



Principles of Strategic Management

Beograd, 5 and 6 December 2016

Oliver Karkoschka

Summary of the first two trainings

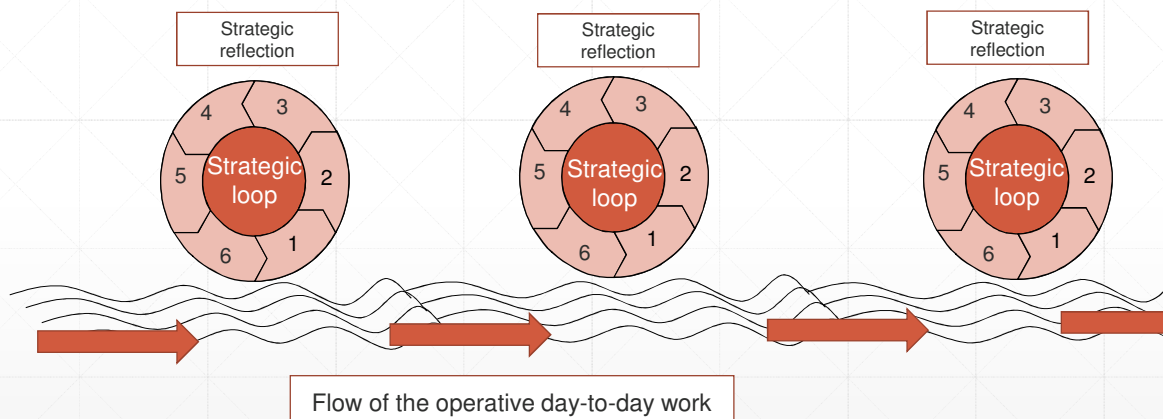
- December 2014
- General introduction to strategy development and strategic management



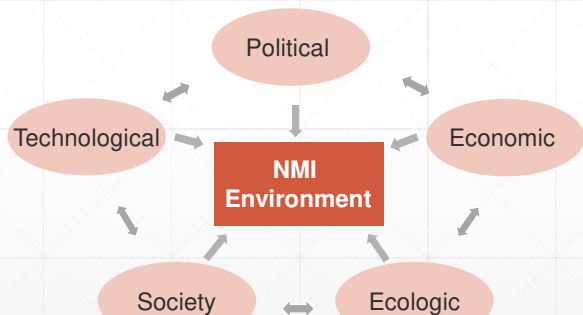
The strategic loop



Strategic management



Self-assessment of participating NMIs



Areas of strategy development

1 Relations within the national metrology infrastructure / system

- Relation between the NMI and the responsible ministry / agency
- Relation between NMI and (potential) Designate Institutes (DI)
- Relation between NMI and secondary laboratories (incl. MiC)
- Relation between NMI, Regulators and QI components

2 NMI services and relations to clients (metrology users)

- Products and services, relation between NMI and Industry

3 Public relations

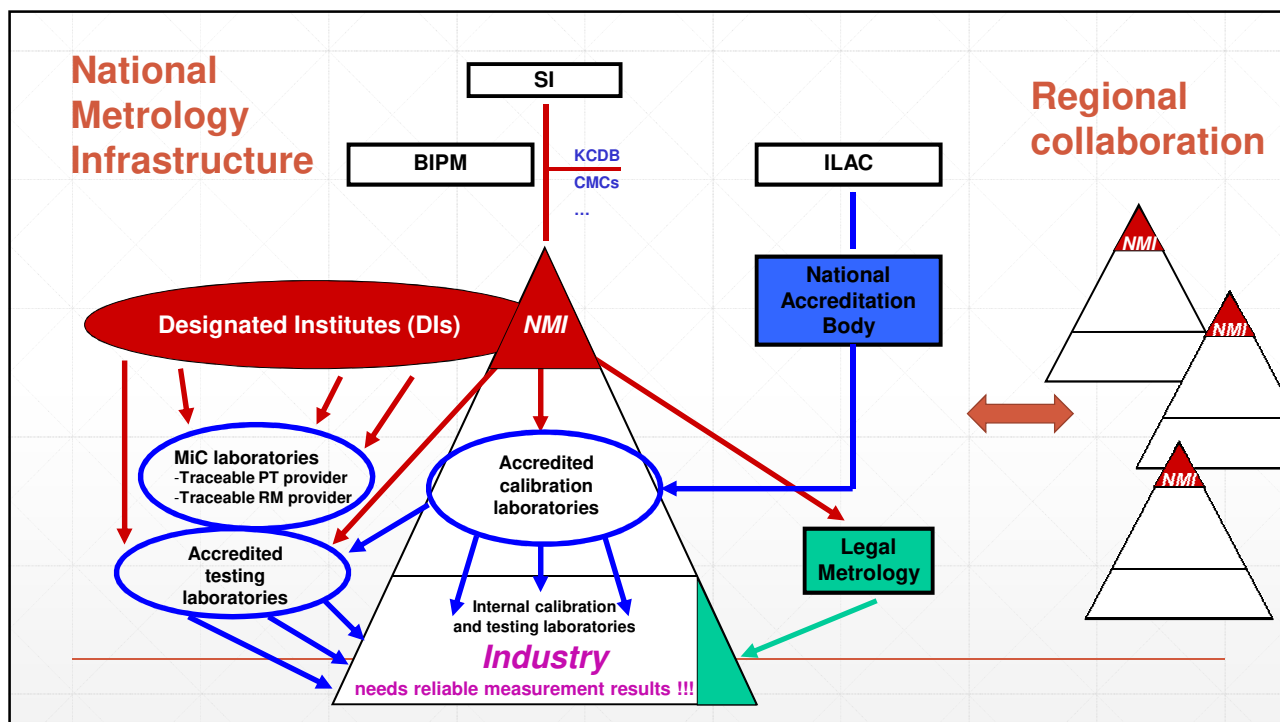
- Diffusion, Education, Marketing

4 Regional and international cooperation

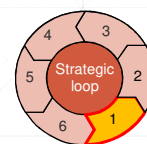
- Regional cooperation and international relations of the NMI

5 NMI internal management, operation and organisational development

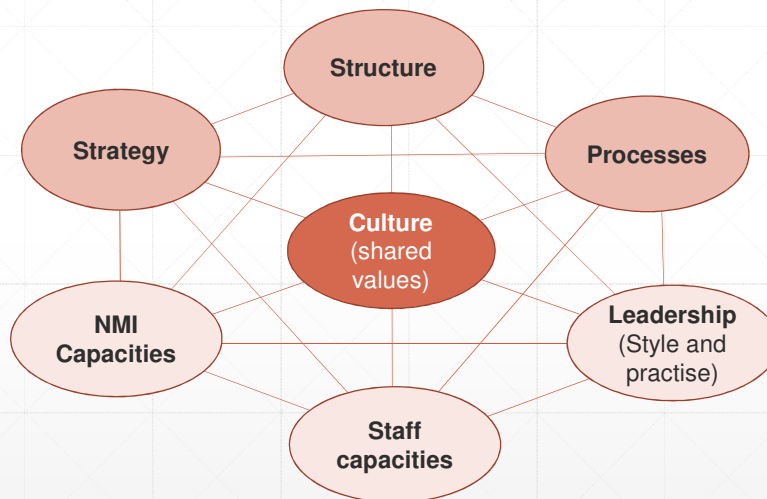
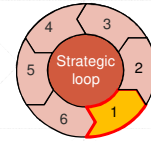
- Efficient and effective management and leadership
- Appropriate organisational structures and processes
- Capacities of staff and competence of NMI



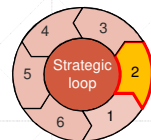
1 Analysis of the current situation – SWOT Analysis



1 Analysis of the current situation NMI internal management and operation



2 Priorities for the future NMI internal management and operation



- What are the strengths which have the **potential** to play a more important role in future? What are key weaknesses which will hinder the NMI's development?
- What are **services** which will play an important role in future? And for whom? What is the importance of current clients, how important will be new clients?
 - E.g. group calibrations, proficiency testing, training, awareness creation for important decision makers, etc.
- What are **priorities for future development**?



Discussion of specific topics and strategy development by NMI

- Service improvement and development
 - Improvement of NMI capabilities
 - Enhance Government support to NMI
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Strategy development by NMIs

- Analysis of needs and priorities of areas of development (new services, measurement fields, RPOTs, CMC plans)
 - What kind of capacities should be developed
 - Regional cooperation, peer groups
 - How this strategy building block fits to / influences general development of NMI
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Second training March 2015

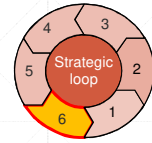
- Sharing of gained experiences
- Discussion on regional cooperation
- Identification of lessons learnt and recommendations



Existing specialisation and regional collaboration

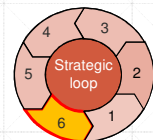


6 Integration into management



- Provide resources
- Provide support
- Mobilise support system and co-operation, e.g. peer groups
 - Internal capacity development
 - Exchanges with regional NMI
- Linking systems and the mechanisms of stimulation incentives to strategic objectives

6 Implementation: Important leadership tasks



Preparation

- Ensure participation
- Obtain feed-back
- ..

Clarification

- Information
- Ensure understanding of objectives
- Coordination
- Clarify roles, responsibilities and tasks

Support

- Support cooperation
- Ensure required technical support
- Favour capacity development

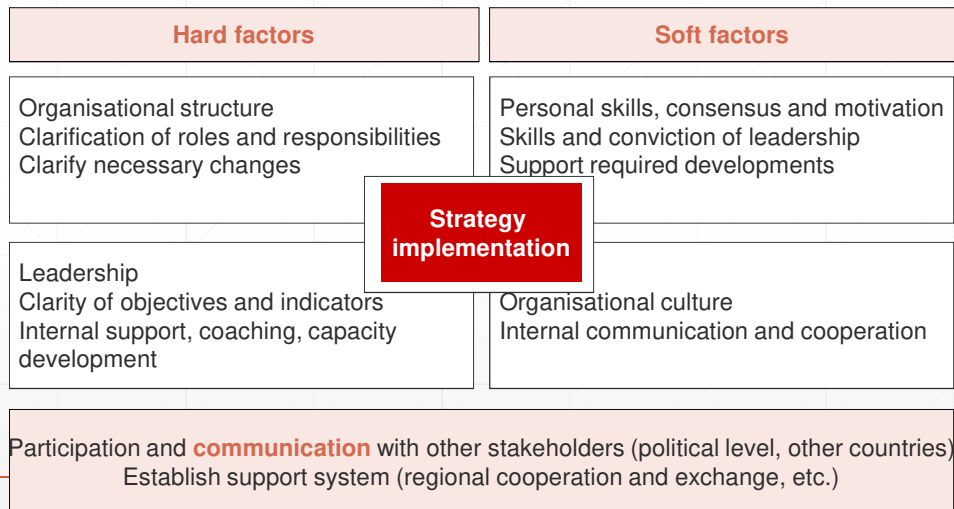
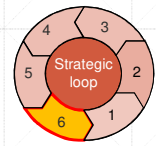
Follow-up

- Develop and discuss indicators
- Establish monitoring system of objectives and indicators
- Support critical assessment and reflection (atmosphere, learning culture)

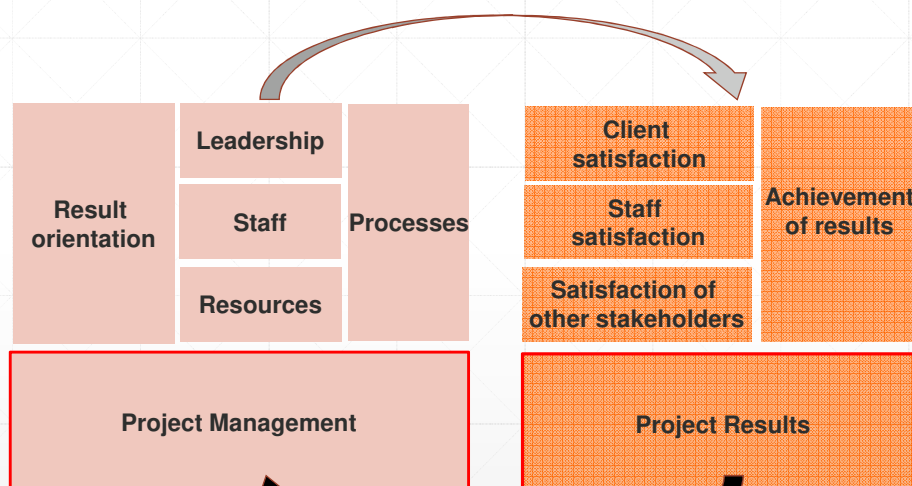
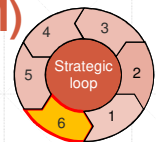
Review

- Facilitate exchange of (intermediary) results
- Establish platform to adapt and further develop the strategy

6 Implementation of the strategy – Success factors



Project management (Excellence model, EFQM)



Service development – some experiences

- Based on a **profound knowledge of the reality of the client**.
- **Surveys** are usually not effective as a single tool for demand analysis.
- **Direct contacts** are needed
- Develop **new services on a small scale** and in a process
- Maintain **constant relations with clients**
- Develop **relations with other NMI** to share experiences!

		Clients	
		Existing	New
NMI Services	Existing	Existing Services for existing clients: Improvement, consolidation, CMC's	Existing services for new clients: Scale factor, improved services
	New	New services for existing clients: confidence supports service development	New services for new clients: higher risk, look for alliances

Cooperation at regional level

Process of strategy development: peer groups

- What are potential cooperation partners including other NMI which might help the NMI in developing and providing new or improved services?
- Close exchange and cooperation between countries for strategy development

Process of service improvement and development

- Close exchange and cooperation between countries for service development (individual services, joint services)

Regional / bilateral division of tasks / services

- strategic alliances at regional level!!!
- “Smart specialisation” – regional approach of development of services.

Third training

- Mechanisms of human resources sustainability
 - Maintenance of a NMI strategy
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Why Human Resource Sustainability

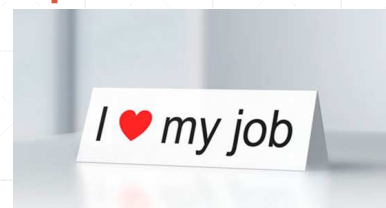
- We need qualified staff
 - **Employees** play a vital role
 - We need to maintain **good metrologists**
 - **Recruiting new staff is expensive**, stressful and time-consuming. Once you have good staff it pays to make sure they stay. New staff needs to be qualified over a longer period
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What is Human Resource Sustainability or Talent Management?

- A conscious, deliberate **set of organisational processes** undertaken to attract, develop and retain people with the abilities to meet current and future organisational needs.
 - It ensures the sustainable effectiveness of the most skilled people within the organisation.
 - Talent management is **more strategic** and less administrative. It aims at maintaining the NMI's innovation and performances relying on the long term capacity of its human resources. It is one of the highest valuable assets an organization can have.
 - Talent management is **integrated into the NMI strategy**
 - Talent management differs from Human Resource Management. Directors **and managers play a more active role**. The whole organisation becomes important.
 - The objective of talent management is to **ensure satisfaction, health, commitment and productivity of employees and simultaneously meeting the organisational needs**
 - Talent management **involves individual and organisational development** in response to a changing and complex operating environment.
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Major challenge in NMI: how to retain qualified employees – Material benefits

- **Myth:** Paying higher will stop the Employee from Leaving: Offering more compensations than rivals or above industry standard will prevent employees from leaving and will also attract the best talent.
 - **Reality:** Paying higher than rival firms may help to a certain extent in retaining employees. In the long run, money fails to motivate people. Absence of money may be a de-motivating factor but presence surely cannot be motivating for long.
 - **Increasing benefits** – salary increases are always welcome, but there are **plenty of other things** one can do to improve the general workplace morale. for example, if work-life balance may be an issue, all employees can be offered an extra day of annual leave.
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Ensure a responsive relationship between employees and their immediate superior

- The **interaction** of an employee with his or her immediate superior is the **most significant factor** in an employee's satisfaction with work
 - Talk daily with each employee who reports to you. The daily interaction builds the **relationship** and will stand for a lot when times are troubled
 - Practice just **listening**. Encourage the employees to bring ideas for improvements to you.
 - Remember that your **nonverbal communication** communicates more expressively than the words you use to convey your honest response to employee thoughts, concerns, and suggestions.
 - Foster **trust and confidence** in senior leaders. Develop strong relationships with employees from the start to build trust. Employees have to believe that upper management is competent and that the organization will be successful. An employer has to be able to inspire this confidence and make decisions that reinforce it.
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Recognize and reward employees

- **Performance Appraisals**, are they **motivating**? Performance reviews offer an opportunity to increase trust and fortify relationship with employees.
 - **Recognition** of employee performance. This is high on the list of employee priorities. Employees appreciate praise, a verbal or written thank you, out-of-the-ordinary job content opportunities, and attention from their superior.
 - Show your employees they are valued and appreciated by offering them real-time recognition. Visit the employee in his or her workspace, etc..
 - Show **appreciation** via **compensation and benefits**. Offering things like competitive salaries, profit sharing, health plans, paid time off, and tuition reimbursement sends a powerful message to employees about their importance at the organization.
 - Make employees feel valued. Employees will go the extra mile if they feel responsible for the results of their work, have a sense of worth in their jobs, believe their jobs make good use of their skills, and receive recognition for their contributions.
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Support personal and professional development

- Provide **training opportunities**. Training employees provides the opportunity to develop their skills and abilities, reinforces their sense of value and provides the opportunities for professional and personal development.
 - Regular **development plans** show your employees that you are thinking about their future. Make sure the employee has several goals that he or she wants to pursue as part of the performance development plan. **Personal development goals** belong in the same plan.
 - Provide **growth opportunities**. An organization should provide workshops, software, or other tools to help employees increase their understanding of themselves and what they want from their careers and enhance their goal-setting efforts. A recent Cornerstone survey drew a direct connection between lack of development opportunity and high turnover intentions.
 - **Career Planning and Promotion**: No one can work in an organization at the same designation with same job responsibilities. Job enrichment plays an important role.
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Install a positive organisational culture

- An organisation should establish a **set of values** as the basis for culture such as honesty, excellence, attitude, respect, and teamwork
 - **Social events** – the most successful businesses are often the ones where there is a good level of camaraderie between colleagues.
 - **Congratulate staff on life events** such as new babies, inquire about vacation trips, and ask about how both personal and company events turned out. Care enough to stay tuned into these kinds of employee life events and activities.
 - A **mentoring program** integrated with a goal-oriented feedback system provides a structured mechanism for developing strong relationships within an organization and is a solid foundation for employee retention and growth
 - **Create Trust**. One of the single biggest contributors to employee satisfaction is a culture of trust within their organization. This means not only employees' trust in leadership, but also in one another. And that trust is a two way street.
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Communication

- **Communicating with employees** – there's nothing that makes people feel more uncomfortable than an air of secrecy.
 - Be open, **share** your vision of the future and let them know how they fit into the overall goals.
 - Communicate **openly, honestly and frequently** and communicate by wandering around work areas engaging staff and demonstrating interest in their work. Hold whole staff meetings periodically.
 - Use communication to **build credibility**. It is important for employees to know that the employer is really listening and responds to (or otherwise acknowledges) employee input.
 - Listen to employees and **ask for their input** as to what rewards might work best at the organization. Conduct meetings to enable employees to share their input
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Ensure responsibilities and a good nature of the work itself

- **Create a diversity of responsibilities** for each employee to ensure an interesting job content
 - Employees seek **autonomy and independence in decision making** and in how they approach accomplishing their work and job. Provide more authority for the employee to self-manage and make decisions after defining limits, boundaries, and critical points at which you want to receive feedback.
 - Expand the job to include new, higher level responsibilities. **Assign responsibilities** to the employee that will help him or her grow their skills and knowledge.
 - Provide the employee **a voice in (higher level) meetings**; provide more access to important and desirable meetings and projects.
 - Enable the employee to spend more time with his or her boss. Most employees find this attention rewarding.
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Offer flexibility and meaning of the job

- **Lower stress** from overworking and create **work/life balance**. It's important to match work/life benefits to the needs of employees (non-traditional work schedules, flextime or extra holidays).
- Flexible work arrangements have positive effects on the work-life balance and also on retention
- Provide an inclusive vision and a **sense of purpose and meaning** in the employees work and a strong vision and goals.
- Offer Meaning and Alignment. People want to feel like they are part of something bigger than themselves whether it is the team, the organisation, the science community, the quality infrastructure or the community at large. For many employees meaning is as simple as a desire to be aligned with the company goals and mission, and to feel like a valued member of a team

Key factors of human resource sustainability

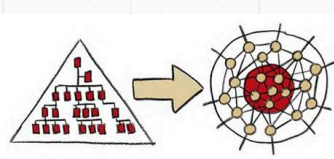
Individuals

- Enhance **employees satisfaction**
- Clarify **managers and superiors role** and support their **abilities**



The NMI as organisation

- Favourable **organisational culture**
- **Leadership** practise
- **NMI strategy** including talent management



NMI and the context

- **Reputation** of the NMI and **support**
- **Networking and relations** to industry, clients, etc.
- **Partnerships**



Enhance reputation and recognition of the NMI – to enhance support to the NMI

- Maintain close **relations** to Ministry, **communication** of impacts, marketing
 - Present and communicate not only the **services** but the **impacts** for the industry, and the effects for the **economy** and the development of the **country**.
 - E.g. calibration service ➔ reduced costs and saved time ➔ enhanced productivity
➔ enhanced competitiveness ➔ more jobs, more taxes, more development
 - Ensure consistency with **national development plans and objectives**
 - **Networking, Relations**
 - Develop **partnerships** e.g. with universities (MOA) (medium term)
 - Long term: Train the trainer University curricula (vertical education), Integrated in the curriculum; Metrology topics discussed in all levels of education
 - **General and public awareness** of metrology and its effects in the economy: Use **media and social networking** sites, ensure easy access to information on metrology, metrology day, open house, etc.
 - Use **current important topics**
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Maintaining Strategies

Principles of successful strategies

- Focus on **resources** and energy and not on problems or deficits
 - Development of **strengths** of the NMI and use of **potentials** in the environment
 - Looking for **innovations and** potentials for **synergy, cooperation with strategic partners** at national and regional level
 - Alignment of **objectives with resources**, SWOT analysis, risk assessment
 - Formulation of concrete **objectives**. A strategy is more than a list of activities
 - **Identify required changes in the organisation**
 - organisational level: structure, processes, equipment, management system,
 - Employees level: capacity development,
 - Attribute **financial and human resources** for the implementation of required changes
 - Keep it **simple** but do it
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Maintaining a strategy – strategic management

- A strategy also requires **implementation**
 - **Operationalisation** of the strategy in concrete work packages and activities – and changes e.g. of the attitudes and mindset
 - Integration of the strategy into the **vision and mission**
 - Implement **organisational changes**
 - **Result-oriented management**, e.g. formulation of indicators, monitoring
 - Of the implementation of activities
 - Of the objectives
 - Of the risks and the environment
 - Periodic review and **adaptation of the strategy**
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The strategic loop



Strategic management

