



gained. Case studies  
Frontline Management FMI  
Initiative Paradise  
impact and diversity  
Initiative nearly gained  
Management Initiative Case studies  
Paradise practice  
Frontline Management  
FMI

# Paradise nearly gained

Volume 2: Case studies of impact and diversity  
for Frontline Management Initiative practice

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**Editor's note:**

This report has been organised into two volumes. The first volume, available in both print and on the NCVER website at [www.ncver.edu.au](http://www.ncver.edu.au), describes the background to the study and offers a review of the relevant literature. It also details the methodology used for the project, including selection of case-study sites, lists the project outcomes and raises a number of issues for further consideration. This second volume is available on the web only and comprises the case studies.

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## Researching impact and diversity

The process of researching the FMI and the issues emerging from the research study have been outlined in volume one of this publication, *Developing the Frontline Management Initiative*. This volume provides the organisational stories and key evidence for that analysis. These case studies are presented here with thanks to each individual who has told their story about their FMI experiences and allowed their story to form part of the organisational narratives published here. The access the study team has been given to collect these narratives is the first indicator of the enthusiasm and reflection that surrounds FMI practice.

This conclusion of this study confirms that FMI is making a significant impact at both the individual and organisational level, and is increasingly making an impact at the business level. It argues that strategic intent and investment in developmental workplace learning processes underlie this positive impact. However, both the limited pattern of FMI adoption and the restrictive investment and vision of some adopters prevent the FMI from achieving greater national business impact. The conclusion argues that, as the FMI has a proven impact, there should be further investment in the FMI to develop both the penetration and quality of the initiative. This proposal is not just based on the immediate impact of increasing managerial competency; it has been developed because the FMI is a critical initiative which is changing enterprise attitudes towards learning. The FMI is instrumental in persuading enterprises to recognise learning as a core business capability, and in providing many components of the infrastructure which forms a platform for wider workplace and organisational learning. It is this outcome that can add significant value to future business performance.

## Case-study process

There are nineteen organisational case studies and one individual case study. In contrast to many previous initiatives for management development, they illustrate not only a diversity of processes, but more importantly, evidence that the learning experiences have changed manager behaviours and enriched organisational and business operations. Initially these cases were drafted by each state-based researcher and then edited. The drafting attempted to capture the unique story of the FMI in each organisation by using the words of each participant. The aim was to present an assessable, conversational and transparent account of the FMI diversity.

However, to preserve the anonymity of the participants and organisations, a commitment was made to present each case with an appropriate pseudonym and remove contextual data that might locate the enterprises involved. For this reason the tabulated characteristics of each enterprise's FMI practice and the study ratings of impact are not included in this report.

The case studies provide evidence of diverse FMI practices over a wide variety of industry and commerce environments. Because this study focusses on the impact of the FMI, the length of time the enterprise has been engaged with the FMI program is the one of more significant factors. The case studies are therefore presented with the longest FMI users first and subsequently in a descending order towards those that have had limited time with their FMI program. Interestingly

however, some of the more recent FMI programs which are investing in more developmental FMI practice gain more immediate organisational and business impact, and might be considered to be more mature than some of their colleagues with longer associations.

The order of the cases is of limited significance. What is of most interest is the story of each unique engagement with the FMI. While some narratives are strongly influenced by major industry characteristics, each story indicates diverse FMI practices, very different learning about structuring workplace learning, and indicates important lessons learned from the experience. They stand as individual experience, and yet together form a body of experience for the many stakeholders of the Frontline Management Initiative. They form a unique account of how processes of workplace-based learning are being constructed, moving learning towards a core competence in many organisations, and forming a platform for building enterprise capability.

## FMI case-study categories

Each case study has been drafted according to the categories appearing below. The sections are based on the interview protocols used during the data-collection phase. Each case begins by presenting the enterprise context and motivation for the initial involvement with the FMI. Evidence of any broad changes during the FMI period follows; and then judgement about the impact of the FMI and the relationship between the changes and FMI. The degree of strategic intent is then explored and the major influences exerted by the FMI are detailed. Finally, each case study indicates what enterprises would like to have done differently and what they would like changed. The conclusion draws together the key characteristics of each set of FMI practices and what they indicate about the initiative. They provide some 'lessons learned' which might indicate issues for consideration by FMI practitioners in other organisations with their own unique configurations of needs and demands.

### Categories

- ✧ Organisational context
- ✧ Getting involved with the FMI
- ✧ Difference in manager performance since FMI
- ✧ Difference in organisational performance since FMI
- ✧ Difference in business performance since FMI
- ✧ Changes in individual, organisational and business effectiveness since the FMI
- ✧ Organisational strategy and the FMI
- ✧ Critical impact of the FMI on the organisation
- ✧ In hindsight
- ✧ Conclusion

The following list indicates the order of the case studies and their industry area. The enterprises involved in the research were distributed across five states, but several were national organisations with business in most if not all states and territories. There is good distribution across industry types and the balance of enterprise size and location reflects the patterns of FMI distribution nationally.

## Case studies and industry area

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<b>Code name</b>	<b>Industry area</b>
Railco	Transport and storage
Careco	Community service
Communicationco	Communication services
Trainco	Education services
Communityco	Public service
Educo	Education services
Healthco	Health services
Travelco	Transport services
Utilco	Power services
Forrestco	Primary services
Storeco	Retail trade
Autopartco	Manufacturing
Portco	Transport and storage
Buildco	Manufacturing
Primeco	Mining
Environco	Public service
Elecengco	Manufacturing
Finco	Finance and insurance
Mineco	Wholesale and mining
Michael's story	Individual narrative

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## Organisational context

Railco is a large transport organisation, responsible for the construction and maintenance of 10 000 kilometres of rail track. Railco has experienced significant change and restructuring over the last ten years from ‘an organisation that had previously maintained track without any real reference to the cost and management of assets to an organisation targetting an Australia-wide and international presence in the future’. Employee numbers have dropped from 14 000 to around 11 000 over recent times, in an aging workforce which is predominantly male. Employment is largely full-time with some fixed-term contracts used for specific projects.

Under the Group General Manager are four senior managers each responsible for an infrastructure services group (ISG). The ISG North and South are the two main groups involved with the FMI, as they have the majority of supervisors covered by the Supervisors’ Progression Agreement. ISGs manage the maintenance of the infrastructure at Railco and deal with external and internal customers. Within each ISG there is a six-tier hierarchy of management, looking after eight districts. Each district consists of four layers of management hierarchy, all of which were targetted for the FMI.

Interviews were conducted with: the Executive Training Manager who had been the Manager of Workplace Projects looking after the track workers and who drove the introduction of the FMI; the Training Manager who is involved in the FMI as a coach and assessor; the Manager of Infrastructure Maintenance who is a coach assessor; another Manager of Infrastructure Maintenance responsible for the implementation of the FMI in his district and is a coach assessor; and an FMI participant, a track worker, who reports to one of the participants.

## Getting involved with the FMI

Railco needed competency-based, workplace-specific training that accommodated low levels of formal education and could span geographical distance. Supervisory management skills emerged as a priority. Railco first trialled the FMI four years ago.

*In the track area [where] an improvement would mean a major improvement for the organisation ... A survey of supervisors indicated a similar shortfall of skills to what was revealed in the Karpin report. A literacy awareness and upskilling program with supervisors had prepared this group for the learning processes and the action learning principles.* (Training Manager)

The FMI appealed because of its experiential learning style, previous acceptance of competency-based learning systems in the organisation, and because ANTA funding was available for a pilot program. Railco felt that the FMI was a practical approach that would match the limited formal education and sometimes limited literacy levels of the target group. Railco paired a pilot group in a regional area, where there was access to educational institutions, with a remote area group where there was nothing. The following year, other districts sought inclusion in the FMI program but:

*While there was an official take-up of the FMI in every district, there was [only] a real take-off in some.* (Training Manager)

In collaboration with an external provider, Railco has contextualised the FMI standards, developing the units to suit the organisation.

*We left the competencies as they were but we certainly contextualised them.* (Training Manager)

Initially there was little information available to support the program in terms of learning guides.

*The difference with the FMI is we're looking at the things they need to do in their workplace, and then lifting the thinking levels to understanding the principles, rather than the other way around.* (Training Manager)

The learning process initially was comprised of coaching and self-directed, reflective learning. A series of readings were available as a reference.

*Also there was some information on the Intranet. Most of [the guys in the bush] have access now, or are getting access, but it's very hard to get services in those places.* (Training Manager)

The trainers started them on the units that suited them best. The competencies often had to be explained because the wording didn't really suit the workplace.

*The coaching centres had to know what the workers actually did.* (Training Manager)

To overcome the problem of distance and isolation, the FMI programs were integrated into manager meetings when and where they occurred. Railco flew in itinerant coaches who would drive the 1000 kilometres and teach participants on track and at depots.

*The expense was justified by the program outcomes of saving managers from making costly mistakes.* (Training Manager)

Currently the FMI training is conducted in the Infrastructure Services Group, providing management efficiency training to supervisors of track workers with lower levels of formal education. The Training Manager has been working with track supervisors and in the depots 'because this is part of their Supervisor Progression Agreement'.

*The ISG participants work mostly at certificate 3 and often require an enormous amount of preliminary work.* (Manager)

Participation is voluntary but all the supervisors in the district are expected to participate.

*Over the next year or so they built it up to 300 participants. [Between] five and ten per cent are Aboriginal and Islanders.* (Manager)

*There was a lot of negativity towards it at the start. I think people thought it was like 'here's a lot of extra work I've got to do' and 'we've got too much to do now' until we got into it and have seen the benefits of it. We [had been] put into jobs and we had never had initial training.*

(Frontline Manager)

In one district 25 supervisors are involved in the FMI. A few of them began the FMI training in 1998.

*The FMI is now a part of their development plan, but it is moving slowly because of work time constraints.* (Manager)

Another district has about 20 FMI participants most at level 3 and some at diploma level. The FMI in this district is changing the culture from a hierarchical power structure with a focus limited to 'getting things done', to a commercially competitive one by upskilling staff and raising understanding of management issues.

*Pushing the power down and encouraging each individual to think for themselves and become as innovative as they possibly can ... to think and to organise and to use people skills.* (Manager)

Currently group delivery is used only when specific units work well with groups.

*The trainers generally deliver the FMI on a one-on-one basis. Trainer–assessors visit participants in their workplace and work through the units from prepared evidence guides. It usually takes about three visits before finalising a unit.* (Training Manager)

*The advantage of groups is that they encourage others to participate and trigger each other's memory. The disadvantage is the problem of the literacy levels where they feel threatened and may not want to open up.* (Training Manager)

There is another FMI program running with (a private provider) throughout the rest of the organisation.

*[The private provider] is only targetting levels 4 and 5 administrative officers, generally from a higher education background including administration, IT and engineers.* (Training Manager)

Railco has found that the individual coach–mentoring helps people get to know each other and work together better. Trained coach–assessors 'at the right levels' are strategically placed around the district before starting on training participants.

*Senior managers don't always have the time so track section supervisors do most of the coaching/assessing.* (Training Manager)

The FMI training pushes participants into being able to document in a way they never did before. The FMI has confronted literacy issues in the organisation and a considerable parallel program has been developed to support managers in their increasingly text-based environment.

*The trainers also put together a set of skill-builder documents for supervisors, like taking notes in meetings, leaving notes that other people can understand easily, writing minutes, writing reports, writing memos. That was running parallel with and supporting the Frontline Management Initiative.* (Training Manager)

## Difference in manager performance since the FMI

Railco has identified a number of differences in the performance of their managers since the implementation of the FMI. There is a noted overall improvement in understanding and performing as a manager: with work practices, organisational systems and legislative requirements.

*[They] are more confident in themselves and their abilities. The supervisors who have done the FMI were probably our top supervisors anyway. The FMI just developed them along their way a little bit better.* (Manager)

*FMI is making [Managers] aware of ways of improving their practices and making them more effective and efficient.* (Training Manager)

*The FMI has helped managers understand and work their way through some of the employee management systems, which are found in all large organisations now because of legislation.* (Training Manager)

*They are benchmarking against international systems in terms of safety. Safety is one of the core units in the FMI and this is one of the things we have concentrated on.* (Training Manager)

*[There has been] a huge increase in their ability to tackle new systems and new ideas. They've certainly improved their depots and the organisation of their depots, out of site, from the point of view of safety.* (Training Manager)

Railco managers are showing an increase in planning and organising team outputs, reflecting on financial gains and people skills.

*[They are] achieving a lot more with a lot less people. The way people are programming and documenting, the way people are meeting budgets. People are being innovative.* (Manager)

*It has helped me with budgets, programming, dealing with men on the whole. You've got all your materials and resources planned a lot better. You save a lot more money.* (Frontline Manager)

Individual managers have improved problem-solving and decision-making efforts, ensuring a more participative approach with staff.

*A few years ago, a lot of managers would not involve their workers in decisions. Now we do it jointly, and they are involved with everything.* (Frontline Manager)

Other changes noted in individuals include the increased desire for self-development.

*Attitude changes in the far west are very apparent. The FMI has been observed to give incentive to think about different issues and self-development. People are relating to each other differently.* (Manager)

*[They] are having more and more work pushed down to their level. I think their work practices have improved. Many of them are very computer literate and have developed their own databases.* (Training Manager)

With all the changes noted in individual managers it is difficult for Railco to definitely say that FMI has been the catalyst although there is no question that FMI has certainly been a contributing factor.

*It's hard to say it's only the FMI that's done it, it's probably the competency system as well, but there are some really smart workgroups out there now.* (Frontline Manager)

*I notice a definite difference between the supervisors who have completed the FMI and those who haven't.* (Manager)

## Difference in organisational performance since the FMI

Railco has experienced several changes in terms of organisational performance over the last four years. Culturally the organisation has advanced to be more strategic, innovative and focussed on learning.

*In meetings you notice that people are seeing common goals.* (Manager)

*We've come from an organisation that didn't have a very good name and wasn't a real good business, to being one of the best transport companies in the world. We seem to be getting more competitive.* (Training Manager)

*People's attitude to learning new things has changed for sure.* (Training Manager)

*A far greater percentage of our men are more committed to their jobs and their future than in the past.* (Manager)

*The FMI has made people more aware of innovation and the benefits of sharing new developments.* (Manager)

The management group is working more collaboratively as a group discussing issues and solving problems.

*Team-building makes a lot of difference to the way we work. We used to sit around in a shed and have a good bitch and the problems never got solved.* (Training Manager)

*Before they would have just one fella making decisions and go ahead. Now they work as a team.* (Employee)

*We've learnt to work smarter.* (Frontline manager)

Another area of development is seen in the communication between the management team.

*Communication has improved greatly. Supervisors talk to each other much more and written communication has also improved.* (Manager)

*Our higher level management [trained in the FMI] never used to stop and talk. Now they are all approachable.* (Frontline Manager)

## Difference in business performance since the FMI

Several business benefit impacts have been noted at Railco since the implementation of FMI some four years ago. There is an increased focus on business performance and this is reflected in business outcomes and results. Having said this, Railco has found it difficult to 'say in dollar terms' ultimate impact.

Railco has seen financial efficiencies believed to be attributed to the FMI.

*They are getting to know the importance of reusing materials and how to save.* (Training Manager)

*There is more emphasis put on the blokes down the bottom doing the hard work. We are doing some jobs 10 to 20 thousand dollars cheaper than what we were doing years ago.* (Training Manager)

Occupational health and safety indicators are also showing more effective results.

*Accident rates have definitely gone down, but it is very difficult to isolate the effect solely to the FMI. Because of the FMI they have been made more aware.* (Training Manager)

Efficiencies in workforce indicators have been experienced.

*Absentees have dropped. We don't have people staying at home because of their home problems, and we don't have people staying away from work because they can't cope with them there.* (Training Manager)

Furthermore, Railco is more focussed on the maintenance and upkeep of the infrastructure, realising that this is an avenue of quality customer service provision.

*We are more customer focussed. We focus on making sure that our infrastructure is to a standard that is not going to slow [the] process down.* (Frontline Manager)

## Changes in individual, organisational and business effectiveness since the FMI

While there are various changes in the effectiveness of the individuals, organisation and business noted at Railco, interviewees had difficulty determining the specific contribution of the FMI program.

*It is difficult to assess how much change has come about from the FMI and how much through internal management. They are all part of the one web and the FMI is certainly a structured way in which to push the concepts of modern management.* (Training Manager)

*It's not something you can [reduce] to dollars and cents.* (Manager)

FMI is seen as contributing to a significant shift in the attitude of managers and in increasing the their confidence in their own abilities.

*My behaviour now is a lot better. I don't get snappy. We are putting trust in the people out there where we never used to before.* (Frontline Manager)

*I thought it would tie us down a lot but it didn't. We use it now because it helps us a lot.* (Frontline manager)

*Everyone from the track section supervisors upward seems to be really switched-on managers.* (Employee)

*I am more motivated in what I do. I go into things a lot more before I make a decision.*

(Frontline Manager)

Organisationally Railco appears to be functioning better as a whole than in the past where the sense of unity was not there.

*Being able to network, it's a community thing within the organisation.*

(Manager)

There is evidence that the FMI has had an impact on the business in terms of reducing bottom-line costs and assisting improvements in service.

*Railco is carrying heavier tonnages on its track, with fewer accidents, having reduced its workforce on track by at least a third. There have been other factors like capital investment and new-rolling stock, but the track is standing up to [huge loads] which means that people are maintaining it properly.*

(Manager)

## Organisational strategy and the FMI

From a strategic sense the FMI has produced some effective advances towards placing strategy into the workplace and out of the boardroom.

*The FMI has opened [managers] up to trends of competition in the workplace. Because they've become more involved in the planning processes they are starting to see the bigger picture.*

(Training Manager)

*The FMI is a way to push down the thinking from the top to the bottom. There is a value change.*

*People get paid for their competencies. And when you pay people for competencies, you are valuing their individual contribution.*

(Manager)

*I think the strategies have been developed already, but I think the FMI has helped with the implementing of these strategies.*

(Frontline Manager)

Railco is developing a unified culture through the development of consistent and effective leadership approaches in individuals. Strategies of management skilling are leading to strategies of culture change, of which the FMI is a major tool.

*It is going to make better leaders out of them. Down the line it is going to make better workers who are going to progress through and become really good managers themselves.*

(Training Manager)

*Instead of me analysing what I think they need to do and putting it into neat logical groupings, it's about sitting down with them, and working out their logical groupings. And invariably I find there's a practical logic to the way they think.*

(Manager)

Railco's HRD strategy for FMI implementation involves the alignment of strategic directions and learning structures for participants. Railco identifies this as an important part of the overall effectiveness of the FMI as it puts learning on the enterprise agenda.

*The HRD strategy has to be that there is an articulated path of development, aligned with organisational needs. The FMI is a very neat way of bringing people onto the organisational imperatives of how we have to manage in the future.*

(Training Manager)

A strategic approach to the implementation of the FMI appears to be one of the main contributing success factors of the program.

*We started at the bottom with our lowest level managers, and targetted them first. And that has been one of the successes because they are the people who are quite often overlooked.*

(Training Manager)

A prospective participant anticipates that the FMI will become a selection criterion within the organisation for some management levels.

*The FMI is the only way now. I will do it if I get a chance. But I'm happy to do it because it's going to benefit me in the future. It will help you get employment somewhere else I guess. And with other*

*levels in the organisation moving up, as scary as it is, if we can show them that we can perform then maybe we'll be around longer. Because of the changes being pushed on us, no one feels safe. We don't feel real confident.* (Employee)

## Critical impact of the FMI on the organisation

The greatest impact on individuals is the development or enhancement of fundamental leadership and management qualities.

*The development of the supervisors. These guys are responsible for large sums of money, and they are handling it in a far better way than they would have done in the past.* (Manager)

*The FMI is actually reaching every aspect of the day-to-day job. It's not just go to a course, come home and forget about it.* (Frontline Manager)

Organisationally the enhancement of relationships in the Railco culture is seen as attributing the greatest impact for the organisation both now and in the future.

*The fair dinkum working relationships with the men at management.* (Frontline Manager)

Business impact is expressed simply as 'greater efficiencies' in the overall picture. In addition, from a strategic point of view, the development of a culture focussing on 'the bigger picture' is reciprocal in producing both individual and organisational benefits.

*It has opened [managers'] eyes to the bigger picture and [to] understanding the reasons and impact of workplace practices. It's given them a sense of self-worth.* (Training Manager)

## In hindsight

With all the success that Railco has enjoyed with the implementation of the FMI they recognise that the program could still be enhanced. The primary area of focus for Railco is an internal issue of management support.

*A lot of the people who need the FMI are people who can't really put things into words terribly well. When [this] is only partially understood by the senior management, it doesn't get the same support and is therefore less effective.* (Training Manager)

Another issue arising from the FMI program involves 'finding the time', and the need to have senior managers supporting FMI reflection and evidence collection as part of the job, legitimising learning in the workplace. Nonetheless Railco is endeavouring to put strategies in place to ensure future success.

*One of the biggest problems for the guys is finding the time. I would like to see a commitment from the higher managers to allocate time for the men to work with [trainers].* (Training Manager)

An area of concern for Railco centres on the provision of FMI learning strategies by some providers. Railco noted that the emphasis for learning should be based on the workplace.

*The FMI is predominantly for people who are in the workplace. A lot of TAFE colleges are offering it very badly because of that misunderstanding.* (Manager)

One of the advantages of the FMI for participants is the recognition of their skills in a nationally endorsed qualification. This is a factor providing motivation to individuals.

*Courses we used to do with Railco [were not] recognised outside if we ever left. With the FMI, if you left and went into a business, it is something I would be able to take with me and use.* (Frontline Manager)

Without the FMI Railco considers that the implementation of structural and strategic changes in the organisation would not have progressed as calmly and effectively as they have. The FMI has helped people to accept change, allowing the organisation to move forward in critical times.

*We'd still be fighting against every bit of change that comes in. The FMI helps to adapt to change.*

(Frontline Manager)

## Conclusion

Despite being a pilot FMI site and pioneering the meaning of the FMI in practice without the current support materials and knowledge base, the FMI has been a significant success for Railco as a business, as an organisation and for their participant managers.

Railco's prior commitment to CBT made Railco receptive to the Frontline Management Initiative and this was allied to a strategic alignment between the program and enterprise development. Their active management of the program has been a critical factor in adapting and developing a more developmental model of the FMI. The company has explored many options but recognised the value of voluntary participation, workplace-based learning, customising of the content, workplace mentoring and coaching, supporting language development, and multiple providers.

The FMI may be most beneficial when significant groups of graduates in clusters are able to move their individual learning into the workplace and contribute to more effective interaction. Increased involvement of frontline managers in planning has created more room for participative workplace decision-making at all levels. Individual managers, as they develop leadership qualities, are changing the culture and attitudes of those around them. This creates a 'unity' of direction and the FMI behaviour change becomes 'part of the web' of cultural change. Railco has made an active investment and this web of cultural change is their reward. The impact of the FMI in this organisation is as a critical catalyst of change. While there may still be a need to place learning on the day-to-day agenda, it appears that learning is being legitimised as core business activity in Railco.

Railco has pioneered a developmental approach to the FMI, demonstrating the flexibility of the framework to encompass rural and remote workplace locations. Railco has established patterns of practice from what were just words on paper describing what the FMI might be like. The company has reaped significant benefits from managing their learning struggles and also provided many others with a map of possible FMI practices and issues.

## Organisational context

Careco is a child care centre—a small, not-for-profit business which provides work-based children's services to a national government research organisation. As part of the management strategy, this organisation is committed to the on-site provision of child care services for its 6500 employees. Careco is one of four child care centres throughout Australia that services this large organisation. It employs fourteen staff, the majority of whom are full-time. The day-to-day running of Careco is the responsibility of its Director. The Director reports to a committee of management which has a governance role.

In what follows, various perspectives of the impact of the Frontline Management Initiative (FMI) at Careco are presented, including a corporate and a small business perspective. Interviews were conducted with the Director of Careco, a senior manager in the research organisation for which Careco provides services, a participant in the Frontline Management program, and three staff members. Careco's Director, who is a graduate of the Frontline Management program, performs a dual role: 'recommended as the benchmark for small business frontline management', she is both a frontline manager and a frontline manager developer.

## Getting involved with the FMI

Careco was involved initially in the FMI as a pilot company. It was one of the businesses which took part in the small business pilot program which commenced in 1996 and concluded in 1997. One of the first to undertake the Frontline Management Diploma, Careco's Director was 'the first person in Australia to have gained it'.

*At that time, the pilot people would come from the college out to each particular organisation and discuss things with you and do your assessment on the spot in your workplace and they were looking for workplace examples to meet the competencies for FMI. What we found in my case I gathered was quite exceptional. For the whole eleven units here, I was able to meet every single competency without doing any work at all, any extra work at all. It was all here in my filing cabinet. I could go there and I could just produce documentation, evidence, and talk about it.* (Manager)

Prior to the development of the FMI, Careco's director had been enrolled in the Certificate in Small Business.

*So some of us enrolled in that and we did it over a 2-year period. That was just absolutely fascinating. That was the whole new world and from that point I stopped thinking like an early childhood person and looking back on it, that's when I really became a manager.* (Manager)

FMI was readily accepted at Careco by the Director and the Committee of Management. They could see the benefits that would be possible by being part of the program.

*The things that I thought were very positive about Frontline Management as it was at the time were that people would come to you in your workplace ... Everything that was required in terms of assessment was related directly to your workplace. There was nothing that you did that was a time*

*waster. You could use it straight away and that I think was extremely valuable for people in the workplace.* (Manager)

The program has appeal because it was geared towards ‘the work people do’. More specifically, it is considered to assist with ‘practical management on a day-to-day basis’. This practical emphasis continues to be valued by participants in the program today.

*It's more hands-on and what you learn you can then go ... directly to your work and do it rather than just reading a text book or having exams and not being able to practise. Put it into practice. And I have been lucky with [the Director] as my mentor. We put a certain amount of time aside each week and we go through the unit and I will show her what I have done. It's all here. I can do all of it here.* (Frontline Manager)

## Difference in manager performance since FMI

Subsequent to the introduction of the FMI, a number of differences in manager performance were noted at Careco. The FMI is consistently reported as building people’s confidence and expanding their awareness of their work.

*It helped me to become more confident in myself and to give my work more.* (Frontline Manager)

*I felt that the parents thought that we played with the children when that really wasn't the case so I wanted them to understand that we do a lot more in the room than feeding, changing, playing with the children. We have set goals for the children and we have a program with set activities. It isn't just toys on the floor and have the children crawl around ... we do creative things and have learning encouragement.* (Frontline Manager)

The specific changes evident in the staff member currently undertaking the FMI are reported to be: ‘A greater sense of responsibility; a whole picture of things; awareness of ways to work with people to achieve outcomes that you as a manager know you must do’.

## Difference in organisational performance since FMI

While no direct causal relationship is reported between the FMI and the everyday running of Careco, it was apparent that the centre operated effectively and the FMI is one significant contributor to this environment.

*I think it is run really well. [The Manager] does a wonderful job. I was going to say that from when I've started to now, I don't see a great deal of difference. The centre has always been run well.* (Employee)

*Everything is settled very well. Everything is written out very well. For a complete stranger, they can come in and take over things. Everyone knows what is expected of them and anyone in doubt there's written work for people to have a look, written up things on the notice board. Everything is specified so well. Anyone can do anything. It's that kind of place. So I think the centre is very well run.* (Employee)

*I have noticed a big difference between a place run properly, such as here, compared to a place that's not.* (Employee)

## Difference in business performance since FMI

The Director of Careco indicates a positive relationship between the FMI learning activity and current business performance. Careco operates ‘on a knife edge in terms of break-even capacity’. While ‘it has always been nip and tuck at the end of the day’, the business is sustainable. A senior manager in the parent organisation spoke to this sustainability in the following way.

*Good planning, proper financial accountability and proper financial planning. Good budgets. Sensible budgets. Working to a budget. Being able to balance budgets but also not to the detriment of being able to afford luxuries every so often and being able to do interesting things. So not being too strict I suppose but having that accountability because you hear about other child care centres that don't plan as well as we plan and suffer the consequences.* (Manager)

In the light of the involvement of Careco's Director in the FMI, this organisation now has confidence that Careco is 'being run properly' and 'has a proper business focus'.

*It's the comfort zone of knowing that this is being run properly. To know that it is being done correctly, that we meet the legal requirements so that it has a proper business focus. 'My goodness, we have a business plan every year'. Things like that. Because the Committee will sometimes say: 'But that's standard business practice', and that's good because the Committee changes each year.* (Manager)

The FMI was perceived to provide 'methods that we could use to make sure that (Careco) became a viable business'. Utilising these methods and bringing her own business acumen to bear, Careco's Director was able to effect a change in business performance.

*I have seen a steady increase in children. Like it's really full at the moment. When I first started it wasn't as full.* (Employee)

Careco now has 'a self-generating waiting list' with some parents, it seems, being disinclined to take their children away!

*We do have a waiting list. Fortunately, we don't have to go out and market ourselves because the reputation of this centre speaks for itself. We have a self-generating waiting list.* (Manager)

## Changes in individual, organisational and business effectiveness since FMI

While various changes in the effectiveness of the individuals undertaking the Frontline Management program are noted at Careco, interviewees have difficulty determining the specific contribution of the program to individuals and the organisation.

*I am sure she has benefitted from it but I am sure it is like one of these incremental things. I am sure she is one of these people who actively goes out to try and improve herself and each increment is obviously getting smaller and smaller as she attains capacity at some level. Because of what she was doing, a lot of her philosophy or whatever was in existence before Frontline Management arrived and in a way Frontline Management probably just said: 'Here is now a formula, a method of doing this'. I think her philosophy and method were pretty much frontline before it arrived. So to say that it was a marked improvement is difficult to put my finger on.* (Manager)

Nonetheless, the FMI was perceived to produce a significant shift in the attitude of senior management towards individuals as well as in how individuals viewed themselves.

*Having achieved the Frontline Management Diploma, it changed a lot of people's attitude to what I did ... In general terms, it's changed the Committee attitude because it's now obvious to everyone because someone externally has recognised that I am a manager and that's what I am, just like my title has been changed recently. Nothing else has changed but the perception is quite different.* (Manager)

Careco staff work in an industry where little recognition is given to the depth and breadth of their skills. Taking on a management qualification is a means of gaining recognition and showing 'that people who work in the early childhood field are not people who muck around with kids all day'. With respect to Careco's Director, it meant recognition that she was performing a managerial role and doing a job equal to any other manager:

*What it actually said to me was: 'Hey, you are doing a job that you didn't realise you could do'.*  
(Manager)

The biggest changes for Careco as an organisation centred on improved teamwork and increased awareness of 'wider responsibilities'.

*When someone calls and says, 'I'm sick', you need to arrange staffing so it works smoothly and efficiently and I have learnt to do that and have everybody out working as a team and have everybody put their input in or have their ideas: 'Well OK, we could do it this way, or we could do it that way'.*  
(Frontline Manager)

*I think perhaps the staff now are more aware than they were before Frontline Management about lots of issues, not just their own work ethic issue but also the larger picture if you want to call it that. Their wider responsibilities, and they just seem to be much better versed about the running of the centre and staff development opportunities I think.*  
(Manager)

## Organisational strategy and the FMI

There is a visible strategic intent at Careco to develop people and build organisational capability. As noted above, staff at Careco are aware of development opportunities, including the kinds of opportunities that the Frontline Management program presents and its purposes in relation to small business. The FMI was described variously as:

*Sort of trying to make the team work kind of stuff. Yeah, getting people to work together in a more efficient manner.*  
(Employee)

*A lot to do with the 'well running' of the centre, the way that the person in charge communicates with us, and with the parents, and how the centre can be run better.*  
(Employee)

*Trying to train people ... in looking at how to run a business from a management point of view but not like in a big corporate office or anything, but more with regard to small business.*  
(Employee)

The Director actively pursues a policy of building capacity in the organisation by linking her own learning to learning that her staff might want to pursue.

*[The Director] has taken a bigger role in her teaching with us. She is having tutorials with us in whatever we want to learn extra about the centre. So her teaching role has really developed a lot more and she is eager. She is always asking: 'Is there anything that you are interested in that you want to learn about?' and we will go through it ... She is much more enthusiastic. She is wanting to teach us what she is learning. So that has increased amazingly really.*  
(Employee)

Strategic development of the FMI in Careco owes much to the drive and capability of the Director who acts as a role model and training champion.

## Critical impact of the FMI on the organisation

Arguably, at Careco, the impact of the FMI on individuals is the impact on the organisation. The FMI can affect individuals deeply.

*The biggest thing for me personally was the recognition: 'Oh, gosh, she really can do this'. It was a reinforcement for me that what I was doing was correct. That some things just made sense or were logical or showed that you were organised, that you respected people, and you wanted to have fair dealings with people—they were actually the right things to do. So that was really good to know.*  
(Manager)

The FMI can create conditions for a new and improved sense of self. As a participant in the Certificate in Small Business and subsequently the FMI, the Director found herself forming a new professional identity. Identification with the role and identity of small business manager was very

strong. Interestingly, this identity was validated recently when the Director was formally given the title of ‘Manager’.

*My title has been changed recently. Nothing else has changed but the perception is quite different.*  
(Manager)

## In hindsight

At Careco, the FMI works primarily at the level of the individual, which in turns feeds the organisation. An important part of the appeal of the program is the possibility of gaining a management qualification and achieving due recognition of the complex character of child care. The staff at Careco have ‘a range of qualifications from degrees in early childhood through to diplomas and certificates’. They do not however, have ‘anything that is managerial’. As a staff member who expects to join the program in the future states:

*I don't really have anything that is managerial. I don't have any managerial qualifications and I really don't know what is expected of a manager so I think I will learn a lot.*  
(Employee)

The FMI also appeals on the grounds of it being a practical program where ‘people would come from the college out to each particular organisation and discuss things with you and do your assessment on the spot’. Recent experience however, suggests that the delivery of the program is changing. Consequently, the FMI is ‘not so tailored to people’s needs’ and the practical relationship that it has with workplaces is at risk.

*I think now that's [coming to you in your workplace] expensive to organise for an organisation and that's what people have realised. Now frontline management is not so tailored to people's needs. For example, I have been involved this year in training for frontline management. That's another benefit that I have gained—to be asked to train, so I am now at Universityco and I am training some of their corporate clients ... So the way it is working now is that I do a three-hour session with my group, 20 odd each week, geared to the particular unit [of the FMI course].*  
(Manager)

## Conclusion

As a Frontline Management program which provides ‘practical management on a day-to-day basis’, the FMI at Careco is quite successful in this smaller business. Its success is achieved as a result of a number of factors coming together and creating conditions for change, both in individuals and the organisation. Undeniably, the Director’s prior experience of related programs and active interest in ‘the whole new world’ of business management, provided a ‘warm start’ for the FMI.

Careco has a relatively long track record of association with the FMI and provides evidence of smaller business engaging with a competency-based management development program. As both a graduate of the program and a trainer of prospective Frontline Management graduates, the Director is in a unique position to comment and assess its contribution.

*I would want to keep a practical emphasis in FMI in relation to the work people do. Because that's how I see FMI, as being geared towards being practical management on a day-to-day basis. Unless frontline management can continue to have that practical relationship with its training then I think a lot of the potential value will be lost.*  
(Manager)

Careco is shaping the FMI to meet the needs of individuals and the organisation. Its experience of the FMI has emphasised the interrelationship of these needs: ‘She is having tutorials with us in whatever we want to learn extra about the centre’. Like many other companies that invest in training and development, it also understands the role and importance of the ‘training champion’. In performing this role, Careco’s Director could be said to be the key to the program’s success.

# Communicationco

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## Organisational context

Communicationco is a national public sector organisation structured according to state and territory boundaries and is grappling with the challenge of becoming an independent business. Currently over half of the services offered are in direct competition with private sector activity. This case study is an account of the adoption of FMI in one division of the organisation which is bounded by state and territory borders. The division can be categorised as a large business in its own right as it employs over 3500 staff providing a service over urban, rural and remote

*We have 3 main groups of staff... Retail ... Distribution processing ... Distribution plus professional staff in Sales, the Executive and IT and there are call centre staff.* (Training Manager)

The participants who were interviewed come from both the retail and distribution area, and from the information processing sections. The organisation has been changing its business orientation for more than ten years, and managers indicate that this strategic adaptation will continue.

*The business wants to go forward, diversifying products and moving into e-commerce and products. Communicationco is launching a new program as a middleman in internet trading using its distributive capability.* (Frontline Manager)

The core of Communicationco's staff is long-serving employees without tertiary qualifications. Previously there has been little enthusiasm for qualifications, with an emphasis on practical training activity. However managers indicate that the newer staff do value the portability that qualifications provide.

The staff interviewed at Communicationco included the Manager of Learning and Development; the state Manager of Distribution; a Contract and Area Manager; a Retail Outlet Manager and one of his employees; and a Manager from the Information section and one of his employees.

## Getting involved with the FMI

The gradual move to a more commercialised environment with associated downsizing has required considerable organisational change. One response to the demands of the current organisational changes has been for Communicationco to seek strategies that will improve management skills. One senior manager who was aware of the Karpin report worked with the Learning and Development Branch to develop training programs that were based on the emerging FMI competencies. This particular division led the way and the FMI programs that evolved were then applied nationally two years later on. The manager who was the prime mover in this activity has since moved to the organisation's head office. There the competency-based management development approach has been integrated into an executive-level program.

Initially the FMI program was rooted in traditional training activity and overlaid with a seeming mountain of evidence collection. The managers developing the program had no local models for workplace-based learning to guide them, and the materials that now support the FMI were not yet available. Their only supports were the basic competencies and the draft pre-production co-ordinators', participants' and assessors' guide.

*[It was] a disaster ... no one knew how to do it four years ago ... it was a paper chase.*

(Training Manager)

After the first year of activity there was some internal pressure to dump FMI. However, soul searching reinforced a commitment to the vision of what the FMI could offer. Rather than withdraw from the program, the Manager of Learning and Development began a process of review and re-modelling, modifying the framework and adapting the learning practices to suit Communicationco. There was a significant shift from an emphasis on certification towards relevant workplace learning and observable behavioural outcomes. Since those early ventures, there has been ongoing refinement of the program, including a 50% reduction of the 'classroom' delivery and an increased focus on FMI project work.

The FMI has maintained its position within the organisation because it offered practical work-related learning valued by managers. The organisational challenge was to devise learning practices that matched the FMI emphasis on individual work roles and individual responsibility for learning.

*[A senior manager] said he believed in the school of hard knocks. The academic approach is more theoretical and [he] is critical of it.*

(Manager)

The possibility of obtaining a portable qualification was an incentive to many participants. There is also the added value of a piece of paper that validates and helps make skills portable beyond the organisation. In Communicationco participants are nominated by their managers to participate in one of the three levels of the program. More recently an assessment process was added to the screening process to identify suitable participants and determine the appropriate qualification level. Promotion and manager role specifications now indicate appropriate levels of FMI certification. The FMI program is integrated with many HR practices. However, unless a staff member is directly involved in the FMI programs or focussed on gaining a management role they may be unaware of the importance of the initiative within the company.

*Subordinate of one participant said he didn't know any thing about it prior to this [interview] conversation. 'I've listened to [the participant's] comments about the project but haven't got much information about what specifically he is doing. There isn't much interest from staff in what he is doing.'*

(Employee)

However, for some employees the evidence of the program is in the changed behaviour of their frontline manager and the learning and knowledge about managing that they subsequently apply to the job.

*[Seems to us that he] learned bits and pieces. The most important was understanding [himself] ... [he] didn't want to go higher, so [he] didn't complete it ... but [he] learned to deal with conflict ... that was useful in a specific situation.*

(Employee)

## Difference in manager performance since FMI

The FMI is both accelerating the influence of the more effective managers in the organisation and is creating more awareness of self-development needs for those with less managing identity.

*Study expedited changes. Good managers progress quicker in the organisation.*

(Manager)

*The difference is in the people with less skill and competence who now understand what competencies are required and how to perform the role effectively.*

(Manager)

FMI participants are developing skills in facilitating learning and coaching staff as well as gathering a toolbox of skills for coping with change.

*It makes little difference to those who were already good managers, but it has helped them to develop and guide staff ... [He believes] there is a better ability to cope with change.*

(Manager)

The benefits for individuals pass immediately into changed working environments for their work team where better leadership creates more effective team work and responsibility to contribute positively to the business direction.

*In both of the managers [he has] going through the FMI he has seen improvements in their leadership ability, an increase in teamwork ... and greater conscientiousness and eagerness to see the business grow and improve.* (Manager)

Both FMI participants commented on the change in managerial style that they had observed in some of their fellow participants towards softer skills.

*For instance [one man's] dominating style has modified so he is not as dominating. [The participant] has an understanding of how people learn and react ... Understanding people's learning styles makes it easier to teach them.* (Frontline Manager)

Changes observed by other employees tend to emphasise the interpersonal aspects of their manager's behaviour. Despite not being aware of the content of the training, a subordinate commented:

*He's changed in that things don't get on top of him as much. He delegates more work ... not as much stress on DO THIS NOW. He leaves it to people to organise the time to do it and checks for completion.* (Employee)

This employee indicated that such behaviour patterns were in contrast with other managers he had who were far more control-oriented.

## Difference in organisational performance since FMI

The FMI is seen as one of the initiatives supporting the move from a public service organisational culture to a business culture. The FMI is including more managers and teams in the business direction through changed attitudes to learning, but sometimes these new attitudes may conflict with more senior managers who have not had the FMI experience. The growing numbers of FMI managers are contributing to the organisation's succession plan.

FMI is a critical component in the evolution from the old public sector mentality of jobs for life. Linking competency levels to managerial posts is a structural reinforcement of the new culture.

*FMI 5 is set as preferred level of training for Delivery Centre managers. Most have been offered a contract at higher pay and on ... they have to demonstrate this level of competence.* (Manager)

There is divided opinion about whether the FMI in its current form is the major component changing organisational culture and structure. The FMI is involving more managers who in turn are using a more inclusive style of management with their own teams. This is changing the organisational culture towards one where employees are aware of and involved with furthering the enterprise direction.

*It appears to be involving everyone else now. Before managers said how things were to be done and made the decisions. Now staff are presented with 'These are our goals. How are we going to meet them?'* (Employee)

*Working out what sells, what to provide to customers, what staff need to learn and understand. There's been a sort of breakdown between the hierarchy and the plebs; ... But there are still those who are one rung up and think they are it.* (Employee)

However one participant comments on the difficulty of working with senior managers who have not done the FMI program, illustrating this with the difficulties he faces in developing a service level agreement between his unit and another unit. He was able to work out the win:win details between himself and another FMI participant, who was a member of the second unit. However the manager of the second unit, who is not an FMI graduate, rejected the proposed restructuring of

work-flow in his unit which could reduce the costs. There was a focus on subordinate goals rather than superordinate goals, and savings for the enterprise and business effectiveness was lost.

While the FMI has changed attitudes to learning these are now structurally embedded in the organisation. One senior manager sees FMI demonstrating the value of competency-based training throughout the organisation. In particular:

*There is better alignment between training and skills for competencies relevant for supervisor and manager positions. The three levels of FMI correspond to the [middle] management levels used in the organisation.* (Manager)

As FMI has demonstrated useful outcomes in terms of supporting organisational change and direction, it has become a catalyst for senior management to construct and develop a structured approach to management development and succession planning.

## Difference in business performance since FMI

Senior managers believed that there is an improvement in performance of retail outlet against performance indicators. Unfortunately this was difficult to measure as the targets and performance indicators had changed over the time.

*Sometimes in retail you don't realise you are improving because you have shifting targets to meet.* (Frontline Manager)

There has been a significant shift towards a customer focus over the past ten years and managers indicated that the FMI supports and provides tools for recognising and improving service to internal and external customers, contributing to improved service delivery. Responsibility for relationships with customers has been progressively devolved, and managers indicate that and FMI has enabled managers to accept that responsibility, share it within the work team and improve customer satisfaction.

*It is not always the manager who deals with outside customers now ... if he is not available, we can act to resolve issues rather than just take a message. Therefore the customer sees some progress straightaway ... [They have] drafted procedures and if [the manager] is away we can refer to them.* (Employee)

Evidence of a positive relationship between FMI learning and improvements in business performance is indicated by each level of staff interviewed.

## Changes in individual, organisational and business effectiveness since the FMI

In the past ten years Communicationco has moved from being wholly taxpayer-funded to having over half of its business subject to full competition, paying rates, taxes and a government dividend. The FMI is a part of this strategic development process. Managers indicate that changes in attitudes about managing and learning of FMI participants are contributing to greater inclusion, focus and direction in workplace behaviours. These organisational improvements have benefits in terms of improved customer service for the new business direction.

*Clear direction for the development of people ... For team leaders who are keen to get ahead it is 'fantastic' because they can see what they have to do ... work their way to get there.* (Manager)

Through FMI, competency-based training is becoming entrenched in the organisation and is providing a platform for practical individual development that can improve business performance. The FMI is viewed as a practical development process that is delivering outcomes relevant to where the organisation is heading. There has been an increase in team work, better inter-relatedness

between layers of management, and it has provided individual managers with the skills they need to manage people, understand financial reports, and monitor the commercial realities that are now their responsibility. The effectiveness of the FMI is also reflected in the internal career progression of people who have participated in the course during the past two to three years, saving the costs of recruitment and socialisation.

## Organisational strategy and the FMI

For Communicationco the FMI provides a clear direction for the development of managers. It links to more advanced development programs for senior executives. In essence, it means that, despite the ageing of the workforce and the complexity of the change process, Communicationco has a workable, tested strategy to help make the managers and management skills available for the future.

The FMI supports the externally driven change in direction with which Communicationco has engaged. The action learning methodology that has been developed matches the organisational cultural values of practical rather than theoretical learning outcomes. The links established between demonstrated competence and higher pay emphasises Communicationco's commitment to the program, encourages transfer of learning and represents an integrated HR strategy for the FMI.

Approximately 8% of staff have participated in the program. Not all participants have engaged with and applied what they learned. 'There are lots who are lazy and not adding to the business.' Senior managers who have not been exposed to the program may still use budget management strategies more suited to past organisational systems and goals.

*The younger and less experienced benefit more than the older more experience.* (Manager)

To install and maintain the management culture the FMI is developing throughout the organisation, the FMI may need to be associated with other management strategies for cultural change and more senior management development activity.

## Critical impact of the FMI on the organisation

FMI is not a fix-all. Given the increased dimensions for change anticipated in the future there is a sense that this may not be enough to maintain growth in the future.

Participants and subordinates provided examples of the changes in management style from an autocratic approach, based on positional authority, to a more co-operative collaborative style. This has freed up the talent of people working to these managers, developing problem-solving skills which are more useful for the future.

*[The FMI has been effective for] everyone. [The manager] is going to have a challenge dealing with anyone who doesn't like change.* (Employee)

*[The subordinate] has seen people do things they haven't done before on their own initiative for example, cleaning shelves, dusting ... may link to FMI or could be relief from not having the previous [substitute] managers. This manager doesn't push you away to solve your own problems or give bombastic orders.* (Employee)

In addition, the program provides specific management skills to enable managers to undertake their role. On the other hand, the changes can't all be attributed to FMI. However FMI is an effective complementary program to support the acquisition of relevant knowledge and skills.

*Not sure [whether FMI] is linked to where the business wants to go in the future ... assumes it does ... no negative feedback to the centre [Head Office] ... staff skills have to be relevant and anecdotal evidence suggest it is practical to apply.* (Manager)

## In hindsight

Communicationco has continued to modify the FMI to suit its needs over the four years of its application. Areas for refinement now include ensuring that senior managers also subscribe to the principles outlined in FMI 5.

*The opportunity for the FMI 5 principles to be refreshed with senior managers and executives would be good. Sometimes senior support of FMI seems to be lip service—more so for those who have been there since the old public service culture.* (Frontline Manager)

The Learning and Development Manager and a senior manager felt that a greater emphasis on leadership was needed. The FMI focusses on management. The senior manager also felt that the competencies in the FMI were the qualifying standard rather than those required for top performance.

For one participant, communication presentation skills could be improved by using real material which required understanding and justifying.

## Conclusion

The key to the effectiveness of the FMI within Communicationco lies in the practical work-related content and processes used in its delivery. The FMI was adopted at a time when the organisation was changing direction, and having to reduce staff numbers. Communicationco needed to refresh and redirect its management skill base.

Communicationco is a pioneer of the FMI activity. With limited support and no existing models for this innovative workplace learning process, the organisation had the vision not only to commit to the FMI, but to re-develop an alternative approach from participant feedback. By increasing the action learning component of the program and integrating the skills required into the reward structure, the organisation fostered a greater return on its investment in training. More developmental practices were instituted.

Employees indicate appreciation of the change in the way they are managed. FMI learning has changed many management behaviours. This has created a more inclusive approach to managing, improved teamwork and directional focus. However, these changes are not universal and FMI graduates may find their new style in conflict with some existing behaviours. There is also a risk that the trained dynamic managers may take advantage of the portability of their qualification to join organisations whose approach is more compatible with their training. However senior managers view this as an acceptable risk, seeing that this may demonstrate to those remaining both the value of the training and their own employability.

The positive impact on most individuals and their organisational areas has led to business impact. Senior managers report that surviving the turbulent business re-orientation and becoming more customer-focussed has been assisted by the tools, attitudes and action that the FMI has engendered. The FMI has been an important component of business strategy and re-orientation. There is evidence to suggest that the cultural change fuelled by the FMI is just the beginning of a new management behaviour pattern. If the business is to gain the full rewards from the FMI investment and change the paradigm of managing throughout the organisation, related development initiatives that will embed similar management patterns within the management culture may be necessary.

## Organisational context

Trainco is one of the most substantial public providers of vocational education in Australia. Employing around 2200 teachers and consultants, it is spread across various campuses in metropolitan and non-metropolitan areas. Trainco was established through the merger of a number of other large post-secondary education providers. Critical to understanding the organisational context is the restructuring which followed this merger.

As a new large organisation, Trainco is attempting to create and sustain a shared vision. This vision gives priority to learning and development (by contrast with training and development). Trainco's avowed purpose is to provide vocational opportunities for individuals and groups by means of a strategy of applied education. Utilising this strategy within the organisation, it is currently building its own capacity to learn. The Frontline Management Initiative is an integral part of this capacity building.

In the following account, various perspectives on the impact of the FMI at Trainco are presented. Those interviewed include: Manager of Organisational Development, the manager with responsibility for co-ordinating the Frontline Management program, two participants in this program and a staff member who is currently managed by one of these participants. This staff member is also a participant in the Frontline Management program.

## Getting involved with the FMI

National Frontline Management competencies were circulated across Australia with the release of version 8 in 1996. The FMI process was piloted as an ANTA project in 1997. One of Trainco's many sites was involved in this piloting. 'Driven by our CEO', the FMI began at this site, prior to amalgamation. As a senior manager at Trainco comments:

*[X site] was involved in a lot of the initial work done with FMI, including the piloting of FMI in a number of places across Australia and it was pretty much decided that if we were going to have a product like FMI that we were thinking of marketing, that we also should think about how it worked in our own organisation. So there was always the intention to have both internal and external provision of FMI.* (Manager)

From its inception, the program performed a dual role.

*[My role was] to implement it to staff. Because we wanted to look at it as a commercial option down the track, it was probably the best example of: 'Doing what we say'. We were out selling it but we were also practising it.* (Training Manager)

Managers undertaking the Frontline Management Initiative at Trainco typically fall into two groups: people working in non-teaching areas—'corporate people'—and people engaged in teaching, learning and development.

## Difference in manager performance since FMI

Many differences in the performance of managers, most particularly managers who 'hadn't had very strong academic backgrounds', were noted over the course of the four years that FMI has been running at Trainco. Overall, these managers are observed to be more proactive, more decisive, 'better equipped to do their job'. A senior manager gives the following account of the difference in performance of people he observed doing FMI. Interviewees commonly account for this difference in terms of participants' increased confidence as a result of undertaking the Frontline Management program.

*For the people who I observed doing FMI, particularly those who hadn't had very strong academic backgrounds, I think they came out of it with really enhanced self-esteem in the process, and it continued, and it continues to show in the work they do in the organisation. Whether that be applying for other positions, or just in the way that they approach jobs and tasks and participation in teams and all those sorts of things. I think they are much more confident people. They have much more confidence in their ability to be able to do things. I think it has added attack strategies for people ... So I think people are better equipped to do their job. And I guess that's what management development is all about.*

(Frontline Manager)

By demonstrating an ability to 'tackle the big issues', people who had completed the FMI are perceived to be better managers. These 'more-rounded' managers are reported to have increased capacity to address people issues; that is, hard issues like whether or not staff are performing properly.

*A lot of junior managers, people closer to the frontline if you like, I think they are often loath to address the people issues in a serious way. They are happy enough to manage the process of the staff, but the performance of the staff who work for them, they are often not particularly good at focussing on that ... From my experience with people I saw, they are much more likely to address those issues after being involved in FMI because it gave them a structure under which they felt they could tackle them and gave them the confidence to be able to do it. So I think from a cultural point of view, for someone who is working for someone who has completed the FMI, I think they would see their manager as being a more rounded person and without gaps of 'no go' areas. I think it takes away some of that sort of: 'Well we never talk about that because it's too hard'. I think it does that. So I think people would feel that they are probably being managed better.*

(Manager)

## Difference in organisational performance since FMI

The FMI is perceived to have improved the performance of the organisation by creating a pool of people 'whose potential had been unlocked' and who 'were able to tackle roles that they wouldn't have done before'.

*So we went from a situation where probably we would have had to have bring in people from outside the organisation, advertised externally, to having a pool of people who were capable of doing different jobs ... Trainco benefitted enormously from having a number of people who were able to do that.*

(Manager)

Apparently, the FMI also acts as an organisational leveller: 'it makes the place less hierarchical'. It facilitates the development of an integrated or team management approach. In the words of one of the graduates of the program, it 'assist[s] in putting responsibility where it should be'.

*The basic tool and the basic competencies are excellent. I think it is really terrific. If it is done reasonably well, then it does have all these organisational implications which aren't just about stirring. They can be really constructive and they assist in putting responsibility where it should be. Whether that's up, down, or in the middle, it makes no difference. We ran an FMI project at a TAFE in Gippsland. We ran it for them. What they did was that the CEO did it first, then his general*

*manager did it, and each time one completed it, they would become coaches for the next level. Fantastic. Not many organisations are brave enough to do it that way.* (Manager)

## Difference in business performance since FMI

When the FMI was initially introduced to Trainco, various ‘gaps’ were identified in the organisation’s operating systems.

*We identified huge gaps in the OH&S area and a huge gap in the quality [area] and so as a result of all that we did development workshops ... for all managers, not just frontline managers, and I think those managers went into the amalgamation with a broad knowledge of the responsibility of OH&S. I thought that was absolutely vital and the understanding of the continuous improvement process. They were two big gaps we identified ... And also budgeting was another gap that was identified.*

(Training Manager)

The FMI was the catalyst for identifying and filling gaps and consequently, placing Trainco on a more business or commercial footing.

No ‘hard’ facts were available on how the FMI has influenced business performance; however, Trainco and Trainco staff, were reported to be ‘much more responsive to commercial realities’ as a result of the program.

*To me, when you do it, all of a sudden instead of staying within your 1970s cloak and going: ‘Ooh we shouldn’t have to make profit’, you actually just understand: ‘Well of course, it has to pay for itself. Whatever you do has to pay for itself. So you end up being a bit more commercially focussed without necessarily selling your soul. So you just end up with an understanding of what management is. It doesn’t matter who you work for or what you do.*

(Frontline Manager)

As part of the FMI process, various individual projects are undertaken. Business performance is perceived to have improved as a result of these projects. Thus, business systems and processes are implemented that are ‘far more efficient’ and ‘saved the institution money’.

*One of the projects that came directly from FMI when I did it was within our division. I had a project where I swapped administrative staff from one area to another to enable them to learn other skills, a job rotation project, and the bottom line was that saved the [institution] money because we didn’t have to get casuals in when someone was sick.*

(Frontline Manager)

*Probably the biggest one that was evident would be our Work Cover. The fact that you educate people, you educate managers. There are less accidents. There’s that awareness ... There was a good example in the library—X has since moved on, but what she put in practice in the library as part of this continuous improvement from one of the units was actually showing a process that was far more efficient in the library and that was her little project to demonstrate the competence.*

(Training Manager)

## Changes in individual, organisational and business effectiveness since FMI

At Trainco there is evidence that the FMI activity is having significant impact on individuals, contributing to organisational changes, and there is some evidence of a positive impact on business performance. There are various examples of the importance of the FMI in producing changes that assist individuals to be more effective in their jobs.

*I now act, I make decisions, I don’t always have to check, and I can improve systems and processes and develop other people, [which] I think is good too. You know, upskilling them. That’s been one of the greatest things, to watch someone else.*

(Frontline Manager)

*[The FMI] provides definition and parameters around what frontline management really is. It made me shift from seeing my job as someone who ran around with a fire extinguisher in the back pocket putting out spot fires all day every day, to someone who was a bit more of a fire prevention officer, who did a bit more planning, saw planning as a way to avoid that, and it meant that I didn't have to run on adrenalin quite so much.* (Frontline Manager)

Both participants in the Frontline program and their managers report that the FMI creates conditions for the recognition of existing skills and the formation of new skills, such as leadership skills, planning skills and skills in giving and receiving feedback.

*I am in the position now where I have an administrative network within this division that I have created which definitely happened because of the work I had done on frontline management and I am coaching them at different points through their process.* (Frontline Manager)

*I would say that my planning skills are not so much better but that I plan more. So I see planning much more as an integral part of doing the job ... That for me is the key thing. The other thing would be ... I am much less afraid of and tentative about feedback in terms of when I was managing feedback from team members and feedback to team members. I suppose I am less likely to feel like everyone has to like me all the time and that feedback is about that.* (Frontline Manager)

Communication across the organisation is perceived to have improved 'in the way that we are actually getting contributions from a wide area'.

*I feel that it enables teams across the institution to work more effectively and efficiently and in the way that we are actually getting contributions from a wide area that maybe never happened before. ... So it has certainly brought to the organisation just more skills, and human resources are the best resources an organisation can have.* (Frontline Manager)

Business effectiveness is improved by virtue of highlighting 'the fact that we didn't have the background to be able to manage our business' in certain areas.

*I think it highlighted for the people that work in OH&S and people managing them the fact that we didn't have the background to be able to manage our business in that area. And I think in financial management as well. I think they are two areas that seemed to show up for a lot of participants in FMI and I think generally people's capability in terms of financial management has improved. I think that has been a benefit ... I think also that sort of understanding and need to integrate a whole lot of things. Financial management is one, but strategic planning and performance management, about trying to have a complete kit-bag of things to be able to manage. I think that's the other thing that people probably learnt and I think has helped the organisation.* (Manager)

In sponsoring practices such as strategic planning, performance management and continuous improvement, the FMI is perceived to facilitate a status shift from 'education bureaucracy' to 'real life business'.

*I think [FMI] was also inadvertently a way of making us much more outward looking so taking on some understanding about how the rest of the world works. Moving away from just being an education bureaucracy through to a real life business that's got to manage.* (Frontline Manager)

## Organisational strategy and the FMI

To a large extent, supervisory training programs of the past have given little attention to the strategic context of a business—in other words, they have not taken the 'bigger picture' into account. This does not appear to be the case at Trainco. Here, all management development has a strategic focus.

*All our staff development, all our management development is very much strategic. At all levels of management, we are totally related to the strategic goals of the institution, so everything we do needs to have that focus.* (Training Manager)

The FMI is integral to the strategy of applied education which is being pursued at Trainco. This strategy recognises that learning is the organisation's highest priority and building a capacity to learn is its core business.

*[The FMI] does incorporate some of the learning styles that we are suggesting in the applied education model, that is, that there is the recognition of what people have done before, there's an attempt for people to be able to identify their skills, be able to identify gaps, be able to work on some of the work in their own time but in the way they would want to, be able to look at different options for how people have development opportunities, to be working with other people in the organisation so that there is a development of a learning culture, ... transferable skills, so that what people are doing as part of their study are also things that they are able to work into their work load. So if a person has a weakness in, say, a financial area, then we are able to give them opportunities to work on real life examples in their work which benefit the organisation and benefit the person in terms of their learning. So we do see there are very strong links. In terms of the strategy of the organisation in applied education, FMI is an absolutely banner example of how we think learning can occur.*

(Manager)

## Critical impact of the FMI on the organisation

It is commonly observed that a successful frontline development program requires a firm commitment by management to provide support in the workplace for frontline managers as they undertake learning activities. At Trainco, this support was given in various different ways.

*I am really grateful that at the time we had a management structure that said: 'This is the way to go' and supported it and put resources and money into its staff in developing it.* (Frontline Manager)

*It's not cheap to put on. It's a commitment that all managers must commit to. If you haven't got your senior management behind it, it's not going to be very effective.* (Training Manager)

By virtue of this support, there are two areas in which the FMI might be said to have impacted critically on this organisation. Culture proves to be the area of biggest single impact.

Like other quasi-commercial organisations, Trainco is adopting new business cultures that focus on performance. It is seeking to get contributions from people at all work levels. FMI assisted the creation of these cultures by challenging traditional views of what people do at different levels within the organisation.

*What is different about the business is that I believe it makes the place less hierarchical because I think it allows people at the more junior level of management to be confident about their skills and be able to apply them in a much wider range of settings. What I noticed when I first moved to the management area is that there was a great tendency for people to defer to someone else simply because they were more senior in the organisation. And I think FMI actually broke that down to a large extent because people realised that a skill is a skill, is a skill.* (Manager)

The FMI is perceived to have made a significant contribution to changing the culture of the organisation by allowing 'people ... who had been pigeonholed in a particular way ... to show the skills that they had'.

*I think it actually changed some people's views, particularly managers', about the people they manage. They had them placed in their mind in a particular way ... because we had a lot of managers who were involved in assessment and coaching, and I think it ... did mean that a lot of people probably who had been pigeonholed in a particular way were able to show the skills that they had and their experience. A lot of opportunities were thrown up for people to do new and different things as a result*

*of that. It just gave that sort of regular interaction between people. It opened up a lot of people's eyes as to the capabilities of other people.* (Manager)

Program participants, most particularly participants from corporate areas, were initiated into a culture of management and management development. They were made to feel comfortable in this culture and encouraged to achieve.

*I have to say, and I'm a pretty genuine person, that it's one of the best things I have done personally for me. It has given me confidence, it has given me the ability to believe in myself. Probably before I would do things and doubt myself... It has given me the confidence now certainly to go into situations and not be afraid to say what I feel whether it be in any sort of formal or informal meeting, in different cultural environments, whether it be with the CEO and general managers or it be facilities and procurement for the gardeners.* (Frontline Manager)

The employment prospects of people are reported to be significantly improved through the FMI process. In the light of this increase:

*Quite a number of the people who went through the Frontline Management course actually have quite good jobs in other companies and [one individual], who was in our library here, actually went for a job with the Police... She would say that going through the FMI helped her... It helps people because they've been through the assessment process, it helps them in the interview process of putting their evidence together.* (Training Manager)

Losing skilled and qualified staff impacts on any organisation. Like all organisations that provide learning and development programs, Trainco is caught up in a complex series of trade-offs.

*I just think that anything that is going to make people feel good about themselves, develop them, certainly has, the end result is going to be an increase in productivity, and also keeping your employees so that they don't leave. So you don't lose all of that knowledge.* (Frontline Manager)

*Quite clearly, it has made them, whether it's here at Trainco or anywhere else, it has made them infinitely more employable, which is what we want of all our staff. We want all of our staff to be much more employable. It means that they've got greater skills and abilities and look, we might lose some but hey, that's what it's all about.* (Manager)

## In hindsight

Trainco is now 'four years down the track' in its experience of the FMI. While having had 'ups and downs', the intention is to expand the program so that it becomes a major management development tool for people at the frontline manager level.

*Certainly we think of it as a management development tool, it is certainly one of the better ones that we have used. We have looked at how we go about it and we have had a bit of ups and downs I guess at Trainco, but we still believe that it's probably the best line or link for frontline managers in that it does provide that mixture of reflection on what people have done and the business of looking at what skills and capabilities that we have got... I see FMI as, in terms of internally, as being a major component for us in the foreseeable future.* (Manager)

The ultimate goal is for Trainco to 'be more of a learning organisation, just like any other company'.

*We are an educational institution. I don't think we come very close to being a learning organisation but I think FMI has really moved us to be more of a learning organisation, just like any other company. That's the biggest thing.* (Training Manager)

The consensus at Trainco appears to be that if the FMI needs improvement, this improvement should be made at the level of 'how', rather than 'what'.

*We are trying to make it a bit tighter and put a bit more pressure on participants to get on with it. The problems we have had have tended to have been in areas where work pressures have meant that*

*it's not been the highest priority and so people have not continued to move on. Whereas in the areas where we have been able to keep people on track and keep them going at it, where there's some encouragement, then it has been much more successful. So it is about 'how' rather than 'what'.*

(Manager)

## Conclusion

As a management development tool, the FMI would appear to benefit both individuals and the organisation, with subsequent business benefits. These benefits are not always easily distinguished from one another and particular benefits may flow to either the individual or the organisation.

*I still think that the greatest impact has been that it has empowered a whole lot of people, particularly in the corporate areas, who wouldn't have otherwise developed in the way that they have. From being in jobs which may have seemed somewhat limiting, they became high achievers. I think that has probably been the biggest single impact.*

(Manager)

While gains for individuals are significant, benefits have also amassed for the organisation. Thus, the manager with responsibility for co-ordinating the Frontline Management program reported the increasing use within Trainco of a 'language of FMI'.

*We don't have position descriptions any more, we have competency accountability profiles and you read any of the profiles ... and the language of FMI is there. That competency language and you can perhaps even pick out some of the performance criteria or the elements which are FMI and so it is becoming embedded without it being FMI.*

(Training Manager)

The FMI is aligned with a number of other initiatives like competency-based training and training packages which constitute the 'core business' of the public vocational education and training provider today. Similar to these initiatives, it is caught up in tensions between the interests of the individual and the interests of the organisation—the requirements of an educational organisation and the requirements of a business organisation. FMI has provided a more structured approach to managing within Trainco to assist in engaging with such dilemmas. Trainco is living these tensions and working towards achieving a balance of these interests and requirements.

# Communityco

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## Organisational context

Communityco is a leading local government and community service provision agency. Located in the centre of the city on two major sites, it is a large organisation which has almost achieved a gender balance within the staff. The organisation has encouraged equity and diversity, especially in ethnicity, and has promoted staff with English as their second language, and women.

Communityco is very supportive of staff learning and has provided a wide range of professional and personal development programs for staff, including the state government's next leaders program, the FMI program and an alternative local frontline management program.

The interviewees include a senior manager, two managers and their FMI participants, and two employees of the participants, as well as the training officer.

## Getting involved with the FMI

This local community government agency has used FMI with a private RTO training company, since it first became available to organisations in 1998. They have over 40 participants and graduates of the FMI.

FMI selection is by self-nomination, although sometimes individuals were 'asked by the manager'. Sometimes participants may have been involved in both the FMI and the new leaders' program which was a manager-nominated government-wide initiative.

The directed FMI inputs were held off site in groups of three days per month initially, dropping to one day per month with associated 'homework'. It was a participative process. Informal mentoring is provided through top managers in Communityco. They had indicated support in the initial assessment and in giving time to the FMI. About 50% of those who indicated they would be a mentor actually took up the role.

A final project incorporates what was learned over the whole FMI program

*Training been positive and helped deal with some of the problems ... [It] included a large project, which I enjoyed.* (Frontline Manager)

However, this changed as the FMI facilitator was replaced and the new facilitation 'did not push participants' towards assessments at the end of each module. There was a then a marked decline in the perceived quality of sessions.

*put together hastily ... and they used very outdated material and inappropriate example.* (Frontline Manager)

*... a blokey bloke ... This is the right way ... and lost the workplace focus.* (Manager)

In July 2000, three months before these interviews, a decision was made to drop the FMI program and go to a local TAFE provider for an alternative frontline management program.

## Difference in manager performance since FMI

There appears to be evidence from individuals, the employees and their managers that the FMI process has changed participants' behaviour towards people when managing. For example, one supervisor of an FMI graduate said that his team member was 'a very good technical specialist' but now, subsequent to the FMI:

*In general he had improved ... is very interactive and gets on well with staff, ... has developed a facilitative style ... highly motivated ... plans well with staff on workload.* (Manager)

Another FMI participant, who supervises blue-collar workers, said he is more aware of managing people, as a result of FMI.

*Looking after the boys' welfare and keeping them happy is the thing, and it's a hard job. There are difficult personalities and the reduced workforce, and increased workload can make them difficult. Sometimes I need to bring others in to assist. But people get their noses out of joint ... You are given a budget and have to work within it. But with management of specialist knowledge you can't just pull it off the street.* (Frontline Manager)

There is a difference in direction and alignment of manager action. Managers were said to have a better understanding of what are the important factors in performance.

*She brings a broader perspective to discussions and solutions of problems.* (Manager)

FMI participants have been gaining promotions with the organisation. In performance management the organisation has agreed competencies which resulted in changes in the significant core competencies, to include a strategic focus, financial management, resource management and customer service. A senior manager is seeing changes in his managers in these areas.

## Difference in organisational performance since FMI

In terms of organisational culture, a senior manager indicates that before this competency-based training approach:

*The organisation functioned as silos and by classification level ... I am at this level in this section ... I don't need to think about [other] sections or of the broader implications. The effect of competencies and performance management is that there is an opening-up of opportunity to contribute what [you] can at the level [you are] capable of.* (Senior Manager)

FMI is a critical component of this change. Staff who are on courses or training, are now used in cross-organisational projects. They bring their expertise to the frontline across the whole organisation.

*[This continues] the program and trying to get people out of their box and give them the opportunity to think corporately, share information about their different areas and how they link together.* (Frontline Manager)

This is supported by at least one participant who said that there appeared to be greater linking between areas and strategic co-ordination of activities. This is not only more effective but also saves money. Even management games used on the program are later used with teams, and participants involved their staff by asking for feedback on management questionnaire results. The main benefits reported are concerned with new attitudes to learning.

*Perhaps better communication, and therefore makes greater devolution possible. Can trust staff to get on with work.*

*Developed useful networks.* (Participant)

Senior managers saw the same picture with ‘staff from different areas learning about each other’s work’.

*The esprit de corps created means they can go and bounce ideas off each other.*

## Difference in business performance since FMI

The business relations with the community have improved. As an organisation they have more confidence developing new programs because they feel that managers will be able to support business development and provide improved services.

*As an organisation we have more confidence in meeting its requirements because we know they [frontline management staff] have the competencies to deal with them. In the past staff were reluctant to get involved. With FMI it is not so much about new directions in business so much as new ways of doing business.* (Manager)

A frontline manager sees the contribution that colleagues are making to this change.

*They are more professional and businesslike. He sees they still have a long way to go but they are coming from a long way back. Have put in the groundwork to run it as a business.*

The business is benefitting from the more effective organisational communication already, through the greater linking between business areas. If one area is digging up the road, another will know. Then if they are going to put in a pipe later, they can ask the first group to put it in and cap it until they are ready to dig up the end and link with whatever they need it for, and this saves money.

## Changes in individual, organisational and business effectiveness since the FMI

There is significant evidence from Communityco about changes in managers and managing from senior managers, the participants and their employees. The same groups note changes that are making the organisation more effective in terms of communication and interrelatedness. There is evidence from senior managers that some improvements in business service can be related in part to the changes the FMI has helped engender with frontline managers. When a senior level manager was asked: Has the FMI been effective? He answered:

*Yes, ... How do we know? Feedback from participants ... audits ... Exit interviews.* (Manager)

At the individual level there was an improvement in overall management skill level and a change in attitudes through self-awareness and assessment of strengths and weaknesses. The development of managerial identity was specifically noticeable in some women participants.

At the organisational level an employee noted that because of the FMI, her supervisor had begun to develop her skills in the workplace through projects and coaching.

Top management sees a general improvement. At the business level people are more aware and actively seeking out a broader perspective and customer-oriented direction. In the past staff were reluctant to get involved, but since the FMI there have been changes in how business is being done, how customers are being approached and satisfied. One participant said:

*The organisation must think that FMI is successful ... because it’s continuing the program and trying to get people out of their box and give them the opportunity to think corporately, share information about their different areas and how they link together.*

However, while managers reported positive results from the perspective of learning impact, there were significant misgivings about some recent FMI delivery.

*We have some doubts about the degree of effectiveness. Some material was a rehash of previous training. There were concerns about how the training was conducted towards the end. Trainer at the end was quite authoritarian in style [a 'blokey bloke'], saying: 'This is the right way' and lost the workplace focus.* (Manager)

## Organisational strategy and the FMI

Communicationco has a strong track record in human resource investment and senior managers believe that ongoing development of staff 'is critical'. Initially the organisation focussed on the frontline level and has now moved to middle and executive levels, creating a strategic bundle of development initiatives. These ventures are linked to a performance management system that can use the competencies as an objective base for assessment, review and development. The organisation is keen to use standards and programs that have a national or state-based credibility.

*Training must have some competency-based component and because it enhances the strategic ends means people at that level have more say in how the business evolves in the future.* (Senior Manager)

Some indicated a common concern about succession planning, and the hope that FMI may assist in the broader HRM strategy.

## Critical impact of the FMI on the organisation

The FMI has given managers greater confidence to perceive critical business issues and increased their responsibility towards involving others. The FMI process has turned managers into questioning people who will look towards others for answers. One participant, who was new to Communityco, came from an organisation in 'which management was appalling ... so this is great'. He believes that FMI 'makes managers better managers'.

Another FMI graduate pointed out that the bigger effect was on the individual.

*I'm calmer about things because before I was 'running ragged'. It feels like I'm more in control of things. This comes from talking about how people react to you. In the past something would go wrong, I'd let it build up and upset me. FMI has pointed out the differences between people and how to handle them better.* (Frontline Manager)

At the organisation level there seemed to be better communication, and therefore it made greater delegation possible, as the managers can trust staff to get on with work. Some commented that they thought the FMI participants were more professional and businesslike. On the other hand it was pointed out that they still have a long way to go and they were 'coming from a long way back, but have put in the groundwork to run [Communityco] as a business'.

## In hindsight

FMI has provided management with an extremely valuable problem-solving body within the organisation. One participant suggested that the FMI cohort should be continually developed for this reason, but this was not taken up by the top management of the organisation.

Some participants would have liked more appropriate participant selection. At least one participant was 'very frustrated with the sloppiness and irrelevant content' of the way FMI was conducted. Some participants were sceptical about assessment and were 'amazed that everyone passed'. She also didn't like the venue, which was decorated with male images of car racing, and similar typical male activities. She said it was 'daunting for women'.

It was the concerns about delivery standards, not the subsequent impact, that prompted a review of the FMI program. In July 2000 the decision was made to go to a different RTO for an alternative program for frontline managers. The reasons given for this decision was the desire for an improvement in learning delivery processes. The new program negotiated consisted of shorter, more frequent learning inputs, the expectation of more effective facilitation, and a more customised approach. The new program differed little in content, just in delivery and customisation. The organisation recognises that there will be some difficulties in the articulation from FMI to the new program for those who had already done part of the FMI.

## Conclusion

Communityco provides evidence of a developing service organisation with an existing commitment to training initiatives. There is little doubt that many individuals have grown considerably as managers from the FMI program and that those managers and their teams are seeing the organisational results of changed behaviours as a more networked, more directed, more involving approach to management.

The FMI is supported by other strategic HR programs in playing a role in these organisational and business benefits, and possibly benefits from the historical base of HRD activity, the structured approach to employee development and symbolic senior management support.

The evidence suggests that management is concerned that recent changes to the FMI delivery have placed these benefits in jeopardy. Their decision was to act to swiftly to find an alternative delivery framework. They have been given confidence about this direction as, 'the new consultants are asking for lots of detailed corporate information to tailor the new program', and they have already arranged the delivery program to suit the organisational needs.

From the evidence provided it would appear that there may be little difference between the texts of either program and there may be a considerable congruence between them in how they represent what it means to be a frontline manager. For Communityco, what is important is how the text is discussed, negotiated and supported with their managers. Even by actively managing this significant change in programs they are indicating a deep concern for their frontline managers and learning within their organisation. It would appear that the program they are currently constructing for their organisation has many of the elements of a more developmental FMI model, but without nationally based certification.

## Organisational context

Educo is a large provider of vocational education and training with 2000 employees spread across five major locations in a metropolitan area. It has a three-year association with the FMI. Like many educational institutions Educo is undergoing significant internal restructuring to meet a turbulent client environment where political, economic and social conditions are changing the location, content, context, and customers of vocational learning.

*We service individuals and other organisations in vocational education and training development in approx 50 different industry groups.* (Training Manager)

*We have three main staff groups. We have the lecturers ... managers ... support staff.* (Training Manager)

There is an even gender mix amongst the 300 leaders in the organisation, with predominantly female senior managers. Educo is defined as having:

*An aging workforce [with] 60–70% of people over 45, a high proportion close to retiring.* (Training Manager)

The interviews for Educo involved the Manager of Staff Development, who has specific responsibility for directing the Frontline Management Initiative (FMI) program; a director of one of the schools; two participants from different departments and an employee of an FMI graduate.

## Getting involved with the FMI

Educo's involvement with FMI was a 'convergence' of a number of aspects, sparked by restructure in the organisation.

*[The] restructure or change in the organisation from what was traditionally an academic department ... made it more a corporate model and senior lecturers invariably became business managers. There was very much recognition at a senior management level that those managers needed some management skills and training.* (Manager)

The Training Manager heard about FMI in HRD circles, and recognising that a 'middle management development program' was needed:

*Took [FMI] to our corporate executives and they became really interested in it and started supporting it from there. At the same time there was some funding available through the Department of Training to be able to pilot a professional development program, so those two came together well.* (Training Manager)

Educo has been involved with FMI for the last three years, enrolling participants each year. The structure of the program has changed considerably during that time. Originally FMI was a pilot program and included voluntary and mandated current managers working toward a diploma qualification. Participants experienced internal and external facilitated workshops with workplace reflection and implementation aided by external mentors/coaches. There was a thrust towards

recognition of current competencies (RCC), and participants self-managed the gathering of workplace evidence which was validated by fellow employees and 'presented' to external assessors.

Subsequently, the implementation strategy has developed towards voluntary participation from a broader employee base, the addition of the certificate three qualification and the inclusion of FMI into the staff development training plan with flexible 'staggered intakes throughout the year'. There is an increased emphasis on providing underpinning knowledge and 'hand-holding', with additional structure for action learning, and a shift towards internal mentoring/coaching offered by previous graduates. There is less emphasis on RCC, and more holistic assessment through workplace projects which are providing enriched learning and development.

Prior to FMI Educo offered 'no formal [leader development] at all'.

*Most of [the managers] were in the management position at the time and had two to three years' experience. Many of them ... have higher qualifications.* (Manager)

Educo is 'very familiar' with competency-based training approaches after providing these services to their client base for several years. To a large degree Educo knew what to expect.

*For me it probably gave me more.* (Frontline Manager)

*I thought what we would do is that the pilot would be pretty similar to how we [would] do it and that's changed a lot ... we have changed the program quite a bit every year.* (Training Manager)

The skills of FMI are undisputedly a 'good match' for Educo.

*Like every other organisation in Australia we employ managers not for their managerial expertise and experience but for their technical competence. So being a manager is new to them, sometimes they probably think they are good managers, but they really do need those specific managerial skills. I still think it is good for experienced managers.* (Training Manager)

There are several aspects of the FMI program that appeal to Educo. FMI 'clearly describes what a manager does'. The competency-based approach provided flexibility in customisation and application, supporting currency of content. In terms of delivery, there was a logical progression of learning, and variety of learning options, where participants set their own pace. Participants valued the 'nationally recognised qualification', while even non-participants valued the positive 'impact the program is having on the college'.

However the time and effort expended on the FMI process was onerous, as it was 'a big job for our participants'. Reflecting on the implementation, FMI was, in hindsight, 'expensive [using] external assessors' and not sufficiently 'prestigious' for managers preferring 'university qualifications'. Training facilitation for experienced managers had often been inappropriate in achieving 'relevance and level of delivery'.

## Difference in manager performance since FMI

Educo has noted many differences in the performance of their managers over the last three years. Differences in individual managers have been variable, with more significant differences seen in the FMI participants that are motivated to learn.

A 'marked improvement' is seen in some managers.

*There is a more professional approach to the way I am managed now. There is a marked improvement from the way [my manager] runs their business now. My manager is better organised, and because of that my role is simpler ... through FMI [my manager] ... has a really good filing system. [There is] an improvement in concern over my computer use. [My manager] is very supportive...going through the occupational health and safety module greatly improved that.* (Employee)

For Educo there is generally agreed improvement in time management and planning skills with participants taking the time to plan and ‘using the techniques’.

Managers are communicating and relating to their staff more effectively, on a daily basis, when they conduct meetings, and through mentoring and coaching. Problems transferred to Human Resources are decreasing as ‘managers are dealing with them now’.

*[Managers] are learning to take individual responsibility for managing. That ... is their job. The college can support them and give them systems, like performance management systems but at the end of the day you need to implement them with your staff and regulate that.* (Training Manager)

*They are noting staff issues in writing now.* (Employee)

FMI is seen as one of the tools changing managers to be ‘more systems focussed, business and outcomes oriented’. Managers ‘see the big picture ... regulation and legislation’, FMI has ‘really started that off and is a good vehicle for that momentum’. Managers are now viewed as ‘more part of management’.

## Difference in organisational performance since FMI

Educo has experienced several changes in terms of organisational performance over the last three years.

*I think there is a change process and culture that’s being adopted, people accept change and in fact a lot of them embrace it. I’m not sure that hasn’t always been there because it’s an educational institution, people will try to be creative and dynamic. What I think it [FMI] has changed is the acceptance of a business approach to what we do. An understanding of how crucial the business component is to our survival.* (Manager)

Financial systems are being managed more efficiently.

*Managers are more mindful of spending, they are more aware of costs, they know how to budget and buy more with what they are given. They are more committed to the budgets and treat them more like a business now instead of just being a small unimportant part of their role.* (Employee)

Educo’s implementation of a broader ‘change and educate’ strategy for training and development implicitly involves FMI. Educo now has a management development program and an in-house mentoring/coaching process, both of which are being extended to include senior management development. The adoption of FMI into the organisational training plan, and the introduction of an on-line ‘managers’ induction manual’ are value-added components, and a direct result of FMI.

The organisation is more customer-oriented, ‘focussing on students ... as the customer’.

*The whole attitude towards customers has changed. The customer is very important and how we treat them is critical ... numbers impact on jobs in the college.* (Employee)

*We are more pro-active now, so that we can assess our customers’ needs instead of waiting for a complaint.* (Training Manager)

Educo’s occupational health and safety aspects have improved, with regular proactive safety equipment checks, increased identification of potential hazards, and an improvement in risk management strategies.

## Difference in business performance since FMI

There is a focus on business performance that did not exist before. In terms of business performance, Educo is exceeding targets and benchmarks despite significant organisational pressures, which could have had a dysfunctional effect on performance.

*I mean all that hard stuff to do with business and finances because that was missing in our organisation at the ranks [before].* (Manager)

*[There have been] enormous changes in terms of budget management financials, in terms of efficiencies and achieving targets. Overall our college has exceeded its benchmarks ... we are maintaining profile and increasing commercial.* (Manager)

Educo, like other quasi-commercial organisations, is revenue-driven and ‘revenue on a commercial basis is increasing’.

The improvement in customer service, increased development of new programs and delivery methods are seen as contributing factors in bottom-line results such as increased student numbers, ‘lower attrition rates’, improved customer satisfaction and decrease in customer complaints.

*Certainly our customer satisfaction ratings are improving each year. It’s hard to say the bottom line is definitely FMI, it certainly ... contributes towards, I wouldn’t say it’s totally FMI. But I think it’s an awareness raising. That’s been the biggest thing for FMI.* (Training Manager)

The adoption of ‘business culture’ by managers and staff is seen to be responsible for Educo’s business success over the last four years.

*We have got to the point where the efficiencies we’ve made still maintained good outcomes and strong innovations, I think we’ve gone as far as we can. We all agreed that we met a point where we couldn’t get any tighter but we have achieved that.* (Manager)

## Changes in individual, organisational and business effectiveness since the FMI

With the many changes Educo has seen over the last three years, both with internal restructuring and external business direction, it is difficult to determine the overall impact of the FMI program. However FMI has been a predominant vehicle for assisting the change processes.

*I think things are constantly changing so it is difficult to say whether that is directly because of FMI or not, I think definitely the fact that some managers have had FMI training, that it has probably made it easier to move into things like staff performance management. But, I’m guessing that it’s probably not because of FMI that those things have actually changed, it’s probably more likely the other way that FMI has made it easier for the managers to do it.* (Frontline Manager)

*[FMI] was integral in terms of supporting individuals to cope with the organisational change, people needed those skills and without it they truly were sinking.* (Manager)

Managers have expressed greater confidence in knowledge, skills and abilities of performing in a management role. FMI has given them a framework for, and recognition of skills, the opportunity for networking, and specific development in time management, planning, financial management, and occupational health and safety.

One of the major changes in organisational effectiveness is development of ‘the learning culture with our managers’. Current and aspiring managers are motivated to participate in the Frontline Management Initiative. ‘Everyone wants a diploma’ and as such the organisation is building a ‘pool for succession planning’.

Educo also has a desire for quality and change—‘we are more prepared to reinvent ourselves’.

*It’s been effective for this centre and the gym because it’s been the tool that’s implemented most of the processes, that gym had no processes at all, nothing. So it’s taken it from having nothing to now having ... policy and procedure manuals, fitness testing manuals, simple things like time sheets check lists, feedback sheets the whole regular run of the mill.* (Frontline Manager)

Business effectiveness for the organisation is difficult to determine as it is still ‘early days’ and return on investment evaluation has not been undertaken. Educo has been a developing business over the past three years. The FMI has been one of the contributing factors in that growth pattern. There have been some increases in customer satisfaction and revenue generated from the commercial base, coupled with fewer errors reported in financial aspects. Although a cost analysis has not been done, Educo expects to provide another positive return at the end of the year.

## Organisational strategy and the FMI

Educo’s original intention for FMI implementation was to address immediate issues of both managerial compliance and the development of soft skills. In terms of strategic intent FMI came from the identification of a strategic need to develop manager skills. The value of linking the FMI competencies to business objectives was an opportunity that was taken retrospectively.

*What people are performance-managed on, and have to report on in terms of business outcomes, these skills are implicitly in [FMI].* (Manager)

*One of the visions of the organisation is to become learner-focused. And if you cascade that down ... that once again supports the fundamentals of FMI.* (Frontline Manager)

Educo’s human resource strategy is directly devolved from the business strategic objectives. In its first year FMI was implemented with the assistance of a funding grant. FMI has since become a strategic corporate initiative being integrated into the human resource strategic plan from a budgeting, training and development, and recruitment/selection perspective.

Educo uses projects to give participants flexibility in demonstrating competence. Participants agree to specific project work where their normal job role provides insufficient evidence to obtain competence. However, despite the fact that projects are not formally linked to strategy, some have produced great benefits to the organisation in terms of process and outcome improvements.

## Critical impact of the FMI on the organisation

The greatest impact on individuals is the development of a broader manager identity and ‘being a more effective manager’. The additional awareness and validation of performance identified by a nationally accredited qualification has given participants greater confidence, a visible profile, and improved direction.

The greatest impact on Educo organisationally is the development of the learning culture that supports the concept ‘that management development is important’. Business impact is identified simply as increased compliance resulting in reduced ineffective service delivery. Improved compliance to regulations and legislation of financial and quality systems have directly resulted in ‘less hassles in the auditor-general’s office and decreased workers’ compensation premiums’.

In general terms the competency-based approach to FMI has proved to be of great benefit and has ‘proved that managers do need development, that technical expertise does not equal managerial expertise’. Educo was ‘able to immediately feel at home with’ this approach and the FMI added significant structure to management development.

It is important to recognise that the FMI is just one of several major influences on the organisation. Externally, imminent national and state government elections, and the federal relationship with Australian National Training Authority (ANTA) provide an unstable political environment. Issues such as the introduction of training packages, the changing client base, and increasing the competition are changing the nature of business. Internal restructure and a culture change from a ‘stable conservative to a dynamic radical culture’, have been wedded to significant technological

change in systems and learning delivery. However, Educo is prospering in this environment, and the FMI is one valued component of the current successful strategy.

## In hindsight

With the success that Educo has experienced with FMI there is the recognition that additional benefits can be gained and continuous improvement secured. Educo would like to have all frontline managers progress through FMI and see it implemented in a 'true idealistic way'. This would involve the introduction of empowered work teams, and an adoption of a leadership philosophy supporting organisational learning. There would need to be a greater emphasis and linkage into corporate and human resource strategy with an improved integration of succession planning. In terms of evaluation there should be 'return on investment' measurement strategies to identify real business impact.

Educo takes responsibility for any issues arising from the FMI program. Educo has suffered attrition in the FMI program due to the initial self-managed approach. Some participants struggled with self-motivation and commitment, due to the time and the 'mammoth' effort required for the program. Initially some managers preferred a higher qualification or the opportunity to 'take them beyond'. Inappropriate qualification level goals resulted in not all managers completing the program. The move to introduce greater support was seen as critical. Managers indicated that there could be even greater benefits from developing individual FMI projects tied to current organisational needs.

The changing nature of organisations means that leadership styles are also changing and those managers who are not exhibiting that style may be left behind. For managers who progressed through with RCC, the real learning test may yet be to come. Educo has also experienced pockets of competent managers 'slipping into old habits'.

For Educo the non-existence of FMI would have had a detrimental effect.

*When we didn't have the opportunity for frontline management, we'd gone through ... an organisational change without any of that training ... we had massive staff management attrition. We could not keep our managers; they left en masse and there was huge instability, huge stress going through the organisation. In that change period of about three years, and whether coincident or not ... it seems since FMI was brought in everything stabilised.* (Manager)

'Because the program was so new', the management of the program was complex, and duplication of activity might have been avoided had there been more program management guidance available from outside the organisation.

## Conclusion

Educo has one of the longer track records of association with the FMI. There have been significant adaptations of the program to improve and tailor it for Educo managers. The result is that the FMI has made an effective impact on Educo through the addition of improved participant support processes.

Educo has, by contrast to many other employers, always recruited soft-skilled employees for training delivery. The emphasis in this FMI program has therefore been biased towards the current strategic direction, the development of systems management and customer focus. There is considerable evidence of increased individual effectiveness from FMI at Educo. Many managers have an increased confidence in their own abilities and are subsequently recognised for these capabilities within the organisation. Most individuals have made a considerable investment in terms of time and effort to demonstrate such competence.

At the organisational level the impact of the FMI is evidenced by a more integrated and strategic learning and development culture, more customer-oriented approaches throughout the organisation, and improvements in finance and safety process compliance, although external support in FMI program management would have been welcome.

In terms of business impact, during the period of the FMI program, the business has flourished in a turbulent and competitive environment. Educo has seen an increase in customer satisfaction ratings and commercial revenue and compliance indicators. Furthermore, decreases have been evident in the number of customer complaints, workers' compensation premiums and the number of errors on finance reports. Educo indicates that the FMI has been one of the contributing strategies to achieve this success. In addition there is some indication of direct business benefits being achieved from outcomes of the FMI programs. These benefits might be further increased by the micro-strategic orientation of the FMI projects used within the broad FMI strategy, and the construction of a continuing support and development process for graduate participants.

Educo is shaping the FMI to meet their business needs. There is evidence of significant individual and organisational gains from the FMI which is making a significant contribution to the business development strategy.

## Organisational context

Healthco is an area health service with 3500 employees covering a broad geographical area with a rapidly expanding population. It is responsible for two large and two smaller hospitals, and a number of community health centres.

*We have a wide range of staff; it's virtually a miniature city, with our nursing staff, medical staff, administration, maintenance and all the other support service staff that go to providing the infrastructure for the organisation.* (Training Manager)

The largest proportion of Healthco staff is in the nursing profession, and consequently the workforce is predominantly female. Most are permanent employees, although casual staff supplement nursing and support services. Many are long-term employees of Healthco, and in 2000, eighty badges were awarded to staff with over twenty years' service.

The Learning Development Service comprises eleven staff who are responsible for all non-clinical training within the health service. These include the Management Development Co-ordinator, trainers for general communication and other accredited training, such as assessor and workplace training, computer trainers, trainers who offer the Certificate in Business Office Skills, and a person producing multimedia materials.

Interviews with Healthco were conducted with a senior manager, the Learning Development Manager, two FMI participants from different departments, and one of their staff members.

## Getting involved with the FMI

Healthco was involved in a pre-Karpin statewide health initiative whereby the Area Health Service Learning Development Managers developed a very good network over the years. They became learning providers and offered various short supervisory programs, using the professional materials available at the time. The training programs usually lasted five days and covered issues such as delegation, handling meetings, supervision and leadership. Eight area health services in the state were collaborating to seek accreditation for their combined training programs.

This process was overtaken in 1995 by the Karpin report, when eight area health authorities decided to adopt FMI. Healthco worked on behalf of these areas with an external consultant to develop their capability statement, and had a series of meetings with the Vocational Education and Training Accreditation Board (VETAB) to ensure that their requirements would be met. Healthco is one of four health services now running FMI, and the remaining four also intend to run the FMI. The assessment tools have been slightly modified from those adopted in another area health service within the state, in an attempt to standardise competencies across FMI levels. Healthco has recently presented a paper on its experience with FMI to a national conference as a means of improving the network of FMI contacts and comparing experiences across industries.

Early on, Healthco decided that using the Prentice-Hall (the publisher who first prepared the FMI kits; subsequently this role was taken on by Pearson Education) booklets for all participants would be too expensive, so it put together guidelines for developing portfolios and for the competency

elements. No specific training materials are provided, but some are available from the management courses run previously. To assist in the process of collecting evidence, participants are encouraged to tie into their current FMI portfolios projects.

Healthco has had three groups of FMI participants, with ten participants in the first pilot group, of whom only four remain. All were enrolled in the diploma, and one has recently completed. The second group comprised 15 people; of this group, 11 are still completing. Six people enrolled in the third group, of whom four are continuing and one has deferred. A fourth cohort is currently being planned, with participants mainly at certificate 3 and 4 levels.

The decline in enrolments is thought to be due to work commitments, with higher workloads following a freeze on recruitment. Other personal commitments increase the constraints on completion, with some students concurrently studying part-time for other qualifications such as coursework master's degrees. Feedback from those who have withdrawn suggests that FMI was harder than they first thought, and very different from merely attending the traditional face-to-face courses. However, once participants grasp the concepts of good time management and packaging a portfolio, they can make good progress. Although the FMI emphasises self-paced learning, Healthco uses senior managers as mentors, who try to ensure that participants complete within an 18-month period.

*I think we're putting more deadlines on them because people work well if they've got a deadline.*

(Manager)

## Difference in manager performance since FMI

Managers enrolled for the FMI course in order to improve their self-confidence; however, they also gained new skills. In the words of one participant:

*I felt I needed a bit of validation for my own sake, not so much for [my staff's] ... I think from doing this management course helped me to see beyond the guidelines of the program and look at [other areas of my work] and manage them in a more effective way, utilising staff in different ways, looking at time management areas.*

(Frontline Manager)

FMI involvement appears to have heightened participants' thirst for knowledge and self-development, and one has developed a new interest in a managerial career within her profession, with plans to enrol for an MBA or equivalent course. She said:

*This has been a stepping-stone for me now, and I can use this opportunity ... I feel very privileged that I've had the opportunity ... and now I'm going to use that to move on to do some more education. I think once your brain starts ticking again it inspires you to do more.*

(Frontline Manager)

As only one person has so far completed the FMI course, Healthco senior managers feel it is too early to pinpoint clear differences in managerial performance. However, they believe frontline managers are now more reflective about their actions and outcomes in terms of improved work procedures. In addition, they also feel that:

*There are now a lot more competent people within the organisation who are multi-skilled, who can work between other divisions and encourage teamwork between divisions, and if you're called on for other skills you know they're competent in doing that as well.*

(Manager)

## Difference in organisational performance since FMI

Healthco feels it is premature to attempt to discern a difference in organisational performance as a result of the FMI. However, one subordinate felt that her manager's newly developed skills, directly attributable to FMI participation, had lifted the profile of her department within the whole

organisation. A senior manager has been pleasantly surprised to note how an FMI participant has not only come up with different and improved ways of presenting data to her division, but has also applied her knowledge more widely to another division, with the possibility of indirectly enhancing the delivery of clinical services and opening up new personal career paths.

Managers are also surprised at the breadth of knowledge that FMI participants now have, at their ability to think more creatively, and their ability to access information from outside companies to improve products currently being used.

Anecdotal evidence suggests that FMI participation has assisted with succession planning and helped several people to gain promotion within the area health service. It has also given confidence to others to seek promotion at a later stage.

## Difference in business performance since FMI

Healthco managers believe it is difficult to pinpoint differences in business performance such as labour retention and quality improvement that may be attributable to FMI, but will be reviewing this in the longer term once more participants have completed the program. However, it is difficult to see how its impact could be separated from a number of other initiatives aimed at quality improvement and other organisational changes. FMI is one of raft of strategic initiatives underpinning improvements in organisational performance.

One participant stressed the need for the health service to get more value from its resources, saying:

*We have to get more out of our health dollar. I think if you've got good managers and they're utilising all their resources, setting goals, then you get good outcomes for dollars.* (Frontline Manager)

## Changes in individual, organisational and business effectiveness since the FMI

The FMI is having a considerable impact on participants and this is promoting change within the organisation. FMI participants generally feel they now have greater creativity and understanding of what's going on around them. One remarked:

*Instead of just looking at a certain something in a box, I now look at a wider picture.* (Frontline Manager)

Greater self-awareness was also apparent, as expressed by one participant:

*I think I'm much more aware of the influence I have on my subordinates. One thing about [FMI] is that it does make you more self-analytical. It makes you look at your own performance ... My 360-degree survey was very interesting. This highlighted some areas that obviously I needed to work on ... One of them was guidance and coaching of staff. The feedback was that I could improve in that, and so I've made an effort to do that and be more encouraging with my staff to learn new things and cross-train and job-share so that was quite radical ... I'm more aware of the difference between being a leader and a manager.* (Frontline Manager)

These views appear to be borne out by comments from staff, who have detected an improvement as a consequence of FMI.

*She has a lot more confidence in decision-making ... her skills when organising the budget are much more defined; she's got much clearer idea of what goes where and how we spend it; she's good at ... dealing with people ... I've got a real confidence in her that she's got the knowledge to sort [problems] ... [She's] done the hard yards ... she's really got the backup. As far as staff morale and staff satisfaction, I think that's increased 70%.* (Employee)

## Organisational strategy and the FMI

Healthco has recently become a registered training organisation. It is also represented on a standards committee in health, which is designed to maintain standards across health services in the state. Any area health service that wants to start FMI must demonstrate its capability to this committee before it can be accredited.

The federal Department of Health is now insisting on the use of competencies in management education, and Healthco has included FMI in its business plan. Healthco is gradually changing the job descriptions to be competency-based to link in with FMI competencies, as part of the performance management system. FMI is seen to provide crucial skills for managers today. In the words of a senior manager,

*My gut feeling about FMI is that what you're doing is making sure your managers have the competencies that they require to do the job, and for that reason it's crucial to an organisation because, historically, managers haven't been appointed on basic competencies.* (Manager)

As part of its organisational strategy, Healthco has managed to gain approval that a unit on occupational health and safety (OHS) will become mandatory for all managers, which will lead more people into the FMI program. Frontline managers will have to provide direct and indirect evidence of actually doing the things they are supposed to in relation to OHS, such as audits, incident forms, and having policies in place.

## Critical impact of the FMI on the organisation

It is difficult to determine the impact of the FMI on the organisation because any difference is likely to be discernible at the level of the division. Nevertheless, Healthco is currently giving considerable thought to how it might measure the impact of FMI on the wider organisation, once more people have progressed through the program. FMI involvement is placing greater pressures on participants during their working day and beyond, because gathering evidence requires not only collecting data but also documenting it within content and time guidelines. Because of the need within the health sector to maintain services, FMI participation necessitates additional costs to cover replacement of staff released for training.

## In hindsight

Initially, FMI concepts were found to be difficult to grasp, but once these were understood implementation was relatively easy. At first trainers and participants were frustrated with the quality of the materials, and with the difficulty of distinguishing different levels of competencies. Nevertheless, trainers feel that the Prentice-Hall (now Pearson Education) materials are not only expensive but do not overtly identify and promote equal employment opportunity, affirmative action or diversity management concepts, although these principles should underpin everything that a manager does.

*We target Aboriginal kids for treatment, to make sure they're actually seen and they come in and get the appropriate treatment ... Unless you've been told, you don't realise there are ways of communicating that are culturally appropriate.* (Frontline Manager)

In retrospect, Healthco has not enjoyed an FMI champion at the top of the organisation, although this is perhaps attributable to its internal culture and the leadership style of the current CEO. Healthco feels that a champion at the top could have helped promote the benefits of FMI across the organisation, and make it more widely known to everyone. However, the culture within health services reflects multiple agendas and identities across different professional groupings, with some groups more receptive to FMI than others.

*I think there's a lot of changes going on in [my profession] because with the team we have a group who want change, who want to do things differently, but it's very difficult when you're challenging the ideas of another profession ... There's not a lot of interaction between the two ... As soon as you mention the word 'management' it's a bit of a deterrent to some of the staff because they see their role as a clinical role and want to do clinical specialty courses ... It's probably historical, it's part of the culture within the organisation.* (Frontline Manager)

Some interviewees argue that the FMI is unlikely to gain the respect it deserves because senior managers still fail to recognise the importance of developing managers across the organisation generally, and the significance of the competency framework in particular. However, they feel this is likely to change as new managers with new ideas and experience are promoted through and from outside the system.

## Conclusion

Healthco has identified many improvements from its involvement with the Frontline Management Initiative, such as participants being better able to relate to their workplace as a business. Another enormous benefit is the fact that the area health service has been able to achieve articulation of its courses into postgraduate programs at a local university. This has been very attractive for health service managers, who see it not only as a way of saving money on course fees, but also as a positive means of entry to further qualifications in management. Healthco sees this as a means of encouraging its workforce to upgrade skills and move towards continuous learning. While their FMI process appears successful in terms of organisational impact, managers believe that a training champion could have helped in developing the link between individual development and business performance improvement.

## Organisational context

Travelco is large public sector transport agency. Until April 2000 it had 2500 staff. Then a major subsidiary service was privatised, leaving 450 employees providing the basic infrastructure and services. It is in a turbulent phase where business direction and organisational structures are being continually questioned.

The staff are mainly daily paid shift workers of whom only 10% of are female. The occupations in Travelco are mainly blue-collar maintenance, drivers, technical design and specialist transport mechanics. The managerial, supervisory and administration staffing is less than 10% with only 30 supervisors and 12 executives.

During 1998 this agency was restructured and staffing de-layered by replacing the many supervisors, who reported to the Service Manager, with several service instructors who are responsible for assessment and training for the service staff. Following this downsizing and the loss of a major outsourced government service delivery contract, the business has had to restructure without a major division of their previous operation. As a result of this restructuring the recommendation was made to devolve responsibility for OH&S, training, assessment and performance appraisal to the service instructors.

The interviewees for at this organisation consisted of the General Manager and the Service Manager, two service instructors who are FMI participants and two of their employees.

## Getting involved with the FMI

As a result of the restructuring and devolvement of managerial responsibilities to service instructors, it was 'strongly recommended' that they should engage in the level 4 of the FMI through one of the two local TAFE providers. They began the FMI in mid-1999 and most participants have now completed the program.

Travelco used to have a training and development department, which recognised that frontline managers needed training, but previously provided only 'bits and pieces' of management training with the last comprehensive management program being offered in 1992. At the time of the industry restructuring, it was recognised that the service instructors lacked the skills to cope with the significant devolution of responsibility. Travelco realised that they needed a concerted approach to frontline management development across the whole organisation. They looked around for such a comprehensive program and found the FMI which appeared to match the skill needs identified for their organisation. Underling this move was both the desire to develop more effective basic management skills and the goal of moving the organisation towards a culture that valued learning and trying new ways 'doing'. One senior manager said they chose FMI because:

*We wanted our people to be able to work in a changing environment. Most had not done additional training in the past. We wanted to move to a learning organisation. Competency-based training and assessment were important to assist the staff learn a different way of doing and valuing their work.*

(Manager)

This senior manager demonstrated this symbolic commitment to FMI by being practically involved with mentoring, coaching and has also undertaken assessor training. There has been active management participation in developing appropriate organisational meaning for each FMI unit. This flexibility in content and delivery matched the organisational development goals of senior management. They liked the FMI as a:

*Total departure from the usual management training, it's more holistic, a broader, newer way of learning in the workplace—an organisational approach.* (Manager)

As a male-oriented organisation, sometimes it was 'hard to relate to a woman giving background information' and the program confronted both gender issues and alternative styles of managing. Due to legislation concerning public liability and risk management, all employees were assessed for numeracy and literacy learning needs. The FMI provider carried out these assessments and produced a program for development. Through group activities and one-to-one learning sessions a number of participants have made significant changes in their attitudes to, and capabilities with, texts. For some it has been a life-changing experience beyond the workplace.

*There were bonus skills like learning to write letters and counselling people.* (Participant)

## Difference in manager performance since FMI

Thirty to forty managers participated in the FMI program with about 10–15% dropping out because they found it too challenging. Many of the FMI participants were blue-collar workers who had slowly risen up the ranks through seniority, and toughness. Travelco's model of staffing was not based on direct supervision, and the FMI participants had never been regarded as managers before this program. The employees interviewed about the FMI could be described as junior peers of the FMI participants.

For some managers the FMI program was mandatory and they did the program because they had to. With this group 'nothing really changed'. They just do their job but there appears to be little tangible benefit. Others completed it with enthusiasm and their attitude changed.

*They showed a willingness to participate and stretch themselves ... and grew in self-confidence.* (Manager)

The FMI has emphasised the increasing value being placed on people skills rather than technical skills. In one case there was a supervisor who did not want to do the training and a subordinate who did. The supervisor was technically brilliant and the organisation did not want to lose him. The subordinate was better at understanding the driving factors for the business and had a better tolerance of ambiguity. The subordinate did the training and the organisation uses him to drive new initiatives including those in his own section.

Travelco employees were very positive about the need for a change in 'managing' within the organisation.

*Should be compulsory for managers, just from an awareness point of view and to know how to conduct yourself as a manager.*

*If they teach bosses how to relate to employees and what is going on it would be better.* (Employees)

The FMI participants gave strong accounts concerning personal changes in the way they managed after the FMI experience.

*For self; learning to stand back and consider rather than charge through.*

*And people acknowledge me and talk with me at any point and they will get an answer. I think I've become more approachable.*

*Personally, Yes. I've changed and so has my understanding. I've learned that you need to receive the information at the beginning and reflect on it.* (Frontline Managers)

Employees identified the primary difference in the performance of FMI participants as being able to communicate differently and more effectively with different staff. The FMI graduates appeared to form better relationships between staff and management. Employees attributed these changes to their FMI training. One female employee confirmed the behaviour changes that had occurred following the FMI program.

*Mathew I only knew half him before, now [after FMI]—much more approachable.*

*Peter always had a listening problem before ... previously hard to talk to; he liked to have his way and his ideas; now [after FMI] listens and much more open to suggestion, both on the manual [the task she is working with them on] and in general in their dealings with people now [after FMI] much more approachable.*

*Even Gerry ... there's been a **big** change in him. Now he's more open-minded; before he was negative towards management—now he can see both sides.*

*... that's what FMI has done—all [of them have] improved.* (Employee)

## Difference in organisational performance since FMI

Travelco now has a 'flatter structure' where 'the organisation expects more of people'. The new structure is working effectively despite an adverse business climate.

*Overall change is that people are working together more. You don't need a lot of people above; you need the next level down to relate better.*

*Morale is actually up, even though there is a lot of uncertainty, morale is up maybe because work is more structured and more organised.*

*... the loss of the bus contract is being weathered better because of the FMI ... although it was still disappointing.* (Managers)

There was agreement that the organisational climate is getting better, especially since there was more communication about what's going on to the lower level staff. Indeed employees said that they:

*See a lot more of them [managers]; for example, when a change or [new] project is coming ... the paperwork is out there straight away so we have what we need to know; better for everything ... now instructions are given instead of haphazard [approach].* (Employee)

*[Now the FMI graduates can] communicate and pass on information [without saying] it's your fault ... not just about picking on people.* (Employee)

However there is still room for improvement. One employee said:

*Occasionally you will see a note from management and people will say, 'This is a dig at me'; but overall [communication] skills are better.* (Employee)

The frontline managers, like their subordinates, are still coming to terms with the downsizing of the organisation. It has involved a change from a government (jobs for life mentality) to competitive environment. FMI has helped to bring these issues to the surface and to develop options. The organisational focus has shifted towards business planning, identifying performance indicators and the associated group action. One senior manager pointed out that:

*The FMI participants are more challenging of business information. They use the data to probe, for example, why is patronage down 3% this month but up 2% last?* (Manager)

*There is better critical thinking—specifically from a commercial perspective there is better understanding of cost drivers within the business.* (Manager)

In the past the technically able were promoted to management roles. Now Travelco is undergoing a change in perception concerning what constitutes effective managing, valuing people skills and the

associated competencies as a base for promotion. This is encouraging a change towards more effective team work. Activities are more likely to be spread around the team and there is a greater awareness of differences in teams and greater value placed on these differences.

*Increased professionalism of supervisors ... They can talk meaningfully to employees rather than the 1950s style of information trickle down.* (Manager)

*Still a bit 'us' and 'them'. I hate change. But they ask our opinion now, which they didn't in the past.* (Employee)

*... frontline management managers have been more concerned about process and the value of it ... there has been a cultural swing in which there is a respect for difference.* (Manager)

*[The FMI is showing] another way to run the organisation ... There used to be the blinkered view that managers managed and made the decisions ... they are much more consultative.* (Employee)

## Difference in business performance since FMI

Perhaps the most evident change in business performance since the FMI is the ability of the enterprise to survive serious contractual changes in an increasingly competitive environment. Managers indicate that customer service has actually improved during this period. Both the employees and the supervisors are more aware of actions they can take to minimise potential impact of inadequate performance on customer service.

*In a sense it is better because we've got something to follow—a set of routines and better procedures manual and risk management. The whole [service delivery] side is high on risk management—this has benefitted [from FMI]. But still a lot can probably be tightened up; along with that you have to look at how it affects the service delivery staff.* (Frontline Manager)

The FMI participants learn about risk management and financial management, and this understanding of the business enables them to contribute to improving business outcomes. According to senior management such learning topics 'have been brought to the lower ... which shows them that it's an important part of the business'. The increased responsibility means that more people understand the structure of the business, are thinking about the business, and contributing to business improvement. that they are responsible for.

*If all people working in the same direction ... we can change the business.* (Manager)

## Changes in individual, organisational and business effectiveness since the FMI

There is significant evidence that many frontline managers have benefitted from the FMI learning process and changed in their managing behaviours. Employees confirm that the more reflective, inclusive, delegatory style of management is a reality in many parts of the organisation. These individual changes of effectiveness have contributed to greater team work at the organisational level, team work that has focussed on Travelco as a business and enabled changes at the operational level to fuel the direction of business development. The involvement has also created an increase in organisational morale that may have been critical in coping with the business knocks and structural changes of the past few years.

Change management has been a key feature of the organisation recently, and one senior manager said:

*FMI has been responsible for the ability of the organisation to introduce and drive change through their supervisors.* (Manager)

These organisational changes have contributed to significant improvements in service delivery and customer satisfaction at the business level. There are some direct contributions from the FMI learning evidenced by the confidence and ability of participants to do things they would not have done before.

*One of them made a presentation to the minister, which would have been unthinkable without FMI.*  
(Senior Manager)

The number of missed trips is reducing and the costs of replacement services has been reduced. If a service does not run there are service level penalties. Both the employees and the frontline managers are more aware of actions they can take to minimise this impact now. Supervisors actively seek information on business problems for business improvement. They will seek out new information far more than they did previously. This avoids hiring in alternative service delivery mechanisms at hundreds of dollars per hour when Travelco service delivery is delayed. In another case a work group put a business case to their managers proposing that there would be significant savings and improved customer services if they had a vehicle built commercially and this has been implemented with the associated business effectiveness. While these incidents many not be entirely attributable to the FMI, all levels of staff indicate that it is the FMI which has created the business focus and change in thinking which enables such team work and business improvement to occur. This is even evident on the shop floor.

*Because the organisation is working better than before ... performance is up, [services] more on time, [staff] rosters are better.*  
(Employee)

Managers describe how their frontline staff and teams are taking more responsibility for change. In one case a work team linked to an external contractor asked for and was able to see their books and work practices. They began their own benchmarking practice and have voluntarily and from their own initiative adopted some of those new work practices. Managers also describe how understanding the business has enabled action to be taken to improve customer relations and customer satisfaction.

*They can hand out \$25 taxi vouchers to customers if the service is late. In the past they were unwilling to do this ... because of the expense. Now they understand the cost to the business of losing a customer if they DON'T do it. So they have to apply risk assessment ... and manage the situation.*

## Organisational strategy and the FMI

FMI has been instrumental within the broader change-management strategy of the organisation. A section manager who supervised two FMI graduates said:

*FMI has taken a partnership role in change management ... very impressed with FMI, it's well put together one of the best examples of a course that he can think of ... providers did an excellent job ... never had any negative feedback from the participants he has supervised ... contributed to our organisation change strategy.*  
(Manager)

Staff are coming to terms with the downsizing of the organisation. Senior managers asked the question 'How do we get the reduction?' and realised they needed a shift in middle management's understanding of the business and the key business drivers. It was part of getting employees to think in a commercial way and there is significant evidence that the strategy is succeeding.

Initially FMI participants were chosen via the performance management system. Now it is compulsory for people moving into a new supervisory position. As one participant said: 'At first there was a lot of resistance'—including from himself. However now it is 'the way of the future' for the organisation. As another senior manager said:

*FMI has had its greatest impact on where the business wants to go in the future.*  
(Manager)

There is considerable strategic alignment of the FMI and the enterprise direction.

*The strategic plan last year named it as one of the winning strategies ... as part of the program to downsize and rebuild. FMI provided the underpinning skills and support mechanism with which to say ... there is a future and we can move forward.* (Manager)

Managers pointed out that it has involved considerable investment in time, personal commitment and funds, but emphasised the increased accountability by participants to the business, rather than just doing the day-to-day job. 'It involves a new way of doing things.'

## Critical impact of the FMI on the organisation

The FMI has changed ways of managing, has contributed to organisational change process and has helped the business weather considerable storms. At the individual level employees can see the difference the FMI has made.

*[I'm] more able to communicate with the participants and their managers ... [used to see them as boss] ... more at ease ... they give respect back [and are] more open ... [She finds that a lot better working now because] she has more information.* (Employee)

Managers appreciate the greater awareness of the processes of change management, risk management, OH&S, and the development of the participants' skills in those areas since the FMI. One senior manager suggested that the FMI assessment of individuals 'gave personal satisfaction to individuals about their achievements'. Some indicate that morale has improved. One employee stated that:

*Morale is actually up, even though there is a lot of uncertainty, morale is up maybe because work is more structured and more organised.*

Senior managers suggest that at this stage the main improvement from the FMI activity is that frontline managers are more aware of, and participate in, the change strategy for the organisation.

*[The] FMI has taken a partnership role in change management ... very impressed with FMI ... it's well put together ... TAFE providers did an excellent job ... no negative feedback ... it contributed to our organisation change strategy.* (Manager)

It is the development of business thinking that has been critical. Senior management suggested that some participants now have the skills to focus on the business side of the supervisory role, and that the better FMI participants have more vision and skills to cope with change.

*Despite all the uncertainty over the last 10 years, we just have to get on with it. ... better understanding of the responsibility of the supervisor in the organisation in helping to redirect the organisation. You are more of a bridge between management and staff.* (Frontline Managers)

In the overall organisational context there were major factors such as the outsourcing and downsizing, which clouded the interpretation of the impact of FMI.

*It's getting there—a lot more room for improvement. Still [changes] in the pipeline—still looking at ways to improve. [Management] needs to sit down with the workers to look at what to improve—both sides need to talk—but not quite happening yet.* (Manager)

## In hindsight

One senior manager said that it was difficult in the organisation context of downsizing to assess what they would have liked to change: 'It was a big project, so it had to be thinly spread'.

Just as the FMI was an inclusive experience with the organisation bringing teams together, it was also an isolated experience, not being able to compare ideas of how to do the FMI with other organisations.

*It would have been good to look at other businesses as well ... would like to see how Carco's doing FMI ... like to share we learned with others.*

*... would be useful to relate to similar organisations doing FMI and get information from case studies.* (Managers)

One significant issue concerned the level of entry to the FMI. Organisations and the providers need to continually check the literacy and numeracy levels of participants and choose the level of qualification carefully. Level 4 was very difficult for the majority of staff. This is evidenced by one senior manager who points out that his two FMI participants were 'both were ill-prepared, with very little previous formal education and no formal management training. While one of the benefits of the FMI was that the 'FMI put a structure around these issues', the FMI also over-challenged them because they were attempting level 4.

*That's the one criticism I have of FMI—perhaps the instructors didn't look at these people and match them to the level of entry skills in analysing processes and projects.* (Frontline Manager)

The FMI confronts learning inexperience. For example for one of his participants 'it was difficult for him to focus' on the key issues in the questions, 'he tried to read everything from cover to cover'. There were also comments made about the lack of clarity in the assessment process for less-experienced learners.

*[There was] some mismatch of skills and demands' of FMI ... some assessments were very poorly thought out ... confusing for these guys ... It may have been OK for those with more formal education who can reformulate the [assessment] questions. But those with less education don't understand the questions ... and so found it very stressful ... So that's the only failing of FMI ... the assessment.*

(Manager)

Masculinised blue-collar workplaces engaging with the FMI may need to consider gender issues in managing and learning.

*Mainly the training was done by a woman which was unfortunate. It was hard to relate to a woman giving background information. Men wouldn't want to be distracted when they were working on their projects.*

(Employee)

Despite many individual participants who have progressed, the FMI perhaps needs other strategic support to change workplace cultures completely. One manager said:

*It needs a greater emphasis on dealing with people issues. Supervisors are still reluctant to take on interpersonal issues. Most hand them on to a senior manager.*

(Manager)

## Conclusion

Travelco provides mostly positive evidence about the FMI. Travelco is going through enormous business change and there is evidence that the FMI activity has significantly contributed positively to the current change-management strategy. Just maintaining organisational cohesion might be viewed as business success in the circumstances. However Travelco has provided evidence there are changes in team work that are directly contributing to improved business performance. Many staff indicate that the FMI underlies these changes.

Changed behaviour in FMI participants is by no means universal. However, there was agreement that the people skills of frontline managers, the communication between organisational layers, and the general morale among the staff were much better, and this was mainly attributed to FMI activity. Senior managers see cultural change, and employees report greater inclusion.

The FMI program has also made significant changes in language abilities, benefitting both the organisation and individuals. Participants in many cases have transferred their improved understanding of management and managing, the tools and skills, to workplace cultures. More listening has led to more targeted action in some cases.

Travelco as a business has benefitted from innovation due to increased business focus and problem-solving by work teams. This has improved customer satisfaction by improvements in service delivery and reduction in service costs. A number of these initiatives has been linked to changes due to FMI participation. There is an enhanced responsibility for change in the organisation.

Several respondents felt that it is taking time for FMI to make a difference to the overall performance of the organisation. The FMI may be insufficient as a sole initiative to drive such significant change processes in such a turbulent business environment. The FMI might benefit from being associated with other strategic initiatives to drive cultural change and business direction. There is little doubt that the FMI is an instigator in confronting many of the previous values of the organisation.

While implementing the FMI Travelco has had to survive as a business. Not only has the FMI been able to maintain development activity during such a complex business period, but the evidence suggests that FMI activity is contributing towards building new organisational attitudes, practices and positive changes to business performance.

## Organisational context

Utilco is a large provider of public utilities and services, with 3000 employees working in various operations centres throughout the state. Utilco has undergone significant strategic redirection and internal restructuring with the transition from a government department to 'a corporatised business with some government influence' over recent years.

Utilco's background in FMI includes a two-year implementation within one department of the largest division of the organisation. This department consists of 600 employees, of whom all are permanent, with a male-dominated population of 85%. Utilco has a rather hierarchical management structure; however, this 'is starting to flatten out'. Amongst this group 45 leaders were targeted for FMI participation, all of whom were male. Since inception the FMI program has changed to suit group and company needs. There are three distinctly different approaches used within the FMI program, from which there have already been nine graduates.

The interviews for Utilco involved the Manager of Training Services, who has specific responsibility for directing the Frontline Management Initiative (FMI) program; a senior manager with previous responsibility for FMI implementation; two participants within the department and a previous employee of an FMI graduate.

## Getting involved with the FMI

For Utilco FMI came at a time of 'dramatic organisational change' and through the recognition that they needed to 'align with private business and remain competitive'.

*Downsizing was going on, there was continuing of rationalisation, efficiency challenges, challenges in demarcation and differing the training variance.* (Manager)

In this changing business environment the role of the 'supervisor' changed from one of direct supervision towards a co-ordinating leadership role. The organisation saw the role to include responsibility and ownership of work, a participative approach towards staff, accountability in financial and industrial matters, and a significant focus on people management and development. Utilco was looking for a development program that would enhance the skills of their managers with learning taking place in the work environment.

*Initially, an issue to do with the performance of our supervisors and Frontline Managers at the time ... There were concerns about not having the skills, competencies, attitudes and behaviours that were required by the organisation from a strategic point of view.* (Training Manager)

*FMI was seen as a way of [developing] needed skills firstly, but also it was a means of bringing about some culture change. Because there was a sense 'it's not my job, it's not my responsibility as a supervisor to deal with these kind of issues its management's job up there'.* (Training Manager)

Strategic plans from the divisions reflected this need and the Manager of Training Services conducted research to identify an appropriate solution. Research was conducted through various industry contacts, to access the pilot sites of FMI through ANTA. The Manager of Training Services then put a proposal together, 'outlin[ing] what FMI could possibly do and how it could

link into other Human Resource systems'. This proposal was presented to the executive and ratified for implementation as a pilot program. A provider was sought to supply learning, assessment and learner support strategies.

Participant involvement with FMI was on a voluntary basis from an identified target group. Invitations were sent to the target group to attend an FMI information day and while in attendance 'it was left open for people to put their names down'. Coaches, nominated by individual participants, had spent the prior six months developing coaching skills.

*We spent six months with the section leaders and managers whose people were going to be in the program ... series of workshops ... introducing coaching skills ... language ... leadership conversation ... we put them through an action learning process.* (Training Manager)

Participants were generally keen to develop their own skills and develop areas of weakness that in turn would make management of the 'business' more efficient.

*It was an opportunity put forward and most of the guys grabbed it.* (Frontline Manager)

Prior to FMI Utilco offered 'no formal (leader) training at all', although various small courses and brief seminars were offered.

*It was very ad hoc, each section leader ... chose whether they wanted to go to [X provider] or somewhere and they just sent them ... it wasn't competency-based at all.* (Training Manager)

*We had very attractive [undergraduate] study systems but the culture wasn't such that people were encouraged to do it.* (Manager)

Initially Utilco's implementation of FMI did not include the customisation of competencies. However, as issues have arisen the participants have reshaped the program to suit organisational needs: 'it is quite a flexible process'.

At Utilco, FMI is occurring in three distinct streams. The learning system for the first stream includes a very structured learning process, through an external provider. The second stream 'is more a self-actuated workplace level'. Participants progress through FMI at a level deemed appropriate for their current role, undertaking an initial recognition of current competencies (RCC) process. Ongoing portfolio gathering of job experience along with job rotation, self-guided learning packages, and one-to-one coaching and assessment meetings make up the learning activities in this stream. Participants have instigated group workshops enabling them to share their experiences, ideas and plans. The third stream was introduced as an industrial settlement, whereby 'wages staffs' are able to work through FMI competencies at certificate three level and at the end are provided with a monetary reward.

Like many other organisations, participant expectations of FMI were limited, with participants noting they 'didn't know what to expect'. For the management group FMI appears to be running as expected, the organisation had a 'very clear picture and framework'. All of this considered, the skills of FMI are undisputedly seen as a 'good match' for Utilco and their future directions.

The various components of the FMI program that appeal to Utilco include the workplace focus and application, workplace ownership, communication and people skills.

*[FMI involves] my day-to-day work ... gathering ... and assessing evidence of what you're actually doing every day.* (Frontline Manager)

*[FMI is] encouraging people to take ownership ... take pride in their work ... taking more responsibility ... encouraging quality improvements.* (Employee)

*It gets you to look at things a little bit differently ... more aware of communication skills ... dealing with and how to treat people.* (Frontline Manager)

## Difference in manager performance since FMI

Utilco has noted many differences in the performance of its managers over the last two years. Individual managers have developed in different ways with an alignment seen between individuals taking more responsibility in their job role and for their own learning. In many instances for experienced managers, skills have been enhanced with different styles and options being identified as providing a set of 'tools' which they can use.

Individual managers have 'more awareness about themselves' realising some of the things they have been doing will move them forward. This is considered a 'big shift' in attitudes to managing. Managers are increasing their knowledge about their new role, how it is associated with future directions, as well as understanding how to be successful in their role and implementing those behaviours.

Many managers are communicating to staff more effectively with individuals being more open and 'very patient'. Employees are receiving more information and communication about work aspects. More individual managers are using a more participative approach with staff. Previously decisions were made in 'secret' and staff would be told what to do. Managers now discuss issues, give rationales and ask for opinions and ideas.

*I'm able to sit back and listen to everybody ... have open dialogue and let everybody have their say and don't force your opinions on people ... come to a consensus ... that's been a big benefit to me.*

(Frontline Manager)

In terms of learning and development, individuals understand the national training agenda, competencies and the significance of ANTA.

*I wouldn't have known about it ... I can now apply that in setting up procedures and guidelines.*

(Frontline Manager)

Learning in Utilco has improved and there is general agreement that managers are taking more ownership in their own learning and the learning of others. FMI has provided a systematic approach to projects which individuals are implementing and learning from. Managers are coaching staff more, assisting them by talking things through, making suggestions and allowing staff to make decisions.

FMI is definitely seen as one of the tools changing managers.

*FMI has been a large part of it but there has been a combination of other things.*

(Training Manager)

## Difference in organisational performance since FMI

Differences in organisational performance over the last two years for Utilco have been quite significant. Culturally the organisation is moving from a mentality of the provision of essential services to a competitive accountable corporation. This has included the introduction of empowered work teams, a process which can potentially be very difficult and threatening for frontline leaders in an organisation. For Utilco, managers who are FMI participants have advanced 'much further ahead than others' and the transition has been 'easier'.

Improved communication in Utilco has led to other cultural developments. The lines of communication in the organisation have been opened up and there is a greater understanding of work responsibilities across the organisation.

*The scope of people [the frontline] can talk to is bigger ... that has made the organisation as a company a lot better, the designers are talking to the doers, they understand each other's point of view. The designers have gone out on jobs and they can see what their problem is with the job ... the person you are talking to you know ... they've got contacts ... so the networks have improved within the*

*company. The learning in the organisation has improved because of this also. People are communicating with people more so and making decisions.* (Employee)

*There's been a shift really in how [work groups] see each other, how they see their role and there's a stronger sense of organisation. There's a stronger sense of responsibility and ownership in outcome.* (Training Manager)

Team work among frontline managers has improved with managers 'working a lot better as a team now ... they are working closer together'.

Recruitment and selection processes have changed to include frontline managers as part of the interview process. Previously this was the responsibility of the human resource department. As a result, the appointment of new employees has wider ownership and managers believe that it has been more successful.

Although Utilco still considers it 'early days' for the FMI implementation, judgement on impact was unanimous. FMI is having a positive impact on the organisation, contributing to organisational advancements along with other initiatives.

## Difference in business performance since FMI

In terms of business performance Utilco has not undertaken a return on investment analysis of FMI implementation. There is, however, evidence of positive results in various business activities which support FMI effectiveness. Levels of grievances and industrial disputes have dropped dramatically in the organisation. This is seen to be a result of the increased responsibility leaders are now taking in their role.

Utilco's redefined recruitment and selection processes are benefitting the organisation, reversing the attrition rate of inductees at the end of the training period. Previously, as many as 80% of new trainees were deemed not suitable at the conclusion of training.

Furthermore, management readiness profiling conducted and repeated by Utilco over the last 18 months shows a steady increase in results by 183%. Managers are more confident in their own abilities, possessing enhanced skills for their role.

In an effort to reduce costs in the organisation one support area was asked to decrease internal charge-out rates by 20%. In response, the FMI graduate manager responsible for the area has succeeded by reducing charge-out rates by 50%.

## Changes in individual, organisational and business effectiveness since the FMI

For Utilco there is generally agreed improvement in time management and planning skills with programming of work being done well in advance which is leading to greater flexibility of workload, and an increase in productivity. This in turn is 'generating more customer satisfaction' as customers can 'plan their other contractors better'.

One frontline manager noted about participants in the third stream of FMI:

*It's the information they have got and the responsibility that they have taken on, they are managing themselves and their work parcels, they are pre-planning their schedules which frees me up to do a lot more of the other work my manager wants me to do that I've not been able to do before. So through them I'm able to learn other things and get involved in other things.* (Frontline Manager)

Many participants agree that their management skills have been enhanced, through FMI and the 'attitude' of 'treating it as my own business' has developed. In addition, the notion of having the

right people in the right place at the right time is starting to come to fruition with indicators showing 'there is a shift in ... people's fit with their responsibility for their job roles and their learning'.

Utilco has noticed benefits from FMI impacting on organisational culture. Many FMI participants have reaped personal benefits of enhanced skills and confidence, with reports of increased communication, participation and accountability for all work functions. Several more senior managers have developed coaching skills and gained workload rationalisations resulting in increased involvement in strategic activity rather than in day-to-day issues.

The large amount of change and sheer number of strategic interventions occurring in Utilco make it difficult to pinpoint ultimate impact of any one initiative. However, there is confirmation that the FMI has been a significant contributor, amongst other initiatives, to the increases in business effectiveness that have been gained with fewer staff, and in an environment of retrenchment.

*In industry you've got four or five things going on at the one time. When you look back it is hard to attribute or proportionalise the one success to any one of the strategies. What you normally identify is two or three of the strategies which work very carefully together.*

Managers indicated that the improved communication within the organisation may well be responsible for minimising expenditure, legal conflicts and lost production from disputes.

## Organisational strategy and the FMI

Strategic directions for Utilco see leadership as a primary focus in the corporate mission statement. This is ultimately where the intent of leadership development was born.

*[FMI] was very much about a culture shift ... the project was linked from the beginning to strategic goals.* (Training Manager)

Utilco's human resource strategy is directly devolved from the corporate strategic objectives and FMI is becoming an integral part of the investment in people.

*Things like managing poor performance ... links in very much with FMI ... the performance management system and recruitment selection system ... a number of job descriptions have specified in them progress towards qualification of FMI ... they're linked from the top of the organisation down the bottom.* (Training Manager)

Since the commencement of FMI the organisation has broadened its access into other divisions. This is likely to continue with FMI being the primary frontline management development program. FMI has also sparked the development of an executive management program. It is intended that FMI will 'be around for a while yet'.

Projects are an optional approach for participants in the demonstration of FMI competence, with the depth and strategic link of projects being determined by participants. However, most projects merely provide an avenue for holistic assessment through a systematic project-management approach.

## Critical impact of the FMI on the organisation

The greatest impact of FMI on individuals is the development of leadership skills, providing increased confidence in individual abilities and work role responsibilities.

*Enhancing the individual skills, improving their skills, or giving them new fresh ideas on the way you should be managing things ... changing the mindset ... the attitudes.* (Frontline Manager)

*Its personal satisfaction that you get yourself, you've actually improved yourself in one of those areas and then you can implement those.* (Frontline Manager)

The recognition of competence in the form of a certificate or diploma is a great incentive for participants.

*It's that little piece of personal pride, being recognised for your skills.* (Frontline Manager)

The most significant impact on Utilco organisationally is the culture shift in being 'more self-directed and self-responsible'.

*It's having more empowerment of work teams.* (Employee)

In addition, this individual impact transfers into subsequent organisational impact. Utilco is experiencing an overall benefit of staff morale.

*There's a lot more satisfaction from coming to work, they are going home smiling.* (Employee)

*The offshoot of [individual gains] is the company will pick up a more skilled person and that will go across the board ... that culture will rub off on someone else.* (Frontline Manager)

*Business impact is difficult to quantify, however improvements in grievance and safety measures are the key indicators.* (Frontline Manager)

FMI has been a catalyst for change in Utilco as it has ensured the development of several skill models in the area of relationships, coaching, management and leadership. These models have been nurtured by the senior management team, through the FMI practices.

*From a whole point of view ... it has been a catalyst for changing the way people see what is leadership, what is management and particular in this area of relationships and managing relationships.* (Training Manager)

However managers in Utilco believed that the FMI could present organisations with difficulties because of two issues. First, the FMI, being a 'relatively new approach in Australia means there is not a lot of experience or support to tap into'. For successful implementation the FMI requires people with significant knowledge and experience to understand the program. Secondly, the Australian business mindset is based upon short-term gains as opposed to long-term results. 'It's not a quick fix program ... [FMI] won't deliver instant results'.

## In hindsight

Throughout the FMI process Utilco has been an active manager of the implementation process, inviting participant feedback and taking responsibility for creative development of the learning program.

Utilco believes that, to achieve authentic assessment, the process needs to combine a mix of observation in the workplace with evidence portfolios, and that there should be subsequent follow-up reviews of continued competence. Utilco intends to work on the ongoing assessment of competence as participants can fall back into old habits easily.

Clear documentation examples and support materials for participants are considered critical to simplify the learning process for participants at Utilco. Participants need a good understanding of the basics—competency, assessment, evidence—without 'throwing in too many different types or styles', as this is confusing. The use of 'real live case studies', graduates of FMI from other organisations who introduce and provide this information is an effective strategy for Utilco.

Utilco expresses the view that the provision or availability of support mechanisms for co-ordinators implementing FMI would be of great benefit and would enhance the successful implementation of FMI.

According to Utilco the role and development of coaches in the organisation should not be underestimated. An effective coach needs a good understanding of FMI, AQF standards and practices and workplace learning. The traditional learning paradigm in organisations of the two-day

'fix-it' course is not only instilled in organisational culture but also in individual mindsets. Implementation of FMI learning patterns requires a paradigm shift in management attitudes to learning to eliminate the potential culture shock of the more fluid and interactive approach.

Utilco, without the Frontline Management Initiative, would have seen 'a lot more people biting the dust...struggling to cope'; people issues would 'still have been dealt with but probably not in the same way'. Managers noted 'they would have been stuck in [their] own ways' instead of choosing from a variety of techniques to suit specific situations. The whole 'new leadership' paradigm would not have been developed so succinctly nor the workplace learning paradigm embraced.

*We may have got there, we may have got there a bit slower and the costs may have been higher.*

(Training Manager)

## Conclusion

Utilco is a medium-term FMI user who has adapted the program along the way with each cohort of participants engaging in diverse learning processes and developing a pattern that fits the environment. This active management of the learning processes is at the core of the Utilco approach to the FMI and underpins the outcomes achieved. Utilco has included participants as key players in enriching the program for the organisation. As a consequence, FMI is having a positive influence on the organisation, with organisational and business impacts beyond previous expectations.

Typically, and like many other organisations, Utilco has promoted technically competent people to management roles. The emphasis of this FMI program focusses on management and leadership skills development and is beginning to fulfil the intention of cultural change towards an environment of more sustainable and strategic managerial activity.

There is considerable evidence of improved individual effectiveness, with managers having increased confidence in their own abilities through recognition of skills. For the organisation, the impact of FMI is evidenced by positive cultural changes in communication, morale, customer service and workplace responsibility and learning. The business has undergone significant structure and strategic changes with reduced staff numbers. The FMI appears to have contributed to the maintenance of industrial stability and improvements in productivity during this period of intense industrial relationships.

For Utilco, FMI has been one of the initiatives contributing to the current organisational climate and business results. Managers may have achieved the same results without the FMI but they believe it would have come at a higher cost in terms of time and financial expenditure, employee turnover and industrial conflict.

## Organisational context

Forrestco is a large organisation involved in the production of forest products, employing 850 people across 33 sites in a range of business divisions including wholesale, retail and manufacturing. The vast majority of employees are permanent, with a gender mix of 85 % male and 15 % female. The management structure at Forrestco includes seven senior managers, 33 operations managers, and as many as 20 supervisors at each of the larger individual milling sites.

FMI implementation at Forrestco involves one of the 33 sites, which is viewed as a 'guinea pig' prior to implementation across the organisation. This site combines two mills, one of which was purchased from another company four to five years ago. These two mills account for 220 employees and 30 frontline managers. This site has seen some unsuccessful marriages of cultures.

*We are still working on that ... people have to understand they work for [the current company] not the previous employer.* (Manager)

In addition, the senior manager of the site was changed in June 2000. The arrival of the new Operations Manager appears to have significantly influenced the progress of FMI. In the ex-manager's time,

*There was enthusiasm for FMI ... but ... no support there to help them get through their daily tasks as well as do FMI. No one was willing to do it at home at that stage. I think because it was forced on a lot of people ... They treated it as a chore.* (Frontline Manager)

At Forrestco evidence was collected from the Operations Manager, the Training Development Officer who is also a FMI participant, three participants and an employee of one of the participants. All of these people were from one site in a larger rural centre.

## Getting involved with the FMI

Forrestco identified a need in the skill and knowledge level of their frontline managers. Typically the organisation recruits locally with education and literacy levels of employees averaging Year 9 or 10. Like many other organisations, Forrestco has traditionally promoted technically competent employees from within the organisation.

*We all needed better training to work as a team, and to be able to communicate better together on a management level. And that was what the organisation saw as our downfall.* (Frontline Manager)

*The supervisors and managers have all come up through the saw mill ranks ... but you need some injection of outside world training ... it is basic techniques like time management, priority setting, communication.* (Manager)

Forrestco became aware of the FMI after hearing about it from various sources.

*Material sent to us in the mail from various people ... engineering newsletters ... AIM ... through discussions with TAFE as we use TAFE for a lot of other training in the company. And mainly through the ITAB, an industry training association.* (Training Manager)

The organisation has a tradition of competency-based training using the forestry training package widely.

*We have Forest Products Training Package that we use. So all the skills throughout the organisation have an alignment to competencies and we train and assess. We investigated a need a couple of years ago ... the people we had in management or supervisory positions came from a technical background and need to take on more management-type functions in their job. They still do technical-type modules as well to make up the Diploma of Management [Forest Industry]. The Frontline Management Initiative has become part of that.* (Training Manager)

Forrestco has active involvement in developing and delivering its FMI program, using a TAFE for assessment processes.

*Particular commitment came from the Operations Manager. The HR department became totally committed to the process as well ... TAFE is providing the assessment but we are providing the training ... we have a high involvement in the actual way FMI is undertaken.* (Training Manager)

Initially there was resistance to the FMI because of the mandatory approach to the learning process.

*It was put to us that it was part of your job requirement, that you complete FMI up to a certain standard which was level 4.* (Frontline Manager)

*In the first 12 months a lot of people said 'I never wanted to undertake this training and you've forced me to do it'. That's resistance to change basically but they seem to be comfortable with it now.* (Frontline Manager)

The original Operations Manager was close to the original TAFE facilitator (university tutor) in terms of the lecture style of information delivery. He had a clear idea of what he wanted them to know.

*This is the standard I want you to be at so I expect to you undertake this training.* (Training Manager)

The current Operations Manager sees the difference of an approach that is about developing managers and managing tools rather than adding skills to technicians.

*He approached management as an engineer instead of approaching it as a manager. I'm a firm believer in delegating through to these guys. I want them to be responsible for things ... get the job satisfaction by me giving them the tools, the confidence and the measures.* (Manager)

The characteristics of the FMI delivery have therefore changed during the implementation process. The delivery now reflects the development of understanding of the FMI learning process, and the change in the style of management. Initially, FMI was delivered in a lecture style by trainers who were unfamiliar with FMI and self-paced learning. Then delivery became more focussed on the company, with learning being more hands-on and this was new to the participants. This caused confusion for participants in relating how their work fitted into FMI standards and training materials, and the process stalled for six months. The last two modules were delivered in September 2000 by a new TAFE tutor. Small group workshop formats were used to focus on goals, plans and management. The Training Officer delivered the information with the new Operations Manager in attendance. This was well-received by FMI participants. Forrestco now believes it has developed a more flexible FMI program that suits their participant needs and matches changes in management culture.

FMI commenced in February 1999 with 23 participants. Nineteen remain.

*All are at the same level though some have fallen behind in their assessment and they may not make certificate 3 or may in fact drop out. None have been accredited yet. Most of them will go to certificate four but five or six of them will possibly go on to a diploma.* (Training Manager)

Participants see the value of FMI differently, and for some the qualification is the greatest motivation.

*If I lose my job, then I've still got that as a back up ... at least you've got that certificate behind you.*  
(Frontline Manager)

## Difference in manager performance since the FMI

Since the Frontline Management Initiative Forrestdco has identified many changes in manager performance relating to fundamental individual skills and communication. FMI is providing participants with a set of tools to enable them to perform more effectively in their role. The value placed on these tools depends largely on management's provision of leadership and commitment and participants exercising initiative.

*The only time we will find out [whether change is happening because of FMI] is when we allow them to use the tools they have learned through FMI in a real life situation and what I am trying to do is give them permission to get out there and practise those things they have learned. Otherwise it just sits in the closet.*  
(Manager)

FMI participants are using these tools in addressing workplace and budgetary problems.

*There is a need to control our costs per ton. How are we going to do it? So they may well use an FMI technique to get to that. If there is a need people will use the tools they have got, be it FMI training or something else, to achieve that outcome. FMI just gives them the tool.*  
(Training Manager)

The FMI participants have improved their communication skills (including computer skills) with teamwork being a major outcome.

*I've found [our communication and ability to work as a team] a lot better now. It brought the management team closer together. Beforehand we had supervisors in the dry mill and supervisors in the green mill and the communication wasn't there. But when we all had to do the same course [it] brought us all closer together.*  
(Frontline Manager)

*In the sawmill now, they're fully computer-literate. They can understand, they can graph, they can collect data, word process, faxes, email, they all use email now. FMI started it all.*  
(Frontline Manager)

*They explain things very well ... They make things pretty clear when they talk. You can go and talk to them, bring up any problems you got. They'll help you to try and fix them ... I could talk to the supervisors, maybe the manager if you needed too.*  
(Employee)

*How to deal with a problem quickly. It needs to be a group. I grab the key people, and one outside of them. We work through all our problems like that. And that was all learnt through FMI. Section 1, I think.*  
(Frontline Manager)

*Everyone gets along and tries to work together. In the past I think everyone went their own little separate ways and didn't work together. Whereas now we're always looking at a better alternative.*  
(Employee)

FMI is affecting the organisation on a wider scale than was originally perceived.

*Many of them didn't know how to do a formal report and from the unit on managing workplace information they now report monthly on the performance of their area of responsibility. That is something that never happened and that information now allows the Operations Manager to report to his senior managers on a much more effective basis.*  
(Training Manager)

Individuals are taking a greater interest in their own self-development as managers in the organisation, looking for further opportunities.

*All of the participants are focussed on their development now so they are looking at what sort of other training programs they could undertake to help to develop their performance as managers.*  
(Training Manager)

## Difference in organisational performance since the FMI

Differences in organisational performance since the FMI have been significant. Culturally, the organisation is seeing a shift from 'top down do as I say culture', to a more participative culture. Communication across the site is developing between the various hierarchical levels.

*Production meetings wouldn't have started. They didn't want to work together and I used the communication module to start it off. We have a production meeting 10.30 am every day. All key personnel go. That came from FMI and that's still going.* (Frontline Manager)

*When I first started and maybe for a little bit after, it was sort of the workers and the management. Whereas now [the workers] get their say, and they get asked different things on how to work better.* (Frontline Manager)

There is a greater sense of autonomy and responsibility amongst the managers with this new-found motivation being part of the new management identity.

*We're more in control of our destiny internally than we ever have been. That's both my own and management's initiative.* (Frontline Manager)

The merger of the two mill sites saw some problems and an 'us and them' mentality. FMI is helping to integrate the workforces of the previously two companies, building a sense of 'whole organisation' and camaraderie.

*When we started this FMI, we'd only just taken over the other business. One didn't want to communicate with the other. So I think with FMI we became more of a whole team.* (Frontline Manager)

The improvements in organisation performance from FMI for Forrestco appear to have come from changes in behaviour, influencing the organisational culture.

*It is not changing the structure; I don't see any evidence of that. But it's definitely changing the culture.* (Training Manager)

## Difference in business performance since the FMI

For Forrestco the determination of business impact is difficult as they identify a variety of external factors that are influencing business performance. The business environment has been complex with many companies in the industry facing considerable challenges to maintain profitability at a time when there are unprecedented and growing public and political sensitivity forestry practices. During FMI implementation Forrestco has maintained a pattern of sales and profitability by reducing bottom-line costs.

*The building industry is dropping ... At a time when our sister mill which is bigger, faster, better, is losing 63% of sales ... we cropped that to 19.2% loss. So we're shining at the worst part of the year. I don't know if you can draw [a link between] that and FMI. But we're the only ones doing FMI ... We're getting slimmer and tighter, and leaner in the processes here, before it even gets out of the gate.* (Frontline Manager)

The FMI is viewed by managers and participants as a process which supports the current business performance.

*I think we're always moving forward, trying to meet new demands. As the market changes, they ask for more and more, so we have to change internally to meet their requirements.* (Frontline Manager)

## Changes in individual, organisational and business effectiveness since the FMI

FMI appears to have been beneficial for the company and the participants.

*It provides a framework to work towards a standard of management and we know what that is. So we know where to work to.* (Frontline Manager)

*Management's working better as a team. We work as a team now.* (Frontline Manager)

Participants highlighted outcomes in cost reduction and business efficiency which they attributed at least partly to the Frontline Management Initiative.

*The outcomes have been good, especially in module eight ... Safety ... we saw some pretty significant changes in attitudes towards safety when that module came through.* (Frontline Manager)

*Basically, you need to fit as close to 40 kilos on the trucks as you can. Sometimes a truck had only 23 cubed, which is a lot of lost money. Graphing this performance measure is just a simple tool that [the Dispatch Supervisor now] uses. A couple of the modules [in FMI] pick up performance measures. So you can see where you were, where you are now, and where you want to be ... That's what drove that.* (Frontline Manager)

*Since FMI, a lot of people have questioned [procedures]. An example was that trucks could not go between the mills without a certain amount of paperwork done. This procedure has been officially altered so that the trucks can flow more freely between the sites.* (Frontline Manager)

Forrestco notes that the effectiveness of FMI for individuals may be judged by how positively participants responded to the program.

*The people here in the main didn't embrace it and make it happen. That's obvious by the number of people that didn't complete the modules on time, or at all. That's the feedback that filters back through the organisation.* (Manager)

The Operations Manager concedes the FMI techniques have helped them with problem resolution. However some of them are doing it better than others.

## Organisational strategy and the FMI

At Forrestco the original intentions for the FMI concerned management skilling and certification. For Forrestco, FMI was seen to be of strategic value in the compliance areas of safety and quality.

*On our internal web, anyone can access safety forms. Quality is being written now. And these guys are starting to access our stuff. Before, if some guy gets his leg chopped off, 'call the Safety Manager'. Quality issues, 'call the Quality Manager'. Customer, 'call the Customer Services Manager'. Whereas now, they're assuming responsibility for the whole lot. I think that's the way we're heading. With the FMI, you can do it.* (Frontline Manager)

Forrestco had an expectation of seeing quick results in business with the introduction of FMI. This has not come to fruition and the realisation that the expectation is a little unrealistic is starting to occur.

*It has been very slow in providing results for senior management to say, 'This is really making a difference to the business'. Some of the senior managers have expected to see some quicker results and are a little bit disappointed. The participants are improving but it's not at an accelerated rate. You really don't see immediate results.* (Training Manager)

However Forrestco has learned from its FMI experience and adapted its strategy from a shorter training orientation to a longer-term culture change orientation. Not only have they developed an understanding of the FMI and a manager base, but they have also placed learning on the

organisational agenda. As with most strategies, Forrestco's strategy has been emergent, and constructed on the run as learning took place, mirroring the FMI process. Forrestco would now customise the FMI modules to their current strategic direction to maximise the relevance of the FMI program.

*... and work out a streamlined approach to FMI based on the organisation's biggest need. What module do we have to do first to address that?* (Frontline Manager)

## Critical impact of the FMI on the organisation

The greatest impact of FMI on Forrestco is the bonding and bringing together of individuals and cultures alike. This is having a powerful impact on the organisation and the development of the new culture.

*Getting us together. Bonding the supervisors and managers. That's never happened [before]. There [was] totally ill-feeling out there from day one. It's not a difference just between managers and supervisors. It's lateral as well. And working on problems together. Now, outside the sessions it's the same. No one wants to hide from the other guy. A problem shared is a problem halved and that's what's happening. You can really see it.* (Frontline Manager)

The previous management climate did inhibit the initial effectiveness of FMI, reducing participant motivation and limiting earlier visible signs of impact.

*Previously they weren't allowing people to be involved and actually do things to achieve the outcomes. I'd watch a lot of them generally giving information out and it was pretty poor.* (Manager)

## In hindsight

Forrestco realises things 'could have been done better' and now fully appreciates the pilot process they undertook has been a considerable source of organisational learning, beyond the FMI. They now advocate voluntary participation, integrated learner guides, and customised workplace contexts for all modules.

*The main issue is participant resistance and gaining their commitment to the whole process ... The difference we will take from the first pilot site to the other sites is that we are going to ask people to volunteer to be part of it.* (Training Manager)

*The FMI learner guide needs to link to the performance criteria, so that when participants are working through the criteria they can go to the learner guide for the theory behind it.* (Training Manager)

*Some modules may not be relevant to this organisation. There is a lot of overlap in the modules where you'll link back to another tool that you should have learnt. The retention from [the modules] is really quite low. If we had someone who could come back and reinforce some of the techniques that we've learnt in a classroom environment, it would be much more beneficial.* (Manager)

From a structural perspective Forrestco would have liked more contact with FMI as a body, with publishers and with users to facilitate greater interaction and the ability to indicate what support tools were needed. Like many others, Forrestco was not happy with the assessment process and would welcome some moderation process. However, they believe that customising the unit order would make assessment process more relevant to current organisational focus.

*Marketing. Because you can get out there and do something totally new. I'd like the formal tools. I don't think that FMI does that now.* (Frontline Manager)

*I think that we should have an independent assessor go through our whole organisation and work out a streamlined approach to FMI based on the organisation's biggest need. What module do we have to do first to address that? A full training-needs analysis on top of a problem analysis [is what was needed].*  
(Frontline Manager)

## Conclusion

Forrestco is gaining benefits from the FMI for many individuals, within the organisation and in terms of business cost-cutting, but these have been slow in arriving. Rather being critical of the FMI framework, Forrestco has identified some internal practices and previous styles of leadership that have hindered their FMI success.

FMI pilots, like all pilots, are supposed to represent opportunities to adapt the fit of learning processes to the organisation. For Forrestco the FMI has already been a learning experience and changed managing within Forrestco. There has been considerable development in managing the learning process, with Forrestco recognising the value of voluntary participation, customising the FMI, localising unit content and being active managers of the process. This new knowledge places learning on the management agenda and will have implications for how the organisation is run in the future.

Forrestco, because of active FMI management, now has a more focussed and better-aligned program. The FMI has started slowly in Forrestco, with many benefits only realised subsequent to associated changes in senior management. The FMI has confronted management attitudes to learning and managing learning, and the value that the business places on learning. FMI is seen as assisting new managers by promoting teamwork and providing tools for collaborative problem-solving and is helping define management within Forrestco.

## Organisational context

Storeco is a national retailer. It is set up as several separate business units for the different retail brands that it operates. Employing a large number of part-time and casual staff, the company invests heavily in training. This training however, 'has to be fairly cost-effective' as 'the bulk of our businesses work on fairly tight profit margins'. Consequently, 'expenditure on training is usually tightly controlled'.

Each business unit takes responsibility for staff development, including management development. Staff who are located centrally provide a consulting service to these businesses; however each business unit can choose to use or not use the development options and learning solutions on offer.

*We're different in that we can't say: 'This is a Storeco policy that we're going down Frontline Management'. We can only develop a program and market it, support it, and try and get the business units to take it up.* (Training Manager)

In what follows, various perspectives on the impact of the Frontline Management Initiative at Storeco are presented, including a corporate and an individual brand perspective. Interviews were conducted with the Management Development Co-ordinator, a National Learning and Development Manager, two participants in the Frontline Management program from two different retail brands, and three staff members who are managed by one of these participants. Interestingly, one of the participants interviewed is a senior manager. This manager is using the program 'as an RPL' (gaining recognition for prior learning).

## Getting involved with the FMI

Storeco is strongly committed to management training. Currently, it offers approximately 20 internal management development programs to its staff. FMI grew out of a review of these programs. The findings of this review suggested that 'our programs were best supported by Frontline Management competencies'. The FMI was perceived to provide an opportunity to 'change how we look at learning and where we look for learning'.

*I saw Frontline Management as a bit of a vehicle for us for slowly, and very, very slowly, changing the way in which people look at learning, people look for learning ... I wanted to move away from having a Frontline Management program that was like: 'Go on the Frontline Management program and you do these eleven courses. And then you do an assessment and you get your diploma'.*

(Training Manager)

Storeco's association with the FMI was also governed by employees' interest in 'a recognisable certificate at the end of it'.

*When Storeco initiated the Frontline Management Initiative I thought what I really liked about it was the fact that it was an assessment process rather than a cookie cutter approach. A lot of the certificate courses I feel are very much that, you know, that you need to do this module and then that module, and then that, whether you need them or not, and I really liked the idea of on-job assessment*

*and a self-tracking approach. But, it was also a recognisable certificate at the end of it which was very attractive to people and very tangible for people.* (Manager)

Storeco has had a long involvement with competency-based training. CBT is viewed as suitable for 'job skills training' where staff are developed internally within their own business unit. Given familiarity with competence-based approaches to training, Storeco's choice of the FMI was not unexpected.

The FMI is a relatively new program. To this point, 30 people have been on the program, including the 15 who are in the current group. Set up late 1999, the program has been running for about one year.

## Difference in manager performance since FMI

By and large, managers on the program are 'store managers who have got some experience'. Store managers perform the role of business manager and may have three or four team leaders who report to them. 'In an average store, there would be around ten business managers, and each ... may have up to forty to fifty staff'.

Various differences in these managers have been noted over the course of the Frontline Management development program, the key difference being increased confidence in their skills.

*I think, what I've noticed is confidence in their skills. I've had one lady who has been a manager for ten years. She said: 'It's really great to know that what I've been doing is right'. She rang me up and said: 'Look, I'm not actually finding any development gaps here'... I think our managers often underrate themselves, and so that's been really good that they have developed the confidence in their own skills.* (Training Manager)

*She has developed I think a lot of skill. You know I really think that with [one individual], that a lot of that is her own self-confidence. Prior to the Frontline Management course, she really, she was probably capable of as much as she is now, but it just lifted her confidence to a level where she knew that she could do it and people would respect her for it, and so she has done it.* (Manager)

*I think it just made her more aware that: 'Okay this is the way I should be approaching situations or I should be getting my team members more involved'. I mean she did do that but I think it just made her more aware that she should be doing it all the time and that's something that she did do during that training.* (Employee)

*As far as what I got out of it, I found it extremely beneficial. I enjoyed doing it, ... confidence, my own personal motivation, my own, oh gosh, like oh, I feel like I can do anything you know. I was inspired, I was mentally challenged, I found it extremely stimulating. I think it made me so much [more] aware of the importance of a leader, but more importantly the fact that, you know, a leader is not a man on his own or woman on her own. Your team makes you what you are, and vice versa.* (Frontline Manager)

Storeco has opted for a 'learner-led model' of management development rather than a 'Let's go and do this training program' model. Emphasis is placed on people taking responsibility for their own learning, including learning from reflection.

*The other thing we have done I guess is also getting people to look for learning from reflection from something that has happened. So, 'I did this, what did I learn from that?' ... We write a budget and we don't ever think about why we do it or how it fits with the bigger picture. So actually encouraging people to take that step back and say: 'Well, why do we do that?' and having a clear understanding about that.* (Training Manager)

While it is early days yet, the learner-led model of Frontline Management development appears to be producing significant changes in management style and approach. These changes, however, depend largely on the individual manager.

*It depends on the individual largely. We've had one person who has just taken the bull by the horns, yeah, and just picked it up and really worked hard and driven herself, and she's been very successful. There are other people who really haven't taken that challenge and the work we need to do as an organisation is to decide what other support they need, were they the wrong people, did we choose people in roles that couldn't do that, what are the reasons they didn't do it.*

(Manager)

The managers who have risen to the challenge of the FMI are questioning their own behaviour and adopting an outward-looking, 'universal approach'.

*In terms of other changes, I guess people taking, people asking questions and asking others questions about their own behaviour. Taking a bit more of a: 'Why don't I just ask people that work for me about that' approach.*

(Training Manager)

*OH&S to me before this course was probably something that was more of a hindrance to my job. I wanted to bring in a new doughnut machine and they said: 'OH&S have got to have a look at it', and it was: 'Oh no, do they have to?' Whereas now, I am seeing it from a much more universal approach ... This shows me really that management is more than just product and price, getting product on the shelf. So from that point of view, it has been a learning thing for me.*

(Frontline Manager)

## Difference in organisational performance since FMI

The Frontline Management program has not been running long enough with enough people to make a significant difference within Storeco. However, differences in the quality of teamwork are noted as a result of the FMI.

*I would chair the meetings sometimes even though I didn't want to have that responsibility. [It] just automatically comes on to you. Then, during the meetings, I would say: 'Now, what do you think?' By encouraging the team members, I felt that they were more open. And they would speak up and suggest things and if they did suggest things and we all agreed, I would implement the change, if it needed be. Also, on many occasions, you would get asked questions, and, I would then say: 'Well, hold on a minute, I don't want to make the decision. Let me go back to the team and we'll come back to you with a team decision'. And I felt that by doing that, that really, I don't know, we felt together, it was more uniform, we were like a group. And, you know, that made individuals in our team feel really confident and strong or worthwhile, and um, close.*

(Frontline Manager)

Further changes to organisational performance are expected to eventuate as the program expands. Ideally, Storeco will get to the point where the FMI will make a difference not just for the people undertaking the program but 'for the people that work for them'.

*One of our HR groups restructured and put in place three team leaders and their department heads were looking for some development for these [women] and said: 'What can we do?' I said: 'This is a good opportunity', so the three of them have come on the program together. I would expect to see some change in the way that team works and they are doing a lot of other things at the same time like empowering the group ... It is probably a bit early for that change to be seen in terms of organisational units ... In a couple of years time I would hope that we would be putting 100 or so through a year and we would get to some point where it actually would make a difference not just for them but for the people that work for them.*

(Training Manager)

*It's been very isolated to [one state] and we're a national organisation ... But I think as the program expands to [another state] next year and we start to get more recognition ... it will make a difference, but it's just too early at this stage.*

(Manager)

## Difference in business performance since FMI

At Storeco all of the training on offer, including management training, is directly related to meeting business need. High expectations of productivity and results are placed on frontline managers. Some participants in the FMI are undoubtedly achieving these results. For example, as a consequence of the improvements to teamwork noted above, teams were perceived to produce 'a better output' inasmuch as 'we were able to approach things that would happen on a day-to-day basis better'.

*The team members I worked with were very enthused, very supportive, conscientious, motivated, they were inspired. We got a better output and we were able to approach things that would happen on a day-to-day basis better. We implemented special projects and I think that that provided them with the ability to not only progress with their own self-development, but also their enthusiasm and their motivation at completing tasks contributed to the whole team's productivity as well. So as a team, like we were about 22 women, I felt that that assisted the bottom line for productivity.*

(Frontline Manager)

Those managers who have achieved success through the FMI have high expectations of how business performance might be improved through the program. This potential improvement is a product of managers at different levels working together to 'help the whole business to take some benefit from it'.

*Up to certificate 3, I was on a breeze and thought it easy but I have now hit the point where I am saying: 'I now need some help'. So what I have done virtually from this, the OH&S have actually got together with our National Manager and I am doing a full audit on the bakeries and we are going to go out together and we are going to spend some time just auditing from an OH&S perspective the whole of the bakeries. And from that I will be able to then come back and answer those questions and also make it suitable for the business, so not only will I be benefitting and be able to complete this, I believe I will help the whole business to take some benefit from it as well. And the same with the training. We are introducing new bakeries and I have been to see our National Training Manager and say: 'I have a training problem, I need a training solution. Can you spend some time with me?' And she has given me one of her direct reports to work with.*

(Frontline Manager)

## Changes in individual, organisational and business effectiveness since the FMI

Numerous gains for the individuals who have responded well to the Frontline Management program are reported. The biggest changes in individual effectiveness centred on teamwork and 'leadership quality'.

*I believe I've gained so much from Frontline ... To make it very brief, I think a manager is only as good as his team. And that's what I've learned from it. No individual can do it alone. If you provide your team members with the opportunity, the encouragement to speak up, they've got the confidence, they've got the initiative, they're motivated. I think motivation is a big part of it ... I've learnt that if I want to be a good manager, then I need the support, the respect, and likewise, I need to show them respect and support. You know, you're only as good as your team basically.*

(Frontline Manager)

*I see it as being invaluable in that a lot of the time the expeditor role is filled by people who were merchandise assistants, and as merchandise assistants, you know, that is a starting ground, you may not necessarily have that leadership quality, and I believe that Frontline Management helps to enhance and bring it out.*

(Frontline Manager)

The FMI gave these managers the confidence to use what they had learned on the program with various work groups and hence increase the benefit of their learning. Over time, changes to organisational and business effectiveness could be expected to flow from this broadening.

*Going forward, I would like to use those types of strategies and techniques with the stores people. Like spending time with them. Even though they don't report to me, I can use those skills I've learnt to you know, help them and so forth.* (Frontline Manager)

## Organisational strategy and the FMI

The FMI aligns closely with the strategic direction of the company. As the National Learning and Development Manager explains:

*Part of our strategic direction is to be innovative and for people to be empowered and so those things are very important, you know, that's how we try to align our learning strategies, so that people take on responsibility for their own learning, so that's one link and certainly the Frontline Management Initiative does that ... it has all those principles. As far as the content, certainly leadership skills are very important and you know the types of competencies are very aligned to our strategic direction of the company.* (Manager)

It is also tied to the HR strategy used in each business unit. Some business units are developing a 'competencies charter' and 'FMI fits nicely into this'. Different business units function in different ways with respect to their strategy for learning and development. There appeared to be a tension within some business units between investing in learning and development and investing in competence development.

*Some of our business units are very committed to the retail skills competencies because they fit very well with their business.* (Training Manager)

Priority is given to building skills that will produce an immediate return on training investment. Storeco is working towards resolving this tension by strengthening the link between learning and development, competence development and business development.

*Different parts of our business, not all of it, are going through competency work and identifying key competencies and those types of things, and they are linked to business strategy, and that will give us an opportunity to link learning to our competency strategy.* (Training Manager)

## Critical impact of the FMI on the organisation

The FMI commenced operation at Storeco in March 2000. It is difficult to determine with any certainty the impact the program is having on either individual business units or on the organisation at large. Managers are confident however, that the program will impact in the future. Despite business units 'saying they won't invest in something if they can't see a value in it', they continue to place 'one or two people on the program at a time'.

*What I have seen is a maintenance of interest. From my perspective, my internal partners who are national training managers are relatively intolerant of failure and because it is coming out of their budget and not mine, they won't invest the money if they haven't seen the benefit to the business. So I think there is certainly a continuing interest in it.* (Training Manager)

The FMI is reported to be effective in 'getting HR people to think a bit differently about how people learn'.

*I think it is probably too early to say from an organisational point of view. It has been effective though in getting HR people to think differently ... Even just getting them to think a bit differently about how people learn and a model for learning. I think that's a starting point.* (Training Manager)

More importantly perhaps, it is perceived to be central to developing leadership and management skills at frontline management level. Given 'a very flat structure', these skills are deemed essential to Storeco's operation.

*We've been focussing very much on retail skills at a frontline leadership level and I think we've realised that the retail skills are useless unless people have leadership skills and management skills and can mix both, because like a lot of organisations, we have a very flat structure, we have only two levels of managers.* (Manager)

## In hindsight

Using a distance or self-paced approach to the FMI can create problems as Storeco experienced with its first group, where a small number of participants achieved the certificate. The poor success rate with this group was perceived to be a result of lack of structure and support for those on the program and their consequent difficulty in getting started.

*So I think there were only two people in that whole intake who achieved the certificate. So then they did some tailoring with [the provider] to get people some more support and a little more structure. That next trial is happening now.* (Manager)

*With the first group we did it really strictly. They had to have completed something before they entered the briefing session. So with the group starting in February, we are actually going to make it a requirement that session that they have actually done a self-assessment and got some feedback before they leave, so they at least have made a start on it and they know that what they have written is appropriate. That's the problem, if they have never been involved in competency assessment before which most of them won't have, understanding what it is that they need to write to be competent can be quite difficult.* (Training Manager)

Networking sessions have been put into place to counter-balance the 'hands-off' approach taken in the pilot program. In keeping with Storeco's learner-led model of learning and development, the participants are now organising these sessions themselves.

## Conclusion

Being a relatively new program, the Frontline Management Initiative was perceived to have considerable potential for individual development and hence group and organisational development. In providing learning and development opportunities, Storeco is pursuing a policy of mutual responsibility: the mutual obligation of the individual to the company and the company to the individual.

*The company has gone through a lot of changes. I think it's only a couple of years now that self-learning [has come in], the importance of promotions being a two-way thing—the company acknowledges people to be promoted, but you also have to do the hard work you know, and upskill yourself.* (Frontline Manager)

*So not only will I be benefitting and be able to complete this, I believe I will help the whole business to take some benefit from it as well.* (Frontline Manager)

Storeco is shaping the FMI to meet needs at these two levels and consequently produce business benefits. Its experience of the FMI has emphasised some of the contextual variables that must be managed if management training is to be successful. Like many other companies using the FMI as a management development tool, it has found that structure and support, most particularly the support of senior management, are the key variables.

## Organisational context

This organisation is a small-to-medium size, self-contained manufacturing plant, which is part of a larger multi-national group of companies. Autopartco manufactures automotive parts for the local and, increasingly, the Asian market. It has 270 permanent employees of whom 20 are female. The types of occupations include administrative and office staff (22) technical production (190) co-ordinators/managers (8), and maintenance (6). The factory is run on three shifts. It has successfully maintained the highest quality standards and gradually increased its local market share in the highly competitive automotive industry.

In 1996, responding to market pressure and fears of a sell-off by the parent company, this manufacturing business unit, restructured itself and de-layered staffing. There was a mismatch between the co-ordinators and the shifts, with the bulk of co-ordinators being on the day shift and not enough on at night shift. The General Manager (GM) decided to create team co-ordinators rather than staff supervisors. He made the opportunity to apply for the nine positions open to all staff on site so that the new roles could be distributed across three shifts.

The GM hired a professional management consultant to conduct skills and leadership styles inventories on each applicant. All were shop-floor employees, who were good on technical skills, but not so good on management skills. The consultant ran in-house training in dispute resolution and OH&S with them. But the GM still felt that they weren't getting the full impact of the expanded supervisory team. Managers were not being fully accountable for the areas for which they had been delegated responsibility.

The consultant was invited to conduct a review of the training and organisational needs. They replaced the three supervisors who reported to the Production Manager (PM), with eight team co-ordinators, each with a leading hand, now called shop floor 'team leader'.

During the process of collecting data from Autopartco, it was sold by its parent company to a big automotive parts company. The interviews for Autopartco involved the General Manager who took responsibility for directing the Frontline Management Initiative, the Production Manager who supervises the FMI participants, two participants and one of their subordinates.

## Getting involved with the FMI

The FMI has been introduced during a period of organisational change and has itself been subject to a change of RTO. In 1999 the management consultant suggested that Autopartco embark on the FMI program to meet the training needs of the new supervisors, and recommended the use of the FMI and the level 4 certificate. After about six months into the FMI program the original consultant/trainer left the contracted management consulting firm. The GM decided not to continue with that consulting firm, as the GM was concerned that replacement consultant was using the FMI activity to sell 'his own philosophy'. During this time the Production Manager was stood down. Then the third replacement PM was selected and employed. Now that the

co-ordinators have nearly finished FMI through the local TAFE, the GM has decided to send the co-ordinators' subordinates, the 'Team Leaders', to be trained in FMI level 3 through TAFE.

FMI training sessions started with five-hour sessions spaced six weeks apart. Supervisors felt that there was a lot to cover in five hours, and therefore adjusted the sessions to six hours with a sizeable break between sessions. This initial process was criticised for having 'some topics [with] too much theory, where the 'course work doesn't have a lot to do with day [workplace activity]'

Once again the local structure of the program is blamed for any limitations rather than the FMI framework. The GM believes that there was 'not as much benefit as initially thought, partly because of the trainer, rather than the FMI program'.

*[This delivery process was effective] where the individual was most prepared to learn due to their positive attitude and when they were prepared to ask their mentors questions. Some did FMI just because they were told to comply because it may affect their pay level and they didn't benefit.*

(Manager)

It was the internal mentoring and coaching components of the program that provided the real learning benefit. However, unlike the formal inputs these are largely a learning-driven responsibility. Participants kept a weekly learning log of their activities, issues and questions. There were mentors on the shop floor and they discussed the learning log with them each week, and gave assistance. Some participants recognised the value of this reflective component of the learning process.

*... you write about topics and discuss them meant you got a deeper understanding.*

(Frontline Manager)

While participant motivation was variable, due perhaps to the fears of restarting any learning process, some participants 'enjoyed the process more than expected', and 'believe[d] that the training is necessary for future progression'. Frontline managers recognised that the FMI was a personal investment and 'good to have a certificate in case [you need to] move on'. For some it was part of a wider change process and confronted individuals and the organisations with future skill needs.

*Computers now being put on the shop floor. Unbelievable 10 years ago.*

(Frontline Manager)

One of the best indicators of the program effectiveness is the fact that 19 out of 20 team leaders have agreed to be involved in the next round of FMI training.

## Difference in manager performance since FMI

The introduction of the FMI places management skills on the agenda. The FMI confronts managers, and through self-reflection, ways of managing are explored.

*It made people talk about what we should be doing. Nothing changes without this. Initially a lot of the co-ordinators were scared about doing the course but the instructor helped here ... Now a lot more satisfaction.*

(Manager)

The search for an extended management identity is taken more seriously by some individuals, who travel further in their learning journey. These changes are noted by those both above and below the participants.

*[This] co-ordinator showed a dramatic improvement ... picked it up the most ... well ... better than most with more horse power.*

(Senior Manager)

*... said he had noticed a big difference in ... behaviour from the past. Tends to listen more and not go off the deep end, [still further to go though].*

(Employee)

The frontline managers found particular areas of the FMI more effective for their day-to-day activity. Conflict resolution was specifically cited and may indicate the changing style of management in the culture. One participant gave examples now of how he would approach problems including where there were problems with people and contrasted that to his previous approach.

*Managers are drawing out conflict issues rather than hiding them and then addressing the issues, which helps team work.*

*[Learned a lot] specifically in problem-solving and conflict resolution.*

Some Frontline managers felt that they had 'learned where your work fits in the whole business'. However, senior management believed that only a minority of participants had at this stage learned more about the business.

## Difference in organisational performance since FMI

In Autopartco 'the restructure has been the biggest impact on the organisation'. Coupled with some significant senior personnel change, the FMI has been developed within a changing organisational structure. In an organisational context the style and power of the PM may have a significant influence on the transfer of the FMI training. One frontline manager indicated that we 'tend to go through lots' of production managers. However the loss of a more 'domineering' senior manager has provided the opportunity for 'one [that] appears to be more of a team player to join the structure'. Managers indicated that the previous manager simply said 'your problem; you fix it' while their new manager seems to listen and there is better communication both ways. This is more congruent with the developing FMI management style.

There was general agreement that, since the FMI, all the co-ordinators do interact with each other and the corporate support departments more effectively, but that there was still room for greater horizontal collaboration. This is being approached by swapping co-ordinators from one area to another, and that has broken down some of the previous barriers. Management seemed to be trying to get the co-ordinators out of their 'comfort zones'. Interaction and communication have improved and there are more meetings.

*There've been small improvements in communication over the two years ... but they have more meetings now!* (Employee)

Frontline managers believe that through the FMI and increased interaction 'senior managers know the co-ordinators better'. Organisational trust is being built.

*Things are changing but it takes time building trust on both sides—shop floor and management. You need understanding for this to happen and the course has provided that.* (Manager)

*Need trust from shop floor and trust from management. The co-ordinator is in the middle. Have to listen to staff and to management. Have to be diplomatic. Still got to sort things out.* (Frontline Manager)

These changes in organisational climate enable managers to open issues rather than trying to keep lids on them.

*Managers are drawing out conflict issues rather than hiding them and then addressing the issues, which helps team work.* (Manager)

*Now the co-ordinator has responsibility to assess the situation and he makes a decision.* (Frontline Manager)

## Difference in business performance since FMI

It is very evident that the recent business performance of the company is being more determined by external factors and by major internal reconfiguration than by the FMI initiative. However the GM and other managers see the FMI as both supporting the internal change process and preparing for a development in organisational attitudes that will match the new structure and business configuration. Internal restructuring may have been promoted by fears of a sell-off, but in fact prepared the business for links with a more strategically compatible ownership.

The FMI may not have had time to impact on such a changing business structure, but participants indicate that they have 'a lot more understanding of the business'. There is evidence that their FMI learning, particularly in areas such as quality performance improvement, has given them 'a lot more tools to make the job easier'. Employees indicate an improved business focus. The business has picked up particularly in the area of environmental safety with greater awareness with the introduction of spill kits.

Perhaps the greatest change to the business attributed to the FMI is the willingness to 'pay more for training' because some participants 'now add more value to the business than before'. The connection between training, learning and business improvement has been consolidated at Autopartco.

In terms of measurable performance, the enterprise can confirm that they are producing 'good quality work' because they have received an 'A' rating from one of the major world-class Japanese manufacturers and 'their product is selling well'. The FMI is seen as one of the strategy supporting the move towards securing business sustainability.

## Changes in individual, organisational and business effectiveness since the FMI

Autopartco is providing evidence of significant change in effectiveness in some individuals and some change in most. There is evidence of a change in effectiveness at the organisational level based on improved communication, flexibility and organisational effectiveness. At the business level Autopartco has undergone significant changes in ownership, structure and key personnel, which may assist the embedding of the FMI in the longer term but make it difficult to indicate current changes in business effectiveness. There is no indication that the FMI has been a 'cost' to the company and much evidence that it is supporting the current business growth direction. You can rely on shop floor reactions to indicate any evidence of real change in effectiveness. The following comments were made in relation to individual effectiveness.

*The co-ordinator used to be 10 times, 20 times worse than now. What he's learned has improved him.*  
(Employee)

One co-ordinator showed a dramatic improvement, and the FMI was instrumental in both workplace behaviour and a seachange in attitudes to learning that had personal benefits beyond the workplace. He was very apprehensive about what would happen.

*I'd probably tell people that they would enjoy it.*

One FMI participant had attended TAFE courses in the past, but found the FMI processes constructed more effective learning.

*... they were neither as demanding nor as relevant. They covered the basics but the FMI, by making you write about topics and discuss them meant you got a deeper understanding. That was more satisfying.*  
(Frontline Manager)

At the organisational level it is more difficult to judge the overall impact because of the environment of change. The GM believes there is still 'a limited impact because of difficulties on both sides', management preoccupation with change and less than appropriate delivery for the organisation leading to change in RTOs. Participants are more positive about the impact.

*... they are better managers ... now they understand the company better and the direction from above better ... they have better business understanding through FMI.*

*It [FMI] made people talk about what we should be doing. Nothing changes without this. Initially a lot of the co-ordinators were scared about doing the course but the instructor helped here. Now a lot more satisfaction.*

At the business level the organisation knew that structured training was a necessary performance improvement component. Some co-ordinators have improved and now add more value to the business than before. Apparently the co-ordinators have learned 'where their work fits in the whole business'. As one participant said:

*You can't keep control of what is going on by sitting in the office surrounded by paperwork. You need to be out there with them.*

The FMI has helped people with no previous training to take on and understand their big responsibilities in continual improvement, outputs for the next department, and in terms of OH&S. Senior management thought it was probably too early to judge the full impact of FMI on the business as they had just been involved in change production management.

## Organisational strategy and the FMI

The major strategic intent at Autopartco was that structural reorganisation in Autopartco placed managers in roles where they needed greater management skills. The FMI in this enterprise was viewed as structured response to reskill managers and to build a new management framework and 'it gave people the training to do it'.

The aim for the initiative at the organisational level was to create a more interactive management that is less compartmentalised and focusses on business goals not territorial goals. There are indications that, despite the recent disruption, this is happening. It may need a period of business consolidation to make direct links between FMI learning, behaviour changes and action that makes business improvements. However, when asked 'Has FMI been linked to the way the business wants to go in the future?', one FMI participant stated that:

*Definitely. We've learned where our work fits in the whole business.*

There was also a strategic intent to invest in managers and place training on the organisational agenda, and both of these strategic moves appear to be recognised by managers and also in many cases, their subordinates. Certainly the enthusiasm for further training underlines the success of the first FMI initiative.

Given an environment of considerable change, a small FMI pilot program could not possibly be the sole answer to organisational change. The changes developed in managers through the FMI need to be underpinned by similar changes in structure, in senior managers and in the organisational culture. Underlying the organisation's support for the FMI there is a sense that the greatest need is for:

*Trust from shop floor and trust from management. The co-ordinator is in the middle. Have to listen to staff and to management. Have to be diplomatic. Still got to sort things out.*

However, there were signs emerging that Autopartco was well on the way to building a changed culture, even though this had not been the original intention and there were limited supporting

strategic initiatives associated with the FMI program. The FMI is seen as one of the major strategies supporting the move towards a more innovative culture that will secure business sustainability.

## Critical impact of the FMI on the organisation

The major impact of the FMI on the enterprise is in both the validation of learning as a business imperative, and the individual and organisational moves towards a more inclusive and interactive organisational culture. In terms of learning, some managers have had to cross thresholds that have been avoided for many years, 'because most haven't had enough previous [tertiary] education'.

*It was difficult to fit into the schedule particularly with the homework. Needed a computer at home. Have one now. I wasn't that good at school work and don't have a good memory so it was very hard.*

(Frontline Manager)

In terms of culture change, the FMI is breaking down the barriers in the company between managers and between management and the shop floor. A more analytical style of managing is beginning to emerge in some areas.

*My old style of dealing with people problems was to take the two of them outside and tell the two clowns to sort it out themselves ... now I listen to each ... try to work out what's wrong ... help them sort out a solution.*

(Frontline Manager)

*It made people talk about what we should be doing. Nothing changes without this. Now a lot more satisfaction.*

(Frontline Manager)

## In hindsight

Both managers and participants indicate that changing providers and facilitators has been disruptive to the learning process. It is difficult to gain a commitment from individual facilitators for what is a lengthy learning process. Perhaps this should be a contract negotiation issue. One participant indicated that greater responsibility for organising and customising the learning may have been more effective. More enterprise management of the FMI reduces the dependence on the external provider.

*Disappointed with the lack of emphasis [in FMI] on teams [despite company policy to focus on teams]. Would have been better if the co-ordinators were involved in choosing the modules so we could have done work on our teams.*

(Frontline Manager)

There was positive comment about mentors from participants and in hindsight this may have been a part of the program that might have benefitted from being strengthened.

## Conclusion

Autopartco has gained significant individual benefit from the FMI and this is starting to make an impact within the organisation, but not as quickly as the GM would have liked. The FMI is a long-term organisational development initiative and has been implemented at a time of significant organisational and business disruption. It is likely that the impact will be increased as the second cohort of participants becomes involved in the FMI and adds to the questioning of previous values and practices.

*They are better managers—now they understand the company better and the direction from above better—they have better business understanding through FMI.*

(GM)

Autopartco had to change their RTO in order to gain more appropriate FMI learning practices. It is evident that mentoring and reflective log books have underpinned the learning approach. There is some indication that greater control over the management of the learning processes and greater

involvement of senior managers might benefit the program. This would move their model more from an accreditation focus towards a developmental framework.

Perhaps most importantly, the introduction of the FMI, and the commitment by the GM places management skills, managing and frontline managers on the organisational agenda, and leads the change in communication and trust that is emerging.

A small FMI pilot may never be sufficient to direct organisational change, especially in a turbulent environment. The expanded second pilot may require associated strategic initiatives to support cultural change. Autopartco has made an investment and is now reinvesting in the FMI because the organisation believes that participants will 'now add more value to the business than before'. The connection between learning and business improvement is being consolidated at Autopartco.

## Organisational context

Portco is a state-owned corporation that manages a major Australian port. It employs approximately 100 employees, predominantly on permanent contracts. Portco pays above-average salaries and enjoys low-labour turnover. As is common in this industry, the workforce is male-dominated and highly unionised.

Portco is currently undergoing a major reorganisation and introducing a performance management system that will oversee the application of the FMI competencies. Staff are not paid for having particular competencies because management feels it is very difficult to value and compare them across jobs. However, payment for competency is likely to be raised by the union in the forthcoming enterprise agreement renegotiations.

The Portco interviews were conducted with a senior manager, the Training Manager, two FMI participants from different departments, and an employee of one of these participants.

## Getting involved with the FMI

Portco introduced the FMI just over a year ago, following a wharf manager's initiative to upgrade the skills of his port services officers. At the same time an electrician seconded to the Human Resource Department was interested in developing training for occupational health and safety. Together they decided the Frontline Management Initiative was worth trying. While the post-Karpin FMI initiative was unfamiliar to most Portco staff at that time, management was impressed by the method of training.

*We saw that as a real plus, something other than a sit-down-and-look-at-the-blackboard type of thing.*  
(Manager)

The critical part of FMI was that people could get to practise their skills in the workplace, instead of going on a short course and subsequently putting the material into the bottom drawer. This meant there was real transfer of learning.

Several Portco managers got together with an external provider to implement the concept and decide who should undertake the course. Eight places were offered, primarily to people from the wharf section, of whom six accepted. Portco gave a strong endorsement to the FMI program, paid participants' costs and gave them time off for training. Participants identified a range of reasons for involvement in the course, including career advancement and the achievement of a benchmark for the re-evaluation of personal skills.

All six completed the full FMI course over about 12 months, devoting approximately two days per month to the course. Another cohort of seven to eight people is planned to commence after the current organisational restructure.

## Difference in manager performance since FMI

Portco's senior managers are satisfied with the impact of the FMI on manager performance. They feel it is contributing to frontline managers becoming 'more rounded' with a broader perspective, and better able to express themselves orally and in writing. They detect an improved capability in frontline communication and team-building, which ultimately improves workplace activity. Those who have undertaken the FMI have invariably been more successful in gaining promotion, because they write better applications and are more practised at interview. They are also more conversant with appropriate management concepts.

*They can talk about managing change and setting directions, formulating plans, working towards agreed outcomes.* (Training Manager)

These changes appear to be borne out by comments from participants themselves.

*I tend to look at the big picture now, what the implications are not only with people in the organisation but people outside the organisation, who it's going to impact on as far as the customer goes, and to develop thinking more laterally, not focussing on one thing.* (Frontline Manager)

FMI-trained managers feel they are performing better because they have become more reflective and adept at self-management.

*[FMI] made you look at where you come from, what you were doing and where you were going to go with it.*

They also feel more confident dealing with their subordinates because they are more knowledgeable about how the work should be done effectively. Moreover, the sharing of personal experiences with other FMI participants is not only improving camaraderie but it also equips frontline managers with broader supervisory perspectives and skills. As a result, they feel greater ownership of their job and of improvements resulting from better communication flows between supervisors and subordinates.

Employees of FMI participants have mixed feelings about the impact of their training in the workplace, due largely to perceptions that key decisions are made higher up the management chain and that they may not be best placed to comment.

*Maybe I'm not very perceptive, but it would be more apparent to their superiors rather than to us, in report writing, reports that go back, they'd certainly notice more than we would.* (Employee)

## Difference in organisational performance since FMI

Senior management believes that, by working alongside other parts of the organisation with which they are not necessarily familiar, FMI participants develop a better understanding of how the whole organisation works. In the words of one participant:

*You tend to be more mindful of other areas within the organisation and the cost-benefits. Because you're dealing with the guys as a unit you develop networking.* (Frontline Manager)

Frontline managers tend to develop more effective communication, with all-round benefits, especially in areas such as safety policy and procedures.

*I think there's a potential flow-on effect. The [FMI] guys ... are seen to have ownership of their job and ownership of improvements and everything else, they get more of a communication flow between the two groups [of participants and their subordinates].* (Manager)

FMI appears to formalise management processes such as regular meetings between supervisors and staff.

*Before it was just a chat, whereas now there are almost always minutes taken ... When things are acted upon now you get a note saying we've taken such and such action, whereas before it was just word of mouth.* (Employee)

## Difference in business performance since FMI

The last two years have been a time of considerable change and business development at Portco. There have been changes in attitudes to customers and towards safety, as well as significant internal restructuring. There is evidence from managers and participants that the FMI learning process has contributed to dealing effectively with the changes that had to occur. The FMI has contributed to this business change process.

## Changes in individual, organisational and business effectiveness since the FMI

The evidence from Portco is that the FMI has had an impact on the participants, influenced change in workplace behaviour, and made a contribution to business effectiveness. Health and safety is an area that has been improved by FMI. Frontline managers now hold more regular team meetings and encourage staff to become involved to a greater degree. As a result, staff are more confident in raising issues concerning anything they see as unsafe. A strategy for fixing the problem is usually worked out by the whole team. This results in everyone becoming more committed to safety as the number one priority in the port.

Customer focus is another area which FMI participants consider has been enhanced as a result of their training. They see their workforce becoming more accepting of the need for change, and consequently more aware of, and responsive to the changing needs of internal and external port customers.

Although it is extremely difficult to measure changes in business performance directly attributable to the FMI, management believes that there may be clear measures. Citing the work of one participant working in the store:

*You could perhaps measure his day by the time he was able to get things purchased and available, it reduces his lead time from a month down to a couple of days with great benefit to the corporation.*

(Manager)

FMI participants feel that their training has directly enhanced organisational performance through efficiencies.

*There are savings; [FMI] makes you look at the big picture, what your costs are, you're looking at dollars all the time. There's a cost saving there when you look at more economical ways to do things right across the board.*

(Frontline Manager)

## Organisational strategy and the FMI

Portco did not use the FMI as part of wider culture change program but the organisation is benefitting from the positive spin-offs of FMI. The original strategy underlying the FMI was very practical and focussed on upgrading management skills and health and safety. From this base the organisation may now see the FMI a tool of a broader strategy, building the next management and changing the culture rather than just management skilling. Currently, Portco is introducing a performance management system that will be based on the FMI competencies. Involvement in FMI has resulted in some position descriptions being upgraded, and person descriptions now include an FMI-type qualification as a very desirable criterion. FMI will become a key component of the Portco's performance management system.

Perhaps Portco provides evidence of a growing and emerging strategy for the FMI that began with an individual focus and is now being used to link to other systems in the organisation with the ultimate aims of new organisational and business practices.

## Critical impact of the FMI on the organisation

The major impact of the FMI on Portco is that the training is undertaken on the job and competencies are practised in the course of daily work. Management acknowledges that a follow-up of the impact of FMI will be necessary about six months after participants have completed their course, to review whether competencies have been internalised and operationalised by frontline managers. They recognise that unless FMI is continually tested, through goal-setting and feedback from subordinates on supervisory capabilities, its impact will never be known. However, participants feel that, by reinforcing the need for constant change, FMI is having a critical impact on the organisation.

*The workforce is happy to be changing, evolving all the time, instead of being stale, they're willing to evolve as the job does.* (Manager)

## In hindsight

On reflection, managers feel that Portco did not fully understand what FMI participants were doing, and thus did not make a conscious effort to ensure that the organisation would reap maximum benefit from the FMI.

*Not only have you got to push [participants] along, you've got to take an interest in them and make sure that their direct supervisors are talking about it with them and looking at things they can do to make use of these new skills.* (Training Manager)

A similar view, albeit from a different direction, is shared by FMI participants. They detect a need for some mechanism for getting their staff involved, and a system for information-gathering to keep them involved.

Participants doing shift work occasionally experienced difficulties with the timing and structure of the course. The amount of evidence collected to support the documentation process was underestimated, as was the time involved. In the words of one participant:

*Collecting the evidence is a bit hard: if you're not a bower bird you don't save everything you've done; you then have to go back and try and find it again.* (Frontline Manager)

Participants said they spent up to two hours each day reflecting on the daily work activities and co-ordinating a package of evidence for the training portfolio. Much of this work had to be done in participants' own time at home, although most found this enjoyable rather than a drudge.

Some participants had experienced animosity from people who were not involved in the FMI, which posed problems if information or help was needed from these people as part of the documentation process.

## Conclusion

Valuable lessons have been learned by Portco's experience from its first cohort, and next time around managers will ensure that they take a closer interest to ensure that the organisation as a whole gets maximum value from its involvement with the FMI.

More active management of the FMI by management and more active involvement as managers in the roles of mentors and coaches would develop the focus from participant training towards organisational learning.

The new performance management system is viewed as being an integral part of this process, playing a vital role in 'bringing people on'. However, unless there is adequate follow-up of the

courses on day-to-day supervisory management, the true impact of the FMI on the organisation will never be known.

The last two years have been a time of considerable change at Portco and the FMI has contributed to helping a number of people deal effectively with, and contribute to, the changes that have occurred.

## Organisational context

Buildco is a national building supplies distribution company with 180 branches and stores throughout Australia. Buildco employs approximately 1800 people of whom 95% are full-time and mostly male.

The Divisional General Manager heads a team of executives made up of the state general managers. The larger states have a country general manager and a metro general manager. Within each state there is a four-tier management hierarchy, including area business managers, branch managers, each of whom normally controls one branch although they may control a small cluster, area sales managers and store managers. Each branch includes stock controllers, service people, and drivers.

The organisation is an amalgam resulting from three major mergers and acquisitions approximately five years ago. Buildco's FMI program has been conducted for the last twelve months. Training and development provided through FMI is part of the strategy for organisational change in an effort to integrate the previously independent entities, weaving them together and creating a common baseline. To this end FMI is delivered in workshops called 'the Buildco plan'.

*The companies are all bolted together and play ball ... [however they] haven't been put to bed culturally.* (Training Manager)

Evidence collection for Buildco included the Human Resource Manager, the project manager for the FMI program, two participants of the FMI program and two employees of participants.

## Getting involved with the FMI

Buildco made a conscious decision in choosing the Frontline Management Initiative in preference to the Certificates in Retail Operations. As Buildco is a trade and distribution organisation 'customer service' rather than 'sales' is the business orientation. Therefore the development of people skills was seen of higher priority than was the development of technical skills. The FMI seemed to meet staff needs and was the most marketable.

*The competencies in the retail package aligned quite nicely. However the FMI package seemed more flexible and more marketable to the managers to whom the training was directed.* (Manager)

*It is workplace-based so does not intrude into their free time and demonstrates that Buildco was interested to invest company time and money in their development. FMI training gives them recognition within the company that they are qualified to be Buildco branch managers and it gives accreditation outside.* (Manager)

Previously management development programs were mostly 'quick three-day leadership programs that had a high cost for fairly low return in terms of outcomes'. With the FMI Buildco was looking for something.

*Long-term, ongoing, part of the culture of the business and really relevant and practical to the business, and something that had some sort of recognition attached to it.* (Manager)

Buildco took a lead role in customising the program together with the aid of a consultant from a small registered training organisation. Buildco's nationally managed program is structured by the FMI Project Manager. However it is co-ordinated on a local basis, meaning that the form of training delivery may vary between states. Most of the training is conducted within the organisation by state trainers, although an external consultant with specific proficiency may be engaged to deliver specialist units.

*The state trainers negotiate a date with participants for the work-based activity to be returned to them for review in relation to the organisational requirements and then send the work directly to the registered training organisation for assessment of FMI competence. The work is then returned to the state training managers prior to being forwarded back to the participants.* (Training Manager)

The FMI units are continually being refined. Sometimes the stimulus for review comes from Buildco and sometimes from the RTO. This has involved:

*Changing the content and the assessment process so that it meets the needs of our branch managers. Our work-based activities are not perfect but we'll keep working on it.* (Training Manager)

So far, 120 of 178 branch managers throughout Australia have started the FMI program, in groups of 12–20 at a time. A staggered roll-out of the units over a 12–18-month period began almost a year ago. Generally, all state participants have been working at certificate 4 level, but two states also incorporate succession planning into their program with prospective managers. In these states there are approximately 20 staff who have been 'earmarked for management' and are currently undertaking the FMI at the certificate 3 level. The order of units undertaken is determined by Buildco and reflects the current focus and priorities of the organisation. Most of the participant managers have completed four of the FMI units. Some units have still to be developed with no one expected to graduate for another 10–12 months.

Participants value the FMI for its potential to improve their skills and knowledge in management and to advance their career in Buildco.

*I have a career doing what I am doing with Buildco. That is where the FMI is more designed and structured to what I do on a day-to-day basis and will assist my job. Even if there wasn't a piece of paper at the end, I would still do it for my own knowledge. I think it's important to further your knowledge. I wanted to do it to further my career with Buildco.* (Frontline Manager)

The belief in the competitive advantages gained through the FMI program and certification, along with the enthusiastic response of participants so far has created a desire by others to be included.

Buildco is not yet monitoring the progress of the FMI in terms of transfer of learning into the workplace. However, variation is expected between the states because of the way it has been 'sold' and delivered.

*The trainers are focussed on delivering the program and haven't had time to follow up to see who's actually doing it.* (Training Manager)

## Difference in manager performance since the FMI

FMI is enhancing management skills development and producing more effective managing, which is having a positive effect on others. The Human Resource (HR) Manager has noticed that branch managers have been developing relevant HR skills in the FMI so that the time he spends with them on HR is reduced.

*Managers appear to be developing skills, in leadership, managing conflict, documentation and reporting.* (Manager)

People skills are developing with a focus on communication and dealing with problems.

*We are always working to improve, we are always trying to talk about things. The best thing that I got was just the way of working through conflict and getting people to take ownership of problems. It didn't have to be a heated discussion, you can sit down and talk civilly, and that is what I liked about it.* (Frontline Manager)

Time management, planning and delegation skills have improved, resulting in individuals with the greatest capacity dealing with more issues. Branches are beginning to benefit from more effective behaviours.

*[We] get people to take ownership of problems, the delegation and the time management. I can see [the manager] is getting better at that—as I am with what I learned over there even though I haven't done the whole course.* (Frontline Manager)

*[The branch staff] functions as a group now, not as an individual. So if someone is very busy they pass something on or delegate it. We have worked out plans to benefit the store and the individuals.* (Frontline Manager)

Individual managers are tightening up branch procedures with a resulting impact on occupational health and safety compliance. Audit scores and reports in the last six months have improved where managers have gone through a number of modules.

*Not only is the branch manager individually very competent but the staff are starting to raise their competency.* (Manager)

*Health and safety has tightened up as a consequence of FMI. We fill that out once every two months and we do an audit here, we have got a safety officer, we get our extinguishers and everything checked. It is definitely beneficial.* (Frontline Manager)

FMI is providing participants with a greater understanding of the business and future directions.

*Managers are a little bit more company-oriented in their task. I guess the only thing I've really learnt is how the company wants us to manage their business.* (Frontline Manager)

## Difference in organisational performance since the FMI

Buildco has noticed that the FMI is placing additional pressures on the organisation. However, these pressures are viewed as positive, as they are changing the culture within the organisation towards learning. The HR manager has observed that FMI is making Buildco have a more disciplined approach.

*Buildco doesn't like being too disciplined and our trainers ... find the discipline hard as well. They have to pace activities, they have to review, they have to collect them, they have to report on them, they have to follow up. We get too busy to do it, so the discipline is really putting us under pressure. And a lot of our participants don't like it either. They say 'I haven't done the assignment, I'll get around to it. I can do it'. The discipline is wonderful, but hard work.* (Manager)

Branches are noting difference in their general organisation and culture with a more professional approach.

*We are not running around like we were, to a degree, before screaming and yelling. Now we have turned around and organised ourselves better.* (Frontline Manager)

## Difference in business performance since FMI

Due to the early nature of the FMI implementation and pressures in the external environment, business outcomes are difficult to measure.

*It is early days and the downturn in the building trade and GST really hyperventilated our results [in 2000].* (Manager)

For Buildco, consistency in performance of a branch is a sign that FMI skills are being integrated into the business. Management participation in the FMI is having an effect and is evident when comparing branch outcomes.

*One store where the manager embraced FMI very quickly ... where the discipline is very solid ... customers really like going because they know what they are going to get every day, with another store which hasn't had much generic core Buildco training ... [it] runs hot and cold.* (Manager)

*The efficiencies are definitely there and we are getting busier here ... that would relate to the course that we have done. People know to ask the right questions now. We are obviously getting more turnover through counter sales, repeat business.* (Frontline Manager)

Buildco has noticed a reduction in staff turnover with branches operating more effectively due to the development of teamwork and camaraderie.

*The staff turnover is down because of obviously less stress. A person doesn't just think well that's my job and I've got to do it. What they have learned is if they are too busy not to be worried about asking [for help]. Even ask the manager.* (Frontline Manager)

## Changes in individual, organisational and business effectiveness since the FMI

Although there are some noticeable differences since the FMI, it is too early to identify overall effectiveness for Buildco. Individual managers are improving in leadership skill and knowledge, with an increased focus in running the branches as a business. Pockets of the organisation are seeing cultural change in operations and in improving teamwork and staff morale. This in turn is having a business impact in reducing staff turnover and in doing so reducing bottom-line cost for the business.

*We have streamlined processes. Maybe staff turnover [is less], because of the education about how to treat your staff and counsel your staff. So it has got to benefit the organisation.* (Frontline Manager)

Individual managers are changing attitudes towards being a leader, not only seeing themselves as more a part of management but also realising the organisation's commitment for their management status.

*Using ways to maintain positive attitudes is part of the training. Even when morale is down because of the economy and there are redundancies, managers have been trained to be a leader and to be part of the solution rather than a victim.* (Manager)

This new-found recognition as a manager has provided a greater sense of self-worth and motivation for individuals.

*It really inspires us to advance in management. Because we interact in this course with middle-to-lower management, we can see some of the decisions they make on a day-to-day basis. That can be very exciting. I know I'd like to be involved in that kind of decision-making.* (Frontline Manager)

The learning processes utilised in the FMI program are enabling Buildco to implement the specific company strategy of using work-based activity to improve company practices, such as compliance.

*In the 'maintaining a safe workplace' unit the activity is to do a safety audit. While managers should already be using the organisation's checklist to do an audit once a month, many are not ... Ultimately this audit process will provide measures of effectiveness.* (Training Manager)

The FMI is starting to change the organisational culture and for the first time Buildco has developed a 'network psyche' amongst managers both between branches and across states. This was felt to be considerably lacking in the past, along with a consistent approach.

*Evidenced is a real desire across [most of the Australian states] to have the programs and modules delivered in a consistent way.* (Manager)

With all the benefits Buildco has seen since the implementation of the FMI there are some difficulties with determining overall impact. Buildco considers that safety and compliance are easier to measure than leadership as there are many influences which impact on leadership within the organisation.

*You could have had a new managing director that came in and another three restructures that have made people happier in their work.* (Training Manager)

Managers indicate that the FMI is supporting the changes in the organisation, enabling managers to contribute more to strategic direction and reducing business expenditure.

## Organisational strategy and the FMI

The Buildco Plan program, of which FMI is a significant aspect, seeks to develop a consistent model of business across all states and to create a nationwide identity within the merged organisation.

*To be the market leader in the distribution game requires national consistency. The Buildco Plan, incorporating FMI is one of the vehicles for driving key messages through the organisation. FMI is part and parcel of developing the internal franchise approach to the business.* (Training Manager)

While the FMI is contributing to the overall national strategy it has a long way to go. Buildco sees the FMI as:

*A long-term intervention rather than a quick fix, a way of helping to change the culture of the organisation [which is] going to be a two to three-year process, not a six-month process.* (Training Manager)

While the FMI qualification does not directly attach to a salary increment at present, Buildco recognises the significance of individuals having leadership competencies and as such has incorporated FMI into the recruitment and selection process of managers.

*It provides recognition of qualification and competence to run a branch and will support appointment as a branch manager. If you want to be a branch manager, then you will need to have your certificate 4 in FMI or be demonstrating that you're working towards it.* (Training Manager)

As an additional incentive to participants Buildco is considering some sort of organisational recognition for achieving certificate 4 in FMI.

## Critical impact of the FMI on the organisation

The greatest impact on individuals is the development of leadership skills and management knowledge. Buildco has seen a great advantage in building issues into the FMI program that would typically be addressed by senior management or through reactive training as problems arise. Previously, trade practice training and awareness sessions have been undertaken with senior management around Australia in response to trade practices incidents.

*If it is that important, we will have a trade practices awareness session for an hour in the Buildco Plan Module 3 on the role of the manager at Buildco.* (Training Manager)

The training and development activities are also providing a number of checks that flag non-compliance to Buildco procedures and which complement the regular audit system.

*Workplace assessment, facilitation and coaching require the training and development team to visit the stores. They see what is happening and ask about it.* (Manager)

The widespread acceptance of the FMI by employees at Buildco is having a positive effect on its implementation.

*Having FMI really well-received by people is a major advantage. We are starting to see some of that national consistency come through in things like the safety, the leadership skills and the way that we deal with people at work. That's a major advantage for us.* (Training Manager)

## In hindsight

With the success that Buildco has enjoyed with the FMI, there is the recognition that additional benefits can be gained and continuous improvement be secured. It is recognised that 'the units aren't perfect', nor are the training and development strategies ideal; however, 'it's an evolving program'.

*A big issue for us is discipline within the organisation. It sounds really nice to have competency-based training that's assessed and backed up in the workplace. But when you get down to the nuts and bolts of it, it's a different story. It is an issue in some states more than others.* (Training Manager)

The different ways FMI is being delivered in Buildco throughout the different states poses challenges for organisational consistency.

*Maybe the training manager hasn't really sold the program. If a facilitator is not confident in what they're doing it can influence how managers feel about training.* (Training Manager)

*In one state the training manager worked very hard at drawing the links back all the time to the different units, whereas in other states that's probably not happening. They're not just stand-alone FMI units; they have to be woven together, to get some real impact. There are consistency issues that we're up against all the time. It's really challenging from a national perspective to get each of the states to use one model.* (Training Manager)

Another issue for Buildco is in the evaluative process, determining how to measure the effectiveness of FMI when completion of the work-based activities is slow. Buildco has realised that skill development follow-up requires a significant amount of time and resources.

Sometimes the FMI, like many organisational development initiatives, by raising awareness of new ways of managing, uncovers problems that have been hidden. Alternatively, it provides new options which conflict with existing practices. The FMI process has the potential to raise issues of incongruence between local practices and corporate organisation practices and culture.

*One problem is that an individual may complete the safety unit, for example, and go back to the workplace knowing what they should be doing, but their manager says 'forget all that. Get onto the real job'.* (Training Manager)

The FMI is seen as a good engine to reinforce standards and have them implemented in a consistent way. Buildco's strategy is to conduct the FMI every year with modules that will maintain the same standards, and through which new management 'initiatives can be added and thus be made sustainable'.

Changes that Buildco is considering include on-the-job assessment processes after participants have completed their work-based activities.

*An integrated competency assessor would go out and observe them on the job doing everything at once, ask them questions and do some role-plays. We would probably make that a condition of our issuing a certificate for FMI.* (Training Manager)

Buildco is also keen to pursue transfer of FMI competency into credits towards an undergraduate courses for FMI graduates. This would provide an additional drawcard to Buildco participants and allow to sell it as 'this is where it can take you'. One issue that is raised at this point is that:

*While one assumes that all certificate 4s in FMI are meant to be seen as equal regardless of who issues the qualification [it is unclear] if a university might say, 'We accept qualifications from these people but not from you'.* (Training Manager)

One of the challenges for Buildco in the early stages involved ‘trying to source an RTO that would deliver what we were looking for’. Buildco was seeking ‘a good RTO that specialised in FMI.

Buildco found that many companies advised:

*We do that and this and this and this ... because they're just a generalist in everything or they'll whip away and get themselves registered so that they can deliver it for you.* (Training Manager)

Buildco considered that the development of guidelines on how to choose a good RTO was of great importance and would be useful to new organisations taking on the FMI.

## Conclusion

Buildco’s involvement in the FMI over the last 12 months has provided fundamental benefits in the performance and development of individual managers and branches alike. Buildco had clear specific expectations of what it wanted FMI to achieve. These expectations are providing direction for the integration of FMI training with workplace management, HRD and strategic directions.

On an individual level, managers are developing basic skills and management identity. Being seen as part of management has provided motivation and contributed to a more focussed and business-like approach. Organisationally, cultural changes in both work practices and team work have provided for more effective operations in the branches, an increase in customer satisfaction and patronage, as well as an increase in staff morale and a reduction in staff turnover.

Buildco recognises that this is just the beginning and the program is still developing at this stage. Nevertheless, FMI is considered to be worthwhile.

*For [Buildco’s] purposes, FMI is working really well. It’s flexible enough for us that I can talk to our RTO and work out what we want. I just believe it’s what you make of it. And you don’t want to make it too structured, because then it’s not flexible enough.* (Training Manager)

The FMI at Buildco is predicated on the strategic intention for cultural change and it is integrated with other initiatives. Buildco has actively managed its FMI, presenting it as their development program. Yet despite such a strategic thrust, their program is flexible, and complemented by local decision-making, subject to a continual review and learning process. Just as the soft skills of the FMI have a hard impact, so it appears this strategic imprecision is what gives the Buildco FMI its strength of direction.

## Organisational context

Primeco is an international mining corporation involved in the mining and processing of mineral sands. It has a core base of six operation centres throughout Australia, and makes substantial use of contractors.

*It's a processing company ... probably less than 5% of the workforce actually work in the mining everybody else works in value-adding.* (Training Manager)

Like other mining organisations, Primeco has a diverse workforce involving a range of occupations which include support and technical specialists. Males dominate in Primeco's 1000-strong workforce of whom 97% are permanent. Primeco's management structure consists of a seven-level pyramid hierarchy that includes 150 managers across the organisation. Traditionally, the high technical expertise of managers has ensured achievement to leadership status. Primeco has recently undergone significant internal restructuring with the merger of two prominent mining companies.

The interviews for Primeco took place with the Corporate Training Co-ordinator, who has ultimate responsibility for FMI implementation, a senior manager who is also a current participant in the FMI program, two participants, one of whom is involved in the 'management development' program within the organisation, and an employee who has been with Primeco for the last six years.

## Getting involved with the FMI

The source of Primeco's involvement with FMI is a combination of internal and external pressures, with its inception sparked by a restructure as a result of the corporate merger. The Corporate Training Co-ordinator highlighted the various internal and external pressures 'forcing [them] to go this way' in the corporate training proposal.

*You've got to drive what you believe to be the most significant training and development issues ... one of them was management training ... there was a need for all levels of the organisation to improve their managerial skills.* (Training Manager)

The merger to the new corporation meant a new management team and leadership direction, with the opportunity to develop a consistent leadership strategy to enhance corporate operations and meet new challenges that lie ahead.

In addition, the advance notification that the state mining regulation body was to introduce legislation to make certification in management skills mandatory for statutory positions within the industry, meant that the Corporate Training Co-ordinator was able to drive FMI implementation in a timely manner.

Prior to FMI Primeco did not have a formal leadership program with management training being:

*Ad hoc, provided by lots of different people ... very differently tackled by [the companies] and it tended to be the very good and the very bad who got access to it ... it didn't have any rigour to the programs at all ... certification was based on attendance.* (Training Manager)

The competency-based approach to training is 'very new' to Primeco, with only minimal prior exposure in safety programs. Many employees in the engineering and technical areas within Primeco have tertiary qualifications in their field.

Participation in the FMI program at Primeco is seen as mandatory for those individuals occupying statutory positions or involved in the organisational management development program. Starting from this position, a steering committee also identified suitable candidates as 'a slice through the organisation' with additional participants ultimately choosing their involvement in the program. The program has been underway for the last ten months. There are currently two groups of participants with individuals working through various levels of the Frontline Management Initiative in accordance with their role and responsibilities within the organisation.

Primeco enlisted the assistance of one external provider in the provision of learning and assessment strategies for FMI. Participants typically undertake a one to two-day workshop for each unit and progress through a workbook on the job to affirm learning in the workplace. This involves participants completing an action plan 'like a small project', which results in a report or assignment that is assessed by the provider. During this time participants have access to a coach/mentor to assist with the learning transfer, along with action learning network groups as required. Upon completion of the entire program participants orchestrate a large project covering all units of competence.

Recognition of current competencies (RCC) is not a process included in the implementation of FMI at Primeco due to the desire to foster overall organisational learning.

Prior to FMI, participant expectations of FMI were fairly generic, with all involved having an open mind. As the program progressed participants saw value in many areas and now consider FMI of 'particular importance in the coming years'.

*I must admit I thought originally it would be very much focussed on health and safety, however I appreciate now I have got into it, where it is coming from.* (Manager)

There are a number of positive features of the FMI noted by participants which related to the 'thoroughness' and 'roundness' of the program. The blend of a global approach tailored to organisational concerns meant 'there are no logical omissions'. The facilitative nature of the workshops and transfer of learning into the workplace in the form of action plans is 'probably the most positive part of the program. It gives real learning'.

One area of concern with the program is the extensive nature of FMI learning, with the program being seen as 'quite heavy', 'demanding' and 'time-consuming'. The nature of information and feedback given to participants in some areas was seen as inadequate, with participants expressing they would 'like more feedback rather than just a percentage grade' from assessment. There was a lack of understanding 'not knowing what level you are working at' and what is expected at that level. Another concern centred on the coaching/mentoring process which 'is not working'.

Primeco intend the FMI to remain as part of their culture and management development framework with continued participation from current and new employees. The next challenge, as identified by Primeco, includes the linking of future management training into the FMI structure.

## Difference in manager performance since FMI

Primeco has noted many differences in the performance of its managers over the last ten months, with individuals developing in different ways.

*More process-oriented, process thinking and using a structured approach [with responsibilities], they appreciate they need to develop accountability for tasks, they are giving feedback.* (Manager)

Many participants are implementing their learning in the workplace and passing on their learning to others. One manager organised a situational leadership workshop for his staff as he identified a

great learning benefit for his team. The introduction of a project management system by another manager has made operations more efficient.

There has been a general improvement in people skills and communication with managers' control of meetings being 'more focussed and timely'.

FMI has pushed performance management in the organisation. 'Individual managers are managing by fact' when it comes to people management issues. 'Individuals are talking about [performance management] at meetings', they are conducting performance management meetings 'with staff and they are interested in it'. Individual managers understand performance management is 'part of their role and how to manage it'.

Participants noted the following additional personal benefits.

*It boosted my confidence and improved my abilities.* (Frontline Manager)

*I feel that I am assembling together a set of tools for going another step in their careers.* (Frontline Manager)

*I have improved time management, knowledge of safety systems and regulations and refocussed skills on project management.* (Frontline Manager)

Overall, FMI is seen as responsible for considerable differences at the individual level as before 'the people did not have a structure of what to do'.

## Difference in organisational performance since FMI

Primeco has seen some dramatic changes in the organisation due to the merger which occurred two years ago. This has resulted in a restructure and new direction, a new management team and a strong emphasis on processes and procedures in the organisation. Organisationally, differences at his stage are very fundamental.

*The basic things have been improved upon, whether it be personal feedback, better structured meetings, common themes across the organisation, people are thinking more about things and the planning process and what they want out of it, what outcomes they want before doing the task.* (Manager)

However, with a small pool of participants the changes are still located in organisational pockets.

*You may find things have changed in their own actual areas ... rather than across the business ... they are certainly accumulative.* (Manager)

Communication has been enhanced with managers relating better 'more open and listening' and in this way 'they are trying to breakdown barriers between departments and get the lines of communication open'.

For Primeco performance management has improved.

*We actually managed to get HR or people management issues on the agenda, it was being discussed and how it worked, not just about a performance management project they had to do ... it become a core part of business, not just HR stuff.* (Training Manager)

Primeco has also seen a change in the learning processes within the organisation. The organisation is now involved in workplace learning and there is a 'better structure to training' within Primeco 'looking at training needs and determining how they relate back to FMI'.

Primeco maintains that FMI has 'forced a commonality of approach, so [managers] are talking about the same things'. 'FMI has provided a primary and introductory' benefit for the masses of changes in the organisation, with participants being able to 'drive changes through FMI'.

For Primeco there is 'quite a bit of enthusiasm' regarding to FMI which is seen as:

*Putting the culture out into the workplace; by having lower-level and middle-level managers on FMI it puts them in touch with the direction the company is going; to lay a foundation for roll-out of new initiatives.* (Frontline Manager)

The FMI has put people and HR issues on the agenda as opportunities for leverage.

## Difference in business performance since FMI

Despite the huge amount of change experienced in the last two years, Primeco has made financial advances; the share price has gone up and the workforce has remained static. During this year Primeco won the award for 'Australia's fastest growing company'. In terms of business benefits directly related to the FMI it is difficult to pinpoint improvements for Primeco due to the early nature of implementation.

*Too early to say ... improvements in individuals' areas rather than in the business.* (Manager)

Managers are 'keeping a closer eye on [costs] and why [they] are going up or down'. It is difficult for people to say whether changes in the organisation were happening due to FMI.

Managers in Primeco expect that FMI will be a foundation for the roll-out of various systems, which would provide for improved business results, and that this will be evidenced in the final project participants will undertake at the conclusion of the FMI program. One of these projects is currently indicating a projected return on investment of \$250 000.

## Changes in individual, organisational and business effectiveness since the FMI

For individuals success is 'directly proportional to how prepared they are to change and accept new ideas'. Those individuals who keep an open mind use the tools from FMI on a daily basis. This success is also related to those areas where customisation of the FMI was more prominent, such as conducting meetings and presentation skills. 'Certain managers would not have given presentations before.' Individuals are better at managing their time, they scope projects more effectively, and are more flexible and 'positive about the way they go about doing things'.

FMI has been of 'great value to all [managers]', as it has 'polished their skills', particularly for new managers. With 'no former set ideas' new managers have developed skills in line with organisational requirements; the opportunity 'looking from the bottom up' has provided greater insight.

For some managers at Primeco FMI has been the catalyst for implementation of business initiatives, 'making management more strategic'.

*One of the big picture things ... is that we actually managed to get ... people management issues on the agenda.* (Training Manager)

Other managers see the FMI as the most significant of a number of organisational initiatives.

Learning in Primeco is occurring by using a workplace-based approach. Primeco wants training activity to be integrated with work and to include workplace transfer. FMI has assisted this aim through the introduction of workplace-based projects. 'All of a sudden they understand training transfer', bringing innovation and change.

There is a greater acceptance and understanding of the AQF within Primeco, with programs providing accreditation towards the attainment of competence being researched and sought by the organisation.

There was some direct evidence that preventative maintenance processes had been changed subsequent to FMI development, creating business savings.

*We have these huge kilns, which is the main part of the process, a hundred and fifty metres long and twenty metres high. Loss in production is very expensive when you have to shut them down and so there will be some good ROI stuff.* (Training Manager)

It is however difficult to determine the extent to which the FMI has contributed to the company's accelerated growth pattern at this stage. There was evidence to suggest that the FMI was one of several components contributing to business effectiveness.

*I'd say it was the first ping pong ball that hit ... The main [component of FMI] which will be better at linking return on investment is the big project they do which picks up all units ... a number of those will have some quite good returns on investment. It would be more than \$100 000, probably more like \$250 000 ... Loss of production, cost of actually doing the maintenance.* (Training Manager)

*I wouldn't see that FMI has been a key driver at this stage in the really big picture stuff ... there is not a lot of baseline ... there has been so much change.* (Training Manager)

## Organisational strategy and the FMI

Although FMI is not directly linked to the corporate strategic directions, Primeco has had a number of strategic thrusts which have been aided through the implementation of FMI. Primeco's agenda 'for the organisation to be seen and run as one single business' has been aided by integrating consistent practices of learning and assessment where managers across all divisions can interact and learn together. Primeco believes that the exclusion of recognition of current competencies is a contributing factor to this end.

FMI is seen as 'not just a tool assisting with the change process [but] an integral part of it'. An implicit strategic intent by senior management is to change the management culture.

*A definite strategic decision was that this is a [Primeco] management development program, which [incorporates] FMI requirements.* (Training Manager)

The strategic thrust to 'push down responsibility' through the organisation sees FMI providing the skills development to ensure that leaders in the organisation have the skills to cope with such accountability.

An important component of the strategic intent underlying the implementation of FMI is the development and accreditation of holders of satisfactory positions in management skills, thereby meeting any future legislative requirements of the state regulatory body for the mining industry. In terms of human resource strategy, there are no specific initiatives linked to the FMI at this stage. However, as the FMI matures, there is an intention to develop links to performance management, succession planning and recruitment and selection.

Primeco uses workplace projects as a key strategy in determination of FMI competence. These projects are primarily determined by the participant in consultation with their manager and based upon a current workplace issue or initiative that the 'department wanted to do ... [but] never had time or resources'. Generally, projects are of an action research 'find-and-fix' nature; however, there is evidence that some projects are more strategic and contributing towards changes in organisational systems and organisational direction.

## Critical impact of the FMI on the organisation

The greatest impact on individuals at Primeco is the development of broader management skills and 'ways of managing people, projects and issues'. The gathering of a toolbox of leadership strategies and increased confidence in individual abilities are seen as additional benefits.

From an organisational perspective the greatest impact for Primeco is 'getting performance management on the agenda' where managers see it as 'part and parcel of their job'.

Business impact could not be identified at this time, with all candidates expressing that 'it is too early to tell'. Having said this, managers and participants indicate confidence that the final projects undertaken by FMI participants will return bottom-line results.

Benefits of FMI to Primeco were expressed as the development and implementation of a:

*Structured learning approach with action plans and projects being a part of what individuals do in relation to the business.* (Training Manager)

*FMI is an investment in developing people ... in the long-term [we will see] improvement of [organisational] performance [with] having the right management.* (Frontline Manager)

For Primeco, the FMI has been a contributing catalyst driving a number of changes and strategic foci. It is expected that this will continue 'gaining momentum...as more people join the program'.

In considering overall impact of FMI on the organisation it is important to consider the other major influences occurring; for example, the corporate merger just prior to FMI implementation, a restructure with levels of management dissolved, a new management team with higher accountabilities and a new corporate direction. The FMI has made a contribution to the re-development of management at Primeco. Managers at Primeco paint a very different picture of the organisation had the FMI not been initiated.

*We would still be talking about what we were going to do.* (Manager)

*[We] probably would have more [managers] not understanding what is currently going on in the organisation ... still fighting the old HR of how to do it.* (Training Manager)

## In hindsight

Additional benefits Primeco would like to achieve from FMI relate to both current and future implementation. Primeco would like to see more people involved in the program 'to get people to change their thinking and the way they manage ... to win a few more guys over', and basically to have every manager a learner.

Primeco is keen to develop strategies to reinforce the learning from FMI keeping:

*The whole program flowing, maintaining momentum and developing along the way. Accommodating new managers [who] will require a lot more educating in lieu of widening of knowledge and finally introducing the structure and processes within FMI into other courses we do in the future.* (Manager)

Changes in internal processes to enhance the success of FMI were identified. The primary concern is the modification to the coaching/mentoring process. Despite all best efforts to develop coach/mentors, this process 'it is not working'. Reasons for this include 'the lack of experience and understanding in coaching and mentoring within the organisation, the lack of understanding of the FMI by coaches/mentors, the amount of time involved' and the geographical distance between participants, making building relationships difficult. Primeco is considering more group session coaching and intermittent formative assessment workshops.

Primeco has also identified that the organisation has additional information needs concerning the FMI. Participants need a greater understanding of competence, including definition, examples and

benchmarks to aim for, and more Primeco-specific information. More definition of criteria is needed in what an FMI project is and how to implement it. Participants require more direction and focus on 'internal company systems', to provide a more appropriate context for the FMI. Furthermore, the broader employee base needs an understanding of the FMI, its goals, objectives and the tie into the 'bigger picture' organisation.

The final internal change and challenge will be linking FMI into the human resource strategies, including performance management, promotions and succession planning.

Changes to FMI, 'the product', were also identified. Primeco felt the competencies were too generic in some areas, requiring a lot of customisation equating to time and money. Secondly, it was felt guidelines regarding assessments should be developed. And the 'single most important thing' identified by Primeco is the monitoring and regulating of the FMI by an independent body. There is a perceived issue of lack of assessment equity between RTOs, undermining the quality assurance of the FMI, with concern raised as to the rigour, depth and application of assessment of workplace competence.

Primeco has confronted several issues in developing their FMI practices. The most important issue relates to the timespan between units where there was a conflict between participant needs and managerial desire for progress. From the participants' point of view, the timing was too short to complete the subsequent collection of evidence, but from the co-ordinators' point of view, too long to achieve continuity. Other issues involve decontextualised course content where the learning is not relative to the workplace, and where systems and processes discussed do not exist. Sometimes participants lacked a clear definition regarding the meaning of competence and the relevant evidence.

In terms of implementation, skilled managers with no direct staff have found it difficult to implement some of the skills. This meant borrowing other managers' staff or theoretically working through situations. This then added to the concern regarding assessment only being paper-based, with managers feeling that they have only proven competence of knowledge. Another issue regarding implementation centred on the use of FMI skills after accreditation—for some this is not occurring.

External issues raised identified the need for FMI implementation support.

*Support services are required when implementing this program, for the participants, the program consultant-co-ordinator, the mentors/coaches etc.* (Manager)

Without FMI Primeco 'would still be talking about what [they] were going to do'. FMI has forced Primeco to develop training across the whole organisation. There would have been a lack of:

*Understanding what is currently going on in the organisation ... the strategic management stuff just wouldn't have happened.* (Training Manager)

For individuals 'more reliance on old fashioned managers ... and techniques' would have prevailed with the possibility of seeking other management development externally.

## Conclusion

Primeco has been working with the FMI for nearly a year. The main thrust of the FMI implementation has been strategic, endeavouring to redefine the organisation for future direction and meet potential legislative requirements. The result is that the FMI has made an impact on Primeco at the individual and organisational level with some evidence of business impact, which is expected to increase in the future.

Primeco, like many other mining organisations, has traditionally promoted technical experts to levels of management and leadership. The recent corporate merger resulted in a new business

direction and management team leading the organisation into a new era of business growth with different strategies. The emphasis in this FMI program has therefore been biased towards more generic people and personal leadership skills. There is considerable evidence of increased individual effectiveness from FMI at Primeco. Many managers have increased communication and time management skills along with an increased level of confidence in their own abilities. Individuals have contributed significant amounts of time in their quest for accreditation in the Frontline Management Initiative.

At the organisational level the impact of FMI is seen in the development of a more effective learning culture, moving towards greater organisational learning, with the FMI being an essential change-agent tool in that process. There is more management communication in the organisation with more barriers being breached where there are pools of FMI participants.

In terms of business impact there is some evidence that the FMI has had a bottom-line effect, even at this early stage. Primeco has maintained a profile of significant financial success during times of significant internal change and uncertainty within the organisation. There is evidence that the FMI has been one of the initiatives supporting this restructuring and the current rapid growth.

Primeco intends that an enhanced FMI will be an integral component of the organisational culture in the future, linked to other HR initiatives. The next phase of the FMI program will be using the FMI to focus manager action on current strategic issues to improve strategic alignment, and to evaluate the FMI in terms of return on investment.

## Organisational context

Environco is a diverse state government department, with a scientific, service and primary resource orientation, which has bases in urban, rural and remote locations. Essentially Environco is an amalgamation of a number of different businesses with a long history of mergers and political redirection.

The different businesses often share physical locations. Historically however, they have different operational cultures. The functions of Environco are diverse and focus on the regulation, conservation, and sustainable management of primary resources in the state. Environco provides scientific problem-solving, emergency service support, and consultative services for primary producers and local groups, promoting effective practices, and educating the wider community. Environco's more than 4000 employees are spread across 250 locations and, due to the nature of the work, are often involved in work areas that connect with personal values.

*Typically staff have higher levels of education ... there's an exceptional profile of higher degrees in technical areas. As with many other organisations, staff promotion to date has been based on the technical skills and expertise of individuals.* (Manager)

Environco employs a highly skilled workforce, many of whom are graduates or possess Masters and Doctoral qualifications in their area of scientific expertise.

The collection of evidence for Environco involved the Director of Human Resource Management who has direct responsibility for FMI implementation, the FMI co-ordinating manager, a number of departmental FMI area co-ordinating support staff, and a number of FMI participants and their associated senior managers. This data-collection process covered the first year of the FMI implementation process.

## Getting involved with the FMI

Environco's involvement with FMI was as a result of considerable searching for direction in executive and management development programs to meet the universally identified 'need' for frontline and middle management skills.

*[The] organisation was dealing internally with some of its issues like managing the conflict between resource usage and conservation ... what I think it is not doing so well is managing the deeper cultural differences ... I see that manifested in the training and development cultures that exist within the organisation ... we need an umbrella for the learning processes.* (Training Manager)

The proposal for FMI was forwarded to the director and then subsequently to the Staff Development Steering Committee, who agreed to run a series of pilots with the Frontline Management Initiative. The existence of some local FMI initiatives within the organisation paved the way for this strategic approach.

*We put forward an analysis of a series of options ... we researched the FMI on other sites ... linked the FMI competencies to what we had already stated in our mission.* (Training Manager)

The move to a competency-based approach was very different for an organisation with many staff who had tertiary and postgraduate qualification in traditional education.

*It just doesn't fit the [learning] paradigm that they've been used to at all.* (Training Manager)

Once the decision was made to implement FMI, Environco set about educating the organisation on the initiative, encouraging and enlisting various business locations to become 'pilot' sites.

*We painted a little scenario ... asked them if they wanted to be pilot sites ... we wanted to develop networks ... give them seeding funding ... I'm picturing 10 pilot sites ... a jigsaw of 150 to 180 participants.* (Training Manager)

During 2000, diverse and semi-autonomous pilots enrolled 260 participants. Central to their strategy is the appointment of part-time co-ordinators for each local pilot site, by each local steering group. Each Environco steering group selects the most suitable provider. Thus Environco is using several training providers, sometimes chosen because of geographical proximity to pilot sites, with locally determined FMI learning and assessment strategies. Environco amalgamated existing FMI resources and corporate identity in the production of internal publicity materials.

*We used the ANTA brochure with some changes ... changed it to suit our corporate look...the bower bird ... that was our idea of using an image [that matched] the organisation and the FMI evidence process.* (Training Manager)

The learning strategies amongst the pilot sites are characterised by diversity and flexibility, and are linked by central co-ordinator meetings and enhanced through intranet resources. Central direction is given, but local decision-making is encouraged.

*The thing I hear myself most saying ... is ... I don't know ... what do you think?* (Co-ordinator)

Structure and uniformity are not consciously built into the program. It has evolved by copying and adopting better practices from those that are tried, through trial and feedback. The existence of a steering group determining participant selection, and with budgetary powers over processes such as mentoring and coaching in each pilot area, has given a particular local ownership to each pilot's program.

*You asked me if we were using one provider ... No ... we have a team ... different regions are coming up with different decisions.* (Training Manager)

*It's like we have pilots within pilots ... the ways of doing things are different ... sometimes people talk and exchange ideas, copy and adapt formats.* (Training Manager)

Diversity in providers and decision-making has established a wealth of customised practices. In most areas the core of the learning is driven by initial assessment processes and feedback processes which shape the individual needs into a program of area needs. Often this is then linked to current strategic thrusts.

*We decided to start with the leadership module ... it fits our current focus.* (Co-ordinator)

Practices tend to be built around some group sessions on selected learning areas, often supported with informal learning groups or action sets. Supported self-paced evidence collection and coaching is balanced with registered training organisation inputs. In some cases external trainers and conferences have been used. Various systems are being used to uncover and develop mentors and coaches. Informal support processes seem to be the most effective. Participant involvement in FMI is on a voluntary basis with candidates obtaining support from their manager, although many are persuaded! Joint application is seen as a critical component of the system.

*[We are] going through the process where a staff member nominates and is supported by their manager.* (Training Manager)

Prior to FMI Environco offered extensive learning and development options for all staff, with a suite of fifty plus programs offered through the corporate learning and development division. This program continues to be offered. However, the FMI is now building a significant platform of

workplace-based learning. The most impressive feature is the number of managers who are involved in constructing this new approach.

*I think we are learning about what FMI is ... every time we get together [on the steering committee].*  
(Manager)

On reflection there have been many positive aspects about the process so far. There is enthusiasm from managers and participants. Most participants like the tailoring and diversity of the FMI processes. Mutual selection processes seem to be the start of an important theme of shared responsibility that is emerging. Manager ownership and decision-making at the local level are reported as the key ingredients of this success. The structural network for the FMI has been developed by strategic imprecision, with chances to 'try and find out' given to each manager. This has set the pattern for learning in the workplace. However, mentor selection and coaching training need further attention to offer the network of support that will be necessary as the scheme matures. The load of paperwork is daunting to some participants and the diversity of the new learning situation has failed to engage some participants who may not be used to taking responsibility for their own learning activity.

Environco pursues an inclusive approach to FMI practices, involving contracted staff and using external training brokers to give assistance to local steering groups.

## Difference in manager performance since FMI

Environco has noted some fundamental differences in the performance of its managers over the last 10 months. There are reports of improvement in individual management skills in all areas of the organisation where the FMI is operating, although this does not apply to each FMI participant.

There is evidence that managers are communicating and relating to their staff more effectively, on an individual and group basis.

*[The biggest change is] communication skills across all groups ... not frightened to involve people.*  
(Manager)

Individuals have noted a general increase in confidence in their own abilities, which is evidenced 'all around' with managers 'talking management'. Others agree FMI has 'helped my research', and contributes to the task focus of the organisation.

Many managers on the FMI program are developing the right kinds of skills for future operations and success.

*The group is now exerting more leadership ... the others ... had better watch out.*  
(Frontline Manager)

Most participants indicate that an increase in confidence, especially in the area of interpersonal skills is the main change since the program began. There is a feeling that they are being empowered to initiate changes in the organisation.

*With budgets and planning ... holding meetings and making decisions ... I just feel like I can do more since the sessions ... I had the title before ... now I feel I am managing.* (Frontline Manager)

## Difference in organisational performance since FMI

Environco has experienced changes in terms of organisational performance over the last ten months. Environco is opening up the lines of communication across the organisation, 'breaking down barriers' and decreasing friction between independent business units.

*There are reports of less organisational friction from all levels in the organisation.* (Manager)

There appears to be a greater focus on thinking about management and questioning practices along with a more holistic approach to learning and development in the organisation.

*[FMI] put learning and management on the agenda.* (Frontline Manager)

Ironically it is the inclusion of more managers in the development and design of the learning processes that has been the greatest contributor to the capability for thinking about learning and management development. The less obvious needs are being considered and support by middle and lower-level managers for a subordinate management development program is being canvassed, fostering a greater level of motivation and morale beyond the FMI participants.

*I was bowled over by the response ... every presentation led to a decision to take part on behalf of the potential project site.* (Training Manager)

*[FMI is] not the elitist stuff for senior leaders again.* (Frontline Manager)

From a departmental and geographical sense the strategy of including a 'local' FMI co-ordinator is having a positive effect, with 'areas' feeling involved and having a say in the specific needs and implementation factors of *their* area.

*How [FMI co-ordinators] can have stake in the territory.* (Training Manager)

*The selection process ... it provides ... they are involved ... included in the territory.* (Manager)

The participants are just one part of the FMI processes. More senior managers are actively involved in supporting participants, as coaches and mentors, and on the local steering committees. Each of these roles creates involvement and managerial learning in the area of soft skills, and establishes and values the FMI learning in the workplace. The difference in organisational performance is the gradual emergence of these new and diverse workplace learning structures.

## Difference in business performance since FMI

The considerable changes in reorganisation and political direction over the past years have constructed what is a new organisation from the components of the past. Measurement of public service and political satisfaction is more difficult than economic viability. However, the performance indicators for the businesses have been achieved and passed in the recent two years, with no business reporting lower performance per employee or less satisfaction with the business service.

Occupational health and safety indicators are reflecting improvements, with a reduction in accidents in parts of the organisation. There have been significant developments of innovative practices and services in parts of the organisation. Furthermore, there are various reports from business units that the customer base has been expanded.

There are no indications that the FMI has inhibited this business development, and all the evidence from managers indicates that the FMI is a core contributor to current strategy, in harmony with some other effective policies and practices. While some of Environco's businesses are nearly commercial, others are socially directive, some scientifically informative and others legislative. This goes some way to validating the ability of the current FMI program management to adapt and contribute to a wide range of industrial and commercial areas to business performance.

## Changes in individual, organisational and business effectiveness since the FMI

Although there are some noticeable differences in individual and organisational performance due to FMI, Environco believes it is early days in the realisation of a fully effective FMI.

*I don't feel we have started yet ... we are still in the set-up phase.*

(Training Manager, during first six months)

The implementation of FMI has been taken on board as a significant force and change process, with strategies in place to ensure return on investment.

*We are working through a program logic process ... there is going to be an evaluation through [a named] university.*

(Training Manager)

From an individual perspective individuals are developing fundamental leadership skills and these are being translated into the workplace. This is generating a lot of motivation and commitment both to the workplace and to a return to the FMI program.

*I can't wait till I become a mentor for others on the scheme.*

(Frontline Manager)

Organisationally the biggest impact, which is having a cascade effect, is the increase in staff morale, particularly the middle-to-lower management group. Individuals were impressed that they had 'been recognised as leaders' and included in management.

*They are treating us seriously as a group.*

(Frontline Manager)

There is great enthusiasm towards the FMI, with participants keen to take on responsibility for their own learning and the learning of others in the organisation.

*The real change has been what we did not expect ... people making their own decisions and branching out into ... different training arrangements.*

(Training Manager)

*I'd never done anything like this before ... now I make changes ... help make decisions about how things [will] happen [in the FMI training and learning processes].*

(Co-ordinator)

This boost in morale and enthusiasm converts into workplace motivation for organisational change in Environco. Individuals are talking about how FMI aligns with the new accent on project work within the organisation, and with more fluid self-directed teams. There is evidence that the culture of Environco is changing. The aim to create a more innovative and communicative culture is beginning to happen.

*I think we have an environment ... here starting ... that will enable some risk taking.*

(Manager)

*More freedom to do more creative things.*

(Frontline Manager)

*We are developing a language ... getting rid of interdepartmental bickering.*

(Frontline Manager)

These changes are developing such a demand for the FMI that a brochure is being produced for those managers who are not participating at this stage but want to get involved so that they can prepare themselves for the experience.

There is evidence of some increased business effectiveness both directly from FMI activity and because of the FMI learning processes. FMI projects can have direct returns.

*I see [FMI projects] as a way that I can get quick feedback and returns from the training periods.*

(Manager)

One participant indicated that because they had got together in project groups for FMI modules, this had continued back at the workplace, producing business savings. Another participant indicated that FMI learning had resulted in service delivery improvement. Business effectiveness has been improved in each of these cases within the first seven months of FMI participant activity.

*We changed the system for doing things as we talked ... its saved time ... can focus on customers more.*

(Frontline Manager)

*I felt more like ... I could deliver the findings, the advice we had ... I have arranged meetings ... before I did not feel so confident ... they are done sooner [giving service quicker to the customers].*

(Frontline Manager)

*Before I followed how it was done in the past ... I tried a new approach and got clients together for discussion informally ... broke the barriers and grouping that we had before ... people just want more of it now.* (Co-ordinator)

Business improvement was also evident from changes made by three other participants, mainly due to their reflecting on FMI activity and trying something different with their work team. Changes in team structure, using team suggestions and being more focussed has led to reduced absenteeism, reduction in errors and re-work, and provided a more effective service quicker. These FMI outcomes were spread across three different pilots in very different business sectors.

## Organisational strategy and the FMI

Environco's original strategy for FMI implementation was to address the immediate issue of developing a unified culture by building a framework for management and leadership skills for individual managers.

*We were looking for a process that could act as an umbrella for the whole organisation.* (Training Manager)

FMI was aligned with strategic directions to ensure a fit for the organisation and to identify areas of potential impact. Environco has implemented FMI across diverse locations, businesses and industries, demonstrating the organisation's strategic commitment with significant resources.

*We ended up with a healthy budget for the program ... Our executive is very supportive.* (Training Manager)

In terms of human resource strategy, there is an agenda of climate change at the HR level coupled with an open attitude to the methods of operationalising of this agenda. This supports the corporate-level strategy to break down the fragmented and often competitive nature of the business units. Environco has made a commitment to four main HR policies to develop a quality environment and quality staff. These policy thrusts are linked to strategic intent both through statements and management action with resources. This bundling of HR strategies is mutually supportive for each individual initiative like the FMI.

Following the introduction of the FMI in every business and in most regional centres, the corporate division, which was not within the original FMI frame, reacted very decisively to participate in FMI through the very positive uptake wave from regional managers.

As with many strategies, the approach taken in Environco perhaps forms a more cohesive logic retrospectively. Many managers in the organisation have been given the opportunity to shape the practices of the FMI. It is this inclusive approach that has gained commitment and produced diversity. For Environco a tactical approach to FMI has been taken with other senior managers, providing coaching, mentoring, participant support and being involved in FMI steering committee responsibilities. This structural involvement provides real authority and power to determine the local direction of the program. In this way the twin objectives of tailoring local program diversity and gaining local political management support are achieved.

Local steering groups have determined which FMI projects would assist business goals. In turn this has developed and given more immediate business benefit feedback to managers who have been able to customise the FMI learning activity to their own local strategic needs.

This FMI strategy has now produced an organisational impact in some locations of a more open and inclusive managerial climate. This new culture is now providing innovative feedback to challenge, enrich, re-direct and fuel further organisational strategy.

## Critical impact of the FMI on the organisation

Environco is still in the early days of FMI implementation. The most positive contribution so far is to participant morale and in creating organisational commitment to workplace learning and development at all levels.

*You need the management support and acceptance of new practices [as we have here].*  
(Training Manager)

*Best morale booster for me ... before I was in a doghole.*  
(Frontline Manager)

The greatest impact on individuals is the ongoing learning process that commenced at the initial assessment. Both managers and the participants are learning about their jobs and framing their work of managing in a learning context.

*The IDP [initial assessment] is the best so far ... people are looking at themselves and learning.*  
(Training Manager)

*The penny is beginning to drop ... what this [FMI] is all about ... but I know that there are lots more pennies there.*  
(Manager)

Organisationally FMI activity has involved a large number of managers and given them an active role in the development of the program. The 260 participants have 200 managers, 100 steering group members, 150 coaches and mentors involved in the initiative. This is a large proportion of Environco's management and even a large proportion of the organisation. What was externalised training activity has become in-house workplace-based learning activity, with many managers involved in shaping and developing. The complexity of the program has been a learning and management challenge to many of the managers involved in steering groups.

*We need people with management skills ... but it's the ... a change in paradigm ... a change in culture whatever.*  
(Manager)

Environco's implementation of FMI is built on involvement and participation, accepting risk-taking and attaining knowledge in unknown territory. This appears to be assisting with the gaining of wider local management acceptance, support and resources. The process has been helped by having 'no heavy hand of management' over the program. At the local level there is a freedom to choose.

*I keep thinking that ... I don't know ... was my most usual response to the [FMI] co-ordinators ... I don't know ... lets try it ... that's a good idea.*  
(Training Manager)

*Sometimes people get nervous and just want to see progress ... we have more freedom here.*  
(Frontline Manager)

*I have the freedom to make mistakes.*  
(Training Manager)

There is an additional dividend from the approach being taken in this enterprise. Environco now has a group of co-ordinators with growing expertise in understanding and developing workplace learning activity spread through the system.

The reasons given for the success of the FMI by managers and participants is that many people in the organisation have a stake in the process, and model the learning process. The enthusiasm is infectious.

*The steering group is acting just like an FMI action learning group.*  
(Manager)

*Apparently the regional managers kept enthusing about the FMI ... [that is what got the corporate centre involved also].*  
(Training Manager)

*No FMI? I can't imagine that.*  
(Manager)

## In hindsight

Those with the responsibility for initiating the FMI would, with hindsight, change some of their decisions about the implementation process. Currently there is a move to formalise and select more appropriate patterns of FMI activity, which can be constructed from the diverse patterns trialled during the implementation period. It is doubtful whether those patterns could have developed without the relative freedom that has been given during the first year of operation. In some areas the more extreme practices have been softened as co-ordinators discuss and learn from each other, copying and adapting practices. This customisation through discussion may be more appropriate than defining policies.

*We never realised that we could do things together ... share sessions and resources ... maybe even coaches between units.* (Co-ordinator)

More emphasis will be placed on building more effective mentor and coaching networks. Some of the decisions about the mentoring and coaching networks may have been inappropriate, and often took second place in the intensely time-consuming planning process to direct participant needs. Selection and development of coaches and mentors will benefit from past experiences.

*We asked them to name mentors ... right at the start ... didn't work, some [of the mentors] refused, never had a FMI participant ... knew nothing about the training ... were just inappropriate.* (Co-ordinator)

*Some of the training was OK for participant level ... but with senior managers ... we need to brief the consultants more.* (Training Manager)

There is a down side to this flexible approach to the FMI. Trial and feedback have developed the mixed-mode activity. There is little doubt that some options taken in the first year of exploration were inappropriate, and in some cases repeated by other more distant pilot sites. Sometimes the high level of ambiguity and complexity has been very stressful for co-ordinators and participants. Freedom to learn may lead to a fear of choosing! In some cases decisions about learning have taken time and created a waiting period for eager participants. Many novice participants would have welcomed the use of micro training champions, currently successful participants and their evidence portfolios, so they could 'see what they were getting involved in'. Armed with a depth of experience, the organisation now faces questions about what levels of management activity are appropriate for subsequent learning initiatives and what role RTOs will play in supporting diversity. Developing uniform assessment standards for organisational consistency across the multiple RTOs involved is raising questions about who should be responsible for such validation processes.

## Conclusion

Environco presents a rich pattern of diverse FMI processes, blending organisational strategy with individual needs. Their pilot diversity appears to have created more local ownership and motivation for the change to workplace learning. There is no one Environco FMI process, there are many variations on a central theme. The management of the FMI with flexibility and delegation has set the climate for the learning process development and participant interactions. There is evidence that this approach may have developed as much learning in wider management as it has with the FMI participants. It is certainly evident that these emerging FMI learning structures underpin and support an emerging new culture of learning and managing. While this strategy is intentional, many people associated with the FMI have described this development. Many managers are involved in shaping the FMI practices locally. As with many strategies, these form a pattern and logic only in retrospect.

The evidence from this case study indicates that active and often passionate management of the FMI process may reap greater outcomes from devolved decision-making. However symbolic support by senior managers has been critical in supporting such development, and resources have

been invested to enable local ownership of the emerging practices. The FMI is more than a learning process for participants in Environco; it is constructing a network of learning, and managing relationships. There has been a considerable investment made and the business is beginning to harvest the benefits of that investment. Some FMI managers are already being promoted to more senior posts. Learning is on the agenda and seen as a significant part of managing, even by those peripherally involved in the FMI venture. There is evidence that learning is being positioned as a core organisational capability. Several managers have indicated that the FMI is a very significant agent of a management culture change that is already irreversible.

The Environco experience shows that including managers in constructing the FMI architecture broadens the learning and learning processes considered as legitimate, and fuels participation in workplace learning. For every participant involved there are three or four more managers involved supporting their participants, acting as mentors or coaches or involved in steering group activity.

The evolving FMI processes have already contributed to significant individual impact and significant organisational impact in terms of attitudinal, behavioural and structural shifts towards workplace learning and management style. The strategic approach and support for the initiative are critical factors in this success. It is evident that the power of this change process owes much to an HR management style that is prepared to demonstrate and model a tolerance for ambiguity, and a confidence in the learning abilities of their managers. The practices of Environco indicate that soft skills can have a strong and almost immediate impact.

## Organisational context

Elecengco is an electrical engineering firm that employs almost 500 people at several sites across Australia. The majority of its workforce enjoys permanent status, with about 5% employed as casuals. Eighty per cent of the workforce is male, and the female employees work predominantly in traditional secretarial or administrative roles. As a result, only two of the 52 FMI participants are women.

The organisation has recently initiated moves towards changing its culture from marketing services to marketing sales and service, and is about to embark on a major restructure to make it less hierarchical. At the same time, Elecengco is currently introducing a performance management system that will articulate with the Frontline Management Initiative and become an integral part of its succession plan and human resource development strategy.

*[FMI participants] will be the pool that management will come from, if you're not part of the FMI program, you won't be part of the actual long-term management development group.*

(Frontline Manager)

The National Training Manager's brief is to play a key role in these corporate change initiatives, and he enjoys a high profile within the company. Having been involved in management development for almost twenty years, he is the driving force behind FMI at Elecengco. The case-study interviews were conducted with him, another senior manager, and with two FMI participants, one of who reports to the other. One of the FMI interviewees is studying concurrently for an MBA qualification, and he finds the two courses complement each other.

*What I like about frontline management is the practical side to my [MBA] theory ... I can directly relate this to my assignments, my marks go up quite considerably. We can go to university and learn about theory and frameworks and people say, 'what does it really count in the real world?' That's where Frontline Management balances it.*

(Frontline Manager)

Elecengco strongly promotes education, training and development, and is currently undertaking considerable up-skilling across all sectors of the company, with FMI being the spearhead for the development of middle managers.

## Getting involved with the FMI

Elecengco recognises that the key to organisational change lies in improving the level of its management expertise. As is not unusual in this industry, few Elecengco managers have graduate or postgraduate qualifications in business management, and few supervisors have the cross-functional skills required to manage effectively. Having recently acquired registered training organisation status and the right to issue its own qualifications, the company wants to retain quality control over the content and direction of its training programs. For this reason, together with its disenchantment over the quality of TAFE teaching, Elecengco chose FMI as the vehicle for developing its management skills and potential. The majority of participants in its first cohort are taking the diploma, although some are doing certificate 4. So far, only unit one has been offered.

The first FMI unit was piloted just over a year ago at a different Elecengco site from where the interviews took place. It attracted a poor take-up rate and consequently proved unsuccessful. The low participation rate has been partially attributed to unfortunate timing, as it was introduced at the same time as a new computer system, which heightened work pressures for everyone. However, the nature of the program may also have been a major factor.

*I think a lot of it's to do with the unique nature of FMI. [Managers] are used traditionally to sitting in a classroom and that's it. To do other work outside, they're really having problems with this ... It keeps coming back to time. They keep saying 'we don't have the time'. When you take them through the gathering of the evidence—and I've developed all the tools and I've actually developed a portfolio checklist which is a road map to how to gather their evidence—you still don't get anywhere. The people who have picked it up and worked out how simple it is, they've got through with no problems.*

(Training Manager)

Because each Elecengco site has a different culture, other sites have enjoyed more success with FMI. The company believes this reflects the motivation and drive not only of participants but also of local management.

*It really comes down to motivation of the people, more than anything else. That's the difference with frontline management: you've got to have motivation to do it. It's not just 'let's come along and sit in a classroom, go home, write an assignment at the end', that's not what this is all about, it's being able to demonstrate a competency, that's the big difference ... It really comes down to how much it's driven by local management, and our local management is just not driving it in some areas.*

(Manager)

## Difference in manager performance since FMI

FMI has only been fully operational for about six or seven months, with some managers just starting out and others 'streaking through'. Already FMI appears to be having a favourable impact on the performance of several managers, especially those less experienced in the managerial role who have not had the benefits of tertiary-level education. However, FMI is also exposing the shortfalls of more experienced managers. FMI is proving to be the vehicle by which supervisors and managers are now starting to get together to formalise procedures and functions, to discuss common issues, and confront and resolve problems. Apparently, this rarely happened before.

Interviewees suggest that FMI is bringing a greater focus and direction to frontline managers, as indicated by the following comments.

*One of my line managers took this on and I've seen him developing a professional knowledge of what his job responsibility is, striving and achieving benchmarks. FMI has brought it into a lovely little package and focussed people on what your job is about.*

(Manager)

*[A frontline manager] has picked up on the managing teams, and ... he's been able to use FMI to transpose that to his subordinates, driving them specifically and being focussed in a way that the rest of the organisation is going.*

(Training Manager)

Another detects an improvement in the way his supervisor manages.

*[My manager's] a very upfront, 'go get 'em' sort of person and [FMI's made him] a bit more temperate if you like, and before he reacts in a personnel-type situation he thinks twice now, that's one thing I've noticed ... It's better for me and for people who work for him.*

(Employee)

## Difference in organisational performance since FMI

Within Elecengco there are different perceptions of the impact of FMI on organisational performance. More senior managers tend to detect a heightened employee awareness of the need for a shift in direction for the company, for which they see FMI partly responsible. However, others say

they are unable to identify a difference because the initiative has not been in place long enough. The following quote sums up this view.

*Nothing yet, it's too embryonic in that this is the pimple on a pumpkin. We've not got enough mass yet to roll it over. I could say that in the micro it's doing well, but it's not having any impact on the macro.*  
(Training Manager)

While it is difficult to pinpoint significant differences in organisational performance as a consequence of FMI, there are noticeable improvements in planning, with managers generally getting more work done with minimal numbers of people.

## Difference in business performance since FMI

This is as yet difficult to determine, due to limited experience with FMI and the impact of major structural changes being introduced in the organisation, such as new management reporting procedures. Because Elecengco has also had major problems with stock and computer systems, it has not been feasible to evaluate whether there has been a return on investment in FMI. However, the setting-up of key performance indicators and benchmarking them three years down the track should allow trends to be identified.

## Changes in individual, organisational and business effectiveness since the FMI

Because FMI has only been operational for a few months, participants feel they are unable to detect a major impact on themselves or their organisation. One said:

*The greatest impact will be, and is unrealised yet, uniformity—in a positive way where we all understand what the objectives of each of the teams are, how we define what our objectives are and how we problem-solve them.*  
(Frontline Manager)

However, more senior managers believe that such a shift is already taking place in terms of communication and team-building.

*I do see a change [in sales, service, and customer satisfaction] and I know I wouldn't have got the results I have if not for [FMI] helping ... I've seen greater co-operation between the managers ... there were divisions between areas, where those barriers have been broken down and people have a common mindset that they have the same pressures on them, they all have the same goals, objectives. That communication is enhanced ... FMI has been a tool to get everyone together.*  
(Manager)

Elecengco believes that FMI will play an important role in creating a common business language that will assist in changing the culture of the organisation. Already a number of staff has left the organisation because they are unhappy with the new direction and the prospect of individual performance being measured, but Elecengco believes this is not necessarily a bad thing.

## Organisational strategy and the FMI

FMI has resulted in the company introducing key performance indicators for managers as part of longer-term corporate change with greater accountability across all sectors. To improve FMI effectiveness, Elecengco has developed an assessor's portfolio for each unit that outlines the type and quantity of evidence that must be collected. It is also shifting the focus of FMI to make it partly self-paced and partly mentored.

*When I originally designed [the FMI program] and built all the training for it, it was to support the development of the underpinning skills that you really needed for the competencies. Now I'm going to move the emphasis from doing that in the classroom to doing that back out on the job, one-on-one.*

(Training Manager)

Participation in FMI is also likely to become more selective, in response to the distinctive culture of Elecengco.

*We've tried opening it up and had a mixed response, now we'll target ... cull out the number of people who're doing it and make it more selective. I don't look at it as any lost time; it's just that strategy didn't work for this particular organisation. With other organisations I've worked for it would have worked, but here it didn't ... It's a matter of doing a lot of blends. It's always tempered with your understanding of the corporate culture. It's very difficult to apply a model if you know it's not going to fit with the culture.*

(Training Manager)

These changes are likely to improve the success rate of FMI because they will have support from the highest levels of the organisation.

*It's going to be difficult ... but we have total corporate commitment on doing it and it'll happen.*

(Manager)

## The critical impact of the FMI on the organisation

Elecengco feels that it is really too early to determine whether FMI has had a critical impact on the organisation, although it feels that it has the capacity to do so in the longer term because of its on-the-job, customised, reflective focus.

## In hindsight

In retrospect, Elecengco believes that FMI assessment tools should be provided with the competencies, and are difficult to develop. This is likely to deter some organisations from taking it up.

*There must be a lot of places where the tools have been developed and it seems a shame that they're inaccessible. I know when I was developing the tools myself, I had four weeks bouncing round walls just trying to get my head round how I was going to broach a competency across three distinct levels. It took me a while to get my mind wrapped around that to come up with the model.*

(Training Manager)

Elecengco also has concerns about the quality of FMI assessment tools, especially across different levels of competencies.

*There are a lot of holes in FMI ... although you have the competencies it's up to someone to write all the assessment material, and writing assessment tools isn't the easiest thing in the world. To write [them] across three levels against one competency is one of the most difficult things going. The interesting thing is to actually write the tools, you must have two competencies yourself, the assessment writer ... which most people don't realise that you need so you can assess, because the tools must be written by someone who holds those competencies, and I've been pointing that out to ... the National Assessors' Board today. I've also been pointing that out to [the university] I've been doing my work through and they went 'Oh dear!'*

(Training Manager)

Elecengco would like to see an FMI audit process, even though this would 'flush out some very scary things'. To improve the quality of assessment, the company would also welcome the

establishment of a national FMI user group, whereby people could attend a forum and share ideas, experiences and 'war stories'.

*We've got to have that forum where we can say 'this is what we found, these are the issues' ... and work out how we're going to overcome the problems.* (Training Manager)

## Conclusion

While Elecengco is satisfied with the success and cost-effectiveness of FMI to date, it plans to monitor progress continuously through internal user groups in two capital cities, and introduce any changes that are felt necessary to increase FMI effectiveness. Elecengco believes that an FMI user group would have helped them make more effective decisions about the best practices for their organisation and their managers. The company believes that one of the essential criteria for successful adoption of FMI is a driver within the organisation, with cross-functional skills, who has the support of an external network of kindred spirits who are addressing similar issues. Elecengco also indicates the need to tie the FMI to other strategic initiatives driving business change.

In the final analysis, however, Elecengco recognises that, although people might have formally acquired a new competency, they must apply it effectively before any benefits will be forthcoming. This is aptly summed up by the following comment.

*The key is that you've got to see it back on the job; you've got to see evidence that they're actually using it ... The analogy I use is that if I've taken someone for a driving test today and I pass them as competent to drive a car, but then they drive out the driveway, [then] run over 40 nuns at a pedestrian crossing, it doesn't say that they aren't competent to drive, they're just not using the competencies. The key to that part is that it's got to be articulated into the performance management system.* (Training Manager)

## Organisational context

Finco is a large finance organisation providing services in five states. The majority of Finco's organisational business and staff activity is corporate in nature; however, there is considerable customer interaction activity in shop front environments. While the majority of employees are female, Finco is built on a traditional culture that has enabled male domination of senior posts and as such reflects the wider industry customs. These customs saw employees in the organisation being recruited and promoted for their financial expertise and skills while, until the late sixties, females about to marry were expected to resign.

In an increasingly automated industry moving into the new economy, people skills and customer service are seen as the competitive edge. There has been a move from a regulatory and policy environment to a more devolved system of departmental responsibility. This has been characterised by a move to the open marketplace, a growth into new geographical locations, and the introduction of a dynamic leader, signalling a new organisational culture where, because people are valued, 'we will be the organisation of first choice, and hold onto the best skilled people'.

*We have to have good people ... a brand ... if you come to us, you will add to your CV.* (Manager)

The interviews for Finco involved the Manager of Frontline Training and Development, and the second in charge of Frontline Training and Development, both with specific responsibilities for directing the FMI program, two participants from different departments, a line manager of one of the departments and a job-returning employee.

## Getting involved with the FMI

Finco has undertaken several initiatives in order to foster a management and organisational culture that develops, attracts and retains quality staff. This strategic thrust underpins the business aims of continued growth and profitability. The involvement in the Investors in People scheme (IIP) led to a strategic focus on management development and the adoption of the Frontline Management Initiative. FMI is visibly supported by the CEO and senior executives, promoted through the People Development and Strategy (HRD) section of the organisation, and is viewed as a major management training initiative. Finco's policy shift from training to workplace learning within the organisation is evidenced by the relocation of resources from training facilities to video conferencing resources and workplace learning support. The acceptance of a learning framework policy that emphasises 360-degree feedback, reflective learning and workplace learning indicates the support for such a culture change.

*For us ... the change is inevitable ... more learning means more learning in the workplace ... less training rooms ... we have to work out how to deliver and support that new style of learning.*  
(Training Manager)

The FMI is seen as the first initiative promoting such moves and has been given high profile in the organisation with significant resources and CEO involvement in promoting the quality of the initiative through strongly resourced networking evenings.

*Before the training was departmental ... this [FMI] was an outside standard ... a national thing that there could be no battles about.* (Training Manager)

*It fits so well ... FMI ... gives a clear illustration that we value our people.* (Manager)

Finco's involvement in FMI was developed through a formal tendering process for external providers with the selection of one organisation for all FMI activity. Cultural compatibility was the predominant determiner in the choice with economic consideration secondary. Selection of participants was initiated through the internal promotion of FMI and was a volunteer/nomination process, often driven by managers who indicated to key staff that they should apply.

*Our [FMI] process was largely formed by the tender process ... which gave us a lot of ideas and [we did the] groundwork from there ... we did an analysis of roughly who our target audience was.* (Manager)

The decision was made to run a comprehensive program, rather than a pilot, and accept volunteers to a current participant load of nearly 200 that exceeded the expected 100 candidates.

*It's really taken off with participants over [in other states] as well.* (Training Manager)

Finco has a well-developed training program and a history of competency-based activity. At this stage FMI has been operational for less than a year with FMI levels being decided by the initial provider assessment processes and most participants entering their third area of learning development. A critical component of the initiative is the involvement of the People Development managers as active FMI managers, promoters, trainers and assessors. 'The initial work ... our aim was to do as much as possible'.

*Also we have completely rewritten our competencies ... we incorporated them into our program and that forms the basis of our 360-degree feedback.* (Manager)

The FMI process consists of group sessions, supported self-paced evidence-collection and informal learning groups.

*We are trying to put the emphasis on them to complete it ... I suppose we are also organising networking ... all our participants and inviting their line managers along as well.*

*We had toyed with the idea ... we will offer two options ... so you can make your decision, do you want to come to the customer service one or do you want to do the development teams. So we will try to build flexibility. It actually almost becomes self-choice at the end of the day.* (Manager)

Modules are taken sequentially facilitated by the provider and the organisation's training managers. Due to the numbers involved there is some degree of self-selection about unit progressions and input attendance. Finco has the advantage of online connection to all employees and uses this facility for FMI learning processes and promotion. Consideration is being given to the use of resources to gain more impact from work with the managers of FMI participants.

## Difference in manager performance since FMI

For Finco there are fundamental differences noted in the performance of their managers over the last ten months. There is substantial support for a direct relationship between FMI activity and improved performance, which is underpinned by the FMI being the instigator of workplace learning.

Some individuals report an increase in confidence of their own abilities, in working and managing teams, along with growing confidence in presentation skills.

*I realised I needed to change the day-to-day work practices.* (Frontline Manager)

*Forces you to focus on what you are doing, look at how you manage and learn.* (Frontline Manager)

Some managers are communicating and relating to their staff more effectively.

*There is better communication ... with staff ... for sure.* (Manager)

*[FMI is] making me a better manager.* (Frontline Manager)

FMI is certainly seen as contributing the right kind of skills for the organisation, developing 'soft, people skills'.

## Difference in organisational performance since FMI

Finco is experiencing a number of organisational changes at the current time. The new leadership is emphasising growth into new geographical locations, devolving departmental responsibility, diversifying into new business areas and increasing pressure for improved customer service. Finco is experiencing a turbulent and dynamic internal environment.

*Huge changes ... with staff turnover ... taking more responsibility ... responsibility for customers.* (Frontline Manager)

FMI is aiding the positioning of Finco in the competitive marketplace with FMI seen as 'one of the vehicles for understanding clients and competition'. Boundaries are being stretched and comfort zones disturbed.

*We are measuring ourselves against external benchmarks ... going outside the comfort zone ... feeling uncomfortable and learning.* (Manager)

A more participative approach is being taken with staff leading to better relations and staff morale.

*There is more prioritising ... and more gaining feedback from staff.* (Frontline Manager)

*We have built better feelings ... bonds ... with the new team.* (Frontline Manager)

Participants view FMI as a significant contributor to the overall change processes. However it is viewed by the managers as one of several initiatives that is being influential in the company. The FMI is one of a 'bundle' of strategic HR initiatives developing organisational capability beginning to support business development and growth.

*I go to their line manager and say okay they've shown me all their time management but what do you think? Do you think their time management has improved? Yes and how it's improving?* (Manager)

## Difference in business performance since FMI

In terms of business performance, Finco is seeing significant growth and business returns despite the rapidity and depth of change. Finco has been through a phase of staff downsizing which has led to a focus on organisational strategy in attracting, retaining and nurturing very skilled, highly valued people.

*Because of the rapid change environment we have to have good people.* (Manager)

*The cradle to the grave employment ... has been broken ... we need to attract ... need to be a valued organisation.* (Manager)

As a whole, the business is now in a phase of increased profitability, expanding the customer base and diversifying operations. In the past year Finco has shared with competitors substantial increases in profitability. Areas of new business and new locations have brought the greatest returns in the last two years of operations.

## Changes in individual, organisational and business effectiveness since the FMI

Some individual managers are already reporting an enhancement of their managerial and leadership skills, which has translated into more effective team management. This skill development is directly related to the FMI study units.

*We have ... embraced the need to prepare ... to write down ... to schedule.* (Frontline Manager)

*The emphasis of their role has changed and they really have to step up and manage their location or run their location.* (Manager)

Many managers express a greater confidence in knowledge, skills and abilities of performing in a management role. For some managers, grappling with the FMI is proving a workplace burden. At the organisational level there are isolated reports that clusters of managers are developing a more flexible environment for staff and communicating more effectively. Staff are being managed and developed based upon individual needs rather than generic applications.

*Looking at individuals ... not just blanket solutions.* (Frontline Manager)

Strategic and business planning are being conducted with some frontline managers taking on the responsibility with their teams.

*It raised awareness about the direction ... the business plan ... we have put things together ourselves.* (Frontline Manager)

The business is more effective, and the FMI participants are supporting these organisational changes to a more innovative culture. The evidence suggests that even at this early stage the FMI, with executive management support, is making a contribution to changing the organisational culture and challenging traditional management values of the industry. For management the FMI is a significant component of the current strategic thrust to improve skills, and support a more generative climate and business growth. This is evident in the new attitudes to workplace learning.

*And I think we are quite lucky at Finco ... most people are genuinely committed to showing improvement.* (Manager)

At this stage the tangible evidence of impact is at the organisational level, with indications of some changes to procedures that make a direct contribution to reducing bottom-line business costs. For Finco, the FMI is still a relatively new initiative, and it is early days for business impact. The evidence suggests that the FMI is however, an important part of a broader organisational strategy to develop a more innovative management culture and is supporting and underpinning the current business growth pattern.

## Organisational strategy and the FMI

For Finco visible and demonstrated top commitment for the Frontline Management Initiative is evidenced in the investment the organisation has made into the program. FMI is presented as a critical tool in the development of management culture, through greater inclusion, achieving a more diverse and innovative organisational culture.

*Other positives have been our Managing Director ... very focussed on people development.* (Manager)

The simultaneous association with the Investors in People scheme underlines this HR strategic thrust. Finco has developed a strong link at the human resource level between individual improvement plans (IIP) and the FMI. FMI is the key component of the management development strategy and appears to be set to drive further change in that area with competency-based approaches. FMI is seen as a significant catalyst in the development of learning processes, through the introduction of workplace-based learning activity.

There is however less visible evidence of support from the managers of participants as mentors and coaches. This is an area for specific attention in the next year. The FMI is linked to current strategic direction and organisational development goals by written and verbal affirmations. The intention is to increasingly widen the web of FMI support, through the involvement of more senior managers in guiding and leading the FMI learning activity.

Finco uses workplace projects as a means for participants to demonstrate and develop competence in FMI. Participants recognise that the FMI is an investment in their development. However, at a practical level these FMI projects are not the subject of significant management planning processes. The mutual development of strategic FMI projects is one area that may provide a focus for such involvement.

## Critical impact of the FMI on the organisation

At this early stage, impact of FMI is more clearly defined at the individual level with some evidence of organisational change linked to the FMI. It is unreasonable to expect positive business impact in these early stages of the FMI, but there is no evidence of the FMI activity detracting from business performance.

The greatest impact on individuals is the development of fundamental managerial and leadership skills, with participants noting increased confidence in their own abilities.

Organisationally, the focus and commitment to personal development and the development of the learning culture has been noted by all levels in the organisation. Finco is making a significant investment in a large number of employees, and this is being recognised and appreciated by individuals throughout all sectors of the organisation. The critical impact of such a large development commitment has been the significant interest and motivation for people to ‘get on board the initiative’.

*We are seeing some of that, where people are just forming networks and quite often outside their business unit ... that was huge.* (Manager)

The down side to this initial success is the complexity, wider management support and involvement required to manage the 200-participant network that has developed from a small people development team.

The primary benefit so far appears to be a considerable surge of motivation and boost to staff morale. This has linked the rhetoric of cultural change from senior management with ground-level support and action in many frontline managers.

## In hindsight

It is very early days for Finco and FMI with many processes still developing. Participant motivation has been very good, which is encouraging the learning culture being fostered throughout the organisation. This support probably owes much to symbolic senior management support for the FMI and the active management of the FMI processes that have been explored, shaped and customised for Finco by the FMI development team.

Additional impacts yet to be realised by Finco involve fostering further internal implementation support. Middle management support for the initiative is seen as critical and that is where the emphasis of further development is going to be placed. In addition to this, political support for the program is seen as critical and is more likely to be maintained if outcomes gained in the early stages of implementation are made visible and communicated internally.

*An interesting issue is the relationship between the participant, the manager and any coaching or mentoring support. What we most need ... is active manager support ... in the departments ... coaches and mentors.* (Training Manager)

## Conclusion

The key feature of the initiative is the considerable uptake and movement in a short period of time. The organisation has harnessed this movement and used it to leverage the initiative within the organisation by arranging networking sessions where positive affirmations have been made by selected staff concerning the benefits of the FMI. It presents a significant model of how an emerging intervention can benefit from a training champion and positive role models.

However, it would be unfair to dwell on the symbolic nature of the program support. Underpinning such communication has been enthusiasm, hard work and strategic thinking to customise the FMI to match Finco needs at the corporate and individual levels. The organisation has made a substantive investment in the FMI program because it recognises the FMI as a tool of cultural change that is likely to contribute to improving business performance.

The FMI model appears to be shaping subsequent management development plans. The emphasis on people skills is accepted by all participants and managers as an appropriate learning direction. The FMI is establishing workplace-based learning and competence-based learning with a significant management group. There are concerns about the considerable volume of paperwork being created. In addition, more work needs to be done to integrate other managers as coach and mentor resources.

Finco is a growing organisation investing in the new economy. The evidence suggests that FMI is contributing to maintaining this growth pattern by providing both a platform for relevant management development and an organisational development framework that drives current business strategy. In this case the FMI is being used as a very visible strategic tool of cultural change. It is linked to a bundle of HR initiatives such as IIP which are mutually supportive. The initial evidence suggests that this strategy is successful with the focus on frontline managers beginning to change organisational culture at the first levels of management.

## Organisational context

Mineco is a large organisation in remote Australia involved in the mining, processing and wholesale of precious minerals. Owned by a large multinational, Mineco has recently undergone substantial changes in both structure and leadership, taking the organisation from the brink of closure to one with renewed life and diversity in operations.

*The organisation has been through some fairly major change ... the place was going to be shut down. The workforce basically wrapped its mind around a closure mindset ... a new General Manager came along and pushed some boundaries and [changed] the management team ... that process identified a new opportunity for the mine to live on.* (Manager)

Mineco has approximately 700 employees, with an additional 300 contract workers and, like other mining organisations, is male-dominated in the operations areas. There is a more even gender distribution in administration and support services.

The interviews for Mineco included the Human Resource Manager specifically responsible for directing the Frontline Management Initiative program, the Mining Manager who has employees as participants in the program, two participants from the same department and an employee of an FMI participant who has recently completed FMI external to the organisation.

## Getting involved with the FMI

Mineco got involved with FMI for a number of reasons, the most predominant being the change in senior management and the identification that leadership was a key strategic thrust to future success. The organisation identified six strategic thrusts—‘developing managerial leadership was one of those strategies’.

*There was obviously a need to provide a significant change in the leadership style. So we changed our focus from supervision ... to actually providing leadership.* (Manager)

Another critical factor was the imminent state legislative requirements placing standards on statutory positions within the mining industry. The FMI was researched by the Training Manager and presented as an opportunity to the senior management team where it was endorsed and subsequently implemented.

Mineco has been involved with FMI only for the last four months, so it is still in the early days of FMI activity. Participant involvement in FMI was essentially mandated due to the legislative pressures and determined by post responsibility. Initial approaches identified current and potential superintendents, calling them to volunteer to the program. However due to prior experience and qualifications many declined. As the organisation was keen to develop a new leadership culture, all relevant managers were enlisted.

*We had decided that it was an expectation for all strata two people to be able to demonstrate leadership as part of their role ... we had an obligation to provide training, no different if you provide training to operate a truck ... there wasn't a lot of choice, but there is a lot of incentive for the people to go on it.* (Manager)

Prior to FMI Mineco has offered ad hoc leadership development. The competency-based structure of FMI was something that the organisation had not been involved in previously.

Aiming towards a certificate 4 qualification, participants experienced facilitated workshops with an external provider which includes action learning methodologies. Additional tutorials are offered on a one-to-one basis with the external provider or individually assigned coach/mentor in the development, implementation and evaluation of workplace projects. The projects form the basis of assessment and final accreditation.

The skills of FMI are 'definitely' the right skills for the new organisation with the expectations of participants and managers alike being realised and exceeded.

*In fact considerably better, the facilitators ... engage the people involved in the course. [They] tried ... to identify what we wanted to get out of it, it was tailored to what we wanted.* (Frontline Manager)

*The framework is a bit different, it's a bit more flexible, it's more suited to [Mineco] requirements rather than right across the board where you have people from many different companies. So this is very company-specific.* (Frontline Manager)

*In terms of creating a common base line, it's doing that, it's providing that for us ... it's certainly returning the expectations that the management thought.* (Training Manager)

Components of the FMI that appeal to participants include the facilitation and interactive nature, the flexibility and tailored approach along with the structure of the competencies and application into the workplace. For the organisation the existence of the competency framework giving them a base to build on was very appealing, along with the program being industry-endorsed. The legislation places an immediate job relevance on the program and learning success.

Mineco noted that the FMI, particularly the projects, was very time-consuming and effort-intensive, with some participants noting frustration with 'being away from work' and the 'backlog' of work 'to chase upon'. There has also been some confusion regarding the projects, with mixed messages being delivered as to 'what the projects are supposed to be and what level they are pitched at'.

## Difference in manager performance since FMI

Considering the early nature of FMI implementation, Mineco has seen some differences in the performance of their managers. Individual managers are providing feedback to staff and that is now becoming a two-way process. One participant noted that FMI was an:

*Eye-opening [experience] as it opens up your thinking, in terms of making sure your goals are set clearly to people and that people are clear about instructions.* (Frontline Manager)

*It's made me think, rather than just going with a gut feeling, about the theory behind, dealing with people whether it from a motivational perspective, or delegation perspective, just generally how people or even from a training perspective, how you get the best out of people, rather than just life experience you've got some theory to fall back on. And also I do fall back on some of the things that have been discussed and some of the exercises we've performed during the course. So it's giving me a relatively restricted series of tools to use on my daily functioning ... as I begin to experiment over time what actually works and what doesn't will come clearer to me.* (Frontline Manager)

*Because of the course I am more confident about what I am doing.* (Frontline Manager)

## Difference in organisational performance since FMI

Mineco has experienced some limited difference in terms of organisational performance since the recent implementation of FMI. The fact that the organisation is focussing on and expending

significant resources on leadership development is considered a definite advancement. Also managers seem to be working more closely together.

*... we can see they are trying to make things better ... overall processes and systems.* (Employee)

*People are coming on board with things ... things are opening up much more. And especially after the FMI where people are realising ... we are all wasting resources and how we can do things better. And when you throw some ideas to them they are coming forward now rather than in the old days ... stay very quiet.* (Manager)

There is some 'polarisation' occurring within the organisation as 'some people have really taken it on board and are really enthusiastic about it and [there are] those people who think the contrary'.

Mineco is very confident that changes in organisation performance will result from implementation of FMI. Some of the expected changes include development in performance management.

*As people learn to handle a disciplinary issue better we would see fewer mistakes made in the process, which would ultimately mean the process, so that ... their outcomes would actually occur rather than us having to ... fix the gap.* (Training Manager)

Management at Mineco indicates that there are many more organisational changes on the horizon, and is expecting that the FMI will assist managers in coping with and facilitating those changes.

## Difference in business performance since FMI

It is impractical for Mineco to identify any differences in business performance in the four months since FMI. The company is currently developing an improved business position compared with previous performance. All respondents noted that FMI implementation was in its infancy and it was too early to detect bottom-line effects. Return on investment analysis was considered as the next phase of the implementation.

## Changes in individual, organisational and business effectiveness since the FMI

In these early stages of FMI implementation it is difficult to determine the overall effectiveness of the FMI for Mineco. There are positive responses from many participants concerning improvements in their own performance, and managers note that their frontline managers are more reflective and using the managerial skills from the modules.

*So there is definitely [an improved] level of consciousness there.* (Manager)

From an individual perspective Mineco has very positive feedback regarding the 'quality of presentation' and facilitation with some performance changes 'directly attributable to FMI'.

The organisational impact so far focusses on the development of a more cohesive and skilled management team and learning network. On the evidence so far, Mineco believes that the FMI is enabling them to develop a 'more professional management team' and ensure 'people are not just learning by knocks on the shop floor'.

At the business level it is still 'too early to tell' overall effectiveness.

## Organisational strategy and the FMI

The change in senior management saw a considerable change in direction for the organisation and the development of a new strategic plan. The implementation of FMI was born from the organisational strategic thrust to develop managerial leadership, rather than supervision.

*FMI is the biggest of the programs ... or tactics ... associated ... with that strategic thrust of developing managerial leadership ... [FMI] is explicitly linked.* (Manager)

Mineco has plans for FMI to be integrated into human resource processes, such as recruitment and selection, with obvious links already being made to performance management plans and processes. These initiatives coupled with the integration of FMI into the learning and development strategy and the intention to devolve FMI throughout other parts of the organisation sees Mineco with very definite strategic links.

Coupled to this strategy is a strategic objective to increase the capabilities of leaders as coaches and mentors. FMI feeds directly into this objective and Mineco is hoping that this will develop the capability of their program.

Mineco's approach for participants to demonstrate competency involves the use of workplace projects. Participants, together with their coach/mentor design, develop, implement and evaluate a workplace project based around a current issue or continuous improvement initiative. Projects are not necessarily strategically linked; however, the outcomes of some imminent projects indicate possible connections.

## Critical impact of the FMI on the organisation

The greatest impact on new managers is the introduction to management.

*It's the first introduction I've ever had to this theory of management so for me it's given me an introduction to some of the management issues and how it's broken out to some of the theory behind it.* (Frontline Manager)

*On the major side the feedback seems to be better from my superintendent. On the minor side there seems to be more of a willingness to go with FMI or more of an acceptance to FMI.* (Employee)

While there is some growing impact at the organisational level, impact at the business level has not been detected as yet.

Major influences at Mineco include strong cultural factors. Mineco has had a very stable workforce over the years.

*Mineco still has a lot of established people there so are very set in their ways ... so any form of change is difficult.* (Frontline Manager)

*Nothing upsets the mine; it is a 365 day, 24-hour-a-day mine.* (Frontline Manager)

## In hindsight

Mineco is keen and optimistic about achieving a number of positive impacts from FMI, centering on 'behavioural changes'.

*The way people are managed ... and a noticeable difference in the overall workforce and their appreciation of how they are being managed.* (Frontline Manager)

*The difference between supervisors and managers ... supervisors historically go out and do the daily routine things ... [leaders use] lateral thinking trying to initiate and drive new ideas from go to whoa ... so there is some accountability there.* (Manager)

In an ideal future Mineco visualises all units of competency 'implemented and used effectively' bringing about a return on investment outcomes.

As implementation progresses, Mineco is developing strategies to overcome learning issues and to provide additional support needs as they are identified.

*One of the things we are looking at is a separate mentor and coaching program and that's about skilling our managers up so that they can coach the superintendent and likewise skilling the supervisors up to coach their staff.* (Training Manager)

Mineco has experienced issues relating to the qualification level offered by FMI with very experienced and educated employees considering 'the accreditation means very little ... when I have achieved above it'.

Other factors include the amount of time off the job for participants when work is building up and the potential for participants to 'subvert' the new leadership methodologies when they return to the workplace. There has also been the identification that the workplace projects have not been progressing due to uncertainty in their direction and structure.

From an organisational perspective, Mineco expressed uncertainty and concern about the rigour and comparability of qualifications accredited by various external providers in the marketplace.

Without FMI Mineco would have explored other avenues to assist in the development of a new leadership culture. Although FMI has not been the catalyst for the 'new leadership culture' as yet, it is certainly driving and introducing the new company philosophy. Individuals 'would have gone on the way [they] had gone previously ... [or may have] considered doing an MBA' at the expense of systematic management development.

## Conclusion

Mineco's association with FMI is relatively brief. Mineco works closely with the external provider in developing a program that suits their needs, accommodating the specific needs of an organisation that operates in remote locations separated by great distances.

Mineco's very stable, highly technical workforces have resulted in a strong task culture for some time. With the current change in business direction as the ultimate challenge, the emphasis on the FMI program is towards contributing to this new strategic direction through the development of a revitalised leadership culture. There is already some initial evidence of increased individual effectiveness from FMI with managers, and the development of tools for future leadership. Individuals are enthusiastic about the initial results and are contributing significant amounts of both company and private time to develop competence in FMI.

At these early stages of implementation there should be little expectation of organisational or business impact. However, collectively, the FMI managers appear to be working more closely together and towards improved processes and accountabilities. In terms of business impact, no specific evidence has been cited at this stage. However, Mineco considers that monitoring this development is their next step. The FMI is providing the structured approach to management development that underpins their current business strategy. At the present time, Mineco believes that there is sufficient evidence from the embryonic FMI program to validate their confidence and use of the FMI as a tool of strategic change.

# Michael's story

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## The individual context

This is the story of 'Michael', a male blue-collar worker whose life changed because of the FMI. Michael had over 15 years with a manufacturing firm that was associated with this study. Michael co-ordinates a work shift where he is responsible for the production and development of over 20 people. This currently includes training three trainees, who will be developing their capabilities over a period of two to three years.

Michael was operating as a frontline manager in the organisation and specifically co-ordinating training within his work group. His organisation naturally nominated him for involvement in the FMI when the company had decided to develop an FMI program. During his employment with the company Michael had worked his way from charge hand to leading hand and finally to team manager. During this time he did not have any management training nor had he undertaken any other formal training since his basic technical and high school experiences, which had been many years ago. As a result of the FMI experience he is now an advocate for the benefits of training. Michael recognises the value of training both for his own skilling, learning and progression as a manager, and for the structured development of the company as a whole.

## Getting involved with the FMI

Michael was apprehensive about being involved with the FMI program. He was aware it would be a long-term venture and involve reading work books, learning guides and compiling written evidence. Michael was aware through the increasing challenges of his workplace of his difficulties with reading and writing. He was concerned about doing the FMI training. It also brought back deeply based fears of previous educational experiences. This was also partly due to personal guilt about having dropped out of school at a very early age. In hindsight Michael wishes that he had not allowed these initial fears to cloud the start of whole new learning experience. 'Now' he said: 'I'd probably tell people that they would enjoy it'.

Michael got around his difficulties in reading and writing through the help of his partner (a co-worker). Some of the evidence collection involved putting together a few pages of supporting reflections and key issues of learning. Michael would tell his partner what to type and she would key his words into the computer. This process has led to an increased confidence in language skills and even keyboard input. He has had to struggle with some of the learning areas but he can see how his learning and managing knowledge has improved.

*You need to be able to use a computer in your ordinary life even if not at work.*

Michael points out that the interaction between participants and the provider facilitating the learning was critical: 'The trainer helped by explaining things'. As a result this was a very different learning experience from those many years ago and Michael enjoyed this process more than he expected. He recognises that it was perhaps the right thing at the right time for him and that he believes that he 'gained more than most out of it'.

In terms of learning content, there were some areas of learning that had made more impact on his identity as a manager. He specifically learned a lot from the problem-solving and conflict-resolution sessions that had immediate application in his day-to-day interactions.

In terms of learning processes there were two modes of learning that were particularly important in driving the managerial learning activity. The participants kept a weekly learning log of their activities. This enabled them to build up a record of both the issues and questions that they had about managing and to develop responses from their own learning and interaction with others.

The second important component of the learning experience was the mentoring structure. There were mentors on the shop floor linked to each participant. The focus of their role became the discussion of issues in the learning logs. This interaction occurred on a weekly basis. Michael found this assistance valuable.

## Impact of the FMI

Michael indicates that the greatest benefit to his own managing performance has been from what he has learned about problem-solving and conflict-resolution. This has not just changed his skill base and attitudes to managing, but has changed his management behaviours with his group. He is able to give examples of how he would now approach problems or issues that involve people, and contrast them to his previous approach before FMI. He sees himself now as solution-oriented rather than just concerned about quelling any conflict.

In terms of his management role as part of the wider organisation, Michael feels he has a better understanding of the organisation from a strategic position. Being aware of the current concerns of the organisation in areas such as marketing strategy and financial balances enables him to recognise the importance of management policies and identify with specific organisational outcomes. He is able to appreciate the organisation from another perspective.

The greatest impact of the FMI on Michael personally was 'how I looked at things'. His old style of dealing with people problems was to take the two conflicting people outside and tell the 'two clowns' to sort it out themselves. Now he listens to each and tries to work out what is wrong and helps them sort out a solution. This is a considerable change in the way managing and organisation happens at the shop floor. The practices of the FMI have led to different practices at the workplace.

The other significant changes in the organisation concern the network that has developed first between participants, and mentors and has subsequently transferred to managers. Michael feels the senior managers know the frontline managers better since they have been able to focus on improving communication through the FMI program. This means that the capabilities of the staff can be used more effectively and responsibility both delegated and accepted more readily.

Michael expects the business to benefit from the FMI activity in the long term but sees it as just one of the stepping stones towards performance improvement. His conclusion is that:

*Things are changing but it takes time building trust on both sides—shop floor and management. You need understanding for this to happen and the [FMI] course has provided that.*

Michael sees the FMI as instrumental in breaking down the barriers that existed previously in the company between management and the shop floor.

He sees this as a critical development in which the FMI is playing a major role.

## Conclusion

For every criticism about the FMI being a challenge in relation to being too text-based, there is another story about how that challenge has exposed individuals and organisations to critical learning

experiences to prepare them for a different world of managing. There is an inevitability about the increasing textualisation of organising and managing that perhaps makes such a confrontation inevitable. In some ways the FMI will represent that confrontation for many individual frontline managers. The Karpin report indicated that frontline managers were targeted for training specifically due to their lack of tertiary education. It is also interesting how other technically degree-qualified and higher degree-qualified managers are challenged by the practicality of the FMI learning processes, which is a considerable contrast to their previous theoretical experience. That the framework may fail to satisfy such extreme and diverse learning needs is unsurprising. That in most cases it can be adapted to meet such diverse needs is evidence of the adaptability of the competency-based framework

Michael may depend for his experience on the foresight of a macro-training champion in the organisation who has the vision and the power to invest in such development activity for performance improvement. Michael himself represents what each emerging FMI program needs. That is a micro training champion who can model effective practice to his peers both by his attitudes and through his portfolio of evidence.

Michael recognises the critical elements of the FMI learning experience that have made his workplace-based learning so different from his previous school-based experiences. The support he has been given and the interaction have enabled him to construct his new way of managing. This network of learning is not lost. It transfers to become a new network of managing with benefits to both the participants and the other managers who have been involved. They begin to build a culture where there is more trust and more shared responsibility. It is likely that such organisational changes will impact positively on business performance.

# Appendix 1: Selection of case studies

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## Aim of the case studies

This section considers the critical issue of the case-selection process. The team increasingly recognised the diversity of the FMI in practice. The evidence from the broad survey, focus groups and telephone interviews emphasised the key issues the case-study research phase should explore. The case studies are therefore selected for their ability to collect diverse evidence concerning the impact of FMI and the strength of the causal chain as detailed in the project aims.

- ✧ Following the telephone interviews, each state indicated the current targets for case studies.
- ✧ The following matrix provides a broad map of the diversity of both enterprise types and FMI practices. Each potential case-study site is assessed against the criteria and mapped for inclusion as one of the final case studies.
- ✧ As each case is confirmed, the character of FMI in that company is mapped on the matrix to fine-tune the remaining case selection. Time and access will limit this final selection.

## Criteria matrix for assessing the diversity of potential case studies

The potential cases were mapped according to their enterprise and FMI characteristics. The criteria used are as follows.

### Enterprise characteristics

- ✧ industry sector
- ✧ size
- ✧ location
- ✧ number of sites
- ✧ percentage of workforce employed

### FMI adoption characteristics

- ✧ FMI participant numbers
- ✧ FMI numbers as percentage of workforce employed
- ✧ strength of FMI strategy
- ✧ years of the FMI
- ✧ management development history
- ✧ strong CBT history
- ✧ direct FMI management
- ✧ sole provider or assessor
- ✧ private or public provider
- ✧ standards customised
- ✧ online FMI support

- ✧ group learning processes
- ✧ on-site learning
- ✧ in-house mentors/coaches
- ✧ voluntary joint nomination
- ✧ active strategic projects
- ✧ self-paced approach

## Selection criteria for participants in case studies

The aim of the team was to access the following enterprise personnel:

- ✧ the most senior HR/training people development manager at FMI policy level within the enterprise, preferably with an understanding of the company's current business position and trends
- ✧ the most senior manager within the enterprise with staff undergoing FMI, and with knowledge of current enterprise effectiveness, performance monitoring and with an understanding of the company's current business position and trends
- ✧ a cluster of participants who display diversity in the following characteristics: managerial level, aspirations, gender, work experience, education, training experience, primary language
- ✧ one of the participant's subordinates? This is be the most difficult interview as the interviewee is in a dependent relationship with the other managers. The selection of this person is done by negotiation with one of the FMI managers, and by asking who will give a direct 'warts and all' shop floor assessment.

The final selection is guided by the initial enterprise contact, who is given a copy of these criteria. The ethical issues that arise during in-enterprise participant selection where staff are in managerially dependent relationships are considered by the team, and all participants are made aware that they can withdraw from the research with the standard signed release form.

## The case-study data-collection

The primary thrust of the data-collection is in-depth recorded interviews with multiple personnel within the same enterprise. Observation and record-scanning are also used to develop triangulation of evidence by providing supporting or contrary evidence.

The questions are divided into five differing protocols for the four different interviewee types. It is necessary to structure the protocols so that there is different emphasis placed on the interview depending on the specialist knowledges of each of the interview participants, such as knowledge of financial data or experience as a FMI participant. Decisions had to be made between preserving the uniformity of the protocols and targeting the specialist knowledges of the participants.

It was necessary to maintain some consistency in the question areas to assist the later analysis phase and provide the option of different perspectives, on similar issues, providing supporting or contrary evidence. The case-study narratives use the case-study questions as the basic template.

The questions are clustered so that there are few lead questions, but a range of prompts for interviewees. The intention is that only the lead questions are used by each interviewer. The subsidiary questions are there to act as monitoring guide for the direction of the interviewee's response, and as secondary prompts. The protocols were amended following a team telephone conference to reflect the issues raised about subordinates, organisational culture, and the first focus group questions.

# Senior manager interview protocol

The example that follows is just one of the five similar protocols.

**1: Can you briefly describe your role and background in the organisation?**

**2: Why did you get involved with the FMI?**

- ✧ Why do you think your organisation got involved?
- ✧ Could you briefly describe your involvement with FMI and the learning processes that have developed within the enterprise?
- ✧ How did you hear about FMI, and what drove the adoption of the FMI?
- ✧ What FMI training and assessment activity is there your organisation?
- ✧ Is the FMI like you expected? What is different?

**3: What is different about individual managers since FMI?**

- ✧ What management skills have they developed? How are they better?
- ✧ What could be the reason for the difference?
- ✧ How responsible do you believe the FMI is for the difference?
- ✧ Are they developing the 'right skills'?

**4: What is different about the organisation since FMI?**

- ✧ What has changed for the better in your organisation since FMI?
- ✧ What could be the reason for the difference?
- ✧ How responsible do you believe the FMI is for the differences?
- ✧ Are you developing the 'right culture'?

**5: What is different about the business since FMI?**

- ✧ Is there a difference? In sales, service, production, profit or customer satisfaction?
- ✧ Have there been bottom-line changes
- ✧ What could be the reason for this difference?
- ✧ How responsible do you believe the FMI is for the difference?
- ✧ Are these 'good' changes for the business?

**6: Has the FMI has been effective? Who for, and how do we know?**

- ✧ What concrete examples are there of the impact of the FMI, making people, the organisation and the business more effective?
- ✧ Are your managers, more effective? How much?
- ✧ Is the organisation and organisational culture more effective? How much?
- ✧ Is the FMI making the business measurably more effective in any way? How much?

**7: Has FMI been linked to the way the business wants to go in the future?**

- ✧ Is there an organisational strategy?
- ✧ Is the organisations strategy linked to the HR strategy and how?
- ✧ Are FMI projects linked to organisational strategy?

**8: What is the greatest impact of the FMI on you, the organisation, and the business?**

**9: What additional impact would you have liked from the FMI, and how could the FMI have done this?**

This is a reduced protocol for publication purposes. The research protocol used in the study contained greater detail of participant prompts and ranges of evidence examples.