

Management Education and TrainingIN THE C.W.S.

by

R. M. GRINDROD

(General Manager, Personnel Services, C.W.S.)

The principles are easy enough to establish and even to enunciate, and are contained in Appendix I which is a straight quotation from the C.W.S. Procedure Manual. If the language is a bit turgid, that may perhaps be blamed upon the need to generalise across a multitude of different activities and to meet the requirements of sixteen Industry Training Boards covering the complex structure of the C.W.S. which is shown in Appendix II. No-one, however, will seriously cavil at the statement of intent. What of the reality?

Personnel Services in the "C.W.S. Revolution"

Ten years ago, as a significant element in the "C.W.S. revolution", it was decided to replace the Central Labour Department by a 'professional, modern-minded, thrusting and dynamic' Personnel Function. Nearly all the members of the new Personnel Services Group were recruited from outside the Co-operative Movement. They found, or thought they found, an organisation which was Service rather than Performance orientated, which had no logic in its hierarchial or remuneration structure, in which appraisal - what there was of it - was essentially subjective and in which advancement appeared to be on no planned basis. Progression and reward were rigidly controlled centrally, training and education were ad hoc and carried out from a vague belief that they were a 'good thing' rather than from any conviction that they could contribute to the commercial viability of the

business. The Co-operative College at Loughborough was a mysterious institution with no obvious relevance to C.W.S. requirements.

It was a dream situation for the new Central Personnel team. A major organisation in a state of total revolution, everything was up for grabs, the past could be ignored, the brief was to produce an 'ideal' model and to introduce, or rather to impose, it as fast as possible. In a phrase - which was used at the time - 'to take the C.W.S., kicking and screaming, at one fell swoop from the darkest backwoods to the forefront of modern personnel policy and practice!'

In the course of 1968, the model was produced, approved and the foundations for future policy established. The massive restructuring, post-J.R.C., was largely complete and had been consolidated by a hectic job evaluation programme which had established logical job relationships and salary relativities. Most importantly, a performance element had been introduced as a fundamental feature of the new salary structure.

This was the hey-day of M by O, the instant package solution to Britain's industrial problems of that time. The C.W.S. team was well aware of the pitfalls of diluted and distorted Humble, to the dangers of a system geared only to short term objectives and involving mountains of paperwork. They went back to Odiorne, the earlier and perhaps purer prophet of management by objectives, and determined to make their system dynamic.

All managers would have a Statement of Purpose and Accountability for their jobs, agreed between themselves and their boss. The Purpose and the Accountabilities would be geared to the long term objectives and plans of the organisation - if all Accountabilities were being fully met the Society would be on course according to plan. Measurement

criteria would be established against each Accountability; these would be as finite as possible, but it was accepted that adjectives rather than numbers would, in some instances, be unavoidable. Using these criteria, short term objectives would then be established against each Accountability.

At least annually, every manager would then be appraised upon his performance in regard both to his achievement of objectives in the short term and - this is the dynamic element - to total performance against the overall Purpose and Accountability of his job. This appraisal would throw out training needs both to improve current performance and to meet development requirements; it would also determine the performance element in his salary package.

### Accountability Management and Training Needs: 1969 Model

This 'Accountability Management' system was unveiled in the spring of 1969. A massive training programme was mounted for nearly 500 managers who would themselves be responsible for defining accountabilities, setting objectives and appraising the performance of subordinate managers. All systems were 'go' and the model moved from the drawing board into active implementation. Or did it?

Ten years on there may still be some who would argue that Management Development upon a Society base is no more effective now than before the 'revolution'. Certainly, with hindsight, a number of babies did go out with the bathwater between 1966 and 1969. However unsystematised management development may have been, the close knit culture of the old C.W.S. appears to have ensured that bright young thrusters soon became identified across the Society, and to the highest levels. The reorganisation into Divisions and large business Groups with considerable autonomy, together with the development of a far greater degree of manager interchange between the Society and private industry, has

rendered this informal development network far less effective. Whether the systematised approach is better or worse will remain a matter of debate; certainly it is not yet as good as it should be, but the overwhelming majority of managerial appointments, including the most senior ones, during the last ten years have been made from within the Society.

Again, despite the grandiose plans rapidly formulated in 1969, the C.W.S. has not become one of the leading users of national and international Business Schools. That is not to say that no use has been made of the leading British programmes, indeed the Society was heavily involved with Manchester Business School in the design and piloting of its Modular Advanced Management Programme. Use of high level external programmes has, however, been upon a one-off basis when a specific programme could be seen to be relevant to the needs of an individual manager rather than systematised as was originally envisaged.

There are several reasons for this, one at least of which is that the Training and Development function of the C.W.S. rapidly became relatively hard-nosed and commercial; orientated - which hopefully it has remained - and looked critically at the relevance and potential pay-back from any external training programme. Business Schools are not, per se, a 'good thing'. Secondly, the Society rapidly generate its own very effective internal training resource, and C.W.S. Training Services has mounted on average 100 training courses for 1,000 employees every year for the past nine years, as well as fulfilling a training demand from Retail Societies of similar dimensions. By and large, we are convinced that an internally mounted programme, making use of external lecturers where relevant, can be far more sharply focussed upon Society requirements and, therefore, be more cost effective.

It can be argued additionally that the rate of change within the Society over the last decade has been such that

the learning experience 'on the job' has far outweighed the potential returns from external training for senior managers.

All these arguments contain a deal of truth, but also a degree of post-hoc rationalisation. In fact we have not done as much high level external training as we would have liked or, more importantly, as we should. One of the reasons for this is the oft repeated difficulty of releasing a senior manager for any appreciable length of time. This is a genuine problem, particularly for an organisation such as the C.W.S. which has been making consistent and not unsuccessful efforts over the last decade to become and to stay slim. Slimming can, however, in organisations and in individuals, carry its own dangers, and unless properly planned and controlled can, in companies as in people, lead to a self-perpetuating and ultimately fatal condition of anorexia nervosa. That is certainly far from being the situation at the C.W.S., but the inherent dangers which can arise from a policy of carrying no managerial fat at all is perhaps something that a number of Retail Societies should think about.

#### Adaptations - and Frustrations

The solution is, of course, to plan and to control, and it is in these aspects that current C.W.S. practice varies most from the ideal model of 1969. 'Accountability Management' was envisaged as an integral part of the Society's planning process, as a planning and control tool which both reinforced the Society's plans and provided a dynamic to ensure their achievement. A simplified model of the system is shown at Appendix III.

In retrospect, it is clear that this concept bore very little relationship to the realities of life within the C.W.S. in 1969. The very essence of the approach was its gearing to long term plans, but at that time the practicability of most Groups planning even six months ahead was

questionable. Measurement criteria were to be finite and quantifiable wherever possible, but the management control and information systems necessary to underlie such an approach simply did not exist.

Managers were to enter into a dialogue with their subordinates which resulted in a continuous informal appraisal of performance and updating of objectives which was the formally ratified at the annual appraisal. But in 1969 nearly all managers were in new groupings and reporting relationships, there had been a massive influx of managers from outside the Society and very few individuals had even worked for the same boss for more than a few months. So however good the training in appraisal might have been, the process inevitably became identified as something that had to be carried out primarily to provide a basis for paying a performance element in salary rather than a process linked through planning, training and development to the positive and planned improvement of individual performance.

The situation was exacerbated by one other aspect of the state of organisational trauma which then prevailed. Delegation and decentralisation was the order of the day in the Personnel Function as in all other aspects of Society operation - with the significant exception of the establishment of standard accounting and management information systems. While there is no doubt that accountability for manpower planning, management development and training must lie with line management, the very rapid decentralisation of this accountability which took place in 1969 and 1970 not only blew any concept of a central data bank to the winds, but assumed, quite erroneously, that all operating Groups were at an identical stage of development and had the capacity and capability to stand on their own feet in this area of operation. The result was not only that systems, standards and methods of operation began to vary widely, but that it was almost impossible from a central standpoint to discover what was going on.

Pulling back on the reins once thirty operating Groups had been given their heads was a painful process, but by 1973 a degree of central control and co-ordination had been established, progress had been made in improving the calibre of Group personnel functions, and a common understanding of the system, with the concomitant application of common standards, was in sight of achievement.

At least as significant, management control and information systems had been introduced and proved, the organisational structure had settled down, the worst of the financial crises appeared to be past and the Society, from a stable base, could contemplate at least beginning to plan forward upon three to five year basis. It appeared that Accountability Management was about to come into its own.

Then out of the blue came . . . Scotland! It has probably not yet been sufficiently appreciated, either within the Movement or outside, that the merger of the C.W.S. and S.C.S. in the Summer of 1973 was the biggest, totally unplanned organisational merger which has taken place in British industry, certainly since the war. In terms of C.W.S. organisation structure, planning and management control, the clock was, if not put back five years, stopped for at least two years to allow for analysis, stocktaking of all aspects of the combined business and the progressive integration of the two organisations. Only in 1977 was it possible to re-start with any reasonable degree of confidence tentatively to plan forward for the longer term.

The intervening period had been characterised by varying forms of income freeze. During phases I and II of the present Government's policy, the C.W.S. was prevented from making any performance related awards because these were discretionary - and genuinely performance related - rather than incremental! To managers who perhaps saw the main thrust of the appraisal system as a salary determinant,

this inevitably produced a further disincentive to treating seriously what was now purely and simply 'personnel paperwork'.

At a top management seminar on 'Planning' attended by all C.W.S. General Managers in April this year, the opportunity was taken to reappraise the concept of 'Accountability Management'. Unanimously it was agreed not only that the original concept was right, but that it was a fundamental part of the Society's long term planning process. Only by its application could we ensure not only that the numbers and calibre of managers necessary to achieve plans were available, but that, by planned personal performance, those plans were achieved.

#### Now a Renewed Commitment

It would probably not have been possible to gain that top management endorsement and commitment any earlier in the Society's development. Were we then, in retrospect, wrong to have introduced the concept ten years earlier? I believe the answer to be a resounding 'no', although we may well have been naive enthusiasts to assume that the model would work at the time.

Throughout the last ten years in everything that has been achieved in the area of training and development - and those achievements have been considerable and bear comparison with those of any other organisation - we have had the ideal model as a yardstick. To know that we were not yet achieving our objective of totally integrating manpower planning management development and training within the total Society planning process has maintained a level of creative dissatisfaction, and at times let it be admitted frustration, which has militated against any danger of complacency. The C.W.S. can look back with no little satisfaction upon what it has achieved during the turmoil of the last ten years. The next decade should be really interesting!

We are now committed to a major training and re-training programme, not just in Accountability Management, but in Accountability Management as an integral part of the total Society planning and control process. We will be seeking to gain a general understanding of the fact that we are not talking of an annual 'performance' cycle, but of one which in fact lasts two years and which overlaps with the next one, viz:

Year 1 - May: Long term plan review - Review and up-date Statement of Purpose & Accountability.

July - September: Establishment of Annual Budgets  
- Set specific objectives using measurement criteria against each accountability.

Year 2 - Throughout year - review and revise budgets and individual objectives where relevant.

Year 3 - February - March: Appraise performance

May: Long term plan review . . .

Hopefully, any further phases of incomes restraint will allow us positively to reward performance as we remain convinced, whatever the problems, that there should be a direct relationship not only of job size but of performance to reward.

A computerised central data bank has been established which will allow us more effectively to co-ordinate manpower planning and development across the Society. Not, let it be emphasised, to control such activity centrally, but to be able to take a central view of activity and to match one area's managerial shortages with the 'surplus' requirements of another.

'Maturity' has also brought the dawning appreciation that not all that was extant pre-1967 was redundant or even obsolescent, and an appreciation of Co-operative history and principles is once again a standard element of management development and training programmes. Relationships with the Co-operative College are increasingly positive and hopefully beneficial to both parties. Under the aegis of the Training Executive, activities in training and development across the Movement have begun, however tentatively, to be co-ordinated. There has recently been a far greater degree of managerial interchange between the Wholesale and Retail arms of the Movement. Hopefully this will not only continue but perhaps progress towards a planned rather than an ad hoc process.

The last ten years have been notable among other things as the period within which we have learned to live with, and to some degree to manage, the I.T.B.'s. We will need in the near future to co-ordinate the Movement's voice far more effectively in our interface with the I.T.B.'s, the further education lobby and, most significantly, the Manpower Service Commission.

The C.W.S. is poised not only to move positively forward itself in this field of managerial development and training as crucial to its future success, but hopefully also to play a constructive and positive role in the development of strategies and plans for the Movement as a whole on these areas.

APPENDIX IManagement Education and TrainingIN THE C.W.S.MANPOWER PLANNING, TRAINING, DEVELOPMENT & EDUCATION1. Definitions

a) Manpower Development: This involves:

- i) consciously planning for future manpower requirements as an integral part of the process of total business planning;
- ii) achieving the plan by:
  - resourcing and redeployment;
  - developing organisations;
  - developing people;
  - training people;
- iii) reviewing and updating plans as necessary.

b) Manpower Planning: The determination of forward manpower requirements to achieve business objectives, and the meeting of those requirements by appropriate means.

c) Development: Any planned experience or activity which has as its objective the preparation of an employee for an enlarged, future, different or bigger job, and which involves the matching of individual needs and aspirations with those of the organisation.

- d) Training: Any planned experience, whether on or off the job, which has as its objective an improve work performance in the employee's present job.
- e) Education: The provision, usually by an external agency of a broad base of work-related knowledge of principles and practices; it may form part of either or both of (c) and (d) above.

## 2. Policy

It is policy that the Society shall seek to promote the education, training and development of all staff, in the interest of both the Society and employees.

This policy is implemented by:

- a) manpower planning, which forecasts future needs for trained personnel;
- b) all newly-appointed staff to the Society receiving 'off the job' induction training, supervised by a qualified instructor;
- c) all newly-appointed staff undertaking a training period or probation period under the supervision of a qualified instructor, until they achieve a pre-determined level of efficiency acceptable to the Society;
- d) promotion from within on all possible occasions, for those who are able and qualified, and appropriate training being given to staff before, or immediately following, promotion or transfer.
- e) the provision of a staff appraisal, counselling or performance rating system, as appropriate to the need of the Society, with the opportunity for employees to discuss their performance appraisal rating;

- f) employees under the age of 18 being entitled to absence from work to undertake courses relevant to the development of their careers, and being encouraged to attend such courses where they are available;
- g) the reimbursement of Further Education fees and the Award Scheme for examination success;
- h) all staff responsible for carrying out instruction undertaking an appropriate course to qualify them as instructors;
- i) the provision of central training services and facilities.

While accountability for the implementation of Society Training Policy in each Group is ultimately that of the General Manager or equivalent, all managers and supervisors have a direct accountability for the identification of training needs and the provision of suitable training to meet those needs for all personnel under the control.

### 3. Manpower Planning

The prime accountability for manpower planning rests with General Managers. Manpower plans should form part of, and should be integrated with, the total business planning process. The level at which this process takes place will vary from Group to Group, but in essence the boundaries of a planning unit will be defined by marketing, technological or industrial considerations. Manpower planning must not be confused with Manpower Cost Budgeting. The existence of the Manpower Cost Budgeting Information System facilitates the translation of manpower plans - which are objectives, assumptions, etc., extracted from forward business plans and which relate

directly to manpower requirements of quantity, quality, skill, etc. - into firm numbers/categories of people.

The Manpower Development Department has a direct accountability for the co-ordination of manpower plans for certain categories of staff for which manpower planning can only be carried out realistically on a Society-wide basis. These categories are:

Senior Management  
The Personnel Function  
The Accountancy Function  
Management Trainees.

#### 4. Development

All managers have a prime accountability for the development of the staff for which they are responsible, and for defining and agreeing development plans for such staff. Such plans should be logically derived from Group and Unit manpower plans.

The speed of change and the length of time taken to develop broad general management skills is such that particular emphasis must be given to ensuring the development of managers and senior specialist staff.

Management development in the C.W.S. is a line management accountability. Central to the development of managers is the Society's philosophy of accountability management. The operation of this philosophy comprehends job definition through clear Statements of Purpose & Accountability for all managers, sound and effective performance appraisals, and the preparation and implementation of development programmes.

Performance appraisal is an on-going process which should take place informally between boss and subordinate

throughout the year. It is Society policy that formal performance appraisal should take place at least once a year, and that the opportunity should be taken at the same time to review the Statement of Purpose & Accountability.

Individual performance should be planned forward in association with forward business planning and standards of performance should be established as part of this process, together with the setting of specific achievement targets as appropriate.

There will be cases in which Groups are unable to plan the development of individuals within their own Group environment, and such cases should be referred to the Management Development Department for assistance.

## 5. Training

### a) Plans and Budgets

- i) Training is an activity which should contribute to better individual, Unit, and Group performance. As with all management activities, it should be planned and budgeted for against clear business objectives and priorities.
- ii) Training plans should indicate who is to be trained, in what topic, what methods are to be used, proposed dates and location of training, estimated cost, and should give clear training objectives expressed in terms of what the trainees should be able to do as a result of the training.

b) Costing and Evaluation

- i) Costings (estimated or actual) for training should take into account:

Trainees' wages and salaries during training;  
 Trainer's wage and salary during training;  
 Wastage or spoilage of material or products;  
 Provision of special training materials;  
 Provision of training facilities - accommodatic  
 equipment, records, travelling, meals, etc.;  
 Course fees/Training Officer's fees.

- ii) Evaluation should take into account:

The extent to which objectives were met;  
 The worth in money terms (where this is identifiable) of the training;  
 Reasons for any failure completely to meet objectives.

c) Training Records

These should be kept by the manager responsible and should include:

Names of Trainees;  
 Objective of training;  
 Subjects trained;  
 Training method;  
 Dates and times of training;  
 Location;  
 Actual cost;  
 Evaluation.

## 6. Industry Training Boards

Management is accountable for ensuring that maximum grant/levy exemption is obtained from relevant I.T.B.'s consistent with training and development planned and implemented against trading objectives.

The policy to be followed may be expressed as 'to carry out training and development necessary, and to persuade the relevant I.T.B. that it falls within their current grant scheme'.

## 7. Further Education

It is an integral part of the Society's policy to actively promote the education, training and development of all staff. Further Education may be an important feature in a development programme, particularly in the case of young employees. It is important, therefore, that the decision to enrol for day-release courses is taken in light of the relevance to short or long term training and development plans for the individuals concerned.

## 8. Central Services

a) Manpower Development Department is accountable for the provision of assistance to management in management recruitment and advertising, training, development and manpower planning.

b) Training Services is accountable for:

i) Assisting management in the identification and analysis of training needs for all levels of staff; in the preparation, costing, implementation, monitoring and evaluation of training in all forms, and in the identification of

suitable educational qualifications and establishments.

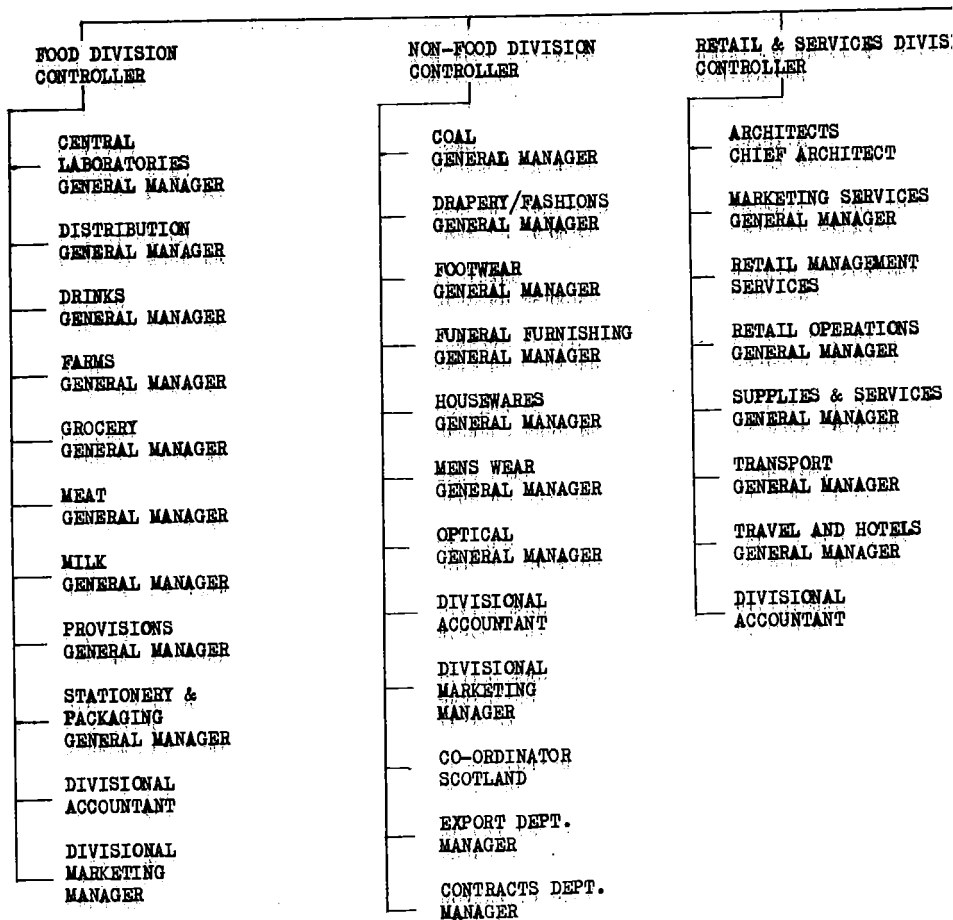
- ii) Where relevant and economic, providing internal training programmes to meet identified needs for all levels of staff.
  - iii) Up-dating and advising on the Award Scheme.
  - iv) The provision of up-dated advice and assistance on any aspect of relationships with Industry Training Boards.
  - v) Providing the full range of training services to Retail Societies; this area of accountability is directly geared to C.W.S. Marketing and Sale initiatives.
- c) Management Development Department is accountable for
- i) Assisting Groups in establishing and carrying through their own management and training programmes, involving Training Services where appropriate.
  - ii) Assisting in the clarification of management jobs and their relationships within a management structure.
  - iii) Acting as a clearing house for management career moves and developmental programmes across Group and Divisional boundaries, thus linking Group management development programmes.
  - iv) Providing a confidential counselling service for managers on aspects of career development.

- v) Maintaining an up-dated information and advisory service on external training agencies, courses and services, and approving all external courses which involve the expenditure of more then £500 per individual per course, prior to places being booked.

CWS MANAGEMENT

CHI

DEPUTY CHI



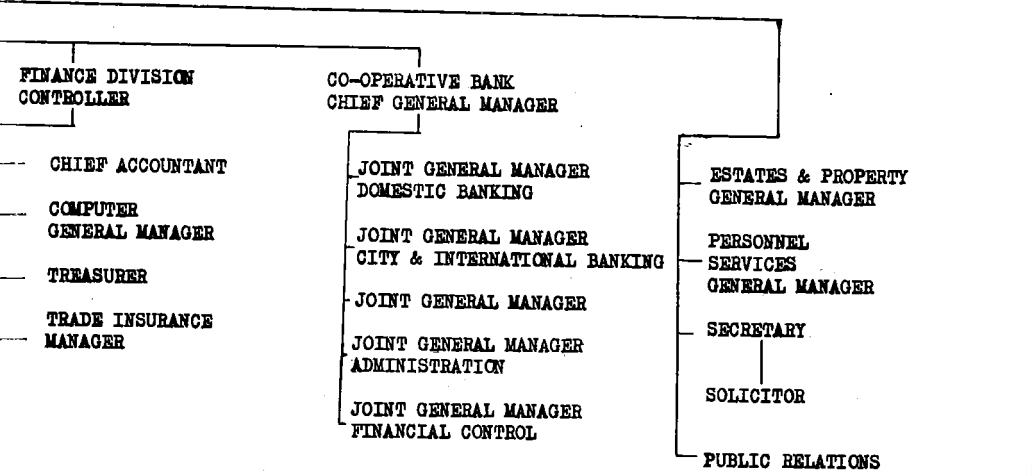
APPENDIX II

Management Education and Training in the C.W.s

STRUCTURE

EXECUTIVE OFFICER

EXECUTIVE OFFICER



THE MANAGERPERSONNEL RECORDS

1. Personal information
2. Qualifications and training
3. Experience

INDIVIDUAL OBJECTIVES

1. Set and agreed
2. Results analysed

ANNUAL PROGRESS REVIEW

1. Performance in present job
2. Assess potential
3. Individual's ambitions
4. Training needs analysis

SUCCESSION PLANNING

1. Short and long term succession for existing managerial jobs.
2. Supply of qualified candidates for new managerial jobs arising from growth and new developments.

DEVELOPMENT PROGRAMMES

1. Job rotation
2. Training Courses
3. Special assignments

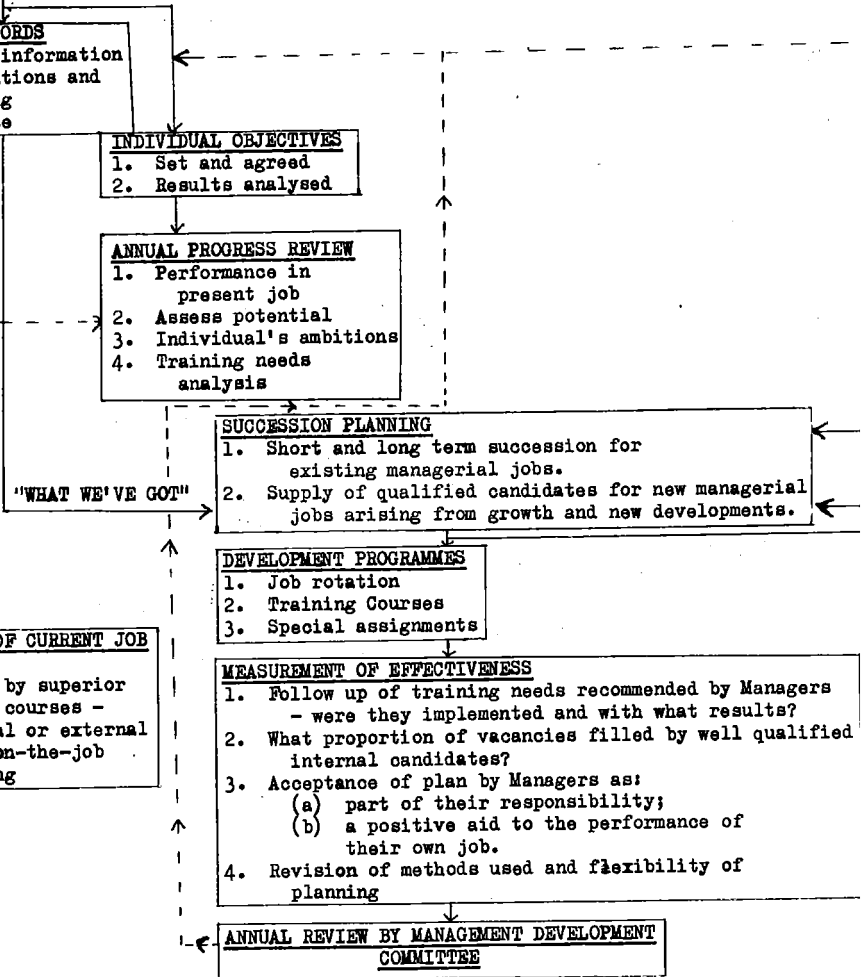
MEASUREMENT OF EFFECTIVENESS

1. Follow up of training needs recommended by Managers - were they implemented and with what results?
2. What proportion of vacancies filled by well qualified internal candidates?
3. Acceptance of plan by Managers as:
  - (a) part of their responsibility;
  - (b) a positive aid to the performance of their own job.
4. Revision of methods used and flexibility of planning

ANNUAL REVIEW BY MANAGEMENT DEVELOPMENT COMMITTEEIMPROVEMENT OF CURRENT JOB PERFORMANCE

1. Training by superior
2. Training courses - internal or external
3. Planned on-the-job training

"WHAT WE'VE GOT"



DEVELOPMENT PLAN

THE JOB

ORGANISATION RECORDS  
 1. Organisation charts  
 2. Job descriptions

UP-DATED ESTIMATE OF FUTURE  
MANAGEMENT MANPOWER NEEDS  
 1. Retirement and promotion estimates  
 2. Society growth, estimates of new projects, anticipated organisation charts, etc.

IMMEDIATE VACANCIES  
 1. Through retirements and promotions  
 2. Special requirements  
 3. New developments

"WHAT WE NEED"

RECRUITMENT  
 To maintain reservoir of management talent by:  
 1. Internal promotion  
 2. External recruitment

APPENDIX III

Management Education and Training in the C.W.S.