

management focus

essential management knowledge for today's leaders

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Stan Slap



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Welcome to Management Focus

... and welcome to the November/December issue.

Although small and medium-sized enterprises (SMEs) are at the forefront of employment creation and are agile or adaptable, they may face additional constraints when it comes to extending operating hours. Longer operating hours require either deeper or wider use of employees. For SMEs, the use of a wider range of employees may be difficult given their size. On the other hand, using a smaller range of employees more intensively provides an immediate and cheaper solution, although it places greater demands on just a few members of staff.

A recent study explored the relationship between working patterns and operating hours in SMEs in six European countries. A shortened version of that study and its findings is published here in this latest issue of *Management Focus*, devoted to time and management.

Stan Slap is the president of the international consulting company called, by a remarkable coincidence, "slap." He has a history of accomplishments as a CEO with as many as 5,000 employees reporting to him.

In this interview, he talks about his latest book, *Bury My Heart at Conference Room B*, makes the business case for a manager's humanity, and advises on how to help any organization achieve emotional commitment from its managers.

Finally, our latest issue of *Management Matters* discusses the subject of time and reflection. *Tempus fugit*.

Remember, log on to our website at: <http://first.emeraldinsight.com> to expand on the topics highlighted in this issue of *Management Focus*.

Best wishes,

Giles Metcalfe

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European SMEs and working time management



We know relatively little about working patterns within small and medium-sized enterprises (SMEs). Smaller firms may have inherent flexibilities, an ability to respond quickly and the potential to innovate, but their size may act as a constraint when it comes to the development and implementation of more complex working arrangements.

An establishment's operating time – daily, weekly, and yearly – is useful as a measure of performance. Operating hours assess the extent to which a company uses its available resources to produce goods and services. Operating hours capture the amount of time an organization is working over a given period and includes the time for maintenance and preparation, as well as that devoted to production or delivery of actual goods or service. By contrast, working time relates to the hours worked by employees within the organization and by focusing on the individual, it fails to capture the

organizational dimension. In some organizations, operating times may match the working times of full-time employees, but, where these are decoupled, an organization is able to operate beyond the normal working hours of its staff.

Although SMEs are at the forefront of employment creation and are agile or adaptable, they may face additional constraints when it comes to extending operating hours. Longer operating hours require either deeper or wider

use of employees. For SMEs, the use of a wider range of employees may be difficult given their size. On the other hand, using a smaller range of employees more intensively provides an immediate and cheaper solution, although it places greater demands on just a few members of staff. The development and implementation of complex working-time arrangements also makes considerable demands on management time and skills, resources that are often limited in SMEs.

“Smaller firms may have inherent flexibilities, an ability to respond quickly and the potential to innovate, but their size may act as a constraint when it comes to the development and implementation of more complex working arrangements.”

Less formal methods of extending operating time, such as overtime and the limited use of more complex working-time arrangements such as working time accounts, annualized hours, and shift work, can develop. For example, a double shift system required to decouple operating time from employee working hours with an increase from 40 to 80 hours per week, will at least double the number of employees, while additional overtime could extend operating hours while maintaining the existing workforce size. Decoupling operating hours from the working times of its employees by offering overtime, staggered working hours, shift work, Saturday work, and Sunday work also allows firms to do this.

A recent study explored the relationship between working patterns and operating hours in SMEs in six European countries. The findings confirmed some of the pre-study expectations over the limited potential for SMEs to adopt advanced forms of working-time organization and extend operating hours. The results highlighted the positive relationship between company size and operating times and the positive relationship between establishment size and the use of working time patterns likely to raise operating hours.

The use of less complex working time measures, such as overtime, does not have the same positive association with operating hours. Although a reliance on overtime is a relatively straightforward managerial strategy in SMEs, the relatively small impact on operating hours, when compared to shift work, highlights the finite nature of such an approach. However, we also found that

“One of the key decisions affecting management and employees is how to determine the proportion of employees affected by non-standard working time practices used to extend operating times.”

smaller establishments also benefit in terms of measured operating hours, demonstrating that size *per se* may not be the sole constraint in implementing complex working time practices. Thus although the opportunity for developing complex working-time arrangements may increase with company size, the benefits seem to be available to all sizes of establishments. These effects of size and working time arrangements override most sectoral differences.

Our results suggest that the influence of the regulatory environment on the use of certain working patterns or the duration of operating hours is not straightforward. However, the impact of the national regulatory frameworks can't be discounted. Both the regulation of working patterns and working time norms impact on the methods used to extend operating hours. The availability of working time options may be shaped by the regulatory framework the organization is exposed to, but the countries with relatively long operating hours – Germany and the UK – come from opposite ends of the regulatory spectrum.

A collective agreement covering working time and/or operating hours does not have a negative impact on operating times. It's possible that collective regulation limiting the hours of employees at establishment level

encourages the use of more complex working time systems and these are likely to have a positive effect on operating times. Another factor that may shape an organization's incentives or capabilities to invest in complex systems, and indeed affect current operating times, is uncertainty over future economic prospects. We might expect SMEs to experience such uncertainty to a greater degree than larger organizations, and while the surveyed countries were at similar stages of the economic cycle at the time of data collection, it is inevitable that some organizations may have been operating at capacity while others were struggling and had reduced operating hours.

We identified a number of potential constraints on SMEs that may limit the adoption of more complex working patterns, not least the smaller number of employees over which to allocate working hours and various working schedules. One of the key decisions affecting management and employees is how to determine the proportion of employees affected by non-standard working time practices used to extend operating times. For example, it is possible that, for some establishments, there is a reliance on non-standard workers working unsocial hours, placing a disproportionate burden on a small number of workers. In SMEs, personnel limitations mean that the impact on employees may be more acute. Our results show that SMEs use a smaller number of working time flexibility options to meet demands for fluctuation and extend operating hours, but that they can benefit from more complex forms of working time. However, where SMEs do use these working time measures they are used more intensely so that a greater proportion of employees are affected. While this suggests that the burden of extending operating hours falls more evenly in smaller establishments, it may also result in SMEs bringing a larger number of employees into non-standard working arrangements, and as such, working time in SMEs may create additional constraints on the work life balance of employees themselves.

This is a shortened version of “Working time management and SME performance in Europe”, which originally appeared in *International Journal of Manpower*, Volume 31, Number 4, 2010.

The authors are Mark Smith, and Stefan Zagelmeyer.





Stan Slap is the president of the international consulting company called, by a remarkable coincidence, “slap.” He has a history of accomplishments as a CEO with as many as 5,000 employees reporting to him.

How many real mysteries are left in business? Slap’s book *Bury My Heart at Conference Room B* solves one of them: why do companies stop themselves from getting what they want most from their managers? Why do managers stop themselves from getting what they want most from their companies?

Alistair Craven: Can you tell us about your professional background?

Stan Slap: Since 1985, I have been the CEO of my own international consulting company called, by a remarkable coincidence, “slap.” Clients range from the likes of Hewlett Packard to Viacom. I have been the CEO of several other companies, including stepping into WNS as a part-time president to take that 500-store retailer out of bankruptcy and onto record sales. I have served as a director of several companies, including Patagonia. Most recently in my own company, I developed the employee reengagement plans for HSBC, Europe’s largest bank, and the brand strategy for Black Entertainment Television that allowed them to rise dramatically in ratings and new viewers.

AC: Where did you find the inspiration for your latest book?

Stan Slap: I wrote *Bury My Heart at Conference Room B* to make the business case for a manager’s humanity. We lose that and everyone’s in a whole lot of trouble. We save that – manager by manager and company by company – and we’ve saved ourselves.

In case the icy hand of altruism hasn’t gripped the enterprise by the throat, I also wrote it to help any organization achieve emotional commitment from its

The case for a manager’s humanity: an interview with

Stan Slap

Interview by Alistair Craven

managers, which is worth more than their financial, intellectual and physical commitment combined.

AC: Where do you think companies traditionally make mistakes in the realm of employee engagement?

Stan Slap: With managers: companies can’t get emotional commitment from their managers because the company believes it needs to be the dominant organism in the relationship. It needs its managers to do what it wants them to do, how it wants them to do it and it needs them to place company priorities over personal priorities whenever necessary, to marginalize their own values and beliefs in favour of company goals and methods. This causes managers to have to repress their own values – and so causes them to detach emotionally from their jobs.

With employees: if a company wants employees to buy a strategy or performance goal it has to know how to sell it, which means selling to an employee culture, knowing how the culture works and how to work it. Neither business logic, nor management authority nor any compelling competitive urgency will ever convince an employee culture to adopt a corporate cause as if it were its own.

AC: What would you say to those who argue that emotional commitment is perhaps a soft and ambiguous concept with no real impact on the bottom line?

Stan Slap: *Bury My Heart at Conference Room B* is filled with testimony from real managers about the business impact they achieved due to their emotional commitment. It’s not soft stuff; it’s the stuff of hardcore results. There are many metrics of emotional commitment but the biggest won’t be seen until managers need to show it: if the company stumbles

or gets attacked, only emotionally committed managers will step up to save that. A company can’t bank that when it’s needed; you have to put it away ahead of time.

The opposite of emotional is not rational; it is detached. An emotionally detached manager culture has to be constantly bribed, bluffed and bullied – and it still won’t reliably deliver discretionary effort. A company may be successful while enduring these conditions, but for how long, at what cost, and versus what potential? What definition of success?

AC: In the promo for the book you note that most managers are in a “constant state of emotional detachment, often unrecognized by themselves or the company.” Can you elaborate on this?

Stan Slap: Financial, intellectual, and physical commitment combine to masquerade as emotional commitment. The neurobiological source of emotional commitment is the ability to live your deepest values in a relationship or environment. For a manager this means the relationship with their company and their environment at work.

Companies attempt to replicate a sense of personal values fulfilment for managers and insert corporate priorities in its place – this is a relentless, seductive fog. You have “family” as a value? That’s beautiful. This is your family right here. Now protect it by making your numbers.

This is a shortened version of “Bury My Heart at Conference Room B: an interview with Stan Slap.” To read a longer version visit <http://first.emeraldinsight.com>

Management Matters

Incisive commentary on topical business issues

Time to reflect

We have known for over half a century that executives have difficulty making time for effective reflection. They are so busy *doing* that they are unable to think about what they are doing and why they are doing it. They are overloaded with details, their attention is hijacked in counterproductive ways, and their days are driven by other people's needs and demands rather than their own priorities. They tell themselves that the situation is somehow exceptional and that they just need to make it over the next peak to find their Shangri-La. In reality, the intense levels of activity never let up.

Paradoxically, the best way to cope with this overload is to disengage. This allows executives to reassess their priorities and the proportionality of effort that they require, and to develop a fresh perspective. Having done that, they can make some

decisions about what is important, what needs to be dropped, and what needs to be done.

Returning to action with those new commitments in mind provides focus. This helps to alleviate executive workloads by providing a better diagnosis of emerging priorities. It becomes much easier to say no, to understand which trade offs to make and to concentrate on the essentials.

However, taking themselves off-line to review what has happened, to see how it's panning out, and to refocus their efforts is difficult. To shift out of action into reflection, executives must address the two key sources of inertia: some don't see the need for reflection, others can't make the time for it.

First, executives need to become aware of what's happening. One way of raising consciousness – and making the investment in reflection more legitimate – is to amplify the warning signals. Looking ahead,

executives should consider how long their current mode seems sustainable. They need to weigh up the costs and benefits of pursuing their current trajectory. From our experience with executives, these questions are easier to address with someone else than alone.

Second, executives should block out time. Executives cannot engage in complex thinking while they are busy executing. Periodically, they need to stop and ask themselves the key questions: What am I trying to do? What have I learned? Is what I'm doing taking me in the right direction with the right benefits at the right costs? This requires discipline. Executives must assign time in advance to map out their answers to these questions and ensure it is fixed in their schedules.

Cultivating receptiveness is important but so is generating ideas. Executives need to find "dialogue partners" – possibly work colleagues or external contacts – with whom they can exchange learning. People who can supply insights that will shake up the way they look at things.

The key is to introduce fresh thinking when the time is right, together with the possibility of debate without a fixed agenda. The opportunity to bring different concerns and ideas to the surface in a spontaneous fashion is the classic prelude to creativity.

This process should culminate in a new view – in line with the definition of learning as the sudden understanding of something you understood before, but in a new way. We see the problems and opportunities that were staring us in the face in a new light.

Adapted from *Strategy & Leadership*, Volume 35 Number 3.



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Final thought ...



Time is the scarcest resource and unless it is managed nothing else can be managed.

Peter Drucker



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