
- How well members understand their roles and responsibilities.
- Whether members' time and talents are used effectively.
- Board relationships and communication channels with key constituencies.

These inquiries also help reveal which competencies members want to address at the retreat.

Next, the group drafts a retreat agenda emphasising three to four main issues; discussion time allotted for each one; and procedures (steps and action plans) for working on them as a team.

The agenda should allow enough time for reflection as well as discussion and for eliciting the creative views of all participants. It should not feature long reports or speeches; nor should it allow the views of a few to dominate the proceedings. Agenda items should focus concisely on select issues and conclude with action plans for each issue as mutually agreed on. A draft plan is then submitted to the full board for discussion, modification and approval. Many boards have found it useful to affirm the final plan by formal resolution and each member's commitment to remain for the duration of the retreat.

Although, these preparatory steps may seem time-consuming, it is essential that the planning group include all appropriate stakeholders in efforts to target issues and formulate the retreat agenda. These steps serve the vital function of reinforcing each member's ownership of and commitment to, the plan. Also, this approach is more promising than having one or two people "work out the plan", and announce it to the board, thereby short-circuiting others' investment in results.

Once the plan has been approved by the full board, a planning group arranges for the retreat site. Most boards favour a lodge or conference facility in a pastoral setting that allows for restful breaks and refreshing walks in natural settings. Again, the retreat site should be sufficiently remote to discourage interruptions. Ideally, it should include at least one overnight stay, with an evening devoted to a good dinner and time for trustees to socialize and become better acquainted in a non-boardroom climate, thus strengthening group cohesion.

3.3 Conducting the Retreat

Once they arrive and settle in, participants should gather for a summary reminder of the key issues their work will focus on, objectives and the schedule to be followed. Also, a brief summary of pertinent background information or alternative future directions can help set the stage for intensive work on specific group concerns. If the full board breaks into smaller discussion groups of 8 to 10, members can engage in more intensive dialogue, examining specific parts of main issues. The retreat work group should announce discussion topics in advance and formulate questions to stimulate exchange and guide the small groups.

Boards with retreat experience have made good use of prepared case studies, selected for their relevance to the board's own concerns. Case examination in small group discussions introduces participants to issues that may be adaptable to their board. An excellent resource for cases in Wood's *Nonprofit Boards and Leadership: Cases on Governance, Change and Board-Staff Dynamics* (1996). After analysing a case and drawing generalised lessons from it, the group then explores how

conclusions apply uniquely to its board and then examines possible applications. Participants identify specific areas to be strengthened and specify goals and actions their board must take to follow through on performance improvement.

Alternatively, other boards have had small group discussions work directly on prepared questions that focus participants' attention on key issues facing the board. Combining case studies and discussion questions also works well in the retreat setting. A few examples of small group discussion questions that boards have found productive in their retreats are listed here.

- What decisions and actions of this board have worked especially well? What approaches or procedures contributed to these results?
- In what specific way does this board add value to our organisation and contribute to its success? What three or four steps should the board take to broaden its effectiveness and add greater value to the organisation?
- Design an educational programme for this board that will enable us to develop our leadership skills and strengthen board performance. What topics, issues and skills could be included? How should we approach each of them? What resources should we use? Who should do what, and when? How will we know if our efforts have been successful?
- What are the best indicators of how well this board is performing? What criteria should we use to evaluate our performance? How should we collect and use information about each area? How should we apply the results?
- How well are we orienting new members? What steps should we take to strengthen their preparation and get them to speed up more quickly? Who should do what, and when?
- Who are our organisation's most important constituencies - those to whom we owe attention and response? What are each constituent's expectations from this board?
- How has this board spent its time and energy over the past year? Is that allocation consistent with our strategic priorities? What are board priorities for next year?

Again, arriving at appropriate questions for retreat purposes should emerge from the board's prior assessment and trustee's discussion about their main concerns.

Small group discussions should draw each participant into working on issues and finding mutually acceptable solutions, not just listening to one or two individuals hold forth on pet ideas or preferred directions.

Moderators should encourage more reticent participants to share their views and discourage the efforts of a few to dominate the procedures. Questioning old assumptions and customary practices should be encouraged and time should be taken for brainstorming and creative new approaches to issues. Groups should take time to identify a wide range of alternatives before evaluating them for feasibility. As the group starts drawing conclusions and making recommendations for action, one member should take notes on key points so as to report them back to the full board.

After the discussion groups conclude their work, everyone can reconvene in plenary session, where each group's conclusions are summarised in a brief oral report to the full board. Once the board has heard and discussed these reports, it can work on overall conclusions and priorities among the various recommendations.

Then the board selects the conclusions and recommendations it agrees to work on in the coming months and develops an implementation action plan following the retreat. The plan must include three elements: allocation of responsibilities to individuals or task forces, specific results or products expected of them and dates for reporting back to the board on progress and conclusions.

The retreat should conclude with an evaluation of its utility by all participants and a plan for sharing the results with members who were unable to attend. Some boards use a "buddy" system to contact absent colleagues: Each trustee agrees to call a specific individual and report the actions and conclusions. In addition, a written report should summarise major conclusions, recommendations and commitments for action. A copy of this report should be distributed to each trustee.

Board leaders must follow through with explicit application of conclusions. Doing so demonstrates their commitment to implementing the plan and modeling the follow-through expected of others.

4.0   CONCLUSION

Retreat is widely used by every organisation as a means of evaluating performance, focusing on ways to make changes or improvements that will strengthen better performance within the organisation hence it is a must for every organisation as a way of moving forward.

5.0   SUMMARY

The key steps in planning and conducting board development retreats stress inclusion of all trustees when identifying issues to be covered

during the retreat and to engage them in asking the most important questions about those issues. The overarching purpose is to reach mutually acceptable goals for the board and clearly delineated action steps toward goal attainment. In the next unit we shall further consider board goals and action steps.

6.0   TUTOR-MARKED ASSIGNMENT

Discuss the relevance of retreats for Board Development.

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UNIT 5   SETTING GOALS FOR ACTION IN AN ORGANISATION

CONTENTS

1.0   Introduction
2.0   Objectives
3.0   Main Content
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       3.2   Purpose of Goals and Action Plans
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5.0   Summary
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1.0   INTRODUCTION

In the previous unit, we looked into the necessity of board development retreats; this unit is on the board setting goals for action.

Regardless of whether work is done in a retreat environment or in the boardroom, trustees should prioritise issues and agree to concentrate on key steps towards change. Member surveys and group discussions are likely to disclose a wealth of issues and recommend actions, so many in fact that the group might become bogged down with suggestions. Rather than allowing paralysis to block forward movement, the group should list major options and then prioritise those that are feasible. Success with this initial task serves to build momentum and commitment to taking on additional challenges.

2.0   OBJECTIVES

At the end of this unit, you should be able to:

- list examples of goals and implementation plans set by some boards
- discover the purpose of goals and action plans

3.0   MAIN CONTENT

3.1   Sample Goals and Implementation Plans

Listed below are four examples of goals and implementation plans set by some boards:
-       Our goal is to understand clearly and agree on board members' duties and responsibilities. To accomplish that, the Committee on Trustees will draft a board members' manual, summarising key roles and functions and present the draft to the full board prior to our spring meeting. By then everyone will be prepared to discuss it, make revisions as needed, and vote on approval. We will then use the finaliased manual to design a new member orientation programme.

-       Our goal is to provide clear guidance and feedback to the CEO. The Executive Committee will develop a set of objectives and expectations of the CEO's role, as well as standards and procedures for evaluating that person's performance. The CEO will examine the draft plan for comment and feedback to the committee. Within six months, the committee will bring a report and recommendations on all aspects of this matter to the full board for review and approval. Then we will establish implementation procedures.

-       We want to improve accessibility and utilisation of all service programmes. Working with senior staff, the Programme Committee will oversee a consumer survey for views of our programmes, hours, services and their recommendations for improvement. The committee will prepare a report that includes specific plans for shifting resources from low-demand to high-demand areas and recommendations for improving quality in each area found to be deficient. This report will be presented to the full board prior to its meeting, which is scheduled twelve months from now. Board members will discuss the report and identify action steps for implementation.

-       Our goal is to increase the level of trust throughout the organisation and the community we serve. The Public Relations Task Force will work with senior administrators to review all policies on internal communication and draft specific recommendations for improvement. It will ask staff to suggest specific ways to strengthen board-staff communication and liaison. The task force also will review communication from the organisation to the community, as well as channels from major community groups into the organisation and offer improvement recommendations. In nine months, a report on these areas will be

presented to the board for review. Based on that report, the board will set priorities for further action on this issue.

Note that each goal statement includes several essential features:

- A clear-cut group goal.
- A dedicated work group to perform actions intended to accomplish the goal.
- Specific action steps the group is to take.
- A final product or result desired.
- A time specifying when the product or result is to be presented.
- Further actions to be taken.

3.2   Purpose of Goals and Action Plans

By making each element explicit, those designated to carry them out understand exactly what is expected of them. Likewise, the board can monitor progress toward its targets and know when goals have been successfully attained. Examples of board goals in three other health care organisations are shown in figure 15.1

Goals for Board A for the coming year:

1. Complete redrafting our guidelines for mergers and acquisitions, including full review and approval by senior staff and the board.
2. Develop and implement procedures for evaluating the board's performance.
3. Revisit the strategic plan and update as needed. Then derive from the plan the board's charges and tasks for each committee.

Goals for Board B for the coming year:

1. Develop a clear statement of goals and expectations for the position of Chief Executive Officer as well as standards and procedures for evaluating the Executive's performance.
2. Formulate a set of indicators to gauge the board's own performance as a group and develop guidelines for self-assessment.
3. Expand the diversity of this board by adding more women and minorities.
4. Come to a conclusion regarding change in board expectations for annual financial contributions by our members.
5. Plan the next board retreat, drawing upon major issues faced in

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> the current year and expected in the next one.
>
> **Goals of Board C for next year:**
>
> 1. Complete work on a Board Members' Manual, summarizing duties and expectations of all board members.
> 2. Implement an orientation programme for all new board members and assign mentors to each.
> 3. Conduct two educational sessions for the board, one on reading financial statements and one on monitoring and evaluating board performance.
> 4. Each member will become actively involved in at least one committee.

Clearly, then, identification of a board's goals and objectives emerges from examination of key issues facing the group and group priorities. Findings from the retreat discussions should provide a blueprint for selecting the most critical targets for attention and setting forth steps for addressing them. These targets become goals for improving the board's performance quality and enhancing its contributions to the organisation in the near future. Action steps, deliverable products and realistic time lines allow the board to monitor progress toward goal achievement. Explicit and concrete goals and action plans serve a number of functions:

- Focusing and sustaining board attention.
- Providing a framework for deciding what is to be included (and excluded) from meeting discussions.
- Guiding task assignments to board committees, structuring their work, and requiring reports back to the larger body.
- Organising meeting agenda.
- Guiding members' expectations, energy, skills and activities.
- Facilitating progress monitoring and acknowledging successful completion of commitments.

In all these functions, goals and action plans demonstrate to the whole organisation how trustees intend to be accountable for resources and how they expect to show measurable performance improvements.

For maximal usefulness, goals and action plans should be made public, which puts the board on record as being committed to specified actions for which it accepts responsibility. Some boards have announced their annual goals in reports to constituencies and then invited feedback at year's end. Others emphasize them in annual reports or feature them prominently in meeting announcements. Still others display goals

prominently in the meeting room (on large posters, for example) as constant visual reminders of the group's priorities.

In monitoring progress toward stated goals, the board must also specify how it will know when efforts have achieved intended results. This means that the group must identify what constitutes successful task completion. Answers may lie in specific actions, reports, products or observable changes to be instituted. Descriptions also should include a deadline for results and identify the individuals or work groups responsible for expediting the steps and reporting to the board. An example of one board's framework for monitoring goal progress is shown in figure 15.2

Goals	Action Steps	Responsibility	Report Due	Status
Goal 1				
Goal 2				
Goal 3				
Goal 4				
Goal 5				

As already noted, this system of setting goals, developing action plans, monitoring progress and establishing outcomes measurement criteria and procedures reflects the accountability that many boards already expect of their executives. These indicators of movement, then, occur on three levels: board task group or committees, the larger board and the entire organisation.

The board must take the time to examine and assess information it obtains about movement toward each goal. In whatever form results are presented, the group must devote sufficient time to review them, check the evidence against expectations and reach conclusions about their acceptability. Assigned time frames for results, reports or other products afford a group structure for scheduling relevant discussion. The schedules should extend over a full year and allow the board to plan meeting agenda that focus on a few priorities at each session, rather that trying to hear from every committee at every meeting.

In addition to examining specific goal attainment over the course of a year, the board should step back periodically and review its overall performance more broadly. Many boards hold annual or biennial retreats for these wide-scope, comprehensive assessments, looking at movement on past goals as well as emerging issues that need attention. Some conduct broader performance assessments at these times and use findings to formulate new goals for the future in the light of changing

circumstances. In these ways, boards demonstrate, across the organisation, how focused goal setting and performance monitoring lead to added value to the organisation.

In conclusion, when establishing goals and action steps, some boards are highly goal focused and rigorously disciplined in working on meeting objectives – even to the exclusion of other aspects of teamwork. Other boards are concerned more with maintaining an atmosphere where everyone feels included and comfortable, even if goals are ambiguous and tasks remain incomplete. Achieving balance among all requisites of effective governance is a difficult but vital success ingredient. Boards that have settled into habit and complacency have yet to realise this equilibrium. The next unit describes several of the boards we observed and examines how they have dealt with these matters in real practice.

4.0   CONCLUSION

Goals serve as driving force to the implementation of action plan. Every organisation, be it private or public, must have a set goal to achieve at any given point either at short term or long term. Thus, a true interaction between the Board and its trustees and goals determines achievement.

5.0   SUMMARY

In this unit, we have explored some sample goals and implementation plans set by some boards, what an exposure! And also, we discussed the purpose of goals and action plans. I hope you have learnt a great deal.

6.0   TUTOR-MARKED ASSIGNMENT

Explain the relationship between boards and the goals of an organisation.

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MODULE 4

UNIT 1   EXAMINING MODELS OF GOVERNANCE

CONTENTS

1.0   INTRODUCTION

This unit will examine three models of governance by the board and its trustees. You will remember that in the previous units, we studied the six skills sets such as strategic, contextual, analytical, political, educational and interpersonal that characterise high performance boards. Hopefully, this unit will enhance your knowledge.

2.0   OBJECTIVES

At the end of this unit, you should be able to:

- state the three models of governance
- discuss each of the three models
- demonstrate examples of each mode of governance.

3.0 MAIN CONTENT

3.1 Varying Approaches to Boards' Governance

Boards carry out their work in many ways, no single style represents the best or only means for achieving optimal effectiveness. Most boards apply differing mixes of the six skill sets - strategic, contextual, analytical, political, educational and interpersonal that characterise high performance boards. Furthermore, most of them demonstrate mixed styles of practising these competencies, as dictated by local circumstances and responsibilities. Trustees should examine their work style for ways to maximise their particular strengths. One way of doing this is to observe other boards and then adapt best practices to local needs.

There may be as many board governance approaches, priorities, structures and methods as there are boards. Generally speaking, their work patterns reflect positive values or strengths, while neglecting weaker aspects of duties and responsibilities; this leads to underperformance. Maintaining a balance of all six skill areas is crucial to effective governance.

For example, certain boards focus on maintaining harmony in inter-personal relationships (with executives and among members), while others emphasise efficient planning, task completion and goal accomplishment-even if that emphasis sparks off conflicts among players. Some boards give top priority to the external environment and focus their attention on raising funds and generating resources for the organisation to carry out its mission; others are more concerned with watching internal expenditures rigorously, leaving fund-raising to the executives. Another board style emphasises careful compliance with past commitments, policies and organisational traditions, while its more forward-looking counterpart challenges longtime practices in the interest of innovation and experimentation around the organisation's mission. Therefore, Board X may be concerned primarily with satisfying consumers, constituencies and the community as the ultimate measure of success, while Board Y is more protective of its organisation's survival and growth.

It is likely that all boards go through periods where first, one style then another predominates; often the reason lies with individual trustees who infuse their own personalities, skills and interests throughout their board's character. Although all governance models have some validity, trustees tend to fall into styles where certain values are emphasised and others are downplayed. The end result can be a one-dimensioned, stagnant board culture characterised by ineffectual performance.

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High-performance boards feature diversity of skills and flexibility, that is, the capacity to adapt their approach on cue as the situation demands. These boards reject the "one-style-fits-all-issues" mind-set. Like a world-class orchestra or sports team, these boards command a repertoire of skills exercised synergistically by members selected for the individual talents they bring to group performance.

3.2   Comparing Boards along Three Dimensions

Our observation of differences in assumptions, work styles and value orientations among boards led to identification of three basic dimensions-or profiles-along which boards may be compared.

- How boards perceive structure and authority
- How they perceive and carry out their work (duties and roles)
- How their attention is primarily focused or oriented.

These dimensions provide a comparative framework for examining the various approaches boards use to carry out their governance functions.

3.2.1 Structure and Authority

First, we consider some ways in which boards understand and deal with structure and authority. Many boards (and individual trustees) see themselves as carrying out the interests or decisions of others-whether founders, sponsors, parent corporations, or legislatures-and operating within the constraints of that outside authority. Mission and traditions of the organisation, as well as past decisions exerted by others in formal leadership positions, serve to guide all current board-related actions and constrains trustees from innovations that might depart from limits circumscribed by higher authority. In this scenario, the intentions of founders or donors are the most important guides for decision making; its past legacy and commitments are the organisation's major driving force.

A variation of this orientation shows up in boards that view the CEO, board chair or executive committee as the formal authority, with the board relegated to a subordinate role. Faithful compliance with the rules or expectations of those in authority is essential to how these boards perceive their work style; seldom does a member question legitimacy of the hierarchy.

Contrast such a perspective with that of boards and trustees whose operating guideline is creative adaptation to ensure future effectiveness. They understand their functions in terms of strategic preparation for the future, their most important value being to carve out innovative

alternatives that will position the organisation for greater success in the years ahead. Because critical analysis, creativity and experimentation are valued as springboards to bigger success, these groups tend to be willing to take risks and implement changes in the interest of accomplishing their organisation's mission more effectively. Given that their time horizon is future focused, they view past legacies or other's decisions only as departure points, not constraints. Few participants in such boards accept past traditions or hierarchical structures as being very useful to their work.

Generally speaking, boards in this dimension fall somewhere between two extremes: dedication to past legacy and authority and dedication to innovative changes geared toward the future. For a board whose trustees do not share a strong team mind-set, this fluctuation can cause conflict.

3.2.2 Duties and Roles

A second dimension along which boards and trustees may be examined relates to how they perceive their duties and exercise their roles and functions. Some groups, assuming that their basic responsibility is to sustain efficient and orderly movement, toward explicit targets and results, identify tasks to complete, expect regular progress reports and work to remove barriers to success. Instrumental competency and timely movement, then, are prized as strengths. For example, in reference to meetings, "Just get it done and stop talking about it!" is a common refrain among members of this persuasion.

Trustees operating along this "what-to-do and when-to-do-it" spectrum grow impatient with anything that interferes with brisk and orderly progress toward established goals. They have low tolerance for efforts to revisit decisions or discuss alternative perspectives because these trustees want their time and energy concentrated on efficient completion of tasks, even if their colleagues disagree with the underlying conclusions.

Contrast this outlook with a broad culture that values relationship harmony and group cohesion over orderly and disciplined goal attainment. These boards embrace collegiality and friendship among members and seek to avoid conflict and confrontations. Although, they respect rules, laws and policies, they see "keeping the peace" and group adaptability as bigger priorities. Because the quest for harmony overrides the search for efficient task completion, lengthy discussions, digressions and tangential issues can overburden the deliberation process. Frequently, the result is a hasty conclusion.

Again, most boards fluctuate between two extremes: relationship nurturing (accompanied by task inefficiency) and efficient task fulfilment (accompanied by interpersonal conflict). If both instrumental and relational competencies are not balanced among individual trustees, conflict ensues.

3.3   Attention Focus or Orientation

The third dimension, along which a board's work style can be examined, has to do with primary orientation and focus of board members' attention. Some boards concentrate on internal maintenance of their organisation that is, conserving and protecting its resources and developing the quality of its programmes. These groups place high priority on building strong internal operations, within the limits of available resources. Changes in the environment or criticisms from the external community are seldom considered as useful information, because boards focus is locked on internal maintenance.

Contrast this mind-set with boards whose chief concerns are external advancement – positive community relations and increased market share, for example. With their focus locked on strengthening the organisation's competitive edge in the marketplace, they are willing to institute whatever internal changes are deemed necessary to secure a greater chunk of external resources. Feedback from outside sources and emerging regional trends, for example, are monitored carefully to identify opportunities for advancing the organisation's cause and its competitive strength. Resources, whether measured in finances or community trust, are to be used as necessary to ensure organisational growth.

The two extremes along this spectrum are boards that protect the organisation and its resources (to varying extents) and those that take calculated risks in responding to opportunities in the external environment. Differing levels of focal attention among individual trustees can cause conflicts in the board's approach to its work.

In all three dimensions, because individual board members differ in their inclinations, those at one pole may find the other's style difficult to understand or tolerate. Finding a workable balance-of skills and competencies, of mission and strategy is the linchpin in successful governance.

In fact, the importance of balance in all these styles is highlighted by considering the extreme forms any of them might take. For instance, rational pursuit of competitive advantage and maximum output can lead to an oppressive sweatshop atmosphere, characterised by obsession with

gain, dogmatic control, and human exhaustion. Alternatively, overindulgence in comfort can lead to a complacent country club climate, where unproductive processes can breed apathy and confusion. Aggressive response to every external change can generate random experimentation, opportunism and anarchy within the organisation. Myopic attention to internal processes can make for sterile procedures and inertia. Though each approach to board work represents a valid and valuable success factor, avoiding extreme tendencies requires attention to balancing each component of the board and drawing each value into cooperation with the others (Quinn and Rohrbaugh, 1983).

Three examples illustrate alternative ways that boards deal with these performance aspects. Concerned about their performance quality, all three boards undertook improvement initiatives within the context of assumptions they made about their board wanting to work.

Comparisons and contrasts among these three examples-referred to here as a team of co-owners, an assembly of instrumentalists, and a booster club for the president-are instructive for understanding divergent approaches to governance as well as potential strengths and limitations of boards.

3.3.1 Board A: A Team of Co-Owners

Board A functioned as a team with a sense of shared responsibility and ownership of the organisation. Its practice style closely approximated strength and balance among all three dimensions discussed earlier in the unit; performance scores were high in the six competencies.

Members understood the importance of clear goals that are anchored on group attention; at the same time, they sought to nurture positive and cohesive relationships among themselves. Members shared a deep commitment to their institution and its core values and pursued ways to adapt and reformulate them as guides for strategic planning.

Power was shared throughout the group, keeping each trustee highly involved in deliberations and decisions and everyone regarding themselves as equal partners with one another and with their organisation's leadership. They held regular educational sessions to address a range of board issues and key organisational issues, and sought performance feedback from one another, senior staff and community leaders. Each year, board members attended a retreat dedicated to examining past experiences so as to set next year's improvement goals. They also spent retreat time reviewing assessment findings. Their interpersonal skills were strong, as were their analytical and strategic competencies.

In addition to strong appreciation for their organisation's mission, Board A respected its authority, as well as that of donors and sponsors; members also acknowledged the legacy of founders and past policies. They adapted past traditions, however, as guidelines for installing changes in the interest of accomplishing essential objectives to secure the organisation's future. The group balanced its work emphasis on mission and strategy.

Board A alternated its efforts between strengthening the quality of internal programmes and board processes, while at the same time paying careful attention to changes in the external environment that might pose opportunities or threats to organisational advancement. Trustees pursued the organisation's mission through judicious strategic planning while also enhancing their leadership skills and interpersonal relationships with each other.

Through its shared power as a team, the group emphasized board executive partnership over a hierarchy steered by the organisation leaders or a board chairperson. Rigorous and critical analysis of all recommendations was valued as a means for reaching the most suitable conclusions. At the same time, members paid close attention to their collegial relationships with each other and with senior staff. Members followed trends in the environment and monitored regional and legislative developments for opportunities to advance the organisation's mission.

Proposed changes and innovation were deliberated carefully before conclusions were drawn, and close attention was given to potential disruptions to staff, if policy or programme changes were installed. The board identified its goals through extensive group discussion and consensus rather than voting. Although, they valued diverse viewpoints in seeking creative solutions, members worked toward consensus rather than moving hastily toward "win-lose through votes".

Despite being close to balance in all dimensions, this board seemed to place slightly greater emphasis on the organisation's legacies and traditions than on risk taking, experimentation or innovation. It tended not only to value internal relationships among members over efficient completion of task, but seemed more inclined to protect the organisation than to satisfy the interests of those in the external environment. The group saw its role as providing strong, stable governance for the organisation. The organisation showed every indicator of successful performance, and the executive attributed much of that success to the board's effectiveness. This organisation's shortcoming may be slow response to a fast-changing market.

3.3.2 Board B: An Assembly of Instrumentalists

Board B functioned as an assembly of "young turks"-all task-oriented instrumentalists, all strongly focused on maximizing market share. Group scorers were high in the strategic and analytic competencies but low in contextual, educational, interpersonal and political skills. Compared with Board A, this board was characterized by a much more aggressive, even opportunistic, approach to its work. Leaders were chiefly concerned with advancing the organisation's competitive position by rapidly taking advantage of new opportunities in the regional market for change or expansion. Strategic planning and efficient adaptation to external opportunities were highly valued, while little was remembered of the organisation's past legacy or traditions.

The health care organisation governed by this board had grown rapidly in recent years and was emerging as a major and esteemed player in its region. Past ties to a founding religious denomination had been severed in a broad reorganisation five years earlier, at which time extensive changes in administration and board composition were introduced. By the time we came on the scene, almost all newcomers-administrative and board positions-were persons from corporate backgrounds.

These individuals believed strongly that internal operational stability could be sacrificed for changes required by new funding opportunities or innovative programmes for new clusters of consumers. Current members of the Executive Committee were especially proud of the new organisation and believed that the board's more aggressive approach to governance had been a crucial reason for this success. Staff members, other than the CEO, were unavailable for comment.

Current trustees appeared to fall into two groups: a few "insiders", who were members of the Executive Committee and made most of the key decisions of (and for), the board; and "outsiders", who functioned chiefly to ratify the first group's recommendations. Strong emphasis was placed on amassing board power and status by exerting influence over resources from other organisations and by solving problems adroitly and efficiently. Leaders compared the board to a meritocracy or oligarchy, where those with the most efficient economic power rose to positions of control; it was felt that many trustees were disdainful of any talk about inclusive group processes or cohesiveness. Changes in internal procedures of the board or of organisation services were made quickly, based on Executive Committee conclusions regarding opportunities for organisational advancement. Outsiders and staff heard of these changes later and were expected to approve or remain silent.

The board had a centralised structure for decision making, with power resting in the hands of the Executive Committee. That committee

focused heavily on advancing the organisation in the marketplace and was willing to make extensive, although abruptly, internal changes in operations, procedures, or past practices in order to take advantage of new opportunities. The executive was seen as an employee of the board-he might propose directions, but the board clearly was the final authority in all decisions. Dissatisfaction among staff was considered a negligible and inevitable cost of doing business and ensuring success in a demanding marketplace.

Board B made some slow measure of progress in developing strengths in neglected aspects of its performance-specifically the contextual, educational and interpersonal competencies. These changes may not yet be sufficient for it to deal with additional problems we predict it will encounter with internal operations. Largely, due to staff dissatisfaction and turnover, these problems may lead to difficulties with recruitment (although some professionals might be willing to make the accommodations required by this organisation). Likewise, shifts in programmes and services are likely to provoke increased community dissatisfaction and distrust, unless the board makes even greater gains in neglected competencies. We anticipate that this organisation will either begin acquiring nearby hospitals to form a regional network or be bought by another network attracted to its strong financial position.

3.3.3 Board C: A President's Booster Club

The third governing body, Board C, functioned mainly as a booster club or auxiliary for the executive. Its scores were very high in the interpersonal, contextual and political competencies, but low in educational, analytical and strategic skills. Board C's trustees seemed to have been selected on two grounds: professional skill or a personal contact that provided a resource, which is important to the executive and social compatibility with other members of the group. Interpersonal relationships were strong and positive, much of the time the group functioned as a congenial social club.

Seldom were crucial issues first raised in board meetings; instead, meetings served to ratify executive decisions that emerged from private consultation with select trustees whose expertise or linkage was deemed relevant to the issue. Group structure was similar to wheel spokes, all of which radiated from a central axis, the executive. Board meetings were confined to ceremonial functions (conferring awards, honouring traditions and preserving procedure traditions). Business sessions tended to be short, with social time before and afterward.

The executive initiated issues, recommended directions, obtained advice whenever needed, and followed through on conclusions. Trustees were called on individually to consult on issues that fell under their areas of

professional expertise; however, final authority clearly resided at the executive level. In short, the president told trustees how and when they were to contribute (but privately complained of board passivity).

Board C's organisation was also successful, considered a leader among hospitals in its region. Everyone attributed this success to an executive who had held office for nearly two decades. His leadership skills, business acumen and assertiveness were praised for having pulled the organisation from near extinction, upon his arrival, to a position of high esteem within the community.

Members were proud to be associated with the organisation, chiefly because of its strong and successful leader. While they appeared to conduct little work as a group, individual trustees were confident that their support had contributed in important ways to the success of the organisation and saw no reason to change any aspect of board operations. Only one member voiced concern about what the board would do if this executive were to leave. Meanwhile, organisation and board alike show all evidence of success and satisfaction.

This example illustrates the weakness (covered temporarily by a dominant executive) that results from inattention to most duties of governance. Although interpersonal practices were strong, the board was markedly weak in its attention to mission, problem analysis, learning and strategic planning. Some growth took place in those competencies but unless the board strengthens itself in those areas, the organisation may survive only as long as this particular executive remains. Most trustees will be unprepared to act when this person no longer runs the show; at which point the group may seek another saviour to protect its past practices. If the board grows in its competencies, the organisation may not depend as much on a single individual.

4.0   CONCLUSION

All three case studies illustrate the diverse ways in which boards deal with dimensions of governance and how board members can emphasise one or another dimension. Each board has achieved a satisfactory and productive balance (even if only temporarily) in serving their organisation. Board B continues to place financial growth and increased market share well above mission, staff and community loyalty-though it has begun to pay closer attention to the interpersonal dimensions of governance. Such imbalance may well lead to staffing problems and future changes attached to merger or acquisition.

Board C continues to depend heavily on a strong executive and will face considerable difficulty whenever that person leaves, unless it hones its instrumental skills. It still has much to accomplish in developing

sufficient leadership or teamwork strength for dealing effectively with succession issues, a basic responsibility of any board.

Board A was strongest in most dimensions of competence and developed even more effective teamwork among a variety of member skills and interests. It continues to provide effective leadership but may respond slowly to changes in its environment (an area to which it has begun to direct attention). Experiencing steady growth, the organisation continues to enjoy loyal commitment. In the long run, this example is the healthiest of the three and serves as a useful example of effective governance.

5.0 SUMMARY

I am sure you find this unit very interesting as it is practically illustrated for better understanding. You have been able to see how the three models influence governance of the board and its trustees.

6.0 TUTOR-MARKED ASSIGNMENT

Discuss briefly how boards perceive structure and authority in the governance of an organisation.

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UNIT 2 SUSTAINING ONGOING IMPROVEMENT INITIATIVES

CONTENTS

1.0 INTRODUCTION

The previous units looked into the functions and responsibilities of the Board and its trustees, steps toward a pragmatic change in the organisation, building instrumental and social competencies, importance of retreats for board's development, setting goals for action by the board and models of governance. This unit will be on how to sustain the ongoing improvement initiatives of the board and its trustees.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- describe the actions that may be taken to sustain improvement initiatives
- illustrate by giving examples of such actions
- describe how boards can add greater value to their organisations.

3.0 MAIN CONTENT

3.1 Fundamental and Ongoing Change for Improvements

No initiative designed to strengthen board quality and productivity should give the impression of being a quick fix or isolated action that, once completed, suggests the return to business as usual. Instead, improvements must involve fundamental and ongoing change in how the board uses its time and energy. Directing attention to the way the group currently performs and how it might enhance that performance must be incorporated continually into expectations that members have of

themselves and of one another. This way, trustees build into their collective work ethics, a regard for the evolutionary nature of quality improvement.

3.2   Examples of Applications

Change occurs at different rates and in different ways among boards. For example, because of its operating assumptions and work style Board A assessed itself in all competency areas and identified the following improvement steps:

- Updating the organisation's mission statement, applying its values and principles more conscientiously at every meeting.
- Expanding board assessments of individual and group performance and using findings to plan educational sessions on a variety of topics
- Ensuring that each member is included and remains involved in important activities
- Adding time for critical analysis of key issues and taking steps to improve two-way communications with constituencies
- Sharpening the board's focus in plenary and committee meetings to concentrate on top organisation priorities

In addition to these measures, the board is committed to becoming stronger in each governance skill and incorporating them into ongoing practices.

The other two boards were more limited in their responses, but did effect improvement. Board B, which emphasised instrumental efficiency in its practices, paid attention to strategy and analysis to be quite compatible with the group's interests; matters of context and mission, board education and interpersonal relationships, however, were more difficult for some members to address directly. Board C, which operated as auxiliary to the CEO, grasped attention to context and mission, relationships and communications with constituencies, but many trustees were uncomfortable with critical analysis and strategic planning. For all the three groups, some assumptions that members had taken for granted were reinforced, whereas others were challenged. A few members in each group recognized the implications of underutilised competencies and actively encouraged giving attention to them, though most preferred to operate from their more familiar strengths.

To overcome resistance, leaders sought ways to incorporate correcting underdeveloped competencies into current board business, rather than addressing them in isolation from ongoing work. Beginning with their board's already established governance skill levels and interests, leaders

can gradually expand focus to other dimensions of current issues before the group and to procedures for approaching them. Over time, Boards B and C showed improvement in areas formerly neglected. Their experiences show that strengthening performance can be accomplished in a number of unobtrusive but effective ways, even if it takes time for outcomes to become evident.

3.3   Concluding Summary of Action Steps

There are many practical steps boards can take to improve their effectiveness. For example, leaders occasionally can pause after completion of work on a major agenda item and invite reflection on how they dealt with that issue and what could be done to improve the deliberation process next time. This invites attention to the group's work procedures and allows suggestion for steps to improve them. Boards also can conduct brief evaluations upon conclusion of plenary sessions and committee meetings. This presents another way of drawing the group's attention to its work habits and its commitment to ongoing improvements.

Another beneficial practice is for trustees to observe how they use meeting time and examine how their time and energy are linked to strategic priorities (rather than being consumed in tangential details). Rotating responsibility for monitoring board's use of meeting time and assessing clarity of links between agenda items, discussion and strategic commitments serves to disclose strengths and weaknesses in this area. Feedback on gaps between intentions and actual practices facilitates group efforts to change work patterns.

To sustain commitment to performance improvement, the board can charge a committee or task group (perhaps its Committee on Trustees or the Nominating Committee) with several tasks:

- Remind the board of its commitments
- Monitor and assess performance.
- Schedule educational workshops on deficient areas.
- Periodically present recommendations for strengthening board meeting process.

Such a committee also can develop and implement steps for monitoring board meetings, soliciting participants' assessments and improvement recommendations and arranging for periodic board education sessions and retreats on issues of interest.

The committee's experiences, gained in carrying out these tasks, will also enable it to provide useful feedback on members' contributions. It

can arrange coaching sessions and mentors for underperformers and enforce term limits to ease out inadequate contributors.

Based on its experiences, the committee can provide input for new member nominations. Conclusions about strengths and weaknesses in individual skills should guide consideration of what characteristics new members should bring to the group. In terms of new member skills, boards have broadened their scope to include working with groups, improving linkages and communications with key constituencies and showing a strong record of positive contributions to group communication and learning.

As commitment to improved performance grows, a further way to build learning into collective expectations is to schedule times and issue invitations to outside experts who can contribute in the following ways:

- Reviewing the board's performance
- Providing feedback
- Recommending aspects that need attention
- Describing best practices of other boards in relevant areas
- Conducting training sessions on specific topics or skills requested by members

Conferences and national associations are reliable resources for identifying experts and experienced leaders from other similar organisations in the region. A fresh view of itself through neutral outside eyes can yield valuable feedback and help members think more productively about areas that need attention.

Boards can add greater value to their organisations by building into their procedure unobtrusive steps that facilitate trustees' learning from their experiences and strengthening the quality of their governance skills. By welcoming challenges confronting their organisation as occasions for learning, they can conduct self-assessments to identify performance improvement opportunities. Boards can set goals and monitor progress; educate themselves about governance, the organisation and its environment and seek to balance strengths in all competencies through effective teamwork.

Effective boards develop a culture of accountability and shared responsibility for continuous improvement of board work. In doing so, they model the accountability they expect of others throughout the organisation; demonstrate priority setting; take constructive action; install performance changes that result in their added value to the organisation and prove their effectiveness as trustees who continuously earn the trust of those inside and outside the organisation.

4.0   CONCLUSION

Boards can add greater value to their organisations by building into their procedures unobtrusive steps that facilitate trustees' learning from their experiences and strengthening the quality of their governance skills.

5.0   SUMMARY

I do hope you enjoyed your reading through this unit and found it educative and you can apply the knowledge to your daily activities in life.

6.0   TUTOR-MARKED ASSIGNMENT

You have assessed your workplace and then discussed some improvement initiatives introduced by your immediate superior, how can those initiatives be sustained?

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UNIT 3   TOTAL QUALITY MANAGEMENT I
(QUALITY ASSURANCE)

CONTENTS

1.0   INTRODUCTION

The next two units will be looking into Total Quality Management
(Quality Assurance) while this unit centres on Total Quality
Management in general, the next unit will apply it into health care. You
will enjoy your reading and knowledge enhanced about the subject
matter.

2.0   OBJECTIVES

At the end of this unit, you should be able to:

•   explain the concept of Total Quality Management
•   describe the four key elements that form the foundation of Total
        Quality Management
•   list   the   Deming's   14-Point   approach   to   Total   Quality
        Management
•   discuss the guidelines for programme implementation.

3.0 MAIN CONTENT

3.1 Organisational Effectiveness: Some Theoretical Considerations

In 1776, Adam Smith published his treatise titled "Wealth of Nations" and propounded in the blurb that efficiency and effectiveness of a business firm result from specialisation and division of labour. This conception led writers and management practitioners to search for the factors or organisational effectiveness. In fact, the concern of organisational effectiveness is a subject that has motivated organisational theorists, management philosophers, economists, management scientists, consultants and practitioners to search for the factors of effectiveness in organisations.

The scientific management movement of the earlier 20th century, pioneered by Taylor (1911), developed prescriptive principles for organisational effectiveness. Hence, they developed the principles of science for determining the demands of work, scientific selection of workers, unity of command, span of control, division of labour, and so on. They contended that, if all these principles were adhered to in work organisations, there would be maximum organisational effectiveness.

In their various research studies and writings, organisational theorists such as Mayo (1933), Chester Barnard (1938), Macgregor (1960), Agyris (1964), among others who formed what is called Human Relations School of Thought, emphasise the importance of emotional factors; sociological concept of group endeavour; need for managerial, diagnostic and interpersonal skills, as basis for organisational effectiveness. Their studies were, in effect, to incorporate human elements in the design of organisation for their effectiveness.

In a study to develop a model of organisational effectiveness, Katz and Kahn (1964) introduced the application of the systems' concept. The authors likened an organisation to an open system striving for survival in an environment. They identified the same characteristics of an open system, which an organisation striving for effectiveness in a dynamic environment should possess. They maintained that it is necessary to understand these characteristics in the overall study of organisational effectiveness.

In some other studies, Katz and Kahn (1966), Lawrence and Lorsch (1967), Woodward (1965), explored respectively, certain characteristics of the environment and features of organisations that can determine organisational effectiveness. The common trend in the studies of these authors, referred to as the contingency theorists, is that, if organisations

are to maintain good performance, their structures should be designed to fit the situational demands which stem from the technologies being used, their market positions, their product diversities and the rates of change and size ranges. The focus of the theory is that these contingency factors-technology, market situation, diversity and sizes-generate varying degrees of uncertainty and complexity, which have to be coped with by the development of appropriate structure.

3.2 The Concept of Total Quality Management (TQM)

Total Quality Management (TQM) as a management system, is an emerging paradigm for attaining organisational effectiveness. It is a system that comprises a set of integrated philosophies, tools and processes used to accomplish business objectives by creating delighted customers and happy employees.

Akpieyi (1976) defines total quality management as a strategy for improving business performance through the commitment of all employees to fully satisfying agreed customer requirements at the lowest cost, through the continuous improvement of products and services, business processes and the people involved. Delaforge (1995) points out that total quality management is concerned with the management of all aspects of quality services provided to the customer. These include quality of goods' delivery, price of services, quality of promotion and merchandising. He explains those meeting customers' needs and expectations as a means of attaining organisational objective is the main focus of total quality management. To do this, the management must:

- fully understand and agree with the customers on their needs and expectations;
- determine the organisation's capabilities towards reaching set objectives;
- deliver the goods and services to the customers as agreed;
- be efficient, as well as effective, in meeting the customers' agreed requirements; and
- continually seek to improve the organisational performance in meeting customers' needs and expectations.

From this conception, total quality management is a process which can facilitate improvement within an organisation and a continuous and unending journey towards excellence in the organisation. It is a way of life towards organisational effectiveness.

According to Jurann (1995), there are four key elements that form the foundation of total quality management. These are: People, Continuous improvement, process and customer.

(i)   **People:** The goal here is to empower the people working in the organisation so that optimal business results can be accomplished through teamwork. The path to this goal starts with training that focuses on communication skills, interactive skills and effective marketing skills.

(ii)   **Continuous Improvement:** Employees are taught to gather data so that intelligent decision can be made by asking "why", five times, to get to the root cause of problems; continuous improvement embodies the fundamental principle of quality. This follows a PDCA (Plan, Do, Check, Action) cycle.

Plan ⟶ Do ⟶ Check ⟶ Action ⟶ Results

Feedback
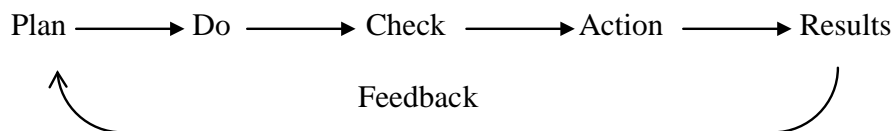
(iii) **Process:** This involves the problem-solving process (PSP) and quality-improvement process (Q/P), which serve as a guide, as it analyzes a problem, chooses solutions, develops an action plan and evaluates the implementation results which help focus attention on their customers.

(iv)   **Customer:** The primary focus of total quality management is the customers and customer's satisfaction. Fisher (1992) also identifies five customer perceptions of quality, which he terms quality elements that correlate to customer's satisfactions. These are:

- expected quality,
- satisfying quality,
- delightful quality,
- indifferent quality, and
- reverse quality.

3.3   Origin of Total Quality Management (TQM)

Total quality management has evolved as a management concept out of the need by companies for continuous quality improvement and the critical importance of increased profitability and survival in the face of competitive challenges in the world market. The origin of total quality management is American and it is associated with a few statisticians working in quality control sections of Western Electric in the 1920s and 1930s. Although, the total quality idea originated in America, the most

profound effects of its application occurred in Japan from the early 1950s.

According to Price and Chen (1993), Total Quality Management, as we know it today, was introduced in the 1930s by Dr. W. Edward, an American statistician, at which time he developed full systems of quality control in the United States of America. Deming, an authority in Management, held very strong views on how to achieve excellence in manufacturing while in the USA; but, having been ignored for several years, he relocated to Japan where his views on total quality management were quickly adopted. In 1948, Deming conducted his first seminar on total quality management in Japan. In 1950, the Japanese Standards Association was formed and, in the following year, the Deming Award Scheme for Total Quality started. Deming's work in Japan was very successful and it contributed greatly to Japan's post-World War II technological breakthrough. It was not until the USA government perceived the great success which Deming achieved in Japan that total quality management was adopted in the USA and other Western Countries.

Another gentleman who contributed to total quality management was Dr. Joseph M. Juran. Like Deming, he started his research in America and, in 1954; made his first tour of Japan. The 1950s in Japan was a period of consolidating the market, adding value to products and copying ideas from the rest of the world. The low-cost base of the 1960s enabled Japan to export worldwide, continuously adapting and exploiting markets. In the following twenty years, the perception of Japanese goods and services had changed to that of reliability and good value for money, with the result that the economic balance of power had shifted to Japan and the East, in such industries like motor vehicles, shipbuilding, electrical consumer goods, electronic components, textiles, banking and financial services, photographic, video, matchmaking and many others.

During the mid-1960s, a parallel course in the USA indicated a slow development of conventional quality control techniques with a transfer of quality circles. During this period, Philip B. Crosby introduced the zero defects' concepts as a performance standard within the framework of these quality absolutes. It was not until the end of the 1970s that the first "Fortune 500" companies took on the organisation-wide quality management process.

In the United Kingdom (UK) in 1963, the National Productivity Council promoted quality management through its far-seeing film "Right First Time". In 1978, the National Strategy for Quality was developed based on the government's notion that 10 billion pounds was being wasted

every year due to bad quality production. The campaign, termed the National Quality Campaign, has since then been the most sustained programme in UK history.

In Nigeria, total quality management, as we know it today, is a relatively latecomer, having taken shape only within the last decade, Akpieyi (2000). For long, emphasis had been on quantity and not quality; hence people often say that Nigeria is a sellers' market. However, with increasing globalisation and dumping of goods from the developed countries into the Nigerian market, the local manufacturers are becoming more responsive towards the improvement of product quality. Even in the services sector, such as banking, education and consultancy, the issue is becoming more recognised than in the past.

3.4 Approaches to Total Quality Management (TQM)

(a) Deming's 14-Point Approach

Deming proposed a participative management style to total quality management as follows:

1. Create constancy of purpose towards improvement of product and service.
2. Adopt the new philosophy. We can no longer live with commonly accepted levels of delays, mistakes, defective materials and defective workmanship.
3. Cease dependence on mass inspection. Require instead, statistical evidence that quality is built in.
4. End the practice of awarding business on the basis of a price tag.
5. Find problems. It is management's job to work continually on the system.
6. Institute modern methods of training on the job.
7. Institute modern methods of supervision of production workers. The responsibility of the foreman must be changed from numbers to quality.
8. Drive out fear, so that everyone may work effectively for the company.
9. Break down barriers between departments.
10. Eliminate numerical goals, posters and slogans for the work force, asking for new levels of productivity without providing new methods.
11. Eliminate work standards that prescribe numerical quotas.
12. Remove barriers that stand between the hourly worker and his right to pride in workmanship.
13. Institute vigorous programmes of education and training.
14. Create a structure at top management that will push every day, all the above 13 points.

3.5   Guidelines for Programme Implementation

Although there are many approaches to total quality management implementation, Stahi (1995) observes that most programmes adopt the following steps:

(a)   Top Management Commitment and Leadership

This is an essential requirement of the programme without which the implementation cannot succeed. The chief executive officer of the company and his senior managers must not only give commitment to the programme but must lead it. To do this, they must have good understanding of the principles of total quality management and the benefits to be derived through implementing the programme.

(b)   Impetus for Change

Having gained adequate knowledge about total quality management and being convinced about its benefits, the chief executive and the senior executives have the responsibility of answering the question: Why do we want to change the way we are doing things in the company? Impetus for change can be internal (low profitability, high cost, lack of quality culture, etc) or external (stiff competition, poor customer service, etc). The answer to this question is crucial in setting the programme goals.

(c)   Programme Goal(s)

With the impetus for change understood, the top management will now proceed to define the goal(s) of what the programme is aimed at achieving. Many total quality management initiatives fail because companies have no clear goals and, as such, cannot obtain measurable benefits as the programme progresses. To avoid this costly mistake, it is the responsibility of the top management to carry out a diagnosis of the business operations in order to define the area(s) to focus on. These could include improved performance in profitability, improved customer services, increase in capacity, improved administrative procedure and improved teamwork. Once the goal has been chosen, it becomes easy to set performance measures to monitor improvement.

(d)   Training

Training is an essential requirement of the total quality management implementation programme. Total quality management awareness training will be given to all staff in the company. The aim of the awareness training will be to bring out the principles of total quality

management, the benefits and the company's reasons for adopting the programme. This initial training serves also the purpose of wooing the employees to accept the programme. Training in problem-solving techniques, team building and business process analysis, as well as quality performance and cost measurements, will be given, as required, to the various quality teams to be formed.

(e)   Programme Design

It is usually advisable to implement total quality management principles in phases, starting initially with quality improvement teams and expanding later to value analysis, quality policy deployment and finally to quality in daily work. This phased approach allows for better understanding and application of total quality management by employees, and helps to sustain the programme in the organisation.

(f)   Programme Implementation

For a successful implementation of total quality management, there must be a structure for the management of the programme. It is advisable to incorporate the management of total quality management into the organisational structure of the company.

(g)   Rewards and Recognition

As part of the employee buy-in policy, it is usual to establish a reward and recognition system aimed at showing gratitude to employees that have made outstanding contributions in the continuous improvement programme. Some companies adopt rewards such as cash, gifts or paid holidays, while others emphasise more on recognising employees. Companies, therefore, must adopt a system that best suits the corporate culture, values and employees' expectations. However, it is important to have well-defined and clearly understandable criteria for selection of recipients.

(h)   Performance Measurement

The successful implementation of the quality improvement process is usually based on the practice of "Management by Management". This is carried out by first establishing performance measurements or standards that are correlated to the desired end-result and by regularly reviewing the actual measurements or standards that are correlated to the desired end-result against these standards. This practice enables an organisation to focus on those actions that are necessary to achieve the required improvement. Total quality management programmes fail because

companies have not set realistic goals or targets at the outset and have therefore not established measurements to monitor improvement.

(i)   Resistance to Total Quality Management Programme

The central principles of total quality management tend to challenge a long-held set of management beliefs and practices and will not therefore be quickly accepted by all the employees in any organisation. Resistance to change is inevitable, but it needs not be a barrier. Top management must realise this fact and work towards accommodating resistance by allowing the individual to acknowledge his or her doubts and then to satisfy them through education and training. Experience has shown that, even in companies where there is clear commitment and leadership of the total quality management programme by the top management, resistance does occur from the middle management or the junior workers.

Finally, the benefits of total quality management implementation are overwhelming and need not be overemphasised. However, problems occur during the actual implementation of the programme. There is no one "best way" to implement total quality management. A situational approach, where the top management must carefully match their unique organisational environment to a customised total quality management programme is the recommended route (Price and Chen, 1993).

(j)   Growing into Total Quality Management

Total quality management should be adopted gradually and not wholesale. The company should identify a few important initial projects and demonstrate success before taking additional steps. The first applications should be chosen to provide tangible benefits for the business.

The reduction of cycle time, regardless of the process or the organisation, can generate immediate benefits. Repeated processes exist in every department and considerable value obtains from asking. "How can this activity be better carried out?" In many instances, the employees will suggest immediate improvements about which they have always known but didn't mention for lack of a forum (Price and Chen, 1993).

The process of implementing total quality management, as developed by Price and Chen, is shown in Figure 18.1. The first step is to create the desire for total quality management, and then train up the staff to adopt and adapt them to the total quality management thinking. The process

continues until total quality management is adopted as the management
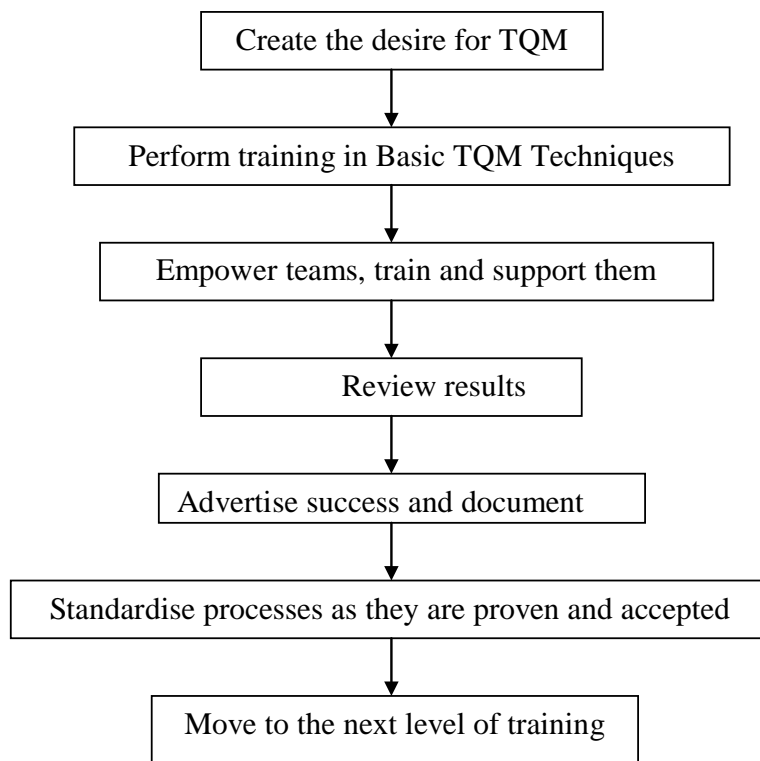and operational system in the organisation.

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┌─────────────────────────────────┐
│     Create the desire for TQM    │
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                  │
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│ Perform training in Basic TQM Techniques │
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│  Empower teams, train and support them  │
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│      Review results      │
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│ Standardise processes as they are proven and accepted │
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│   Move to the next level of training │
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Fig 19.1: The Process of Implementing TQM
Source : Price and Chen (1993): *Total Quality Management in a Small,*
         High Technology Company.

3.6   Implementing Total Quality Management (TQM)

Morrow (1997) reported that, for successful implementation of total
quality management, there are at least three essential requirements:

(i)   **Management Commitment:** With a firm commitment from the
        top of the organisation, the chief executive gets support from all
        levels of management. The top management must be committed
        to the end-result, setting targets and providing the authority and
        resources for the implementation of the programme. There must
        be concerted efforts to change the culture and values of the
        organisation to that of a quality company.

(ii)   **Employee Commitment and Teamwork:** Total quality
        management can only be implemented through the contribution
        of the employees individually or in quality improvement groups.
        Empowering all the organisation's employees and making each

responsible for quality is one of the ways to achieve a successful total quality management programme. The contribution of each employee must be recognised and rewarded.

(iii) **Quality System:** A sound quality system is an essential foundation for total quality management. A documented quality system ensures consistency for every product and every service. For companies to progress into total quality management, they must raise their quality system beyond the traditional quality systems of QC and QA.

3.7 Principles of Total Quality Management (TQM)

The successful application of total quality management is based on some basic principles. These principles are:

(i) **Agreement to customer's requirements:** It requires a thorough understanding of the requirements of customers and sufficient research to anticipate development and changes.

(ii) **Understanding and improving customer/supplier chain:** This has the overall effect of pleasing the customers and suppliers.

(iii) **Doing the right things:** Every member of an organisation must bear this in mind. It helps an organisation in its vision for the future and deals with 'adding value to products'.

(iv) **Getting it right, the first time:** This is getting the right things done the very first time in acceptable standards. Getting to the root cause of mistakes and eliminating them.

(v) **Measuring for success:** To be able to measure is to be able to manage. Work must be quantified and measurable.

(vi) **Continuous improvement:** This must always be the goal. There should be no complacency.

(vii) **Management must lead (by example):** Management must always lead by example, by demonstrating good leadership and management skills that would continue to propel and motivate the subordinates.

(viii) **Training is essential:** Employees are to be trained fully in order to fully utilise their potentials. Training is required to change the management system and to be able to change problem-solving attitudes.

(ix) **Communicating more efficiently and effectively:** This implies that sufficient and correct information must be seen as a priority for all activities at all levels in the most efficient and effective ways.

(x) **Recognising successful involvement:** This is making sure that those who make meaningful and positive contribution to total

quality management in organisations receive recognition for their involvement.

The application of total quality management is to enable an organisation reach the level of effectiveness or what can be termed performance excellence. Various models have been developed to measure this organisational excellence performance founded on total quality management. The purpose is to shift total quality management from mere historic principles and concept to the demonstration of performance excellence.
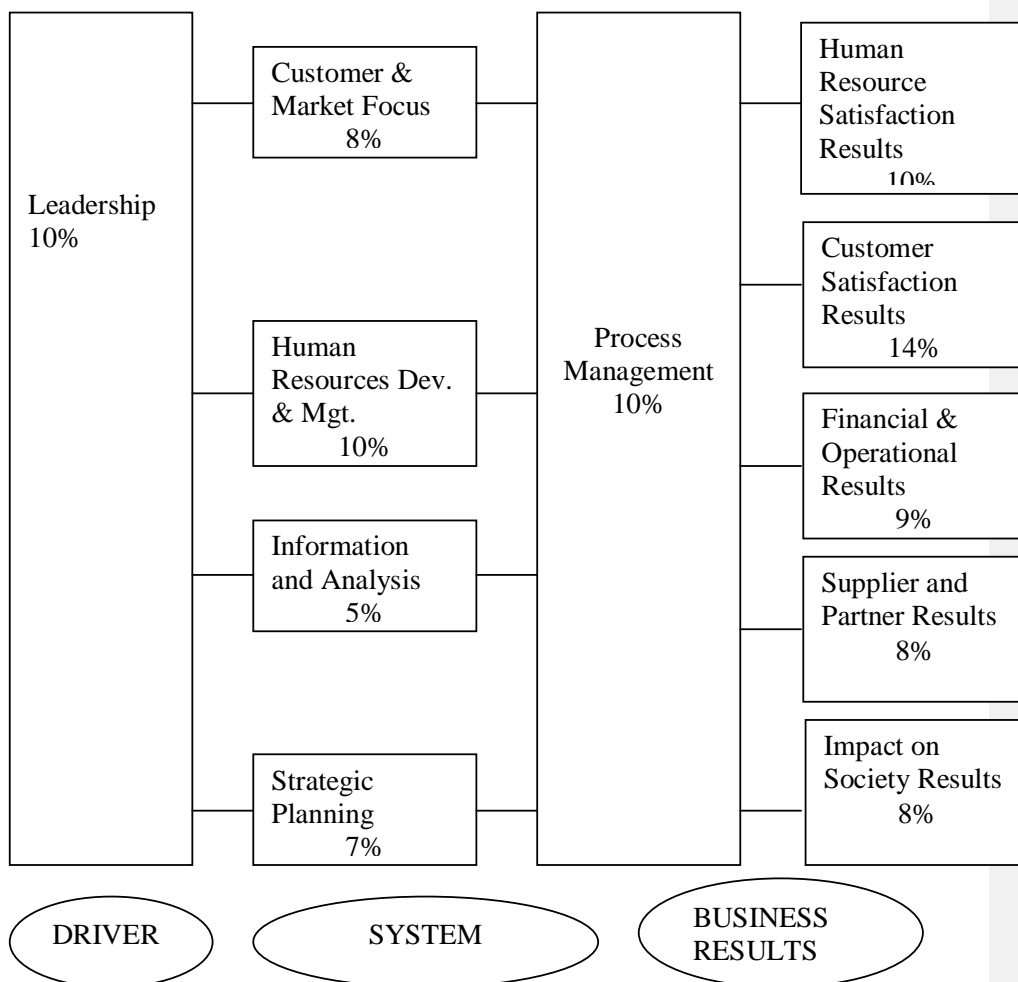

Fig. 19.2: Model for Assessing TQM and Performance Excellence
Adapted from Akpieyi-Otuedon (2000) *Creating a Quality Environment in the Next Millennium.* Ikeja, Jeromelaiho and Associates.

Fig. 19.2 above predicts such a model for assessing total quality management and performance excellence. Akpieyi (2000) contended that, in order to create a quality environment in all sectors of the Nigerian economy and to improve Nigerian competitiveness in the

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dynamic global environment, designing a total quality management model as shown in Fig. 19.2 is imperative. The model is divided into three main parts. The driver consists of the leadership in various organisations of either the private or the public sector. Leadership provides the purposeful direction to the attainment of objectives and reaching excellent performance of the model.

The result of the successful application can be determined through various parameters. Customers' satisfaction is definitely the major area of concern in the total quality management model. The more the customers are satisfied, the better for the organisation.

3.8   Benefits of Total Quality Management (TQM)

The introduction of total quality management in an organisation results in improvement in a number of critical areas highlighted below:

(i)   The distinct recognition of the customer as "the king" is business and the deployment of techniques, processes and tools to accord due pre-eminence to the customer is the greatest contribution of total quality management to an organisation. The satisfaction of a customer encourages repeat purchase which, of course, leads to profitability and survival on the long run.

(ii)   In total quality management, quality serves as an umbrella theme for an organisation.

(iii)   With total quality management, a greatly improved product and service are assured.

(iv)   A decrease in wasted resources is assured.

(v)   There is certainty in massive boost in productivity.

(vi)   Continuous customer patronage will lead to increased productivity.

(vii)   It is possible to have sustained competitive advantage with quality as the main theme of the organisation.

(viii)   It produces effective customer relations.

(ix)   Total quality management enhances organisational image.

(x)   It leads to increased employee morale and sense of belonging.

(xi)   It leads to improved employment conditions.

(xii)   It enhances cross-functional co-operation and information sharing.

(xiii)   Total quality management helps to bring harmony to the work environment and ensure a motivated work force.

3.9 Obstacles to the Effective Implementation of Total Quality Management (TQM)

Obstacles to total quality management implementation are many and varied. They are as follows:

(i) Total quality management (TQM) is a revolutionary cultural change strategy, which requires significant alteration in behaviour. Therefore, the greatest obstacle to the implementation of total quality management is resistance to change.
(ii) Setting up a standard of quality measurement system. Not all standard measurements are amenable to qualitative terms.
(iii) Implementing total quality management requires improved technology and functional social infrastructure and these are lacking in developing economies. This is more so in the case of Nigeria where they have degenerated to a very high degree.
(iv) Lack of effective leadership of organisational members.
(v) Inadequate training and development of organisational members.
(vi) Sociocultural barriers to change.

4.0 CONCLUSION

Total quality management is a new dimension for attaining organisational effectiveness. It is a system that encompasses those activities that review and evaluate actual care and institute remedial actions to bring client's care into conformity with the standard care.

5.0 SUMMARY

This unit has delved into total quality management generally but in the next unit we shall be looking at the application of total quality management to health care delivery system.

6.0 TUTOR-MARKED ASSIGNMENT

(1) Describe Deming's 14-Point approach to total quality management.
(2) What are the benefits and problems of total quality management?

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UNIT 4   TOTAL QUALITY MANAGEMENT IN HEALTH CARE

CONTENTS

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1.0   INTRODUCTION

In recent years, the quality of health care has assumed a high profile on the health care agenda throughout the world. In the West African sub-region in particular, the quality of health care has dropped noticeably in many countries as a result of the economic decline, political instability and emigration of a large number of health professionals. In the developed world, serious attention has been given during the 90s to the concept of quality in health care including quality assessment, quality control, quality assurance and total quality management (TQM). Unfortunately, quality management has not received enough attention in most of the developing world, the most common excuses being that it is expensive and technically difficult. This is most unfortunate as services of poor quality invariably lead to wastage of resources.

In this unit, quality is defined in the context of health care. The relevance of quality management and its various dimensions are discussed. The processes for assessment and management of the quality of the services provided in a health service organisation or a health facility are explained.

2.0   OBJECTIVES

At the end of this unit, you should be able to:

- explain total quality management in relation to health
- describe how to assess the quality of health care in various settings
- discuss how to manage the quality of the services of a health service organisation or a health facility.

3.0   MAIN CONTENT

3.1   Brief Historical Review

According to Goings (1995), it was Florence Nightingale who by her activities during the Crimean War about 100 years ago first drew attention to the benefits of good quality health care. The modern concept of quality management was developed in Japan and in the USA in the early 1940s. The concept was adopted and applied in health care in the USA and Europe in the 1970s. In the USA, interest in quality of health care stemmed from the escalating costs of health care and from concern over the variation of care being provided by different institutions even at high cost. These concerns led to the establishment of the Professional Standards Review Organisation (PSRO) which encouraged peer reviews e.g. Medical Audit, Utilisation Review etc. Recent trends include Total Quality Management (TQM) and Continuous Quality Management (CQM).

Total quality management owes its development to the ideas of Deming, Juran, Crosby and Feigenbaum who each made unique contributions to its development. Deming (1982), the father of the quality movement stressed that quality does not cost anything extra. He was the author of the **Deming Chain Reaction** which showed that when quality is improved by improving process rather than by merely increasing inspection, productivity improves leading to decreased costs, lower prices, increased sales and thus a greater return on investment. Juran (1964) believed that management could achieve a higher productivity by pre-empting problems before they occur rather than be depending on the use of the control function to correct deviations from the norm. Crosby (1979) drew attention to the importance of developing the commitment of employees to the concept of total quality management. Feigenbaum (1983) was pre-occupied with devising methods of keeping the costs of quality management to a minimum. A common trend in the contributions of these eminent persons is that a restructuring of attitudes is necessary at all levels of any organisation which desires to manage the quality of its services.

3.2   Quality

3.2.1 Definition

According to the Chambers Mini-Dictionary, quality is the "degree of worth". The Oxford English Dictionary defines it as "degree of excellence" and the "relative nature or kind of character". It is also defined as "fitness for purpose" (Juram, 1964) and "conformance to specifications" (Crosby, 1979). The British Standard Institute defines quality as "the totality of feature and characteristics of a product or service that bear on its ability to satisfy stated or implied needs……… a degree of excellence reflects on measurement of a product in terms of departure from an ideal; and demonstrate fitness for purpose relating to the ability to meet stated needs". According to Goings (1995) a quality service is one in which the guiding principle is "doing the right thing, right away" i.e. **doing the correct thing correctly, without delay**. Obviously, from these various definitions, quality is a multifaceted concept with many dimensions.

3.2.2 Dimensions of Quality

Donabedian (1980) and Maxwell (1984) have taken a holistic approach to the concept of quality and have identified several dimensions of quality including the following:

1.   **Technical (Professional) Competence:** This refers to the skills, capability and performance of care providers, managers and support staff e.g. clinical acumen, diagnostic ability, etc.
2.   **Clients' Satisfaction:** Expresses clients' perception of the response of the health service to their felt needs; opinions are usually based on the outcome of care, interpersonal relationships, amenities of care etc.
3.   **Accessibility of Care** in terms of absence of barriers to health care i.e. geographic, economic, social, cultural, linguistic barriers (availability, affordability, acceptability of care, etc.)
4.   **Coverage:** percentage of the community that should receive a service that actually receives it.
5.   **Effectiveness:** Are the desired results actually obtained? Is the treatment given the most appropriate for the given situation?
6.   **Efficiency:** Is optimum care being given at minimal cost possible? Is unnecessary treatment given?
7.   **Interpersonal Relationships:** What is the interaction between providers and clients, between managers and providers, between the health team and the community? Good interpersonal relationship is expressed through mutual respect, courtesy,

confidentiality, responsiveness and empathy which will lead to trust and strengthen credibility.

8. **Continuity of Care:** Is the complete range of promotional, preventive, curative and rehabilitative care available on an on-going basis without undue interruptions? Is there timely referral for more specialised services?

9. **Safety:** Are the risks of injury, infection, side-effects, etc. to both clients and providers **minimal?** This dimension of quality has assumed greater importance in view of the threat of diseases such as AIDS and viral hepatitis.

10. **Amenities:** The physical appearance of facilities, the cleanliness, comfort and privacy for patients – In what state are these amenities? Do they encourage the client to return for a follow-up visit?

11. **Utilisation of Health Services:** what is the rate of utilisation of the services?

All these suggest that there are many perspectives on quality and that quality health care responds to the needs of its clients and demands not only sound technical skills but also excellent interpersonal skills. The various perspectives on quality are discussed in the next section.

Perspectives of Quality

"Quality" means different things to:

A.   The clients-patients and the community
B.   Care providers
C.   Managers.

A.   **The Clients-patients and community** are concerned with whether the service:

- addresses perceived needs.
- is delivered courteously
- is delivered on time.
- is concerned with effectiveness, accessibility, interpersonal relations, continuity, amenities.

B.   **Care Providers** focus on:

- professional skills effectiveness.
- availability of resources
- safety**.**

C. **Managers** focus on all the various dimensions of quality since they are ultimately responsible for quality assurance and total quality management.
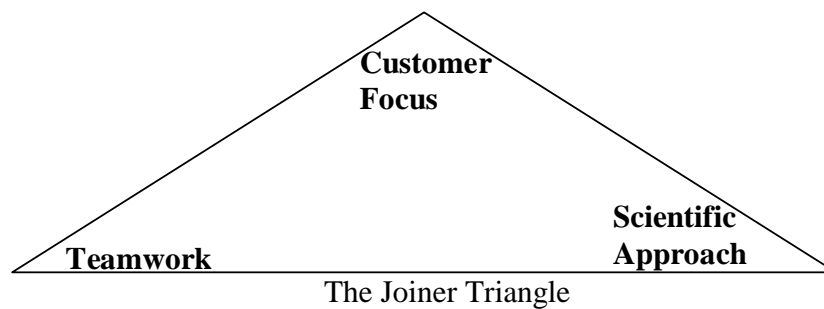
3.3 Total Quality Management (TQM)

Total quality management has been defined by Collard, Sivyer and Deloitte (1990) as "a cost effective system for integrating the continuous improvement efforts of people at all levels in an organisation to deliver products and services which ensure customers' satisfaction". They emphasise that total quality management is a continuous process. Total quality management represents **a total cultural shift from management based on error detection and correction to management based on error prevention** with a focus on **the satisfaction** of the consumers' needs. Total quality management seeks to create a culture of **constant** examination and improvement of work so as to respond to changing consumer requirements.

As depicted on the **Joiner Triangle**, there are three elements of total quality management, namely:

1. a focus on service to customers at the apex of the triangle.
2. teamwork involving everyone in the organisation.
3. a scientific approach to decision-making based on data collection and analysis.

This implies that total quality management is directed at meeting the needs and expectations of the clients, patients and community. It is directed at the development of an organisational culture in which every member of staff works as a member of a problem solving team, dedicated to satisfying changing consumer demands i.e. all concerned members of the team are involved including managers, professional and ancillary staff. Total quality management encourages **a team approach to problem solving thereby reducing** resistance **to change**. Problem-solving is based on scientifically collected data, the goal being *Excellence* and *Perfection*. Data is needed at all stages of the problem-solving process to define the problem, identify its causes and to monitor the effect of the solutions. These are usually **simple quantitative data** such as waiting time in clinics etc. It is important to note that **total quality management focuses on the improvement of work processes**. In total quality management, the process for improvement never ends. TQM is the responsibility of senior and top management as it is a very potent means for the enhancement of the reputation of an organisation.

The Joiner Triangle
[Source: Joiner, B. L. and Scholtes, P. B. (1985)]

Development of Total Quality Management Programmes

According to Morgan (1994) most total quality management programmes develop sequentially through the following four stages:- inspection, quality control, quality assurance and total quality management.

(a)   **Inspection:** the assessment of a **product or service** to assess its conformity with specified requirements.
(b)   **Quality Control:** the continuous monitoring of a **process** to detect and eliminate causes of quality problems so as to meet the requirements of customers.
(c)   **Quality Assurance (QA):** all the arrangements made to safeguard, maintain and promote the quality of care (Donabedian, 1980). *In QA there is a shift from detection of causes of quality deficiencies to prevention.* QA is a more comprehensive process of quality control and includes the creation and maintenance of a quality system and **audit of the system's operation.**
(d)   **Total Quality Management:** involves the application of the process to **all branches and levels of the organisation.**

3.4   Stages of Awareness of Quality Management

Crosby (1979) has identified five stages of awareness of quality management. These are the stages of **uncertainty, awakening enlightenment, wisdom and certainty.** These form a continuum from a situation where management has no knowledge of the use of quality management as a tool and deals with problems as they occur without analysing the cause of the problems to a situation where quality improvement through prevention of problems is a normal and continuous activity. In the West African sub-region, most health service organisations are in the stage of uncertainty.

3.5   Building a Quality Management Programme

This requires commitment and dedication at all levels. There are two approaches to building a quality management programme:

(a)   Comprehensive QA Strategy i.e. Total Quality Management
(b)   Problem-Oriented Approach which emphasises small-scale activities and produces incremental improvement in quality.

This latter approach is recommended in sub-Saharan Africa where the dearth of skilled personnel makes the adoption of TQM rather impractical. It is also recommended that the programme should include the following elements:

1.   **Training** of all employees towards the acquisition of problem-solving skills and orientation on the nature and methods of QA, emphasizing **self-appraisal.**
2.   **Teamwork** rather than individual efforts should be emphasised.
3.   **A supportive administrative structure** originating from the top and extending down throughout the organisation. A **QA Committee** should be established to provide information, guidance and monitoring. A **QA Officer** should be appointed in each department.
4.   **Statistical control** and measurement of quality based on accurate statistical data and methods. A **Statistics Unit** should be created if none already exists.

Key activities to be carried out according to Franco et al (1993) include deliberate action to:

a.   foster commitment to quality
b.   conduct preliminary review of **QA** activities.
c.   develop the purpose and vision for **QA**.
d.   determine the level and scope of activities.
e.   assign responsibility for **QA**.
f.   allocate resources for **QA**.
g.   develop a written **QA** plan.
h.   strengthen **QA** skills.
i.   disseminate **QA** activities.
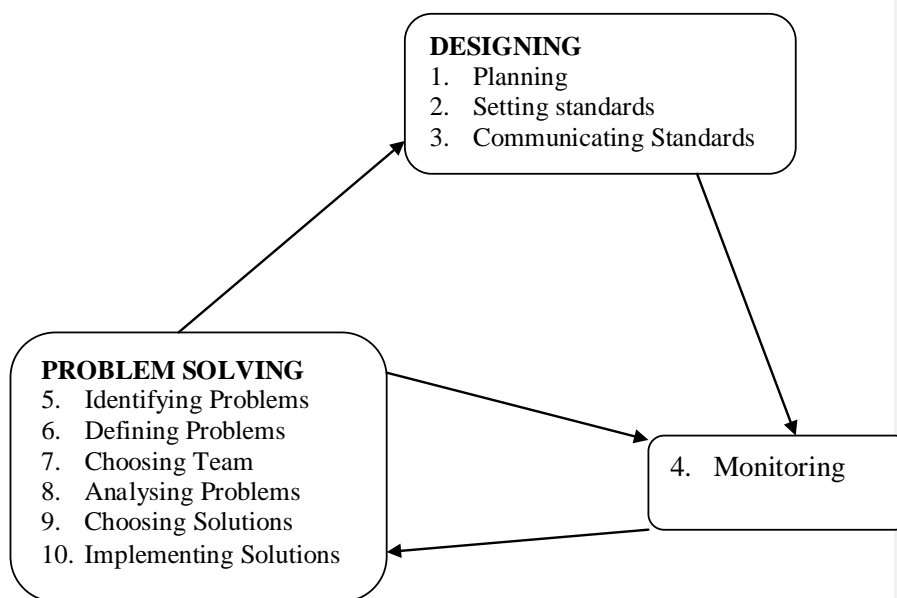j.   manage the change.

3.6   The Quality Management Process

Based on experience gained from successful QM programmes in several countries, the process consists basically of establishing standards,

monitoring their implementation and pre-empting and overcoming problems. There are 10 steps grouped into 3 sets of activities, namely,

1.   designing
2.   monitoring quality
3.   problem-solving and improvement of processes.

Each department should be allowed to proceed at its own pace, paying attention to a few problems at a time to start with and gradually increasing its scope and proceeding through the stages of inspection, quality control, quality assurance and hopefully total quality management. These efforts should result in a gradual but steady improvement in the quality of care provided.

DESIGNING
1.   Planning
2.   Setting standards
3.   Communicating Standards

PROBLEM SOLVING
5.   Identifying Problems
6.   Defining Problems
7.   Choosing Team
8.   Analysing Problems
9.   Choosing Solutions
10. Implementing Solutions

4.   Monitoring

The Quality Management Process
(Source: Franco, Newman, Murphy and Mariani, USAID, 1995)

4.0   CONCLUSION

In the context of health care, "quality" expresses the degree of excellence of the service provided, its fitness for the purpose for which it was established and its conformity to planned specifications. A good quality health service is one in which the correct services are provided correctly without delay. Quality is a multifaceted concept and can be viewed from several perspectives, the most important of which are the perspectives of the clients of the health service.

Quality management focuses on the satisfaction of the needs of the clients, emphasises teamwork, self-appraisal and a scientific approach to problem-solving based on the collection of data. Every health institution should establish a quality management programme using an incremental problem-oriented approach. Activities should be department-based and should be directed at establishing standards, monitoring them and pre-empting and solving problems. There is a need for training and re-orientation of all employees towards the acquisition of problem-solving skills as well as a supportive administrative structure originating from the top and extending to all levels of the institution.

5.0   SUMMARY

This is the concluding part in the series of Total Quality Management. Your knowledge must have been enriched in order to improve your work performance wherever you find yourself as this is the newest trend in resource management.

6.0   TUTOR-MARKED ASSIGNMENT

Describe the development of Total Quality Management Programmes in health care delivery system.

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