

DICTIONARY OF MANAGEMENT TERMINOLOGY

"Among those who have endeavoured to promote learning and rectify judgment, it has long been customary to complain of the abuse of words, which are often admitted to signify things so different that, instead of assisting the understanding as vehicles of knowledge, they produce error, dissension, and perplexity, because what is affirmed in one sense is received in another."

(Dr Samuel Johnson: Rambler 202 (February 22, 1752))

APPRAISALS: Management is, first and foremost, about people. Best management practice is based on achieving levels of mutual respect and trust. Organizations can only achieve and maintain a competitive edge through their employees. Without a fair system of appraisal and assessment, covering pay, prospects and promotion, people become disappointed, disenchanted and probably disillusioned.

Unfortunately, many one-to-one appraisals are often very disappointing for those on the receiving-end especially when conducted in haste or by someone not 'au fait' with the terms of reference and responsibilities of the employee concerned. Regrettably not many managers are good at ensuring they make positive efforts to reward people and neither are they good at understanding and appreciating what is most important to individuals in their group or section. Besides, if another group or section clearly receives higher annual pay increases or larger bonuses then it becomes obvious that a group or section manager has not fought to achieve the same for his team.

It is doubly depressing when annual appraisal reports are used not only to determine annual pay awards but also used as a guide to staff development, training programmes and promotion prospects. Disgruntled or de-motivated employees mean a lack of commitment and that is not good for customer service. And, when the job market place is buoyant people who believe they have been treated or assessed unfairly will leave.

BENCHMARKING: A process of assessing how competitors are performing, and then attempting to determine how good or bad one's own company is in relation to a recognized brand and business standard leader. In every area of business there are companies who are accepted as being a leader in a particular field based on a number of parameters such as reputation, quality of product, quality of processes and procedures, reliability of product, training and professionalism of employees, ability to meet deadlines, customer focus and care and competitiveness of pricing policy.

Apparently this process cannot be conducted satisfactorily without the advice and support of management consultants, hence the cost of trying to achieve a higher standard. However:

- if conditions, décor, facilities, equipment and methods are good quality;
- if good training is provided for all staff;
- if staff are motivated and rewarded;
- if production and service standards are continuously monitored and improved;
- if internal communications, both vertically and horizontally, are good such that everyone knows the company policy, strategy and direction;
- and, if problems are resolved quickly and efficiently without rancour as quickly as possible.

then, other organizations will use YOU as the benchmark. So, why not work to be a leader instead of a follower?

BUSINESS PROCESS RE-ENGINEERING: The process whereby consultants provide advice on how to re-assess the products, services and direction of a company. It is, more often than not associated with 'Change Management', which tends to be based on the concept that change must be constant and that if companies do not continually change then they will fail.

Increasingly being introduced, from the manufacturing sector, into the service sectors although it is sometimes referred to as 'process mapping' or 'mind-mapping', also with the advice of management consultants and leads, eventually, to a new map or way of doing business once the circles and squares and straight, curved and dotted lines have been somehow joined up.

It is based on the fundamental principle that competition, internally and externally, is paramount as part of the process of increasing, but not necessarily improving, productivity and performance. It is often associated with a reduction in personnel, a drop in morale and subsequently with effort and commitment. Sometimes referred to, in some circles, as 'paralysis by analysis, because whilst it is important to constantly look at ways of improving the way business is conducted at the end of the day procrastination is the mother of decline, and spending too much time analyzing can lead, eventually, to the extinction of companies.

Often associated with larger predatory organizations, as part of their acquisition strategy, and includes stripping the 'quarry' and leaving only 'value-added' services.

CHANGE MANAGEMENT: There are at least two sides to this process, the first is the senior management side that demands change and is, more often than not, based on financial considerations and the overwhelming belief that change will lead to improved circumstances or conditions, (tell that to the shareholders and staff of companies like Marconi, Enron, Tyco or Worldcom), and that a new direction will lead to an increase in performance.

The second side is that of the employees who see their job or task or responsibilities or even level of remuneration increased or reduced depending on the proposed changes; and, the third side is the consultants who will seize on one idea or another and then decide how long, based on progress and initial success rate, they will pursue the change. The 3 sides tend not to form a triangle and this is often exacerbated by the use of consultants.

However, change fails, more often than not, because of a lack of a clear strategy on why the change is necessary and why it is being implemented and because of a lack of communication before, during and after the event. Change might also fail because a change in direction and area of manufacturing or service provision will, necessarily, lead to a change in management structure and accountability and usually in numbers of managers, a decrease in the number of staff and a degree of confusion until the process begins to 'bed down'. It is most likely to lead to a number of valued employees leaving the organization.

But, if no one loses in the process, that is more often than not highly unlikely, then the change is more likely to be successful.

DELAYERING: This is the management fad, or process, introduced in the early 1990's, and continuing in some organizations to date, whereby levels of middle and junior management are removed, more often than not as a cost saving measure, to produce 'flatter management structures'. The process is often associated with the other management fad of 'downsizing', 'business process re-engineering' and 'change management', which are all associated with cost saving. It is based on the concept, or belief, that a flatter management structure leads to quicker decision-making, less bureaucracy and to a leaner and more efficient system of internal decision-making.

This process tends to be associated with other management fads as 'Team Working' and 'Empowerment' both of which cannot be applied to every company and besides, teams really only work when every member of the team actually relies on someone else within the group in order to function and to carry out their tasks. If that is not the case then there is little point in forming teams and it might be better to stick to recognizable specialisations or clearly identifiable areas.

As a result of such delayering exercises management systems and structures become less efficient, become increasingly profit driven and not 'customer-facing' and instead of leaner and fitter become meaner and anorexic. Morale tends to suffer, loyalty is stretched and commitment and motivation gradually disappear out of the door.

Knock-on effects:

- increased levels of stress among middle and junior managers;
- loss of career and promotion prospects;
- responsibility and accountability pushed further down the structure leading to increased stress and frustration at lower levels;
- does not necessarily bring clearly identifiable and sustainable cost advantages;
- leads to a change in culture and attitude.

DOWNSIZING: Yet another 'Americanism' for improving the 'bottom line' by stripping down the numbers and size of the workforce without using the more honest terminology such as 'sacking', 'firing' or 'making redundant'. In other words, downsizing is the concept of doing more with less in order to increase profit margins and is associated with capitalism and the marketplace.

It is based on the principle that employees are expendable but it is contradictory to the words espoused in many company annual reports along the lines that, "people are our greatest asset" and is contradictory to management principles associated with such areas as 'Total Quality Management' (TQM). It is a destabilizing process that leads to redundancies, the loss of commitment and motivation and can even lead to a collapse in the organization when employed too far or too often, in other words a break in the employment contract and terms and conditions.

Again, the process is driven by senior management, Chairmen, Chief Executives and Boards of directors, with emphasis placed on achieving or increasing 'shareholder value', the need to increase competitiveness, efficiency and productivity in the growing global village, and is often associated with a loss of direction, decreasing revenues, out-of-date products or services and organizational decline. In other words the Chairman, Chief Executive and the Board have failed to note what is happening in other companies, have failed to invest in innovation and in people.

EMPOWERMENT: A process whereby, allegedly, a degree of decision-making is passed down the management structure to people doing the job thereby relieving managers higher-up the ladder of some responsibility and accountability and allowing them to concentrate, presumably, on strategic matters.

It is based on the concept that the most efficient, effective and motivated workforce is one in which people are giving increasing levels of responsibility. It also pre-supposes that if and when mistakes are made, no matter the level, those responsible for making the decision are held to be both responsible and accountable. In that respect it allows senior managers to abrogate responsibility for the actions, work, effort and output of those for whom they are responsible.

The positive effects are that responsibility is part of the learning process for management and should be associated with appropriate levels of training and education on relevant courses. There is a suggestion that empowerment also means increased interest, increased motivation and increased productivity but there is no empirical evidence of such assumptions.

The downside effects are that some people will not be able to handle additional responsibilities and this could lead to increased stress and inefficiency and perhaps even to employees leaving. In addition, empowerment rarely includes increased remuneration and therefore people see the process of doing more for less. The process depends on excellent communications, vertically and horizontally, so that all employees are aware of what decisions can be taken to avoid misuse or abuse of responsibility.

Where there is a 'flat or flatter management structure' it is likely to lead to rivalry between people at the same level when it comes to making decisions that could affect more than one area of business. And, it is possible that empowerment could lead to bad or poor decision-making, to a loss of business and to poor customer relations if any decisions lead to misunderstanding or conflict.

For empowerment even to have a chance of working successfully there needs to be a balance between what can be referred to as normal management structures, practices and procedures and levels and degrees of responsibility and accountability; and the system should be visited and reviewed on a regular basis to ensure that the whole functions in the best interest of all stakeholders.

HELICOPTERING: Along the lines of showcasing, it is management speak, apparently, for being able to rise above a particular problem so that one can look down and get a better view in order to present a solution. Trouble is the majority of management consultants are unable to rise to the occasion let alone levitate and many do not have an understanding of the businesses they often take a look at in order to propose changes. So, if you hear this phrase remember it is some pretentious body referring to the need to attempt to gain an overview of an organization.

BLUE-SKY THINKING: in the same vein as 'helicoptering', that is getting away from the ground and the way that things work normally, with the idea of seeking visionary or idealistic thinking that is not always concomitant with practical application. As an exercise the process can be worthwhile just as long as at sometime you bring the group back down to earth and thrash out whether something is realistic.

THINKING OUTSIDE THE BOX: follows the same route as 'helicoptering' and 'blue-sky thinking', it means not limiting yourself to what you do, what you are trained to do and your particular area of expertise or experience but looking at other areas of the business in an effort to be creative. Again, the process needs an application of 'common sense' at some stage so that employees do not spend their time zooming around the skies and achieving nothing. Creativity is to be encouraged but not when it could lead to the loss of customers and contracts. Perhaps companies would do well to encourage creative thinking outside normal working hours or even set aside 1 day a month for such exercises?

KNOWLEDGE MANAGEMENT: The widely held belief, mainly by management consultants and directors, that, somehow, companies own the knowledge of their staff in databases and other forms or information retention and that, somehow, they can manage the knowledge of the employees.

However, it is not organizations that create knowledge it is individuals; therefore individuals own knowledge. Knowledge is not something a company can have any claim over, and, when employees leave an organization they take their knowledge with them. The only course of action open to companies is to provide the means, the circumstances and the conditions to encourage people, whilst heavily involved in their day to day operational activities to not only give off their best but to think about how products, services or systems can be improved. Think of ways and means of remunerating them for effort; that is what motivation is all about!

MINDMAPPING: Useful but sometimes confusing system of using computers, graphic displays or even pen and paper to plan out a strategy or direction based on the principle that competition is paramount and that a new process for carrying out work will increase productivity or competitiveness. However, it does encourage thought, input and involvement provided the cross-section of attendees at the process are sufficiently briefed, motivated and committed to contribute. Once completed drawings and diagrams should be cleaned and simplified.

OUTSOURCING: A process of shifting or sub-contracting jobs and services once carried out by internal employees to external companies and organizations who specialize in a particular area of business or commerce, for example, catering services, cleaning services, physical security arrangements and even information technology (IT). It is based on the principle that the 'outsourcing' of such jobs will lead to greater efficiency, effectiveness, productivity and even competitiveness.

However, there are no guarantees that such outsourced contracts necessarily lead to financial savings nor to increased productivity and only time will prove one way or another. There are some drawbacks to outsourcing and they include, for example, some loss of control because:

- you do not know the quality and efficiency of the outsourced company staff.
- You have no idea if the employees from the outsourced company are passing on critical information about you to your competitors.
- you do not know if they are maintaining your standards and level of quality and service previously provided by your own staff.
- you do not know if they use the same quality material or ingredients.
- all outsourced contracts require internal monitoring.

Unless you constantly monitor standards, quality, results and more importantly costs, then you will not know if the outsourced contract is 'value for money'. All this, if it is to be done properly, takes time, effort and money, which eats into any proposed savings.

RATIONALISE: Scientifically to reduce time, effort, materials and labour. Alternate terminology for making people redundant or sacking them.

RESOURCE RE-ALIGNMENT: Another combination of words associated with management fad programmes of downsizing, delayering or simply reducing overheads by going through a mythical programme of looking at how many people you have, how many people you think you want, how many people you wish to pay for and then how you actually re-allocate work or reduce the amount of work you do to meet the number of personnel you end up with.

Again, only time will prove whether or not such mythical exercises lead to any improvement or whether, in reality, the internal processes and procedures begin to collapse because of the lack of staff and then external processes begin to fail leading to a possible loss of reputation and then a loss of customers. From historical experience it is said, be wary of Greeks bearing gifts, and one should be wary of management consultants trying out new ideas on companies.

RE-ENGINEERING: Tinkering with, ripping up or starting again from scratch with the organization and management structure; sometimes also referred to as Business Process Reengineering or Process Re-engineering or perhaps mind-mapping.

Sometimes creates the illusion that business processes and procedures have been improved, people are now working more effectively, efficiently and productively but often introduced or implemented when companies have lost direction, do not have a strategy or have not updated it for many years. Also based on the principle that employees are expendable and at the very least flexible and tends to be associated with programmes of 'delayering', 'downsizing', 'empowerment' and sometimes 'outsourcing'. It cannot be undertaken, apparently, without the input, help and advice of consultants who, naturally, cannot guarantee the end results.

It is currently estimated that two-thirds of all re-engineering programmes are unsuccessful and do not reach their required, suggested or hoped for outcome and often as a result of unrealistic expectations, resistance to too much change, limitations with present system, processes and procedures, a lack of senior executive consensus and of a clear direction from above.

RIGHTSIZE: Americanism for accepting that a complete hash has been made of programmes of delayering, downsizing, re-engineering or resource re-alignment such that a company ends up with the optimum number of managers, management levels, supervisors and staff to create well-organized, well-managed and well-motivated groups of people working to achieve common goals or objectives. The result is often a stressed out organization with the minimum number of employees, with the minimum amount of equipment and systems to produce the maximum amount of products or services.

Again, bearing, wary, cautious, gifts and concern are a few words that immediately spring to mind

SHOWCASING: Searching through the obvious dictionaries and the thesaurus I was unable to find a definition apart from the obvious one based on 'showcase', which is a glass case in which to exhibit artefacts and old and ancient objects as in a museum. But listening to management consultants, and checking the web on the Cambridge Dictionary of American English, I understand it means to "exhibit especially in an attractive or favourable aspect, something new or inventive". In other words taking an old idea about management, sprucing it up a little and giving it a new name and maybe using coloured graphs and mind-mapping charts to confuse!

STAKEHOLDER: The concept that a company, indeed any organization, consists not just of shareholders, who according to the basic principles of capitalism own companies, but also managers, employees, customers, suppliers and the local community each of whom have a vested interest or stake in the company.

In other words a partnership committed to ensuring the continued existence and success of a company. In that respect it must be the ultimate form of teamwork. Not something that is usually supported by those at the higher echelons in business and commerce.

TEAMWORK OR TEAMWORKING: One of the latest imported management fads that is based on the belief that all groups of people in a company or organization can be trained to perform as a team because people in basketball and American footballs teams are coached and trained to work together, and, that bonding exercises and 'away-days' will bolster morale.

I remain unconvinced that many sporting teams always work together because at the end of the day, or the game, each individual on the team is seeking recognition and reward to bolster their own career. The ultimate form of teamwork must be, for example, a hospital 'crash-team' working in emergency departments to save lives; or, the crew of a warship or submarine in hazardous circumstances or conditions; or, the crew of an aircraft.

Unfortunately the analogy cannot be applied to every set of circumstances and, by-and-large, the majority of people cringe at the idea at being made to carry out exercises to prove they can work together. And, in a knowledge-based economy and society increasingly people tend to work as individuals with their own areas of responsibility that does not rely on input from others to complete their tasks. I wonder how long this one will run!

TOTAL QUALITY MANAGEMENT: A doctrine associated with the notion of continuous incremental improvements based on the principle that employees and their input are essential to the overall direction, efficiency, effectiveness, productivity and success of an organization.

TQM depends on encouraging staff to agree and accept that everyone in an organization is, individually and collectively, responsible for customers and customer services – internally and externally.

A BRAIN-DUMP: I can only guess where this phrase came from and in many instances it follows the same line of thought, but, apparently it means that someone decides to tell you or a group of people anything or everything they know about a particular, product, process or subject; or in other words, face-to-face communication. Duh!

UPWARD APPRAISALS: A system designed, apparently, and imported from the USA and used to encourage subordinates to produce written and verbal assessments on the attitude, approach, ability, performance, support and areas of weakness in their line management. It can encourage those with a grudge the opportunity to 'redress the balance' and could set a dangerous precedent.

It relies on a number of questions being agreed and set, presumably by senior managers, to allow subordinates to complete questionnaires and to return the pro forma in an anonymous manner. It could undermine some individuals but in many instances there is a case for some sort of upward assessment of management performance. It could also help to weed out those who insist on micro-managing staff to the point where they object to continuous intrusion on their work and progress.

WALKING THE TALK: A phrase used to suggest the best way that senior managers will get any idea or understanding of what staff actually do or are required to do is to walk around their department or empire and talk to employees and listen to what they say; sometimes referred to as "management by walking about" (MBWA). I might also suggest that it would make sense for managers to get off their backsides and get out and about and talk to all their stakeholders.

In my view it is important to take the time and make the effort to involve staff in setting objectives, targets and goals, not only talk to but also listen to ideas, thoughts and opinions and indicate that such comments have been taken onboard, provide feedback to customers and employees and 'praise in public but censure in private'.

Frankly, there is not much that can be said about the use of management-speak and jargon other than to suggest that the use of such drivel leads to confusion rather than clarification when communicating with other people; and, the people who tend to use such language are, perhaps, trying to impress others and indicate that they are some kind of pseudo-intellectual who has completed a number of business courses and is 'in the know'.

The objective in any organization must be to ensure that everyone understands where the company is, what it is doing and where it is going in the clearest simple terms, I am reminded of the acronym KISS (Keep It Simple Stupid) because communication is paramount and any leader in any organization must make sure that any decision is fully understood by everyone.

(4040 words including quotation)

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