

CASE STUDY 1

Management Learning and Change: A Work-Applied Learning Approach

THIS IS A SUMMARY OF A PROJECT
IN THE SHIPPING INDUSTRY

PROGRAMME SUMMARY

This Work-Applied Learning (WAL) programme was developed and implemented for the senior management team of the Global Carriers Group (GCG), a public listed organisation in Malaysia, and its subsidiary companies. This case study illustrates how the senior management team applied the WAL approach to manage the impact of the Asian financial crisis.

PROGRAMME BACKGROUND/PROBLEM

The Global Carriers Group is involved in ship-owning and in shipping activities such as freight services, shipping management and ship agency services. The management skills of the senior managers were not adequate for the changing nature of the Group, especially in view of its accelerated growth after listing.

- There was a lack of integration as the senior managers did not work together for the benefit of the GCG
- There were no departmental plans and the departments did not know how to work in teams to develop such plans
- The GCG was not operating at optimum efficiency and effectiveness

It had been operating with an outdated organisational structure which did not reflect its current services and manpower changes. There was a lack of role clarity, poor communication and regular conflict.

PURPOSE OF THE WAL PROGRAMME

There had not been a parallel growth in the competencies of the managers and in their ability to cope with the changes. Therefore, it was appropriate to introduce change in the Group through a WAL programme.

THE WAL PROGRAMME & PROCESS

THE DESIGN STAGE

An Action Research Group (AR Group) was set up to work through the change process. The AR Group comprised:

- Commercial Manager & Assistant Commercial Managers
- Crew Manager & Assistant Crew Manager
- Operations Manager & Assistant Operations Manager
- Finance Manager
- Human Resource Administrator
- Special Projects Manager
- Project Consultant

There were two major cycles in the WAL programme.

Cycle One was for a period of about nine months between May 1996 and January 1997 and comprised four mini-cycles. Each mini-cycle commenced with a Knowledge & Planning Workshop followed by a Work-Based Phase and AR Group meetings for observation and reflection. At the end of the fourth mini-cycle, there was also an evaluation session.

Cycle Two covered a period of two and a half years. During the first mini cycle, it was decided that the future cycles should focus on the Asian financial crisis and on managing its impact on the Group. The current Action Learning (AL) sets continued working on implementing their departmental plans.

The AR Group worked with the staff members of the AL sets in each department and their respective AL sets to introduce change in their departments.

THE IMPLEMENTATION STAGE

The first Knowledge Planning Workshop discussed an issue related to human resource management. It was generally agreed that the GCG was growing very rapidly, which may have resulted in this department not previously being set up.

Discussion continued on other problems related to strategic planning as perceived by the AR Group Members, and the model of the integrated WAL approach. The AR Group Members then listed the various objectives which GCG should consider in order to perform its "business" effectively. Based on these objectives, the AR Group then proposed a suitable corporate structure for the GCG so that it could fully perform its functions effectively and efficiently.

The AR Group Members were introduced to the "Strategic Management Process". They also noticed certain strengths within the AR Group, namely that it had a sense of purpose, the staff members were committed and dedicated, and the GCG was technically sound in shipping.

The Knowledge & Planning Workshop 3 was devoted to providing the AR Group Members with further knowledge on strategic planning. At the end of the fourth Knowledge & Planning Workshop, AR Group Members believed they were ready to continue the change process.

The process of final evaluation and validation of the WAL programme reported that over the previous six months, they had moved from a situation of being crisis-driven and lacking in planning and organising to one where planning processes were in place and some of the plans had actually been introduced.

The WAL process had already brought about positive changes to the whole Group. Constant monitoring and evaluation were being carried out. WAL helped improve competencies in management and planning change. Departments were now able to cope with crisis and strategic changes. The Action Learning process contributed to these changes.

The AR Group undertook a strategic review of the GCG and its departments for the next three years and then on an annual basis.

- Fleet Department: the implementation process had been properly minuted and copies of the minutes had been regularly submitted to management.
- Human Resource Department (HRM): although some policies had been implemented, they had not been properly documented whilst others had been documented (in full or in part) but not implemented.
- Finance Department: the preliminary audit had been completed on time, before the mandatory deadline.
- Crew Resource Management: one of the major action plans implemented by this department had been distributed to the various Heads of Department.
- Commercial: most of the short- and long- term objectives of the department, which were either in the implementation stage or had been completed, were essentially internal procedures.

- Strategic Research/Finance Issues: the role of this department was long-term in nature and, as such, the results would not be obvious for some time.

A mini-cycle dealt with the re-structuring phase of the Group. The external facilitative consultants and solicitors were included in the restructuring as they could provide expert advice as resource people as well as access to their network of contacts in financial circles.

The meetings continued to be lengthy and intense as objectives which had not been met were continuously re-visited until they were achieved. The difficulties faced by the set members in achieving the objectives were openly discussed and reviewed at these meetings.

As time went on, the AL Set was operating smoothly and effectively. The set members were responsible and accountable for the performance of their respective departments. Although there were still a few conflicts among set members, they were more focused and willing to work towards the common goal of improving the shipping operations of the Group.

The processes of final evaluation and validation of the WAL approach using WAL were as follows:

- The CEO provided a report on his observation of the cycles of the WAL process
- The AR Group reflected on the members' responses
- An external validator conducted interviews with the CEO and every AR Group Member to ascertain their individual perceptions of the impact of WAL using an AR approach on the GCG.

The information obtained from these data sources was triangulated so that there was an opportunity to compare and crosscheck the consistency of the findings on the impact that the WAL approach had on the change process of the GCG.

PERFORMANCE OUTCOMES

PROJECT OUTCOMES

The Human Resources Department and the Research and Strategic Issues Department were established to cope with the needs of a growing Group.

One of the results of the regular AR Group meetings was that the various departments began working more closely to resolve problematic situations. The AR Group decided that a Systems Development Policy should be adopted immediately, so that all activities were aligned and procedures could be implemented for checking and counter-checking activities and processes.

Other strategic changes that were discussed and agreed upon were as follows:

- The Commercial, Fleet and Crew Resource Management divisions would be sub-divided into Liquid, Dry Bulk and Containers sections
- Operations Department would be transferred from Commercial to Fleet

- Commercial would concentrate on fixing cargo and liaising with the charterers
- CRM would handle the recruitment and arrangements for the boarding of new crew and repatriation of crew signing off
- All communications with vessels and the management of crew on board would be the responsibility of the Operations Department
- The heads of the Crew Resource Management Department and the Fleet Department would report to the Manager, Commercial Division, who in turn would report to the CEO, and
- A new department would be set up within the Fleet Division to monitor the construction of vessels commissioned by the GCG.

PROCESS OUTCOMES

Senior managers in the past had no plans for their departments. However, after the WAL approach was introduced, the Action Learning (AL) sets within the Fleet Department, the Crew Resource Management Department, the Human Resource Department, and the Finance Department each developed departmental plans.

LEARNING OUTCOMES

Prior to the introduction of change, there was no integration between the departmental senior managers. However, the WAL programme not only brought the departmental managers together but also the departmental managers worked more closely with their department staff through the AL Sets.

The observations of the AR Group Members confirmed the initiatives that were involved in the implementation of the plans by each department through the AL Sets. The AR Group Members worked together as an integrated team and this was not evident before Cycle 1.

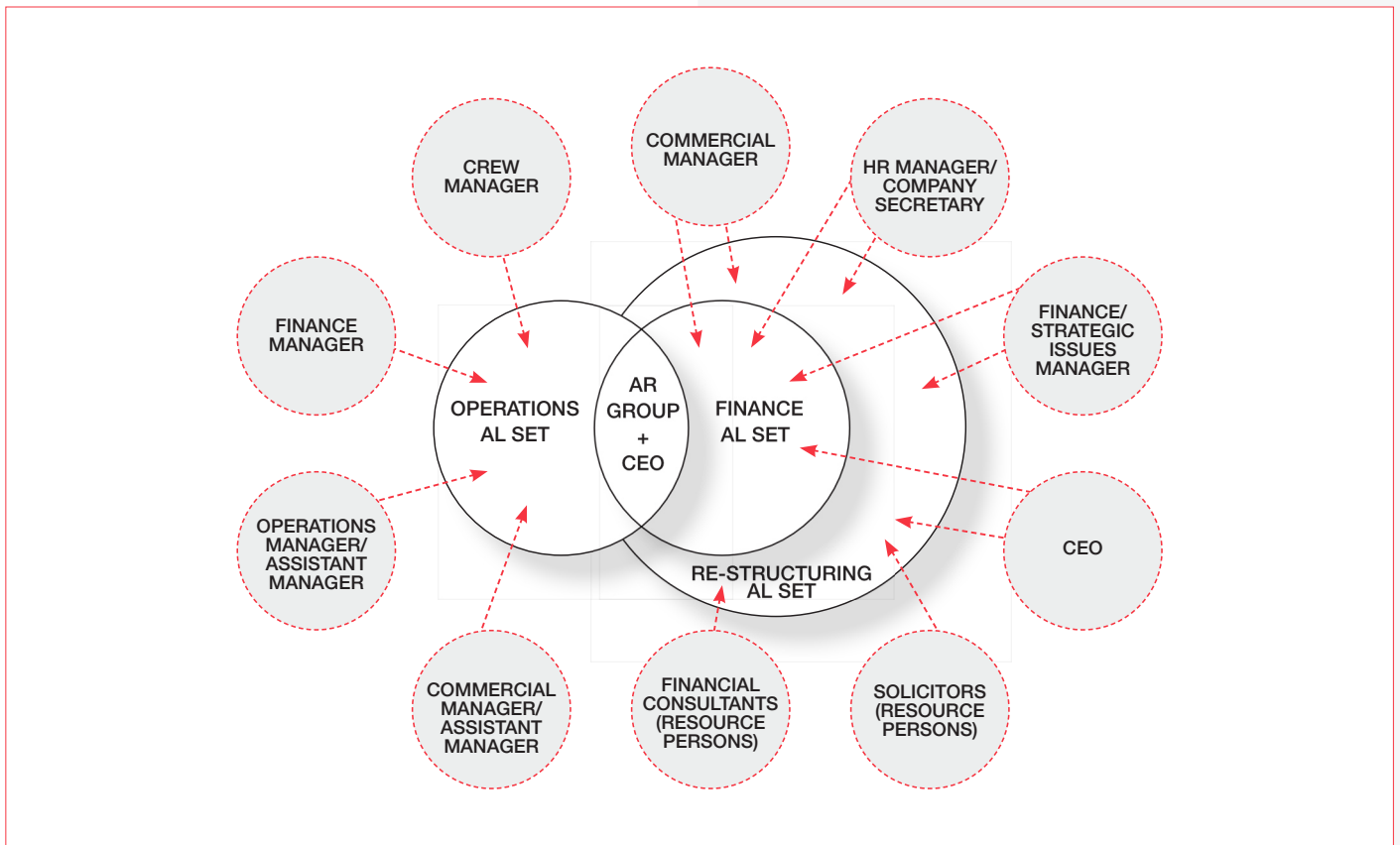
Due to the improving interaction among the set members, an increasing number of options for overcoming such difficulties were usually canvassed, and acceptable courses of action were agreed upon.

These positive results boosted the morale of the AL Set members and gave them a sense of common direction and satisfaction which had not been obvious before the set was formed.

WAL Programme Issues & Problems

The unexpected Asian economic crisis was a shock and a major change in the external environment. The Thai economy crashed as confidence in its financial markets deteriorated. This situation had an inevitable ripple effect on the Malaysian economy and in the wider Asian region. Three additional AL sets, namely Finance, Restructuring and Operations attempted to cope with the impact of the Asian financial crisis on the GCG, whilst the AL sets established in Cycle 1 continued to operate the business.

The Finance AL Set met almost every working day to review and assess the status of the various financing deals that the set was negotiating.



REFLECTIONS ON WAL PROGRAMME

Time was given for the AR Group Members to reflect, after which feedback was gained on whether the present organisational structure would continue to be effective in the light of its present and future developments.

The perceptions of the AR Group Members of the impact that the WAL approach had on the GCG are:

- Assistant Operations Manager: "The WAL process has helped in the overall strategy of the Group."
- Operations Manager: "Through AL we are more organised. We identified our weaknesses and overcame our weaknesses by changing the strategies, the approach, the people. We have learnt to plan, act, observe and re-plan based on the outcome of our original plan."
- Assistant Commercial Manager: "Before the WAL process, we had casual meetings on an ad hoc basis, and did not keep any proper minutes. With AR we have well-prepared agenda points prepared from the Managers, and we have operational meetings which are very useful."
- Commercial Manager: "Change in the department and in the GCG has definitely occurred. AL has made us realise how important it is to monitor all our activities to check if we have to make changes to the way we do things."
- Finance/Strategic Issues Manager: "Before we introduced the WAL process, there was no structured planning. With the introduction of the WAL process, everybody started to work as a team towards the agreed goal. AR has actually allowed the Group to work together and achieve what they set out to achieve."
- Human Resource Manager/Company Secretary: "The WAL process has helped us to have better systems in place. When there is an issue, we take swift action, we look at various options before implementation and we consistently review our procedures. We are continually evaluating how to do things better."
- Crew Manager: "Because of the WAL process, we have operational meetings and brainstorming sessions which help us to be more effective. We have also used the WAL process to plan the salary structure for staff."

- Resource Person: "I am extremely impressed with the impact of the WAL approach and the type of change that has resulted in the departments and how the department heads have coped with the external environment."
- The CEO: "All I can say is that if the senior managers had not been committed to the WAL approach and had not used the Asian economic crisis as a learning experience, the company would not have survived."

The WAL model shows the emergence of three separate AL Sets from the AR Group Members. This process was a major learning experience for the CEO and the senior managers (the AR Group Members) as they learnt how to cope in the new turbulent environment.

It can be seen from this WAL programme that the demands of the problem would dictate the time frames of the major and mini cycles. The findings of the programme clearly point out the positive impact of the WAL approach on how the senior managers and the CEO coped with the changing times.

Material summarised from Abraham S 2015, Work–Applied Learning for Change Adelaide SA

FOR FURTHER INFORMATION ON OUR PROGRAMME, PLEASE CONTACT US: