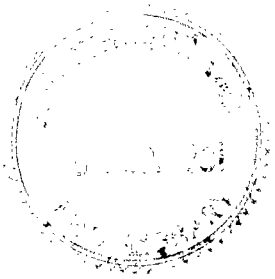
Improving Management Skills

How training for thirty top managers in Sri Lanka's National Water Supply and Drainage Board increased productivity and management performance, resulting in a much improved financial position



A Human Resources Development Case Study
No. 11 in a series

Foreword

The World Health Organization (WHO) and the Swedish International Development Authority (SIDA) are jointly producing a thematic series of case studies focusing on Human Resources Development.

The intention is to both illustrate and document various methods used in different parts of the world which aim at improving human performance.

Activities and projects selected for this series are all of an innovative nature. They show that there are usually a variety of methods other than classical classroom training to help people do their jobs better.

While country reports and project descriptions are common, one seldom finds detailed descriptions of techniques used. "What was done?" is answered more often than "How was it done?". This series of case studies aims to provide the reader with a total perspective of what was done, how it was done, why it was done and an assessment of its effectiveness.

These collected experiences should give readers ideas that can be adapted to improve other activities and projects in their own environments. The series of case studies should be a source of inspiration for action and deliberate change.

This specific case study was provided by the Water and Sanitation for Health (WASH) project of the United States Agency for International Development (USAID). The original draft of the text was provided by Mr Dan Edwards and Mr Fred Rosensweig and was edited by Ms Alice Petrén. The assistance of Mr Edwards and Mr Rosensweig at all stages in the development of the document is sincerely appreciated.

Neil Carefoot, 3 September 1990

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Contents

Summary

The performance of Sri Lanka's National Water Supply and Drainage Board (NWSDB) was disappointing. Service to consumers was intolerably poor and the Board was a continual drain on the resources of the Government. Analysis of the situation revealed that many of the problems arose because:

- No one could make a decision or initiate any kind of action without the signed approval of the General Manager or the Chairman.
- Problems large and small were never solved – they were passed on and got lost in the bureaucracy.
- Senior and middle-level managers had little authority and responsibility was not delegated. The monthly meeting, attended by the Chairman of the Board, the General Manager and 60 to 70 senior staff, was the only milieu where problems could be aired and solutions suggested.

Transformation of the NWSDB began in 1984 when an institutional improvement project was initiated. The project included a management development programme in which 30 senior and middle-level managers were trained in decision-making, communications, team-work and staff motivation. The programme included three training workshops at six-month intervals over a one-year period, supplemented by on-the-job work assignments and supervised practical exercises.

Policy reforms were fundamental to the rest of the changes that took place. The NWSDB and its predecessor agency had concentrated their efforts on the design and construction of new systems. Under the new policy, supplying the consumers with an adequate and reliable supply of good quality water at the most cost effective rate would be the prime objective. Improved service would then justify the NWSDB's expectation that customers would pay their water bills promptly. Implementing the improvements would mean paying greater attention to operation and maintenance of systems,

to the extension of distribution networks to serve new customers and to the expansion of treatment facilities. Accounting and financial systems would also have to be improved and staff training expanded. The existing centralized management system would be decentralized to coincide with setting up five regional service centres in closer proximity to consumers. Management practice would have to be radically modified and managers at both senior and middle levels would have to acquire the skills they needed to carry out their new responsibilities.

The NWSDB is run very differently today. Managers have accepted increased responsibility for the Board's business operations and have adopted the objective of achieving the highest possible efficiency in the various departments and divisions. Management performance indicators have been developed and are indispensable for the evaluation of work output at all levels. Decisions are now taken at more appropriate levels in the organization. Senior management works better as a team. At lower levels, meetings are used to manage individual work units and to promote collaboration between them. At the same time, more customers are being provided with a more reliable supply of better quality water.

The financial position of the NWSDB has improved dramatically: collections from customers have more than doubled from 37% of operating and maintenance costs in 1984 to 75% in 1988. This resulted from increased efficiency in the accounting department, where billing lag times were shortened from six months to one month. Similar improvements have been made in all departments.

Setting the scene

The National Water Supply and Drainage Board (NWSDB) of Sri Lanka was established in 1975 to succeed the Department of Water Supply and Drainage, Ministry of Public Works. Its responsibilities were the management of water supply and sanitation systems throughout the country. In addition to continued work on the planning, design and construction of new facilities, NWSDB also became responsible for the operation and maintenance of existing systems and for the billing and collection of user fees.

Most professional NWSDB staff were located in the head office in Colombo, where work on the planning and design of new systems was undertaken. Attitudes in the new organization tended to be influenced by technical and engineering rather than management and consumer-related considerations. Management continued to be centralized in the capital city. This structure was incompatible with the changing responsibilities of NWSDB, which was acquiring control of old municipal systems and retaining responsibility for the operation and maintenance of new systems throughout the entire island of Sri Lanka. By 1984 the number of employees had risen from about 1600 to some 6000 and the Board was responsible for 161 systems.

By the early 1980s the need for change in the institutional structure of NWSDB was becoming increasingly apparent. A decision to decentralize had been taken as early as 1976 but had never been fully implemented; all managerial control continued to rest with the head office. Expenditure far exceeded revenue, billing and collection procedures were haphazard and many skilled and experienced personnel had been lost to employers in other countries. Following the identification of these and other problems in Sri Lanka's plan for the International Drinking Water Supply and Sanitation Decade, the United States Agency for International Development (USAID) agreed to provide technical and financial assistance to NWSDB for the establishment of an institutional improvement project within the framework of a Water Supply and

Sanitation Sector Project. The institutional improvement project would provide technical assistance for the reorganization and improvement of the Board's operations. Five counterparts were to be assigned to work with divisional managers and assist in implementing the reorganization.

One component of the institutional improvement project was a management development programme designed to promote and enhance managerial skills among the Board's senior personnel – departmental managers and above. The programme was intended to support the overall strategy of improving financial, commercial, operational, maintenance and training capacities in a restructured and decentralized organization. Thus, all systems and departments – planning, engineering, personnel, stores and supplies, finance, construction and laboratories – were targeted for new or revised standard administrative procedures.

Part 1

Planning for management training

During project development, senior staff were consulted and included in the project design. A four-day workshop to begin project implementation was held at which the institutional improvement project was described to the senior staff of the NWSDB. The workshop was an opportunity to examine in depth the objectives of the project and the changes that were proposed. It also sought to solicit the cooperation of the senior staff in the implementation of the project and to conduct detailed implementation planning.

One year later, another four-day workshop follow-up was held with the same participants. This second workshop was mainly for project monitoring, to discuss the significance of the organizational changes that had taken place and to solicit input into the planned management training programme. In the year between the two workshops a "needs assessment" had been conducted. This was the basis on which a profile of the existing management had been prepared and it provided the background against which management training, specific to the needs of the NWSDB, could be developed. Highlights of the needs assessment are contained in the box below.

Decision-making

Almost all decisions of any importance regarding resources, staff, service, emergencies, signing of vouchers, ordering of supplies, disciplining of staff, contracts, personnel and day-to-day budget matters were routinely referred to the General Manager and the Chairman of the Board. Senior managers were inundated with routine paperwork awaiting signature, leaving them no time to deal with larger strategic issues or planning. Middle-level managers were not allowed to make decisions and took no initiative to do so.

Communication and meeting skills

Most managers had been trained in technical subjects but had few, if any, communications skills such as listening, talking in turn, being clear, and making sure that instructions given to subordinates were understood. The only meetings held were convened by the General Manager, chaired by the Chairman of the Board and attended by 60 to 70 people. These meetings were usually chaotic

and frequently dominated by one or two people. There were no agendas and staff were often unsure or unclear about decisions made. Divisional and departmental managers did not hold staff meetings.

Accountability for performance and results

Most managers were very reluctant to hold subordinates accountable for doing their jobs. If staff failed to perform well, there were few, if any, negative consequences. If they were a problem, they were frequently transferred to another department where it was hoped somebody else could deal with them. Using a work plan and reviewing results regularly to monitor work were not a part of the managers' repertoire of skills.

Management indicators

Performance data for the different parts of the water authority were either unreliable or nonexistent. There was no system for the collection and communication of management information as a basis for decision-making or monitoring. No standards of performance had been established, either at the individual level or at the work unit level.

Management attitude and morale

"No work means no problems: more work means more problems" was the prevalent attitude among the middle-level managers. No one wanted to take the responsibility for making decisions, for conducting meetings efficiently or for other management actions.

The management training programme had to address these serious problems. The overall goal of the project was to improve the NWSDB, which meant taking a centralized, technically oriented, inefficient bureaucracy that depended on subsidies for its survival and transforming it into a commercially sound and financially self-sufficient business that provided high quality service to its customers. Major restructuring was obviously required. Weak or poorly functioning departments needed to be strengthened and new reporting relationships organized. Regional service centres were needed, a consumer relations facility had to be established at the head office, and skilled, professional managers were absolutely essential if the institutional improvement project was to succeed.

Part 2

Programme design

The designers of the management development programme were aware that the training programme would have to achieve two objectives. First, it would have to yield some immediate results so that everyone in the NWSDB could see that the programme was valuable. Second, it would have to teach the trainees the concepts and skills associated with good management practice, which were essential for the long-term improvement of the organization. Moreover, the management training programme would have to be flexible enough to accommodate issues that emerged during the implementation of the institutional improvement project. Thus, training would be designed to develop a corps of leaders committed to sustaining organizational improvements.

Effective management training must be relevant to the needs of the people being trained and to the conditions in the organization in which they work. It should result in the proper application of management principles and concepts by the newly trained managers. In other words, training must be "on target"; it must strike a responsive chord in the minds of those being trained. Trainees should be able to say to themselves "That's right, I know what the instructor is saying; I had a problem like that last week and didn't know what to do".

Good management training stimulates the trainee to think "There are things in this programme that I can really use in my job and I need to learn them if I am to be a better manager". Such training can be designed only after the organization has been thoroughly studied and a needs assessment has been completed.

The needs assessment activities and programme design were conducted over a period of one year by two training consultants. The 30 most senior managers, including the General Manager and the Chairman of the Board, were each interviewed several times and were observed at work while they carried out their duties. Meetings were observed and videotaped. The five

counterparts working with the divisional managers were interviewed. Office records and correspondence files were critically reviewed. Some of the staff members supervised by the managers were interviewed. Problems and situations that subordinates described would later be used to develop exercises and case studies for the training programme.

This thorough analysis of the situation made it possible to produce the management profile summarized on previous pages. By comparing it with the standards of management excellence in other similar water authorities the programme designers were able to identify management weaknesses and define the detailed content of the training programme.

Part 3

The programme

The management development programme consisted of three workshops conducted at intervals of six months; the first lasted ten days and the second and third five days each. Between the workshops the 30 trainees were given on-the-job assignments and skill practice. They received guidance materials and also met in small groups to review their progress as managers. Needs were reassessed a few months before the workshops to make adjustments and to gather current examples of problems to use as critical incident case studies in the training. The trainers wanted to ensure that any newly identified problems were covered and that time was not wasted on issues that were no longer relevant.

Two training consultants conducted all three workshops. Having the same trainers throughout the programme provided continuity and helped to build up a level of confidence and trust in the NWSDB managers. This contributed to the very frank and open discussion about management problems in NWSDB during several sessions of the workshops.

The themes of the workshops were:

Workshop I: The overall role of managers – their tools, skills and functions.

Ten-day workshop, six-month follow-up.

Workshop II: Improving the work unit's performance.

Five-day workshop, six-month follow-up.

Workshop III: Improving subordinates' work performance.

Five-day workshop.

Part 4

The workshops

Workshop I

The first workshop was held in September 1986. It was a concise but comprehensive management training course and included the following components:

- Introduction – making the transition from technician to manager.
- The role of management – working with people to achieve results.
- Management functions – solving problems; resolving conflicts; making decisions; communicating and cooperating with others; providing technical leadership; monitoring and developing staff competence; encouraging effective team-work; representing the organization.
- Organization development – reviewing performance standards in similar organizations; choosing priorities for improving work performance in various aspects of NWSDB's responsibilities; setting standards of performance for the NWSDB.
- Communication skills – listening, explaining, paraphrasing and summarizing; clarifying roles and responsibilities; organizing and running effective meetings.
- Self-improvement – developing an awareness of personal performance and devising a strategy for self-improvement based on self-assessment.

On-the-job work assignments were given to the participants during the course of the workshop. These were to encourage the managers to apply their newly learned management skills to tasks and problems in their daily work. Towards the end of the workshop, teams were formed and instructed to meet periodically to review problems and discuss the management solutions that had been applied.

Two months after the end of the workshop each participant was given a follow-up workbook containing summaries of concepts and exercises

covered by the workshop. The participants were also reminded of the on-the-job work that had been assigned to them. The two-month delay in distributing the workbooks was deliberate: it was believed that after two months the immediate impact of the workshop could have worn off and the managers could have reverted to their old habits. The workbooks served to remind them of the new skills they should be applying to their work.

Workshop II

The second workshop reviewed material that had been covered in the first and explored how management concepts had been applied to the managers' day-to-day work. Attention was then directed to improving the performance of the various work units. The main topics covered were:

- Review – difficulties encountered and successes achieved since the previous workshop; problems encountered in changing the management style.
- Performance of the work unit – developing a clear statement of the role of the work unit within the organization; objectives of the work unit; setting performance standards for the work unit.
- Measuring performance – assigning work; monitoring quantity and quality of work done by the unit; informing staff of the performance of the work unit as compared with the performance standards.

The workshop was followed by six months of on-the-job skills practice. Work assignments, similar to those that followed the first workshop, were given to each participant and teams continued to meet for review of problems and discussion of progress.

Workshop III

The major topic of the third and final workshop was improvement of the individual performances of subordinates. Topics covered were:

- Getting things done – assigning priorities to various tasks and letting the staff know the priorities; holding staff meetings to plan ahead; following up on assigned tasks.

- Improving individual performances – ensuring that individuals know what is expected of them; evaluating regularly against performance indicators; having sufficient resources to achieve objectives; rewarding good performances; ensuring that staff have adequate competence to do the assigned tasks.
- Motivating staff – providing training when necessary; giving individual or group guidance, coaching and encouragement; involving individual staff members in setting their own performance goals and standards; ensuring that individuals are aware that their work is being followed up; discussing problems that individuals are having and helping them to find solutions.

Part 5

The training element on meetings

The training programme was based on sound management principles and concepts but was also designed to provide some immediate results and help resolve some of the organization's specific management problems. The training element on meetings provides a good example of how a specific problem was solved.

How meetings had been held

The needs assessment had revealed that the NWSDB meetings were ineffective, mainly because they were unstructured and undisciplined. Meetings were held about once a month and were attended by divisional managers, departmental managers and anyone else who wished to participate. It was not unusual for 60 to 70 people to be present. The Chairman of the Board of Directors sat at a table in front of the assembly with the General Manager at his side. There was no agenda as such – merely a tradition that each manager in turn would give an oral report to the Chairman, presenting matters on which decisions were needed. The Chairman would comment on what was said, sometimes challenging aspects of the presentation, then make his decision and tell the manager what to do. The other participants waited their turn to report and frequently amused themselves in conversation with colleagues sitting near them. The resulting noise often made it difficult to follow the details of a report or to hear what the Chairman had to say. Meetings often occupied four hours or more, during which no notes were taken or records made of decisions and agreements.

Such procedures discouraged middle- and lower-level managers from making decisions or accepting responsibility for their work unit. Any risk associated with making a mistake could be conveniently avoided by letting the Chairman provide solutions to all the problems and make all the decisions, even though this could seriously delay any necessary actions. Further, these procedures tended to reinforce the notion that decisions could only be made at the highest levels in the organization – by the Chairman or the General Manager – and that all other staff were merely technicians.

How training addressed the problem

Early in the first workshop the participants were asked:

(a) What is the purpose of a meeting? and
(b) What do you find useful – or not useful – about the NWSDB monthly meetings?

The consensus was that:

(a) Meetings are to help the Chairman save time in getting information about the activities of the organization and to let him advise managers and others on how to do their jobs, and
b) The monthly meetings of the NWSDB are, largely, a waste of time.

The trainers then presented guidelines on the purposes of meetings and how meetings should be organized and run. The following major points were made:

- Meetings must have a purpose.
- The purpose of the meeting will determine:
  - who should attend, and
  - items that should be on the agenda.
- If the purpose of the meeting is to present information, a large number of people may attend.
- If the purpose of the meeting is to solve problems, make plans and/or review progress, only those directly concerned should attend. There should be no more than ten people at this type of meeting.
- The agenda for the meeting should be prepared in advance and distributed to the intended participants.
- Participants should be invited to suggest additional relevant items for the agenda.
- The chairman of the meeting should maintain control by ensuring that:
  - only one person speaks at a time;
  - issues and points of discussion are fully understood and clarified or explained when necessary;

- discussion is relevant to the purpose of the meeting;
- key decisions are summarized and noted;
- all concerned are fully aware of any actions required of them as a result of decisions made or agreements reached.

■ Notes or minutes of the meeting should be kept, especially of decisions made and tasks assigned during the meeting.

Following this short presentation the trainees were shown a video film that had been made a few months earlier of an NWSDB meeting. They were asked to make a critical comparison of the conduct of that meeting with the recommendations contained in the guidelines. They were also asked to suggest improvements that could be made.

After the discussion, those trainees who were divisional managers were given an assignment to plan and hold a meeting with their own departmental managers. These practice meetings were video-taped; playing back the tape showed that meetings were more effective when the advice in the guidelines was followed. Watching the video allowed individual trainees to observe their own strengths and weaknesses in communicating. There was much good-natured criticism and complimenting of one another by the trainees during subsequent discussions. Most of them had never had the opportunity to see themselves on film before and had been unaware of some of their behaviour and its impact on meeting effectiveness.

The final assignment for each trainee was to design a meeting with their immediate subordinates for the following day. This meeting was to be an on-the-job exercise and be concerned with a real aspect of the Board's work. For departmental managers – the lowest level managers on the course – some portion of their meeting was to be spent explaining to subordinates the guidelines that would govern future departmental meetings. After completion of the meetings, the trainees reported back to the workshop, describing the successes and problems they had experienced.

Results

Changes and improvements in the management of the NWSDB were detectable very soon after the first workshop. Most of the improvements became standard procedures and continued to affect operations after the management development programme had been completed. Some of the improvements noted were:

- Managers developed an increased sense of responsibility for all aspects of the operations in their own work units. Evidence of this change is that:
  - The large stacks of paper that previously awaited signature by the General Manager or the Chairman of the Board have disappeared; authority has been delegated so that routine paperwork is processed at the lowest practicable level.
  - Managers prepare annual operating budgets related to their planned work programme.
  - Performance indicators are prepared, performance is monitored and appropriate follow-up action is taken.
- Managers stopped thinking as technicians and began depending on their qualified staff to do the detailed technical work. For example:
  - Managers assign work to their staff in accordance with each staff member's technical or professional qualifications. Staff members are expected to study the details of any problems that arise and prepare a summary of the feasible options for solving them. Managers avoid getting involved in the details of problem-solving; instead they choose the most viable option from among those presented to them.
  - Management information summaries are used to monitor results in billing, collections, water quality, expenditure and efficiencies and to plan interventions when the results fall short of desired standards.

- Managers hold meetings to advise staff of deficiencies and to discuss remedial measures.

- Management indicators were developed and used to control and monitor the performance of the various departments. Senior staff now review the management indicators and use the information to select priorities for action. For example:
  - It was found that a significant number of customers, both private and public, who used large quantities of water were not paying their bills. Measures were taken on a case-by-case basis to collect outstanding bills and this resulted in a welcome increase in revenue.
  - Improvements made in the accounting system reduced the lag time between meter reading and billing the customer from six months to 30 days.
  - Collections were increased from 37% of operating and maintenance costs in 1984 to 75% in 1988.

- Collaboration between various departments that previously operated in isolation has improved. Designers rarely gave sufficient thought to potential construction or operating problems; problems encountered after a new system was built went unreported, with the result that mistakes were frequently repeated. Regular coordination meetings are now held at which problems – actual or potential – are aired and corrective actions can be arranged.

- The former system of large monthly meetings was discontinued and a new system introduced whereby:
  - The Chairman of the Board leaves more management issues to the General Manager and his staff.
  - The General Manager meets with his divisional managers; departmental managers get their directives from divisional

managers and meet with the General Manager only in connection with topics relevant to their own department.

- Divisional managers and departmental managers meet with their subordinates. Meetings at these levels lead to improved communications, better management of the work units and a clearer understanding of the background to and rationale for decisions that are reached.

■ Decisions were made at more appropriate management levels. The institutional improvement project required that substantial authority be delegated to regional managers. The management development programme helped by creating an understanding of why and how this should be done, as well as by providing training in management, decision-making and the exercise of authority.

- Each regional manager is responsible for a large area which may contain up to 35 water treatment plants. Regional managers are authorized to make all decisions concerning the operation and maintenance of the facilities in their regions and have the authority to enter into contracts, spend money, discipline staff and take actions designed to improve technical and financial performance.